

## LEEDS SCHOOL FORUM

Meeting to be held in 2nd floor meeting room suite, rooms 19&20 on  
Thursday, 4th October, 2018 at 4.30 pm

### MEMBERSHIP

GOVERNORS	HEADTEACHERS
<b>Primary (6 seats)</b>	<b>Primary (7 seats)</b>
Phil Hirst      Christ Church Upper Armley Sue Knights      Little London Gillian Simpson      Shakespeare Sara Nix      Rawdon Littlemoor Deryn Porter      Cobden Primary Ritchie Halls Windmill Low Rd Federation	Peter Harris      Farsley Farfield Sarah Griggs      Valley View Julie Harkness      Carr Manor Helen Stout      Meadowfield John Hutchinson      St Theresa's Catholic Claire Harrison      Wetherby Deighton Gates Helen Stott      Allerton C of E
<b>Secondary (2 seats)</b>	<b>Secondary (3 seats)</b>
Doug Martin      Pudsey Grangefield Janice Rush      Allerton Grange	Delia Martin      Benton Park Lucie Lakin      Wetherby High tbc      tbc
<b>Special (1 seat)</b>	<b>Special (1 seat)</b>
Amanda Jahdi      East SILC	Diane Reynard      East & NW SILC
<b>Non School</b>	<b>Academies - mainstream (8 seats)</b>
Peter Best      PVI Providers Susan Knowles      PVI Providers Patrick Murphy      Schools JCC Richard Noake      Diocese of Leeds Colin Booth      16-19 Providers Angela Cox OBE      Catholic Diocese	David Gurney      Cockburn School Ken Morton      Brigshaw LP MAT & Ashtree Pri Adam Ryder      Bruntcliffe Academy John Thorne      Co-op Academy Priesthorpe Emma Lester      Woodkirk Academy Ian Goddard      Ebor Gardens/Victoria Primary Siobhan Roberts      Cockburn John Charles <a href="#">vacancy</a>
	<b>Academy – Special school (1 seat)</b>
	Scott Jacques      Springwell Leeds Academy
	<b>Academy – Alternative Provision (1 seat)</b>
	Ben Mallinson      Stephen Longfellow Academy
Apologies to <b>Vicki White</b>	Tel: 0113 378 3594
7 <sup>th</sup> Floor West, Merrion House Merrion Way, LS2 8BB	Email: <a href="mailto:vicki.white@leeds.gov.uk">vicki.white@leeds.gov.uk</a>

## A G E N D A

Item No	Title	Lead	Time	Purpose
1.	<b>WELCOME AND APOLOGIES</b>		<b>16:30</b>	<b>For information</b>
2.	<b>ELECTION OF CHAIR AND VICE CHAIR</b>  Outgoing Chair to lead		<b>16:35</b>	<b>For decision</b>
3.	<b>MINUTES OF PREVIOUS MEETING</b> <i>5 - 12</i>		<b>16:45</b>	<b>For decision</b>
4.	<b>MATTERS ARISING</b>		<b>16:50</b>	<b>For information</b>
5.	<b>SCHOOL BALANCES UPDATE 2018/19</b>  See attached <i>13 - 28</i>		<b>17:00</b>	<b>For information</b>
6.	<b>DSG BUDGET MONITORING 2018/19 MONTH FIVE</b>  See attached <i>29 - 34</i>		<b>17:20</b>	<b>For information</b>
7.	<b>HIGH NEEDS PROJECTIONS TO 2021/22</b> <i>35 - 44</i>		<b>17:45</b>	<b>For information</b>
8.	<b>SCHOOL FUNDING UPDATE 2019/20</b>  See attached <i>45 - 60</i>		<b>18:10</b>	<b>For information</b>
9.	<b>ANY OTHER BUSINESS</b>			<b>For decision</b>

10.	NEXT MEETING			For decision
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### LEEDS SCHOOLS FORUM

Minutes of the meeting held on Thursday 14 June, 2018 at Civic Hall (4:30PM – 6:00PM)

<u>Membership</u> ( <i>Apologies in Italics</i> )	
<u>GOVERNORS</u>	<u>HEADTEACHERS</u>
<b>Primary (6 seats)</b>	<b>Primary (7 seats)</b>
Phil Hirst <i>Christ Church Upper Armley</i>	Peter Harris <i>Farsley Farfield</i>
Sue Knights <i>Little London &amp; Alwoodley</i>	Sarah Griggs <i>Valley View</i>
Gillian Simpson <i>Shakespeare</i>	Julie Harkness <i>Carr Manor</i>
Sara Nix <i>Rawdon Littlemoor</i>	Helen Stout <i>Meadowfield</i>
Deryn Porter <i>Cobden Primary</i>	John Hutchinson <i>St Theresa's</i>
Richard Halls <i>Windmill Low Rd Federation</i>	Claire Harrison <i>Wetherby Deighton Gates</i>
	Helen Stott <i>Allerton C of E</i>
<b>Secondary (2 seats)</b>	<b>Secondary (3 seats)</b>
Doug Martin <i>Pudsey Grange</i>	Delia Martin <i>Benton Park</i>
Janice Rush <i>Allerton Grange</i>	Vacancy
	Vacancy
<b>Special (1 seat)</b>	<b>Special (1 seat)</b>
Amanda Jahdi <i>East SILC</i>	Diane Reynard <i>East SILC</i>
<b>Non School</b>	<b>ACADEMIES – Mainstream (8 seats)</b>
Peter Best <i>PVI Providers</i>	David Gurney <i>Cockburn School</i>
Susan Knowles <i>PVI Providers</i>	Mike Gidley <i>White Rose Academies Trust</i>
Patrick Murphy <i>Schools JCC</i>	Ken Morton <i>Brigshaw LP MAT &amp; Ashtree</i>
Richard Noakes <i>Diocese of WY &amp; Dales</i>	Adam Ryder <i>Bruntcliffe Academy</i>
Steve Kelly <i>Leeds College of Building</i>	John Thorne <i>Co-op Academy Priesthorpe</i>
Angela Cox OBE <i>Catholic Diocese</i>	Emma Lester <i>Woodkirk Academy</i>
	Ian Goddard <i>Ebor Gardens/Victoria Primary</i>
	Siobhan Roberts <i>Cockburn John Charles</i>
	<b>Academy – Special</b>
	Scott Jacques <i>Springwell Leeds Academy</i>
	<b>Academy – Alternative Provision</b>
	<i>To be confirmed</i>
<b>Local Authority Reps:</b>	
Steve Walker, Director Children & Families	Louise Hornsey, Principal Financial Manager
Sue Rumbold, Chief Officer Partnerships	Simon Criddle, Head of Finance
Tim Pouncey, Chief Officer Strategy & Resources	
<b>Minutes:</b>	
Mark Thompson, Leadership Assistant	

Item		Action
<b>1.0</b>	<b>Apologies, introductions &amp; future membership</b>	
1.1	Peter Harris (Chair) extended a warm welcome to members and observers, and formally introduced new representatives. Apologies were noted.	TP
1.2	PH reported on his recent part-time secondment to the Children and Families directorate, and advised members this would be his last Schools Forum meeting as Chair, due to his term of office reaching two years and his secondment. Schools Forum agreed to his chairing of this meeting.	
1.3	Tim Pouncey asked members to consider nominating themselves for the positions of Chair or Vice Chair, as both are now vacant. We have historically rotated between head teachers and governors, which we would ideally like to maintain. Discussion followed on the workload involved. PH advised it is not overly time-consuming and typically consists of a useful pre-meeting with Simon Criddle/Louise Hornsey to discuss the papers and make revisions as appropriate. One member expressed an interest, but would like to give it some more consideration.	
<b>2.0</b>	<b>Minutes of the 22<sup>nd</sup> February 2018 meeting</b>	
2.1	The minutes were agreed as a true record, subject to the amendments detailed below.	
2.2	<p>PH reported on an e-mail he had received from Sir John Townsley objecting to items 2.5 and 2.6. It was suggested the minutes be revised as follows (revisions are in italics), which Schools Forum agreed to:</p> <p>2.5 Discussion was had around AIPs and the in-year underspend against the exceptional place funding. PH requested more detail around the underspend and felt there should be sizeable clawback. Helen Stott (Allerton C of E) queried how much of it relates to places at The Stephen Longfellow Academy. AE advised that the base funding element ultimately comes from the High Needs Block <i>from Sept 2019</i>. PH asked what amount of the underspend had been returned to the High Needs Block, but Simon Criddle advised the figure was not yet available.</p> <p><i>Requested clarification: Sir John Townsley, CEO of TGAT, wrote to Peter Harris on Wed 13th June on this issue. He has requested that it is noted that an additional £3.5 million will have come into the city in the first two years of the Stephen Longfellow Academy, as well as £10.3 million of capital funding.</i></p> <p>2.6 Further discussion ensued on The Stephen Longfellow Academy and a <i>reported</i> disproportionate representation of GORSE Academies Trust and partner school/academy pupils. AE advised this matter had been challenged, but Stephen Longfellow is an academy and can essentially choose its own admissions criteria. SW added that the local authority plans to look into this issue. PH queried whether members could have access to the original proposal or agreement to check whether the school was delivering on the admission arrangements that had been agreed initially. David Gurney (Cockburn School) reported on capacity issues caused by temporary accommodation, which should hopefully be alleviated once permanent accommodation opens in September. Members requested an update in due course.</p> <p><i>Requested clarification: Sir John Townsley, CEO of TGAT, wrote to Peter Harris on Wed 13th June on this issue. He has stated that the secondary provision was always intended for TGAT and partner schools' students, whereas the admissions policy for primary age children</i></p>	

	<p><i>is more open to pupils across the city. He reported that the primary pupil profile in Stephen Longfellow is more reflective of the wider city. He states that the LA endorsed this policy at the time of the free school application and has never challenged any disproportionate representation of TGAT students in Stephen Longfellow since it opened.</i></p> <p>In addition, PH requested that a future update be given on The Stephen Longfellow Academy by means of a dedicated agenda item.</p>	<b>SW</b>
2.3	Item 4.7: Tim Pouncey circulated a handout detailing the Northpoint Wellbeing contract.	
2.4	Item 6.9: Simon Criddle advised that a high-level update had now been produced around the medium-term financial plan for the High Needs Block, and that a more detailed report would be presented at October's Schools Forum meeting.	
<b>3.0</b>	<b>Matters arising</b>	
3.1	No items discussed.	
<b>4.0</b>	<b>School and extended school balances 2017/18</b>	
4.1	Prior to presenting the report, Louise Hornsey reported on a verbal update received from the ESFA around implementation of the national funding formula. We are currently in a transitional period (which applies to 2018/19 and 2019/20), and the full national funding formula was expected to be in place for 2020/21. However, we have now been verbally told this may be delayed. An update will be provided once more is known. PH asked about the cap on gains, to which LH advised it is likely to continue to apply. Steve Walker met with DfE and ESFA national representatives, who were sympathetic to our situation, but no indication was given that we would receive any additional funding.	<b>LH</b>
4.2	LH presented highlights from the School and Extended School Balances 2017/18 report, which provides an update on closing balances for the previous financial year.	
4.3	LH advised that there was a net surplus balance of £25.4m at the end of 2017/18 for schools and extended schools, which is a reduction of £4.2m compared to 2016/17 (£29.6m). Within this, balances for schools have decreased from a surplus of £20.6m at the end of 2016/17 to £18m at the end of 2017/18. This is an improved position compared to the budgets set with schools at the beginning of 2017/18, which had indicated that school balances would fall to £10.7m.	
4.4	In terms of 2017/18 school balances, the average balances for schools by phase are primary schools carry an 8.3% surplus, secondary schools a 0.4% deficit, and special schools a 1.7% deficit.	
4.5	LH reported there are 23 schools in total where balances are above 15% of the school budget share at the end of 2017/18. There are eight schools where balances have remained greater than 15% over three successive financial years, so they have been asked to complete an application if they wish to retain this excess balance. LH advised that these applications will be considered by the Schools Forum Panel before the final decision is made by the Director of Children and Families.	

4.6	The remaining 15 schools (all primaries) that have balances over the 15% threshold are not subject to clawback, as the balance has not been over the 15% threshold for three consecutive years. However, the LA has still written to these schools asking them to explain how this balance has arisen and detail their plans for spending this.	
4.7	Although there was an overall surplus of £18m for schools at the end of 2017/18, within this some schools have been operating with deficit balances. The number of schools with a closing deficit balance has increased by one since the end of 2016/17, with a total of 27 schools carrying forward a deficit from 2017/18. The value of the deficit balances has increased by £1.7m during 2017/18 to a closing balance of £5.7m.	
4.8	The balances for individual schools are detailed in the appendix to the meeting papers. LH invited members to ask her any questions they might have.	
4.9	LH spoke about deficit balances and the work ongoing to develop budget action plans with schools in deficit and ensure an appropriate level of challenge and support is being provided. There are a number of actions the LA can take when a school is in deficit (outlined in the report). A further update will be provided to Schools Forum on deficit action plans later in the year.	
4.10	PH asked how many schools had requested support this year. LH advised that a final position was not yet available, but there was likely to be more call this year on schools in financial difficulties funding.	
4.11	Ken Morton (Brigshaw LP MAT & Ashtree) remarked on secondary school deficits and the need to proactively manage risk. Simon Criddle assured members of an awareness within the LA of this risk, and advised that the deficit policy is being reviewed.	
4.12	Claire Harrison (Wetherby Deighton Gates) questioned why LA finance officers don't appear to have the impact on secondary schools that they might in primary. LH advised that secondary schools are struggling more financially than primary, and acknowledged that the LA needs to ensure appropriate support is provided, hence a review of the deficit policy.	
4.13	PH drew attention to the significant change in some school balances detailed in the report's appendix, and asked whether the finance team was aware this was happening, and what could be done to stop it from happening. LH advised that she could not go into detail on individual schools, but it could be down to factors like than an adverse Ofsted judgement.	
4.14	Adam Ryder (Bruntcliffe Academy) remarked on primary school surpluses, and asked whether primary and secondary schools are funded under the same mechanism. LH advised that there were a number of differences in both the funding (e.g. different rates of aged-weighted pupil funding) and also in cost pressures between primary and secondary schools, which mean that, whilst there are financial challenges for all schools, the scale could be greater for secondary schools.	
4.15	David Gurney (Cockburn School) remarked on the significant deficits in some special schools and questioned whether this was down to the underfunding. SC advised that there is currently a review on SILC funding and a letter had also been written to the Secretary of State for Education over the underfunding of the High Needs Block in Leeds. Sue Rumbold added that a report will be presented at October's meeting on the funding review.	



4.16	Scott Jacques (Springwell Leeds Academy) remarked on the continuing trend of surplus balances for Area Inclusion Partnerships, and noted that this is High Needs funding. LH advised that there had been a clawback of £250k, but some of the surplus is around contingency planning.	
4.17	Adam Ryder (Bruntcliffe Academy) asked what plans are in place to meet basic needs. SW said that this was a key priority for the Council, but that there was a significant shortfall in the funding provided by the government through the Basic Needs Grant compared to the costs of providing the additional places.	
<b>5.0</b>	<b>Free school meal eligibility changes</b>	
5.1	LH presented highlights of the Free School Meal Eligibility Changes report, in response to a query raised at the previous Schools Forum meeting by John Thorne (Co-op Academy Priesthorpe) regarding the proposals.	
5.2	In November 2017, the DfE started a consultation on new eligibility criteria and had predicted that their proposals would mean around 50,000 more children would receive free school meals by 2022. However, it was not clear whether pupil premium rates would stay the same or whether rates would reduce due to increased demand for funding. The DfE has now published a response to the consultation which provides details of changes to eligibility criteria and funding arrangements. Within this there is no indication of any changes to pupil premium rates, and the published rates for 2018/19 are at the same level as they were for 2017/18.	
5.3	LH also reported that the consultation response states that the DfE will provide additional funding to schools to recognise the increase in the number of free school meals they will be providing. This will be in the form of an additional school-level meal cost grant for 2018/19 and 2019/20.	
5.4	Schools Forum was asked to note the DfE changes relating to eligibility for free school Meals.	
<b>6.0</b>	<b>SEMH provision set-up funding</b>	
6.1	LH presented highlights of the SEMH Provision Set-Up Funding report, which was requested by members at the Schools Forum meeting in February. This request was made following a report to Schools Forum on set up funding available to new mainstream schools through the Growth Fund. The report sets out details of the revenue set-up funding paid to Springwell Leeds by the LA, the process by which this was approved, differences in funding compared to the Growth Fund, and the arrangements for monitoring outcomes for pupils.	
6.2	LH advised that the revenue funding provided for Springwell Leeds for set up costs is detailed at item 2.1.3 in the report.	
6.3	In terms of comparison with the Growth Fund, new mainstream schools set up by the local authority receive some set up funding through the Growth Fund, which is established each year through a top slice of the Schools Block following approval by Schools Forum. Up to £115k is payable to a new single site mainstream school, depending on size and phase. Additional funding is also available for rental costs due to growth, and to provide equipment for pupils.	

6.4	LH explained that funding for special schools is provided through the High Needs Block and there is no requirement for the LA to develop a Growth Fund for special schools. Any decisions on set up funding are instead made on a case-by-case basis and in line with the council's formal decision making process. The unique and complex nature of the project to develop the Springwell Leeds multi-site SEMH provision has meant that the set up costs for this have been higher than those payable to a mainstream school under the Growth Fund. Details of the reasons for this are set out in the report, and include the nature of the project and pre-opening staffing costs.	
6.5	LH assured Schools Forum that monitoring arrangements are in place in terms of outcomes and performance.	
6.6	Diane Reynard (East SILC) commented on a poor BESD provision and buildings being in a poor state, and questioned what the LA could do to ensure a situation like this does not happen again. SW acknowledged the challenges faced, but assured Schools Forum that the LA is determined to support schools as best it can. He added that the issue had been raised with the DfE, but the national picture is one of insufficient funds going into schools.	
<b>7.0</b>	<b>DSG outturn report 2017/18</b>	
7.1	Simon Criddle presented highlights of the DSG Outturn Report 2017/18, which details the final 2017/18 outturn on the Dedicated Schools Grant (DSG) and provides a high-level update on some key issues that are likely to have an impact on the 2018/19 financial position.	
7.2	SC reported on an overall in-year underspend of £0.782m on general DSG. This has been used to reduce the deficit balance brought forward from 2016/17 of £4.161m, which means there is a deficit balance on general DSG of £3.379m to be carried forward to 2018/19. This is an improvement of £0.554m on the position that was reported to Schools Forum members in February, which equates to 0.13% variance of the projected expenditure. The most significant area of overspend is on the High Needs Block, though the overspend is less than forecast in February.	
7.3	There was an in-year overspend of £0.103m on de-delegated DSG. A surplus of £0.528m was brought forward from 2016/17 making a total year end surplus of £0.425m to be carried forward into 2018/19.	
7.4	SC referred members to section 1.5 of the report, which provided a summary of the outturn position. SC advised that there is no significant change on what was projected. He added, however, that one of the reasons for the underspend is because the deficit on repaying North West SILC has been deferred until 2018/19.	
7.5	PH remarked on the £418k SEN Inclusion Fund underspend, and asked what would be done to encourage greater take-up. It was advised that the process for requesting SENDIF has been simplified for 2018/19 with settings able to apply directly to the fund rather than a professional referral being required. The rate is set at a level just below the value of FFI, in line with the tiered approach of support available to SEN.	
7.6	DR commented on some services receiving an increase for pay award, yet schools have not received it. SC advised that an assumption was built in to those costs of 2% to represent the pay award when the five-year budget model was worked on.	

7.7	DR also commented on the outside placements and external residential placements budget overspend. SC advised this is a reflection of the associated high cost. Although a number of placement pupils have been brought back into Leeds, it has not been possible to reduce the costs sufficiently to prevent this overspend. SR reported on plans to potentially open a new residential children's home in Leeds. Schools Forum requested a paper outlining the types of fees being charged for external placements.	SC
7.8	DG remarked on the new secure residential free schools that the government has announced and asked about the LA's view. SW reported on the current facilities available at Adel Beck Secure Children's Home and discussions taking place with its manager on whether we would look into it.	
7.9	AR asked for an update on the North West SILC conversion to academy status and what steps were being taken to prevent the deficit increasingly markedly again. SC advised that if conversion does happen, the cost will have to come from the High Needs Block. Work is ongoing with the SILC on the 2018/19 budget, though there is a risk that the deficit could increase. DR provided a brief update on future plans for the SILC and efforts being made to recruit staff and pupils.	
7.10	SC provided an update on the High Needs Block and overall DSG future year projections. Based on current estimates and assuming a contribution of £1m a year to reduce the deficit DSG, further savings or increased funding is required to balance the high needs budget in the next three years. For 2019/20 this could be achieved by transferring funding from the schools and central services to schools blocks, although this would be subject to further consultation with schools and approval from Schools Forum. However, this option is unlikely to be available for future years.	
7.11	SC reminded members that there is still a high level of uncertainty on funding levels from 2020/21 onwards, as this is subject to a comprehensive spending review. It is assumed that the 3% cap on gains will remain and the estimated value of this cap is shown in the report's appendix.	
7.12	Options for balancing the DSG will be reported at the October 2018 Schools Forum meeting. Members requested that options are modelled and presented to Schools Forum in a timelier manner than they were this academic year.	
8.0	AOB	
8.1	SW formally thanked PH for chairing Schools Forum over the past two years.	
8.2	SW reported on the recent appointment of a new Deputy Director for Learning (Phil Mellen), who is hoped to be in post by September.	
9.0	Meeting dates for 2018-2019	
9.1	Schools Forum agreed to the following meeting dates for 2018/19:  - Thursday 04/10/2018 - Thursday 22/11/2018 - Thursday 17/01/2019	

	<ul style="list-style-type: none"><li>- Thursday 21/02/2019</li><li>- Thursday 13/06/2019</li></ul>	
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## Report of the Director of Children and Families

### Report to the Leeds Schools Forum

Date: 4<sup>th</sup> October 2018

Subject: School Balances Update 2018/19

Report Author: Louise Hornsey

Contact telephone number: 0113 3788689

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### Summary of main issues

1. An £18m surplus is currently projected for school and extended school balances for 2018/19, a reduction of £7.3m compared to 2017/18.
2. For 2018/19, 178 out of 200 schools have set a budget that shows either a closing surplus or balanced budget position.
3. 22 schools (11%) have set budgets with closing deficit balances in 2018/19, a reduction of 5 schools compared to 2017/18. Of these, 17 schools are projecting deficit balances greater than £10k. Overall the total value of deficits is budgeted to reduce by £163k to £5.57m.
4. Work is being carried out with schools in deficit to provide support and challenge, taking into account the level of risk associated with individual budgets. A proposal has been put forward for the Schools Forum panel to support this work by providing additional challenge on deficit budgets.

### Recommendations

5. Schools Forum is asked to note the current position on school balances and provide a view on the proposal that the Schools Forum panel provides additional challenge on schools with deficit budgets.

## 1 Background information

- 1.1 Year-end balances for schools and extended schools roll forward to the following year, subject to clawback of funding in some cases where excess surplus balances are held.
- 1.2 School balances are subject to clawback where the surplus balance has been more than 15% of the Individual Schools Budget for three consecutive years. The Individual Schools Budget is the sum of the Dedicated Schools Grant (DSG) and funding provided from the Education and Skills Funding Agency for post-16 expenditure.
- 1.3 Surplus balances held by AIPs are also subject to clawback. Other balances held by schools for extended services and collaborative projects are not subject to clawback, as they are not directly funded through the DSG.
- 1.4 Schools with projected deficit balances above a certain threshold are required to submit a deficit action plan detailing how the budget will be brought back into balance.

## 2 Main issues

### 2.1 Summary balances

- 2.1.1 The overall surplus balance for schools and extended schools has been decreasing over recent years. The position at the end of 2017/18 was a net surplus of £25.4m, which is a reduction of £4.2m compared to 2016/17 when the closing surplus balance was £29.6m. The closing 2017/18 balances were provided to Schools Forum at the June 2018 meeting and have been attached as an appendix again to this report for information.
- 2.2 An £18m surplus is currently projected for school and extended school balances for 2018/19, a reduction of £7.3m compared to 2017/18. Further details are provided in the table below.
- 2.3 Projections for 2018/19 have been based on approved budget models plus an adjustment for previous year trends, which takes into account the fact that school balances have historically improved during the year compared to the approved budget.

Table 1 – School and extended school balances 2017/18 to 2018/19

	2017/18 outturn	2018/19 projection	Movement
	£000	£000	£000
Schools	-17,985	-13,585	4,400
School-led Extended Services (e.g. after school clubs)	-2,776	-1,667	1,109
Area Inclusion Partnerships	-1,535	-858	677
Children's Centres	-321	-457	-136
Clusters	-2,746	-1,456	1,290
<b>Total schools and extended schools balance</b>	<b>-25,363</b>	<b>-18,023</b>	<b>7,340</b>

## 2.4 School balances

### Surplus balances

- 2.4.1 In total there were 23 schools with balances above 15% of the school budget share at the end of 2017/18. This was the same number of schools as in 2016/17.
- 2.4.2 There were eight schools where balances have remained greater than 15% over three successive financial years. These are all primary schools and they were asked to complete an application to retain their excess balance. These applications will be considered by the Schools Forum Panel and recommendations will be made to the Director of Children and Families who will make the final decision regarding any clawback.
- 2.4.3 For 2018/19, 178 out of 200 schools have set a budget that shows either a closing surplus or balanced budget position.

### Deficit balances

- 2.4.4 Although there is an overall surplus projected for schools of £13,585k at the end of 2018/19, within this some approved budgets show closing deficit balances. The total value of deficits is budgeted to reduce by £163k to £5,571k. This reduction is partly due to one school with a deficit balance converting voluntarily to an academy during 2018/19.
- 2.4.5 22 schools (11%) have set budgets with closing deficit balances in 2018/19, a reduction of 5 schools compared to 2017/18. Of these, 17 schools are projecting deficit balances greater than £10k. Note that these figures are based on approved school budgets and have not been adjusted for any potential in-year changes based on previous trends, due to the difficulty in estimating this at individual school level.

Table 2 – School deficit balances

2016/17 outturn		2017/18 outturn		2018/19 budget		Movement 2017/18 to 2018/19	
£000	Number	£000	Number	£000	Number	£000	Number
4,035	26	5,734	27	5,571	23	-163	-5

- 2.4.6 Benchmarking carried out in previous years with other local authorities has shown that Leeds compares well in terms of the average percentage of schools in deficit. Benchmarking of the 2017/18 balances will be carried out when the relevant data has been released later in 2018/19.
- 2.4.7 Of the 17 schools with a projected deficit greater than £10k in 2018/19, 7 have submitted a deficit action plan and we are working with the remaining 10 to develop a plan for bringing the budget back into balance. Any issues arising from this work have

been escalated to Children and Families to consider further action that may be needed.

- 2.4.8 In particular, we have been working closely with North West SILC to identify options for savings and provide additional financial advice. The closing 2018/19 deficit is currently projected to be £1,761k, an increase of £406k compared to 2017/18 when the deficit was £1,355k. We are awaiting an agreed final budget position from the Interim Executive Board so it is possible that the projection may change. In particular, the NW SILC has recently obtained agreement that newly qualified teachers can now be employed which should help to improve the budget position moving forward. For 2019/20 it may be possible to balance the in-year budget, however further work needs to be completed to finalise some assumptions, particularly around increases in pupil numbers.
- 2.4.9 We have also been progressing work to review the processes relating to all school deficit budgets so we can ensure an appropriate level of challenge and support is being provided.
- 2.4.10 We have reviewed the deficit action plan template and will implement a revised version during budget reviews with schools in the Autumn term. This should improve monitoring and accountability which will support prompt challenge of any targets that are not achieved.
- 2.4.11 Actions that are available to the council when a school is in deficit include:
- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school.
  - Insisting that an appropriately trained/qualified person chairs the finance committee of the governing body.
  - Placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the council.
  - Insisting on regular financial monitoring meetings at the school attended by council officers.
  - Requiring a governing body to use the council's financial management systems.
  - Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share (e.g. by requiring a school to submit income projections and/or financial monitoring reports on such activities).
  - If a school does not comply with the approved action plan and fails to clear the deficit within the agreed period, financial delegation could ultimately be removed as empowered under Section 51 of the School Standards and Framework Act 1998.



- 2.4.12 The Schools Finance Officers already work closely with schools to support them with their budgets and provide challenge where deficits exist or are anticipated in future years. Depending on the issues faced by particular schools this work has included actions such as financial health checks, benchmarking of costs, more frequent budget monitoring visits and attendance at relevant school meetings. We will continue to provide this support and challenge, and will consider what level of additional monitoring may be required as part of the approval of any deficit action plans.
- 2.4.13 One option to provide additional challenge on deficit budgets would be to use the existing Schools Forum panel to review and challenge schools' deficit action plans and we would appreciate the views of Schools Forum on this as a potential option.
- 2.4.14 The Schools Finance team has arrangements in place to share any concerns over a school's financial position with the council's School Improvement team and HR service. These arrangements will continue and we will also look at other ways to share relevant information across council services.
- 2.4.15 Once a school has been served with an academy order, the Schools Finance Officers will work with the school to reduce the risk of deficit balances increasing. This includes carrying out checks to ensure that expenditure relating to the new academy is not recorded against the school's accounts. Where a deficit balance reverts to the council, we will review what lessons can be learned to reduce the risk of this occurring again in future.
- 2.4.16 We will also continue to share good practice with other local authorities and the ESFA through regular regional meetings. We are currently reviewing whether there is any good practice within other authority's schemes that could be replicated in Leeds. We have also strengthened our internal reporting arrangements and have raised the issue of increasing school deficits with senior leadership within the council.

### **3 Recommendations**

- 3.1 Schools Forum is asked to note the current position on school balances and provide a view on the proposal that the Schools Forum panel provides additional challenge on schools with deficit budgets.

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Appendix 1 - School and Extended School Balances as at 31st March 2018

Notes:  
Deficits are shown as positive figures, and surpluses are negatives  
Schools shaded in grey have converted to academies  
Extended Services Balances relate to School-led Children's Centres, Before and After School Clubs, AIPs and Clusters

	Balances at 31st March 2017			Balances at 31st March 2018			Change in Balances					
School Name	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
PRIMARY SCHOOLS												
Pool-in-Wharfedale C of E Voluntary Controlled Primary School	£125,984	-£2,949	£123,035	£146,039	-£1,928	£144,111	£20,055	£1,021	£21,076	18.7%		
Gledhow Primary School	-£2,763	£0	-£2,763	£154,673	£0	£154,673	£157,436	£0	£157,436	7.3%		
Barwick-in-Elmet C of E Voluntary Controlled Primary School	-£15,015	-£20,266	-£35,282	£39,723	-£9,507	£30,216	£54,739	£10,759	£65,497	4.9%		
Harewood C of E Voluntary Controlled Primary School	£1,176	£0	£1,176	£18,746	£0	£18,746	£17,570	£0	£17,570	4.0%		
Armley Primary School	£15,199	£2,920	£18,119	£27,021	£10,964	£37,984	£11,821	£8,044	£19,865	3.1%		
Woodsford Primary School	-£8,336	-£397	-£8,733	£49,397	-£61	£49,336	£57,733	£337	£58,070	3.1%		
Low Road Primary School	-£19,344	£0	-£19,344	£22,754	£0	£22,754	£42,098	£0	£42,098	2.7%		
Tramere Park Primary School	-£42,192	-£88,918	-£131,110	£29,649	-£173,696	-£144,047	£71,840	-£84,778	-£12,938	2.6%		
Bracken Edge Primary School	-£91,252	£0	-£91,252	£51,232	£0	£51,232	£142,485	£0	£142,485	2.5%		
Drighlington Primary School	-£32,895	-£11,216	-£44,111	£32,793	-£2,370	£30,423	£65,688	£8,846	£74,534	2.1%		
Millfield Primary School	-£18,493	-£12,952	-£31,445	£36,043	-£28,041	£8,002	£54,535	-£15,089	£39,446	2.0%		
Westwood Primary School	£28,201	£0	£28,201	£23,482	£0	£23,482	-£4,719	£0	-£4,719	1.8%		
Adel Primary School	-£18,323	-£47,843	-£66,166	£8,594	-£47,124	-£38,529	£26,917	£720	£27,637	0.9%		
Bramhope Primary School	-£129,514	£0	-£129,514	£5,877	£0	£5,877	£135,391	£0	£135,391	0.6%		
Park Spring Primary School	-£60,279	-£6,700	-£66,979	£8,229	-£13,114	-£4,886	£68,508	-£6,415	£62,093	0.5%		
Horsforth Newlaithes Primary School	£22,210	£12,159	£34,369	£5,298	-£13,564	-£8,266	-£16,912	-£25,723	-£42,636	0.4%		
Shadwell Primary School	-£44,068	£12,175	-£31,893	£2,706	£0	£2,706	£46,774	-£12,175	£34,599	0.3%		
Westbrook Lane Primary School	-£7,268	£0	-£7,268	£704	£0	£704	£7,973	£0	£7,973	0.1%		
Christ The King Catholic Primary School	£74,233	£0	£74,233	£0	£0	£0	-£74,233	£0	-£74,233	0.0%		
Kippax North Junior and Infant School	£0	-£87,952	-£87,952	£0	-£50,407	-£50,407	£0	£37,545	£37,545	0.0%		
Kippax Ash Tree Primary School	-£78,206	-£2,113	-£80,320	£0	£0	£0	£78,206	£2,113	£80,320	0.0%		
Richmond Hill Primary School	-£167,978	£224	-£167,753	£0	£0	£0	£167,978	-£224	£167,753	0.0%		
Pudsey Tyersal Primary School	-£99,761	£0	-£99,761	£0	£0	£0	£99,761	£0	£99,761	0.0%		
Pudsey Waterloo Primary	-£243,791	-£152,569	-£396,360	£0	£0	£0	£243,791	£152,569	£396,360	0.0%		
Pudsey Primrose Hill Primary School	-£226,570	-£196,841	-£423,411	£0	£0	£0	£226,570	£196,841	£423,411	0.0%		
Hunslet St Mary's C of E Primary School	-£20,496	£0	-£20,496	-£347	£0	-£347	£20,150	£0	£20,150	0.0%		
St Matthew's C of E Aided Primary School	£19,840	£0	£19,840	-£2,152	£0	-£2,152	-£21,992	£0	-£21,992	-0.1%		
Robin Hood Primary School	-£78,815	-£48,256	-£127,071	-£2,371	-£45,548	-£47,920	£76,444	£2,708	£79,151	-0.2%		
St Margaret's C of E Voluntary Controlled Primary School	-£23,678	£0	-£23,678	-£3,342	£0	-£3,342	£20,337	£0	£20,337	-0.2%		
Blackgates Primary School	-£177,557	-£40,548	-£218,104	-£8,993	-£22,438	-£31,431	£168,564	£18,109	£186,674	-0.5%		
Summerfield Primary School	-£6,173	-£2,977	-£9,150	-£6,302	-£415	-£6,717	-£129	£2,562	£2,433	-0.6%		
Parklands Primary School	-£2,255	£0	-£2,255	-£11,353	£0	-£11,353	-£9,098	£0	-£9,098	-0.7%		

# Appendix 1 - School and Extended School Balances as at 31st March 2018

Notes:

Deficits are shown as positive figures, and surpluses are negatives

Schools shaded in grey have converted to academies

Extended Services Balances relate to School-led Children's Centres, Before and After School Clubs, AIPs and Clusters

	Balances at 31st March 2017			Balances at 31st March 2018			Change in Balances					
School Name	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
Beeston Primary School	£52,360	£0	£52,360	-£21,036	-£760	-£21,796	-£73,396	-£760	-£74,156	-0.9%		
Calverley C of E Voluntary Aided Primary School	-£51,288	£0	-£51,288	-£12,289	£0	-£12,289	£38,999	£0	£38,999	-1.0%		
Kirkstall St Stephen's C of E Primary School	£906	-£23,954	-£23,048	-£9,470	£1,949	-£7,521	-£10,375	£25,903	£15,527	-1.1%		
St James' C of E Voluntary Controlled Primary School	-£42,224	£0	-£42,224	-£6,765	£0	-£6,765	£35,459	£0	£35,459	-1.4%		
Weetwood Primary School	£20,489	-£25,452	-£4,964	-£14,057	-£46,851	-£60,908	-£34,546	-£21,399	-£55,945	-1.5%		
Windmill Primary School	£29,930	-£91,921	-£61,991	-£38,154	-£14,102	-£52,256	-£68,083	£77,819	£9,736	-1.9%		
Brodetsky Primary School	£83,492	£0	£83,492	-£22,564	£0	-£22,564	-£106,056	£0	-£106,056	-2.1%		
Micklefield C of E Voluntary Controlled Primary School	£1,615	£0	£1,615	-£11,316	£0	-£11,316	-£12,931	£0	-£12,931	-2.2%		
Greenmount Primary School	-£140,277	£0	-£140,277	-£44,547	£0	-£44,547	£95,730	£0	£95,730	-2.2%		
Westroyd Primary School and Nursery	-£88,125	-£5,473	-£93,598	-£18,029	-£7,060	-£25,089	£70,097	-£1,587	£68,509	-2.2%		
St Francis of Assisi Catholic Primary School	-£28,747	£0	-£28,747	-£24,645	£0	-£24,645	£4,102	£0	£4,102	-2.6%		
Whinmoor St Paul's C of E Primary School	£4,028	£0	£4,028	-£22,459	£0	-£22,459	-£26,487	£0	-£26,487	-2.6%		
Rosebank Primary School	£8,484	£0	£8,484	-£37,967	£0	-£37,967	-£46,452	£0	-£46,451	-2.8%		
Christ Church Upper Armley C of E Voluntary Controlled Primary	-£93,007	£0	-£93,007	-£23,615	£0	-£23,615	£69,392	£0	£69,392	-2.8%		
Thorner C of E Voluntary Controlled Primary School	-£24,664	£0	-£24,664	-£20,685	£0	-£20,685	£3,979	£0	£3,979	-2.9%		
Beeston Hill St Luke's C of E Primary School	-£99,175	£0	-£99,175	-£50,346	£0	-£50,346	£48,829	£0	£48,829	-3.1%		
St Theresa's Catholic Primary School	-£80,238	£2,682	-£77,556	-£53,294	-£6,349	-£59,643	£26,944	-£9,031	£17,912	-3.1%		
Strawberry Fields Primary School	-£38,219	-£12,001	-£50,220	-£40,230	-£31,788	-£72,018	-£2,012	-£19,786	-£21,798	-3.2%		
Hunslet Moor Primary School	-£122,800	-£1,482	-£124,282	-£52,477	£165	-£52,311	£70,323	£1,647	£71,970	-3.4%		
Chapel Allerton Primary School	-£107,718	£0	-£107,718	-£63,350	£0	-£63,350	£44,368	£0	£44,368	-3.5%		
Bramley St Peter's C of E Voluntary Controlled Primary School	-£121,592	-£4,598	-£126,190	-£52,465	-£10,945	-£63,409	£69,127	-£6,347	£62,781	-3.5%		
Holy Rosary and St Anne's Catholic Primary School	-£31,254	-£206	-£31,460	-£36,785	£733	-£36,052	-£5,531	£939	-£4,592	-3.6%		
Farsley Springbank Primary School	-£36,660	£0	-£36,660	-£52,709	£0	-£52,709	-£16,049	£0	-£16,049	-3.8%		
Cobden Primary School	-£76,195	-£19,458	-£95,653	-£38,529	-£25,651	-£64,180	£37,666	-£6,193	£31,473	-3.8%		
Whingate Primary School	-£92,571	£0	-£92,571	-£69,003	£0	-£69,003	£23,569	£0	£23,569	-3.9%		
Raynville Primary School	-£93,864	-£4,929	-£98,793	-£75,618	-£5,712	-£81,331	£18,245	-£784	£17,462	-4.1%		
Clapgate Primary School	-£109,727	£0	-£109,727	-£78,080	£0	-£78,080	£31,648	£0	£31,648	-4.5%		
All Saints CE Primary School	-£43,293	-£22,166	-£65,459	-£41,059	-£5,176	-£46,235	£2,234	£16,990	£19,224	-4.6%		
Whitecote Primary School	-£67,100	-£5,708	-£72,808	-£86,239	-£4,455	-£90,694	-£19,138	£1,252	-£17,886	-4.6%		
Bramley Primary School	-£99,300	£0	-£99,300	-£64,737	£0	-£64,737	£34,562	£0	£34,562	-4.7%		
Bramham Primary School	-£27,618	£0	-£27,618	-£27,822	£0	-£27,822	-£204	£0	-£204	-4.7%		
Great Preston VC CofE Primary School	-£45,450	£0	-£45,450	-£41,362	£0	-£41,362	£4,088	£0	£4,088	-4.8%		
Castleton Primary School	-£61,266	-£132,879	-£194,145	-£62,308	-£124,231	-£186,539	-£1,042	£8,648	£7,606	-4.9%		
Bardsey Primary School	-£42,448	£0	-£42,448	-£34,876	£0	-£34,876	£7,573	£0	£7,573	-5.0%		

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	Balances at 31st March 2017			Balances at 31st March 2018			Change in Balances					
School Name	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
Highfield Primary School	-£89,507	£0	-£89,507	-£83,753	£0	-£83,753	£5,754	£0	£5,754	-5.4%		
Sharp Lane Primary School	-£96,431	-£8,746	-£105,177	-£122,737	-£16,168	-£138,904	-£26,305	-£7,422	-£33,728	-5.5%		
Greenhill Primary School	-£89,238	-£8,502	-£97,740	-£108,902	-£12,117	-£121,019	-£19,664	-£3,614	-£23,278	-5.8%		
Little London Community Primary School	-£59,031	-£2,336	-£61,368	-£139,343	-£2,132	-£141,475	-£80,312	£204	-£80,107	-6.0%		
Brudenell Primary School	-£81,420	-£7,817	-£89,237	-£76,234	-£42	-£76,276	£5,186	£7,775	£12,961	-6.0%		
Five Lanes Primary School	-£195,664	-£52,954	-£248,618	-£106,867	-£39,954	-£146,820	£88,798	£13,001	£101,798	-6.0%		
Shire Oak VC Primary School	-£49,470	-£30,166	-£79,636	-£54,344	-£2,965	-£57,309	-£4,874	£27,201	£22,327	-6.0%		
Morley Victoria Primary School	-£57,726	-£17,179	-£74,906	-£101,695	-£20,096	-£121,792	-£43,969	-£2,917	-£46,886	-6.0%		
Ravdon St Peter's C of E Voluntary Controlled Primary School	-£64,869	£0	-£64,869	-£63,793	£0	-£63,793	£1,076	£0	£1,076	-6.2%		
Ladbro' Hastings CofE Primary School	-£57,061	-£2,975	-£60,036	-£31,691	-£6,096	-£37,787	£25,370	-£3,121	£22,249	-6.2%		
Whinark Primary School	-£81,495	£0	-£81,495	-£96,712	£0	-£96,712	-£15,217	£0	-£15,217	-6.5%		
Middleton Primary School	-£84,678	£0	-£84,678	-£132,196	£0	-£132,196	-£47,518	£0	-£47,518	-6.7%		
Cookridge Primary School	-£206,418	-£13,842	-£220,260	-£91,404	-£21,260	-£112,664	£115,014	-£7,417	£107,596	-6.8%		
Colton Primary School	-£58,465	-£31,928	-£90,393	-£67,969	-£28,670	-£96,640	-£9,504	£3,258	-£6,247	-6.8%		
Guisseley Primary School	-£86,841	£0	-£86,841	-£105,245	£0	-£105,245	-£18,404	£0	-£18,404	-6.9%		
West End Primary School	-£34,871	-£18,759	-£53,630	-£63,555	-£21,900	-£85,455	-£28,684	-£3,141	-£31,825	-7.0%		
St Bartholomew's CofE Voluntary Controlled Primary School	-£85,727	£0	-£85,727	-£202,066	£0	-£202,066	-£116,339	£0	-£116,339	-7.4%		
Broadgate Primary School	-£95,172	-£74,144	-£169,316	-£98,817	-£26,739	-£125,557	-£3,645	£47,405	£43,760	-7.5%		
Spring Bank Primary School	-£40,855	£0	-£40,855	-£71,003	£0	-£71,003	-£30,148	£0	-£30,148	-7.5%		
Scholes (Elmet) Primary School	-£104,761	-£16,713	-£121,474	-£91,713	-£20,488	-£112,201	£13,048	-£3,775	£9,273	-7.5%		
Gildersome Primary School	-£152,024	-£48,013	-£200,038	-£112,950	£0	-£112,950	£39,074	£48,013	£87,088	-7.5%		
Hovingham Primary School	-£123,776	£0	-£123,776	-£219,116	£0	-£219,116	-£95,341	£0	-£95,341	-7.7%		
Rothwell Primary School	-£130,988	£0	-£130,988	-£115,137	-£20,716	-£135,853	£15,851	-£20,716	-£4,864	-7.7%		
Moor Allerton Hall Primary School	-£79,635	£0	-£79,635	-£148,625	£0	-£148,625	-£68,990	£0	-£68,990	-7.8%		
Farsley Farfield Primary School	-£194,341	-£38,798	-£233,140	-£133,293	-£26,415	-£159,707	£61,049	£12,384	£73,432	-7.8%		
Shakespeare Primary School	-£84,787	£0	-£84,787	-£174,989	£0	-£174,989	-£90,202	£0	-£90,202	-7.9%		
Victoria Junior School	-£82,095	£0	-£82,095	-£54,025	£0	-£54,025	£28,071	£0	£28,071	-8.0%		
Immaculate Heart of Mary Catholic Primary School	-£111,659	£0	-£111,659	-£115,136	£0	-£115,136	-£3,476	£0	-£3,476	-8.0%		
Cross Gates Primary School	-£97,233	-£21,184	-£118,418	-£80,547	-£19,934	-£100,481	£16,686	£1,250	£17,936	-8.0%		
Ninelands Primary School	-£96,447	£0	-£96,447	-£123,920	£0	-£123,920	-£27,472	£0	-£27,472	-8.1%		
Wigton Moor Primary School	-£123,302	£0	-£123,302	-£128,843	£0	-£128,843	-£5,542	£0	-£5,542	-8.3%		
Fieldhead Carr Primary School	-£122,648	-£35,826	-£158,474	-£85,503	-£18,157	-£103,660	£37,145	£17,669	£54,814	-8.3%		
Asquith Primary School	-£63,529	-£82,273	-£145,802	-£127,246	-£55,834	-£183,080	-£63,718	£26,440	-£37,278	-8.3%		
Harehills Primary School	-£304,184	£0	-£304,184	-£242,769	£0	-£242,769	£61,416	£0	£61,416	-8.4%		

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School Name	Balances at 31st March 2017			Balances at 31st March 2018			Change in Balances			Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward			
Valley View Community Primary School	-£128,142	-£3,552	-£131,694	-£144,798	-£6,867	-£151,665	-£16,657	-£3,314	-£19,971	-8.4%		
Birchfield Primary School	-£44,920	-£9,411	-£54,331	-£75,594	-£10,376	-£85,970	-£30,675	-£965	-£31,640	-8.5%		
St Joseph's Catholic Primary School, Hunslet	-£139,187	-£1,601	-£140,788	-£77,808	-£1,556	-£79,365	£61,378	£45	£61,423	-8.7%		
Carlton Primary School	-£129,612	£0	-£129,612	-£103,644	£0	-£103,644	£25,968	£0	£25,968	-8.7%		
Crossley Street Primary School	-£130,249	£0	-£130,249	-£73,822	£0	-£73,822	£56,427	£0	£56,427	-8.8%		
Carr Manor Primary School	-£199,334	-£94,820	-£294,154	-£166,754	-£100,249	-£267,003	£32,580	-£5,429	£27,151	-8.9%		
Sacred Heart Catholic Primary School	-£29,484	£0	-£29,484	-£80,295	£0	-£80,295	-£50,812	£0	-£50,812	-9.0%		
Seacroft Grange Primary School	-£58,196	£0	-£58,196	-£94,429	£0	-£94,429	-£36,233	£0	-£36,233	-9.1%		
All Saints' Richmond Hill C of E Primary School	-£90,690	-£412	-£91,103	-£103,161	-£801	-£103,962	-£12,471	-£389	-£12,860	-9.3%		
Talbot Primary School	-£197,179	£0	-£197,179	-£160,588	£0	-£160,588	£36,590	£0	£36,590	-9.4%		
Ker Mackie Primary School	-£196,191	£0	-£196,191	-£157,387	£0	-£157,387	£38,804	£0	£38,804	-9.5%		
Meadow Primary School	-£94,223	-£28,486	-£122,708	-£78,111	-£31,311	-£109,422	£16,112	-£2,826	£13,286	-9.5%		
Oulton Primary School	-£147,570	-£3,629	-£151,199	-£140,743	-£5,360	-£146,103	£6,827	-£1,732	£5,096	-9.5%		
Ashfield Primary School	-£95,853	-£7,537	-£103,390	-£90,077	-£10,862	-£100,939	£5,776	-£3,324	£2,451	-9.6%		
Hawthornthwaite C of E Primary School	-£36,749	-£16,545	-£53,294	-£42,700	-£21,703	-£64,403	-£5,951	-£5,157	-£11,109	-9.6%		
St Peter's C of E Primary School, Leeds	-£105,979	£0	-£105,979	-£102,349	£0	-£102,349	£3,631	£0	£3,631	-9.6%		
Seven Hills Primary School	-£176,190	-£34,289	-£210,479	-£163,812	-£26,362	-£190,174	£12,378	£7,927	£20,306	-9.7%		
Primrose Lane Primary School	-£62,312	-£6,858	-£69,170	-£85,606	-£13,193	-£98,799	-£23,294	-£6,335	-£29,629	-9.8%		
Westgate Primary School	-£71,750	-£7,727	-£79,477	-£91,605	£1,031	-£90,574	-£19,854	£8,757	-£11,097	-9.9%		
St Urban's Catholic Primary School	-£88,793	-£5,254	-£94,047	-£78,860	-£7,449	-£86,309	£9,933	-£2,195	£7,738	-10.0%		
Lower Wortley Primary School	-£131,771	£0	-£131,771	-£150,716	£0	-£150,716	-£18,945	£0	-£18,945	-10.0%		
St Augustine's Catholic Primary School	-£172,917	-£12,832	-£185,748	-£176,962	-£15,562	-£192,523	-£4,045	-£2,730	-£6,775	-10.1%		
Roundhay St John's C of E Primary School	-£73,202	£0	-£73,202	-£100,594	£0	-£100,594	-£27,393	£0	-£27,393	-10.4%		
Corpus Christi Catholic Primary School	-£186,536	-£4,543	-£191,079	-£138,839	-£3,024	-£141,864	£47,696	£1,519	£49,215	-10.4%		
Hunslet Carr Primary School	-£432,479	£0	-£432,479	-£208,216	£0	-£208,216	£224,263	£0	£224,263	-10.5%		
St Philip's Catholic Primary and Nursery School	-£74,035	-£7,222	-£81,258	-£114,726	-£10,296	-£125,022	-£40,691	-£3,073	-£43,764	-10.6%		
Grimes Dyke Primary School	-£195,349	£0	-£195,349	-£142,754	£0	-£142,754	£52,594	£0	£52,594	-10.7%		
Manston Primary School	-£100,829	£3,048	-£97,781	-£91,125	£1,768	-£89,357	£9,704	-£1,280	£8,425	-10.7%		
Our Lady of Good Counsel Catholic Primary School	-£66,057	-£10,947	-£77,005	-£105,159	-£10,702	-£115,860	-£39,101	£246	-£38,856	-11.2%		
Calverley Parkside Primary School	-£121,159	-£4,964	-£126,123	-£102,239	-£7,240	-£109,480	£18,919	-£2,276	£16,643	-11.3%		
Hugh Gaitskell Primary School	-£188,863	-£53,264	-£242,127	-£278,091	-£52,436	-£330,527	-£89,228	£827	-£88,400	-11.4%		
Lawns Park Primary School	-£108,914	-£33,127	-£142,040	-£114,130	-£29,083	-£143,213	-£5,216	£4,044	-£1,172	-11.6%		
Ingram Road Primary School	-£235,931	£0	-£235,931	-£186,844	£0	-£186,844	£49,087	£0	£49,087	-11.6%		
Pudsey Bolton Royd Primary School	-£270,602	£0	-£270,602	-£232,342	£0	-£232,342	£38,260	£0	£38,260	-11.6%		

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	Balances at 31st March 2017			Balances at 31st March 2018			Change in Balances					
School Name	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
Yeadon Westfield Junior School	-£120,024	£0	-£120,024	-£102,209	£0	-£102,209	£17,815	£0	£17,815	-11.9%		
Bankside Primary School	-£368,828	-£14,143	-£382,971	-£355,413	-£11,821	-£367,234	£13,415	£2,322	£15,737	-12.1%		
Lady Elizabeth Hastings' C of E Primary School, Thorp Arch	-£70,224	-£28,395	-£98,618	-£65,225	-£39,452	-£104,678	£4,999	-£11,058	-£6,059	-12.1%		
St Mary's C of E Controlled Primary School Boston Spa	-£102,201	£0	-£102,201	-£68,655	£0	-£68,655	£33,546	£0	£33,546	-12.2%		
Churwell Primary School	-£163,783	£0	-£163,783	-£194,611	£0	-£194,611	-£30,829	£0	-£30,829	-12.2%		
Rothwell St Mary's RC Primary School	-£83,560	-£22,956	-£106,515	-£96,421	-£31,723	-£128,143	-£12,861	-£8,767	-£21,628	-12.4%		
Methley Primary School	-£242,132	£0	-£242,132	-£224,598	£0	-£224,598	£17,535	£0	£17,535	-12.6%		
Holy Family Catholic Primary School	-£55,008	£0	-£55,008	-£122,254	£0	-£122,254	-£67,247	£0	-£67,247	-12.7%		
Otley The Whartons Primary School	-£135,652	-£16,631	-£152,284	-£84,661	-£16,099	-£100,760	£50,991	£532	£51,523	-12.7%		
Middeton St Mary's C of E Voluntary Controlled Primary School	-£130,007	-£1,699	-£131,706	-£239,944	-£4,238	-£244,183	-£109,937	-£2,539	-£112,477	-12.7%		
Coltingham Lady Elizabeth Hastings' C of E Primary School	-£95,551	-£90,143	-£185,694	-£92,322	-£115,025	-£207,347	£3,228	-£24,881	-£21,653	-12.7%		
St Patrick Catholic Primary School	-£106,592	£0	-£106,592	-£108,069	£0	-£108,069	-£1,477	£0	-£1,477	-12.7%		
St Anthony's Catholic Primary School, Beeston	-£199,170	-£114,437	-£313,607	-£105,385	-£152,307	-£257,692	£93,785	-£37,870	£55,915	-12.9%		
Greenside Primary School	-£135,809	£0	-£135,809	-£143,262	£0	-£143,262	-£7,452	£0	-£7,452	-12.9%		
Swinnow Primary School	-£124,514	-£73,266	-£197,780	-£137,295	-£45,651	-£182,946	-£12,781	£27,615	£14,834	-12.9%		
Rufford Park Primary School	-£153,887	-£8,799	-£162,686	-£165,350	-£18,537	-£183,887	-£11,463	-£9,738	-£21,201	-13.1%		
St Oswald's C of E Primary School	-£133,389	£0	-£133,389	-£189,443	-£35,035	-£224,478	-£56,054	-£35,035	-£91,089	-13.1%		
Southroyd Primary and Nursery School	-£184,809	-£73,498	-£258,307	-£235,893	-£19,086	-£254,980	-£51,084	£54,411	£3,327	-13.2%		
Rothwell Haigh Road Infant School	-£73,416	-£4,335	-£77,751	-£92,104	-£2,858	-£94,961	-£18,688	£1,477	-£17,211	-13.2%		
Deighton Gates Primary School	-£98,867	£0	-£98,867	-£104,087	£0	-£104,087	-£5,220	£0	-£5,220	-13.4%		
St Edward's Catholic Primary School, Boston Spa	-£61,091	£0	-£61,091	-£76,999	£0	-£76,999	-£15,909	£0	-£15,909	-13.4%		
Cookridge Holy Trinity C of E Primary School	-£204,521	-£28,872	-£233,393	-£188,993	-£25,090	-£214,083	£15,528	£3,781	£19,309	-13.4%		
Rawdon Littlemoor Primary School	-£163,214	£0	-£163,214	-£181,639	£0	-£181,639	-£18,425	£0	-£18,425	-13.5%		
Austhorpe Primary School	-£116,060	£0	-£116,060	-£107,246	£0	-£107,246	£8,813	£0	£8,813	-13.5%		
Wykebeck Primary School	-£527,026	-£170	-£527,196	-£262,972	£303	-£262,668	£264,054	£473	£264,527	-13.8%		
White Laith Primary School	-£69,182	-£9,807	-£78,989	-£130,233	-£18,424	-£148,656	-£61,051	-£8,617	-£69,667	-13.8%		
Featherbank Primary School	-£90,821	£0	-£90,821	-£108,296	£0	-£108,296	-£17,475	£0	-£17,475	-13.9%		
Stanningley Primary School	-£156,937	£0	-£156,937	-£139,239	£0	-£139,239	£17,698	£0	£17,698	-13.9%		
Lowtown Primary School	-£138,179	-£66,947	-£205,125	-£114,833	-£111,117	-£225,949	£23,346	-£44,170	-£20,824	-14.3%		
St Paul's Catholic Primary School	-£138,699	£0	-£138,699	-£112,575	£0	-£112,575	£26,124	£0	£26,124	-14.3%		
Meadowfield Primary School	-£311,334	-£71,924	-£383,258	-£301,089	-£30,662	-£331,751	£10,246	£41,261	£51,507	-14.4%		
Fountain Primary School	-£261,329	£0	-£261,329	-£243,772	£0	-£243,772	£17,557	£0	£17,557	-14.6%		
Templenewsam Halton Primary School	-£219,427	-£53,151	-£272,578	-£249,425	-£29,030	-£278,455	-£29,998	£24,122	-£5,877	-14.6%		
Yeadon Westfield Infant School	-£103,633	£0	-£103,633	-£118,637	£0	-£118,637	-£15,004	£0	-£15,004	-14.7%		

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Balances at 31st March 2017				Balances at 31st March 2018			Change in Balances			Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
School Name	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward			
Burley St Matthias' C of E Voluntary Controlled Primary School	-£90,912	-£1,355	-£92,267	-£137,133	-£1,321	-£138,454	-£46,222	£34	-£46,188	-14.8%		
Kirkstall Valley Primary School	-£149,880	-£14,952	-£164,833	-£152,790	-£1,930	-£154,720	-£2,910	£13,022	£10,112	-15.0%	£261	
Aberford C of E Voluntary Controlled Primary School	-£54,987	£0	-£54,987	-£69,352	£0	-£69,352	-£14,365	£0	-£14,365	-15.1%	£272	
Iveson Primary School	-£155,925	-£1,513	-£157,438	-£197,126	-£1,325	-£198,451	-£41,201	£189	-£41,013	-15.4%	£4,522	
Moortown Primary School	-£140,303	£0	-£140,303	-£126,885	£0	-£126,885	£13,418	£0	£13,418	-15.5%	£3,699	Yes
St Joseph's Catholic Primary School, Wetherby	-£111,420	£0	-£111,420	-£128,679	£0	-£128,679	-£17,259	£0	-£17,259	-15.8%	£6,672	
Ireland Wood Primary School	-£208,857	-£17,064	-£225,921	-£308,236	-£17,314	-£325,549	-£99,379	-£249	-£99,628	-15.8%	£15,985	
Grange Farm Primary School	-£257,147	£0	-£257,147	-£298,135	£0	-£298,135	-£40,988	£0	-£40,988	-16.1%	£20,251	
The New Bewerley Community Primary School	-£280,961	-£7,778	-£288,739	-£345,147	-£12,614	-£357,760	-£64,185	-£4,836	-£69,021	-16.1%	£24,295	
Ad St John The Baptist C of E Primary School	-£104,282	£0	-£104,282	-£128,112	£0	-£128,112	-£23,830	£0	-£23,830	-16.7%	£12,981	
Alleton C/E Primary School	-£190,812	-£265,672	-£456,485	-£345,189	-£180,025	-£525,214	-£154,377	£85,647	-£68,729	-16.8%	£36,457	
Queensway Primary School	-£162,528	-£69,664	-£232,192	-£164,875	-£30,112	-£194,987	-£2,347	£39,552	£37,205	-16.9%	£18,518	Yes
Thorpe Primary School	-£144,477	-£50,822	-£195,299	-£198,633	-£70,005	-£268,638	-£54,156	-£19,183	-£73,339	-17.4%	£27,545	
Quarry Mount Primary School	-£114,931	£0	-£114,931	-£168,964	-£196	-£169,160	-£54,033	-£196	-£54,229	-17.5%	£24,426	
St Nicholas Catholic Primary School	-£249,954	-£11,622	-£261,575	-£199,547	-£8,874	-£208,421	£50,407	£2,747	£53,154	-17.7%	£30,078	Yes
Alwoodley Primary School	-£278,826	£0	-£278,826	-£309,686	£0	-£309,686	-£30,861	£0	-£30,861	-17.7%	£47,177	Yes
St Francis Catholic Primary School, Morley	-£125,602	-£19,589	-£145,191	-£160,772	-£46,318	-£207,090	-£35,170	-£26,729	-£61,899	-19.0%	£33,959	
Blenheim Primary School	-£150,408	-£100,717	-£251,125	-£414,255	-£120,958	-£535,213	-£263,847	-£20,241	-£284,088	-20.9%	£117,095	
Lane End Primary	-£109,932	£0	-£109,932	-£244,345	£0	-£244,345	-£134,413	£0	-£134,413	-21.3%	£71,996	
Swarcliffe Primary School	-£243,336	£7,500	-£235,836	-£333,606	-£4,130	-£337,737	-£90,270	-£11,630	-£101,900	-23.2%	£117,532	Yes
Hawthorn Wood Primary School	-£316,758	£0	-£316,758	-£298,685	£0	-£298,685	£18,072	£0	£18,072	-24.6%	£116,317	Yes
Beechwood Primary School	-£395,237	-£7,869	-£403,106	-£477,200	-£8,278	-£485,478	-£81,963	-£409	-£82,372	-24.8%	£189,142	Yes
Hollybush Primary	-£706,886	-£68,953	-£775,838	-£568,708	-£36,470	-£605,178	£138,178	£32,482	£170,660	-26.5%	£247,400	Yes
Beecroft Primary School	-£349,168	-£73,770	-£422,939	-£369,208	-£84,910	-£454,117	-£20,040	-£11,139	-£31,179	-28.6%	£175,624	
Total Primary Schools	-£21,491,695	-£3,281,706	-£24,773,401	-£20,156,218	-£2,729,427	-£22,885,645	£1,335,477	£552,278	£1,887,755	-8.3%	£1,342,205	

SECONDARY SCHOOLS

Wetherby High School	£577,871	-£86,971	£490,901	£896,610	£102	£896,711	£318,738	£87,073	£405,811	26.8%		
Ralph Thoresby School	£672,159	£0	£672,159	£832,279	£0	£832,279	£160,120	£0	£160,120	15.4%		
Boston Spa School	£58,976	-£46,520	£12,456	£593,431	-£9,800	£583,631	£534,455	£36,720	£571,174	13.8%		
Carr Manor Community School	£318,106	-£46,297	£271,809	£537,994	£0	£537,994	£219,888	£46,297	£266,185	7.6%		



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School Name	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward			
Lawnswood School	£498,080	£0	£498,080	£413,228	£0	£413,228	-£84,852	£0	-£84,852	6.4%		
Benton Park School	£449,102	£0	£449,102	£328,311	£0	£328,311	-£120,791	£0	-£120,791	5.0%		
Guiseley School	£59,684	£0	£59,684	£77,931	£0	£77,931	£18,247	£0	£18,247	1.3%		
Pudsey Grangefield School	-£57,851	£0	-£57,851	£36,016	£0	£36,016	£93,867	£0	£93,867	0.6%		
Priesthorpe School	£82,552	-£40,008	£42,545	£0	£0	£0	-£82,552	£40,008	-£42,545	0.0%		
Mount St Mary's Catholic High School	-£131,015	£0	-£131,015	-£3,432	£0	-£3,432	£127,583	£0	£127,583	-0.1%		
Allerton High School	-£200,274	£0	-£200,274	-£130,069	£0	-£130,069	£70,205	£0	£70,205	-1.9%		
Cardinal Heenan Catholic High School	-£326,864	£0	-£326,864	-£154,712	£0	-£154,712	£172,152	£0	£172,152	-3.3%		
Roundhay School	-£172,837	£0	-£172,837	-£403,434	£0	-£403,434	-£230,597	£0	-£230,597	-3.7%		
Temple Moor High School Science College	-£360,268	£0	-£360,268	-£245,131	£0	-£245,131	£115,137	£0	£115,137	-3.8%		
Allen Don Grange School	-£318,315	£0	-£318,315	-£388,717	£0	-£388,717	-£70,403	£0	-£70,403	-5.0%		
Corpus Christi Catholic College	-£404,806	£0	-£404,806	-£358,634	£0	-£358,634	£46,172	£0	£46,172	-6.6%		
Royds School	-£292,058	£0	-£292,058	-£386,741	£0	-£386,741	-£94,683	£0	-£94,683	-7.4%		
Total Secondary Schools	£452,243	-£219,796	£232,447	£1,644,929	-£9,699	£1,635,231	£1,192,687	£210,097	£1,402,784	1.7%	£0	
SPECIAL SCHOOLS												
North West Specialist Inclusive Learning Centre	£590,618	£531	£591,149	£1,355,382	£0	£1,355,382	£764,763	-£531	£764,232	44.2%		
Broomfield School	£13,415	£0	£13,415	-£104,751	£0	-£104,751	-£118,166	£0	-£118,166	-2.9%		
West Oaks SEN Specialist School and College	£226,153	£0	£226,153	-£146,139	£0	-£146,139	-£372,292	£0	-£372,292	-3.0%		
West Specialist Inclusive Learning Centre	-£38,380	£0	-£38,380	-£197,890	£0	-£197,890	-£159,510	£0	-£159,510	-5.3%		
John Jamieson School	-£382,457	-£404,825	-£787,282	-£380,318	-£357,489	-£737,807	£2,139	£47,336	£49,475	-9.6%		
Total Special Schools	£409,349	-£404,294	£5,055	£526,284	-£357,489	£168,795	£116,934	£46,805	£163,740	2.7%	£0	
TOTALS FOR ALL SCHOOLS	-£20,630,103	-£3,905,796	-£24,535,899	-£17,985,005	-£3,096,615	-£21,081,620	£2,645,098	£809,181	£3,454,279	-5.0%	£1,342,205	
AREA INCLUSION PARTNERSHIPS												
NW Area Inclusion Partnership Total	£0	-£543,881	-£543,881	£0	-£651,254	-£651,254	£0	-£107,373	-£107,373			
EAST Area Inclusion Partnership Total	£0	-£308,784	-£308,784	£0	-£140,636	-£140,636	£0	£168,149	£168,149			
SOUTH Area Inclusion Partnership Total	£0	-£629,427	-£629,427	£0	-£214,494	-£214,494	£0	£414,934	£414,934			

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Deficits are shown as positive figures, and surpluses are negatives  
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Extended Services Balances relate to School-led Children's Centres, Before and After School Clubs, AIPs and Clusters

School Name	Balances at 31st March 2017			Balances at 31st March 2018			Change in Balances			Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward			
WEST Area Inclusion Partnership Total	£0	-£297,975	-£297,975	£0	-£415,075	-£415,075	£0	-£117,100	-£117,100			
WEST Area Inclusion Partnership Total	£0	-£225,099	-£225,099	£0	-£113,853	-£113,853	£0	£111,245	£111,245			
Total Area Inclusion Partnerships	£0	-£2,005,166	-£2,005,166	£0	-£1,535,312	-£1,535,312	£0	£469,855	£469,855			
CLUSTERS												
A.R.M. Cluster	£0	-£325,582	-£325,582	£0	-£306,028	-£306,028	£0	£19,553	£19,553			
Airedale Brough Cluster	£0	-£46,682	-£46,682	£0	-£56,628	-£56,628	£0	-£9,946	-£9,946			
Ardley and Tingley Cluster	£0	-£71,790	-£71,790	£0	£0	£0	£0	£71,790	£71,790			
Armley Cluster/ACES	£0	-£55,529	-£55,529	£0	-£105,180	-£105,180	£0	-£49,651	-£49,651			
Beeston, Cottingley & Middleton Cluster	£0	-£114,588	-£114,588	£0	-£93,869	-£93,869	£0	£20,719	£20,719			
Bramley Cluster	£0	-£320,987	-£320,987	£0	-£289,794	-£289,794	£0	£31,193	£31,193			
Brigshaw Cluster	£0	-£54,436	-£54,436	£0	-£168	-£168	£0	£54,268	£54,268			
2gether Cluster	£0	-£300,909	-£300,909	£0	-£309,005	-£309,005	£0	-£8,095	-£8,095			
EPOS Cluster	£0	-£31,594	-£31,594	£0	-£26,763	-£26,763	£0	£4,832	£4,832			
ES North West Cluster	£0	-£94,557	-£94,557	£0	-£70,839	-£70,839	£0	£23,718	£23,718			
Farnley Cluster	£0	-£81,532	-£81,532	£0	-£104,264	-£104,264	£0	-£22,732	-£22,732			
Horsforth Cluster	£0	-£89,953	-£89,953	£0	-£70,352	-£70,352	£0	£19,600	£19,600			
Inner East Cluster	£0	-£82,518	-£82,518	£0	-£222,587	-£222,587	£0	-£140,069	-£140,069			
Inner NW Hub Cluster	£0	-£75,424	-£75,424	£0	£2,033	£2,033	£0	£77,457	£77,457			
JESS Cluster	£0	-£169,585	-£169,585	£0	-£223,562	-£223,562	£0	-£53,977	-£53,977			
Morley Childrens Services Cluster	£0	-£276,632	-£276,632	£0	-£136,279	-£136,279	£0	£140,354	£140,354			
Open XS Cluster	£0	-£36,254	-£36,254	£0	£0	£0	£0	£36,254	£36,254			
PRU Cluster	£0	-£41,651	-£41,651	£0	£0	£0	£0	£41,651	£41,651			
Pudsey Cluster	£0	-£215,591	-£215,591	£0	-£218,277	-£218,277	£0	-£2,686	-£2,686			
Rothwell Cluster	£0	-£68,853	-£68,853	£0	-£89,331	-£89,331	£0	-£20,478	-£20,478			
Seacroft/Manston Cluster	£0	-£159,337	-£159,337	£0	-£143,641	-£143,641	£0	£15,696	£15,696			
SILC Cluster	£0	-£246,640	-£246,640	£0	-£119,552	-£119,552	£0	£127,088	£127,088			
Temple Newsam/Halton Cluster	£0	-£144,878	-£144,878	£0	-£162,155	-£162,155	£0	-£17,277	-£17,277			
Total Clusters	£0	-£3,105,502	-£3,105,502	£0	-£2,746,243	-£2,746,243	£0	£359,260	£359,260			

Appendix 1 - School and Extended School Balances as at 31st March 2018

Notes:  
Deficits are shown as positive figures, and surpluses are negatives  
Schools shaded in grey have converted to academies  
Extended Services Balances relate to School-led Children's Centres, Before and After School Clubs, AIPs and Clusters

Balances at 31st March 2017				Balances at 31st March 2018			Change in Balances			Balance as %ge of 2017/18 School Budget Share	Potential Excess Balance	Surplus Balance Greater than 15% over 3 successive years
School Name	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward	School Balance carried forward	Extended Services Balance	Total Balance carried forward			
TOTALS FOR ALL SCHOOLS, AIPs & CLUSTERS	-£20,630,103	-£9,016,465	-£29,646,568	-£17,985,005	-£7,378,169	-£25,363,174	£2,645,098	£1,638,295	£4,283,393			

Summary	2016-2017	2017-2018	Variance
School Budget			
Primary	-£21,491,695	-£20,156,218	£1,335,477
Secondary	£452,243	£1,644,929	£1,192,687
Special	£409,349	£526,284	£116,934
Extended Services and Partnership Accounts			
Extended Schools Facilities	-£3,860,510	-£3,086,815	£773,696
Area Inclusion Partnerships	-£2,005,166	-£1,535,312	£469,855
Sports Development	-£45,286	-£9,800	£35,485
Clusters	-£3,105,502	-£2,746,243	£359,260
	-£29,646,568	-£25,363,174	£4,283,393

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## Report of the Director of Children and Families Services

### Report to the Leeds Schools Forum

#### Subject: Dedicated Schools Grant 2018/19 – Budget Monitoring Month 5

**Report authors: Simon Criddle**  
(Head of Finance –Children and Families)

**Contact number: 07891 274578**

**Shirley Maidens**  
Senior Financial Manager

**Contact number: 0113 3788532**

## 1 Summary of main issues

- 1.1 This report is to inform members of Schools Forum of the latest 2018/19 budget monitoring position on the Dedicated Schools Grant (DSG) as at the end of August 2018.
- 1.2 This report projects an overspend of £160k. This is made up of an overspend on the High Needs Block (HNB) largely as a result of increased expenditure on SEN top-ups. This is mostly offset by a projected underspend on the early years block and a small underspend on the schools block.
- 1.3 Overall, the variance on general DSG is analysed as follows:-

	Estimated Funding	Projection	Variance
	£000	£000	£000
Schools Block	305,096	304,996	(100)
Early Years Block	57,516	55,436	(2,080)
High Needs Block	60,533	62,873	2,340
Central Schools Services Block	5,171	5,171	0
<b>Total In Year Overspend</b>	<b>428,316</b>	<b>428,476</b>	<b>160</b>
Deficit reserve b/fwd from 2017/18			3,379
<b>Projected deficit balance at 31/3/19</b>			<b>3,539</b>

## 2 Background information

- 2.1 At 1st April 2018, the balance of the DSG brought forward from the 2017/18 financial year was a deficit of £2.954m. Of this, de-delegated services is a surplus of £425k, which means there is a deficit on general DSG of £3.379m.

- 2.2 The projected deficit reported in 1.3 above is overall broadly in line with the projected deficit at the end of 2018/19 as reported to Schools Forum in February 2018 as part of the long term financial plan on high needs. However, there are increasing cost pressures in the high need block which have been offset by higher grant income and by the continuing underspend on the Early Years Block.

### 3 Schools Block

- 3.1 The majority of the Schools Block is allocated to primary and secondary schools (ISB), with smaller amounts for de-delegated services and the growth fund. These budgets are subject to fluctuations in expenditure throughout the year. The projected costs and variances are summarised below:-

	Latest Budget £000	Projection £000	Variance £000	To Date £000
DSG Income Due	(321,006)	(305,096)	15,910	(132,719)
Individual Schools Budget	313,490	297,580	(15,910)	299,143
Growth Fund	2,900	2,800	(100)	2,200
	(4,616)	(4,716)	(100)	168,624
De-delegated budgets	4,616	4,562	(55)	1,592

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 3.2 When a school becomes an academy, funding payments are made directly by the Education and Skills Funding Agency (ESFA). For Leeds City Council, this means that there is a reduction in grant income which is matched by reduced expenditure.
- 3.3 The projected underspend on de-delegated services is due to an underspend on the contingency budget partly offset by a small overspend on SIMS licences. At this stage, there are no indications that there will be an overspend on maternity pay, though this is a volatile budget and remains an area of risk. As part of the 2018/19 budget process it was agreed to utilise £300k of the de-delegated reserves to reduce the cost of de-delegated service to schools in 2018/19.
- 3.4 The Growth Fund is currently projected to be £100k underspent as the full allocation for secondary provision is unlikely to be required.

### 4 Early Years Block

- 4.1 The projected costs and variances within the Early Years block are summarised below:-

	Latest Budget £000	Projection £000	Variance £000	To Date £000
DSG Income Due	(55,367)	(57,516)	(2,149)	(23,813)
FEEE 3 & 4 Year Olds	44,216	45,255	1,039	17,091
FEEE 2 Year Olds	7,903	7,355	(548)	1,676
SEN Inclusion Fund	485	485	0	222
Early Years Pupil Premium	640	499	(141)	138
Disability Access Fund	184	72	(112)	25
Early Years Centrally Retained Funding	1,939	1,770	(169)	1,601
	0	(2,080)	(2,080)	(3,060)

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 4.2 Due to the way Early Years is funded (with the final grant income based on the pupil numbers as at January 2018 and January 2019) there is a difference between the number of places funded and the number of places paid to providers. The hourly rate paid to providers in 2018/19 was increased partly in response to the underspend in 2017/18.
- 4.3 Early information on the costs for the summer term indicate that the take up of places is lower than usual. As the grant income due for this period will not change an underspend is projected. However, more work is needed to verify these figures and assess any potential impact on projections for the rest of 2018/19 and future years.
- 4.4 There are further underspends projected on the Disability Access Fund and Early Years Pupil Premium, though at this stage it is expected that grant income will be reduced by the same amount. In addition, it is expected there will be no call on the Early Years Contingency Fund. For the 2018/19 budget the contingency fund was reduced to £180k from £400k in 2017/18.
- 4.5 As part of the 2017/18 outturn it was reported that the Early Years grant for 2017/18 was estimated as the statutory deadlines for finalising the accounts were earlier than the final grant notification. The final grant was for £456k more income than was included in the 2017/18 accounts which can now be utilised in 2018/19. The main reasons for this additional income were an even greater increase in take up of the additional 15 hours for working parents and a decision not to adjust for any underspends on the Disability Access Fund (DAF). However, it should be noted that the grant conditions require that this underspend should be spent on services that are in line with the aims and principles of the DAF.

## 5 High Needs Block

- 5.1 The projected costs and variances within the High Needs Block are summarised in the table below:-

	Latest Budget £000	Projection £000	Variance £000	To Date £000
DSG Income Due	(60,300)	(60,533)	(233)	(24,197)
Funding Passported to Institutions				
- SILC and Resource Provision Places	10,169	10,265	96	9,832
- Outside and external residential placements	6,283	6,833	550	3,533
- Alternative Provision (including AIP's)	5,256	5,006	(250)	0
- SEN Top-ups to Institutions	30,666	32,250	1,584	20,531
- Mainstream additional places (£6k blocks)	425	506	81	174
- Mental Health beds for adolescents	200	100	(100)	23
- Further SEMH set up costs	395	395	0	395
Commissioned Services				
- Hospital & Home Tuition	1,484	1,489	5	0
- PD & Medical Service	65	97	32	0
Children's Services				
- Autism support (STARS)	413	413	0	154
- Children missing out on education	257	257	0	95
- Management of AP	110	110	0	44
- SEN adaptations	141	141	0	68
- SEN Inclusion Team	1,206	1,106	(100)	317
- Sensory Service	2,177	2,036	(141)	474
- Virtual school (Children Looked After)	107	108	1	46
Other items				
- Contribution to reserves	946	0	(946)	0
	0	579	579	11,489
SILCs in financial difficulties	0	1,761	1,761	0
Total High Needs Block	0	2,340	2,340	11,489

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 5.2 As detailed in the table above, the underlying overspend on the High Needs Block is £579k, though there is an additional one off pressure in respect of NW SILC.
- 5.3 At the end of 2017/18 the North West SILC deficit stood at £1,355k. The current projections are for a further overspend in year of £406k making an overall deficit of £1,761k. It is currently projected that this will be an additional cost to the HNB during 2018/19.
- 5.4 At the end of 2017/18 an assessment was made on the Area Inclusion Partnerships (AIP) balances and projected use of reserves. As a result of this, £250k will be clawed back from AIP balances in 2018/19.
- 5.5 For 2018/19 the reduction in the FFI unit rate to £600 has been applied, with the exception of specialist provisions. Despite this SEN top-ups to institutions continues to be the largest area of overspend. The projected overspend for 2018/19 is now £1,584k and the largest areas within this are as follows:-

- The 2018/19 budget for top ups to mainstream schools and academies was increased by £831k compared to the previous year's budget to reflect an



increase in numbers partly offset by savings from reducing the unit value. However this budget is still projected to overspend by £386k as a result of more children receiving a diagnosis of Complex Communication Difficulties.

- The 2018/19 budget for SILC top ups was increased by £1,379k compared to the previous year to reflect the projected increase in the number and complexity of provision. The current overspend on this area of £861k is partly due to a further increase in the number of pupils in the SILCs plus an increase in the number of pupils that now meet the criteria for additional funding in E band (communication and interaction) and G band (medical needs).
- A projected increase in top up funding of £276k for the new SEMH provision.

5.6 The Outside Placements budget is currently expected to be £250k overspent. Although the number of day placements has reduced, there have been some very high cost placements for which there is no available place in Leeds. There has also been an increase in the number and cost of high needs pupils in external residential placements and so an overspend of £300k for the education costs is projected on this.

5.7 There is projected to be a staffing underspend of £100k on the SENIT and Portage service and a further underspend of £141k on the Sensory Service due to staffing vacancies.

5.8 There is an overspend of £32k on the PD and Medical Needs service.

5.9 The budget was set with an assumption that there would be a contribution of £946k towards the deficit reserve brought forward from 2016/17. As a result of the overspends detailed above this specific contribution will not now be made although it should be noted that the DSG deficit in 2017/18 was lower than budgeted so overall the projected year end position on the DSG is still in line with original assumptions.

5.10 As previously reported, one element of the HNB DSG allocation for 2018/19 was still outstanding. This relates to an adjustment to reflect the number of pupils who are the responsibility of one local authority but are placed in another local authority. That final adjustment has now been calculated and it has resulted in a slight increase in expected grant.

## 6 Central School Services Block

6.1 This is a new block for 2018/19 which provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England. CSSB is split into funding for historic commitments and funding for ongoing responsibilities.

6.2 The projected costs on this block are:-

Latest Budget	Projection	Variance	To Date
£000	£000	£000	£000

DSG Income Due	(5,171)	(5,171)	0	(2,155)
Historic Commitments	1,145	1,145	0	461
Ongoing Responsibilities	3,526	3,526	0	1,538
Severance / Pension costs	500	500	0	208
	0	0	0	52

6.3 At the moment there are not projected to be any variances on this block.

## 7 2018/19 Reserves

7.1 The table below shows the expected position as at 31<sup>st</sup> March 2019 as a result of all the variances detailed above.

	General £000	De- delegated £000	Total £000
Balance b/fwd from 2017/18	3,379	(425)	2,954
Budgeted use of reserves		300	300
2018/19 Variances			
- Schools Block	(100)	(55)	(155)
- Early Years Block	(2,080)		(2,080)
- High Needs Block	2,340		2,340
- Central Schools Services Block	0		0
<b>Balance c/fwd to 2019/20</b>	<b>3,539</b>	<b>(180)</b>	<b>3,359</b>

## 8 Recommendations

8.1 Schools Forum is requested to note the projected overspend on General DSG of £160k which will be added to the deficit on General DSG brought forward from 2017/18. This will make the current projected cumulative deficit £3,539k, with projected de-delegated surplus balances standing at £180k.



## **Report of the Director of Children and Families Services**

### **Report to the Leeds Schools Forum**

#### **Subject: High Needs Block Projections to 2021/22**

**Report authors: Simon Criddle  
(Head of Finance –Children and  
Families)**

**Contact number: 07891 274578**

**Shirley Maidens  
Senior Financial Manager**

**Contact number 0113 3788532**

## **1 Summary of report**

- 1.1 This report is to inform members of Schools Forum of the latest projections on the High Needs Block (HNB) funding and expenditure to 2021/22 and to provide further information on how these projections have been calculated.
- 1.2 Attached at appendix 1 is a summary of the current projected income and expenditure on the HNB up to 2021/22. There is a great deal of uncertainty around funding beyond 2019/20 but assuming that the current cap on gains continues then the updated projections show that although funding is expected to increase as a result of Leeds benefiting from the new national funding formula, expenditure is also expected to increase as a result of rising demand for support from the HNB leaving a potential in year shortfall each year that will need addressing.

## **2 Background information**

- 2.1 In recent years there have been growing pressures on the HNB with overspends occurring in each year since 2015/16 despite the implementation of a number of savings and transfers of funding from other blocks.
- 2.2 In addition, a new national funding formula for high needs was implemented from 1<sup>st</sup> April 2018. This formula is based on estimated need rather than allocating funding based on historical spend and has resulted in an increase in funding to Leeds. However, in order for the new formula to be deemed affordable nationally a cap on gains of 3% was put in place which means that the actual funding received by Leeds is lower with a 'loss' of approximately £7m of additional funding under the cap in 2017/18.
- 2.3 During 2017 the council carried out a review of the Leeds HNB and as part of that review a projection was made of the grant income and expenditure for each year up to 2021/22. Within these projections there are a number of areas where assumptions have had to be made about future income and costs. This report

provides further information around these assumptions and identifies the key risks.

### 3 DSG income due

- 3.1 HNB initial allocations for 2018/19 were announced in September 2017. This notification also included indicative allocations for 2019/20. No information has been made available beyond this date as there is a government wide comprehensive spending review which will have an impact on all future allocations. However, the methodology for calculating the 2019/20 grant in this announcement has been used to estimate the grant due to Leeds in 2020/21 and 2021/22. It is worth emphasising the uncertainty around funding beyond 2019/20. Leeds has been historically funded at a relatively low level on the HNB and is one of the largest gainers from the new national funding formula although the increase in funding has been significantly limited by the cap on gains. These projections assume that the cap continues to be applied beyond 2019/20. This could change in which case there could be a significant uplift to funding for the HNB in Leeds.
- 3.2 In July 2018 a further announcement was made updating the data for the 2019/20 allocations. This showed an increase of £1,668k compared to the indicative allocations issued during 2017. This is largely due to an increase in need identified in the proxy factors used to calculate the grant along with an increase in the 2-18 year old population beyond the original estimates from the Office for National Statistics. A further update is expected in December 2018 to reflect the number of pupils in special schools on the October 2018 census.
- 3.3 There are also ongoing discussions around other potential changes to the national formula. Although these changes are not known at this stage, the July update suggested that the final grant allocations will not be adversely affected as a result of these changes.
- 3.4 Based on the grant calculation methodology, estimated increases in pupil numbers and the transfer of special free school place funding, the grant due in future years is projected to be:-

	2019/20 £000	2020/21 £000	2021/22 £000
Indicative allocation July 2018	69,833		
Estimated future allocations		72,418	75,721
Estimated impact of further increased pupils	672	400	200
Transfer of special free school place funding	670	670	670
<b>Estimated grant due</b>	<b>71,175</b>	<b>73,488</b>	<b>76,591</b>

- 3.5 The increase in basic entitlement as a result of an increase in the number of pupils in special schools (from 1,314 in October 2017 to an estimated 1,482 in October 2018) is partly as a result of the increase in places as Springwell Leeds fully opens and further increases in line with the assumptions made in the Strategic Review of provision for children and young people with Special Education Needs and Disabilities.

- 3.6 All the grant figures quoted above assume that the 3% cap on gains continues in its current form. The 'loss' of grant in 2019/20 based on the July update is estimated to be £5.1m. As a large proportion of the grant is based on population and pupil information, if these items do not increase for Leeds as expected, then the grant allocations will be lower.

#### 4 Deductions for places directly funded by ESFA

- 4.1 From the overall HNB deductions are made by the ESFA for places they pay directly to settings. The summary of the estimated deductions until 2021/22 are as follows:-

	2019/20 £000	2020/21 £000	2021/22 £000
Places funded directly by ESFA			
- Recoupment academies	-310	-332	-332
- Special academies / free schools	-4,070	-4,070	-4,070
- Maintained special post 16	-2,260	-2,260	-2,260
- Maintained mainstream post 16	-114	-114	-114
- AP academies / free schools	-203	-320	-320
- FE colleges & Charitable and Commercial Providers	-3,424	-3,494	-3,558
<b>Estimated Deductions</b>	<b>-10,381</b>	<b>-10,590</b>	<b>-10,654</b>

- 4.1.1 The deductions for recoupment from academies represent place funding for academies with resourced provision. This has not changed for future years as any increase in academies with resourced provision will be offset by a reduction in mainstream resourced provision costs.
- 4.1.2 The deductions for special academies and free schools are for place funding at Springwell Leeds and Lighthouse School. There have been no increases in places commissioned from these settings assumed at this stage.
- 4.1.3 Post 16 funding is currently paid via a separate grant and so place funding for post 16 high needs pupils is deducted from the HNB. Indications have been made that this may not happen in future years and so the current level of deductions for maintained special and mainstream schools has been assumed to continue at this stage. If these deductions do cease, then the HNB expenditure will increase by this value.
- 4.1.4 The deductions for AP academies and free schools are for place funding at Elland Academy and Stephen Longfellow Academy. Based on the 2018/19 high needs operational guide, deductions for AP free school places are delayed for 2 years after the provision has opened. Once deductions are made, they are in respect of actual pupils in the school in the October census who are residents of Leeds and have that school registered as their main or sole school. The deductions above are based on the number of pupils who meet this criteria in the May 2018 census as no further information is currently available.

- 4.1.5 From April 2017, funding was transferred to DSG in respect of high needs place funding for further education colleges and charitable and commercial providers (CCP's). The ESFA then deduct this funding to pay the providers direct. At this stage, exact pupil numbers from September 2019 onwards are not available and so it is assumed that these deductions will increase in line with the Office of National Statistics' (ONS) increases in pupil numbers. There have been significant increases in recent years and so this is an area of risk. An exercise to collate this information for the 2019/20 academic year is due to be completed by the end of November and projections will be adjusted to take account of this information.
- 4.2 Of the deductions, those detailed in paragraphs 4.1.1 to 4.1.3 are of least risk as any increases in these should be offset by reductions in expenditure. The deduction for AP free schools is dependent on how those schools record pupils and so this is an area of risk if the number of Leeds pupils where these settings are their main school increases.
- 4.3 The deductions for further education colleges and charitable and commercial providers is also an area of risk as the number of pupils in these settings is outside the control of Leeds City Council and includes pupils from other local authorities. As part of the grant allocation there is an import / export adjustment to transfer funding to reflect the number of pupils who are the responsibility of one local authority but are placed in another local authority. However, the information used to calculate this adjustment is based on pupil returns from the previous January and so this adjustment will not match the actual impact in the year in which it occurs.

## 5 Expenditure

- 5.1 Previous reports have been brought to Schools Forum on projected expenditure. These estimates are regularly reviewed and adjusted to reflect the latest information available and the current detailed assumptions are shown in appendix 1.
- 5.2 The future year projections are based on assumptions around planned and anticipated growth in places and the number of pupils requiring support and will be updated as we obtain more up to date information. An updated budget for 2019/20 and estimates for future years will be provided to Schools Forum in early 2019.
- 5.3 The largest area of expenditure remains funding passported to institutions. Although the FFI unit rate decreased from £684 to £600 for most settings, the increase in pupil numbers and complexity of need has resulted in a continued increase in projected costs. The projected expenditure is as follows:-

	2019/20 £000	2020/21 £000	2021/22 £000
SILC and Resourced Provision Places	10,766	11,356	11,977
Outside and external residential placements	6,368	6,178	6,388
Alternative Provision and AIP's	5,256	5,256	5,256
SEN Top-ups to Institutions	33,786	34,921	36,064
Mainstream additional places (£6k blocks)	528	550	572
Education provision for mental health beds	200	200	200

**Total Passported To Institutions****56,904    58,461    60,457**

- 5.3.1 The expenditure on SILC places is based on an additional 80 places in October 18 census compared to October 17 census (which is in line with the projected increase in basic entitlement), plus an additional 50 places from 1st September 2019, 2020 and 2021. Resourced Provision expenditure has been increased to reflect the planned increase of an additional 10 places over the next 18 months.
- 5.3.2 The initial projections on outside and external residential placements were based on an assumed reduction in need for these placements. However, as detailed in the budget monitoring report, some of these assumptions have not materialised and so the projected overspend in 2018/19 has now been assumed to continue into future years.
- 5.3.3 Funding for Area Inclusion Partnerships (AIP's) is assumed to continue at the current levels. At the end of each financial year an assessment will be made of AIP balances and projected use of reserves and any excess funding identified will be clawed back from the AIP's.
- 5.3.4 Although the FFI unit rate was reduced to £600 from £684 for most settings, there is still an increase in demand due to increasing numbers and complexity of cases. The projected costs for future years is based on the 2018/19 overspend continuing and increasing to reflect new places and a general uplift in line with ONS population increase statistics. However, this remains the largest area of risk of increased costs.
- 5.3.5 Following changes to the criteria on allocating funding to schools with SEN places above the notional SEN budget, the costs of additional places has reduced significantly. An initial exercise on the 2018/19 cost has shown a projected overspend and this is assumed to continue along with a general increase in line with ONS projections.
- 5.3.6 Since receiving invoices for the education provision of adolescents in private mental health beds the Directorate has successfully negotiated a reduction to the initial charges. As a result the actual cost was significantly lower than the original charges received. The projected outturn for 2018/19 shows an underspend as a result of a reduction in the number of young people though this reduction is not expected to continue in future years.

- 5.4 The projected costs for Commissioned Services is as follows:-

	2019/20	2020/21	2021/22
	£000	£000	£000
Hospital & Home Tuition	1,504	1,519	1,534
PD & Medical Service	96	98	100
<b>Total Commissioned Services</b>	<b>1,600</b>	<b>1,617</b>	<b>1,634</b>

- 5.4.1 The projected costs for hospital and home tuition reflects the increase in funding reflected in the grant allocations. The ESFA have indicated that funding

allocated to these services could change and these costs will be reassessed in light of any change.

5.4.2 For PD and medical services costs are assumed to be in line with 2018/19 along with an uplift for inflation.

5.5 The projected costs of services funded directly by Children & Families is as follows:-

	2019/20 £000	2020/21 £000	2021/22 £000
Autism support	423	433	443
Children missing out on education	261	265	269
Management of AP	112	114	116
SEN adaptations	141	141	141
SEN Inclusion Team	1,232	1,258	1,284
Sensory Service	2,223	2,269	2,315
Virtual school (Children Looked After)	110	112	114
<b>Total Directly Managed by Children &amp; Families</b>	<b>4,502</b>	<b>4,592</b>	<b>4,682</b>

5.5.1 Following the high needs review in 2017, the funding of the Teenage Pregnancy Service was removed from DSG and so there are no costs going forward.

5.5.2 The majority of the costs detailed above are for staffing and so it has been assumed that costs will increase as a result of pay awards and increases in superannuation contributions. During 2018/19 a number of these services are projecting to be underspent due to staffing vacancies. At this stage, it has been assumed that these vacancies will be recruited to and so the underspends are unlikely to continue. As service budgets are completed these estimates will be changed to reflect the actual budgets and costs of those services.

5.6 There are a number of other costs to the high needs block which are as follows:-

	2019/20 £000	2020/21 £000	2021/22 £000
SEMH prudential borrowing costs	558	558	558
Contribution to reserves	1,000	1,000	1,000
<b>Total Other Costs</b>	<b>1,558</b>	<b>1,558</b>	<b>1,558</b>

5.6.1 A disapplication request was submitted in 2016 with the approval of Schools Forum to be able to charge a proportion of the prudential borrowing costs of the new SEMH provision to the HNB. Approval was received to charge up to £2m per year to the HNB. Following further discussions around the scheme funding, the actual charge to the HNB was reduced to £558k per year with 2019/20 the first year of charging.

5.6.2 In order to reduce the DSG deficit over a number of years, a budget of £1m per year has been set to repay the balance



- 5.7 Although the most up to date information has been used to calculate these costs, there remains an element of uncertainty and risk that the actual costs could be different. In particular, the outcome of the Specialist Provision Funding Review is not yet known and this could have an impact on these projections.

## 6 Overall Projected Shortfall

- 6.1 The projections detailed above have resulted in projected in year shortfalls as follows:-

	2019/20	2020/21	2021/22
	£000	£000	£000
High Needs Block Grant	60,794	62,898	65,937
Projected expenditure	64,564	66,228	68,331
<b>In Year Shortfall</b>	<b>3,770</b>	<b>3,330</b>	<b>2,394</b>

- 6.2 Unless there is a significant increase in funding following the spending review then the options available to fund this shortfall are to either transfer funding from other blocks or to reduce expenditure further within the HNB. If the cap on gains was removed then there would be sufficient additional funding to cover the shortfalls.
- 6.3 At this stage it is assumed that once the 2019/20 funding for the Central Schools Services Block (CSSB) is confirmed, any funding not required for those services will be transferred to the HNB. This value is likely to be at least £500k but could be up to £1m. The government have confirmed that the CSSB will be reduced from 2020/21 onwards and so at this stage, it cannot be assumed that funding will be available to transfer to the HNB after 2019/20.
- 6.4 When the National Funding Formula was first announced, a local or “soft” formula was applied for 2018/19 and 2019/20 which would allow local authorities to transfer up to 0.5% (approximately £2.5m) of the Schools Block with the approval of Schools Forum. It has now been confirmed that the soft formula will continue into 2020/21 and so it is assumed that the ability to transfer 0.5% of the schools block will also continue. The ability to transfer funding from the Schools Block is dependent on support from individual schools and approval by Schools Forum
- 6.5 From the High Needs Block review carried out in 2017, a number of savings were agreed including reducing the FFI unit rate to £600 for most settings and ceasing to fund the Teenage Pregnancy Service. Although these savings have been implemented, if there are no further transfers from other blocks, additional savings will be required.
- 6.6 Should transfers from other blocks as detailed above be approved, then the projected savings still to be found within the HNB are as follows:-

	2019/20 £000	2020/21 £000	2021/22 £000
In Year Shortfall	3,770	3,330	2,394
Transfer from Schools Block	(2,500)	(2,000)	
Transfer from CSSB	(500)	0	
<b>Savings to be identified</b>	<b>770</b>	<b>1,330</b>	<b>2,394</b>

## 7 Recommendations

- 7.1 Schools Forum is requested to note the contents of this report and that a further report will be submitted early in 2019 with updated projections when more information will be available.

## ANALYSIS OF DSG HIGH NEEDS BLOCK 2016/17 TO 2021/22

	2016/17 Actual	2017/18 Actual	2018/19 Original Estimate	2018/19 Projection	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	Comments
	£000	£000	£000	£000	£000	£000	£000	
<b><u>DSG Funding On High Needs</u></b>								
High Needs Block baseline	57,919	60,746	66,838	66,965	71,175	73,488	76,591	18/19 updated for final allocations issued by ESFA July 2018. 2019/20 based on indicative allocations issued at the same time adjusted for anticipated growth in pupils and transfer of special free school place funding. Future years are a risk due to comprehensive spending review.
Growth funding and other adjustments	882	1,903	0	0	0	0	0	Growth funding is in the base calculation from 2019/20 onwards.
Places funded directly by the ESFA	(3,704)	(7,451)	(9,038)	(8,932)	(10,381)	(10,590)	(10,654)	Phased increase in SEMH places, increase in deductions for AP free schools and significant increase in post 16 places. Now includes special free school place deductions (offsets increase above).
Funding transferred from Schools Block	0	2,000	2,000	2,000	0	0	0	Assumes £2m transfer from Schools is non-recurrent.
Funding transferred from Central School Services Block			500	500				Assumes £500k transfer from CSSB is non-recurrent.
<b>Total High Needs Block grant</b>	<b>55,097</b>	<b>57,198</b>	<b>60,300</b>	<b>60,533</b>	<b>60,794</b>	<b>62,898</b>	<b>65,937</b>	
<b><u>Funding Passported To Institutions</u></b>								
SILC and Resourced Provision Places	10,474	10,236	10,169	10,265	10,766	11,356	11,977	Based on additional 80 places in October 18 census compared to October 17 census, plus an additional 50 places from 1st September 2019, 2020 and 2021. These projections could change depending on a decision over what settings these places will be in. As per the NFF funding model, basic entitlement funding for pupils in resourced provision will be funded from the schools block. Costs have therefore been reduced correspondingly.
Deficit SILC balances	729	0	0	1,730	0	0	0	Deficit expected in 2018/19.
Outside placements and external residential placements	7,195	7,668	6,283	6,833	6,368	6,178	6,388	Outside placements based on projected number of placements each year while external residential placements is based on education costs of specialist education and residential placements.
Alternative Provision and AIP's	6,012	4,941	5,256	5,006	5,256	5,256	5,256	No further funding reductions currently projected.
SEN Top-ups to Institutions	26,681	29,175	30,666	32,250	33,786	34,921	36,064	Based on forecast population growth and increase in number of pupils identified with SEND, plus increase in pupils at SEMH provision. Also includes top up on an additional places as identified above.
Mainstream additional places (£6k blocks)	2,316	930	424	506	528	550	572	Additional £6k blocks - based on 2018/19 costs.
Education provision for mental health beds		196	200	100	200	200	200	Costs dependent on young people places in private hospitals. At the moment, it is assumed that the 2018/19 underspend will not continue.
<b>Total Passported To Institutions</b>	<b>53,407</b>	<b>53,146</b>	<b>52,998</b>	<b>56,690</b>	<b>56,904</b>	<b>58,461</b>	<b>60,457</b>	
<b><u>Commissioned Services managed on behalf of LCC</u></b>								
Hospital & Home Tuition	1,278	1,276	1,484	1,489	1,504	1,519	1,534	This funding is largely a specific element within the calculation of the DSG income due. The projected costs match the income allocated.
PD & Medical Service	94	94	65	96	96	98	100	Original contract is still in place.
<b>Total Commissioned Services</b>	<b>1,372</b>	<b>1,370</b>	<b>1,549</b>	<b>1,585</b>	<b>1,600</b>	<b>1,617</b>	<b>1,634</b>	
<b><u>Directly Managed By Children &amp; Families</u></b>								
Autism support	393	347	413	413	423	433	443	Increase for pay award (at 2%) and superannuation increase.

ANALYSIS OF DSG HIGH NEEDS BLOCK 2016/17 TO 2021/22

	2016/17 Actual	2017/18 Actual	2018/19 Original Estimate	2018/19 Projection	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	Comments
	£000	£000	£000	£000	£000	£000	£000	
Children missing out on education	263	233	257	257	261	265	269	Increase for pay award (at 2%) and superannuation increase.
Management of AP	105	105	110	110	112	114	116	Increase for pay award (at 2%) and superannuation increase.
SEN adaptations	149	154	141	141	141	141	141	No change to budget.
SEN Inclusion Team	770	1,054	1,206	1,106	1,232	1,258	1,284	Increase for pay award (at 2%) and superannuation increase.
Sensory Service	2,343	2,275	2,177	2,036	2,223	2,269	2,315	Increase for pay award (at 2%) and superannuation increase.
Teenage pregnancy	219	231	0	0	0	0	0	Removed from DSG funding.
Virtual school (Children Looked After)	110	103	108	109	110	112	114	Increase for pay award (at 2%) and superannuation increase.
<b>Total Directly Managed by Children &amp; Families</b>	<b>4,352</b>	<b>4,502</b>	<b>4,412</b>	<b>4,172</b>	<b>4,502</b>	<b>4,592</b>	<b>4,682</b>	
<b><u>Other Costs</u></b>								
SEMH set up costs	718	550	395	395	0	0	0	Payments to SEMH provision for set up costs.
SEMH prudential borrowing costs	0	0	0	0	558	558	558	Prudential borrowing costs for building of new SEMH provision from 2019/20.
Contribution to reserves	0	0	946	0	1,000	1,000	1,000	Contribution to reduce deficit reserve.
<b>Total Other Costs</b>	<b>718</b>	<b>550</b>	<b>1,341</b>	<b>395</b>	<b>1,558</b>	<b>1,558</b>	<b>1,558</b>	
<b>Total High Needs Block Expenditure</b>	<b>59,849</b>	<b>59,568</b>	<b>60,300</b>	<b>62,842</b>	<b>64,564</b>	<b>66,228</b>	<b>68,331</b>	
<b>In Year Shortfall (Surplus)</b>	<b>4,752</b>	<b>2,370</b>	<b>0</b>	<b>2,309</b>	<b>3,770</b>	<b>3,330</b>	<b>2,394</b>	
<b>Cumulative DSG Deficit</b>	<b>4,161</b>	<b>3,379</b>	<b>3,633</b>	<b>5,688</b>	<b>6,278</b>	<b>8,608</b>	<b>10,002</b>	
<b><u>Options to reduce deficit</u></b>								
- transfer from schools block					(2,500)	(2,000)		Further consultation would be required for a transfer in 2019/20.
- transfer from central school services block					(500)	0		Fall out of equal pay borrowing costs.
- other savings / increased funding to be identified					(770)	(1,330)	(2,394)	Savings or increased funding to be identified to balance budget.
Total potential savings					(3,770)	(3,330)	(2,394)	
<b>Revised In Year Shortfall (Surplus)</b>	<b>4,752</b>	<b>2,370</b>	<b>0</b>	<b>2,309</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Estimated underspend elsewhere in DSG</b>				(2,180)				
<b>Revised DSG deficit if all options fully implemented</b>	<b>4,161</b>	<b>3,379</b>	<b>3,633</b>	<b>3,508</b>	<b>2,508</b>	<b>1,508</b>	<b>508</b>	
Note:- estimated impact of 3% cap on grant gains			7,096		5,142	3,234	2,933	



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## Report of the Director of Children and Families

### Report to the Leeds Schools Forum

Date: 4<sup>th</sup> October 2018

Subject: School Funding Update 2019/20

Report Author: Louise Hornsey

Contact telephone number: 0113 3788689

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### Summary of main issues

1. The Dedicated Schools Grant (DSG) is allocated in four blocks; schools, high needs, early years and central schools services. 2019/20 is the second year of the national funding formula for schools, high needs and central school services. The Education and Skills Funding Agency (ESFA) uses the national funding formula to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
2. The ESFA has published some of the indicative DSG funding allocations for 2019/20. These show an increase for Leeds of £6.1m for the Schools Block and £1.7m for the High Needs Block. The final allocations for 2019/20 will be confirmed later in the year using the latest pupil data. There has also been an increase of £75k to the Central Schools Services Block. Funding for the Early Years Block has not yet been confirmed.
3. Local authorities are required to consult with schools on proposals for funding arrangements and report back to their Schools Forum. Schools Forums are then responsible for either making decisions or providing views on the various proposals, in line with the powers set out by the DfE.
4. Financial modelling is currently being carried out for 2019/20 to establish options for consultation with schools. The consultation with schools on the 2019/20 funding arrangements and de-delegation will provisionally run from 15<sup>th</sup> to 26<sup>th</sup> October 2018. Briefing sessions will be provided for schools during this period.

### Recommendations

5. Schools Forum is asked to note the latest position on the 2019/20 school funding arrangements and the ongoing work to develop and consult on the allocation of this funding.

## **1 Background information**

- 1.1 The Dedicated Schools Grant (DSG) is allocated in four blocks; schools, high needs, early years and central schools services. 2019/20 is the second year of the national funding formula for schools, high needs and central school services. The ESFA uses the national funding formula to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
- 1.2 The ESFA has now advised that local authorities will also continue to determine their local formula in 2020/21, a year longer than previously thought. The ESFA has not confirmed the date that the national funding formula will now be fully implemented so it is possible there could be further transitional years beyond 2020/21.
- 1.3 The level of funding increases and any cap on gains is still unknown from 2020/21 as this will be the subject of a future government spending review.
- 1.4 The ESFA has published illustrative local authority level allocations for 2019/20 for schools, central school services, and high needs blocks, based on October 2017 pupil data. Details are provided in the relevant sections below and these figures will be used for consultation with schools in October 2018. The final local authority allocations will be confirmed in December 2018 and will take into account October 2018 pupil data.
- 1.5 For 2019/20 the ESFA's formula rules remain largely the same as in 2018/19, although there are a few technical changes to the formula, key details of which are highlighted in the relevant sections of the report below.

## **2 Main issues**

### **2.1 Dedicated Schools Grant balance**

- 2.1.1 In 2019/20 there will be a tightening of rules around DSG deficits, requiring local authorities to explain their plans for bringing the DSG account back into balance. The ESFA will require more information from authorities where the deficit is more than 1% of their DSG. Based on current projections this should not have a significant impact on Leeds as the deficit is less than 1% and plans are already in place to repay this.

### **2.2 Schools Block**

#### Funding allocation

- 2.2.1 In 2019/20, the national funding formula will continue to set notional allocations for each school, which will be aggregated and used to calculate the total Schools Block funding received by each local authority. The Schools Block indicative allocation for Leeds in 2019/20 is £505,076k which is an increase of £6,103k compared to 2018/19 (based on October 2017 pupil data). The final Schools Block allocation for 2019/20 will

be received in December 2018 and will reflect the October 2018 pupil numbers in mainstream schools and academies.

- 2.2.2 If the national funding formula had been implemented in full without any cap on gains the Schools Block allocation would have been £508,646k, which is £3,570k more than the indicative allocation. Funding has therefore moved closer to the national funding formula compared to 2018/19 when the cap on gains totalled £8m.

#### Transfers out of the schools block

- 2.2.3 The Schools Block will again be ring-fenced in 2019/20. Local authorities are able to transfer up to 0.5% of their schools block funding out with the agreement of their Schools Forum. For Leeds this would be approximately £2.5m. Transfers of more than 0.5% may be allowed in circumstances where the Secretary of State has previously allowed a transfer between blocks and where this is again agreed by the Schools Forum.
- 2.2.4 Due to the ongoing pressures on the High Needs Block, for 2019/20 we will be consulting with schools in October 2018 on a transfer of funding from the Schools Block. The amount to be consulted on will be decided following further consideration of the pressures on the High Needs Block.

#### Funding formula

- 2.2.5 The minimum funding guarantee (MFG) for schools will continue, and local authorities continue to have the flexibility to set a local MFG between minus 1.5% and plus 0.5% per pupil. In line with 2018/19, we will seek to set the MFG at plus 0.5% if this is possible following the modelling of the formula options, so that all schools will see an increase in their per pupil funding.
- 2.2.6 The indicative allocations for Leeds have increased in 2019/20 due to the continued roll out of three key areas of the national funding formula as detailed below. It should be noted there is still some local discretion in the extent to which the local formula replicates the national formula and any transfer of funding out of the Schools Block would affect the ability to fully deliver these increases to schools.
- The minimum per pupil funding levels will increase to £4,800 for secondary schools (compared to £4,600 in 2018/19) and £3,500 for primary schools (compared to £3,300 in 2018/19).
  - The funding floor will increase to ensure that the funding allocated to the local authority includes at least a 1% gain per pupil against their 2017/18 baselines (i.e. a 0.5% gain compared to 2018/19).
  - The gains cap will increase to 6.09% per pupil against 2017/18 baselines (i.e. a 3% cap compared to 2018/19).
- 2.2.7 As in previous years, we will be consulting with schools on the local funding formula to be used for 2019/20. We will be proposing to move as close as possible to the national funding formula, as this was the approach taken for 2018/19 which was supported by

the majority of schools that responded to the consultation and also Schools Forum. As we will be proposing to transfer some funding out of the Schools Block it will not be possible to move fully to the national funding formula and we are currently modelling options for adjusting the national funding formula to take account of this. Details of the proposed formula allocations will be provided to schools during the consultation in October 2018.

### PFI

- 2.2.8 The ESFA provides additional funding for PFI schools within the Schools Block to offset the extra costs associated with PFI contracts. This additional funding is intended to mean that PFI schools are neither treated more or less favourably than a non-PFI school. The ESFA allocates funding to local authorities based on the amount given to PFI schools the previous year plus inflation.
- 2.2.9 However the cost of the PFI contracts is currently increasing at a faster rate than the funding and we therefore need to look at solutions to address this. Over the past two years the council has made up any shortfall in funding for schools, however this is not sustainable in the long term and we will be discussing our options with the ESFA for funding this in future. As part of this process we may also need to consult with schools and put in a formal disapplication request to the ESFA for changes to be made to the funding.

### Growth fund

- 2.2.10 A further change to funding arrangements is that growth funding will now be allocated to local authorities on a formulaic basis rather than using historic spend. Growth funding allocations for 2019/20 will not be confirmed until December 2018 and the indicative 2019/20 Schools Block allocation currently includes the 2018/19 growth funding amount.
- 2.2.11 As in previous years, Schools Forum are responsible for agreeing the amount of growth funding to be top-sliced from the Schools Block (which does not have to be the same as the amount of growth funding allocated by the ESFA). Details will be brought to a future Schools Forum of the proposed amount and criteria for the 2019/20 growth fund.

## **2.3 High Needs Block**

- 2.3.1 The High Needs Block (HNB) indicative allocation for 2019/20 is £69,833k. This is an increase of £1,668k compared to the indicative amount issued in December 2017 and an increase of £968k compared to the projected income amount used in the HNB review. There will be further changes in December as a result of pupil numbers in special schools, HNB deductions and the import / export adjustment.
- 2.3.2 The main reasons for this increase are an increase in pupil numbers included in the basic entitlement element which is not subject to the 3% cap, an overall reduction in the number of “exported” pupils, an increase in the amount of grant due in the proxy



factors used to calculate need and an increase in population above previous projections.

2.3.3 If the cap on gains had not been in place then the council's indicative funding allocation for the High Needs Block would have been £5.142m more for 2019/20 (compared to £7m in 2018/19).

2.3.4 The basic structure of the formula will not change, though subject to national consultation, there may be further changes on:-

- Incorporating special free schools place funding as part of DSG
- Using data to calculate hospital funding rather than historical spend
- Introducing more flexibility to post 16 funding and considering using a flat rate element

2.3.5 Although the impact of these is not known, the ESFA guidance suggests that for each of these elements, local authorities should not see any reduction in funding.

2.3.6 There is a separate report on the agenda on High Needs Block projections which provides further details of costs and assumptions moving forward.

## 2.4 **Central School Services Block**

2.4.1 The indicative allocation for the Central School Services Block (CSSB) in 2019/20 is £5,246k which is an increase of £75k compared to 2018/19.

2.4.2 Funding for this block is split between historic commitments and ongoing services. Funding for historic commitments is allocated at the same level as 2018/19 and from 2020/21 funding for this element will start to reduce, though there are no indications yet on how much this will reduce by.

2.4.3 Due to a reduction in the cost of historic commitments we are expecting that for 2019/20 there will be between £500k and £1m of the CSSB available to transfer to the HNB. This will not be confirmed until details of the final funding allocation are received in December 2018, however we will be consulting with schools in October 2018 on the principle of transferring the maximum amount that becomes available.

## 2.5 **De-delegation of services**

2.5.1 Schools Forum can agree that some funding for maintained primary and secondary schools is retained centrally each year, so that the council can provide certain services to schools (such as reimbursing schools for the cost of staff on maternity leave). We will be consulting with schools in October on the proposals for de-delegated contributions in 2019/20.

2.5.2 We were previously expecting 2019/20 to be the last year that de-delegation would be possible, as the ESFA had intended to bring in the full national funding formula in 2020/21. However this has now been delayed until at least 2021/22 and we are

expecting de-delegation to continue until the national funding formula is fully introduced.

## **2.6 Contribution towards severance costs for maintained schools**

2.6.1 Current legislation states that premature retirement costs are chargeable to the school's delegated budget while redundancy costs are charged to the local authority's budget. In 2016/17 the total redundancy cost for maintained schools was £555k, and in 2017/18 the total was £955k. Funding was previously provided to the council for redundancy costs through the Education Services Grant but this ceased in 2017, following reductions in grant funding over several years.

2.6.2 For 2018/19, Schools Forum agreed to a contribution of £500k from maintained schools towards severance costs. For 2019/20 we will again be consulting on a proposal for maintained schools to contribute towards these costs. The amount of the proposed contribution is currently being considered, taking into account ongoing trends in school redundancies and being mindful of the financial pressures faced by schools.

## **2.7 Early Years Block**

2.7.1 As in previous years, the Early Years Block allocation is based on pupil numbers in the January census and therefore allocations for 2019/20 have not yet been released.

## **2.8 Consultation with schools**

2.8.1 The 2019/20 consultation with schools will provisionally run from 15<sup>th</sup> to 26<sup>th</sup> October 2018 and as set out in this report will cover:

- The local schools funding formula
- Any proposals to transfer funding between the blocks of the Dedicated Schools Grant
- De-delegation of services for maintained schools
- Maintained school contributions to severance costs

2.8.2 We are writing to schools to provide advance notice of the consultation so that they have time to plan for any arrangements they may want to make to be able to respond.

2.8.3 At the start of the consultation period we will send out detailed information including indicative school level figures, in addition to attending existing Headteacher meetings to discuss the consultation and providing specific briefing sessions for schools.

2.8.4 We will report the outcome of the consultation to Schools Forum on 15<sup>th</sup> November 2018. A further update will also be provided at the meeting on 17<sup>th</sup> January 2019 once the final funding allocations have been confirmed by the ESFA.

## **3 Recommendations**

- 3.1 Schools Forum is asked to note the latest position on the 2019/20 school funding arrangements and the ongoing work to develop and consult on the allocation of this funding.

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## **Report of the Director of Children and Families**

### **Report to the Leeds Schools Forum**

**Date: 4<sup>th</sup> October 2018**

**Subject: School Funding Update 2019/20**

**Report Author: Louise Hornsey**

**Contact telephone number: 0113 3788689**

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### **Summary of main issues**

1. The Dedicated Schools Grant (DSG) is allocated in four blocks; schools, high needs, early years and central schools services. 2019/20 is the second year of the national funding formula for schools, high needs and central school services. The Education and Skills Funding Agency (ESFA) uses the national funding formula to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
2. The ESFA has published some of the indicative DSG funding allocations for 2019/20. These show an increase for Leeds of £6.1m for the Schools Block and £1.7m for the High Needs Block. The final allocations for 2019/20 will be confirmed later in the year using the latest pupil data. There has also been an increase of £75k to the Central Schools Services Block. Funding for the Early Years Block has not yet been confirmed.
3. Local authorities are required to consult with schools on proposals for funding arrangements and report back to their Schools Forum. Schools Forums are then responsible for either making decisions or providing views on the various proposals, in line with the powers set out by the DfE.
4. Financial modelling is currently being carried out for 2019/20 to establish options for consultation with schools. The consultation with schools on the 2019/20 funding arrangements and de-delegation will provisionally run from 15<sup>th</sup> to 26<sup>th</sup> October 2018. Briefing sessions will be provided for schools during this period.

### **Recommendations**

5. Schools Forum is asked to note the latest position on the 2019/20 school funding arrangements and the ongoing work to develop and consult on the allocation of this funding.

## **1 Background information**

- 1.1 The Dedicated Schools Grant (DSG) is allocated in four blocks; schools, high needs, early years and central schools services. 2019/20 is the second year of the national funding formula for schools, high needs and central school services. The ESFA uses the national funding formula to calculate the blocks within the Dedicated Schools Grant (DSG) that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
- 1.2 The ESFA has now advised that local authorities will also continue to determine their local formula in 2020/21, a year longer than previously thought. The ESFA has not confirmed the date that the national funding formula will now be fully implemented so it is possible there could be further transitional years beyond 2020/21.
- 1.3 The level of funding increases and any cap on gains is still unknown from 2020/21 as this will be the subject of a future government spending review.
- 1.4 The ESFA has published illustrative local authority level allocations for 2019/20 for schools, central school services, and high needs blocks, based on October 2017 pupil data. Details are provided in the relevant sections below and these figures will be used for consultation with schools in October 2018. The final local authority allocations will be confirmed in December 2018 and will take into account October 2018 pupil data.
- 1.5 For 2019/20 the ESFA's formula rules remain largely the same as in 2018/19, although there are a few technical changes to the formula, key details of which are highlighted in the relevant sections of the report below.

## **2 Main issues**

### **2.1 Dedicated Schools Grant balance**

- 2.1.1 In 2019/20 there will be a tightening of rules around DSG deficits, requiring local authorities to explain their plans for bringing the DSG account back into balance. The ESFA will require more information from authorities where the deficit is more than 1% of their DSG. Based on current projections this should not have a significant impact on Leeds as the deficit is less than 1% and plans are already in place to repay this.

### **2.2 Schools Block**

#### Funding allocation

- 2.2.1 In 2019/20, the national funding formula will continue to set notional allocations for each school, which will be aggregated and used to calculate the total Schools Block funding received by each local authority. The Schools Block indicative allocation for Leeds in 2019/20 is £505,076k which is an increase of £6,103k compared to 2018/19 (based on October 2017 pupil data). The final Schools Block allocation for 2019/20 will

be received in December 2018 and will reflect the October 2018 pupil numbers in mainstream schools and academies.

- 2.2.2 If the national funding formula had been implemented in full without any cap on gains the Schools Block allocation would have been £508,646k, which is £3,570k more than the indicative allocation. Funding has therefore moved closer to the national funding formula compared to 2018/19 when the cap on gains totalled £8m.

#### Transfers out of the schools block

- 2.2.3 The Schools Block will again be ring-fenced in 2019/20. Local authorities are able to transfer up to 0.5% of their schools block funding out with the agreement of their Schools Forum. For Leeds this would be approximately £2.5m. Transfers of more than 0.5% may be allowed in circumstances where the Secretary of State has previously allowed a transfer between blocks and where this is again agreed by the Schools Forum.
- 2.2.4 Due to the ongoing pressures on the High Needs Block, for 2019/20 we will be consulting with schools in October 2018 on a transfer of funding from the Schools Block. The amount to be consulted on will be decided following further consideration of the pressures on the High Needs Block.

#### Funding formula

- 2.2.5 The minimum funding guarantee (MFG) for schools will continue, and local authorities continue to have the flexibility to set a local MFG between minus 1.5% and plus 0.5% per pupil. In line with 2018/19, we will seek to set the MFG at plus 0.5% if this is possible following the modelling of the formula options, so that all schools will see an increase in their per pupil funding.
- 2.2.6 The indicative allocations for Leeds have increased in 2019/20 due to the continued roll out of three key areas of the national funding formula as detailed below. It should be noted there is still some local discretion in the extent to which the local formula replicates the national formula and any transfer of funding out of the Schools Block would affect the ability to fully deliver these increases to schools.
- The minimum per pupil funding levels will increase to £4,800 for secondary schools (compared to £4,600 in 2018/19) and £3,500 for primary schools (compared to £3,300 in 2018/19).
  - The funding floor will increase to ensure that the funding allocated to the local authority includes at least a 1% gain per pupil against their 2017/18 baselines (i.e. a 0.5% gain compared to 2018/19).
  - The gains cap will increase to 6.09% per pupil against 2017/18 baselines (i.e. a 3% cap compared to 2018/19).
- 2.2.7 As in previous years, we will be consulting with schools on the local funding formula to be used for 2019/20. We will be proposing to move as close as possible to the national funding formula, as this was the approach taken for 2018/19 which was supported by

the majority of schools that responded to the consultation and also Schools Forum. As we will be proposing to transfer some funding out of the Schools Block it will not be possible to move fully to the national funding formula and we are currently modelling options for adjusting the national funding formula to take account of this. Details of the proposed formula allocations will be provided to schools during the consultation in October 2018.

### PFI

- 2.2.8 The ESFA provides additional funding for PFI schools within the Schools Block to offset the extra costs associated with PFI contracts. This additional funding is intended to mean that PFI schools are neither treated more or less favourably than a non-PFI school. The ESFA allocates funding to local authorities based on the amount given to PFI schools the previous year plus inflation.
- 2.2.9 However the cost of the PFI contracts is currently increasing at a faster rate than the funding and we therefore need to look at solutions to address this. Over the past two years the council has made up any shortfall in funding for schools, however this is not sustainable in the long term and we will be discussing our options with the ESFA for funding this in future. As part of this process we may also need to consult with schools and put in a formal disapplication request to the ESFA for changes to be made to the funding.

### Growth fund

- 2.2.10 A further change to funding arrangements is that growth funding will now be allocated to local authorities on a formulaic basis rather than using historic spend. Growth funding allocations for 2019/20 will not be confirmed until December 2018 and the indicative 2019/20 Schools Block allocation currently includes the 2018/19 growth funding amount.
- 2.2.11 As in previous years, Schools Forum are responsible for agreeing the amount of growth funding to be top-sliced from the Schools Block (which does not have to be the same as the amount of growth funding allocated by the ESFA). Details will be brought to a future Schools Forum of the proposed amount and criteria for the 2019/20 growth fund.

## **2.3 High Needs Block**

- 2.3.1 The High Needs Block (HNB) indicative allocation for 2019/20 is £69,833k. This is an increase of £1,668k compared to the indicative amount issued in December 2017 and an increase of £968k compared to the projected income amount used in the HNB review. There will be further changes in December as a result of pupil numbers in special schools, HNB deductions and the import / export adjustment.
- 2.3.2 The main reasons for this increase are an increase in pupil numbers included in the basic entitlement element which is not subject to the 3% cap, an overall reduction in the number of “exported” pupils, an increase in the amount of grant due in the proxy



factors used to calculate need and an increase in population above previous projections.

2.3.3 If the cap on gains had not been in place then the council's indicative funding allocation for the High Needs Block would have been £5.142m more for 2019/20 (compared to £7m in 2018/19).

2.3.4 The basic structure of the formula will not change, though subject to national consultation, there may be further changes on:-

- Incorporating special free schools place funding as part of DSG
- Using data to calculate hospital funding rather than historical spend
- Introducing more flexibility to post 16 funding and considering using a flat rate element

2.3.5 Although the impact of these is not known, the ESFA guidance suggests that for each of these elements, local authorities should not see any reduction in funding.

2.3.6 There is a separate report on the agenda on High Needs Block projections which provides further details of costs and assumptions moving forward.

## 2.4 **Central School Services Block**

2.4.1 The indicative allocation for the Central School Services Block (CSSB) in 2019/20 is £5,246k which is an increase of £75k compared to 2018/19.

2.4.2 Funding for this block is split between historic commitments and ongoing services. Funding for historic commitments is allocated at the same level as 2018/19 and from 2020/21 funding for this element will start to reduce, though there are no indications yet on how much this will reduce by.

2.4.3 Due to a reduction in the cost of historic commitments we are expecting that for 2019/20 there will be between £500k and £1m of the CSSB available to transfer to the HNB. This will not be confirmed until details of the final funding allocation are received in December 2018, however we will be consulting with schools in October 2018 on the principle of transferring the maximum amount that becomes available.

## 2.5 **De-delegation of services**

2.5.1 Schools Forum can agree that some funding for maintained primary and secondary schools is retained centrally each year, so that the council can provide certain services to schools (such as reimbursing schools for the cost of staff on maternity leave). We will be consulting with schools in October on the proposals for de-delegated contributions in 2019/20.

2.5.2 We were previously expecting 2019/20 to be the last year that de-delegation would be possible, as the ESFA had intended to bring in the full national funding formula in 2020/21. However this has now been delayed until at least 2021/22 and we are

expecting de-delegation to continue until the national funding formula is fully introduced.

## **2.6 Contribution towards severance costs for maintained schools**

2.6.1 Current legislation states that premature retirement costs are chargeable to the school's delegated budget while redundancy costs are charged to the local authority's budget. In 2016/17 the total redundancy cost for maintained schools was £555k, and in 2017/18 the total was £955k. Funding was previously provided to the council for redundancy costs through the Education Services Grant but this ceased in 2017, following reductions in grant funding over several years.

2.6.2 For 2018/19, Schools Forum agreed to a contribution of £500k from maintained schools towards severance costs. For 2019/20 we will again be consulting on a proposal for maintained schools to contribute towards these costs. The amount of the proposed contribution is currently being considered, taking into account ongoing trends in school redundancies and being mindful of the financial pressures faced by schools.

## **2.7 Early Years Block**

2.7.1 As in previous years, the Early Years Block allocation is based on pupil numbers in the January census and therefore allocations for 2019/20 have not yet been released.

## **2.8 Consultation with schools**

2.8.1 The 2019/20 consultation with schools will provisionally run from 15<sup>th</sup> to 26<sup>th</sup> October 2018 and as set out in this report will cover:

- The local schools funding formula
- Any proposals to transfer funding between the blocks of the Dedicated Schools Grant
- De-delegation of services for maintained schools
- Maintained school contributions to severance costs

2.8.2 We are writing to schools to provide advance notice of the consultation so that they have time to plan for any arrangements they may want to make to be able to respond.

2.8.3 At the start of the consultation period we will send out detailed information including indicative school level figures, in addition to attending existing Headteacher meetings to discuss the consultation and providing specific briefing sessions for schools.

2.8.4 We will report the outcome of the consultation to Schools Forum on 15<sup>th</sup> November 2018. A further update will also be provided at the meeting on 17<sup>th</sup> January 2019 once the final funding allocations have been confirmed by the ESFA.

## **3 Recommendations**

- 3.1 Schools Forum is asked to note the latest position on the 2019/20 school funding arrangements and the ongoing work to develop and consult on the allocation of this funding.

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