

DERBYSHIRE SCHOOLS FORUM

28th January 2021

6:00pm

Virtual Teams Meeting

AGENDA

1. Apologies for absence
2. Minutes of the Schools Forum meeting held on 15th December 2020 p.2
3. Schools Block 2021-22 update - final allocations p.7
4. DSG Monitoring 2020-21 p.10
5. High Needs Block 2021-22 – update p.13
6. Early Years Block Budgets 2021-22 p.18
7. Pupil Growth Fund Budgets 2021-22 p.23
8. Central School Services Block 2021-22 - further update p.30
9. Dates of future meetings:

30th June 2021 at 6:00 p.m. – Teams Meeting

<p>Please remember to send any apologies to schoolsforum@derbyshire.gov.uk</p>
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DERBYSHIRE COUNTY COUNCIL
DERBYSHIRE SCHOOLS' FORUM
Minutes of the Meeting Held on 15th December 2020
At 6pm on Microsoft Teams

Present

Members

George Wolfe – Curbar Primary
Sarah Lorking – Redhill Academy Trust
Peter Johnston – The Village Federation & The Fitzherbert CofE Primary
Julian Scholefield – Esteem MAT
Dr Alan Thomas – Northfield Junior School
David Barker – The Pingle Academy
Thomas Osborn – Baslow St Anne's Primary
Jennifer Murphy – Hunloke Park Primary
Nick Goforth – Belper Secondary
Sarah Baker – Team Education Trust
Chris Greenhough – Swanwick School & Sports College
Margaret Mason – Children 1st
Martin Brader – Dronfield Henry Fanshawe
David Neale – NEU
Siobhan Johnston – The Brigg Infants
Michelle Hill – Derbyshire 16-19 rep
Chris Wayment – ASCL

Substitutes

Cilla Hollman – Hadfield Infants
Peter Crowe – ASCL

Observers

Cllr Jim Coyle – DCC
Cllr Julie Patten – DCC

DCC Officers/other

Jane Parfremment – Executive Director of Children's Services
Iain Peel – Service Director, Schools and Learning
Alison Noble – Service Director – Early Help & Safeguarding
Chris Allcock – Children's Services Finance
Karen Gurney – Children's Services Finance
Andy Walker – Children's Services Finance
Ruth Lane – Children's Services Finance
Phil Burrows – Children's Services Finance
Saranjit Shetra – Assistant Director Education and Improvement
Paula Williams – Assistant Director – Learning Access and Inclusion
Chris Caley – Early Help Transition and 0-5 Partnership Lead
Louis Hughes – Children's Services, High Peak North Dales Locality

The Executive Director for Children's Services, Jane Parfremment, welcomed new members and thanked everyone for their hard work during what has been a particularly challenging year.

Chris Allcock welcomed two new Academy members, Sarah Baker, Chief Executive Officer of Team Education Trust and Lisa Key, Director of Finance and Operations, at Queen Elizabeth's Grammar School MAT. As a result of these additions there are now no vacancies on the Schools Forum.

Apologies

Emma Hill, Lisa Key, Peter Hallsworth, Michelle Jenkins, Philip Curtis

20/24 Minutes of the meeting held on 21st October 2020

The minutes were approved for accuracy and there were no matters arising.

20/25 De-delegation of funding 2021 – 22 – outstanding matters

Chris Allcock presented the paper which asked representatives of LA maintained schools on the Schools Forum to consider the de-delegation of funds for schools' insurance for 2021- 22. The paper also invited the Schools Forum to give its views on the LA's proposed de-delegation funding arrangements for 2021- 22.

At the last meeting in October 2020, representatives of LA maintained primary, secondary and special schools agreed to de-delegate funding for a range of services for 2021-22. Insurance had been deferred as it was unclear what impact, if any, the DfE's Risk Protection Arrangements (RPA) for academies might have.

The DfE have now confirmed that LA maintained schools could only join the RPA scheme provided that in doing so they wouldn't be breaking any existing contractual agreements with other insurers. As the LA's current schools' insurance contracts run until May 2022 it is not possible for schools to join the RPA scheme at this stage.

Given the above, primary and secondary schools were asked if they wished to de-delegate funds for insurance for 2021-22. The responses shown in Table 1 indicate a significant majority wished to continue with the current arrangements. De-delegation for primary and secondary schools is a matter for each LA maintained sector's representatives. The LA recommendation was that funds should be de-delegated, with a commitment that the Authority would look at arrangements for 2022-23 onwards during 2021.

Nick Goforth said that as an academy school he had tried to claim from the RPA insurance scheme and found it was easier than claiming via Zurich direct.

The Chair, Martin Brader, asked for votes and all LA maintained primary and secondary sector representatives agreed that de-delegation for insurance should take place for 2021- 22.

In terms of the wider funding arrangements of de-delegated charges for 2021-22, Table 2 of the report showed that charges next year were set to rise significantly. In order to reduce the impact, the Authority proposes to use some of the accumulated reserves from previous years to keep the increase to 1% per pupil.

Subject to affordability, a similar arrangement might be applied for 2022-23 but this will depend on several factors including future spending levels, the availability of reserves, the Schools Forum's views about the merits of continuing with de-delegation and, of course, whether future DfE regulations allow the de-delegation following the proposed consultation on the hard National Funding Formula in Spring 2021.

There were no comments from the floor.

The Forum accepted the report's recommendations.

20/26 DSG overview including national funding update

Chris Allcock presented the paper to inform Schools Forum of the prospective DSG position for 2021-22 onwards in the context of the national funding settlement and the measures needed to ensure aggregate DSG reserves remain in surplus.

He referred to the table in the papers indicating that the DSG forecast balance is £0.963m at the end of 2020-21. Although this represents an increase compared with the start of year balance, £0.188m, the deficit in the uncommitted DSG reserve is still estimated to be nearly £3m.

The main pressure on the DSG is the High Needs Block (HNB) and the key to resolving the accumulated deficit is keeping future years' spend within the grant limits for each block.

National Funding Update

Chris confirmed that the actual DSG settlement for 2021-22 has not yet been published. Reports on the Central Schools Services and High Need blocks will be presented later this evening which, if agreed, would add £0.5m to DSG reserves during 2021-22.

Schools Block (excluding the Pupil Growth Fund) is unlikely to contribute funds towards the DSG deficit, largely due to a significant increase in the free school meal (FSM) count during the year of 23.6%. The increased count will generate additional resources but not until 2022-23, in the meantime there is a £1.9m unfunded pressure for 2021-22. The issue has been raised with the DfE which said they are aware of it, but as there is no extra funding, LAs will have to manage it through their formulae. The options available to the LA include one or more of the following:

- reduction in MFG protection
- placing a cap on schools' gains
- reduction in one or more formula multipliers
- transferring resources from elsewhere within the DSG.

One option would be to reduce the MFG from 2%, as originally proposed, to 1%. This change, together with a cap on gains of 4% per pupil may be sufficient to close the gap. As an alternative, if the FSM multiplier were to be pared back it would need to be reduced by around £80 to recover the position. Reducing the multiplier would affect nearly all schools including those that had not seen an increase in their own FSM count. For this reason, capping was preferred as it would impact more on those schools seeing the biggest increases in funding.

In January 2021 the FSM count will drive a significant increase in Pupil Premium funding for 2021-22, assuming the DfE continue with the existing rates per pupil.

Pupil Growth funding is now expected to be around £2.4m rather than the £3m previously assumed. This budget contributed £1.325m in 2021-22 towards DSG reserves. Given the lower income in 2021-22 the LA is planning a reduced contribution to reserves of around £0.500m. Allocation of the Pupil Growth funding is a matter for the Schools Forum and will be the subject of a report to the next meeting in January 2021.

There is no news of the Early Years Block settlement at this stage.

In terms of closing the Schools Block shortfall, Nick Goforth commented it will be interesting to see how many schools are impacted and by how much for each of these options.

Peter Johnston stressed that very small schools had been made aware of an unexpected projected impact on 2021-22 budgets recently due to changes in the teachers' pay and pension grants which had resulted in a loss of £18,000 over two years in one of his schools. Therefore, we need to know how much schools are impacted by a proposed reduction in MFG as they could take another hit in funding. He would want to know the impact on schools of 50 or less pupils.

Martin Brader asked how sensitive each of the savings options was to the overall DSG settlement. Chris Allcock replied that the overall size of the DSG settlement can be largely predicted as we know the funding rates and have a good idea of the October 2020 census data. The keys to which options are chosen are the data changes for 2021-22 which will drive individual school budget changes. Until the DfE publish the final formula data it is difficult to carry out definitive modelling, particularly given the likely turbulence in deprivation and Low Prior Attainment data.

Chris accepted Peter Johnston's comment regarding small schools. In 2020-21 the teachers' pay and pension grants amounted to £179.88 per pupil and, in allocating funding, the DfE had assumed every school had a minimum of 100 pupils, guaranteeing a minimum grant of £17,988. In the National Funding Formula these former grants have been added to the basic entitlement multiplier, the increase being £180 per pupil. However, now there is no minimum number of pupils per school, a tiny school with 10 pupils would only get £1,800, compared to a grant of £17,988. MFG will help with the shortfall but may not completely fully compensate schools. The impact may be softened if other data changes improve the school's overall funding, for example an increase in FSM counts.

Peter Johnson said that the chances are the smaller schools won't get an increase in pupil premium and in his three schools which total a combined 130 pupils he has had no additional FSM eligibility. Peter added that he was really conscious that MFG decreases would hit small schools the hardest.

Chris reported that there are currently 113 schools in Derbyshire with 100 pupils or fewer and which collectively receive £2m in pay and pension grants. Under the National Funding Formula, they will receive around £1.3m through the £180 per-pupil increase, plus a further £0.25m of MFG support, assuming an MFG rate of 1%. MFG of around £0.33m would be triggered at 2%. The increase in MFG therefore only has a marginal impact on reducing the net change in funding.

Chris then went on to talk about the DfE Recovery Plan Template which is a complicated spreadsheet. As the LA is planning to avoid having an aggregate DSG deficit there is no requirement to complete it. However, the DSG position will be kept under constant review and, if necessary, can be a standing item on future Forum agendas.

The Schools Block data and settlement are expected very shortly and, once received, the Authority will model the impacts of formula changes to keep allocations within the overall grant. If practicable, summary information will be shared with Forum members to show the impact on schools. However, it should be noted that the deadline for the Schools Block template to be presented to the DfE is 21st January 2021 i.e. before the next Forum meeting. Schools Block decisions are a matter for the LA; accordingly, the January Forum meeting will receive a report on the outcome of the final decisions.

Forum agreed to note the report.

20/27 SEN Strategic update

Paula Williams - Assistant Director, Learning Access and Inclusion gave a detailed PowerPoint presentation to the Forum regarding the High Needs Block budget and the SEND transformation plan and the pressures that are being seen locally and nationally. The Power point is to be distributed to Forum members separately.

No comments were raised by Forum members.

20/28 High Needs Block 2021 - 22

Chris Allcock presented the paper to inform Schools Forum of the provisional indicative High

Needs Block settlement for 2021-22 and the potential spend for next year. He confirmed that, whilst the final settlement has not yet been received, he is still expecting an overall increase of around £8.545m. Appendix two provides a first look at estimated costs for 2021- 22.

The inflation estimates include the impact of the recent decision to impose a pay freeze for many public sector workers, resulting in pay inflation indices of 1.146% for teachers (5/12th of September 2020 award), whilst other pay groups are listed at 0% in the report. The top up inflation indices will have to be lifted slightly to reflect the increase in pay of those staff currently earning below £24,000 per annum. The extra costs will be taken from the planned high needs prices contingency fund.

It should be noted that funding for special schools and PRUs to replace the former teachers' pay and pension grants will be distributed separately via a start of year allocation, rather than being paid through increased top ups.

In summary, the budgets are increasing only to reflect pay increases, most of the balance is needed to meet demographic increases. Chris has asked other East Midland local authorities what their plans were for increasing top up funding next year. Whilst it was difficult for LAs to say definitively what would happen, respondents indicated they were struggling to manage the High Needs Block budget and none were planning to increase top ups.

Decisions on High Needs Block expenditure are a matter for the LA but are taken in partnership with the Schools Forum. A further paper will be presented at the next Forum meeting in January before Cabinet makes the final decisions in March.

No other comments were raised and the Forum agreed to note the report.

20/29 Central School Services Block budget proposals 2021 - 22

Chris Allcock presented the paper to seek Schools Forum approval to the 2021- 22 Central School Services Block budgets. Chris confirmed that, whilst the Authority had not yet received the final 2021-22 settlement, the LA is able to predict the funding quantum for next year. The per-pupil rate is now fixed at £31.72 and the Authority has a robust estimate of the October 2020 pupil census data.

Table 2 shows the proposed spend from the Central School Services Block for which the Authority is seeking the School Forum's approval.

Chris pointed out that a year on year reduction of 20% has been applied by the DfE to the funding for historic commitments. In Derbyshire this funding has been used to support the Authority's Early Help Offer. If the Forum decided not to agree to use this funding for this purpose in 2021-22, the DfE would remove the funding from Derbyshire from 2022-23. It is therefore in our collective self-interest to keep the money within Derbyshire. Alison Noble, Service Director – Early Help & Safeguarding then spoke about the Council's Early Help Offer and how the CSSB funding, together with £6m of the Council's own resources, are used to support schools.

No comments were raised from Forum members and the Central Schools Services Block budget proposals were agreed as set out in Table 2 of the report.

20/30 Dates of future meetings

28th January 2021 at 6:00 p.m. – Teams Meeting

30th June 2021 at 6:00 p.m. – Teams Meeting

The meeting closed at 7.30pm.

SCHOOLS FORUM**28th January 2021****Report of the Executive Director for Children's Services****Schools Block 2021-22 update - final allocations****1. Purpose of the Report**

To inform the Schools Forum of the Schools Block settlement for 2021-22 and the formula multipliers to be used to calculate mainstream schools' budgets.

2. Information and Analysis

On 17th December 2020, the DfE released final Schools Block allocations for 2021-22, the figures for Derbyshire are set out in Table 1 below.

Table 1- 2021-22 Schools Block allocations

	Primary		Secondary		
	2020-21	2021-22	2020-21	2021-22	
Funding (PUF/SUF) per pupil	£4,251.91	£4,605.36	£5,189.56	£5,636.76	
£ increase in PUF/SUF		+£353.45		+£447.20	
% increase in PUF/SUF		+8.31%		+8.62%	
October 2019 & 2020 NOR	59,160	58,791	39,141	39,813	
S. Block ex premises (£m)	251.54	270.75	203.122	224.41	
Premises - PFI	0.000	0.000	2.460	2.471	
Premises - Split site	0.080	0.098	0.272	0.135	
Premises – Rates	3.747	3.720	3.252	3.069	2021-22
Premises - Exceptional site	0.097	0.104	0.119	0.088	Total
S. Block ex Pupil Growth Fund	255.468	274.676	209.225	230.177	504.853
Pupil Growth Fund	0.847	0.681	2.582	1.814	2.495
Total Schools Block	256.315	275.357	211.807	231.991	507.348

Based on 2021-22 pupil and other data, the full National Funding Formula (NFF) budgets, with an MFG of +1.5% per pupil, no cap on gains and no changes to NFF multipliers, will cost £505.964m. A summary of the total by formula indicator is attached as Appendix 1.

It should be noted that the cost is slightly higher than that reported to the Schools Forum briefing (8th January) and the report to Cabinet (21st January) as it reflects the updated pupil numbers for Free Schools from September 2021. The overall cost exceeds the Schools Block, excluding the Growth Fund, by £1.111m.

£0.295m of the increase on the previously reported figures is due to the in-year budget adjustments for Free Schools referred to above, this will be funded by a draw down from the reserve set aside for this purpose. This leaves a residual shortfall of £0.816m (£0.010m higher than reported).

£0.201m of the shortfall will be funded from anticipated savings in the rates bills of schools that convert to academy status during 2021-22 with the balance, £0.615m, being funded from the Pupil Growth fund as approved by School Forum members following the recent briefing.

At the time of writing the Authority's Cabinet was due to consider the budget allocations for 2021-22 at their meeting on 21st January. In anticipation of the proposals being approved, the Authority has also submitted its proposals to the Education and Skills Funding Agency for approval. This requirement had a deadline of 21st January and enables the ESFA to check that LAs' plans are fully compliant with national regulations.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, HR, legal & human rights, environmental, health, property and transport considerations.

4. Background Papers

Held within Finance.

5. Executive Director's Recommendations

That the Schools Forum notes the final 2021-22 Schools Block settlement and the measures taken locally to implement the mainstream National Funding Formula in full next year.

Jane Parfremment
Executive Director for Children's Services

	Primary		
	2021-22	2021-22	2021-22
Indicator	Count	Multiplier	Budget
		£	£
Per Pupil – Key Stage 1 & 2	58,855.59	3,123.00	183,806,008
Per Pupil – Key Stage 3	-	-	-
Per Pupil – Key Stage 4	-	-	-
Current FSM	13,814.35	460.00	6,354,602
Ever 6FSM	15,015.58	575.00	8,633,957
IDACI F	4,942.21	215.00	1,062,575
IDACI E	6,943.31	260.00	1,805,261
IDACI D	2,638.85	410.00	1,081,927
IDACI C	3,193.41	445.00	1,421,069
IDACI B	3,036.95	475.00	1,442,550
IDACI A	814.35	620.00	504,897
Low Prior Attainment	17,080.67	1,095.00	18,703,338
English as an Additional Language	948.33	550.00	521,582
Mobility	99.30	900.00	89,370
Lump Sum	353.58	117,800.00	41,652,117
Sparsity	14.87	45,000.00	669,342
Split site: <500m	4.00	2,789.08	11,156
Split site: >500m	2.00	44,254.39	88,509
Private Finance Initiative	-	-	-
Rates	-	-	3,582,247
Exceptional Circumstances	-	-	55,615
Minimum Per Pupil Funding	-	-	3,119,408
Minimum Funding Guarantee +1.5%	-	-	615,091
Capped gains	-	-	0
Total Formula Budgets			£275,220,621
TOTAL BOTH SECTORS			

Secondary		
2021-22	2021-22	2021-22
Count	Multiplier	Budget
	£	£
-	-	-
24,486.00	4,404.00	107,836,344
15,331.00	4,963.00	76,087,753
7,755.00	460.00	3,567,300
10,092.09	840.00	8,477,354
3,319.81	310.00	1,029,141
4,346.58	415.00	1,803,831
1,739.43	580.00	1,008,872
2,001.00	630.00	1,260,628
1,953.92	680.00	1,328,667
487.49	865.00	421,675
8,975.21	1,660.00	14,898,856
121.32	1,485.00	180,163
4.62	1,290.00	5,962
45.00	117,800.00	5,301,000
0.28	70,000.00	19,833
-	-	-
1	137,384.98	137,385
-	-	2,425,950
-	-	2,758,212
-	-	84,822
-	-	2,100,977
-	-	9,247
-	-	0
		£230,743,972
		£505,964,593

DERBYSHIRE COUNTY COUNCIL**SCHOOLS FORUM****28th January 2021****Joint Report of the Executive Director of Children's Services &
the Director of Finance & ICT****Dedicated Schools Grant Monitoring 2020-21****1. Purpose of the Report**

To provide the Schools Forum with an update of the Revenue Budget position of the Dedicated Schools Grant for 2020-21 up to the end of December 2020.

2. Information and Analysis**2.1. Forecast Summary**

The expected Dedicated Schools Grant (DSG) and 6th form grant income due to the Authority in 2020-21 is £371.665m.

The Revenue Budget Monitoring Statement prepared shows projected year-end expenditure of £373.639m. The expected overspend compared to income is £1.994m, however, this includes an underspend of £0.622m which is ring-fenced to schools, the overspend falling to the Authority is therefore £2.616m.

The overspend includes the benefit of £1.325m which Schools Forum agreed could remain uncommitted to assist with the pressures within the DSG therefore the underlying overspend against in-year grant is £3.941m.

The net total DSG reserves as at the end of 2019-20 were £0.188m surplus, within which the uncommitted DSG reserve stood at a deficit of £3.140m.

The DfE have included provisions in the School and Early Years Finance (England) Regulations 2020 - which came into force in February 2020 - that a DSG deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the LA not to do this.

The significant areas of expenditure and income are shown in the table overleaf:

	Budget	Projected Actuals	Forecast Over/(Under) Spend
Expenditure	£m	£m	£m
Central School Services Block	6.988	5.418	(1.570)
Re-pooled school funding	4.495	3.873	(0.622)
Early Years Block	41.525	41.460	(0.065)
High Needs Block	67.867	72.574	4.707
Schools Block	250.314	250.314	0.000
Total Expenditure	371.188	373.639	2.450
Dedicated Schools Grant Income	(371.188)	(371.645)	(0.457)
(Surplus)/Deficit	0.000	1.994	1.994

2.2. Key Variances

2.2.1. Central School Services Block, underspend £1.570m

The unallocated growth of £1.325m forms the majority of this underspend. The balance is primarily due to allocations to support schools to meet KS1 pupil/teacher ratios projected to be below the allocated budget.

2.2.2. Re-pooled school funding, underspend £0.622m

Projections for maternity costs, redundancy costs and contingency payments for primary schools are below allocated re-pooled amounts.

2.2.3. High Needs Block, overspend £4.707m

Expenditure to support children with additional and high needs is expected to exceed the allocated grant for 2020-21. Areas where support for children and young people has been increasing above the estimates prepared at the start of the year are support for primary children attending mainstream schools where costs are now expected to be £2.100m higher than the estimates prepared for 2020-21 initially. This estimate has increased by £1.342m compared to the previous forecast. For children attending secondary schools, the full year spend is now £0.546m above the estimate prepared at the start of 2020-21.

Expenditure to support children receiving their education in independent and non-maintained schools is also now expected to be higher than the initial estimate prepared for 2020-21 by £1.176m.

There has also been an increase in the estimate of expenditure to support children who are educated in Derbyshire special schools and academies of £1.046m compared to the estimate prepared at the start of the year.

These overspends are partially offset by a contingency unallocated budget within the High Needs Block of £0.300m

2.3. Risks and consequences

There is a risk that the following issues could negatively impact on the forecast outturn position reported:

Service	Risk	Sensitivity* £m	Likelihood 1=Low 5=High
High needs block placements and top-ups	Increased number of children requiring placements or support	£0.300m - £0.700m	4

*Sensitivity represents the potential negative impact on the outturn position should the event occur.

The forecast overspend for 2020-21 would mean that the Authority would report an accumulated DSG deficit at 31st March 2021 of ~ £1.5m. This outcome would require the Authority to prepare a deficit recovery plan for consideration by the DfE in the summer. Work on this will be undertaken in the spring and will be brought to the Forum meeting in June. In the interim, in considering the papers under discussion at tonight's meeting, Forum Members need to be cognisant of the overall DSG position forecast for the start of 2021-22.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality of opportunity, environmental, health, human resources, property, social value and transport considerations.

4. Background Papers

Held on file within Children's Services Department.

5. Officer Recommendations

That the Schools Forum notes the report.

Jane Parfremment
Executive Director
Children's Services

Peter Handford
Director of Finance
& ICT

SCHOOLS FORUM**28th January 2021****Report of the Executive Director for Children's Services****High Needs Block 2021-22****2. Purpose of the Report**

To inform the Schools Forum of the high needs block settlement for 2021-22 and to consider priorities for funding.

2. Information and Analysis

The DfE published final high needs block allocations for 2021-22 on 17th December 2020. The total allocation for Derbyshire next year is £88.965m, a breakdown of this figure is provided in Appendix 1.

2.1 High Needs Block budgets 2021-22

As already reported to this meeting, the DSG forecast for 2020-21 has deteriorated with an overspend of £1.994m now predicted. Within this total, the high needs block is forecast to overspend by £4.707m, £3.595m more than the September forecast.

The main high needs areas showing increased spend are in respect of top ups, with the projections exceeding the plan set for 2020-21 for most sectors, as Table 1 below shows.

Table 1 – Budget and forecast spend on top-ups 2020-21

Sector	Budget	F'cast spend	(Under)/ Over-spend
	£k	£k	£k
Nursery	374	422	48
Primary	9,012	11,112	2,100
Secondary	6,947	7,491	544
Special - Derbyshire schools & academies	12,663	13,709	1,046
Special - Other LAs/Ind & N.M. schools	13,184	14,787	1,603
Post 16	3,846	3,794	(52)
Top up contingency	300	-	(300)
Total	46,326	51,315	4,989

The increased spend in 2020-21 follows a trend of year on year increases as shown in Table 2 overleaf.

Table 2 – Spend on top-ups over time

	F'cast	Actual	Actual	Actual
Sector	2020-21	2019-20	2018-19	2017-18
	£k	£k	£k	£k
Nursery	422	531	243	229
Primary	11,112	9,706	7,371	6,796
Secondary	7,491	6,506	6,191	6,364
Special - Derbyshire schls & academies	13,709	12,370	11,618	11,035
Special - Other LAs/Ind & N.M. schools	14,787	12,449	8,953	8,162
Post 16	3,794	3,000	3,369	2,830
Total	51,315	44,562	37,745	35,416

The significant shift in spend in 2020-21, combined with the risk that recent spending trends will continue with further increases in 2021-22 and the overall DSG reserves position, require a reassessment of spending priorities for next year. The DSG will have an accumulated deficit at 31st March 2021 and it is essential that high needs spend is, at the very least, kept within the level of the grant if this position is not to deteriorate during 2021-22.

Appendix 2 sets out baseline budgets based on the following assumptions:

- Current prices i.e. no inflation for schools or services;
- Funding has been added to services and schools' budgets to reflect loss of pay and pension grants;
- Top up budgets based upon 2020-21 forecast numbers and rates; and
- Increased contingency to cover future demographic pressures.

The estimated total cost is £88.384m, £0.581m below the grant level. Within the total spend, the provision for top ups – excluding any increase for pensions - is as follows:

Table 3 – Provisional top up budgets 2021-22

	Base budget	F'cast spend
Budget head	2021-22	2020-21
	£k	£k
Nursery	409	422
Primary	11,330	11,112
Secondary	7,495	7,491
Special - Derbyshire schls & academies	13,795	13,709
Special - Other LAs/Ind.t/NM. schools	14,787	14,787
Post 16	4,039	3,794
Contingency	1,300	-
Total	53,155	51,315

The Council will need to determine how much of the residual balance to set aside as a positive contribution to DSG reserves and how much, if any, to utilise within the high needs block.

Decisions on the high needs block are a matter for the local authority rather than the Schools Forum. However, the views of the Schools Forum are welcomed and will be considered when the Authority makes its final decisions in March 2021.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, HR, legal & human rights, environmental, health, property and transport considerations.

7. Background Papers

Held within Finance.

8. Executive Director's Recommendations

That the Schools Forum notes the report and offers its views on the issues raised.

**Jane Parfremment
Executive Director for Children's Services**

High Needs Block allocations 2020-21 & 2021-22

	2020-21		
	Count	Multiplier	Total
	£	£	£m
Population aged 2-18	145,998	155.85	22.754
Health/Disab. - Children with bad health	670	4,145.10	2.777
Health/Disab. - Children claiming DLA	5,527	651.95	3.603
Deprivation – Current free meals	16,744	286.30	4.794
Deprivation – IDACI Band F	15,404	45.20	0.696
Deprivation – IDACI Band E	7,618	58.79	0.448
Deprivation – IDACI Band D	8,939	80.24	0.717
Deprivation – IDACI Band C	8,430	85.87	0.724
Deprivation – IDACI Band B	8,182	94.01	0.769
Deprivation – IDACI Band A	766	126.74	0.097
Low Attainment @ KS2	1,384	2,590.23	3.585
Low Attainment @ KS4	1,842	1,904.34	3.508
Historic spend			33.032
Sub total			77.504
Memo item - £ per pop'n (2-18)			£524.70

Hospital Education			0.055
Basic entitlement	1,084	4,000.00	4.336
Import/export adjustment	-354	6,000.00	-2.124
Total High Needs Block			79.771

Increase (£m)			9.799
Increase (%)			+14.00%

Appendix 1

2021-22		
Count	Multiplier	Total
£	£	£m
148,497	181.74	26.988
670	4,872.38	3.264
5,928	713.24	4.228
21,422	268.27	5.747
11,811	55.03	0.650
16,028	72.57	1.163
5,922	99.13	0.587
7,363	105.27	0.775
6,940	117.28	0.814
1,674	155.23	0.260
1,323	3,241.14	4.288
1,664	2,380.89	3.962
		33.032
		85.758
		£577.51

		0.289
1,145	4,660.00	5.336
-403	6,000.00	-2.418
		88.965

		9.194
		+11.53%

Budget head	Adjusted base	Places	Demo- graphics	Frmr pensions	Total
	£k	£k	£k	£k	
PRU pre 16 academy places	2,778	7	0	0	2,785
Special School LA m't'd pre & post 16 places	4,328	-1,178	0	0	3,150
Special Schl pre 16 academy places	4,155	1,608	0	0	5,763
Special Schl post 16 academy places	832	98	0	0	930
LA maintained schools ER places - pre 16	811	-123	0	0	688
Academy ER places - pre 16	641	109	0	0	750
Academy ER places - post 16	116	-8	0	0	108
Post 16 SEN places in LA m't'd schools	162	-46	0	0	116
Post 16 SEN colleges - Derby/C'field	768	48	0	0	816
Post 16 SEN places in academies	82	56	0	0	138
Places - total	14,672	571	0	0	15,243
EY SEN Inclusion	160	0	0	0	160
nursery Units/Schools SENTA	214	0	35	0	249
Nursery schools ER SEN	138	0	0	0	138
DCC Primary Schls/academies	9,040	0	1,974	0	11,015
Other LAs' primary schools/academies	187	0	129	0	316
DCC Secondary Schls/academies	6,581	0	399	0	6,980
Other LAs' secondary schools/academies	366	0	149	0	515
DCC Special Schls/academies	12,736	0	1,059	686	14,481
Other LAs' special schools/academies	2,134	0	257	0	2,391
Post 16/FE Coll/Ind spec providers	3,847	0	192	0	4,039
PRUs	1,740	0	0	193	1,933
Independent/NMSS	9,300	0	1,176	0	10,476
SEN Alternative Prov	250	0	170	0	420
Ind/NMSS - contribution to care placements	1,500	0	0	0	1,500
Unallocated - contrib'n to DSG deficit	0	0	0	0	0
Top ups contingency	300	0	1,000	0	1,300
Sub total - top ups	48,492	0	6,541	879	55,913
Access and Inclusion	125	0	-10	0	115
Support for inclusion	519	0	0	0	519
Hospital tuition	55	0	27	0	82
Virtual School	1,029	0	-26	15	1,018
PRU to provision transport	505	0	0	0	505
Contribution to Education Psychology Service	400	0	0	0	400
Visually Impaired Support Service	727	0	-11	26	742
Physical Impaired Support Service	554	0	42	22	618
Hearing Impaired Support Service	660	0	-50	22	633
SEN Equipment fund	250	0	0	0	250
Support Service for SEN (SSSEN)	4,736	0	24	222	4,982
Early Years SEN service (contribution to)	593	0	0	0	593
Behaviour Support Service	1,123	0	-64	57	1,117
Behaviour Support TAs in mainstream schools	319	0	0	0	319
Positive Play	209	0	-3	0	205
Derbyshire Nurture	310	0	1	10	321
Integration Pathways Team	3,810	0	114	114	4,039
Excluded pupils income	-436	0	0	0	-436
Contribution to SEN transport	80	0	0	0	80
School Improvement	114	0	0	0	114
Vulnerable Children's fund	200	0	0	0	200
High Needs Block Contingency fund	500	0	0	0	500
Direct Payments	225	0	0	0	225
Community Care posts	0	0	88	0	88
Sub total - services	16,606	0	134	488	17,228
Total spend	79,771	571	6,675	1,367	88,384

SCHOOLS FORUM**28th January 2021****Report of the Executive Director for Children's Services****Early Years Block budgets 2021-22****1. Purpose of the Report**

To update the Schools Forum on the Early Years Block announcements for 2021-22 and to seek approval to central early years budgets for next year.

2. Information and Analysis**2.1 DSG Income**

For 2020-21, Derbyshire's hourly rate under the DfE's Early Years Funding Formula (EYFF) for 3 and 4 year olds, excluding protection, is £4.24. However, our actual rate including protection (£0.15) is £4.39 per hour. All LAs were guaranteed a minimum rate in 2020-21 of £4.38. However, as our 2019-20 actual rate was already £4.39 per hour we received no increase in 2020-21.

For 2021-22 all LAs received a £0.06 increase on their pure EYFF rate with a minimum funding level of £4.44. Derbyshire's "pure" EYFF rate for 2021-22 is £4.30, the ongoing protection (£0.14) raises our actual rate to the £4.44 minimum. This means our year on year increase is £0.05 (£4.44 less £4.39), a 1.14% increase on 2020-21. This rate will be applied to both the universal and extended hours for eligible 3 and 4 year olds.

The funding rate for disadvantaged 2 year olds for all LAs has increased by £0.08 per hour, Derbyshire's 2021-22 rate being £5.36 (from £5.28) an increase of 1.52%. This funding is provided as part of a national scheme to support eligible pupils access childcare. In order to be eligible, the parents/carer must either be in receipt of a qualifying benefit e.g. Income Support/Job Seekers Allowance etc. or the child qualifies via having additional needs e.g. looked after by the council, have an Education Health and Care Plan, qualify for Disabled Living Allowance etc.

The DfE have also confirmed that the national rate for the Early Years' Pupil Premium (EYPP) is £0.53 per eligible child per hour and gives providers extra funding to support eligible 3 and 4 year olds for up to 15 hours per week. Eligibility is where the family accesses Income Support, Jobseeker's Allowance, Universal credit etc. The hourly rate is unchanged from 2020-21.

Disability Access Fund (DAF) is £615 per eligible child per year and supports 3 and 4 years olds who are in receipt of nursery entitlement and Disability Living Allowance. Accessed via agreement between settings and parents, DAF is a one-off annual payment to be used for the child as the setting deems most appropriate. The rate is unchanged from 2020-21.

The announcement provides Derbyshire with a Maintained Nursery Schools (MNS) grant of £0.998m for 2021-22, very close to the 2020-21 figure (£1.000m). However, part of the MNS has been published as indicative and part as conditional. The MNS allocation for April 2021 to August 2021 (£0.416m) is indicative and will be updated to reflect actual hours of provision.

The MNS for September 2021 to March 2022 (£0.582m) is conditional i.e. may be subject to change and local authorities are advised to treat it as unconfirmed. The DfE consider it important that authorities are aware of this across EY and finance teams in order to carry out the appropriate budget planning. The DfE expect to be able to say more about this in early 2021. The government's stated commitment to the long-term funding of maintained nursery schools is unchanged.

No other technical changes have been announced and hence LAs will continue to have to meet the passporting test which is that 95% of the universal and additional hours funding for 3 and 4 year olds must be delegated to providers, with a maximum of 5% to be retained for central early years functions. LAs' formulae must continue to include a basic hourly rate and a deprivation indicator, in addition LAs can include indicators for rurality/sparsity, flexibility, quality and a lump sum for nursery schools.

The December announcement included indicative figures based on January 2020 census data; the actual 2021-22 allocations would normally be updated to reflect a combination of January 2021 (5/12^{ths}) and January 2022 (7/12^{ths}) census information. However, this position is under review in the light of Covid-19 and other arrangements may apply.

Table 1 – Early Years Settlement 2021-22

Item	2021-22	2020-21	
Early Years Block:			
No. 3 & 4 year olds – universal prov'n (PTE – part time equiv)	9,795.12	9,975.29	
Universal entitlement - 3 & 4 year old hourly rate	£4.44	£4.39	
Sub total universal hours 3&4 yr old funding (£m)	24.789	24.961	
No. 3 & 4 year olds – add'l 15 hours for working parents (PTE)	4,364.81	4,099.92	
Additional entitlement - 3 & 4 year old hourly rate	£4.44	£4.39	
Sub total additional hours 3&4 yr old funding (£m)	11.046	10.259	
Total hours led 3& 4 yr old funding – Passporting baseline	35.835	35.220	a
Other Early Years allocations:			
Maintained Nursery School (MNS) Grant (£m)	0.998	1.000	
Funding for disadvantaged 2 year olds (£m)	4.397	4.371	
Early Years Pupil Premium (£m)	0.381	0.298	
Early Years Disability Access Fund (£m)	0.179	0.149	
Sub total – Other EY allocations	5.955	5.818	b
TOTAL EARLY YEARS BLOCK (£m)	41.790	41.038	c=b+a

2.2.1 Delegated allocations

If the £0.05 per hour increase in Derbyshire's rate from the DfE for 3 and 4 year olds were added to Derbyshire's own rates, the following rates and costs would result:

Table 2 – Early Years Delegated Allocations 2021-22

	Nursery schools	Nursery units	PVI	Total	
Proposed Universal hourly rate	£4.16	£4.16	£4.16	-	
Proposed Enhanced hourly rate	£0.54	£0.00	£0.00	-	
Proposed Overall hourly rate	£4.70	£4.16	£4.16	-	A
3&4 year olds universal hrs	562.80	3,294.28	5,938.04	9,795.12	B
3&4 year olds additional hrs	200.81	773.51	3,390.49	4,364.81	C
<u>Delegated funding</u>	£m	£m	£m	£m	
Universal allocation	1.508	7.811	14.080	23.399	=AxBx570hrs
Additional hours allocation	0.538	1.834	8.040	10.412	=AxCx570hrs
Sub total - hourly rate allocations	2.046	9.645	22.120	33.811	
Formula supplements:					
Lump sum	0.719	0.000	0.000	0.719	
Deprivation	0.054	0.508	0.325	0.887	
Rates	0.073	0.000	0.000	0.073	
Sub total - formula supplements	0.846	0.508	0.325	1.679	
Contingency – treated as delegated	0.010	0.000	0.000	0.010	
Total delegated funding	2.902	10.153	22.445	35.500	

It should be noted that the lump sum and deprivation allocations would remain unchanged from 2020-21.

2.2.2 Central allocations

A summary of the proposed central early years budgets for 2021-22 is provided below.

Table 3 – Proposed Central Early Years Budgets 2020-21

	Proposed 2021-22 £k	Approved 2020-21 £k	
Service			
Early Years Imp. Service	1,177	1,184	Support & quality review of early years settings
Early Years SEN service	153	145	Net of High Needs Block contribution
Licensing – nursery schools	3	3	
Total	1,333	1,332	

The Early Years Improvement Service provides business/funding support and quality review to early years provision both in schools and PVI settings. It has made

significant savings and is now solely funded by the early years block of the DSG. As a consequence, the Service has had to reduce the level of support available to parents and early years providers both in schools and the PVI sector and now is only just able to meet the local authority statutory requirements.

Central spend within the early years block is a matter for the Schools Forum. The Forum is asked to approve the central budgets for 2021-22 set out in Table 3.

2.2.3 Overall spend

The overall cost of the allocations in sections 2.2.1 and 2.2.2 fully allocate the grant, excluding the Pupil Premium, 2 year old funding and DAF.

Table 4 – Summary of estimated income and proposed spend 2021-22

	Cost
	£m
Delegated Allocations per Table 2	35.500
Central Budgets per Table 3	1.334
Total spend	36.834
Universal/additional hours grant – Table 1	35.835
Maintained Nursery School grant	0.998
Total grant	36.833

The proposals also meet the government's 95% passporting test, as shown below.

Table 5 – Estimated impact of allocations on passporting test

	£m
Delegated Allocations per Table 2	35.500
Less funded by MNS grant	(0.998)
Delegated spend for passporting purposes	34.502
Universal/additional hours income – Table 1	35.835
Delegated percentage	96.3%

2.2.4 Other Matters

In addition to funding via the formula nursery schools, unlike other sectors, will continue to receive Teachers Pay Grant and Teachers Pension Employers Contribution Grant (TPECG).

The DfE have produced additional guidance regarding the January 2021 census for all early years' providers, which is the basis for funding for the spring and summer terms. The guidance states that: *"early years provision should remain open to all children to attend their expected hours, as agreed with parents/guardians. This is currently the default position for all areas irrespective of national lockdown restrictions."*

Key points are as follows:

Open settings – *"where a child is reasonably expected to attend Early Years provision, and that provision is made available to them by the provider, their expected hours should be recorded in the Early Years Census. This means children who, were it not for*

the impact of coronavirus on either their own personal circumstances or on the operation of their Early Years setting, would be attending Early Years provision. This includes children who have previously attended the provision and children who were expected to start attending the provision in January”.

Closed settings – “Where the provider chooses not to offer the entitlements – i.e. to close, or only offer a limited provision to children of key workers - then they should not make a return for a child who is not being offered a place. Where the provider is temporarily closed due to circumstances such as staff infections or isolation periods, they should return their expected levels of provision for census week.”

For schools, the same coronavirus-related eligibility criteria exist for the School Census to ensure parity of funding across PVI and school-based providers.

The volatility in the January census data carries financial risks for the Council. The January 2021 census drives the Early Years DSG allocation for the period January to August 2021, hence if attendances are abnormally low in January 2021 this would reduce the DSG allocation for this period. This would become a problem if actual provision were to rise later in the spring/summer with the consequential increase in payments to providers creating a gap between funding and costs.

The DfE’s proposed protection arrangements would top-up councils’ allocations up to 85% of their January 2020 census level, provided a local authority can provide evidence for increased attendance during the spring term.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, social value, human resources, legal & human rights, environmental, financial, health, property and transport considerations.

4. Background Papers - Papers held in Children’s Services Finance.

5. Officer’s Recommendations

Schools Forum is asked to:

- (i) Note the details of the 2021-22 Early Years funding announcements;
- (ii) Support the increase in Derbyshire’s universal rate to £4.16 from April 2021;
- (iii) Approve the central early years budgets as set out in section 2.2.2; and
- (iv) Note the other funding changes and issues raised in this report.

JANE PARFREMENT
Executive Director for Children’s Services

Schools Forum**28th January 2021****Report of the Executive Director for Children's Services****Pupil Growth Fund Budgets 2021-22****2. Purpose of the Report**

To inform the Schools Forum of the Authority's Pupil Growth Fund for 2021-22 and to seek approval to its allocation.

2. Information and Analysis**2.1 Background**

Local authorities' DSG allocations now include pupil growth funding as an element of the Schools Block. The distribution of pupil growth funding (the "fund") is a matter for the Schools Forum rather than the County Council.

Allocations for 2021-22 were announced on 17th December 2020 and are based on a formula which looks at increases in pupil numbers as measured at Middle Super Output Area (MSOA) level: net reductions at MSOA level would be ignored. The allocations for 2021-22 have been based on the increases between October 2020 and 2019 pupil census data with each additional primary pupil attracting £1,455 and each secondary pupil £2,175. In addition, LAs receive £68,700 for each new institution registered for the first time on the October 2020 census. Derbyshire has one such qualifying academy, Highfield Farm, and the £68,700 reflects the part year lump sum (7/12^{ths} of £117,800) which is payable from September 2021.

Derbyshire's Pupil Growth funding for 2021-22 is shown in Table 1 below:

Table 1 – Pupil Growth allocation 2021-22

	Pupil Increase	2021-22 Rate	Pupil growth funding
Primary	421.0	£1,455	£612,555
Secondary	834.0	£2,175	£1,813,950
Sub total			£2,426,505
New Institutions – Highfield Farm			£68,700
Total allocation			£2,495,205

2.2 Purposes of the Pupil Growth Fund

The fund can be used to:

- support additional classes needed to meet the infant class size regulation (2.3.2)
- support growth in pre-16 pupil numbers to meet basic need (2.3.3)
- meet the costs of supporting free schools (2.3.4)

However, as the fund is part of the Schools Block, it can also be used to support mainstream school and academy budgets. Section 2.3 sets out the LA's allocation recommendations to the Forum for 2021-22.

2.3 Proposed Allocations 2020-21

2.3.1 Support for mainstream school and academy budgets

This issue has largely been covered in the Schools Block budget report to this meeting. The cost of the full National Funding Formula allocations exceeded the Schools Block grant (excluding the pupil growth fund). Following a briefing of Forum Members on 8th January 2021 it was agreed that the Pupil Growth Fund could be used to close the gap. The final call on the fund was £0.615m, £0.010m more than the estimate provided to the briefing due to late technical changes.

R1 – That the use of Pupil Growth Funding to support mainstream school and academy budgets, agreed with Schools Forum members following the recent briefing, be noted.

2.3.2 Support for Infant Class Sizes

This budget helps support infant and primary schools to meet national infant (Key Stage 1) class size requirements. The current budget for this purpose is £1.128m and it is proposed that this figure be retained for 2021-22. The distribution of this fund to schools also reflects two key features:

- (a) Schools with more than 300 on roll are ineligible for support; and
- (b) Schools are expected to contribute i.e. self-fund £500 per month of any claim.

Removing support for schools with more than 300 on roll recognises that running an extra class is a proportionately lesser burden for a large school than a small one. The cap has had the effect of reducing central costs by around £0.150m per year.

The £500 per month contribution was introduced to reduce the net cost of the support at a time when the wider Schools Block was under significant financial pressure. This measure reduced costs by around £0.830m per year. Prior to these changes Derbyshire's annual KS1 spend was over £2m. The current budget for infant classes of £1.128m equates to ~£9 per pupil, still above the latest figures (2019-20) published by the DfE for our statistical neighbours.

Whilst the final decisions are a matter for the Schools Forum, the Authority considers that the current arrangements, including the 300 cap and £500 per month contribution from schools, should be retained in order to keep total expenditure at current levels.

Schools Forum are asked to consider the issues raised in this section and:

R2 – Agree a Key Stage 1 class size base budget of £1.128m for 2021-22;

R3 – Agree to retain the existing allocation arrangements for Key Stage 1 funding for 2021-22.

2.3.2 Support for In year Pupil increases to meet basic need

The need for support arises from the lagged nature of schools and academies' funding. Children admitted in September 2020 would not generate additional funding until the start of the 2021-22 financial year (LA maintained schools) or 2021/22 academic year (academies). This leaves the school and academy having to support any in-year additional costs for seven and twelve months respectively.

It is important to note that institutions would only be considered eligible for support where the increase in pupil numbers arose as a direct consequence of a basic need issue i.e. where the Authority has required the school or academy to admit a significant number of children. DfE guidance specifically prohibits general growth due to popularity as this should be managed through lagged funding. However, in exceptional circumstances, the LA is able to provide support to mainstream schools in financial difficulty via the contingency fund and this can include the impact of in-year increases in pupil numbers.

Any claims for support from the pupil growth fund would be carefully vetted with an expectation that the relevant institution should meet some of the extra costs from its own resources. Institutions would be normally expected to contribute a sum equivalent to 1% of their Schools Block budget. Costs above this threshold, net of the 1% contribution, would be eligible for consideration for support. Even if the 1% test were met the starting presumption would be that the institution would absorb all the additional costs with any support being subject to rigorous scrutiny, including an assessment of:

- The actual cost of the pupils, relative to the size of the institution's budget; and
- The institution's current/forecast balances.

Retaining the current budget (£0.250m) should be sufficient to meet expected need in 2021-22.

Schools Forum is asked to:

R4 - Agree an in-year pupil increases budget of £0.250m for 2021-22; and

R5 - Retain the existing eligibility arrangements for 2021-22.

2.3.3 New Free Schools

Two new primary free schools, The Mease at Hilton and Chellaston Fields, opened in September 2019, Highfields Farm opened in September 2020 and Clover Leys at Boulton Moor is planned to open in September 2021. A further 4 primary schools (Drakelow, Clowne North, Staveley and Radbourne Primary) are planned under the DfE's Free School Presumption process for September 2023 & 2024. There are three further schools which are currently under consideration for direct funding from the DfE, namely: New House Farm, Mickleover, The Avenue, Wingerworth and Infinity Park, a secondary school near Chellaston. If approved, these would not have a claim on DSG funding.

Under the national academy framework LAs are responsible for funding the pre-opening & post-opening support costs of Presumptive schools. Pre-opening support provides funding to meet some initial costs in advance of the school opening e.g. employing key staff. Post opening support recognises that in the initial years after opening the formula allocation is unlikely to provide sufficient resources to run a school.

(i) Pre-opening support - The amount of support is negotiated within a £172k to £212k range, the lower figure is more usual where a single Trust is opening more than one school in the same local authority in the same academic year and reflects an expectation that there will be some economies of scale in the planning stages.

(ii) Post-opening support (Leadership) -. This provides an average of £13,500 per empty cohort per annum, the maximum a school could claim would be £283,000 during the first six years.

(iii) Post-opening support (Resources) - helps provide additional resources to support a growing pupil roll. Funding is based on a flat rate £250 per additional pupil, a total cost of £52,500 for a 210 pupil school.

The final potential cost which may need to be met in full or in part from the Pupil Growth Fund is an in-year adjustment to the school's formula data. Schools are usually funded on the basis of pupil numbers and related data in the October prior to the start of the LA's financial year (April). However, Free Schools' budgets are adjusted to reflect the increased pupil count that takes place in September as the schools' cohorts increase i.e. for 2021-22 there will be an adjustment to reflect the October 2021 roll.

It should be noted that this formula pressure could be funded from the main Schools Block. However, if there were no spare Schools Block capacity other actions may need to be taken to contain this cost e.g. paring back one or more multipliers for all schools, capping gains or limiting the level of MFG protection.

Attached as Appendix 1 is a summary of the potential support costs of current and proposed Free Schools. The key totals are summarised in Table 2 below.

Table 2 – Free Schools - summary costs (incl formula support) & contributions

	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Item	£	£	£	£	£	£
Total cost	943,484	735,517	602,618	763,568	1,289,535	1,225,569
Total cost (cumulative)	943,484	1,679,002	2,281,619	3,045,187	4,334,722	5,560,291
Contrib'n from P Growth	-2,102,000	-725,000	-500,000	-725,000	-725,000	-725,000
Contrib'n (cumulative)	-2,102,000	-2,827,000	-3,327,000	-4,052,000	-4,777,000	-5,502,000
Theoretical Reserve balance*	-1,158,516	-1,147,999	-1,045,381	-1,006,813	-442,278	58,291
	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Item	£	£	£	£	£	£
Total cost	838,302	653,277	516,426	393,076	339,076	242,726
Total cost (cumulative)	6,398,593	7,051,870	7,568,296	7,961,372	8,300,447	8,543,174
Contrib'n from P Growth	-725,000	-725,000	-625,000	-500,000	-400,000	-30,000
Contrib'n (cumulative)	-6,227,000	-6,952,000	-7,577,000	-8,077,000	-8,477,000	-8,507,000
Theoretical Reserve balance	171,593	99,870	-8,704	-115,628	-176,553	36,174

* Minus figure denotes credit balance (surplus)

In order to meet the estimated costs of the eight schools listed in Appendix 1 (£8.543m) would require further average annual contributions from the Pupil Growth Fund budget of £0.568m over the next 10 years.

However, as Appendix 1 shows, the total cost over the period excluding in year formula adjustments (i.e. just the pre and post opening support) is £4.313m. Contributions from the Pupil Growth Fund of £0.500m for 2021-22 and £0.725m for 2022-23 and 2023-24, would mean that sufficient resource would be in place by 2023-24 to meet these costs for all eight schools.

To summarise the contributions from previous years, together with the proposed amounts for the next three years, should be sufficient to meet expected pre and post-opening costs. The intention would be to continue to take contributions from the Pupil Growth fund in order to avoid, or at least minimise, the need to pare back schools' formula budgets in future years to meet in year budget adjustments.

The Schools Forum is asked to:

- R5. Note the forecast position in respect of Free Schools; and**
R6. Agree to contribute £0.500m to the Free Schools Reserve for 2021-22.

2.4 Summary

If Forum agree to the LA's proposals in this report, the Pupil Growth Fund allocations for 2021-22 would be as summarised in Table 4 overleaf.

Table 4 – Proposed allocations 2021-22

	£m	£m	
<u>Total resources</u>		<u>2.495</u>	
<u>Allocations:</u>			
Mainstream formula budgets	0.615		Already approved
Infant Class Sizes (2.3.1)	1.128		No change in methodology
In year pupil growth (2.3.2)	0.250		As above
Free Schools contrib'n to reserve	0.500		
Total proposed allocations		2.493	
Balance		0.002	

Decisions on the allocation of pupil growth funds are a matter for the Schools Forum. The Forum are asked to consider and approve the recommendations shown below.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal & human rights, environmental, financial, health, property and transport considerations.

4. Background Papers

Papers held in Children's Services Finance.

5. Officer's Recommendation

That the Schools Forum note the pupil growth funding for 2021-22 and consider the LA's funding proposals, specifically:

- (i) That the use of Pupil Growth Funding to support mainstream school and academy budgets, agreed with Schools Forum members following the recent briefing, be noted;
- (ii) Agree a Key Stage 1 class size base budget of £1.128m for 2021-22;
- (iii) Agree to retain the existing allocation arrangements for KS1 funding for 2021-22.
- (iv) Agree an in-year pupil increases budget of £0.250m for 2021-22;
- (v) Agree to retain the existing eligibility arrangements for 2021-22.
- (vi) Note the forecast position in respect of Free Schools; and
- (vii) Agree to contribute £0.500m to the Free Schools Reserve for 2021-22.

JANE PARFREMENT
Executive Director for Children's Services

Free School Reserve - Empirical model of costs and required contributions														APPENDIX 1
	Fin Yr	Fin Yr		Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr	Fin Yr		
	2019-20	2020-21		2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total	
Pre School Opening Support														
School														
Mease (Hilton)	£172,600												£172,600	Confirmed
Chellaston Fields	£212,750												£212,750	Confirmed
Highfield Farm	£60,000	£90,000											£150,000	Confirmed
Boulton Moor	£60,000	£152,750											£212,750	Confirmed
Drakelow				£141,833	£70,917								£212,750	Notional - TBC
Clowne North			£141,833	£70,917								£212,750	Notional - TBC	
Staveley Primary				£141,833	£70,917							£212,750	Notional - TBC	
Radbourne Primary				£141,833	£70,917							£212,750	Notional - TBC	
Total potential Pre School Support	£505,350	£242,750	£283,667	£425,500	£141,833	£0	£0	£0	£0	£0	£0	£1,599,100		
Pre School Opening Support - Resources - intake per year														
Mease (Hilton)	30	30	30	30	30							210	Estimated profile	
Chellaston Fields	30	30	30	30	30							210	Estimated profile	
Highfield Farm		30	30	30	30	30						210	Estimated profile	
Boulton Moor			30	30	30	30	30	30				210	Estimated profile	
Drakelow				30	30	30	30	30	30	30		210	Estimated profile	
Clowne North				30	30	30	45	45	45	45	45	315	Estimated profile	
Staveley Primary					30	30	30	30	30	30	30	210	Estimated profile	
Radbourne Primary					30	30	30	30	30	30	30	210	Estimated profile	
Total children starting for first time	60	90	120	180	240	240	195	165	135	135	105	1785		
Pre opening support @£250 per pupil	£15,000	£22,500	£30,000	£45,000	£60,000	£60,000	£48,750	£41,250	£33,750	£33,750	£26,250	£446,250		
Pre School Opening Support - Leadership - no.empty cohorts														
Mease (Hilton)	6	5	3	2	1							£283,500	Estimate	
Chellaston Fields	6	5	3	2	1							£283,500	Estimate	
Highfield Farm		6	4	3	2	1						£283,500	Estimate	
Boulton Moor			5	4	3	2	1					£283,500	Estimate	
Drakelow				6	5	4	3	2	1			£283,500	Estimate	
Clowne North				6	5	4	3	2	1			£283,500	Estimate	
Staveley Primary					6	5	4	3	2	1		£283,500	Estimate	
Radbourne Primary					6	5	4	3	2	1		£283,500	Estimate	
Number of empty cohorts	12	16	15	23	29	21	15	10	6	2	0	£2,268,000		
Pre opening support @£13,500 per empty cohort	£162,000	£216,000	£202,500	£310,500	£391,500	£283,500	£202,500	£135,000	£81,000	£27,000	£0	£2,268,000		
			Chris Allcock (Childrens Services):											
			Actual figure now calculated to be £295,339											
Formula support (based on 2021 NFF values)														
Basic entitlement	£112,455	£168,683	£224,910	£224,910	£337,365	£449,820	£449,820	£365,479	£309,251	£253,024	£253,024	£196,796	£3,345,536	Estimate
Other pupil led - 10% of basic entitlement	£11,246	£16,868	£22,491	£22,491	£33,737	£44,982	£44,982	£36,548	£30,925	£25,302	£25,302	£19,680	£334,554	Estimate
Lump sum	£137,433	£68,717	£68,717	£0	£137,433	£137,433	£0	£0	£0	£0	£0	£0	£549,733	Estimate
Total Formula support	£261,134	£254,267	£316,118	£247,401	£508,535	£632,235	£494,802	£402,027	£340,176	£278,326	£278,326	£216,476	£4,229,824	
TOTAL ALL ITEMS	£943,484	£735,517	£602,618	£763,568	£1,289,535	£1,225,569	£838,302	£653,277	£516,426	£393,076	£339,076	£242,726	£8,543,174	
TOTAL Ex Formula support	£682,350	£481,250	£286,500	£516,167	£781,000	£593,333	£343,500	£251,250	£176,250	£114,750	£60,750	£26,250	£4,313,350	
File MTFP 2021-22 to 2022-23 version 9 Jan 13 2012 for Schools Forum.xls														

SCHOOLS FORUM**28th January 2021****Report of the Executive Director for Children's Services**
Central School Services Block (CSSB) 2021-22 – further update**1. Purpose of the Report**

To update the Schools Forum regarding the final 2021-22 Central School Services Block (CSSB) allocation and seek approval to some residual actions.

2. Information and Analysis

At its meeting on 15th December 2020 the Schools Forum considered proposals for allocating the then estimated CSSB grant for 2021-22. A summary of the indicative and actual allocations and the approvals to date is provided in the table below:

Table 1 – Indicative/Actual CSSB Allocations 2021-22

Grant	December 2020	Actual	Notes
	2021-22	2021-22	
NFF multiplier - core	£31.72	£31.72	No change
NFF multiplier - pensions	-	£6.73	New
Est./Actual Oct. 2020 NOR	98,609	98,603.5	
Ongoing responsibilities	£3,127,877	£3,127,703	
Pensions allocation	-	£663,602	New
Historic commitments	£1,112,000	£1,111,680	No change
Total CSSB funding	£4,239,877	£4,902,985	

	Approved	Revised	
Budgets	£	£	
Admissions Service	559,000	559,000	No change
Schools Forum	41,000	41,000	No change
Fmr ESG Retained duties	1,680,000	1,680,000	No change
Licences	639,000	617,738	Updated DfE figure
Historic Commitment	1,112,000	1,111,680	No change
Pensions – Adult Education	-	169,000	Estimate
Total allocations	4,031,000	4,178,418	
Balance (towards DSG deficit)	208,877	724,567	

Other than a minor change to the pupil count and a slightly lower licencing cost advised by the DfE, the main difference in the actual settlement relates to funding for increases in employers' pension contributions for teachers.

From September 2019 the employers' contribution rate increased from 16.48% to 23.68% of gross pay. As with schools, the Authority received grant funding to help

meet the costs of centrally employed teachers, mainly staff funded from the high needs and early years blocks. It is unclear why funding for these costs has been allocated as part of the CSSB rather than the relevant DSG blocks. The actual costs of the staff to which the pension funding relates have already been covered in the early years and high needs papers on tonight's agenda, hence most of the additional CSSB funding can be set aside towards the expected DSG deficit.

One final complication is that the pension funding allocated to Derbyshire appears to include £169,000 in respect of staff employed in the adult education service. If this is confirmed, it is unclear how this funding would be reimbursed to the Authority as the current regulations do not appear to provide for this use of DSG funds.

In order to move forward, Schools Forum is asked to set aside £169,000 in the event that this liability is confirmed, and the School Funding Regulations for 2021-22 allow the Council to recover its costs for these staff. Should some or all of this funding not be required for this purpose, any balance would be released into DSG reserves.

It is recommended that the unallocated balance, net of the above liability, should be set aside to contribute towards the DSG deficit.

3. Other Considerations

In preparing this report the relevance of the following factors have been considered: prevention of crime & disorder, equality of opportunity, finance, human resources, legal & human rights, environmental, health, property and transport considerations.

4. Background Papers

Held in Children's Services Finance.

5. Executive Director's Recommendation

That the Schools Forum

- (i) Notes the CSSB final settlement for 2021-22; and
- (ii) Agrees to allocate funding as set out in section 2.

JANE PARFREMENT

Executive Director for Children's Services