

DERBYSHIRE SCHOOLS FORUM

21st October 2020

6:00pm

Virtual Teams Meeting

AGENDA

1. Welcome & Election of Chair and Vice Chair – oral report
2. Apologies for Absence
3. Minutes of the Schools Forum meeting held on 25th June 2020 (page 2)
4. Schools Forum: Roles, responsibilities and Work Programme 2020/21 (page 9)
5. National Funding Update – Schools Block 2021-22 (page 11)
6. National Funding Update – High Needs Block 2021-22 (page 18)
7. National Funding Update – Other DSG funding 2021-22 (page 22)
8. De-delegation of funding 2021-22 – Responses to Consultation (page 26)
9. DSG Financial Overview and Recovery Planning (page 30)
10. Changes to Derbyshire's Scheme for Financing Schools (page 32)
11. Dates of future meetings:

15th December 2020 at 6:00 p.m. – Teams Meeting

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

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 25th June 2020 **At 6pm on Microsoft Teams**

Present

Members			
Barbara Arrandale	Hasland Infant School	Peter Hallsworth	South Normanton Nursery
Linda Hack	The Dales Federation	Bridget Hanley	Litton Primary School
Dr Alan Thomas	Northfield Junior School	David Baker	The Pingle Academy
George Wolfe	Curbar Primary School	Neil Beeson	Learners Trust
Stephanie Marbrow	Coton in the Elms School	Dan O'Donovan	Esteem MAT
Peter Johnston	The Village Federation	Karen Burton	Elmsleigh Infant & Nursery
Martin Brader	Dronfield Henry Fanshawe	Alex Migali	Hope Valley College
Tracey Burnside	Whittington Green	Lisa Key	QEGS MAT
Janet Snell	Bakewell Lady Manners	Deborah Turner	NEU
Chris Greenhough	Swanwick School and Sports College	Chris Wayment	ASCL
Julian Scholefield	Esteem MAT		
Substitutes			
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Observers			
Cllr Julie Patten	DCC	Cllr Jim Coyle	DCC
DCC Officers/others			
Chris Allcock	Children's Services Finance	Paula Williams	Assistant Director - Learning, Access and Inclusion
Ruth Lane	Children's Services Finance	Saranjit Shetra	Assistant Director - Education and Improvement
Phil Burrows	Children's Services Finance	Andy Walker	Children's Services Finance
Karen Gurney	Children's Services Finance	Heather Toomey	Children's Services IT
Iain Peel	Service Director, Schools and Learning	Ian Stonehouse	CCP - Human Resources

Martin Brader chaired the meeting and introduced the house rules for the first Schools Forum meeting using Microsoft Teams.

Chris Allcock confirmed that the meeting was quorate.

Apologies

Jeannie Haigh, Emma Hill, Cllr Alex Dale and Dawn Curry.

Chris Allcock advised that Elmsleigh Infant & Nursery School had now converted to an academy within the Esteem MAT. The school's headteacher, Karen Burton, could continue on the Forum for this meeting, but now as an Academy representative, thus filling a vacancy. The issue of individual MAT representation was on tonight's agenda.

20/09 Minutes of the meeting held on 20th January 2020

The minutes were approved for accuracy.

Under matters arising, Peter Johnston said that a letter supporting early years funding had been sent to the Minister, the non-descript reply had been received and shared amongst Forum members. Peter Hallsworth added that the NAHT have an Open Forum meeting for the maintained nursery school campaign for funding on 30th June at 5pm if anyone would like to support it.

20/10 Covid 19 – open discussion

Iain Peel started the discussion by explaining that he and LA colleagues were in regular discussions with the DfE regarding financial challenges, in particular for schools, arising from the Covid 19 outbreak. He would welcome feedback from Forum members regarding the financial challenges in order to articulate them to the DfE on behalf of Derbyshire schools.

Guidance on the DfE's contingency arrangements had been issued yesterday, these stated that schools could not claim for additional costs if they have in-year/historic surpluses. The loss of self-generated income would not be covered by the fund.

The following points were raised, predominately by Deborah Turner and Chris Wayment:

- Routine cleaning costs no longer appears on the list of eligible expenses.
- Guidance states that if a school has an in-year surplus, it is not eligible for a grant, how does this work for different financial years for LA schools and academies?
- The DfE seem to have indicated that the additional costs of Free School Meals (FSM) would be covered for school holidays only. However, schools using Edenred have the DfE meeting the costs whereas schools using other methods e.g. Wonde food parcels are meeting costs out of their own budgets which seems unfair.

Iain Peel thanked members for these points and agreed to take them forward to the DfE.

Deborah Turner, Chris Wayment and Julian Scholefield also raised a number of other points relating to the summer Catch Up funding recently announced.

- How would the Catch Up funding be allocated on an individual school basis, and is it new money?
- Summer Catch Up funding isn't available for nurseries and 6th forms.
- What is the LA's stance on interventions in the summer holidays as opposed to term-time?
- How will schools encourage pupils to attend summer Catch Up sessions from a practical (travel) and personal (engagement) point of view?
- If primary Sports funding was to disappear this would be very detrimental, to small schools in particular.
- The loss of Year 7 Catch Up funding will have a big impact on secondary schools.
- Is the removal of Year 7 Catch Up funding permanent?
- How will schools plan for September, even with the recent change in social distancing to 1 metre plus? Schools still can't physically get everyone into school and there is continued speculation regarding "bubbles".

Chris Allcock replied that he had seen in the press that summer Catch Up would replace Year 7 Catch Up for one year only and then be part of the National Funding Formula (NFF). Julien Scholefield pointed out that this wasn't helpful to special schools as they are not on the NFF.

Iain thanked the Forum for the comments and questions and summarised that we are all waiting for the detail to be published, which the DfE have indicated will be by 3rd July. In the absence of the guidance Iain said he was unable to answer the very reasonable questions posed, but stressed that we all want pupils to undertake catch up activities and it could be a real opportunity to support early years pupils with speech, language and communication.

20/11 Support Centre Funding

Chris Allcock presented the paper which sought the views of the Schools Forum to a proposal to amend the funding arrangements in respect of Support Centres from September 2020.

All three support centres in Derbyshire (formerly known as PRUs) are now part of the Esteem MAT. Currently, funding is allocated at £10,000 per place plus a per-pupil top up. The per-pupil top ups are based on historic spend and have been in place since formula funding for PRUs was introduced in April 2013. The current rates for each centre are set out in Table 1.

The report listed several reasons why the current funding approach is unhelpful to both the LA and Esteem in planning for, and delivering, future provision. It is proposed to fund all pupils at the same top up rate of £8,155, in addition to the £10,000 place funding, with no differentiation for key stages. The current arrangements for funding Alternative Provision – which is largely undertaken offsite – will remain unchanged at £3,314 per pupil.

Table 2 shows the potential impact on the budget for each site from the move to pupil led funding. No saving has been made as a result of the revised model. However, Esteem will have to manage the funding turbulence at individual centre level.

Paula Williams thanked Chris Allcock, Julian Scholefield and their teams for all the work involved on this matter. She gave an example of pupils in different areas of Derbyshire attracting considerable different amounts of funding which was inequitable and didn't always meet a pupil's needs. Currently, if needs exceeded the funding, this is something that can be looked at on an individual basis. The new method would allow everyone to plan more coherently.

Deborah Turner said that, as a MAT, Esteem had the ability to draw all their funding into a single pot: another MAT had recently got into trouble by doing this and when they got into financial difficulty the DfE had to extricate them from their problems. Will this format encourage Esteem to do the same?

Chris Wayment pointed out that smaller centres are taking a substantial hit and she was worried about Newhall as that was the only access point for this provision in the south of Derbyshire. She also said she had concerns regarding de-commissioning and what this actually meant.

Julian Scholefield, representing Esteem, also thanked LA colleagues for their work on the revised funding proposal. Esteem are already moving funding between centres. For example, Amber Valley has a big deficit and South Derbyshire a big surplus.

The new format, although not perfect, would reduce the need to move money around, something the ESFA prefer to limit.

Paula Williams added that the new arrangements would make funding more transparent and part of the proposal is to look at a commissioning agreement to set out what the LA expect to see in terms of provision and progress for pupils. This is part of a wider picture of a review of resources available for disengaged pupils, within schools/support centres and external provision.

Tracey Burnside asked once Esteem have the £1.8m per year, does the LA have any influence on how that money is spent?

Paula Williams replied this is why the commissioning agreement is so important. If Esteem do not deliver the expected out-comes then the LA could commission an alternative provider. This is not the intention, as both the LA and Esteem wish to work together to deliver high quality outcomes.

Chris Wayment asked if Esteem ring-fenced Support Centre funding within the MAT. Also Deborah Turner asked what was meant by de-commissioning, who alternative providers are and what the responsibilities for exclusion costs are.

Julian Scholefield replied yes, support centre funding is not moved to special or mainstream schools within the MAT. Each headteacher has a budget for which they are responsible. Iain Peel suggested that something be put in the commissioning agreement about not transferring funding between types of schools within the MAT, so that support centre funding is in effect ring-fenced.

Paula Williams added this could be included in the next draft and discussed with Esteem. The reference to de-commissioning is an alert to advise parties what could happen. For example, if Esteem cannot deliver a facility, then the LA may have to commission another provider to offer that service. There are a lot of private providers who are always keen to offer quotes. The partnership with Esteem is ideal at present as pupils and parents already trust these centres to support their needs.

Deborah Turner asked if de-commissioning will mean additional costs to schools. Chris Wayment added that if mainstream schools have more responsibility, that usually comes with additional costs and they are struggling already to provide alternative provision for pupils.

Iain Peel summed up that he felt the questions had been answered and the plan was to support and strengthen the current relationship with Esteem.

No other points were raised.

20/12 DSG out-turn 2019-20

Karen Gurney presented the paper to provide Schools Forum which reported the revenue outturn of the Dedicated Schools Grant (DSG) for 2019-20.

Karen explained that the overspend compared to income was £3.137m. The total includes an underspend of £0.291m in respect of re-pooled monies ring-fenced to schools and a further £1.520m underspend of growth funding, £1.002m of which has been earmarked to contribute to the pre and post opening grants of planned new schools.

The net overspend to the LA is therefore £4.430m.

Uncommitted and committed earmarked DSG reserves total £4.618m giving an overall net accumulated surplus of £0.188m.

The DfE have amended regulations that require any DSG deficit to be carried forward and funded from future DSG income, rather than being met from LA funds. The DfE will work with any LAs that have problems in this regard.

Depending on the 2021-22 and 2022-23 DSG settlements the LA will have to make plans to recover the deficit.

Karen pointed out that in the table there was a missing word and the category within the HNB of Special School top-ups – Other LA's & had "Independent" missing.

The key point to note was that the two biggest overspent areas are primary top ups, due to an increase in the number of pupils supported, especially via GRIPS, and top ups paid to both Derbyshire and other LAs' special schools.

No comments were made from the floor.

Karen then moved onto the de-delegated and top-sliced table in the paper. The main underspend within the total of £0.291m was in respect of primary sector maternity claims, £0.322m.

The Forum was asked to approve using £0.050m of the overall balance to provide a resource to support school improvement work in vulnerable LA maintained schools.

Martin Brader declared an interest as he provides help to the National Leaders of Education who could potentially receive work from the £0.050m.

No objections were raised to the request and this was therefore agreed.

Finally, a table of individual school balances was provided showing that for LA schools (no access to Academy balances), the majority of schools were in surplus, although there were more issues in the secondary sector than primary.

The Forum agreed to note the report

20/13 Schools Forum membership

Chris Allcock presented the paper to seek the views of the Schools Forum to proposed changes to its constitution, including the size of its membership.

The constitution was last reviewed in 2015, Table 2 of the report compares the number of members with those of other Forums in the East Midlands and shows that Derbyshire is the largest.

The impact of Covid-19 means that it may be necessary to have long periods of remote working and it's important that the size of the Forum does not impede this. Also, since the last review in 2015, the flexibilities of Schools Forums to influence funding locally have reduced significantly.

Table 3 shows the impact of potential changes in membership, both due to the changing balance of LA maintained and academy school populations, but also taking into account reductions in the size of the Forum.

The Authority is minded to reduce the size to 28 which would be more in line with other East Midlands LAs. The final decision is a matter for the Authority's Cabinet, but the report provides an opportunity for the Forum to register its views.

Martin Brader asked Chris to clarify the allocation of governor members and headteachers places. Chris replied that the split is 50/50 for LA schools with headteachers taking the majority when an odd number of places was available. It is not proposed to change this arrangement. Academy representatives can be whoever the academies determine.

Peter Johnston mentioned that there were two Diocese places allocated, however, should that be reviewed as DDAT had a dual role as they were a MAT responsible for 35 schools?

Chris Allcock said he understood the point being made and would look in more detail at the regulations. There has always been Diocesan places, one for the Derby Diocese and another for the Catholic Diocese.

He also confirmed that, in the case of nursery representation, if there was only one place this would be for a Headteacher. The LA had never been able to secure a governor representative from the sector.

Peter Johnston asked if we should look at attendance as a driving force for membership.

The Derby Diocese do attend, quite regularly until recently. He also mentioned that Diocesan members represent the Dioceses and not the MAT. Iain Peel clarified that DDAT only currently had 21 DCC LA schools in the MAT.

No other points on the size of the Forum were raised.

Chris said that the current constitution limited schools and academies to a maximum of one representative per institution. However, there is no restriction on the number of representatives from an individual MAT. He gave an example of Esteem where, as a result of Elmsleigh converting to academy status, there are now three members from Esteem.

The proposal is to limit any individual MAT to having no more than two representatives on the Forum. The Chair, Martin Brader, thought that the proposal seemed reasonable and the Forum agreed to support the change.

Finally, Chris Allcock said that the current terms of office are coming to an end. He had considered asking everyone to stay on for another year due to Covid 19. On balance, and despite the difficulties, he'd concluded that it was preferable to go for a new Forum for the autumn.

Deborah Turner asked that as the hard NFF has been delayed for another year, would it make sense to continue for another year and what will happen to Schools Forum when it is introduced?

Chris replied that his personal view was that for 5/6 years now the DfE have said they are committed to a hard NFF but it still hasn't happened yet. It's unclear when it will happen but will probably be delayed until most schools in most LAs are on the NFF. This would make the introduction of a hard formula easier for the DfE. Most Derbyshire schools are on the NFF so the introduction of a hard NFF would have only limited impact.

No other points were raised.

20/14 Review of the Derbyshire Scheme for Financing Schools

Chris Allcock presented the paper to inform Schools Forum of a review of the Derbyshire Scheme for Financing Schools and to seek approval to a range of changes.

Any changes to the Scheme not determined by the DfE require consultation. The LA published a short consultation in February 2020 to which no responses were received by the deadline, although one was subsequently received.

On 1st April 2020 the DfE published a further requirement regarding insurance.

“Section 12: Insurance - Instead of taking out insurance, a school may join the Secretary of State’s risk protection arrangement (RPA) for risks that are covered by the RPA. The scheme should contain a provision which allows schools to join the RPA after 1 April 2020. Schools may do this individually when any insurance contract of which they are part expires. The scheme should also provide for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the schools forum to de-delegate funding.”

This is not a problem for 2020-21 but a dialogue will be required with schools in the autumn along with the other de-delegated items regarding future arrangements.

No other comments were raised by Forum members and the Schools Forum approved the report’s recommendations.

Martin Brader thanked members for their discipline and co-operation during this Microsoft Teams meeting. Chris Allcock asked if anyone had any observations regarding this method of undertaking Forum meetings to e-mail him direct.

The meeting closed at 7.25pm.

SCHOOLS FORUM**21st October 2020****Report of the Executive Director for Children's Services****Schools Forum: Roles, responsibilities and work programme 2020/21****1. Purpose of the Report**

To summarise the roles and responsibilities of the Schools Forum and a provisional work programme for 2020/21.

2. Information and Analysis**2.1 Roles and Responsibilities**

The Forum is a statutory body which the Council consults on strategic school funding issues, in certain cases the Forum is the decision making body rather than the Council. The Forum's main functions include:

- to give its views on the basis of the allocation of resources to schools
- to approve the retention of central funds
- to approve the arrangements for re-pooling resources delegated to schools
- to consider whether to support variations to individual schools' budgets as part of the national minimum funding guarantee arrangements
- to review the arrangements made for the education of pupils with special education needs
- to review the arrangements for early years education and
- to approve revisions to the local authority's scheme for the financing of schools

A full list of the powers and responsibilities can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/888262/Schools_forum_powers_and_responsibilities.pdf

2.2 Work Programme 2020/21

Attached to this report is a provisional work programme for the academic year 2020/21. The programme is purely for planning purposes and may need to be varied should circumstances dictate. The programme is designed to ensure that key decisions can be discussed and decisions made in a timely way.

3. **Other Considerations** In preparing this report the relevance of the following factors has 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 within Finance.
5. **Executive Director's Recommendation** - That the Schools Forum notes the report.

Jane Parfremment
Executive Director for Children's Services

Schools Forum Meetings & Indicative work programme 2020/21 – dates subject to confirmation with Chair/V Chair

	21 st Oct 2020	Dec 2020	Jan 2021	June 2021
	Virtual Teams Meeting			
Item	Internal Schools Forum arrangements			
Welcome and introductions	Yes	-	-	-
Election of Chair & Vice Chair	Yes	-	-	-
Meeting protocols/purpose of the Forum/Work Programme	Yes	-	-	-
Item	DSG Overview and Schools Block			
DSG financial position/recovery plan	Yes	Possible	Yes	Possible
National funding update	Yes	Yes		
Schools Block Settlement	Yes	Yes	-	-
Mainstream schools budget/formula proposals	Yes	Yes	-	-
Mainstream/special school de-delegation	Yes	Yes	-	-
Risk Protection Arrangements	-	Yes	If needed	-
Pupil Growth Fund proposals	-	Yes	If needed	-
DSG monitoring and year end	-	Yes	Possible	Yes
Item	High Needs Budgets and spending			
SEND Transformation Plan	Possible	Yes	Possible	Yes
High Needs Settlement	Yes	Yes	Yes	-
High Needs Budget Proposals	-	Yes	Yes	
Item	Early Years Budgets and spending			
Early Years Settlement	-	Yes	Yes	-
Early Years Budget Proposals	-	Yes	Yes	
Item	Central School Services Block Budgets and spending			
CSSB Settlement	Yes	Yes	-	-
CSSB Budget Proposals	-	Yes	If needed	-
	Derbyshire Scheme of Management			
Scheme of Management Changes	Yes	-	-	Yes
	Other Statutory Forum Functions			
Arrangements for children with SEN				
Arrangements for paying HN top ups				
Arrangements for use of PRUs and education of children otherwise than at school				
Arrangements for allocation of government grants				
Contracts funded by the schools budget				

Shaded items are matters on which the Forum is the decision making body.

SCHOOLS FORUM**21st October 2020****Report of the Executive Director for Children's Services****National Funding Update - Schools Block 2021-22****1. Purpose of the Report**

To inform the Schools Forum of the provisional indicative Schools Block settlement for 2021-22 and the potential implications for Derbyshire.

2. Information and Analysis

As part of the government's Spending Round 2019, the Chancellor of the Exchequer confirmed to Parliament that funding for schools and high needs will, compared to 2019-20, rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23. In July 2020 the DfE released provisional LA-level Schools Block allocations for 2021-22, the second year of the settlement. Final allocations for 2021-22 will be published in December and will be updated to reflect the October 2020 pupil census.

Appendix 1 sets out brief details of the Schools Block and the rules governing its use. It is hoped Forum Members, particularly new ones, find this useful.

2.1 Schools Block increase

The government have announced the mainstream National Funding Formula (NFF) multipliers for 2021-22. Details of the current and new values are shown in Appendix 2.

These increased multipliers feed directly into the calculation of the 2021-22 Schools Block budgets for each LA. As Appendix 1 explains the provisional LA-level Schools Block for each sector is derived as a unit rate (Primary/Secondary Unit of Funding (PUF/SUF)) multiplied by the October 2019 pupil census with premises related allocations added on. The actual settlement for 2021-22 will adopt the same methodology but applying the PUF/SUF values calculated above to the October 2020 pupil census. Thus, although we don't yet know the final settlement for 2021-22, we have a good proxy indicator as the only change in December will be to reflect the updated pupil count.

The provisional 2021-22 Schools Block allocations for Derbyshire based on October 2019 pupil data are shown in Table 1 overleaf.

Table 1 – Impact of Change in PUF/SUF rates for 2021-22

	Primary		Secondary		
	2020-21	2021-22	2020-21	2021-22	
Primary & Secondary Units of 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 pupil counts	59,160	59,160	39,141	39,141	
NFF total ex premises (£m)	251.543	272.453	203.122	220.626	
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	3.070	
Premises - Exceptional site	0.097	0.057	0.119	0.088	
NFF including premises	255.467	276.328	209.225	226.390	TOTAL
2021-22 increase (£m)		+20.861		+17.165	+38.026

2.2 Key issues to note

Premises related allocations have reduced as a result of the loss of split site funding in the secondary sector and savings in rates due to academy conversions. The overall net increase in Schools Block funding based on October 2019 data is £38.026m.

A key element of the settlement is that the 2021-22 Schools Block incorporates funding currently received through the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grants (TPECG) – these grants contribute to funding the teachers' pay settlements for 2018 and 2019 and the increase in employers' superannuation contributions in September 2019. The DfE calculate that the above grants are worth £21.966m in Derbyshire, meaning the like for like Schools Block increase is actually £16.060m, equivalent to around 3.3%.

Although the government has stated it remains committed to a “hard” national formula i.e. one where LAs have little or no role in determining schools' budgets, this approach will not be applied for 2021-22 and LAs will continue to have local discretion. The DfE have promised to set out its proposals for moving to a hard national formula later this year. The key changes to the NFF for 2021-22 are as follows:

- (i) An increase in core NFF multipliers, see Appendix 2.
- (ii) The Minimum Per Pupil Funding levels (MPPF) will be set at £4,180 (2020-21 £3,750) for primary schools and £5,415 (2020-21 £5,000) for secondary schools; the higher thresholds reflect the incorporation of TPG and TPECG as well as a 3% increase for inflation. The MPPF thresholds continue to be mandatory formula factors.
- (iii) The IDACI (Income Deprivation Affecting Children Index) dataset used to distribute some of the NFF deprivation funding has been updated to reflect 2019 pupil data. The boundaries for each of the bands A-G have been adjusted to reflect the new dataset and ensure there is no decrease in funding.
- (iv) Additional funding has been allocated to schools triggering the sparsity indicator.

- (v) LAs, with the permission of their Schools Forum, are permitted to de-delegate and top-slice funds for a range of services on behalf of primary, secondary and special schools.
- (vi) LAs will have the freedom to set the Minimum Funding Guarantee (MFG) in local formulae between +0.5% and +2.0% per pupil; and
- (vii) There will be no gains cap in the NFF, however, LAs can apply a cap locally, for example to help address overall affordability issues.

2.3 First look at NFF affordability in Derbyshire for 2021-2

In the last three years Derbyshire has endeavoured to mirror the mainstream NFF as closely as possible. In principle it would wish to do so again in 2021-22, subject to the obvious requirement to live within the available resources.

Derbyshire mainstream school and academy budgets for 2020-21 were based on the pure National Funding Formula, the only exceptions being a small number (31) of schools whose budgets were higher due to the impact of MFG protection arrangements.

Notwithstanding the wider pressures on the DSG, it is Derbyshire's intention to implement the NFF in full for 2021-22, subject to affordability. Also, in light of the current cost pressures facing all schools, Derbyshire would wish to adopt the maximum MFG allowed i.e. 2% per pupil.

Until the DfE publish the 2021-22 pupil and other formula data in early December, it is uncertain whether or not the full NFF will be affordable. The main concerns are the data changes relating to low prior attainment and deprivation following Covid-19. Should full affordability be an issue, the choice facing the Authority would be to apply one or more of the following measures:

- (i) Pare back one or more NFF multipliers;
- (ii) Adopt a lower level of MFG protection;
- (iii) Transfer resources from another block, most likely the high needs block.

In September all schools and academies were invited to comment on the LA's proposals, specifically:

Consultation issue 1. Do schools and academies agree with the LA's proposal to apply the NFF in full in 2021-22, subject to affordability?

Consultation issue 2. Do schools and academies agree with the LA's proposal to adopt an MFG of 2% per pupil for 2021-22?

Consultation issue 3. If required, which of the 3 funding options should the LA prioritise in order to reflect the NFF as far as possible?

In terms of responses, 90 schools and academies responded of which 89 (98.9%) supported implementing the NFF in full. There was also significant support for MFG of +2% per pupil with 81 (90.0%) in favour.

There was far less consensus on the options to balance the Schools Block, the votes being as follows:

Which of the 3 funding options should the LA prioritise in order to fund the NFF as far as possible?	No.	%
Pare back one or more NFF multipliers	16	17.8%
Adopt a lower level of MFG protection	24	26.7%
Transfer resources from another block, most likely the HN	11	12.2%
Don't Know	39	43.3%
	90	

A first look at affordability, based on 2020-21 data, suggests that full implementation of the NFF appears to be just about affordable, albeit with little room for manoeuvre. However, as reported above, full implementation of the NFF next year could be undermined by data changes e.g. increases in free meals eligibility and/or low prior attainment data. Increases in data sets, other than pupil numbers, do not come with any increase in funding and so any extra cost would have to be met by other means.

One final point to note, the LA's uncommitted DSG reserve was £3.140m in deficit at the end of 2019-20 and any Schools Block shortfall would have to be closed by one of the other measures set out above.

The LA has not taken a final decision on which of the options it would adopt and will only do so once it has the actual formula data for 2021-22.

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

- (i) Notes the report;
- (ii) Notes the provisional indicative 2021-22 Schools Block settlement; and
- (iii) Offers its views on the funding issues raised in this paper.

Jane Parfremment
Executive Director for Children's Services

Purpose – funds mainstream schools & academies’ delegated budgets. Also includes Pupil Growth funding which supports: schools to meet national KS1 class size requirements; new free schools & schools with significant in-year growth in pupil numbers.

National Funding Formula (NFF) – multipliers as shown in Appendix 2. A “soft” national formula is currently in place, this means LAs are free to use their own formulae but are encouraged by the DfE to use/move towards the NFF.

Factor	Measure
Basic Entitlement* ¹	October census prior to start of funding period
Deprivation* ¹ - Current FSM	Pupils recorded on census as being eligible for FSM
Deprivation: Ever 6 FSM	Pupils recorded on any census in last 6 years as being eligible for FSM
Deprivation: IDACI Income Deprivation Affecting Children Index	Measures the proportion of all children aged 0 to 15 living in income deprived families in each post code.
Low Prior Attainment	Primary – pupils not achieving the expected level of development in the early years foundation stage profile Secondary – pupils not reaching the expected standard in KS2 at either reading or writing or maths
English as an Additional Language	Pupils in the October census with a first language other than English. Funding for 3 years after they enter the statutory school system
Lump Sum	Fixed amount per school
Sparsity	Support for small schools in areas where pupils would have to travel a significant distance to alternative, should the school close
Mobility	Funding for schools with a high proportion of pupils with an entry date in the last 3 years which is atypical.
Minimum Per Pupil Funding* ¹	Ensures no school receives below a minimum overall level of funding per pupil
Premises – Rates	Rateable value
Premises – Split site	Schools with more than one discrete site
Premises – PFI	Based on contractual commitments
Premises – Exceptional site	Schools that have significantly higher site costs, unreasonable for the GB to meet in full. Limited number of schools in each LA allowed to qualify.

*¹ Compulsory factors, LAs must use

Calculation of LA quantum – see below

$$\frac{\sum 2021-22 \text{ individual school NFF budgets}^{*2}}{\sum \text{October } 2019 \text{ pupil counts}}$$

=

Primary/Secondary Unit of Funding for 2021-22 (PUF/SUF)

LA Level Schools Block funding =

$$\sum (\text{PUF} \times \text{Primary October } 2020 \text{ NOR}) + (\text{SUF} \times \text{Secondary October } 2020 \text{ NOR})$$

$$+ \sum \text{Premises \& Pupil Growth}$$

*² Based on 2020-21 data applied to 2021-22 multipliers. Excludes premises (rates, PFI, split site & exceptional sites) and the Pupil Growth allocation.

Comment - In short, LA-level allocations are largely driven by the size of individual schools' budgets under the NFF. Consequently, allocating funding on a basis other than the NFF could be seen as redistributing funds between schools.

Restrictions on use of Schools Block funding

Funding has to be used for the purposes intended. However, local authorities, with Schools Forum approval, are able to transfer up to 0.5% of their Schools Block to other blocks of the DSG. Amounts in excess of the 0.5% threshold - and also amounts below 0.5% which were not approved by the Schools Forum – can only be transferred with the approval of the Secretary of State.

	2020-21 Multiplier	2021-22 Multiplier	Increase £	Increase %	Comments
Primary	£	£	£	%	
Per pupil: Key Stage 1 and 2 Pupils	2,857.00	3,123.00	266.00	9.31%	£180 due to rolling in TPG* & TPECG*
Deprivation: Current Free School	450.00	460.00	10.00	2.22%	
Deprivation: Ever 6 Free School Meals	560.00	575.00	15.00	2.68%	
Deprivation: IDACI F	210.00	215.00	5.00	2.38%	Now based on ranks rather than absolute scores. Band A is the 2.5% most deprived at LSOA. Bands B,C and D rise by 5% increments, bands E and F by 10%
Deprivation: IDACI E	250.00	260.00	10.00	4.00%	
Deprivation: IDACI D	375.00	410.00	35.00	9.33%	
Deprivation: IDACI C	405.00	445.00	40.00	9.88%	
Deprivation: IDACI B	435.00	475.00	40.00	9.20%	
Deprivation: IDACI A	600.00	620.00	20.00	3.33%	
Low Prior Attainment	1,065.00	1,095.00	30.00	2.82%	
English as an Additional Language (EAL)	535.00	550.00	15.00	2.80%	
Lump Sum	114,400.00	117,800.00	3,400.00	2.97%	
Sparsity	26,000	45,000	19,000.00	73.08%	
Mobility	875.00	900.00	25.00	2.86%	
Minimum Per Pupil Funding	3,750.00	4,180.00	430.00	11.47%	£180 due to rolling in TPG & TPECG
	2020-21 Multiplier	2021-22 Multiplier	Increase £	Increase %	Comments
Secondary	£	£	£	%	
Per pupil: Key Stage 3 Pupils	4,018.00	4,404.00	386.00	9.61%	£265 due to rolling in TPG & TPECG
Per pupil: Key Stage 4 Pupils	4,561.00	4,963.00	402.00	8.81%	£265 due to rolling in TPG & TPECG
Deprivation: Current Free School Meals	450.00	460.00	10.00	2.22%	
Deprivation: Ever 6 Free School Meals	815.00	840.00	25.00	3.07%	
Deprivation: IDACI F	300.00	310.00	10.00	3.33%	As primary
Deprivation: IDACI E	405.00	415.00	10.00	2.47%	
Deprivation: IDACI D	535.00	580.00	45.00	8.41%	
Deprivation: IDACI C	580.00	630.00	50.00	8.62%	
Deprivation: IDACI B	625.00	680.00	55.00	8.80%	
Deprivation: IDACI A	840.00	865.00	25.00	2.98%	
Low Prior Attainment	1,610.00	1,660.00	50.00	3.11%	
English as an Additional Language (EAL)	1,440.00	1,485.00	45.00	3.13%	
Lump Sum	114,400.00	117,800.00	3,400.00	2.97%	
Sparsity	67,600.00	70,000.00	2,400.00	3.55%	
Mobility	1,250.00	1,290.00	40.00	3.20%	
Minimum Per Pupil Funding	5,000.00	5,415.00	415.00	8.30%	£265 due to rolling in TPG & TPECG

* TPG - Teachers' Pay Grant; TPECG - Teachers' Pension Employer Contribution Grant

SCHOOLS FORUM**21st October 2020****Report of the Executive Director for Children's Services****National Funding Update – High Needs Block 2021-22****2. Purpose of the Report**

To inform the Schools Forum of the provisional indicative High Needs Block settlement for 2021-22 and potential implications for Derbyshire.

2. Information and Analysis

In July 2020 the DfE released provisional LA-level High Needs Block allocations for 2021-22, the second year of the 3 year settlement. Final allocations for 2021-22 will be published in December.

Appendix 1 sets out brief details of the High Needs Block, how the quantum is calculated and the rules governing its use.

2.1 High Needs Block increase

The national arrangements include both funding floors and caps on gains to ensure that every LA will receive between 8% (min) and 12% (max) per pupil (pupils aged 2-18). Derbyshire's indicative settlement for 2021-22 and a comparison with 2020-21 is provided in Appendix 2. The overall increase is £8.545m but this comparison is distorted as it includes former pay and pension grants and a revised import/export adjustment. The best measure of the like-for-like increase is 10.1% per pupil, equivalent to £8.254m.

It should be noted that the increase mainly arises from the impact of formula multipliers (£6.884m) but also reflects the impact of data changes (£1.370m), particularly higher levels of entitlement to free school meals. If this latter trend is reflected in the Schools Block data set, this would have implications for the Authority's ability to afford to fund the mainstream national funding formula in full.

Our 2021-22 HNB allocation will be confirmed in December; whilst the final figure will reflect changes to import/export numbers as well as pupil numbers. The indicative settlement figure is normally a very good indicator of the final amount the LA will receive.

The provisional increase for next year is welcomed by the Authority and its allocation will be the subject of extensive discussions with the Schools Forum in the coming months.

2.2 Key issues to note

As with the Schools Block, the 2021-22 provisional high needs settlement includes funds currently received as teachers' pay and pension grants and these will need to be added to existing budgets/top up rates to schools. There will be further calls on the increase, which could include:

- An increase in the top up rates paid to providers;
- Inflationary increase in services' budgets;
- Demographic increases in places and/or to ups for 2021-22;
- Funding to cover the expected over-commitment of 2020-21 high needs budgets, currently running at round £1.5m;
- Funding needs, if any, arising from the SEND transformation plan;
- Further increase in the contingency to support mainstream schools and academies with significant numbers of high needs children;
- Support for the Schools Block to allow full implementation of the NFF; and
- Contribution to the LA's DSG recovery plan

Proposals to allocate the high needs block for 2021-22 will be the subject of a more detailed paper at future meetings of the Schools Forum in December and/or January, before final decisions are made by Cabinet 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

- (iv) Notes the report;
- (v) Notes the provisional indicative 2021-22 high needs block settlement; and
- (vi) Notes that more detailed reports will be provided to future meetings of the Schools Forum.

Jane Parfremment
Executive Director for Children's Services

Purpose – funds institutions for the cost of supporting children with special educational needs above a national threshold.

LA level funding – is a mixture of formula led and historic allocations, calculations shown in Appendix 2.

Institution Funding - allocations usually based on an amount per place (£6,000 or £10,000) plus a top up which varies based on the child's needs or the institution attended.

Mainstream schools/academies – responsible for meeting the first additional £6,000 over and above normal costs. Anything above the extra £6,000 is, subject to LA agreement, funded by the high needs block. Allocations determined by an Education Health and Care Plan (EHCP) or Graduated Response to Individual Pupil (GRIP.)

Special Schools – Funded at £10,000 per place (irrespective whether or not the place is occupied) plus a top up for the children actually attending based on assessed need/institution profile.

Pupil Referral Units/Support Centres – as special schools.

Enhanced Resource provision - £10,000/£6,000 per (empty/occupied) place plus a top up for the children actually attending based on assessed need/institution profile.

FE Colleges – places for all students with additional needs attending Chesterfield College and the University of Derby. As the host LA i.e. the LA in which the institution physically resides, Derbyshire funds all the places at £6,000 each. An import/export adjustment transfers resources between LAs for cross border pupils. Top ups are funded by the home LA responsible for each student i.e. the LA in which the student normally resides.

Out County Placements – placements in specialist and independent settings are funded by the LA for Derbyshire resident children.

The block also funds a range of support services.

Restrictions on use of High Needs Block funding

Funding must be used for DSG purposes, final decisions on its use is a matter for the LA rather than the Schools Forum.

High Needs Block allocations 2020-21 & 2021-22

Appendix 2

	2020-21				2021-22			Total	Multiplier	Data
	Count	Multiplier	Total		Count	Multiplier	Total	Change	Impact	Impact
	£	£	£m		£	£	£m	£m	£m	£m
Population aged 2-18	145,998	155.85	22.754		148,497	181.74	26.988	4.234	3.780	0.454
Health/Disab. - Children with bad health	670	4,145.10	2.777		670	4,872.38	3.264	0.487	0.487	0.000
Health/Disab. - Children claiming DLA	5,527	651.95	3.603		5,928	713.24	4.228	0.625	0.339	0.286
Deprivation – Current free meals	16,744	286.30	4.794		21,422	268.27	5.747	0.953	-0.302	1.255
Deprivation – IDACI Band F	15,404	45.20	0.696		11,811	55.03	0.650	-0.046	0.151	-0.198
Deprivation – IDACI Band E	7,618	58.79	0.448		16,028	72.57	1.163	0.715	0.105	0.610
Deprivation – IDACI Band D	8,939	80.24	0.717		5,922	99.13	0.587	-0.130	0.169	-0.299
Deprivation – IDACI Band C	8,430	85.87	0.724		7,363	105.27	0.775	0.051	0.163	-0.112
Deprivation – IDACI Band B	8,182	94.01	0.769		6,940	117.28	0.814	0.045	0.190	-0.146
Deprivation – IDACI Band A	766	126.74	0.097		1,674	155.23	0.260	0.163	0.022	0.141
Low Attainment @ KS2	1,384	2,590.23	3.585		1,323	3,241.14	4.288	0.703	0.901	-0.198
Low Attainment @ KS4	1,842	1,904.34	3.508		1,664	2,380.89	3.962	0.454	0.878	-0.424
Historic spend			33.032				33.032	0.000	0.000	0.000
Sub total			77.504				85.758	+8.254	+6.884	+1.370
Memo item - £ per pop'n (aged 2-18)			£524.70				£577.51	+10.1%		
Hospital Education			0.055				0.254	0.200	0.000	0.000
Basic entitlement	1,084	4,000.00	4.336		1,084	4,660.00	5.051	0.715	0.715	0.000
Total before import/export adjustment			81.895				91.063	9.169	7.600	1.370
Import/export adjustment	-354	6,000.00	-2.124		-458	6,000.00	-2.748	-0.624	0.000	-0.624
Total High Needs Block			79.771				88.315	8.545	7.600	0.746
Increase (£m)			9.799				8.545			
Increase (%)			+14.00%				+10.71%			

SCHOOLS FORUM**21st October 2020****Report of the Executive Director for Children's Services****National Funding Update – Other DSG funding 2021-22****3. Purpose of the Report**

To inform the Schools Forum of the latest position regarding the other elements of DSG funding for 2021-22. Further background on each block is provided in Appendix 1.

2. Information and Analysis**2.1 Central School Services Block**

This block of the DSG funds the LA for a range of responsibilities in respect of both schools and academies. The grant is in two parts. The first part funds LAs for their ongoing responsibilities (admissions, Schools Forum, licences and former Education Services Grant - Retained Duties functions) for both categories of school. Derbyshire's per pupil rate has increased from £29.80 to £31.72 (+£1.92, +6.45%), which equates to an extra £0.189m based on October 2019 pupils. The final figure for 2021-22 will be announced in December and will reflect the October 2020 pupil census.

The second element relates to historic commitments. Derbyshire's 2021-22 allocation is 20% (£0.278m) less than in 2020-21, a reduction from £1.390m to £1.112m. Derbyshire's historic commitment funding contributes to our Early Help offer and the reduction was expected and broadly in line with previous assumptions. The figure is unlikely to change in December.

The level of CSSB spend for 2021-22 is a matter for the Schools Forum and will be the subject of a report to the December meeting.

2.2 Pupil Growth Funding (part of the Schools Block)

This funding provides: transitional support for new free schools; help to schools and academies meet national Key Stage 1 class size requirements; and help to schools/academies which experience significant in-year increases in pupil numbers.

The DfE have not published indicative allocations for 2021-22 as that calculation relies on a comparison of October 2020 and October 2019 pupil numbers. The DfE have, however, confirmed that the methodology for calculating LA level allocations will be unchanged from 2020-21. Funding rates are as follows:

	2020-21		2021-22	% Change
Primary	£1,425		£1,455	+2.11%
Secondary	£2,130		£2,175	+2.11%
New Schools	£67,000		£68,700	+2.54%

The DfE have published a template to allow LAs to calculate their own estimates of likely funding levels. Derbyshire received £3.428m in 2020-21 and we estimate receiving a figure of around £3m for 2021-22.

The budgets funded by Pupil Growth resources are a matter for the Schools Forum and will be the subject of a more detailed report in December.

2.3 Early Years

These are still to be published. The key issue will be the increase in the LA's hourly rate from the DfE for 2021-22: this will determine the increase in the local funding rate paid to providers. The 2020-21 rate was unchanged from 2019-20 as our existing rate is above that calculated by the DfE using the Early Years National Funding Formula.

The Maintained Nursery School grant has, however, been confirmed for the summer term 2021. Further details regarding Early Years funding for 2021-22 are expected later this term.

9. 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.

10. Background Papers

Held within Finance.

11. Executive Director's Recommendations

That the Schools Forum notes the report.

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

1. Central Schools Services Block (CSSB)

Purpose – funds LAs for a range of services that it has a statutory duty to provide for schools and academies. Allocation is in two parts:

Ongoing responsibilities – funding for admissions, Schools Forum, specific copyright licences and functions previously funded by the Education Services Grant (ESG) – retained duties element. The latter includes:

<u>Statutory and regulatory duties</u>	
Director of children's services and personal staff for director	Planning for the education service as a whole
Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education	Formulation and review of local authority schools funding formula
Plans involving collaboration with other LA services or public/voluntary bodies	Standing Advisory Committees for Religious Education (SACREs)
Provision of information to or at the request of the Crown other than relating specifically to maintained schools	Plans involving collaboration with other LA services or public/voluntary bodies
<u>Education welfare</u>	
Responsibilities regarding the employment of children	School attendance
<u>Asset management</u>	
Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions	General landlord duties for all buildings owned by the local authority, including those leased to academies

Historic commitments – varies for each LA based on costs historically charged to the DSG. For Derbyshire this is a central contribution to our Early Help offer.

Calculation of quantum – ongoing responsibilities funding is based on the number of pupils adjusted for the level of deprivation. The quantum is the product of the number of children and the LA unit rate. Historic commitments allocations are based on planned spend for the previous year with a percentage reduction applied by the DfE. The reduction is part of national plans by the DfE to phase out this element of funding.

Role of Schools Forum – to consider and approve CSSB spend. If the LA's proposals are not agreed the Secretary of State will determine

2. Pupil Growth

This helps fund LAs for the additional costs to schools in meeting national Key Stage 1 class size requirements, transitional support for new free schools whilst their numbers build up, and significant in-year increases in pupil numbers in schools and academies.

Calculation of quantum - Allocations are based on pupil populations as measured by clusters of post codes at each Middle Super Output Area (MSOA). The LA receives a per capita amount for the net increase in pupils for each MSOA. Reductions in pupils at MSOA level are ignored. The 202-21 calculation compared the MSOA position at October 2020 with 2019. The allocation also includes funding for each new institution registered for the first time on the October census, the table below shows the 2020-21 allocation.

	Pupil Increase	2020-21 Rate	Pupil growth funding
Primary	500.0	£1,425	£712,500
Secondary	1,212.0	£2,130	£2,581,560
Sub total			£3,294,060
New Institutions - The Mease/Chellaston Fields			£134,000
Total allocation			£3,428,060

Schools Forum – role is to determine Pupil Growth budgets.

3. Early Years

Purpose – funds PVI providers, nursery schools, infant/primary schools with a nursery unit for early years provision for eligible 2, 3 and 4 year olds, both the universal and additional hours entitlements. Also funds LA central early years support services.

Calculation of quanta – this is set out below:

Universal/additional hours for 3 and 4 year olds – based on the national Early Years funding formula for each LA, expressed as a rate per hour, multiplied by the number of hours of provision

Disadvantaged 2 year olds – a national hourly rate multiplied by the number of hours of provision recorded on census returns

Maintained Nursery School grant – additional funding for LAs with nursery schools to recognise the additional costs of provision. Funding based on the number of hours of nursery school provision.

Early Years Pupil premium – additional funding to support eligible 3 and 4 year olds at a national rate of £302.10 per annum (equivalent to £0.53 per hour). Eligible children are those whose families are in receipt of specified benefits e.g. Income Support, Jobseeker's Allowance etc.

Early Years Disability Access Fund - funding for early years providers to support children with disabilities or special educational needs. It aids access to early years places by supporting providers in making reasonable adjustments to their settings. Eligibility is children in receipt of Disabled Living Allowance and the 15 hours universal entitlement. Providers entitled to at least £615 per eligible child.

Role of Schools Forum – to ensure that at least 95% of the universal and additional hours funding is delegated to providers – thus meeting national regulations - and to agree the level of central (non-delegated) EY spend.

SCHOOLS FORUM**21st October 2020****Report of the Executive Director for Children's Services****De-Delegation of Funding 2021-22 - Responses to Consultation****1. Purpose of the Report**

To ask representatives of LA maintained schools on the Schools Forum to consider the de-delegation (re-pooling) of funds for 2021-22.

2. Information and Analysis

As part of the government's funding announcements in July the DfE published their operational guidance relating to schools' budgets for 2021-22. Included in this guidance were provisions that will allow local authorities, with the approval of their Schools Forum, to de-delegate funding for specified services next year.

Since April 2013 the Schools Forum has agreed to de-delegate funding in respect of a range of services, such funding then being administered centrally on behalf of all contributor schools. De-delegation only applies to mainstream primary and secondary schools, other schools and academies are excluded from this process by regulation and have to make their own arrangements to cover the relevant responsibilities. Top-slicing of funding for redundancy costs and former Education Service Grant (ESG) funded services is permitted for all LA maintained schools excluding nursery schools.

Accordingly, on 18th September 2020, the LA wrote to all schools and academies in Derbyshire regarding the government's announcements. The letter invited LA maintained primary, secondary and special schools to give their views on the services they wished to see funding de-delegated for next year. Schools were asked to submit their responses on or before 9th October 2020.

Approval to de-delegate/top-slice funding for each sector is a matter for each sector's school representatives on the Schools Forum; the consultation with schools is designed to help relevant Forum members reach their decisions on this issue.

For nursery schools, the Forum has no overarching power to make de-delegation decisions. Each individual nursery school will be asked later in the budget preparation cycle whether or not they wish to be incorporated in any de-delegation arrangements for 2021-22, subject to the Forum's decisions in respect of mainstream schools.

The results of the consultation are shown in Table 1 overleaf (% figures for each service represents the percentage of the respondents in favour of de-delegation):

Table 1 – Responses to de-delegation consultation

	No. of Responses	Contingencies	Maternity	Public Duties	Trade Union FT
LA Primary respondents supporting de-delegation (of 260)	64 (24.6%)	47 (73.4%)	48 (75.0%)	44 (68.8%)	40 (62.5%)
LA Secondary respondents supporting de-delegation (of 15)	5 (33.3%)	3 (60.0%)			4 (80.0%)
	No. of Responses	School Improv't	Costs of redundancy	Fmr ESG services	
LA Primary respondents supporting de-delegation (of 260)	64 (24.6%)	40 (62.5%)	49 (76.6%)	46 (71.9%)	
LA Secondary respondents supporting de-delegation (of 15)	5 (33.3%)	3 (60.0%)	4 (80.0%)	4 (80.0%)	
LA Special respondents supporting de-delegation (of 4)	3 (75.0%)		2 (66.7%)	2 (66.7%)	

The actual de-delegation rates for next year will be determined by the Authority as part of the 2021-22 budget process, the rates for 2020-21 are provided in Appendix 1.

In addition to the services in Table 1, the Schools Forum has previously allowed schools to de-delegate funding for insurance. However, at this stage, schools have not been invited to express a view about insurance for 2021-22 as the Authority is considering the implications of the DfE's Risk Protection Arrangements (RPA).

The RPA is a government backed scheme which was originally created for academies; however, the DfE have decided that from 1st April 2020 LA maintained schools can choose to join the scheme. The RPA is a discretionary pool which means any claims that are submitted will be considered at the discretion of the DfE, with no contractual guarantee of payment. The Authority is considering the pros and cons of the RPA scheme for Derbyshire schools and is due to meet DfE officials shortly to find out more information.

Once the Authority has reached a view it will write to LA maintained schools regarding the proposed arrangements for 2021-22. A report on school insurance will be brought to the next meeting of the Schools Forum.

In view of the responses from schools, it is recommended that funding for all of the services in Table 1 be de-delegated/top-sliced for 2021-22 for LA maintained primary, secondary and special schools.

This report asks representatives of LA maintained schools to determine the arrangements for their sector for 2021-22. If the decisions are to de-delegate funding, the Council would have to formally agree to this arrangement.

3. **Other Considerations** In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, finance, human resources, legal & human rights, environmental, health, property and transport considerations.
4. **Background Papers** Letter to schools published 18th September 2020 and the responses from schools held in Children's Services Finance.

5. Executive Director's Recommendations:

- (i) Schools Forum representatives of LA maintained primary schools are asked to consider and agree to de-delegate/top-slice the budgets in Table 1 for 2021-22 for their sector;
- (ii) Schools Forum representatives of LA maintained secondary schools are asked to consider and agree to de-delegate/top-slice the budgets in Table 1 for 2021-22 for their sector;
- (iii) The Schools Forum representative of LA maintained special schools is asked to consider and agree to top-slice the budgets in Table 1 for 2021-22 for their sector;
- (iv) Schools Forum seeks the Council's approval to the arrangements arising from (i)-(iii) above; and
- (v) That the Schools Forum notes the position regarding insurance and agrees to receive a further report at its next meeting.

Jane Parfremment
Executive Director for Children's Services

List of de-delegated and top-sliced funds 2020-21**Appendix 1**

Item	Basis	Prim	Sec	Spec*	Narrative
Contingencies	Per pupil	£8.00	£6.00	N/A	e.g. schools in financial difficulty, exceptional unforeseen costs, unreasonable for a GB to meet
Insurance	Per pupil	£20.64	£18.20	N/A	Includes premises, cash in transit, public liability and employers' liability
Staff Costs: Maternity	Per pupil	£17.89	N/A	N/A	Cover costs for staff on maternity, paternity or adoption leave
Staff Costs: Public Duties	Per pupil	£0.20	N/A	N/A	Cover costs for staff on jury service.
Staff Costs: Trade Unions	Per pupil	£4.00	£4.00	N/A	Cover costs for staff undertaking union duties
School Improvement	Lump sum	£2,850	£2,850	N/A	Services include Leadership forums, single named contact for advice, guidance, signposting & support, e-noticeboard, reduced rate attendance at courses and conferences plus core package of 3 days of school improvement activity plus governor support package
Redundancy (top-sliced)	Per pupil	£8.50	£8.50	£28.90	To meet the agreed redundancy costs of school staff
Fmr ESG services (top-sliced)	Per pupil	£14.24	£14.24	£20.55	Funds a range of HR, Finance, pensions, ICT and asset management functions

* per place for special schools.

SCHOOLS FORUM**21st October 2020****Report of the Executive Director for Children's Services****DSG Financial Overview and Recovery Planning****1. Purpose of the Report**

To update the Schools Forum of the Department for Education's (DfE) revised processes for managing Local Authority Dedicated Schools Grant (DSG) deficits and to provide details of the position for Derbyshire.

2. Information and Analysis**2.1 DfE Reporting process**

The DfE's "*Dedicated Schools Grant (DSG): conditions of grant 2020 to 2021*" require that any local authority (LA) with an overall deficit on its DSG account at the end of the 2019-20 financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the Department for Education (DfE) for managing their future DSG spend. The plan should in any case be shown to the Schools Forum and should be kept regularly updated throughout the year to reflect the most recent forecast position and be viewed as an on-going live document.

At 31st March 2020 the Authority's DSG accounts were not in deficit, instead showing a collective surplus of £0.188m. However, this figure is substantially below the £5.603m held at 31st March 2019. It is not clear if the reduction in balances will be sufficient to trigger the requirement to present a recovery plan to the DfE. At the time of writing (12th October 2020) no such request had been received.

On 16th September 2020 the DfE published a template to help LAs to formulate and present their DSG management plans in a format that allows them to focus attention on comparison of high needs provision against spend. A copy of the template can be found at:

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-management-plan>

The template has only recently been released by the DfE and the Authority is reviewing how it might make best use of it.

2.2 Derbyshire position

The 2019-20 accounts presented to the Schools Forum in June 2020 set out the DSG balances held at 31st March 2020. Table 1 below takes this starting position and looks at the potential position for 31st March 2021 based on current forecasts.

Table 1 – Forecast Reserves position 31/03/2021

	School Re- pooled Funds	Free Schools Trans- ition	Un committed DSG	Other misc DSG funds* ¹	Total
	£m	£m	£m	£m	£m
Balance b/f 01/04//2020	1.063	2.102	(3.140)	0.163	0.188
Position in draft Sept 2020 monitoring:					
Planned contribution from Pupil Growth 2020-21 to recovery			1.325		1.325
Forecast u/s – re-pooled funds	0.318				0.318
Balance of Sept 2020 f/cast o/spend			(0.775)		(0.775)
Planned addition to Free Schools reserve – agreed S Forum 20 Jan 2020		0.725			0.725
Estimated free school payments 2020-21		(0.500)		(0.163)	(0.663)
Forecast balance 31 st March 20201	1.381	2.327	(2.590)	0.000	1.118

1. Misc balances include TAPS, CLAFE, Schools' MIS and EY contingency

The forecast in Table 1 indicates that the DSG should remain in surplus at the end of 2020-21. However, the level of overall balances remains low and the forecast position could easily slip into deficit should one or more of key items move the wrong way.

Even if the balances at the end of this year are as predicted above, the uncommitted DSG balance i.e. the total excluding earmarked reserves and re-pooled funds, is still in deficit. This position is unsustainable in the long term, particularly as the earmarked reserves will, at some point be used. It is therefore necessary to take further steps to address the deficit on the uncommitted DSG account as part of the 2021-22 budget planning process.

Recent changes to regulations mean that councils are no longer permitted to use their own resources to meet DSG deficits. Any council wishing to do so would have to obtain approval to do so from the Secretary of State. The DfE's expectation is that deficits are instead met from future years' DSG allocations.

Given the lack of flexibility in the Schools Block, and the relatively modest sizes of the Early Years and Central School Services Blocks, resources to address the deficit are likely to have to come from the 2021-22 Pupil Growth and High Needs Blocks.

Further reports on the overall DSG, together with proposals to reduce the deficit, will be brought to future meetings of the Schools Forum during 2020/21.

3. **Other Considerations** In preparing this report the relevance of the following factors has 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 within Finance.
5. **Executive Director's Recommendation** - That the Schools Forum notes the report and offers its initial views.

Jane Parfremment
Executive Director for Children's Services

Schools Forum**21st October 2020****Report of the Executive Director for Children's Services****Changes to the Derbyshire Scheme for Financing Schools****1. Purpose of the Report**

To inform the Schools Forum of “directed revisions” to local authorities’ Schemes for Financing Schools published by the DfE and to seek formal approval to their inclusion in Derbyshire’s Scheme.

2. Information and Analysis

Local authorities are required to publish Schemes for Financing Schools setting out the financial relationship between them and the schools they maintain. The DfE publishes statutory guidance which lists the provisions which a local authority’s scheme must, should or may include.

On 5th August 2020 the DfE published directed revisions to LAs’ schemes, a copy of the notification can be found at:

<https://www.gov.uk/government/publications/schemes-for-financing-schools/schemes-for-financing-local-authority-maintained-schools>

2.3.1 – A requirement from next year for schools to submit a 3 year financial plan.

“From the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year, at a date determined by the local authority between 1 May and 30 June.

Local authorities should consider the extent to which such forecasts may be used for more than just confirming schools are undertaking effective financial planning or not. For instance, they could be used as evidence to support the local authority’s assessment of schools financial value standards or used in support of the authority’s balance control mechanism.

Local authorities must inform schools of the purposes for which they intend to use these 3-year budget forecasts: such a forecast may be used in conjunction with an authority’s balance control mechanism.”

LA comment: - the Authority supports this change, the School Support Finance spreadsheet already is a multi-year planning tool and the service is looking at what changes, if any, might be required to reflect the new DfE requirements.

4.9.1 – A requirement for schools with a deficit above 5% of their budget to submit a recovery plan.

“Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. Local authorities may set a lower threshold than 5% for the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2021.”

LA comment: - the LA’s existing thresholds are slightly tighter than the DfE’s and the LA intends retaining its current arrangements, as allowed by the regulations.

10.1 – LA Maintained Schools (LAMS) are now (from April 2020) permitted to access the government’s Risk Protection Arrangements (RPA)

“Instead of taking out insurance, a school may join the Secretary of State’s risk protection arrangement (RPA) for risks that are covered by the RPA.

The scheme should contain a provision which allows schools to join the RPA after 1 April 2020. Schools may do this individually when any insurance contract of which they are part expires.

The scheme should also provide for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the schools forum to de-delegate funding.”

LA comment - the Authority is considering the implications of the DfE’s Risk Protection Arrangements (RPA), a government backed insurance scheme which was created for academies. The directed change has the effect of allowing LAMS to join the RPA scheme and, in effect, opt out of any local re-pooling insurance arrangements. The Authority is considering the pros and cons of the RPA scheme for Derbyshire schools and, once it has reached a view, will write separately regarding its proposals for 2021-22 and beyond.

Details of the three directed revisions were shared with schools for information in early September, giving them an opportunity to comment on the changes: at the time of writing no comments had been received.

In terms of direct revisions the Schools Forum has no choice but to incorporate them into its Scheme.

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, social value, health, property and transport considerations.

4. Background Papers

Papers held in Children’s Services Finance.

5. Officer’s Recommendation

That the Schools Forum approves the incorporation of the directed revisions into Derbyshire’s Scheme of Financial Management, as set out in the report.

JANE PARFREMENT
Executive Director for Children’s Services