

LEEDS CITY COUNCIL 2019/20 BUDGET REPORT

Directorate: Children and Families

1. Introduction

- 1.1 This report has been produced in order to inform members of the main variations and factors influencing the Directorate's budget for the 2019/20 financial year.

2 Service Context

- 2.1 The Council has a statutory duty and responsibility to safeguard and promote the welfare of over 175k children and young people (aged 0–18) across Leeds. The Children and Families Directorate has produced the Leeds Children and Families Improvement Plan 2018-2020 which sets out the aims and priorities for the next three years and how the Directorate will continue to work to make Leeds the Best City for Children and Families in the UK. This budget reaffirms the Council's commitment to the plan and once again protects the vital services provided by the Directorate.
- 2.2 The Children and Families Directorate has come a long way in recent years. It is still less than a decade ago that OFSTED found that services to children in Leeds were 'inadequate' and vulnerable children were being left at risk. The most recent OFSTED inspection report, published in December 2018, has rated the services that Leeds provides for children and families as 'outstanding'. Leeds is the first major city to achieve this standard. This national recognition has led to Leeds being awarded significant additional grant funding from the Department for Education (DfE) under the Partner in Practice (PiP) programme with a total of £9.6m invested in Leeds between 2016/17 and 2018/19. In addition, Leeds has been undertaking ongoing improvement work with Kirklees Council and this arrangement has secured an additional £1.6m of funding from the DfE between 2017/18 and 2018/19. This budget ensures that the additional investment in services funded by the DfE PiP can be continued beyond the period of the grant funding.
- 2.3 Recent budgets have provided additional resources for the Directorate to fund the significant budget pressures on demand-led budgets, notably around transport, Children Looked After (CLA) and financially supported non-CLA. In terms of CLA the Directorate has had considerable success in implementing the 'turning the curve strategy' and has made substantial and invaluable progress in reducing demand for care at a time when elsewhere demand has been rising. The CLA rate per 10,000 in Leeds has continued to reduce year on year and is now below the core city average and on a par with our statistical neighbours. The reductions in CLA have been achieved in the context of significant demographic growth in Leeds, particularly in the more deprived areas of the city. As well as demographic pressures there has also been a notable increase in costs, especially in externally commissioned residential placements. However, in 2018/19 there is a projected overspend of £2.1m on CLA and financially supported non-CLA and whilst this is significantly less than in previous years the actual number of children being supported is still higher than budgeted. This budget provides for an increase in the demand led budgets of £2.6m.
- 2.4 The 2019/20 budget proposals ensure ongoing provision to support the Children and Young People's Plan, continue the investment previously funded through the DfE funded Partner in Practice grant, protect frontline services and provide a realistic and appropriate level of budget provision for demand-led services to meet current and anticipated demands. The

detailed proposals are outlined below but these proposals also include additional resources to address key budget pressures including the demand-led pressures and loss of specific grant funding. The 2019/20 budget proposals for Children and Families also reflect the position that the changes to the education transport offer for post-16 learners, to introduce personal travel allowances (PTA's) instead of providing transport which were approved by Executive Board in July 2017 are now not proposed to go ahead. This is outlined in section 3.14.

3 Budget Proposals

3.1 This 2019/20 budget has been set at £121,749k representing a net increase of £852k (0.7%) when compared to the adjusted budget for 2018/19. This net increase comprises a number of pressures totalling £2,652k offset by savings of £1,800k which are explained below.

3.2 Budget Adjustments and Transfers £630k Cr

3.2.1 There have been a number of service transfers and other budget adjustments which are reflected in the 2019/20 budget.

3.2.2 There has been a net reduction of £287k for the transfer of various budgets to other directorates. The transfers are mainly to Resources and Housing and include the transfer of the Public Access Service.

3.2.3 Budget adjustments include a reduction of £505k for the continued budgeted use of section 106 balances to support the 2019/20 budget. A budget of £92k has been transferred from Civic Enterprise Leeds (CEL) for the additional costs of the living wage in 2018/19 in relation to the transport service provided by CEL. Budget provision of £150k has been transferred from Adults Social Care, Public Health, for the commissioning of a bereavement service which will be managed by Children and Families. There are a number of small adjustments which result in a reduction of £80k.

3.3 Changes in prices – pressure of £3,235k

3.3.1 The budget includes provision of £2,390k reflecting the National Employers' two year pay offer made in December 2017. For 2019/20 this offer increased above 2% for spinal column points (SCP) 1 to 22 and 2% increases for SCP 23 and above and for the impact of the teachers' pay award for staff in the Directorate employed on teaching grades. As a result of this pay offer, the minimum hourly rate paid to current Leeds City Council employees will rise to £9.18 per hour which is 18p above the Real Living Wage rate. Apprentices and new starters on the A1 spinal point will be paid £9 per hour for the first year only.

3.3.2 No provision has been made for inflation on running cost budgets other than where there are specific contractual commitments and on utilities. Specifically in respect of energy, £66k provides for a 24.4% increase in electricity and a 14.8% increase in gas. The main provision for price inflation is £550k and provides £300k for CLA external placement costs and £250k for children's transport costs. An additional £115k is provided for an increase in the cost of insurance, a reduction of £93k for National Non Domestic Rates (NNDR) following the revaluation and £207k for an increase in the pay award element of the costs of transport services provided by Civic Enterprise Leeds.

3.4 **Actuarial Review – pressure of £192k**

3.5 A review of the West Yorkshire Pension Fund has been undertaken in the autumn of 2017. The actuary has confirmed that the figures advised to the Council in the last triennial review. As a result of this the rate provided for will increase from the current 15.9% to 16.2% in 2019/20. This increase is estimated to cost £192k.

3.6 **Capitalised Pension Costs £173k Cr**

3.6.1 It is proposed to reduce the capitalised pension budget by £173k to reflect projected savings on this budget in 2019/20.

3.7 **National Living Wage Commissioned Services £590k.**

3.7.1 Provision of £590k has been included for the estimated cost of the increase in the national living wage for external residential placements.

3.8 **Demand and Demography £1,500k**

3.8.1 In recognition of the ongoing pressures on the Children and Families budget from increases in the child population and the resulting increase in CLA and children requiring transport, the CLA and financially supported non-CLA budgets have been increased by an additional £1,100k and the transport budget by £400k.

3.9 **Specific Grant Funding Changes £3,350 Cr**

3.9.1 The 2019/20 budget allows for a number of changes to grants in the Children and Families Directorate. The provisional Local Government finance settlement confirmed additional national funding of £410m for Adult's and Children's social care. The Leeds allocation of this is £5,600k and it is proposed that this is used to help fund the budget pressures in Children and Families including the fall out of other grant funding and increases to the demand led budgets.

3.9.2 The grant funding of £9.6m was awarded to the Council following a successful bid to the DfE PiP programme. This funding has now been fully committed. In order to secure the continuation of this significant additional investment, the budget has been increased by £3,050k so that the early intervention services funded through the programme can be continued. During 2018/19 the Council agreed to a request from the DfE to reschedule the final grant payment for the PiP programme from 2018/19 to 2019/20. In order to fund the 2018/19 spend the Directorate received a £1,700k contribution from reserves. The 2019/20 budget includes additional income of £1,700k as a result of the slippage in the payment. This income will be used to repay General Fund reserves.

3.9.3 Two smaller grants received by Children and Families are the School Improvement Monitoring and Brokering grant and the Special Education Needs (SEN) grant. In both cases allocations for 2019/20 have not been announced and for the budget it is assumed that for the School Improvement, Monitoring and Brokering grant only the previously notified sum up to August 2019 will be received, a reduction of £400k on the grant received in 2018/19. If the grant is extended then the funding will be used to enhance the school improvement service. For the SEN grant it is assumed that the full £500k will fall out or an extension of the grant will come with new responsibilities which will require additional expenditure.

3.9.4 As part of the autumn budget in October 2018 the Chancellor of the Exchequer announced an additional £84m grant would be made available over 5 years for up to 20 local authorities to help children stay at home safely. The Chancellor specifically stated that this grant is intended to build on existing innovation in Leeds, Hertfordshire and North Yorkshire programmes. As referred to in paragraph 3.9.2 Leeds has been successful in receiving significant additional funding for innovation in Children's Services from the PiP programme. These budget proposals do not specifically assume any additional funding from this grant as the Directorate is still working on a potential bid. However, the budget proposals do assume an additional £150k in income, see paragraph 3.16.3, which could include this new grant if the bid was successful. It is anticipated though that the majority of any additional funding received under this programme would result in additional responsibilities and hence would incur additional expenditure so would not result in direct savings for the Directorate.

3.10 **Other budget pressures – £2,656k**

- 3.10.1 There is in place within both Children and Families Directorate and Legal Services a strict approval mechanism to control external legal spend but recognising the pressure in 2018/19, the budget for external legal costs in 2019/20 provides for an additional £500k which reflects the increase in external legal costs associated with some of the more complex children cases being dealt with by the Council.
- 3.10.2 As an improvement partner working with the DfE, the Directorate has an income budget for income earned through working and supporting other LAs. This budget was increased in 2018/19 following the partnership agreement with Kirklees MBC. As this agreement will largely come to an end after 2018/19 the income budget is being reduced by £400k in 2019/20. Whilst further partnership work may be undertaken it is unlikely to be of the extent of the Kirklees MBC arrangement and any further agreements may also result in additional costs to the Directorate.
- 3.10.3 An increase in the fees for inter-agency placements during 2018/19 has meant that the local authority contributions that fund One Adoption West Yorkshire (OAWY) have been increased. The budget for the Leeds contribution for 2019/20 been increased by £350k.
- 3.10.4 Other funded pressures include £300k to reverse savings included in the 2018/19 budget that were achieved from the use of non-recurring income.
- 3.10.5 The 2019/20 budget includes a provision of £1,000k to make a one off contribution to schools funding to increase the PFI Factor in the schools funding formula for 2019/20. This follows discussions with the DfE about options to address the projected increase in the unitary charge costs for PFI schools in 2019/20 and future years. This proposal has a neutral impact on the Children and Families budget as the additional funding from reserves in year will be transferred to the schools DSG budget to be distributed to PFI schools as part of their PFI affordability gap funding. The DfE has confirmed that this increase to the PFI Factor will be baselined in future DSG settlements so a one off contribution of £1,000k funded by the Council in 2019/20 will lead to an equivalent increase in total schools funding for the PFI Factor for each subsequent year whilst the PFI contracts are still operating. This proposal protects non-PFI schools from contributing to the increased costs of the PFI contracts and provides more certainty over meeting future cost pressures for PFI schools. More details on this proposal are included in the schools budget report.

3.11 **Reserves - £2,000k Cr**

- 3.11. These proposals include the use of £1,000k of reserves to support the 2019/20 budget.

- 3.12. In addition, it is proposed that £1,000k of reserves in Children and Families will be used to make a one off contribution to schools funding as outlined in paragraph 3.10.5.

3.12 Savings

3.13 Efficiencies – £600k.

- 3.13.1 Savings of £300k have been included in the transport budget in relation to the mainstream school transport services commissioned through the West Yorkshire Combined Authority (WYCA). These are savings that have already been partly achieved and have been delivered through route rationalisation of routes.
- 3.13.2 As part of moving the services funded through the PiP programme DfE grant to baseline Children and Families base budget the service will review the current spend with a view to identifying non-staffing savings. A saving of £150k has been assumed for this.
- 3.13.3 Other running cost savings of £150k include £50k savings on prudential borrowing costs, £50k savings on Independent Support Workers reflecting current savings and £50k general running cost savings.

3.14 Service Changes - £0k

- 3.14.1 As referred to in paragraph 2.4, the report to the July 2017 Executive Board on 'Transport assistance for Post-16 students with SEND' had sought approval to implement a new transport offer for young people with SEND (special educational needs) in post-16 education. The proposal was approved by Executive Board. The changes had been subject to rigorous consultation, a strong communications strategy was conducted and a long phasing-in period included an extended period of no-change for existing students. During the implementation period additional feedback was received from a small number of affected families. The phasing-in period was therefore paused pending further consideration and the effect of cancelling the policy changes in line with the new feedback was considered, with alternative options explored.
- 3.14.2 A pilot scheme to offer PTA's on a voluntary basis to both post-16 and statutory age children has proven very successful with a high level of take-up delivering £360k of savings to date. The scheme continues to be promoted and further take up of the offer is expected. There are now more families in receipt of voluntary PTA's across all year groups than had been expected from across the post-16 cohort. These savings have helped offset the impact of the increase in children requiring transport arrangements and a reduced need for demand and demography funding. In addition, as outlined in paragraph 3.13.1 reviews of mainstream school services commissioned through WYCA have secured efficiencies.
- 3.14.3 It is now proposed that the changes to the post-16 offer approved in 2017 are not implemented and that the Children's Transport service reverts to the November 2015 transport policy. In common with other local authority transport policies, the Leeds policy will continue to be reviewed. The 2019/20 budget therefore provides for an increase in the overall transport budget reflecting an anticipated overall increase in demand for transport services although the overall additional costs has been partly offset by the savings made through the take up of voluntary PTAs. No savings have therefore been assumed from the original proposed changes to the post-16 offer.

3.15 Income – Fees and Charges £200k

3.15.1 Maintaining current trading levels with schools continues to be challenging and therefore no increases in traded income have been assumed except for income from Adel Beck where there will be an increase in charges estimated at an additional £200k. .

3.16 **Income – Traded Services and Other £1,000k**

3.16.1 An additional £600k of grant income is anticipated from the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) in relation to the additional costs incurred by the Directorate for the education costs of children and young people in external residential placements and from recovery of the costs of the voluntary Passenger Transport Agreements for SEN pupils. These additional costs have been taken account of in the High Needs Block five year financial plan.

3.16.2 Income of £200k is expected from the capitalisation of some of the staff of the Children and Health and Disabilities team around the work of the occupational therapists team on adaptations.

3.16.3 As referenced in paragraph 3.9.4 an additional £150k in income has been included on the basis of a number of bids for external funding that the Directorate are currently working on.

4 **Risk Assessment**

4.1 In determining the 2019/20 budget, consideration has been given to all the risks which are managed within the directorate's overall risk management framework. Within this framework, a register of those items considered carrying the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2019/20 budget for Children and Families are:

4.2 Leeds is growing as a city and as well as rising birth rates more families are choosing to live and work here. It is projected that the number of children & young people will continue to increase in Leeds over the next few years.

4.3 This increasing demographic brings with it an increasing number of children with special and very complex needs. This impacts in particular on the Children and Families placements budget for Children Looked After, financially supported Non-CLA and on the transport budget. As already mentioned in the report these budget proposals provide for an increase of £2.6m for the budgets for supported children and transport costs. There is a risk that this additional funding is not sufficient to meet the growing demands. To mitigate this risk the budget proposals also provide funding to continue the additional investment in services previously funded by the DfE PiP grant and the budget also protects all the vital services that the Directorate provides.

4.4 These pressures have also impacted on the High Needs budget in recent years which is funded through the Dedicated Schools Grant. Although this budget sits outside the Children and Families budget, decisions on spend are made by the Council. Schools and School Forum have been consulted on options to balance the High Needs budget in 2018/19 and 2019/20 and to reduce the deficit balance from previous years. On the 17th December 2018 the Secretary of State for Education announced that there would nationally be an additional £250m of high needs funding on top of existing allocations, in recognition of the cost pressures that Local Authorities (LAs) are experiencing on the High Needs Block. The national announcement provides £125m for 2018/19 and £125m for 2019/20. For Leeds this results in an additional £1.76m in funding each year. It should be noted that the additional

grant is for two years only and funding beyond 2019/20 is subject to the outcome of the spending review. Full details are included in the Schools funding budget report. There is still a risk that ultimately a deficit on the DSG could become a liability to the Council.

- 4.5 The Directorate's proposed budget includes additional income from grants and from other sources. There is a risk that not all the additional income will be secured, although the budget proposals do include reductions to some income targets and funds the loss of known reductions in grant income.

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Directorate - Children's and Families

	2019/20 £m	FTEs
Net managed budget 2018/19	121.53	
Adjustments		
Transfers of function	(0.29)	
Other adjustments	(0.34)	
Adjusted net managed budget	120.90	
Budget Pressures:		
Inflation		
Pay	2.39	
Price	0.85	
Income	0.00	
Employers Pension	0.19	
Capitalised Pensions	(0.17)	
National Living Wage - commissioned services	0.59	
Demographic and demand pressures		
CLA and financially supported non-CLA	1.10	
Transport	0.40	
Grant Fallout		
Fallout of DfE Partner in Practice Grant	3.05	
School Improvement Monitoring and Brokering Grant - anticipated reduction	0.40	
DfE Special Educational Needs Grant - reduction/new responsibilities	0.50	
DfE Partner in Practice Grant - final payment	(1.70)	
New grant funding - Adult's and Children's social care	(5.60)	
Other		
Use of earmarked reserves	(2.00)	
Contribution to PFI Factor in the School Funding Formula	1.00	
Legal disbursements	0.50	
Reduction in partnership income following ending of Kirklees partnership work	0.40	
One Adoption West Yorkshire - increase in contribution	0.35	
Other pressures	0.41	
Total Pressures	2.66	0.00
Savings Proposals:		
Efficiencies		
Transport savings - WYCA commissioned services	(0.30)	
Running cost savings from former PiP funded activities	(0.15)	
Other running cost savings	(0.15)	
Service Changes		
Income - Fees & Charges		
Increased charges Adel Beck	(0.20)	
Income - Traded Services, Partner Income		
Grants and Other Income		
Additional Dedicated Schools Grant (High Needs Block) for external placement costs and personal transport budgets	(0.60)	
Additional income from Housing for the capitalisation of 50% of the costs of the Children Health and Disabilities team (occupational therapists)	(0.20)	
New grant income (following local government settlement)	(0.15)	
Other income	(0.05)	
Total Savings	(1.80)	0.00
Net Managed Budget 2019/20	121.75	0.00

LEEDS CITY COUNCIL

2019/20 BUDGET REPORT

Directorate: Children and Families

The Schools Budget 2019/20

1. The schools budget is funded by the Dedicated Schools Grant (DSG). The DSG is a ring-fenced grant and may only be applied to meet costs that fall within the schools budget. Any under or over spend of grant from one year must be carried forward and applied to the schools budget in future years.
2. The Dedicated Schools Grant (DSG) for 2019/20 is funded in four separate blocks for early years, high needs, schools and central schools services.
3. A new National Funding Formula (NFF) was implemented in April 2018 for high needs, schools and central schools services. However, local authorities will continue to set local formulae for schools as a transitional arrangement until full implementation of the NFF. This has been delayed until at least 2021/2022.
4. The early years block will fund 15 hours per week of free early education for 3 and 4 year olds and the early education of eligible vulnerable 2 year olds. From September 2017, there is an additional 15 hours per week provision for working families of 3 and 4 year old children. The per-pupil units of funding have remained the same at £4,659.50 per full time equivalent for 3 and 4 year olds and £4,940.00 per full time equivalent for 2 year olds. The grant received will continue to be based on participation. The actual grant received during 2019/20 depends on pupil numbers in the 2019 and 2020 January censuses. The early years pupil premium is included in the early years block and is payable to providers for eligible 3 and 4 year olds at the rate of £0.53 per child per hour. The grant value shown below is based on the projected pupil numbers in January 2019.
5. The high needs block will support places and top-up funding in special schools, resourced provision in mainstream schools and alternative provision; top-up funding for early years, primary, secondary, post-16 and out of authority provision; central SEN support and hospital & home education. A grant allocation was issued in December 2018, though adjustments to this figure are expected up until May 2019. On the 17th December 2018 the Secretary of State for Education announced an additional £250m of high needs revenue funding on top of existing allocations over 2 years. For Leeds this resulted in £1.76m additional funding in 2018/19 and 2019/20. However, the high needs block is facing a number of financial pressures and Schools Forum had previously agreed a transfer of £2.5m from the schools block to help fund these pressures. The additional high needs revenue funding was announced with an expectation that any transfers from the schools block would be re-examined and as a result it is proposed that the transfer from the schools block is reduced to £1.5m. Some of the additional funding would also be used to increase the Funding for Inclusion (FFI) rate for mainstream schools for eligible pupils from £600 to £650. Based on current numbers the annual cost of this is estimated at £1.05m. The remaining additional funding would be used to make a contribution to the DSG deficit. In addition,

there is a proposed transfer of £0.8m from the central schools services block to the high needs block. These proposals were all fully supported by Schools Forum members in the January 2019 meeting.

6. The schools block funds the delegated budgets of primary and secondary schools for pupils in reception to year 11. The grant for 2019/20 is based on pupil numbers (including those in academies and free schools) as at October 2018. Schools have been consulted on options for the local formula in 2019/20. The results of the consultation have been reported to Schools Forum to enable further discussion with a final decision being made by the Director of Children and Families in early 2019.
7. The central school services block (CSSB) includes the funding which was previously delivered through the retained duties element of the ESG along with previously reported ongoing responsibilities and historic commitments. The allocation for 2019/20 was issued in December 2018 at £5.33m.
8. The guidance for 2019/20 allows for funding to be moved within these blocks. Several movements to transfer funding to meet need have been agreed or supported by Schools Forum as detailed below:-

	Schools £m	CSSB £m	High Needs £m
Transfer from Schools to High Needs	-1.50		1.50
Transfer from CSSB to High Needs		-0.80	0.80
Transfer from Schools to CSSB for new costs	-0.20	0.20	
	<u>-1.70</u>	<u>-0.60</u>	<u>2.30</u>

9. Funding for post-16 provision is allocated by the ESFA. For 2019/20, funding for post 16 high needs pupils will remain in the high needs block and the post 16 grant will reduce correspondingly. Funding for 2019/20 will be based on 2018/19 lagged student numbers.
10. Pupil Premium grant is paid to schools and academies based on the number of eligible Reception to year 11 pupils on the school's roll in January each year. The rates for 2019/20 are expected to remain at: primary £1,320 and secondary £935 for each pupil registered as eligible for free school meals (FSM) at any point in the last 6 years, and £300 for children of service families. The pupil premium plus rate for children looked after and children who have ceased to be looked after by a local authority because of adoption, a special guardianship order, a child arrangements order or a residence order is expected to remain at £2,300.
11. The Primary PE grant will be paid in the 2018/19 academic year to all primary schools at a rate of £16,000 plus £10 per pupil.
12. For the year 7 catch up grant in 2018/19, funding is allocated to schools on the basis that they receive the same overall amount of year 7 catch-up premium funding received in 2017/18. It will be adjusted to reflect the percentage change

in the size of their year 7 cohort, based on the October 2018 census. It is assumed that the 2019/20 grant will be on the same basis and so dependent on the October 2019 census information.

13. A grant for the universal provision of free school meals for all pupils in reception, year 1 and year 2 was introduced in September 2014. Funding for the 2018/19 academic year is based on a rate of £2.30 per meal taken by eligible pupils, giving an annual value of £437. Data from the October and January censuses will be used to calculate the allocations for the academic year.
14. A further grant has been announced in relation to additional teacher's pay costs from 1st September 2018. The values below are a part year impact on 2018/19 and the estimated full year grant in 2019/20.
15. PFI schools have different arrangements around a number of cost elements including premises costs and various facilities costs. The funding arrangements for such schools are also slightly different to other schools.
16. A number of financial issues have recently arisen specifically around PFI schools which the Council has been looking to address and has had discussions with the DfE over options to manage these. The main issue is around how the projected increasing costs of the contracts will be funded in the future. The Council has sought a solution which avoids having to take more funding from the Schools Block and provides some financial certainty over the next few years.
17. Leeds has a high number of PFI funded schools with 29 PFI maintained schools and academies across five PFI schemes representing around 11% of schools in Leeds. The PFI contracts are between the council and the PFI contractors and the council is responsible for contract management. The contracts are for 25 years and the schemes will end at various stages up to 2036/37. The budgeted total unitary charge for 2018/19 is £52.1m. The cost of the unitary charge is met through a combination of income received from PFI credits grant from the DfE and contributions from schools through a school budget contribution and a school affordability gap contribution. The affordability gap is the difference between the full cost of the contract and the combined income from the PFI grant and school budget contributions. In order for PFI schools to pay the affordability gap contribution they receive additional PFI Factor funding through the Schools Block of DSG.
18. There are significant differences between the original assumptions in the PFI financial models and what has actually been experienced for variables such as the rate of inflation, the rate of overall increase of the unitary charge payments, lettings income and the available funding to meet the payments. Re-modelling of the financial position for each of the PFI schemes shows increasing and significant funding issues over the remaining lifetime of the schemes, particularly as inflation has increased over the last few years. The options to meet this growing funding gap are limited as most of the funding is fixed or based on previous year spend with an annual uplift for RPIX. In future years it is projected that the uplift will not be sufficient to meet the overall increase in the unitary charge.
19. Following discussions with the DfE it is proposed to increase the PFI factor in the formula through an additional contribution from the Council. The DfE have

confirmed that this would then be baselined in future years. This option protects non-PFI schools from contributing to an increase in the PFI Factor and provides more certainty over meeting the projected increase in costs for the PFI schools. The Council is therefore proposing to make a contribution of £1m from Council reserves to the PFI Factor in the school funding formula in 2019/20. This will then be baselined by the DfE in future years' Schools Block DSG settlements. The additional £1m will be distributed to PFI schools through an increase in their PFI Factor funding.

Schools Funding Summary

20. The grants before ESFA deductions (e.g. for payments to academies) and transfers between blocks for 2018/19 (latest estimate) and 2019/20 are shown in the following table along with the additional contribution to be made by the council to the Schools Block in relation to PFI. Some of the amounts for 2019/20 are subject to final confirmation.

	2018/19 £m	2019/20 £m	Change £m
DSG - Schools Block	498.97	516.32	17.35
Schools Block – additional council contribution	0.00	1.00	1.00
DSG - Central Schools Services Block	5.17	5.33	0.16
DSG - High Needs Block	68.72	72.55	3.83
DSG - Early Years Block	57.15	59.07	1.92
ESFA Post 16 Funding	29.63	27.35	-2.28
Pupil Premium Grant	42.89	42.89	0.00
PE & Sports Grant	4.14	4.06	-0.08
Year 7 Catch-up Grant	0.91	0.91	0.00
Universal Infant Free School Meals Grant	10.01	9.97	-0.04
Teachers Pay Grant	2.69	4.61	1.92
	<u>720.28</u>	<u>744.06</u>	<u>23.78</u>

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Children and Families/Schools

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality Impact assessment	Expected decision date	2019/20 Budget Amount £	Decision Maker
Children and Families Revert to the original November 2015 transport policy	Original proposal to implement changes to the policy have been reconsidered following additional feedback and consultation. Savings on the transport budget now realised through Personal Travel Allowances.	There are no particular risks with this proposal	Extensive consultation on original proposals and follow up consultation.		March 2019		Director of Children's and Families
Schools Funding Transfer of £800k from the Central Schools Services Block to the High Needs Block	There is surplus funding in the CSSB as some costs have now fallen out. The HNB has a number of financial pressure and the additional resources will	There are no particular risks with this proposal	Consultation with all schools and Schools Forum in October and November 2018 with overwhelming for the proposal.	The proposed transfer will provide additional funding to support the most vulnerable pupils.	February 2019	800,000	Director of Children's and Families

Children and Families/Schools

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality impact assessment	Expected decision date	2019/20 Budget Amount £	Decision Maker
Approval of the schools funding formula for 2019/20	<p>help ensure a balanced budget can be set in 19/20.</p> <p>Two options for the 2019/20 schools funding formula were consulted on in October. The additional HNB funding has meant that the options have been reviewed with a lower transfer from the SB to the HNB now proposed.</p>	<p>There are no specific risks but the Council has a statutory responsibility to approve a schools funding formula</p>	<p>All schools and schools forum were consulted on two options. The responses were equally split between the two options. Schools Forum requested the Council's preferred option was amended to reflect the concerns of some schools. The proposed formula is an amended formula that takes account of this.</p>		February 2019	Over £500,000,000 to be distributed to schools	Director of Children and Families