

Cheshire West & Chester Council

## **Cheshire West and Chester Schools Forum**

Tuesday 12 January 2021  
4.30pm – 6.30 pm

Virtual Meeting

Schools Forum Clerk  
Children and Families  
Cheshire West and Chester Council  
Telephone 07584 206913

## **Notes for members of the public**

### **Cheshire West and Chester Schools Forum**

The Council welcomes and encourages you to be at its meetings and Committees.

You are requested to remain quiet whilst the meeting is taking place.

The agenda is sometimes divided into two parts. You are allowed to stay for the first part. When the Forum is ready to deal with the second part you will need to leave the meeting room because the business will be of a confidential nature, for example, dealing with individual people, contracts and financial affairs of other parties.

Members of the public wishing to attend Schools Forum meetings should contact the Schools Forum Clerk:

Email: [school.relationshipteam@cheshirewestandchester.gov.uk](mailto:school.relationshipteam@cheshirewestandchester.gov.uk)

Telephone: 07584206913

## Agenda for Cheshire West and Chester Schools Forum 12 January 2021

|     |                |   |              |            |
|-----|----------------|---|--------------|------------|
| 1.  | 4.30           | Introductions and apologies   |              |            |
| 2.  | 4.35           | Minutes and matters arising of last meeting<br>2.1 To agree the minutes held 20 October 2020<br>2.2 Matters arising |              | Page 4-9   |
| 3.  | 4.45           | Education – Basic Need Capital Programme 2021-2025  | Laura Sutton | Page 10-13 |
| 4.  | 5.00           | Dedicated Schools Grant (DSG) 2020-2021<br>Forecast Outturn at Third Review   | Natalie Cole | Page 14-16 |
| 5.  | 5.20           | Indicative Dedicated Schools Grant Allocations for 2021-2022  | Natalie Cole | Page 17-20 |
| 6.  | 5.40           | Draft of 2021-2022 School Funding Formula for January submission  | Natalie Cole | Page 21-27 |
| 7.  | 6.00           | De-delegation – Proposals for 2021-2022   | Natalie Cole | Page 28-20 |
| 8.  | 6.15           | Financial Transparency of Local Authority Maintained Schools Consultation Outcome                                   | Natalie Cole | Page 31-33 |
| 9.  | 6.25           | Any Other Business  |              |            |
| 10. | 6.30<br>Finish | Next meeting: Monday 8 February 2021<br>Schedule of meetings 2021   |              | Page 34    |

**Cheshire West and Chester  
Schools Forum  
12 January 2021**

**Agenda item 2**

**Minutes of Cheshire West and Chester Schools Forum, virtual meeting, on 20 October 2020**

| <b>Members</b>               | <b>Representing</b>                      | <b>Attendance</b> |
|------------------------------|--|-------------------|
| <b>Schools and Academies</b> |  |                   |
| Alan Brown                   | Primary headteachers                     | Attended          |
| Julie Chambers               | Primary headteachers                     | Attended          |
| Sarah Curtis                 | Primary headteachers                     | Attended          |
| Ian Devereux Roberts         | Primary headteachers                     | Attended          |
| Kate Docherty                | Primary headteachers                     | Attended          |
| Duncan Haworth (Chair)       | Primary governors                        | Attended          |
| Helen Hill                   | Primary governors                        | Apologies         |
| Kath Lloyd                   | Primary governors                        | Attended          |
| David Nield                  | Primary governors                        | Attended          |
| Vacancy                      | Primary governors                        | Vacancy           |
| David Curry                  | Secondary headteachers                   | Apologies         |
| Mike Holland                 | Secondary headteachers                   | Attended          |
| John Freeman                 | Secondary governors                      | Attended          |
| David Rowlands               | Secondary governors                      | Attended          |
| Mike McCann                  | Special headteachers                     | Attended          |
| Phil Hopwood                 | Special governors                        | Absent            |
| Katie Tyrie                  | Nursery headteachers                     | Attended          |
| Andy Stewart                 | PRU                                      | Attended          |
| Sarah Connolly               | Academies - mainstream                   | Attended          |
| Darran Jones                 | Academies - mainstream                   | Apologies         |
| Luci Jones                   | Academies - mainstream                   | Attended          |
| Jason Lowe                   | Academies - mainstream                   | Absent            |
| Helen Studley                | Academies - mainstream                   | Attended          |
| Lyndsay Watterson            | Academies - mainstream                   | Apologies         |
| Marie Allen                  | Academies - special                      | Attended          |
| <b>Non Schools</b>           |  |                   |
| Sue Anderson                 | PVI early years providers                | Attended          |
| Kathryn Magiera              | Diocese                                  | Absent            |
| Caroline Vile                | Diocese                                  | Apologies         |
| Greg Foster                  | Unions                                   | Absent            |
| Geoff Wright                 | Unions                                   | Absent            |
| Rob Pullen                   | CWAPH                                    | Attended          |
| Cat Hirst                    | PVI early years providers                | Attended          |
| Vacancy                      | 16-19 providers                          | Vacancy           |
| <b>Official Observers</b>    |  |                   |
| Councillor Robert Cernik     | Cabinet Member for Children and Families | Attended          |

### **Officers in attendance**

|                |                                     |
|----------------|-------------------------------------|
| David McNaught | Director of Education and Inclusion |
| Natalie Cole   | Finance Manager                     |
| Charlotte Fenn | Clerk                               |

### **Observer**

Councillor Razia Daniels     Shadow Cabinet Member for Children and Families

## **1. Introductions and apologies**

Apologies were noted.

Duncan Haworth reported the following update to Schools Forum membership:

### **New PVI reps**

Cat Hirst Guilden Sutton Day Nursery - replacing Paula Adolph PVI rep  
Angela Thornton Dandelions - new named PVI substitute rep

### **Re-elected reps**

Duncan Haworth Primary Governor - term of office extended for further four years  
Philip Hopwood Special Governor - term of office extended for further four years

### **Resignation**

Paul Healey Primary Governor, Eaton Primary School.

Duncan also reported that this would be Kath Lloyd's last meeting, as her term of office was due to end 4 December and Kath was not re-standing for election. Duncan thanked Kath for her time and contribution to the work of Schools Forum.

Nominations were being sought, by the Schools Forum Clerk, to fill the vacancies.

## **2. Minutes and matters arising of last meeting**

### **2.1 To agree the minutes from the meeting held 7 July 2020**

The minutes of the meeting held on the 7 July 2020 were agreed as a correct record.

### **2.2 Matters arising**

#### **2.2.1 2.2.3 Item 5 Special Educational Needs (SEN) funding for mainstream and special schools - funding from the High Needs block 2020-2021**

Duncan reported that the Schools Forum High Needs subgroup had met on 22 September 2020 to review where decisions were up to regarding the High Needs block. David McNaught was considering the next steps and would consult further with school colleagues and report back to High Needs subgroup.

#### **2.2.2 Item 5 Maintained School Balances Financial Year 2019-2020 and Academy Balances 2018-2019**

Heads Association representatives had been tasked with discussing excess surplus balances with colleagues and to report challenges and concerns at the next Schools Forum meeting. The following comments were noted:

Mike McCann reported that the balances data had been circulated to colleagues and was due to be discussed at the next CWASSH meeting.

Mike Holland reported that balances had been discussed at CWASH and no concerns had been expressed; schools had specific reasons for the balances. It had also been stressed that it was difficult to 'plead poverty' when there were balances in school budgets.

The CWAPH representative was not present at the time to report back.

It was agreed that the item be revisited at the next Schools Forum for a further update from Heads Association reps.

### **3. School Funding Arrangements for 2021-2022**

Natalie Cole introduced the report which provided details on the school funding arrangements for 2021-2022, the impact on Cheshire West and Chester and proposals for consulting with schools and Schools Forum on the arrangements for 2021-2022.

Natalie took Forum through the report. It was noted that there was no announcement on the Early Years Block which was expected in December. Natalie drew Forum's attention to paragraph 8 and the changes to the Schools Block allocation, in particular to the addition of the teachers' pay grant (TPG) and the teachers' pension employer contribution grant (TPECG) which had been added to the national funding formula from 2021-2022 to streamline the grants.

**Resolved that the Schools Forum** note the report, in particular the proposals that had been put forward by the Finance Subgroup to commence consultation with schools.

Refer to item 4 for Schools Forum's recommendations on the Schools Block funding formula following the consultation outcome.

### **4. Summary of responses to consultation on school funding formula 2021-2022**

Natalie referred Forum members to the separate document, circulated prior to the meeting, summarising the responses to the consultation which ended on 16 October 2020. Forum's attention was drawn to the summary of the number of responses on the last page of the report. In total there had been 50 responses, but it was noted that some schools had submitted more than one response.

Natalie reported, based on the responses, the following conclusions from the overall position:

- Q1 - clear support for retaining the MFG protection at 0.5%
- Q2 - clear support for transferring funds to high needs

Q3a - clear support for retaining current de-delegation options for primary and secondary

Q3b - secondary supported leaving this as an individual school decision whether to opt into the Risk Protection Arrangement (RPA), rather than opting in collectively. The primary view was more mixed, though the opt in collectively responses were pretty evenly distributed and so there may be some merit in the primary sector consulting wider with schools as the decision needed to be taken in January 2021.

**Resolved that the Schools Forum make the following** recommendations on the Schools Block funding formula following the consultation outcome:

- i. retain the MFG protection at 0.5% (vote unanimous);
- ii. transfer up to 0.5% funds from the schools' block to high needs block (vote unanimous);
- iii. retain current Primary de-delegation options (vote unanimous);
- iv. retain current Secondary de-delegation options (vote unanimous);
- v. opting into the Risk Protection Arrangement (RPA) remain as an individual Primary school decision (vote unanimous); and
- vi. opting into the Risk Protection Arrangement (RPA) remain as an individual Secondary school decision (vote unanimous).

## **5. Final Allocation of the Dedicated Schools Grant (DSG) for 2020-2021**

Natalie Cole introduced the item reporting the final allocation of the DSG for 2020-2021. Forum members' attention was drawn to table 2 which outlined the adjustments to DSG and subsequent budget adjustment actions.

Natalie reported a £0.324 million unbudgeted reduction in the High Needs block as a result of an import/export adjustment for post 16 high needs places in other authorities. This had not been included in the budget setting as there was currently no data available for forecasting the movement of post 16 pupils.

**Resolved that the Schools Forum note:**

- i. the amendments to the DSG allocation for the high needs and early years funding blocks; and
- ii. the adjustments to centrally held budgets for 2020-2021.

## **6. Dedicated Schools Grant (DSG) 2020-2021 Forecast Outturn at First Review**

Natalie Cole took Forum members through the report which provided an update on the financial forecast outturn position for 2020-2021 for centrally held DSG as reported at the First Review.

Natalie referred Forum members to paragraph 3 which outlined the key variances attributing to the net overspend of £0.712 million forecast which included the impact from the import/export adjustment for post 16 high needs places. Natalie reported that officers were currently working on finalising the second review where the forecast position was likely to be worse reflecting closer to £1 million overspend.

Natalie reminded Forum members' that the authorities with a DSG overspend would need to complete a DfE template to agree a recovery plan. Natalie agreed to bring the template to the next Forum.

A question was raised as to whether the DfE could instruct the authority to clawback balances from schools to reduce the overspend. Natalie responded that at this stage it was not known what the DfE's requirements would be but would expect a medium or long-term plan to be put in place to manage demand.

Sue Anderson asked if the £0.426 million balance in reserves could be used as a temporary funding arrangement for Early Years, like this autumn term. Natalie responded that it was too early to say as the Early Years headcount data had not yet been processed but as summer term payments had been higher than last year, further additional funding was unlikely to be affordable.

Sarah Curtis asked what impact the new Independent Free school might have. David McNaught responded that there would be several issues, one being transport costs and that we had already hit the tipping point and needed a new vision and collective view on SEN provision. David acknowledged that the situation becoming more challenging, had COVID not hit us, a conversation would already have started looking at inclusion across the borough, something substantial needed to be done.

**Resolved that the Schools Forum** note the First Review position on the DSG.

## **7. Any Other Business**

### **Feedback on COVID related pressures**

David McNaught sought views on how schools were managing COVID related costs. The following comments were noted:

Maternity cover – doubling up on costs as staff member coming out of class early at 28 weeks, normally you would move staff around school, but you can't currently have the staff moving between bubbles.

Maternity cover – using catch up funding and working in smaller groups.

Dinner duty – more dinner duty required resulting in less break time and preparation time for staff. Currently doing an exercise for governors on extra costs which would pass on to David McNaught.

Knock on cost where staff are self-isolating – some pupils had multiple support e.g. class teacher / teaching assistant / phonics catch-up teacher.

Before and after school clubs – demand had fallen but school still bearing costs, unable to furlough all staff as some had other roles; looking at whether can continue to run the before and after club.

Huge extra costs for Early Years as receiving limited support & no extra COVID funding, some staff have been furloughed, can't work in small bubbles, if a setting closes would they keep their funding.

Cost of replacement teacher while staff off for a week waiting for test results.

Heating costs while keeping windows open for ventilation.

Unable to cover high staff absences – would need to send pupils home.

Early years – parents delaying start dates, reducing hours or not taking up a place was having an impact on staffing as too many staff on the books. Parents opting for more informal childcare arrangements.

Support staff doing extended provision as the current provider couldn't continue.

Natalie Cole proposed using the primary maternity de-delegated fund to support additional maternity costs as the fund was forecasting an underspend and agreed to cost up the proposal.

Natalie reported that, following the first round of COVID claims in the summer, half had been agreed and paid by the DfE, the remaining ones were being scrutinised as a number may not be eligible; outstanding claims were expected to be settled in the next six weeks. It was noted that there was uncertainty around what could be claimed in the next round but would probably be evidence based. Forum members were advised that schools should keep clear records of COVID related extra spend.

Councillor Cernik commented that having a list of cost pressures leading up to Christmas and beyond would be very useful. David McNaught requested Forum members feedback any specific cases, current or expected costs in the future to Schools Forum Clerk.

## **8. Next meeting**

Tuesday 8 December 2020 4.30 - 6.30 Virtual.

**Agenda item 3**

**Education – Basic Need Capital Programme 2021-2025**

**Purpose of the Report**

1. The purpose of this report is to share with the Schools Forum an update on the Education Basic Need Capital Programme.

**Recommendations**

2. The Schools Forum is asked to note the paper.

**Introduction and Context**

3. Education have a capital programme that supports the development of the educational environment by improving, enlarging or replacing assets in a planned and structured way so that children and young people learn in the best possible environment. This continues to contribute to raising educational standards, improving school attendance and young people's involvement in positive activities as well as making buildings more energy efficient and fit for purpose. Schools that are well maintained can inspire children and young people to achieve and can enable teachers to concentrate on teaching and learning.

**Capital Programme Update - Basic Need Capital Funding**

4. Basic need funding is the grant money allocated to local authorities each year to help them fulfil their duty to make sure there are enough school places for children in their local area. This includes maintained schools, free schools or academies and by establishing new schools. The allocations are based on forecasts of pupil numbers in future years to establish whether there is sufficient capacity to accommodate those pupils.
5. In Cheshire West and Chester we have qualified to receive the following amounts of basic need funding over a 5 year period;

| Basic Need Funding: |        |
|---------------------|--------|
| Year                | £'m    |
| 2017-2018           | 10.2   |
| 2018-2019           | 0      |
| 2019-2020           | 1.47   |
| 2020-2021           | 0      |
| 2021-2022           | 24.755 |

6. The 2021-2022 allocation has been generated by the forecasts submitted to DfE in 2019 (SCAP 19). The allocation recognises that there is a need for more additional places than we have previously been funded. As with all SCAP returns the data considers a 5 year forecast for Primary and 7 year forecast for Secondary. Over this period of time, annual returns will be submitted and evaluated to see if sufficient funding has been provided to supply the places.

### **Grant Conditions**

7. The grant is technically un-ring-fenced, meaning the only formal requirement placed on it is that it must be used for capital expenditure and not revenue. However there is an expectation by DfE that it will be spent on the creation of pupil places. The Council is required to submit an annual return to DfE stating the investment we have made in our schools for the creation of pupil places and comparing that to the amount of grant received.
8. The DfE compile a scorecard to provide a snapshot of each local authority's progress towards ensuring there are sufficient good school places in each local authority area across England. The scorecards show how many places have been delivered or are planned to be delivered and provide information about the quality of the places delivered between 2017-2018 and 2018-2019. The scorecards also show forecasting accuracy of local authorities, how well parental preference is met and the cost of providing places in their area. A copy of the scorecard for Cheshire West and Chester is attached to this report.

### **Cheshire West & Chester Capital Programme 2021-2025**

9. The previous Education Capital Programme was originally drawn up in 2014-2015 the programme delivered places across 48 schools. The programme identified a forecasted portfolio of works which was then continually monitored and altered to ensure that it continued to target towards demand.
10. A new Education Capital Programme has now been developed and included in the Councils budget report. This programme identifies School Planning areas with an estimated number of places required, for the investment of the available grant allocations, this can be seen in appendix 1. An example of the data used will be shared at the meeting.
11. The schools within the planning areas identified for 2021-2022 are being reviewed to identify where the pupil place demand could be met. Those schools who are identified will be contacted over the coming weeks.
12. As with the previous programme, the priority areas identify for future years will continue to be monitored through the review of data that supports the pupil place planning process to ensure that investment will be made in the areas where it is needed. This may result in alterations to the planning areas stated in future years.
13. This revised programme has been drafted utilising data that would have formed part of SCAP 20 (DfE did not collect this data due to the pandemic).

14. Formal approval to allocate funding will be sought in line with the authority's budget setting process, with final approval from Cabinet in February.

## Appendix 1

### Education Schools Basic Need Programme 2021-2025

| Planning Area                                | Deliver by - Year | Estimated No. places |
|--|-------------------|----------------------|
| Secondary - Helsby                           | Sep-21            | 90                   |
| Secondary - Weaverham/Northwich/Winsford     | Sep-21            | 150                  |
| Secondary - Chester (all areas)              | Sep-22            | 80                   |
| Secondary - Tarporley and Tattenhall         | Sep-22            | 90                   |
| Secondary - Chester (all areas)              | Sep-24            | 150                  |
| Secondary - Neston                           | Sep-24            | 150                  |
|  |                   |                      |
| Primary - Chester East and Rural South East  | Sep-21            | 105                  |
| Primary - Chester North and Rural East       | Sep-21            | 105                  |
| Primary – Chester South (Overleigh/St Marys) | Sep-21            | n/a                  |
| Primary - Northwich Town South               | Sep-21            | 105                  |
| Primary - Chester South                      | Sep-22            | 60                   |
| Primary - Ellesmere Port West                | Sep-22            | 105                  |
| PRU - E Port                                 | Sep-23            | n/a                  |
| Primary - Chester Rural West                 | Sep-23            | 60                   |
| Primary - Ellesmere Port East                | Sep-23            | 70                   |
| Primary - Helsby                             | Sep-23            | 105                  |
| Primary - Winsford Rural West                | Sep-24            | 105                  |

## **Agenda Item 4**

### **Dedicated Schools Grant (DSG) 2020-2021 Forecast Outturn at Third Review**

#### **Purpose of the Report**

1. The purpose of the report is to provide an update on the financial forecast outturn position for 2020-2021 for centrally held DSG as reported at the Third Review of Financial Performance. This is based on the position at November 2020.

#### **Recommendations**

2. The Forum is asked to note the Third Review position on the DSG and next steps.

#### **Forecast Outturn**

3. The forecast outturn position for the centrally held DSG is a net overspend of £1.612m. This is an increase of £0.9m on the £0.712m overspend last reported to Schools Forum at First Review and is largely due to increased forecast spend on High Needs Block provision for the new academic year.
4. This net forecast position includes the following key variances: -
  - There is a forecast overspend of £2.595m for high needs provision which is an increase of £1.390m on the First Review position of £1.202m. Of this:
    - There is a forecast overspend of £0.690m on post 16 high needs places which has increased from the reported First Review position £0.589m. Forecast spend has increased due to additional pupils requiring high needs support for the new academic year in addition to the increase in costs agreed with FE colleges following budget setting in February 2020 which meant that the opening budget was not sufficient for ongoing commitments. Within the reported overspend is the unbudgeted recoupment of funding of £0.324m for import/export adjustments to high needs relating to increased post 16 pupil numbers in the previous year in other local authority establishments
    - Mainstream top up payments are forecast to overspend by £0.942m (£0.527m at First Review) with further overspends in special school top up funding of £0.271m and alternative provision top up funding of £0.076m
    - The number of high needs placements in other local authorities have increased and are forecast to overspend by £0.469m (£0.366m at First Review)

- Placements in independent and non-maintained special schools are currently forecast to overspend by £0.137m (underspend of £0.029m at First Review)
- The remaining variance is an underspend on the SALT contract of £0.021m which is offset by overspends on alternative provision for SEND of £0.031m.
- An underspend of £0.297m is currently forecast against staffing costs across the Children and Families directorate due to unfilled vacancies (£0.252m at First Review).
- At First Review, an underspend of £0.2m was forecast against the early years block. Following summer term payments to providers, the early years block is currently forecast to be balanced with payments for free entitlement hours offsetting underspends for Disability Access Funding and Inclusion Funding where claims have been lower than budgeted.
- A net overspend of £0.015m is forecast on rates charges following revaluations for expanding schools less reductions for academy conversions in year.
- The growth fund is forecast to underspend by £0.088m as the expansion of some schools in the primary sector have now been completed.
- There is currently a forecast underspend of £0.113m against de-delegated funding for primary maternity costs and trade union facilities time. Any underspend arising will be ringfenced for de-delegated budgets in 2021-2022.
- Underspends of £0.5m have been included in the forecast position for potential slippage on planned spend for inclusion projects, school improvement and workforce development which have not been progressed due to Covid-19 priorities.

## DSG Reserve

5. The table below summarises the position on the DSG reserve as at Third Review which is unchanged from First Review.

|   | £000  |
|---|-------|
| DSG reserve brought forward   | 1,018 |
| <b>In year allocation of reserves</b>   |       |
| Ring-fenced De-delegation allocated to 2020-2021  | -66   |
| CWEIB allocation - Carry forward for CWEIB to carry out planned work on transitions (agreed 2018-19)  | -104  |
| Funding to support the work of the Averting Exclusions Task Group in developing strategies to reduce the number of exclusions in the Borough. | -177  |
| Early years hub implementation (approved October 2019)  | -45   |
| Early years temporary increase to base rate for Autumn term (approved (July 2020)   | -200  |
| Balance remaining (unspent early years block 2019-2020)   | 426   |

6. In July 2020, it was agreed that the distribution of the remaining balance of funding should be considered on a phased basis. An initial allocation of £200k was to be made for the autumn term and then further reviewed alongside the take up of free entitlement places and the publication of 2021-2022 allocation information. At this time, the position on early years funding and costs is not clear to determine whether the remaining balance will be needed to meet costs in 2020-2021. This is due to autumn term claims still being finalised and also uncertainty around funding of take up at the January census. The DfE have advised that further guidance will be released in January and will advise that spring term 2021 funding will be capped at 85% of January 2020 take-up, thereby leaving local authorities to bridge any gap in take up. It would therefore be prudent to defer any further temporary distribution of funds until the early years census and funding is complete in April 2021.
7. Based on this approach, the forecast cumulative position on the DSG reserve at the end of 2020-2021 is a deficit of £1.186m. This is the first time that the reserve has been in an overall deficit position and as such there will be further considerations in the approach to 2021-2022 budget setting and compliance with the DfE's approach to deficit recovery planning.

### **Next Steps**

8. Officers will confirm the Local Authority approach for managing the forecast deficit position and considerations that need to be made in setting the 2021-2022 DSG budget. As such, budget setting items have been deferred to the February Schools Forum meeting to ensure that the timeframes for reporting to Council and approval of the budget is aligned.

## Agenda Item 5

### Indicative Dedicated Schools Grant Allocations for 2021-2022

#### Purpose of the Report

1. This report details the provisional allocation figures for the Dedicated Schools Grant (DSG) for 2021-2022 as published in December 2020.

#### Recommendations

2. The Schools Forum is requested to note the indicative allocations and the next steps for confirming the DSG budget proposals for 2021-2022.

#### Background

3. The provisional DSG national funding formulae allocations for 2021-2022 were made available by the Education and Skills Funding Agency (ESFA) in July 2020 and tabled to Schools Forum in October 2020. This information provided the updated funding rates for the Local Authority following the government's funding announcement and subsequent publication of the national funding formulae policy documents. This information was used to conduct the consultation with schools and Schools Forum on the Schools Block funding formula which was then approved by Cabinet in November 2020. The provisional July allocations have now been updated to reflect the October 2020 census and indicative DSG allocations were published on 17 December 2020. These indicative allocations will form the basis of the initial budget proposals to be tabled at the February meeting of Schools Forum.

#### Indicative DSG Allocation for 2021-2022

4. The final DSG allocation for Cheshire West and Chester in 2020-2021 is £278.596m. The initial allocation for 2021-2022 is £302.022m and shows a net increase in DSG funding of £23.426m. A summary of the current and provisional next year allocation is shown in the table below.

#### Final DSG 2020-21 and Indicative 2021-22 allocation

| DSG Allocation Block          | Final 2020-2021<br>£000 | Indicative 2021-2022<br>(Dec 2020)<br>£000 | Change<br>£000 |
|-------------------------------|-------------------------|--|----------------|
| Schools Block                 | 213,124                 | 231,818                                    | 18,694         |
| High Needs Block              | 41,278                  | 45,893                                     | 4,615          |
| Early Years Block             | 21,449                  | 21,763                                     | 314            |
| Central School Services Block | 2,745                   | 2,548                                      | -197           |
| <b>Total DSG Allocation</b>   | <b>278,596</b>          | <b>302,022</b>                             | <b>23,426</b>  |

5. The increase in available funding is due to the following changes in the allocation:

- An additional £7m (3.2%) for primary and secondary schools arising from the national investment in the Schools Block through the National Funding Formula (NFF) for schools and a further £1.6m to recognise the growth in pupil numbers in the Borough;
- £11m of teacher's pay and pension grants allocated as separate grants in 2020-2021 that have been mainstreamed into the DSG in 2021-2022
- £3.7m increase to High Needs Block funding reflecting the minimum guaranteed 8% cash increase in the spending announcement and growth in pupil numbers in specialist provision
- A £0.3m (1.4%) increase in the two year old and three and four year old funding rates in the Early Years Block for nursery entitlements
- A reduction in the Central School Services Block of £0.2m (9%) from the removal of protection for historic and ongoing commitments in the move towards a national funding formula for local authority services.

6. The indicative DSG allocation (before academy recoupment and deductions of high needs places funded directly by the ESFA) is detailed in **Appendix A**.

### **Further details in the December announcement**

#### **Early Years Block**

7. In the Spending Review announcement, the Chancellor announced a £44m investment in early years funding in 2021-2022 to increase the hourly rates for early years entitlements. The allocation of the investment has been confirmed as follows:

- an 8p per hour increase to the 2 year old funding rate to local authorities
- an increase to 3 and 4 year old rates of 6p with a minimum funding floor for local authorities of £4.44 per child hour (CW&C funding remains at this minimum level)
- Early Years Pupil Premium and Disability Access Funding remain unchanged at 53p per eligible child hour and £615 per eligible child respectively
- Local authorities with maintained nursery schools (MNS) will continue to receive supplementary funding for the 2021-2022 financial year. However, the MNS supplementary funding allocations for September 2021 to March 2022 are conditional: they may be subject to change and local authorities should therefore treat them as unconfirmed pending a further announcement.

## **Other grant funding**

### **Pupil premium for 2021-2022**

8. Funding rates for the pupil premium in the financial year 2021-2022 will stay the same as for 2020-2021.
- Primary pupils: £1,345
  - Secondary pupils: £955
  - Looked-after children: £2,345
  - Children who have ceased to be looked-after: £2,345
  - Service children: £310
9. For 2021-2022 the eligibility criteria for the pupil premium will remain unchanged, but will be allocated using October 2020 (rather than January 2021) school census data to calculate pupil premium allocations. Exceptions to that include alternative provision and pupil referral units where eligibility will continue to be based on the January census. Further guidance will be issued about this change in the new year.

### **Free School Meal Supplementary Grant 2020-2021**

10. The Free School Meal (FSM) Supplementary Grant will be extended for one additional year to 2020-2021 for increases in FSM pupil numbers between October 2019 and October 2020, at a per pupil rate of £450. Allocations will be made in February 2021.

### **Budget Planning 2021-2022**

11. As reported in agenda item 4, Dedicated Schools Grant (DSG) 2020-2021 Forecast Outturn at Third Review, the forecast cumulative deficit position on the DSG reserve for 2020-2021 will require further consideration in approaching 2021-2022 budget setting to ensure compliance with the DfE's approach to deficit recovery planning. Budget proposals will be tabled to Schools Forum at the February meeting following discussion with Finance Subgroup on 19 January. Due to the ringfencing of the schools block funding and the agreement of the 0.5% transfer to high needs block, the Schools Block Funding Formula and allocations to primary and secondary schools can be finalised whilst proposals for the unringfenced blocks (high needs, early years and central schools services) are being considered.

### **Next Steps**

12. For the indicative allocations to form the basis of the schools block formula submission and budget setting proposals to be tabled to Schools Forum in February 2021.

## Appendix A Final DSG 2020-2021 and Indicative 2021-2022 allocation

| DSG Allocation Block                    | Final 2020-2021  |                          |                    | Indicative 2021-2022 |                          |                    | Change to 2020-2021<br>£000 | Mainstreaming<br>of TPG/TPECG<br>£000 | Change<br>to NFF<br>£000 |
|---|------------------|--------------------------|--------------------|----------------------|--------------------------|--------------------|-----------------------------|---------------------------------------|--------------------------|
|   | Pupil<br>Numbers | Amount<br>per<br>pupil £ | Allocation<br>£000 | Pupil<br>Numbers     | Amount<br>per<br>pupil £ | Allocation<br>£000 |                             |                                       |                          |
| <b>Schools Block</b>                    |                  |                          |                    |                      |                          |                    |                             |                                       |                          |
| Primary unit of funding                 | 27,325           | 4,149                    | 113,382            | 27,364               | 4,492                    | 122,926            | 9,544                       | -5,470                                | 4,074                    |
| Secondary unit of funding               | 18,271           | 5,223                    | 95,424             | 18,536               | 5,659                    | 104,885            | 9,462                       | -4,667                                | 4,794                    |
| Funding of growth                       |                  |                          | 1,408              |                      |                          | 1,085              | -323                        |                                       | -323                     |
| Funding of premises                     |                  |                          | 2,910              |                      |                          | 2,921              | 11                          |                                       | 11                       |
|   | <b>45,596</b>    |                          | <b>213,124</b>     | <b>45,900</b>        |                          | <b>231,818</b>     | <b>18,694</b>               | <b>-10,138</b>                        | <b>8,556</b>             |
| <b>High Needs Block</b>                 |                  |                          |                    |                      |                          |                    |                             |                                       |                          |
| NFF                                     |                  |                          | 37,445             |                      |                          | 41,100             | 3,655                       | -137                                  | 3,519                    |
| Basic Entitlement factor                | 1,023            | 4,022                    | 4,115              | 1,083                | 4,686                    | 5,075              | 960                         | -715                                  | 245                      |
| Import/export                           |                  |                          | -282               |                      |                          | -282               | 0                           |                                       |                          |
|   |                  |                          | <b>41,278</b>      |                      |                          | <b>45,893</b>      | <b>4,616</b>                | <b>-851</b>                           | <b>3,764</b>             |
| <b>Early Years Block</b>                |                  |                          |                    |                      |                          |                    |                             |                                       |                          |
| 3 and 4 year old free entitlement       | 5,059            | 2,497                    | 12,631             | 5,059                | 2,531                    | 12,804             | 173                         |                                       | 173                      |
| Maintained nursery supplement           |                  |                          | 66                 |                      |                          | 66                 | 0                           |                                       | 0                        |
| Disability Access Funding               | 112              | 615                      | 69                 | 146                  | 615                      | 90                 | 21                          |                                       | 21                       |
| Extended hours                          | 2,468            | 2,497                    | 6,161              | 2,468                | 2,531                    | 6,245              | 84                          |                                       | 84                       |
| 2 Year Olds                             | 771              | 3,055                    | 2,354              | 771                  | 3,101                    | 2,389              | 35                          |                                       | 35                       |
| Early Years Pupil Premium               |                  | 302                      | 169                | 558                  | 302                      | 169                | 0                           |                                       | 0                        |
|   |                  |                          | <b>21,449</b>      |                      |                          | <b>21,763</b>      | <b>313</b>                  |                                       | <b>313</b>               |
| <b>Central School Services Block</b>    |                  |                          |                    |                      |                          |                    |                             |                                       |                          |
| Ongoing responsibilities                | 45,596           | 38                       | 1,733              | 45,900               | 37.06                    | 1,701              | -32                         |                                       | -32                      |
| Historic commitments                    |                  |                          | 1,012              |                      |                          | 810                | -202                        |                                       | -202                     |
| Funding for centrally employed teachers |                  |                          |                    | 45,900               | 0.81                     | 37                 | 37                          | -37                                   | 0                        |
|   |                  |                          | <b>2,745</b>       |                      |                          | <b>2,548</b>       | <b>-197</b>                 | <b>-37</b>                            | <b>-235</b>              |
| <b>Total DSG Allocation</b>             |                  |                          | <b>278,596</b>     |                      |                          | <b>302,022</b>     | <b>23,426</b>               | <b>-11,026</b>                        | <b>12,399</b>            |

**Agenda item 6**

**Draft of 2021-2022 School Funding Formula for January Submission**

**Purpose of the Report**

1. This report details the draft School Funding Formula for 2021-2022 taking into account the decisions taken previously on the principles of the local funding formula and the October 2020 census data provided by the Education and Skills Funding Agency (ESFA).

**Recommendations**

2. The Schools Forum (School, Academy and PVI representatives) is requested to endorse the draft funding formula submission to the ESFA, pending the update to rates charges yet to be included in this version (see paragraph 11). Proposed unit values and school level allocations are included in Appendix C and D respectively.

**Background**

3. The submission to the ESFA of the Schools Block Funding Formula for primary and secondary schools and academies is required by 21 January 2021. Following the consultation with schools and academies in October 2020, Schools Forum recommended to continue to mirror the National Funding Formula factors and values for 2021-2022. This decision was endorsed by Cabinet at the meeting of 25 November 2020. The final budget approval and formula values will be taken by Council on 25 February 2021.
4. The 2021-2022 formula will be based on pupil numbers and demographics taken from the October 2020 census. This data was made available by the ESFA on 17 December 2020 and forms the basis of the formula values proposed in this report for the final formula submission. A summary of the pupil numbers used for the pupil led formula factors is shown in Appendix A.

**Impact of October 2020 Census and pupil data**

5. Census data - change in pupil numbers

From October 2019 to October 2020 there was an overall increase of 305 pupils – 39 primary school pupils (0.1% increase) and 266 secondary pupils (1.5% increase) to be funded through the schools block funding formula. This pupil count is the same as is used for the Dedicated Schools Grant Schools Block allocation for 2021-2022.

## **Estimated pupil numbers**

6. In determining the school funding formula, adjustments are made to census data for estimated growth where schools are permanently increasing their capacity. This has reduced from 2020-2021 and now only relates to 17.5 places (30 places for 7 months) to be funded for one school from the DSG growth allocation. The actual pupil numbers used and stated in the appendices take into account this adjustment and therefore differ from the census data.

## **Basic Entitlement**

7. The value of the Basic Entitlement factor for primary, KS3 and KS4 are based on the NFF rates. As in previous years, the release of Minimum Funding Guarantee protection and headroom in the schools block allocation from growth has allowed the per pupil rates to be increased to match the overall affordability of the formula. A further increase of £40 per pupil (1%) has been affordable for 2021-2022 such that all schools will receive this increase on the NFF per pupil amount.

## **Deprivation**

8. There has been a significant increase in the number of pupils eligible for free school meals between the October 2019 and 2020 censuses – 15.8% increase in primary and 22.8% in secondary. This can reasonably be assumed to be linked to the current economic climate and targeted funding to schools will increase for the cost of delivering free school meals. It should be noted that the funding available in the DSG allocation is based on October 2019 eligibility and therefore the increase through this factor has been met from headroom in the overall allocation that would otherwise have been allocated through the basic entitlement factor.
9. There has been a change to the data used to allocate funding through the Income Deprivation Affecting Children Index (IDACI) factor for 2021-2022. New IDACI data was published by the Ministry for Housing, Communities and Local Government (MHCLG) on 26 September 2019. The 2021-2022 NFF uses IDACI 2019 ranks to group each lower super output area (LSOAs, an area with typically about 1,500 residents) into one of six bands of decreasing deprivation. In the past IDACI bands have been defined based on scores. The 2021-2022 NFF uses ranks instead of scores to define bands and as such there has been some movement in the proportion of pupils within each band. The unit values in the NFF have been adjusted to mitigate the impact of this change and these have been adopted in the proposed formula. Schools are protected against adverse changes in data with the positive Minimum Funding Guarantee value such that each school will gain at least 0.5% per pupil on last year's pupil led funding overall.

## **Prior attainment**

10. Following the cancellation of assessments in summer 2020 due to COVID-19, 2019 assessment data has been used as a proxy for the 2020 reception and year 6 cohort to determine the primary low attainment factor. In secondary, as in previous years, a national weighting has been applied to the secondary low

attainment figures to accommodate the changes in Key Stage 2 assessment where, at a national level, a higher number of all cohorts will be identified as having low prior attainment. The ESFA have established a national weighting of 65% to be applied to year 7 and 8 low scorers, 64% to year 9, 58% to year 10 and 48% to year 11 to ensure that this does not have disproportionate influence within the overall total for low attainment funding. Local authorities are not able to change the weighting, but would be able to adjust their secondary low prior attainment unit value if necessary, to maintain their low prior attainment factor at previous levels without significant turbulence. However, to remain in line with the NFF values it is not considered necessary to adjust the unit value for 2021-2022 for the change in eligible pupil numbers.

### **Premises factors**

11. All premises factors have been inflated by 1.56% in line with the inflationary increase applied to the DSG allocation. In this current version, the rates charges are unchanged from 2020-2021 as we are awaiting the release of the actual charges. £55k of headroom in the formula has been left unallocated to meet any additional costs however if not required or insufficient, the basic entitlement factor may need to be adjusted in the final version.

### **Confirmation of centrally retained budgets**

12. The draft formula assumes that the Schools Block allocation will be distributed in full except for the Growth Fund and transfer to high needs agreed with Schools Forum and Cabinet in November 2020. Budget setting items to be tabled in February will not affect the total amount to be distributed to primary and secondary schools which is now ringfenced.

### **Draft funding allocations by school**

13. Draft 2021-2022 funding for each school based on the assumptions above are attached at Appendix D. Schools should note that this version is draft and subject to slight changes for updated rates charges (see paragraph 11). A summary of the funding to be allocated through each factor to each sector and the formula values are included in Appendices B and C.

### **Next Steps**

14. Further to any amendments described within this report, the School Funding Formula will be submitted to the ESFA for 21 January deadline for final approval. A draft funding statement will be sent to schools following this so that schools are notified as early as possible of the proposed allocations. As per the requirements of the School Finance Regulations, final funding statements will be issued to individual maintained schools by 29 February 2021.

## Appendix A

Comparison of pupil numbers for the pupil led formula factors in the October 2019 and October 2020 censuses adjusted for estimated growth numbers with change in numbers and percentage changes between years

| Pupil Led Formula Factor           | October 2019 Census | % of Cohort | October 2020 Census | % of Cohort | Change in pupil numbers | % change |
|------------------------------------|---------------------|-------------|---------------------|-------------|-------------------------|----------|
| <b>Primary</b>                     |                     |             |                     |             |                         |          |
| NOR Primary                        | 27,360              |             | 27,364              |             | 4                       | 0.0%     |
| Primary FSM Units                  | 4,113               | 15.0%       | 4,763               | 17.4%       | 650                     | 15.8%    |
| Primary Ever 6 Units               | 5,136               | 18.8%       | 5,227               | 19.1%       | 91                      | 1.8%     |
| IDACI Primary Units Band G         | 18,651              | 68.2%       | 17,728              | 64.6%       | -923                    | -4.9%    |
| IDACI Primary Units Band F         | 1,886               | 6.9%        | 2,556               | 9.3%        | 670                     | 35.5%    |
| IDACI Primary Units Band E         | 1,203               | 4.4%        | 2,098               | 7.6%        | 894                     | 74.3%    |
| IDACI Primary Units Band D         | 1,379               | 5.0%        | 928                 | 3.4%        | -451                    | -32.7%   |
| IDACI Primary Units Band C         | 1,776               | 6.5%        | 1,489               | 5.4%        | -287                    | -16.2%   |
| IDACI Primary Units Band B         | 1,821               | 6.7%        | 2,096               | 7.6%        | 275                     | 15.1%    |
| IDACI Primary Units Band A         | 644                 | 2.4%        | 470                 | 1.7%        | -174                    | -27.1%   |
| EAL 3 Primary Units                | 989                 | 3.6%        | 972                 | 3.5%        | -16                     | -1.7%    |
| Low attainment total Primary Units | 8,106               | 29.6%       | 7,629               | 27.8%       | -477                    | -5.9%    |
| <b>Secondary</b>                   |                     |             |                     |             |                         |          |
| NOR Secondary                      | 18,291              |             | 18,557              |             | 266                     | 1.5%     |
| NOR KS3                            | 11,179              | 61.1%       | 11,300              | 63.3%       | 121                     | 1.1%     |
| NOR KS4                            | 7,112               | 38.9%       | 7,257               | 40.7%       | 145                     | 2.0%     |
| Secondary FSM Units                | 2,516               | 13.8%       | 3,084               | 17.3%       | 567                     | 22.5%    |
| Secondary Ever 6 Units             | 3,949               | 21.6%       | 3,956               | 22.2%       | 7                       | 0.2%     |
| IDACI Secondary Units Band G       | 13,109              | 71.7%       | 12,632              | 70.8%       | -477                    | -3.6%    |
| IDACI Secondary Units Band F       | 1,158               | 6.3%        | 1,483               | 8.3%        | 325                     | 28.1%    |
| IDACI Secondary Units Band E       | 679                 | 3.7%        | 1,402               | 7.9%        | 723                     | 106.5%   |
| IDACI Secondary Units Band D       | 860                 | 4.7%        | 614                 | 3.4%        | -245                    | -28.5%   |
| IDACI Secondary Units Band C       | 1,020               | 5.6%        | 972                 | 5.4%        | -49                     | -4.8%    |
| IDACI Secondary Units Band B       | 1,144               | 6.3%        | 1,219               | 6.8%        | 75                      | 6.6%     |
| IDACI Secondary Units Band A       | 321                 | 1.8%        | 235                 | 1.3%        | -87                     | -27.0%   |
| EAL 3 Secondary Units              | 178                 | 1.0%        | 177                 | 1.0%        | -1                      | -0.6%    |
| Low Attainment Secondary Units     | 3,952               | 21.6%       | 4,243               | 23.8%       | 291                     | 7.4%     |

## Appendix B

### Summary of funding by factor for each sector

| Formula factor                       | 2021-22         |                   |                |                            | 2020-21         |                   |                |                               | Change £        |                   |               |                               |
|--------------------------------------|-----------------|-------------------|----------------|----------------------------|-----------------|-------------------|----------------|-------------------------------|-----------------|-------------------|---------------|-------------------------------|
|                                      | Primary<br>£000 | Secondary<br>£000 | TOTAL<br>£000  | % of<br>funding<br>pre MFG | Primary<br>£000 | Secondary<br>£000 | TOTAL<br>£000  | % of<br>funding<br>pre<br>MFG | Primary<br>£000 | Secondary<br>£000 | TOTAL<br>£000 | % of<br>funding<br>pre<br>MFG |
| Basic Entitlement                    | 86,552          | 86,522            | 173,074        | 75.34%                     | 80,731          | 78,901            | 159,632        | 75.29%                        | 5,821           | 7,621             | 13,442        | 0.06%                         |
| Total Deprivation                    | 8,622           | 7,783             | 16,405         | 7.14%                      | 7,868           | 7,035             | 14,903         | 7.03%                         | 754             | 748               | 1,502         | 0.11%                         |
| <i>FSM</i>                           | 2,191           | 1,418             | 3,609          | 22.00%                     | 1,858           | 1,136             | 2,994          | 20.09%                        | 333             | 282               | 615           | 1.91%                         |
| <i>FSM Ever6</i>                     | 3,006           | 3,323             | 6,329          | 38.58%                     | 2,887           | 3,230             | 6,117          | 41.05%                        | 119             | 93                | 212           | -2.47%                        |
| <i>IDACI</i>                         | 3,425           | 3,042             | 6,467          | 39.42%                     | 3,123           | 2,668             | 5,792          | 38.86%                        | 302             | 374               | 675           | 0.56%                         |
| Low Scorer                           | 8,354           | 7,044             | 15,398         | 6.70%                      | 8,665           | 6,387             | 15,051         | 7.10%                         | -311            | 657               | 347           | -0.40%                        |
| English as Additional Language       | 535             | 263               | 798            | 0.35%                      | 531             | 258               | 789            | 0.37%                         | 4               | 6                 | 10            | -0.02%                        |
| Lump Sum                             | 15,314          | 2,356             | 17,670         | 7.69%                      | 14,926          | 2,296             | 17,222         | 8.12%                         | 388             | 60                | 448           | -0.43%                        |
| Sparsity                             | 244             | 0                 | 244            | 0.11%                      | 130             | 0                 | 130            | 0.06%                         | 114             | 0                 | 114           | 0.04%                         |
| Mobility                             | 77              | 1                 | 78             | 0.03%                      | 198             | 9                 | 207            | 0.10%                         | -121            | -8                | -129          | -0.06%                        |
| Split Site                           | 71              | 0                 | 71             | 0.03%                      | 70              | 35                | 105            | 0.05%                         | 1               | -35               | -34           | -0.02%                        |
| Estimated Rates                      | 1,739           | 592               | 2,331          | 1.01%                      | 1,739           | 592               | 2,331          | 1.10%                         | 0               | 0                 | 0             | -0.08%                        |
| Private Finance Initiative           | 352             | 44                | 396            | 0.17%                      | 347             | 43                | 390            | 0.18%                         | 5               | 1                 | 6             | -0.01%                        |
| Exceptional Factors                  | 20              | 69                | 90             | 0.04%                      | 20              | 68                | 88             | 0.04%                         | 0               | 1                 | 1             | 0.00%                         |
| Minimum levels                       | 2,330           | 825               | 3,155          | 1.37%                      | 470             | 711               | 1,181          | 0.56%                         | 1,860           | 113               | 1,973         | 0.82%                         |
| <b>Initial Formula Funded Budget</b> | <b>124,210</b>  | <b>105,499</b>    | <b>229,710</b> | <b>100.00%</b>             | <b>115,693</b>  | <b>96,336</b>     | <b>212,029</b> | <b>100.0%</b>                 | <b>8,517</b>    | <b>9,163</b>      | <b>17,680</b> | <b>0.00%</b>                  |
| Minimum funding guarantee            | 438             | 200               | 637            | 0.3%                       | 302             | 261               | 563            | 0.26%                         | 136             | -61               | 75            | 0.01%                         |
| <b>Final School Budget</b>           | <b>124,648</b>  | <b>105,699</b>    | <b>230,347</b> |                            | <b>115,995</b>  | <b>96,597</b>     | <b>212,592</b> |                               | <b>8,653</b>    | <b>9,102</b>      | <b>17,755</b> | <b>0.0%</b>                   |

Please note, the table above does not include changes to rates charges which will be finalised for the formula submission and may require an adjustment to the basic entitlement factor. The table above matches the school level detail tabled at the meeting with £55k headroom remaining to amend the rates factor.

**Appendix C** 2020-2021 formula values used in Cheshire West and Chester (CW&C) against the 2021-2022 funded NFF values and proposed CW&C formula values

| <b>Funding Factors</b>  | <b>2020-2021<br/>CW&amp;C<br/>formula<br/>values £</b> | <b>2021-2022<br/>NFF<br/>formula<br/>values £</b> | <b>2021-2022<br/>Proposed<br/>CW&amp;C<br/>formula<br/>values £</b> |
|---|--|---|---|
| Basic per-pupil funding   |  |   |   |
| Age Weighted Pupil Unit (AWPU): Primary   | 2,951  | 3,123   | 3,163   |
| Age Weighted Pupil Unit (AWPU): Secondary – Key Stage 3   | 4,102  | 4,404   | 4,444   |
| Age Weighted Pupil Unit (AWPU): Secondary – Key Stage 4   | 4,647  | 4,963   | 5,003   |
| Minimum per pupil funding level   | Primary<br>£3,750<br><br>Secondary<br>£5,000           | Primary<br>£4,180<br><br>Secondary<br>£5,415      | Primary<br>£4,180<br><br>Secondary<br>£5,415                        |
| Additional needs funding  |  |   |   |
| Current Free School Meal (FSM) top up (Pupils currently claiming FSM at the last census): Primary | 452  | 460   | 460   |
| Current FSM top up (Pupils currently claiming FSM at the last census): Secondary                  | 452  | 460   | 460   |
| FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Primary                           | 562  | 575   | 575   |
| FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Secondary                         | 818  | 840   | 840   |
| Income Deprivation Affecting Children Index (IDACI) band F: Primary                               | 211  | 215   | 215   |
| IDACI band F: Secondary   | 301  | 310   | 310   |
| IDACI band E: Primary   | 251  | 260   | 260   |
| IDACI band E: Secondary   | 406  | 415   | 415   |
| IDACI band D: Primary   | 376  | 410   | 410   |
| IDACI band D: Secondary   | 537  | 580   | 580   |
| IDACI band C: Primary   | 406  | 445   | 445   |

| <b>Funding Factors</b>  | <b>2020-2021<br/>CW&amp;C<br/>formula<br/>values £</b> | <b>2021-2022<br/>NFF<br/>formula<br/>values £</b> | <b>2021-2022<br/>Proposed<br/>CW&amp;C<br/>formula<br/>values £</b> |
|---|--|---|---|
| IDACI band C: Secondary                                       | 582  | 630   | 630   |
| IDACI band B: Primary   | 437  | 475   | 475   |
| IDACI band B: Secondary                                       | 627  | 680   | 680   |
| IDACI band A: Primary   | 602  | 620   | 620   |
| IDACI band A: Secondary                                       | 843  | 865   | 865   |
| Low prior attainment: Primary                                 | 1,069  | 1,095   | 1,095   |
| Low prior attainment: Secondary                               | 1,616  | 1,660   | 1,660   |
| English as an additional language: Primary                    | 537  | 550   | 550   |
| English as an additional language: Secondary                  | 1,445  | 1,485   | 1,485   |
| Mobility: Primary   | 878  | 900   | 900   |
| Mobility: Secondary   | 1,255  | 1,290   | 1,290   |
| School led funding  |  |   |   |
| Lump sum: Primary   | 114,814  | 117,800   | 117,800   |
| Lump sum: Secondary   | 114,814  | 117,800   | 117,800   |
| Sparsity: Primary   | 26,094   | 45,000  | 45,000  |
| Sparsity: Secondary   | 67,845   | 70,000  | 70,000  |
| Premises  |  |   |   |
| Split Sites (criteria specified locally)                      | Applies to three schools                               | Outside of NFF                                    | Continue 2020-2021 criteria   |
| Private Finance Initiative (PFI) (criteria specified locally) | Applies to 6 schools                                   | Outside of NFF                                    | Continue 2020-2021 criteria   |
| Rates (to be funded based on actual charges)                  | Funded on actual charges                               | Outside of NFF                                    | Funded on actual charges  |
| Exceptional factors (criteria specified locally)              | Applies to two schools                                 | Outside of NFF                                    | Continue 2020-2021 criteria   |

**Agenda item 7**

**De-delegation – Proposals for 2021-2022**

**Purpose of the Report**

1. The purpose of this report is to agree the services to be de-delegated by maintained primary and secondary schools for 2021-2022.

**Recommendations**

2. The Schools Forum (primary and secondary school representatives) is requested to agree the services to be de-delegated to the Local Authority for 2021-2022.

**Background**

3. Since 2013, Schools Forum has agreed annually the de-delegation of funds for maintained schools. This arrangement of pooling funds to cover specific purposes and is proposed again for 2021-2022 to cover maintained schools collectively from costs arising from the following:

|   | Primary | Secondary |
|---|---------|-----------|
| Suspensions                             | ✓       | ✓         |
| Free School Meal Eligibility Assessment | ✓       | ✓         |
| Maternity cover                         | ✓       |           |
| Trade Union Facilities                  | ✓       | ✓         |
| Software licences (SIMS and CLEAPS)     | ✓       | ✓         |

4. Guidance on the operation of de-delegated services issued by the ESFA includes the following requirements:
  - the requirement to make a clear statement of how the funding is to be taken out of the formula
  - reporting unspent de-delegated funding at the year end to Schools Forum
  - local authorities retaining de-delegated funding up to 1 September for Academy conversions occurring up to this date. Full year de-delegation to be retained for conversions after 1 September. This is to allow services to plan operations for the financial year
  - local authorities are able to carry over unspent de-delegated central expenditure to be used for the same purpose. This ensures that funds can be carried forward without having to be allocated through the formula again and ensures funding that maintained schools de-delegate continues to be available for the use of maintained schools.

## Consultation with schools

- The options to continue to de-delegate funds for the next financial year were included in the consultation with schools in October 2020. Schools were asked to consider whether the amount delegated to them on a per pupil basis allows them to meet the costs or buy in the services they need individually. The rationale for de-delegation is to achieve economies of scale and to pool risk across schools for these costs.
- A summary of the number of responses to the consultation is shown below. There is clear support for the continuation of de-delegation for all items.

### Primary maintained schools

|  | Strongly agree | Agree | Neither agree or disagree | Disagree | Strongly disagree | Total |
|--|----------------|-------|---------------------------|----------|-------------------|-------|
| Contingencies to cover suspensions       | 9              | 13    | 6                         | 2        | 0                 | 30    |
| Free school meals eligibility assessment | 11             | 15    | 3                         | 1        | 0                 | 30    |
| Licences                                 | 7              | 17    | 3                         | 2        | 0                 | 29    |
| Staff costs- supply cover for maternity  | 12             | 16    | 2                         | 0        | 0                 | 30    |
| Staff costs - trade union facilities     | 4              | 17    | 7                         | 2        | 0                 | 30    |

### Secondary maintained schools

|  | Strongly agree | Agree | Neither agree or disagree | Disagree | Strongly disagree | Total |
|--|----------------|-------|---------------------------|----------|-------------------|-------|
| Contingencies to cover suspensions       | 2              | 8     | 0                         | 0        | 0                 | 10    |
| Free school meals eligibility assessment | 3              | 6     | 1                         | 0        | 0                 | 10    |
| Licences                                 | 3              | 6     | 0                         | 0        | 1                 | 10    |
| Staff costs - trade union facilities     | 1              | 8     | 1                         | 0        | 0                 | 10    |

## Forecast Financial Position for 2020-2021

- For 2020-2021, schools de-delegated a total of £819k (£724k primary, £95k secondary) and carried forward net underspends of £38k from 2019-2020 to give

£857k in total de-delegated funds. At November 2020, a net underspend is forecast of £113k due to lower calls on the primary maternity budget.

### Principles for managing de-delegated fund

8. The principles for managing de-delegated funds as agreed with Schools Forum in 2014-2015 will continue so that:
  - (i) The 2020-2021 underspend is carried forward as allowed by the School Finance Regulations to offset further de-delegation in 2021-2022.
  - (ii) Primary and Secondary de-delegation to be managed separately to ensure the de-delegation rates reflect expenditure within each sector.
  - (iii) Total de-delegation to reduce as schools transfer to Academy in line with reduced pupil numbers and number of schools as the level of expenditure will reduce accordingly with fewer schools.

### Proposed amounts for de-delegation 2021-2022

9. The proposed level of de-delegation for 2021-2022 is based on establishing pooled budgets at 2020-2021 levels, adjusted for pupil numbers, inflation/pay awards and this year's forecast underspend being carried forward. The de-delegation unit value for free school meal eligibility has been amended from free school meal ever 6 (FSM 6) pupil numbers to free school meal numbers since this can now be reflected in the funding formula factors. This demonstrates an equal contribution from both sectors which was previously distorted by the differing proportions on FSM 6. In summary the proposed rates for de-delegation are shown in the table below against 2020-2021 rates.

|           | 2021-2022 rates |           |               | 2020-2021 rates |           |                 |
|-----------|-----------------|-----------|---------------|-----------------|-----------|-----------------|
|           | Lump sum        | Per pupil | Per FSM pupil | Lump sum        | Per pupil | Per FSM 6 pupil |
| Primary   | £2,057          | £17.05    | £5.90         | £2,057          | £21.56    | £4.90           |
| Secondary |                 | £9.76     | £5.90         |                 | £9.10     | £4.14           |

### Next Steps

10. The agreed rates for de-delegation to be included in the School Funding Formula submission to the ESFA for the 21 January deadline. De-delegated funds will be deducted from schools opening budgets and details included in the budget letter issued to individual schools before the statutory deadline of 28 February 2021.

## **Agenda Item 8**

### **Financial Transparency of Local Authority Maintained Schools Consultation Outcome**

#### **Purpose of the Report**

1. This report is to update Schools Forum with the outcome of the Department for Education (DfE) consultation on Financial Transparency of Local Authority Maintained Schools published in July 2020 and the actions arising for local authorities and schools.

#### **Recommendations**

2. The Schools Forum is requested to note the outcome of the government consultation and new measures to be communicated to maintained schools.

#### **Background**

3. The DfE consultation on financial transparency arrangements ran from 17 July to 30 September 2019 and sought the views of LAs, maintained schools and other interested organisations and individuals. The consultation outlined the current financial transparency arrangements for maintained schools and academy trusts and put forward a number of proposed changes. Based on the view that the current transparency measures used in academies are generally stronger than those in the maintained school sector, the consultation focused on using or adapting existing academy measures to help change and improve maintained schools' financial transparency and financial health. A consultation response was submitted by Cheshire West and Chester officers incorporating views from the Finance Subgroup.

#### **Consultation outcome**

4. The outcome of the consultation was delayed due to Covid 19 and was published in July 2020. The government's response is available in full at the following link [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/902003/Financial\\_transparency\\_consultation\\_response\\_July\\_2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902003/Financial_transparency_consultation_response_July_2020.pdf)
5. The proposals that will be taken forward by the DfE are as follows:

Proposal 1: The DfE will publish names of LAs on gov.uk if they fail to comply with deadlines for returns to the Department (commencing 2020-21).

Proposal 2a: The DfE will collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement

signed by the LA Chief Financial Officer (CFO) at the end of the financial year (from 2020-21).

Proposal 2b: The DfE will add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud (from 2020-21).

Proposal 3: The DfE will make a directed revision to LAs' schemes for financing schools to make it a requirement for maintained schools to provide LAs with three-year budget forecasts (from 2021-22). Please note this is already a requirement in the Cheshire West and Chester scheme.

Proposal 4a: The DfE will make schools append a list of Related Party Transactions (RPTs) to their response to the question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs. In addition, they will insert additional columns into the CFO Assurance Statement, so that the number of RPTs and value for each can be disclosed (from 2021-22).

Proposal 6a: The DfE will make a directed revision to LAs' schemes for financing schools, requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5% (at 31 Mar 2021). Please note that in Cheshire West and Chester recovery plans are required for all licenced deficits.

Proposal 6b: The DfE will collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.

Proposal 6c: The DfE will formalise the approach to working with LAs and include a request for high level action plans from some LAs. This will be achieved by:

- Sharing published data on the school balances in each LA.
- Using this data and evidence-based requests from LAs to ensure support is focused where it is needed.
- Requesting high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level.

Proposal 7: The DfE will require all LA maintained schools to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings (1 Jan 2021).

Proposal 8: The DfE will require LA maintained schools to publish a link to the schools financial benchmarking website, where the Consistent Financial Reporting (CFR) statement of income, expenditure and balances is already published (1 Jan 2021).

6. Whilst some of the proposals are already in place in Cheshire West and Chester schools with regards to three year forecasts and deficit recovery planning, there will be increased scrutiny on the Local Authority in relation to the financial position and controls in schools which may require additional disclosures of information. In the first instance, schools will need to implement proposals 7 and 8 from January 2021.

## **Next steps**

7. A communication will be sent to maintained schools with the Schools Financial Value Standard communication in January 2021 detailing the actions needed to comply with the new proposals.

**Cheshire West and Chester  
Schools Forum  
12 January 2021**

**Agenda item 10**

**Schedule of meetings 2020-2021**

**Schools Forum – all meetings 4.30pm – 6.30pm**

| <b>Date</b>  | <b>Venue</b>                       | <b>Proposed agenda</b>   |
|--|------------------------------------|--|
| Monday<br>8 February 2021<br>to avoid clash with<br>CWAPH conference | MS Teams<br>(subject to<br>change) | <ul style="list-style-type: none"> <li>• Combined Budgets and Miscellaneous Expenditure</li> <li>• DSG Allocations for 2021-2022 and Budget Setting Proposals</li> <li>• Early Years funding formula for February submission</li> <li>• Special Educational Needs (SEN) Funding for Mainstream and Special Schools – Funding from the High Needs Block 2021-2022</li> <li>• Central Spend budgets 2021-2022</li> </ul>                                     |
| Tuesday<br>6 July 2021   | MS Teams<br>(subject to<br>change) | <ul style="list-style-type: none"> <li>• School funding arrangements –national data comparison 2021-2022</li> <li>• School funding arrangements for 2022-2023</li> <li>• Directed revisions to schemes for financing schools</li> <li>• DSG 2020-2021 outturn</li> <li>• Financial year 2020-2021 analysis of schools' balances (including Academies)</li> <li>• Annual review of Schools Forum membership, constitution and terms of reference</li> </ul> |

**Schools Forum Finance subgroup**

| <b>Date</b>             | <b>Time</b>    | <b>Venue</b>                 |
|-------------------------|----------------|------------------------------|
| Tuesday 19 January 2021 | 2.00 – 4.00 pm | MS Teams                     |
| Tuesday 15 June 2021    | 2.00 – 4.00 pm | MS Teams (subject to change) |

**Schools Forum High Needs subgroup**

| <b>Date</b>   | <b>Time</b>    | <b>Venue</b> |
|---|----------------|--------------|
| Tuesday 19 January 2021 - joint meeting with Finance subgroup | 2.00 – 4.00 pm | MS Teams     |
| Wednesday 27 January 2021 - Provisional                       | 2.30 – 4.00 pm | MS Teams     |