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LEEDS SCHOOL FORUM

Meeting to be held in Merrion House, Meeting Suite rooms 3 and 4, second floor on Thursday, 10th October, 2019 at 4.30 pm

MEMBERSHIP

Dave Kagai, A. Primary Governors - St Nicholas Primary
Sara Nix, A. Primary Governors - Rawdon Littlemoor Primary
John Garvani (LSF), A. Primary Governors - Broadgate Primary School
Jim Ebbs, A. Primary Governors - Woodlesford Primary
John Hutchinson, B. Primary Heads - St Theresa's Catholic Primary
Claire Harrison, B. Primary Heads - Wetherby Deighton Gates Primary
Barbara Trayer, B. Secondary Governors - Allerton Grange Secondary
Helen Stott, B. Primary Heads - Allerton C of E Primary
Peter Harris, B. Primary Heads - Farsley Farfield Primary
Julie Harkness, B. Primary Heads - Carr Manor Community school - Primary Phase
Jo Smithson, B. Primary Heads - Greenhill Primary
David Webster, C. Secondary Governors - Pudsey Grangefield
Delia Martin, D. Secondary Heads - Benton Park
Lucie Lakin, D. Secondary Heads - Wetherby High
David Gurney, E. Academy Reps - Cockburn School
Adam Ryder, E. Academy Reps - The Morley Academy
John Thorne, E. Academy Reps - Co-operative Academy Priesthorpe
Emma Lester, E. Academy Reps - Woodkirk Academy
Ian Goddard, E. Academy Reps - Ebor Gardens/Victoria Primary Ac
Siobhan Roberts, E. Academy Reps - Cockburn John Charles Academy
Joe Barton, E. Academy Reps - Woodkirk Academy
Anna Mackenzie, E. Academy Reps - Richmond Hill Academy
Scott Jacques, F. Academy (Special) - Springwell Leeds East Academy
Ben Mallinson, G. Academy (AP) - The Stephen Longfellow Academy
Diane Reynard, I. Special School Principal - East / NW SILC - SILC Principals
Patrick Murphy, J. Non School - Schools JCC
Angela Cox, J. Non School - Leeds Catholic Diocese
Councillor Dan Cohen, J. Jewish Faith Schools

A G E N D A

Item No	Tile	Lead	Time	Purpose
1.	**APOLOGIES**		**16:30**	**For information**
2.	**INTRODUCTIONS**		**16:35**	**For information**
3.	**MINUTES OF PREVIOUS MEETING** *3 - 10*		**16:45**	**For decision**
4.	**MATTERS ARISING**		**16:50**	**For information**
5.	**DEDICATED SCHOOLS GRANT 2019/20 - BUDGET MONITORING MONTH 5** *11 - 24*			**For information**
6.	**SCHOOL FUNDING UPDATE 2020/21** *25 - 32*		**17:30**	**For information**
7.	**ANY OTHER BUSINESS**		**18:00**	**For information**
8.	**MEETING DATES FOR 2019/20 AND FORWARD PLAN** *33 - 34*		**18:10**	**For information**
9.	**SCHOOLS IN FINANCIAL DIFFICULTIES FUNDING - GUIDANCE FOR MAINTAINED SCHOOLS** *35 - 38*		**18:15**	**For information**
10.	**CLOSE**		**18:30**	**For decision**

LEEDS SCHOOL FORUM

Minutes of the meeting held on
Thursday, 27th June, 2019, Times Not Specified at Merrion House, second floor, Meeting suite rooms three and four

MEMBERSHIP (Apologies marked with an *)

	Joe Barton, LSF - Woodkirk Academy
	Peter Best, LSF - PVI Nursery Providers
	Angela Cox, LSF - Leeds Catholic Diocese
	Jim Ebbs, LSF - Woodlesford Primary
*	John Garvani (LSF), LSF - Broadgate Primary School
*	Ian Goddard, LSF - Ebor Gardens/Victoria Primary Ac
	David Gurney, LSF - Cockburn School
	Julie Harkness, LSF - Carr Manor Community school - Primary Phase
	Peter Harris, LSF - Farsley Farfield Primary
*	Claire Harrison, LSF - Wetherby Deighton Gates Primary
	John Hutchinson, LSF - St Theresa's Catholic Primary
	Scott Jacques, LSF - Springwell Leeds East Academy
*	Amanda Jahdi (LSF), LSF - East SILC - SILC Governors
*	Bill Jones, LSF - LCC 16-19 Providers
	Susan Knowles, LSF - PVI Nursery Providers
	Lucie Lakin, LSF - Wetherby High
	Emma Lester, LSF - Woodkirk Academy
*	Anna Mackenzie, LSF - Richmond Hill Academy
	Ben Mallinson, LSF - The Stephen Longfellow Academy
*	Delia Martin, LSF - Benton Park
*	Doug Martin (LSF), LSF - Pudsey Grangefield
	Ken Morton, LSF - Brigshaw LP MAT & Kippax Ashtree
*	Patrick Murphy, LSF - Schools JCC
*	Sara Nix, LSF - Rawdon Littlemoor Primary
	Richard Noake (LSF), LSF - Diocese of Leeds
*	Deryn Porter, LSF - Cobden Primary
	Diane Reynard, LSF - East / NW SILC - SILC Principals
	Siobhan Roberts, LSF - Cockburn John Charles Academy
	Adam Ryder, LSF - The Morley Academy
	Jo Smithson, LSF - Greenhill Primary
	Helen Stott, LSF - Allerton C of E Primary
	John Thorne, LSF - Co-operative Academy Priesthorpe
*	Jason Waddington, Primary Governor - Hunslet Moor Primary
*	David Webster, LSF - Pudsey Grangefield

Item	
1.	**APOLOGIES**
	Apologies received from: John Garvani, Doug Martin, David Webster, Patrick Murphy Claire Harrison, Delia Martin, Steve Walker
2.	**INTRODUCTIONS**
	The Chair welcomed new Governor Jim Ebbs and acknowledged three more new Governors who are unable to attend this meeting: Anna McKenzie, Jason Waddington and John Garvani. It was noted that Amanda Jahdi and Deryn Porter have resigned membership of Schools Forum.
3.	**MINUTES OF PREVIOUS MEETING**
	The minutes of the February meeting were agreed as a true record.
4.	**MATTERS ARISING**
	4.1) *Page Seven, Item 5.3 Early Years Block*: A local government peer review of Early Years has just taken place and the action plan will be brought to the next meeting. This will help shape thoughts around what members of the forum would like to look at. **Action: PM/ST** 4.2) *Page Seven, Item 5.4 High Needs Block*: to be considered at a future meeting. **Action: TP** 4.3) *Page Eight, item 5.6 AIP Balances*: To be taken later in this meeting. 4.4) *Page Ten, Item 7 Schools Forum Update*: Access to schools in financial difficulty fund. Guidance is being developed for schools. Anyone interested in joining the panel of maintained schools and representatives to contact Louise Hornsey. The panel makes recommendations to Children's Services on schools in financial difficulty. **Action: LH**

5.	SCHOOL AND EXTENDED SCHOOL BALANCES OUTTURN 2018-19
	5.1) Main Issues reported are: • End of 2018/19 there was a net surplus of £22.8m in the maintained schools and extended schools budget; a reduction of £2.6m on the previous year. • Schools surplus is now down from £18m to £16m. Within the net surplus some schools have a surplus above the 15% threshold. Balances still above 15% after three years can be clawed back. There are five schools in this situation and they have been asked to complete an application to explain why the surplus is so high. • Schools with a deficit balance of £10k+ have to complete a deficit action plan detailing how the school will recover the deficit within three years. 5.2) Finance colleagues provide support and challenge to schools at risk and work with them to look at where the risks are and what actions can be taken to get back on track. Internally, contact is made with counterparts in other local authorities to source best practice. 5.3) Two schools have a deficit of over £1m and Finance are working very closely with them to provide high support and challenge. 5.4) The interest on the surplus is absorbed by the Council to assist with cash flow issues on a day to day basis. 5.5) Initial budget reviews suggest schools will be utilizing their reserves in future years and there is concern that at some point the deficits could impact on overall Council reserves. 5.6) Future funding is uncertain at the moment so it is difficult to plan a three year funding budget. 5.7) Some primary schools have taken in a third less children than last year which has an impact on funding. The ESFA has offered to provide a management advisor to work with schools. 5.8) Extended services: The overall surplus balance stands at £6.3m and comes mainly from extended school facilities, clusters and AIPs. Surplus funds for AIPs are currently being reviewed and can be subjected to claw back.
6.	**DSG OUTTURN 2018/19**

6.1) It was recommended that the Forum both note the underspend of the DSG and the high level forward view.

6.2) At the previous meeting in February we were predicting a £1.5m surplus. It now stands slightly down at £1.1m. The surplus is mainly due to extra in year funding for the High Needs Block.

6.3) Schools Block: an underspend overall which mainly comes from the growth fund. The intention is to use £400k of the underspend to support the growth fund in 2019/20.

6.4) Early Years Block: The underspend was noted. As mentioned at previous meetings this is not necessarily due to money not being spent or being withheld from providers but an anomaly around how the Government allocates funding. So far the Government has not clawed back any of the underspend but it could do so.

6.5) High Needs Block: DSG income higher than budgeted with the in-year grant of £1.759m received. Due to an increase in demand the SEN top ups budget is overspent by £1.8m. The outside placements budget is overspent by £1.4m. These two areas continue to be monitored closely.

6.6) Central Schools Services Block: there were some minor changes to this block, seeing an underspend of £6k.

6.7) 2018/19 Reserves: General reserves will see a surplus of £1.1m carried forward to 2019-20 and likewise £587k for de-delegated services.

6.8) Forward View 2019-20: There are uncertainties around individual schools and budgeting beyond 2019-20. There are also underlying pressures on the High Needs Block and going forward a deficit is expected by the end of 2019/20.

Diane Reynard left the meeting at 17:30

Some schools have additional pupil numbers in year but no additional funding. There will be a growth fund of £2.9m: £2.5m from DSG and £400k to be used from the reserves.

Action: to provide the Forum with details on which schools are due to receive growth fund payments in 2019-20. **SC**

There is a risk around what each service will cost each year due to peaks and troughs eg maternity funding. A large part of the funding is in relation to capitalised pension costs whereby if a school is experiencing difficulties, pensions for staff who are retiring are paid from the pot.

There is an underspend on SENIT and the Sensory Service which is due to staffing vacancies. The underspend is not likely to continue into 2019/20.

6.9) De delegation: In February a balance was projected although some of the costs are not known until end of the year. There was a higher underspend than thought on capitalised pensions. It was discussed whether the surplus on de-delegated budgets should be given back to schools as a one off payment. Proposals will be discussed in October. Only maintained primary and secondary schools can vote. Schools recently academised will have paid into the fund and it was suggested that it would be only fair to return funds to those schools as well.

7.	**DSG HIGH NEEDS BUDGET 2019-20**
	7.1) Initial work has been done around the wider projected position for the year taking into account known pressures. This gives an indication of what 2019-20 looks like. A full monitoring report will be taken to October's meeting. 7.2) The High Needs budget income is supplemented with £1.4m from the Schools Block with £800k transferred from the central Schools Services Block. It is unlikely that we will be able to do this next year as the Government is likely to reduce the Central Schools Services Block grant. 7.3) Outside and Residential placements have both increased in line with the rise in places and also in terms of trends of increase payments and top ups. It is anticipated there will be an overspend in 2019/20. Going forward initial work is being done on other potential costs pressures and this will be brought to an Autumn meeting. 7.4) Dis-application request, Springwell Leeds: Scott Jacques and Ken Morton declared a conflict of interest on this subject and said they would not take part in the discussion or any decision. The issue is around the initial rate paid which is for places and not pupils. There is a risk that this will result in additional funding (£1m+) being paid in the 2019/20 budget that has not been provided for. There will also be much wider implications on the High Needs Block. If the request is approved it will be submitted to the Secretary of State who makes the ultimate decision. It was made clear to the Forum that this request was for 2019/20 only. After a lengthy discussion a majority of Schools Forum indicated their support for the disapplication request for 2019/20. 7.5) DfE call for evidence: This is around funding for children and young people with special needs and how it is distributed. There is a link in the paper provided for Forum members who want to take part in the survey.
8.	**PROPOSED UPDATE OF THE SCHOOLS FORUM TERMS OF REFERENCE**

	8.1) Training sessions for governors: The Chair was concerned that the vast majority of governors were not aware of the training which is useful in keeping governors up to date with current issues. He asked if this could be publicised. **Action: LH** 8.2) It was also felt that many governors were not aware of the existence of schools forum and what it sets out to achieve and what they themselves can contribute. Awareness of the Forum may help boost membership. **Action**: Officers to liaise with Governors Support Service to put together an information package for distribution before the October meeting. **LH** **Action**: Any comments on the terms or reference to be submitted to Louise Hornsey (louise.hornsey@leeds.gov.uk) **All** **Action**: Schools Forum was also asked about adjusting non-school membership to include other schools in the city ie Jewish schools. **All**
9.	**ANY OTHER BUSINESS**
	None
10.	**MEETING DATES FOR 2019-20 AND FORWARD PLAN**

Forward Plan

10/10/19
DSG budget monitoring 2019-20 - *Information*

School funding update 20/21, including consultation Plans - *Information*

De-delegation 2020-21- *Decision*

High Needs Block projections - *Information*

Early Years budget review - *Information*

14/11/19
School funding formula arrangements 2020/21, including any transfers of funding
between the DSG Blocks – *Decision and Consultation*

Family Outreach Service - *Information*

16/01/20
Final school funding arrangements 2020/21 - *Information*

13/02/20
Free Early Education Entitlement rates and centrally retained funding 2020/21 - *Decision and Consultation*

DSG budget monitoring report 2019/20 - *Information*

Next Meeting:
Thursday 10 October, Second Floor Suite meeting rooms 3 & 4

Future Meetings:
Thursday 14 November, Second Floor Suite meeting rooms 3 & 4
Thursday 16 January, Second Floor Suite meeting rooms 3 & 4
Thursday 13 February, Second Floor Suite meeting rooms 3 & 4

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Agenda Item 5

Report of the Director of Children and Families Services

Report to the Leeds Schools Forum

Subject: Dedicated Schools Grant 2019/20 – 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 2019/20 budget monitoring position on the Dedicated Schools Grant (DSG) as at the end of August 2019.

1.2 This report projects an in year overspend of £5,261k. This is made up of an overspend on the High Needs Block (HNB) largely as a result of increased expenditure on SEN top-ups and outside placements. This is partly offset by a projected underspend on the early years block and an underspend on the schools block.

1.3 The projected deficit in this report is higher than the high level projections reported to Schools Forum in June 2019. However, there are increasing cost pressures in the high needs block which are a result of a significant increase in Education, Health and Care Plans (EHCP) requests. This has resulted in an increase in demand for specialist places (both within Leeds and in outside placements) and increased costs in mainstream schools over and above the estimates that were built into the 2019/20 budget.

1.4 Schools Forum agreed to a transfer of £1.50m from the schools block to the high needs block in 2019/20. The FFI unit rate was also increased from £600 to £650 per unit and as a result the budget for top-ups at mainstream schools was increased by £0.94m. Current projections are that FFI top-up to mainstream schools is expected to be £2.59m overspent compared to the increased budget.

1.5 Schools Forum members have previously asked whether an in year payment can be made to schools to repay some of the accumulated surplus on de-delegated budgets. Following further work on this, it is proposed to repay the 2018/19 underspend of £462k back to schools.

1.6 Overall, the variation on general DSG is analysed as follows:

	Estimated Funding £000	Projection £000	Variance £000
Schools Block	301,014	300,142	(872)
Early Years Block	57,057	55,985	(1,072)
High Needs Block	66,318	73,523	7,205
Central Schools Services Block	4,725	4,725	0
Total In Year Overspend	**429,114**	**434,375**	**5,261**
Surplus b/fwd from 2018/19			(1,097)
Projected deficit at 31/3/19			**4,164**

1.7 Recent Government announcements on schools funding has stated that nationally in 2020/21 there will be increased funding for the schools block (£2.6bn), the high needs block (£700m) and the early years block (£66m). Full details have not yet been announced, though at this stage there is a clear risk that the anticipated increase in funding to Leeds will not be sufficient to fund the projected increase in costs in the high needs block.

2 Schools Block

2.1 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 Estimate £000	Projection £000	Variance £000	To Date £000
DSG Income Due	(301,877)	(300,014)	1,863	(125,714)
Funding from DSG reserves	(400)	0	400	0
Funding from LCC reserves	(1,000)	(1,000)	0	0
Individual Schools Budget	295,939	293,871	(2,068)	289,511
Growth Fund	2,900	1,833	(1,067)	191
	(4,438)	(5,310)	(872)	163,988
De-delegated budgets	4,438	4,314	(124)	1,769

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

2.2 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 largely matched by reduced expenditure, though overall there is an underspend as a result of recoupment adjustments on NNDR and growth funding in respect of schools which have converted to academies during 2019/20.

2.3 De-delegated services budgets are currently projected to be underspent by £124k overall, though within that there is a projected overspend of £100k on maternity pay and £17k in SIMS licences. There is additional income of £242k due to the way de-delegated budgets are dealt with when a school becomes an academy. If this conversion happens after 1st September, the authority retains the de-delegated income for the rest of the financial year, though the academy can still access the de-delegated services.

2.4 Schools Forum members have previously asked whether an in year payment can be made to schools to repay some of the accumulated surplus on de-delegated budgets. The operational guide does not state that this is not possible and so it is proposed to repay the £462k that de-delegated services were underspent by in 2018/19 pro-rata to the amount of de-delegated income each school contributed. Attached at appendix 1 is a schedule showing how much would be received by each school on this basis.

2.5 As previously reported to Schools Forum, the growth fund allocation is calculated by the ESFA and no longer splits out the amount allocated in relation to the growth fund (explicit growth) compared to funding allocated for growth within the funding formula (implicit growth). Initial projections on implicit growth estimated that £2,713k would be required. However once the October 2018 census details were available, a number of the new and growing schools had pupils in each year group which meant they no longer attracted implicit growth. This meant that only £1,626k was actually required. The balance of £1,087k was retained within the schools block and used to increase funding to all schools.

2.6 The explicit Growth Fund was initially set at £2,900k, with £2,500k coming from the 2019/20 allocation and £400k from earmarked reserves brought forward from 2018/19. The current projections are that growth fund expenditure will be £1,833k which will result in an underspend of £1,067k. The majority of growth fund payments due have been agreed with a small number still to be confirmed.

2.7 In previous years, pressure on the growth fund has been in primary schools. However in Leeds, the pressure for additional places is now in secondary provision. For 2019/20, the majority of these places have been found by secondary schools without additional funding from the growth fund. Looking forward to September 2020, current projections are that an additional 780 places will be required in secondary provision in Leeds which means there is likely to be an increase in growth fund costs for 2020/21.

2.8 Schools Forum members have requested a schedule showing the details of expected Growth Fund payments for 2019/20. This schedule is shown at appendix 2.

3 Early Years Block

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

	Latest Estimate £000	Projection £000	Variance £000	To Date £000
DSG Income Due	(55,877)	(57,057)	(1,180)	(24,483)
FEEE 3 & 4 Year Olds	45,708	45,927	219	18,322
FEEE 2 Year Olds	7,312	7,050	(262)	2,485
SEN Inclusion Fund	398	627	229	270
Early Years Pupil Premium	478	514	36	1,338
Disability Access Fund	188	107	(81)	36
Early Years Centrally Retained	1,793	1,760	(33)	733
	0	(1,072)	(1,072)	(1,299)

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

3.2 Due to the way Early Years is funded (with the final grant income based on the pupil numbers as at January 2019 and January 2020) 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 2019/20 was increased partly in response to the underspends in 2017/18 and 2018/19 despite no increase in funding levels received.

3.3 Initial projections for summer 2019 term show that there is projected to be an underspend again in 2019/20. However, more work is needed to verify these figures and assess any potential impact on projections and future years.

3.4 Following recent work to ensure greater access to the SEND Inclusion Fund, this is now expected to be £229k overspent. This is partly as a result of late claims from previous years, but mainly due to an increase in claims to this fund. As a result of this, a small part of the expected increase in early years funding for 2020/21 can be used to increase this budget.

3.5 There are further underspends projected on the Disability Access Fund and Early Years Pupil Premium. In addition, it is expected there will be no call on the small Early Years Contingency Fund. For the 2019/20 budget the contingency fund was further reduced to £32k from £170k in 2018/19.

3.6 As part of the 2018/19 outturn it was reported that the Early Years grant for 2018/19 was estimated as the statutory deadlines for finalising the accounts were earlier than the final grant notification. The final grant was for £139k more income than was included in the 2018/19 accounts which can now be utilised in 2019/20 and has been included in the above projections.

4 High Needs Block

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

	Latest Estimate £000	Projection £000	Variance £000	To Date £000
DSG Income Due	(66,389)	(66,318)	71	(26,674)
Funding Passported to Institutions				
- SILC and Resource Provision Places	12,897	12,533	(364)	11,853
- Deficit SILC balances	0	0	0	0
- Outside and external residential placements	6,618	8,921	2,303	3,585
- Alternative Provision (including AIP's)	5,256	5,256	0	0
- SEN Top-ups to Institutions	34,125	39,305	5,180	23,935
- Mainstream additional places (£6k blocks)	528	528	0	0
- Mental Health beds for adolescents	100	100	0	10
Commissioned Services				
- Hospital & Home Tuition	1,605	1,605	0	0
- PD & Medical Service	97	97	0	0
Children's Services				
- Autism support (STARS)	437	437	0	182
- Children missing out on education	261	261	0	161
- Management of AP	110	110	0	44
- SEN adaptations	141	141	0	58
- SEN Inclusion Team	1,240	1,240	0	455
- Sensory Service	2,308	2,308	0	812
- Virtual school (Children Looked After)	108	123	15	49
Other items				
- Prudential borrowing for SEMH provision	558	558	0	0
	0	7,205	7,205	14,470

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

4.2 As detailed in the table above, the projected overspend on the High Needs Block is £7,205k. This is following the increase in grant awarded in December 2018 and a further transfer of £1.5m from the Schools Block.

4.3 For 2019/20, following the allocation of an additional £1,759k announced in December 2018 the FFI unit rate was increased to £650. This was to support schools in meeting the needs of the most vulnerable learners in the city, without the need for an EHC plan. The FFI unit for SILCs in the city was also maintained at £684.

4.4 The number of new assessments has been steadily increasing which has led to a significant increase in EHC plans. There has been an 80% rise in new assessments in 2018/19 compared to 2014/15. We estimate that if the current high level of demand for support through EHCPs is sustained the number of children supported through these plans is likely to double by 2025 to over 7,000 children. National statistics tell us that around half of learners with a plan are then taught in specialist provision. This current trend has led to a much greater increase in the need for special school places. There is a great deal of work underway to develop additional SILC placements which go some way to meet the additional demand. For some pupils there is the need to place on a residential basis at a high cost to the local authority. This is usually around complex ASC and also in some cases for complex SEMH. A further demand is for places for pupils with ASC who are able to access an academic curriculum but where they have a high level of anxiety and SEMH. There are not sufficient places in city, despite the Springwell Leeds, Carr Manor and Lighthouse provision to meet need. This has led to Leeds needing to source additional places within the independent settings to make provision.

4.5 SEN top-ups to institutions continues to be the largest area of overspend. The projected overspend for 2019/20 is now £5,180k and the largest areas within this are as follows:-

- The 2019/20 budget for top ups to mainstream schools and academies was increased by £940k compared to the previous year's budget to reflect an increase in numbers and the increase in the FFI unit rate. However this budget is still projected to overspend by £2,586k as a result of a significant increase in the number and value of FFI claims for schools. Had the number and value of FFI top ups remained at the same level as 2018/19, the increase in budget would have been sufficient to fund the increase in unit rate from £600 to £650. The projected overspend shows that the increase in top ups received by mainstream schools has exceeded the transfer from the schools block by over £1m.
- This projection also includes an estimated cost of £1,497k in respect of additional funding required to ensure that NW SILC is in a sustainable financial position prior to the school becoming an academy.
- The 2019/20 budget for SILC top ups was increased by £1,227k compared to the previous year's budget to reflect the projected increase in the number of pupils and complexity of provision. The current overspend on this area of £820k is partly due to a further increase in the number of pupils in the SILCs plus a general increase in the average funding for those pupils.

4.6 The Outside Placements budget is currently expected to be £2.3m overspent. As detailed above, the number of special school places required has outstripped the availability of places in Leeds. This has resulted in an increase in the number of high cost placements outside the city. There is still a risk that this overspend could increase further.

4.7 As previously reported, one element of the HNB DSG allocation for 2019/20 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 reduction in expected grant of £71k (0.12%).

5 Central School Services Block

5.1 This block 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.

5.2 The projected costs on this block are:

	Latest Estimate £000	Projection £000	Variance £000	To Date £000
DSG Income Due	(4,725)	(4,725)	0	(2,219)
Historic Commitments	646	645	(1)	39
Ongoing Responsibilities	3,879	3,880	1	1,759
Severance / Pension costs	200	200	0	83
	0	0	0	(338)

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

6 2019/20 Reserves

6.1 The table below shows the expected position as at 31st March 2020 as a result of all the variances detailed above.

	General £000	De-delegated £000	Total £000
Balance b/fwd from 2018/19	(1,097)	(587)	(1,684)
Use of reserves	0	462	462
2019/20 Variances / Contributions			
- Schools Block	(872)	(124)	(996)
- Early Years Block	(1,072)		(1,072)
- High Needs Block	7,205		7,205
- Central Schools Services Block	0		0
Balance c/fwd to 2020/21	**4,164**	**(249)**	**3,915**

7 2020/21 High Needs Block Funding

7.1 Schools Forum members may be aware of recent announcements on the one year increase in high needs funding which allocates £700 million extra nationally for children with Special Educational Needs and Disabilities (SEND) in 2020/21. In the high needs national funding formula, a significant proportion of the allocation is based on the 2 to 18 population. The announcement stated that each local authority will receive an increase of at least 8% per head of 2 to 18 population. The increase will be based on the 2019/20 high needs allocations including the additional funding announced in December 2018.

7.2 For Leeds we estimate the minimum increase will be £5.16m. The announcement also stated that some local authorities could see increases up to a maximum of 17%, calculated per head of population. For Leeds we estimate the maximum increase will be £10.965m. Details of provisional allocations have not yet been issued and will be provided by the ESFA in early October.

7.3 Although high needs funding will increase, there continues to be increasing pressures on this block in Leeds. Based on the current increase in EHCP requests, it is estimated that there will be an increase of over 200 special school places required each September for the next 3 years. At the moment, those places do not exist in Leeds which is one of the reasons for the increase in outside placement costs.

7.4 Work is ongoing within Leeds City Council to find solutions to create the special school places needed in the city. However, this will take time and will result in significant additional costs.

7.5 Early indications are that even if Leeds receives the maximum increase of 17%, this will not be sufficient to meet the estimated increase in demand and so further work would be needed to review costs and spending assumptions, it is also anticipated that there will need to be a request for a transfer of up to 0.5% from the schools block equivalent to around £2.5m.

8 Recommendations

8.1 Schools Forum is requested to note the projected overspend on General DSG of £5,261k which will be added to the surplus on General DSG brought forward from 2018/19. This will make the current projected cumulative deficit £4,164k, with projected de-delegated surplus balances standing at £249k.

8.2 Schools Forum is requested to note the proposed de-delegated reserves repayment to schools.

Proposed refund of de-delegated surplus

School	Initial De-delegation	Recoupment Adjustment	Final De-delegation	Amount to Refund
	£	£	£	£
Lane End Primary School	21,923		21,923	2,252
Rufford Park Primary School	16,529		16,529	1,698
Guiseley Primary School	21,173		21,173	2,175
Rawdon Littlemoor Primary School	17,380		17,380	1,785
Scholes (Elmet) Primary School	16,583		16,583	1,704
Horsforth Featherbank Primary School	12,501		12,501	1,284
Churwell Primary School	24,324		24,324	2,499
Seven Hills Primary School	25,020		25,020	2,570
Calverley Parkside Primary School	11,541		11,541	1,186
Westroyd Primary School and Nursery	7,858		7,858	807
Greenside Primary School	17,524		17,524	1,800
Carlton Primary School	17,678		17,678	1,816
Robin Hood Primary School	21,171		21,171	2,175
Thorpe Primary School	13,808		13,808	1,419
Rothwell Haigh Road Infant School	7,789		7,789	800
Woodlesford Primary School	23,288		23,288	2,392
Yeadon Westfield Junior School	13,254		13,254	1,362
Oulton Primary School	22,976		22,976	2,360
Bramham Primary School	8,293		8,293	852
Pudsey Bolton Royd Primary School	29,135		29,135	2,993
West End Primary School	12,982		12,982	1,334
Southroyd Primary and Nursery School	24,609		24,609	2,528
Gildersome Primary School	22,511		22,511	2,313
Farsley Springbank Primary School	23,019		23,019	2,365
Pudsey Primrose Hill Primary School	25,204	-25,204	0	0
Victoria Junior School	10,490		10,490	1,078
Crossley Street Primary School	11,765		11,765	1,209
Tranmere Park Primary School	19,056		19,056	1,958
Queensway Primary School	11,249		11,249	1,156
Yeadon Westfield Infant School	10,133		10,133	1,041
Horsforth Newlaithes Primary School	22,724		22,724	2,335
Westbrook Lane Primary School	11,853		11,853	1,218
Lowtown Primary School	12,098		12,098	1,243
Birchfield Primary School	11,693		11,693	1,201
Morley Victoria Primary School	23,569		23,569	2,421
Bardsey Primary School	10,070		10,070	1,035
Primrose Lane Primary School	11,530		11,530	1,185
Wigton Moor Primary School	27,262		27,262	2,801
Ninelands Primary School	22,648		22,648	2,327
Broadgate Primary School	19,017		19,017	1,954
Deighton Gates Primary School	11,078		11,078	1,138
Ashfield Primary School	13,141		13,141	1,350
Westgate Primary School	11,582		11,582	1,190
Otley the Whartons Primary School	10,715		10,715	1,101
Bramhope Primary School	15,090		15,090	1,550
Beecroft Primary School	18,431		18,431	1,893
Blenheim Primary School	33,280		33,280	3,419
Brudenell Primary School	22,429		22,429	2,304
Iveson Primary School	22,868		22,868	2,349
Kirkstall Valley Primary School	14,565		14,565	1,496
Little London Community Primary School	49,158		49,158	5,050
Quarry Mount Primary School	16,654		16,654	1,711
Spring Bank Primary School	13,770		13,770	1,415
Rosebank Primary School	24,626		24,626	2,530
Adel Primary School	12,440		12,440	1,278
Hawksworth Wood Primary School	19,231		19,231	1,976
Cookridge Primary School	19,772		19,772	2,031
Ireland Wood Primary School	26,985		26,985	2,772
Weetwood Primary School	11,633		11,633	1,195
Bankside Primary School	49,995		49,995	5,136
Chapel Allerton Primary School	28,465		28,465	2,924
Gledhow Primary School	29,830		29,830	3,065
Talbot Primary School	25,192		25,192	2,588
Bracken Edge Primary School	38,801		38,801	3,986
Kerr Mackie Primary School	26,383		26,383	2,710
Alwoodley Primary School	26,450		26,450	2,717
Carr Manor Primary School	28,682		28,682	2,947
Highfield Primary School	26,216		26,216	2,693
Moor Allerton Hall Primary School	31,122		31,122	3,197
Moortown Primary School	13,482		13,482	1,385

Proposed refund of de-delegated surplus

School	Initial De-delegation	Recoupment Adjustment	Final De-delegation	Amount to Refund
	£	£	£	£
Shadwell Primary School	11,463		11,463	1,178
Beechwood Primary School	27,778		27,778	2,854
Grange Farm Primary School	28,396		28,396	2,917
Grimes Dyke Primary School	16,607		16,607	1,706
Harehills Primary School	50,619		50,619	5,200
Hovingham Primary School	61,265		61,265	6,294
Seacroft Grange Primary School	14,775		14,775	1,518
Colton Primary School	11,977		11,977	1,230
White Laith Primary School	13,236		13,236	1,360
Wykebeck Primary School	30,330		30,330	3,116
Cross Gates Primary School	13,042		13,042	1,340
Shakespeare Primary School	31,705		31,705	3,257
Austhorpe Primary School	11,542	-6,733	4,809	494
Manston Primary School	12,610		12,610	1,295
Templenewsam Halton Primary School	24,207		24,207	2,487
Whitkirk Primary School	24,329		24,329	2,499
Parklands Primary School	22,419		22,419	2,303
Swarcliffe Primary School	20,771		20,771	2,134
Fieldhead Carr Primary School	12,997		12,997	1,335
Beeston Primary School	38,936		38,936	4,000
Windmill Primary School	30,792		30,792	3,163
Greenmount Primary School	33,420		33,420	3,433
Hunslet Carr Primary School	27,266		27,266	2,801
Hunslet Moor Primary School	24,050		24,050	2,471
Ingram Road Primary School	26,611		26,611	2,734
Middleton Primary School	30,801	-17,967	12,834	1,318
Westwood Primary School	18,170		18,170	1,867
Low Road Primary School	10,611		10,611	1,090
Clapgate Primary School	25,765		25,765	2,647
Hugh Gaitskell Primary School	43,060		43,060	4,424
Armley Primary School	13,201		13,201	1,356
Bramley Primary School	20,957		20,957	2,153
Castleton Primary School	19,219		19,219	1,974
Cobden Primary School	13,686		13,686	1,406
Park Spring Primary School	22,473		22,473	2,309
Raynville Primary School	26,049		26,049	2,676
Stanningley Primary School	12,618		12,618	1,296
Summerfield Primary School	13,025		13,025	1,338
Five Lanes Primary School	24,938		24,938	2,562
Whingate Primary School	26,964		26,964	2,770
Whitecote Primary School	23,868		23,868	2,452
Lower Wortley Primary School	18,329		18,329	1,883
Lawns Park Primary School	12,749		12,749	1,310
Greenhill Primary School	25,216		25,216	2,591
Swinnow Primary School	12,834		12,834	1,318
Farsley Farfield Primary School	23,985		23,985	2,464
Rothwell Primary School	17,968		17,968	1,846
Sharp Lane Primary School	33,491		33,491	3,441
Asquith Primary School	21,748		21,748	2,234
Otley All Saints CofE Primary School	11,801		11,801	1,212
Aberford Church of England Voluntary Controlled Primary School	5,680		5,680	583
Rawdon St Peter's Church of England Voluntary Controlled Primary School	16,658		16,658	1,711
Barwick-in-Elmet Church of England Voluntary Controlled Primary School	10,795		10,795	1,109
Harewood Church of England Voluntary Controlled Primary School	5,844		5,844	600
St Margaret's Church of England Voluntary Controlled Primary School	24,340		24,340	2,500
Micklefield Church of England Voluntary Controlled Primary School	6,223		6,223	639
Thorner Church of England Voluntary Controlled Primary School	10,664	-6,221	4,443	456
St James' Church of England Voluntary Controlled Primary School	4,653		4,653	478
Calverley Church of England Voluntary Aided Primary School	21,245		21,245	2,183
St Mary's Church of England Controlled Primary School Boston Spa	7,237		7,237	743
Pool-in-Wharfedale Church of England Voluntary Controlled Primary School	11,128		11,128	1,143
Burley St Matthias Church of England Voluntary Controlled Primary School	15,277		15,277	1,569
Middleton St Mary's Church of England Voluntary Controlled Primary School	27,322		27,322	2,807
Bramley St Peter's Church of England Primary School	23,143		23,143	2,378
Christ Church Upper Armley Church of England Voluntary Controlled Primary Scho	13,242	-7,725	5,518	567
St Bartholomew's CofE Voluntary Controlled Primary School	49,653		49,653	5,101
Roundhay St John's Church of England Primary School	12,413		12,413	1,275
St Oswald's Church of England Primary School	23,073		23,073	2,370
Hawksworth Church of England Primary School	5,703		5,703	586
Lady Elizabeth Hastings' CofE VA Primary School, Thorp Arch	7,440		7,440	764

Proposed refund of de-delegated surplus

School	Initial De-delegation	Recoupment Adjustment	Final De-delegation	Amount to Refund
	£	£	£	£
Collingham Lady Elizabeth Hastings' Church of England Primary School	11,060		11,060	1,136
St Edward's Catholic Primary School, Boston Spa	8,250		8,250	848
St Francis Catholic Primary School, Morley	11,066		11,066	1,137
Rothwell St Mary's RC Primary School	11,873		11,873	1,220
St Joseph's Catholic Primary School, Wetherby	11,329		11,329	1,164
St Anthony's Catholic Primary School, Beeston	13,183		13,183	1,354
St Augustine's Catholic Primary School	29,403		29,403	3,021
Corpus Christi Catholic Primary School	20,508		20,508	2,107
St Francis of Assisi Catholic Primary School	16,280		16,280	1,673
Holy Family Catholic Primary School	13,733		13,733	1,411
St Urban's Catholic Primary School	12,806		12,806	1,316
St Joseph's Catholic Primary School, Hunslet	15,437		15,437	1,586
St Nicholas Catholic Primary School	18,262		18,262	1,876
Our Lady of Good Counsel Catholic Primary School	13,113		13,113	1,347
Sacred Heart Catholic Primary School	13,497		13,497	1,387
St Paul's Catholic Primary School	12,164		12,164	1,250
St Philip's Catholic Primary and Nursery School	17,143		17,143	1,761
Immaculate Heart of Mary Catholic Primary School	24,912		24,912	2,559
St Patrick Catholic Primary School	13,325		13,325	1,369
Holy Rosary and St Anne's Catholic Primary School	16,062		16,062	1,650
St Theresa's Catholic Primary School	25,066		25,066	2,575
Adel St John the Baptist Church of England Primary School	11,953		11,953	1,228
Cookridge Holy Trinity Church of England Primary School	22,871		22,871	2,350
Kirkstall St Stephen's Church of England Primary School	12,246		12,246	1,258
Meanwood Church of England Primary School	12,203		12,203	1,254
St Matthew's Church of England Aided Primary School	24,287		24,287	2,495
All Saint's Richmond Hill Church of England Primary School	15,241		15,241	1,566
St Peter's Church of England Primary School, Leeds	16,669		16,669	1,712
Whinmoor St Paul's Church of England Primary School	12,108		12,108	1,244
Beeston Hill St Luke's Church of England Primary School	21,932		21,932	2,253
Hunslet St Mary's Church of England Primary School	15,082		15,082	1,549
Brodetsky Primary School	15,326		15,326	1,575
Methley Primary School	22,791	-22,791	0	0
Strawberry Fields Primary School	18,190		18,190	1,869
Blackgates Primary School	22,893	-13,354	9,539	980
Pudsey Waterloo Primary	24,968	-24,968	0	0
Drighlington Primary School	22,669		22,669	2,329
Hollybush Primary	31,569		31,569	3,243
Meadowfield Primary School	29,834		29,834	3,065
Great Preston VC CofE Primary School	11,779		11,779	1,210
Fountain Primary School	24,248		24,248	2,491
The New Bewerley Community Primary School	30,764		30,764	3,160
Valley View Community Primary School	24,994		24,994	2,568
Shire Oak VC Primary School	12,969		12,969	1,332
Mill Field Primary School	28,947		28,947	2,974
Allerton CofE Primary School	34,605		34,605	3,555
Lady E Hastings CofE Primary School	6,884		6,884	707
Lawnswood School	72,458		72,458	7,444
Allerton High School	57,136		57,136	5,870
Allerton Grange School	72,999		72,999	7,499
Temple Moor High School Science College	63,982		63,982	6,573
Ralph Thoresby School	48,676		48,676	5,001
Pudsey Grangefield School	49,825		49,825	5,119
Royds School	49,204		49,204	5,055
Benton Park School	55,993		55,993	5,752
Guiseley School	58,472		58,472	6,007
Wetherby High School	29,047		29,047	2,984
Boston Spa School	34,664	-20,221	14,443	1,484
Cardinal Heenan Catholic High School	51,154		51,154	5,255
Corpus Christi Catholic College	58,150		58,150	5,974
Mount St Mary's Catholic High School	73,662		73,662	7,568
Carr Manor Community School, Specialist Sports College	84,512		84,512	8,683
Roundhay School	94,147		94,147	9,673
TOTAL	**4,642,280**	**-145,183**	**4,497,097**	**462,000**

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Breakdown of Growth Fund Commitments 2019/20

School	Expansion Type	Increase	Projected cost to Growth Fund 2019/20	Comments
			£	
Allerton C of E Primary School	Perm	30	51,080	
Asquith Primary School	Perm	30	51,080	
Beecroft Primary School	Perm	15	25,540	
Bramham Primary	Perm	10	17,027	
Bramley St Peter's C of E Primary School	Perm	15	25,540	
Broadgate Primary School	Perm	30	51,080	
Brudenell Primary School	Perm	20	34,053	
Calverley C of E Primary School	Perm	15	25,540	
Carr Manor Community School	Perm	30	51,080	
Castleton Primary School	Perm	30	51,080	
Fieldhead Carr Primary School	Perm	30	51,080	
Gledhow Primary School	Perm	30	51,080	
Hawksworth Wood Primary School	Perm	30	51,080	
Hollybush Primary School	Perm	30	51,080	PAN reduced from September 19, funded in 2019/20, but not future years.
Hunslet Moor Primary School	Perm	15	76,620	Accelerated growth over 3 year groups - therefore funding for 45 places.
Hunslet St Mary's C of E Primary School	Perm	15	25,540	
Iveson Primary School	Perm	15	25,540	
Iveson Primary School (2013)	Perm	15	25,540	
Lane End Primary (2017)	Perm	60	6,000	Resources only, main growth funded through formula.
Low Road Primary School	Perm	10	17,027	
Park Spring Primary School	Perm	15	25,540	
Pudsey Greenside Primary School	Perm	15	25,540	
Robin Hood Primary School	Perm	15	25,540	
Roundhay School	Perm	50	117,678	
Rufford Park Primary School	Perm	15	25,540	
Shakespeare Primary School	Perm	45	76,620	
Sharp Lane Primary School	Perm	30	51,080	
St Francis Catholic Primary School, Morley	Perm	8	13,621	
Moor Allerton Hall	Perm	30	51,080	
Beeston Hill St Lukes	Perm	15	25,540	
Allerton Bywater Primary School	Perm	30	85,423	
Bramley Primary School	Perm	20	56,949	
East Ardsley Primary School	Perm	15	42,711	
Morley Newlands Academy	Perm	30	85,423	
Nightingale Primary Academy	Perm	60	6,000	Resources only, main growth funded through formula.
Pudsey Primrose Hill Primary School	Perm	15	42,711	
St Joseph's Primary, Pudsey	Perm	15	42,711	
Cockburn John Charles	Temp	30	69,357	Temporary ahead of possible permanent expansion. Increase for 60 places, though additional growth funding allocated for 30 places.
Cottingley Primary Academy	Perm	15	42,711	Outstanding funding for 2018/19, no funding in future years.

80% Funding Guarantee commitments

Shakespeare Primary School	Temp	21	57,696	
Bracken Edge Primary School	Temp	1	2,747	
Nightingale Primary Academy	Temp	1	2,747	

FORECAST In Year Increases

In Year Bulges 2019/20 (6.0FE)	Perm	120	94,423	From January 2020 at the earliest.

Total Projected Growth Fund Expenditure 2019/20	**1,833,075**

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Leeds CITY COUNCIL

Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 10th October 2019

Subject: School funding update 2020/21 and responses to DfE consultations

Report Author: Louise Hornsey Contact telephone number: 0113 3788689

Summary of main issues

1. The Dedicated Schools Grant (DSG) is allocated in four blocks: schools, high needs, early years and central schools services. 2020/21 is the third 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 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 government has announced that the 5 to 16 core schools and high needs budget of the Dedicated Schools Grant will, compared to 2019/20, rise nationally by:

   - £2.6 billion for 2020/21
   - £4.8 billion for 2021/22
   - £7.1 billion for 2022/23

3. Details of indicative 2020/21 funding allocations for local authorities are due to be released in early October 2019 however at the time this report was issued this information had not been received.

4. 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.

5. Financial modelling will be carried out for 2020/21 to establish options for consultation with schools once the relevant information has been received from the ESFA. Due to the late release of information by the ESFA this year there will be less time than usual to model options and consult with schools. The consultation with schools on the 2020/21 funding arrangements and de-delegation will provisionally start during the week

commencing 21st October 2019 and end early in the week commencing 4th November 2019. Briefing sessions will be provided for schools and governors during this period and slides will be circulated if anyone is unable to attend.

6. Since the last Schools Forum meeting the council has responded to two DfE consultations and details of the responses are summarised in this report. The council has responded to the individual questions and proposals but has highlighted the importance of funding levels recognising increased need in the city as well as increased costs that would result from new requirements being placed on the local authority.

Recommendations

7. Schools Forum is asked to note the latest position on the 2020/21 school funding arrangements and the work planned 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. 2020/21 is the second year of the national funding formula for schools, high needs and central school services. The ESFA uses the national funding formula (NFF) to calculate the blocks within the 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 not confirmed the date that the NFF will be fully implemented so it is possible there could be further transitional years beyond 2020/21. However the government has reaffirmed their intention to move as soon as possible to a hard NFF, where schools' budgets are set on the basis of a single national formula and local authorities are no longer involved in this decision.

1.3 Although a three year funding settlement has been announced for schools, details of how local authorities and schools will be allocated funding have not yet been published. The ESFA is due to publish illustrative 2020/21 local authority level allocations in early October 2019 for schools, central school services, and high needs blocks, based on October 2018 pupil data. The final local authority allocations will be confirmed in December 2019 and will take into account October 2019 pupil data.

2 Main issues

2.1 Dedicated Schools Grant balance

2.1.1 2020/21 will be the second year in which the ESFA will require a report and supporting evidence from any local authority that has a cumulative DSG deficit of more than 1% at the end of the financial year. Recovery plans will need to be discussed with Schools Forum and should set out the authority's plans for bringing the DSG account back into balance. The council's Chief Finance Officer must also review and sign off the report before it is submitted.

2.1.2 Future year projections for the High Needs block will be brought to Schools Forum in November which will provide some indication of whether the local authority may be at risk of a cumulative DSG deficit of more than 1% at the end of 2020/21.

2.2 High Needs Block

2.2.1 Details of potential funding increases have been provided in the DSG budget monitoring report on this agenda. However as noted in that report the latest projections suggest that this will not be sufficient to meet rising pressures on the High Needs Block in 2020/21. A report on future year High Needs Block projections will be brought to the November 2019 Schools Forum meeting.

2.3 **Schools Block**

Funding allocation

2.3.1 In 2020/21, 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. Local authorities will still have some discretion to set a different local formula if needed.

2.3.2 Although funding information has been provided later than usual to local authorities this year, the ESFA deadlines have not been extended and they recognise that this provides less time than usual for local authorities to model options and consult with schools on the proposals for 2020/21. We will endeavour to provide schools with as much time as possible to comment on any proposals, however we expect that the consultation window will need to be shorter this year. The consultation with schools on the 2020/21 funding arrangements will provisionally start during the week commencing 21st October 2019 and end early in the week commencing 4th November 2019. Briefing sessions will be provided for schools and governors during this period and slides will be circulated if anyone is unable to attend.

Transfers out of the schools block

2.3.3 Local authorities will continue to be able to transfer up to 0.5% of their Schools Block to other blocks of the DSG, with Schools Forum approval. Based on 2019/20 funding this would be approximately £2.5m for Leeds. If the council wishes to transfer more than 0.5%, or transfer any amount without Schools Forum approval, a request would need to be made to the DfE to disapply the regulations in this area.

2.3.4 As High Needs Block funding is unlikely to be sufficient to cover costs in this area, we will be consulting with schools in October 2019 on a transfer of funding in 2020/21 from the Schools Block to the High Needs Block. The amount to be consulted on will be decided following further consideration of the pressures on the High Needs Block.

Schools block funding formula

2.3.5 In our consultation with schools on the 2020/21 formula we will be proposing to move as close as possible to the national funding formula, as this was the approach taken for 2018/19 and 2019/20 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 in 2020/21 it will not be possible to move fully to the national funding formula and we will model 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 period.

2.3.6 The results of the consultation will be brought to Schools Forum in November 2019 where members will be consulted on their views. The ESFA will provide details of final funding allocations to the council in December 2019 and we will therefore bring our final proposals to the January 2020 meeting as usual, prior to the council taking a decision on the 2020/21 funding formula.

2.3.7 A summary is provided below of the main changes to the national schools block funding formula for 2020/21. If any funding is transferred to the High Needs Block in 2020/21 then some or all of these factors would need to be scaled back in the local formula order to distribute the remaining funding to schools.

Formula factor increases

2.3.8 The majority of funding provided through the formula factors is related to pupil numbers and characteristics, plus some additional premises based funding. The premises funding consists mainly of a flat rate lump sum for all schools plus additional funding for PFI schools to recognise increased costs. Pupil-led funding comprises basic entitlement rates for all pupils, plus targeted funding across areas such as deprivation (measured based on Free School Meal entitlement and a deprivation index), prior attainment and English as an additional language.

2.3.9 Factors in the NFF allocations to local authorities will be increased by 4% apart from free school meals (increased at inflation) and premises based funding (allocated based on actual local authority spend in 2019/20 with an inflationary increase for the PFI factor only). There will be some local discretion to set lower rates for the funding factors if needed.

Minimum funding increases

2.3.10 A minimum increase of 1.84% (the forecast GDP deflator) will be guaranteed per pupil in local authority allocations compared to the 2019/20 NFF. As there is still some local discretion in the formula, local authorities will be able to set a minimum funding guarantee for schools of between +0.5% and +1.84% per pupil. In 2019/20 Leeds set a minimum funding guarantee of +0.5% per pupil, which mirrored the maximum possible increase under the NFF at that time.

Cap on gains

2.3.11 For local authorities not already attracting their core NFF allocations for schools there will be no cap on gains, unlike the previous two years where gains were capped nationally at 3%. All local authorities will therefore receive schools' full core allocations under the 2020/21 formula.

2.3.12 There will still be local discretion to set a cap in the formula for schools if needed. The cap on gains for Leeds schools was set by the council at 2.3% in 2018/19 and 2.7% in 2019/20, which was lower than the 3% in the NFF in order to account for funding transferred from the Schools Block to the High Needs Block.

Minimum per-pupil funding levels

2.3.13 Increases have been announced in the minimum per-pupil funding levels allocated to local authorities for 2020/21. This element of the funding formula is designed to ensure that there is at least a certain level of funding per pupil available, regardless of pupil characteristics. Schools may receive more than the minimum level where their pupils attract targeted funding through the formula. Schools with lower indicators of additional need are more likely to be below the minimum funding level and therefore receive an uplift to this amount.

2.3.14 For secondary schools, local authorities will receive a minimum of £5,000 per pupil in 2020/21. This compares to £4,800 allocated in the NFF for 2019/20, which was scaled back to £4,700 in the Leeds formula due to the transfer to the High Needs Block.

2.3.15 For primary schools, local authorities will receive a minimum of £3,750 per pupil in 2020/21, rising to at least £4,000 from 2021/22. This compares to £3,500 allocated in the NFF for 2019/20, which was scaled back to £3,400 in the Leeds formula due to the transfer to the High Needs Block.

2.3.16 The government has announced that they intend that the use of the minimum funding levels will be mandatory for local authorities in 2020/21 as a first step towards the government moving towards a hard NFF. However they recognise that there may be exceptional circumstances in which a local authority finds it difficult to deliver the minimum per pupil funding levels at the same value provided in the NFF, for example if a transfer was made from the Schools Block to the High Needs Block. The DfE is currently consulting on the implementation of the minimum funding levels in 2020/21 and they are proposing that local authorities would be able to make a request to disapply the use of the full NFF per-pupil values if needed.

2.3.17 The DfE consultation is currently open and will close on 22nd October 2019. The council will be submitting a response to this and should any schools or Schools Forum members also wish to respond then further details of the consultation can be found on the DfE website[1].

Growth fund

2.3.18 Growth funding will be allocated to local authorities as part of the Schools Block, based on growth in pupil numbers between the October 2018 and October 2019 censuses. Growth funding allocations for 2020/21 will not be confirmed by the ESFA until December 2019.

2.3.19 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 allocation to schools of the 2020/21 growth fund.

[1] https://consult.education.gov.uk/funding-policy-unit/mandatory-minimum-per-pupil-funding-levels-in-5-16/

2.4 **Central School Services Block**

2.4.1 Funding for this block is split between historic commitments and ongoing services. Details of the indicative allocation will be received in early October 2019 with the final allocation being confirmed in December 2019.

2.5 **Early Years Block**

2.5.1 As in previous years, the Early Years Block allocation is based on pupil numbers in the January census and therefore allocations for 2020/21 have not yet been released.

2.6 **De-delegation of services**

2.6.1 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 that they would otherwise have to pay directly from their budget (such as reimbursing schools for the cost of staff on maternity leave). This arrangement is known as de-delegation and we will be consulting with maintained mainstream schools in October on the proposals for their de-delegated contributions in 2020/21.

2.6.2 The ESFA has not provided any clarity on how de-delegation will operate once the NFF is brought in fully, however it is possible that ability for schools to de-delegate funding may cease at some point in the future. If this is the case we will look at providing alternative arrangements for schools who wish to continue using these services.

2.7 **DfE consultations on future financial arrangements**

2.7.1 The DfE has recently carried out two consultations on future arrangements, covering financial transparency arrangements for maintained schools and the distribution of funding for special educational needs. Summaries of the council's responses to these consultations are set out below.

Financial Transparency arrangements for maintained schools

2.7.2 Local authorities are the accountable body for maintained schools and, in line with national frameworks and guidance set by the DfE, monitor and intervene in these schools to reduce the risk of financial failure or misuse of funds. Each local authority has a scheme for financing schools which sets out the financial relationship between it and its maintained schools, and the DfE publishes guidance setting out what is required or permitted in schemes.

2.7.3 The DfE recognises that many local authorities do a good job in overseeing the financial affairs of their maintained schools, however they feel that current arrangements for academies are generally stronger than those in place for maintained schools and they have therefore put forward a number of proposals to increase requirements relating to maintained schools.

2.7.4 The council has submitted a response to this consultation which closed on 30th September 2019. We also made schools aware of the consultation so that they could respond to the DfE if they wished. Many of the proposals would not create additional burdens and so the council has not objected to the introduction of such arrangements, for example the proposal to publish details of local authorities that do not comply with deadlines for assurance returns.

2.7.5 However the council has disagreed with some proposals, particularly where these are at odds with other regulations or would create an additional burden with no confirmation that additional funding would be received. For example, a proposal has been made to increase the frequency of internal audits for schools to at least once every three years. While the council does not disagree with this in principle, if additional funding is not received this would lead to increasing costs for the council which may need to be passed on to schools.

2.7.6 Details of the proposals that were consulted on can be found on the DfE's website[2].

Funding for special educational needs – call for evidence

2.7.7 Schools Forum members were advised at the June 2019 meeting that the DfE had launched a call for evidence which was intended to help them understand how the current available funding is distributed and what improvements could be made to the funding arrangements in the future. It also looked at factors in the current funding system that may be contributing to the escalation of costs, without necessarily securing better long-term outcomes for pupils and students.

2.7.8 The call for evidence posed a number of questions around the distribution of existing funding and how this could be improved. The council responded with comments on each of the questions but particularly highlighted that the key issue is not how existing funding is allocated but rather that insufficient funding is available to meet need. This response was made before the recent funding announcement which provides a welcome funding increase, however as noted earlier in this report this is still projected to fall short of the amount required to meet increasing demands.

2.7.9 The DfE has not yet issued a response to the consultation however further details of the questions posed in the consultation can be found on their website[3].

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.

[2] https://consult.education.gov.uk/funding-policy-unit/financial-transparency-of-local-authority-mainta/supporting_documents/LA%20Financial%20Transparency%20Consulation.pdf
[3] https://consult.education.gov.uk/funding-policy-unit/funding-for-send-and-those-who-need-ap-call-for-ev/

Schools Forum forward plan 2019/20

Schools Forum date	Agenda items	Purpose
14/11/19	High needs block projections	Information
	School funding formula arrangements 2020/21, including any transfers of funding between the DSG blocks	Decision and consultation
	De-delegation 2020/21 decision	Decision
	Family outreach service	Information
16/01/20	Final school funding arrangements 2020/21	Information
13/02/20	Free Early Education Entitlement rates and centrally retained funding 2020/21	Decision and consultation
	DSG budget monitoring report 2019/20	Information

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Leeds CITY COUNCIL

Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 10th October 2019

Subject: Schools in Financial Difficulties funding guidance

Report Author: Louise Hornsey **Contact telephone number: 0113 3788689**

1 Background information

1.1 A Schools in Financial Difficulties fund can be established each year for maintained mainstream schools, following consultation with schools and approval by Schools Forum. All maintained mainstream schools contribute (de-delegate) some of their funding at a flat rate per pupil and can subsequently make a request to access this fund if they are in financial difficulty. Applications are considered by a panel of Schools Forum members with the final decision being taken by Children and Families.

2 Main issues

2.1 Guidance has been drafted on the Schools in Financial Difficulties fund following an increase in applications. This includes criteria that schools should meet in order to make an application, the information they should provide and the considerations for allocating funding. This guidance would be reviewed and distributed to schools at the start of each financial year, to ensure that schools are aware of the circumstances in which they can apply to the fund and that the council can prioritise funding.

2.2 Schools Forum is asked to provide a view on the proposed guidance for the Schools in Financial Difficulties fund as set out below.

3 Proposed guidance

3.1 A Schools in Financial Difficulties fund has been established from de-delegated contributions made by all maintained mainstream schools, following consultation with schools and approval by Schools Forum.

3.2 Maintained mainstream schools can make an application for funding if they meet the criteria in this guidance.

3.3 In order to be considered for funding the school must:

a) Have engaged with support provided or arranged by the council;

b) Have followed any financial advice given by the local authority;

c) Have a projected deficit in the current financial year despite having adopted any budget strategies suggested above;

d) Have a deficit action plan approved by the council and report immediately where any financial plan may not be met; and

e) Provide budget monitoring reports and other information and returns as required by the council.

3.4 Priority in allocating funding will be given to schools that:

a) Have received an Ofsted judgement of Requires Improvement, and/or

b) Cannot put in place a budget plan that recovers any cumulative deficit within three years.

3.5 This funding must be regarded as only being available in exceptional circumstances. Failure to have taken difficult decisions in previous years will not be considered as good reason for the release of funds.

3.6 Applications should be made on the standard form and should clearly identify what the additional funding will be used for and any consequences if the funding is not provided. Supporting evidence such as the school improvement plan or quotes should also be provided. Please consult your school finance officer if you need assistance or advice in completing the application form.

3.7 All school applications will be considered by a panel consisting of members of the Leeds Schools Forum who will make a recommendation on any funding to be awarded. The final decision will be taken by the Director of Children and Families or an officer who has been delegated responsibility for this in line with the council's governance arrangements.

3.8 Deadlines for receipt of applications will be notified to schools at the start of each financial year.

4 Recommendation

4.1 Schools Forum is asked to provide a view on the proposed guidance for allocating Schools in Financial Difficulties funding.

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