

Cheshire West & Chester Council

Cheshire West and Chester Schools Forum

Monday 8 February 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

Telephone: 07584206913

Agenda for Cheshire West and Chester Schools Forum 8 February 2021

| | | | | |
|----|----------------|---|----------------|--------------|
| 1. | 4.30 | Introductions and apologies | | |
| 2. | 4.35 | Minutes and matters arising of last meeting 2.1 To agree the minutes held 12 January 2021 2.2 Matters arising | | Page 4-8 |
| 3. | | Dedicated Schools Grant (DSG) budget setting 2021-2022 | Natalie Cole | Page 9-17 |
| 4. | | Early Years Funding for 2021-2022 | Natalie Cole | Page 18-21 |
| 5. | | Arrangements for funding from the High Needs Block 2021-2022 | Debbie Freeman | Page 22-28 |
| 6. | | Introduction to the DFE DSG management tool | Natalie Cole | To be tabled |
| 7. | 6.25 | Any Other Business | | |
| 8. | 6.30 Finish | Next meeting: Tuesday 6 July 2021 Schedule of meetings 2020-2021 | | Page 29 |

**Cheshire West and Chester
Schools Forum
8 February 2021**

Agenda item 2

Minutes of Cheshire West and Chester Schools Forum, virtual meeting, on 12 January 2021

| Members | Representing | Attendance |
|------------------------------|--|-------------------|
| Schools and Academies | | |
| 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 |
| Sharon Broughton | Primary governors | Attended |
| Duncan Haworth (Chair) | Primary governors | Attended |
| Helen Hill | Primary governors | Apologies |
| David Nield | Primary governors | Apologies |
| Nick Lacey | Primary governors | Attended |
| Lisa Rigby | Primary governors | Substitute |
| David Curry | Secondary headteachers | Attended |
| Mike Holland | Secondary headteachers | Apologies |
| John Freeman | Secondary governors | Attended |
| Rob Williams | Secondary governors | Attended |
| Mike McCann | Special headteachers | Attended |
| Phil Hopwood | Special governors | Attended |
| Katie Tyrie | Nursery headteachers | Attended |
| Andy Stewart | PRU | Attended |
| Sarah Connolly | Academies - mainstream | Attended |
| Darran Jones | Academies - mainstream | Attended |
| Luci Jones | Academies - mainstream | Attended |
| Jason Lowe | Academies - mainstream | Attended |
| Helen Studley | Academies - mainstream | Attended |
| Lyndsay Watterson | Academies - mainstream | Attended |
| Marie Allen | Academies - special | Attended |
| Non Schools | | |
| Sue Anderson | PVI early years providers | Attended |
| Kathryn Magiera | Diocese | Absent |
| Caroline Vile | Diocese | Apologies |
| Greg Foster | Unions | Attended |
| Geoff Wright | Unions | Absent |
| Rob Pullen | CWAPH | Attended |
| Cat Hirst | PVI early years providers | Attended |
| Vacancy | 16-19 providers | Vacancy |
| Official Observers | | |
| 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 |
| Laura Sutton | Children's Services Liaison Manager |

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 and welcomed the new members to the meeting.

New reps

| | | |
|--------------|----------------------|--------------------|
| Nick Lacey | Whitby Heath Primary | Primary Governor |
| Rob Williams | Blacon High | Secondary Governor |

New subs

| | | |
|----------------|--|--------------------|
| Lisa Rigby | Great Budworth & Antrobus St Marks CE Federation | Primary Governor |
| David Rowlands | Upton High | Secondary Governor |

2. Minutes and matters arising of last meeting**2.1 To agree the minutes from the meeting held 20 October 2020**

The minutes of the meeting held on the 20 October 2020 were agreed as a correct record.

2.2 Matters arising**2.2.1 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 Haworth reported that a joint meeting of the High Needs and Finance subgroups had been arranged for 19 January 2021.

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

Mike McCann referred to the 'CWASSH schools balance summary' report, circulated separately to the main papers which reported that budgets were being effectively managed and for those which historically exceeded 8% there was clear evidence that balances were falling and would continue to fall below 8%. Mike also reported that due to COVID there was extra expenditure such as cleaning and some capital projects had not gone ahead.

Rob Pullen commented that balances varied across primary schools and some contingencies were being whittled away due to COVID related costs.

Duncan asked that all schools continue to look at their balances.

2.2.3 Item 3 Dedicated Schools Grant (DSG) 2020-2021 Forecast Outturn at First Review

Natalie Cole reported that the DSG overspend recovery plan item had been deferred to the next meeting in February.

3. Education – Basic Need Capital Programme 2021-2025

Laura Sutton introduced the report which provided Schools Forum with an update on the Education Basic Need Capital Programme.

Laura provided a presentation which explained the background to forecasting pupil numbers to ensure enough school places in the local area which formed the basis for basic needs funding. It was noted that forecasts were reviewed year on year as new housing developments would impact on pupil forecasts. Laura also provided some clarification on interpreting the scorecard data document.

Laura referred Forum to appendix 1 and the basic needs programme for 2021-2025; it was noted that where the estimated places stated n/a, this was because no data was currently available. In relation to Chester South they were looking at what impact the Wrexham Road new build might have on pupil numbers.

In response to a question regarding funding for buildings in a poor condition, Laura reported that there was separate funding for this managed by QWEST, and where appropriate Education would liaise with QWEST to collaborate on join projects.

Resolved that Schools Forum note the paper.

4. Dedicated Schools Grant (DSG) 2020-2021 Forecast Outturn at Third Review

Natalie Cole introduced the item providing an update on the financial forecast outturn position for 2020-2021 for centrally held DSG as reported at the Third Review of Financial Performance.

Natalie took Forum members through the key variances contributing to the forecast overspend, as outlined under paragraph 4. Natalie referred Forum to paragraph 6 and the distribution of remaining balances. It was noted that, due to the current national lockdown and funding cap at 85% of January 2020 take-up, the position on early years funding and cost was not clear, further clarification was needed before a decision could be made regarding further temporary distribution of funds.

Sue Anderson sought clarification regarding a recent communication from Daniel Spry, Early Years Consultant, implying that early years funding levels would remain the same for this term. Natalie responded that it was unclear at the moment if this

would be the case as further guidance was needed regarding recouping funds for pupils that had not attended due to COVID or had chosen not to attend. Natalie was due to meet with Daniel on 13 January.

Sue reported that many settings were running on 50% capacity and asked if authorities were lobbying on this issue. Natalie responded that she was aware that other authorities had flagged this issue and David McNaught reported that the authority was in regular contact with the DfE and had flagged concerns regarding early years funding.

It was also noted that this was the first time the DSG had been in deficit and further consideration as to how to comply to the DfE deficit recovery plan meant that the budget setting item had been deferred to February Schools Forum.

Resolved that Schools Forum note the Third Review position on the DSG and next steps.

5. Indicative Dedicated Schools Grant Allocations for 2021-2022

Natalie Cole took Forum members through the report which detailed the provisional allocation figures for the DSG for 2021-2022.

Forum members attention was drawn to paragraph 7 and the Early Years Block. Forum was reminded that the two-year-old funding rate was the rate to the local authority not early years settings and CW&C remained at the minimum level of funding for three- and four-year olds.

It was also noted that this was the last year for the free school meals supplementary grant.

Resolved that Schools Forum note the indicative allocations and the next steps for confirming the DSG budget proposals for 2021-2022.

6. Draft of 2021-2022 School Funding Formula for January Submission

Natalie Cole introduced the report which detailed the draft School Funding Formula for 2021-2022.

It was noted that the rates charges were not available at this time, as outlined in paragraph 11, and the school funding formula would not be final until confirmed compliant by the ESFA in February.

Natalie drew Forum members attention to the changes to the IDACI (Income Deprivation Affecting Children Index) factor as outlined in paragraph 9. It was noted that schools were protected against adverse changes in data with the positive Minimum Funding Guarantee.

Resolved that Schools Forum (School, Academy and PVI representatives) endorse the draft funding formula submission to the ESFA, pending the update to rates charges.

7. De-delegation – Proposals for 2021-2022

Natalie Cole introduced the report which outlined the services for consideration for de-delegated by maintained primary and secondary schools for 2021-2022. It was noted that there were no real changes from previous years and the same principles for managing de-delegated funds applied, as outlined in paragraph 8.

Forums attention was drawn to paragraph 9 and the proposed amounts for de-delegation. It was noted that the de-delegation unit value for free school meal eligibility had been amended from FSM 6 (free school meal ever 6) to FSM numbers addressing a previous distortion by the differing proportions on FSM 6. Primary per pupil rate had decreased to reflect the underspend on maternity.

Sarah Curtis sought an update on the proposal suggested at the last Forum to use the primary maternity de-delegated fund underspend to support additional maternity costs resulting from staff member coming out of class early due to COVID. Natalie reported that this had provided difficult as the relevant data was not recorded so funds could not be targeted appropriately, and insurance policies were already providing for cover; the decision had been made to allocate the underspend to all primary schools by reducing the de-delegation rate.

Greg Foster thanked colleagues for continuing to support de-delegated funds for trade union facilities and acknowledged the impressive way union reps had continued to work in schools and what they had achieved during this crisis.

Resolved that the Schools Forum agree the services to be de-delegated to the Local Authority for 2021-2022 as set out in the paper under paragraph three (Vote: Primary unanimous; Secondary unanimous).

8. Financial Transparency of Local Authority Maintained Schools Consultation Outcome

Natalie Cole took Forum members through the report to update Schools Forum with the outcome of the DfE consultation and the actions arising for local authorities and schools.

Forums attention was drawn to paragraph 5 and the proposals taken forward by the DfE with particular reference to proposal 7 and 8 and the requirement for maintained schools to comply from 1 Jan 2021.

Resolved that Schools Forum note the outcome of the government consultation and new measures to be communicated to maintained schools.

9. Any Other Business

None to report.

10. Next meeting

Monday 8 February 2021 4.30 - 6.30 virtual.

Agenda Item 3

Dedicated Schools Grant Budget Setting Proposals 2021-2022

Purpose of the Report

1. Further to the illustrative Dedicated Schools Grant (DSG) allocation figures tabled to Schools Forum in January 2021, this report presents the budget proposals for the next financial year based on those allocations. The report also includes details of central expenditure budgets that require Schools Forum approval on an annual basis.

Recommendations

2. The Schools Forum is requested to:-
 - i. Endorse the draft DSG budget proposals in Appendix A for approval by Council.
 - ii. Approve the central spend budgets in Appendix B
 - iii. Agree the proposal to review future funding arrangements for the Duke of Edinburgh programme (see paragraph 16)
 - iv. Note the next steps for confirming the DSG budget proposals and DSG recovery plan.

Background

3. The indicative DSG allocation for 2021-2022 was made available by the Education and Skills Funding Agency (ESFA) in December 2020 and reported to Schools Forum at the January 2021 meeting. This information forms the basis of the budget proposals for 2021-2022.

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 indicative next year allocation by funding block is shown in the table below.

| DSG Allocation Block | Final 2020-2021 £000 | Indicative 2021-2022 £000 | Change £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 |
| Total DSG Allocation | 278,596 | 302,022 | 23,426 |

5. The increase in local authority DSG allocation for 2021-2022 of £23.4m includes £11m of teacher's pay and pension grants that have been mainstreamed into the DSG and so the real increase in funding for CW&C is £12.4m (4%).
6. Of this increase there is:
 - 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. A transfer from the schools block to the high needs block of £1.1m (0.5%) has been approved.
 - £11m of teacher's pay and pension grants allocated as separate grants in 2020-21 that have been mainstreamed into the DSG in 2021-22.
 - A £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. There has been agreement from Schools Forum and Cabinet to transfer 0.5% (£1.1m) of Schools Block funding to the high needs block in view of the pressures. Therefore, the additional funding for high needs in 2021-2022 is £4.8m.
 - 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.

Deficit reported at Third Review

7. At Third Review, the centrally held DSG budget was forecast to overspend by £1.612m. With £0.426m remaining in the DSG Unapplied Grant Reserve, the Local Authority will for the first time be reporting an overall deficit position on the grant at the end of the year. Within the forecast net overspend, there are some significant variances against budgets across the DSG funding blocks. The driver of the DSG overspend is increasing demand for high needs provision which is forecast to overspend by £2.595m. This is being partially offset by underspends in other areas of the grant.

Accounting for a deficit on DSG

8. In view of the increasing risk to a number of local authorities reporting a deficit balance on the DSG, the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 were laid in November 2020. The regulations provide that any DSG deficit at the end of 2020-2021 must not be charged to a general fund but must be charged to a separate fund used solely for the purpose of recognising deficits in respect of the central school's budget. This has the effect of separating any such deficit from a local authority's general fund. A deficit must be carried forward to be funded from future DSG income, unless permission is sought from the Secretary of State for Education to fund the deficit from general resources. The same arrangements will apply in 2021-2022 and 2022- 2023.

Deficit recovery guidance

9. The current DSG conditions of grant 2020-2021 requires that any local authority with an overall DSG deficit at the end of 2019-2020, or whose DSG surplus has substantially reduced during the year, be able to present a plan to the Department for Education (DfE) for managing their future DSG spend. Assuming the conditions of grant remain unchanged, it is expected that this will be a requirement for CW&C in 2021-2022.
10. Recognising that many local authorities are now in a deficit position due to pressures on high needs block spend, a Management Plan template has been designed to help local authorities to develop evidence-based strategic plans covering the provision available for children and young people with special education needs and disabilities (SEND). The DfE encourage all local authorities to use the template as a planning tool, to aid discussion with internal and external bodies, parent and carer forums and elected members. It should be kept updated throughout the year to reflect the most recent forecast position and be viewed as an on-going live document including being presented regularly at Schools Forum meetings. The DfE expects the chief financial officer and appropriate SEN colleagues to review and sign off the report periodically.
11. Where a local authority has a substantial in-year overspend or cumulative DSG deficit balance at the end of the financial year, its management plan should look to bring the overall DSG account into balance within a timely period. In all cases, the department expects local authorities' management plans to focus on how they will bring in-year spending in line with in-year resources and to address whatever the main causes of overspending on the DSG have been. The DfE recognises that there may well be some authorities will still not be able to pay off their historic deficit from the DSG over the next few years. In these cases, DfE expects to work together with the local authority to agree a plan of action to enable the local authority to pay off its deficit over time.

Development of the recovery plan

12. The following next steps are proposed to develop the DSG recovery plan for CW&C
 - Data on the number of pupils being supported, associated costs and recommendations from the High Needs Strategic Review are to be tabled to Schools Forum in February 2021.
 - 2021-2022 savings proposals are to be tabled to Schools Forum February 2021 and included in Council budget report, pending that approval.
 - The Schools Forum High Needs Sub Group are to be convened February/March to take forward the reprioritisation of funding and pilot projects arising from the Strategic Review workstreams.
 - Further development of proposals for 2022-2023 are to be drafted from summer term 2021 onwards.

Budget setting proposals 2021-2022

13. Appendix B outlines budget proposals for approval by Schools Forum for the Individual School Budgets (ISB), central school's services, early years and high needs spend. Draft proposals would see increases in ISB of £17.585m, £5.699m to high needs budgets and £0.313m to early years and a reduction of £0.172m to central services. These proposals are based on the following principles.

14. In view of the deficit position and expectation of continuing growth in high needs provision, the following approach is being recommended to set the budget for the High Needs Block and was discussed with the Finance Sub Group at the January 2021 meeting.

- Of the additional high needs block allocation, £2.4m will be required to meet the continuation of existing commitments. This leaves £2.4m available for further growth. If growth continued as anticipated at the same level as in 2020-2021, an additional £2.8m would be needed in 2021-2022. In view of the existing commitments and anticipated further growth, it is proposed to delay the recovery of the existing DSG deficit in 2021-2022.
- The Local Authority will plan for a balanced in year budget by identifying achievable savings by:
 - Setting an achievable vacancy management savings target for the service of £0.146m
 - Reviewing the mainstream top up funding mechanism to achieve savings of £0.150m
- The Local Authority propose not to increase special school and alternative provision commissioned places for 2021-2022 but to retain the agreed process for funding additional costs where increases in pupil numbers cannot be accommodated from additional top up funding. This will be reviewed on a case by case basis with a full review of special school/alternative provision costs in the summer term to inform future funding.
- In order to take forward recommendations from the High Needs Strategic Review, funding budgeted for further growth will be reprioritised across the sectors to develop pilot alternative approaches to top up funding, satellite models and workforce development in 2021-2022 where this demonstrates savings from higher cost provision.

15. For the early years block it is proposed to allocate the additional national allocation (6p per hour for three- and four-year olds and 8p for two-year olds) to providers. There will be no requirement to increase centrally retained spend in 2021-2022.

16. In view of the reduction in the Central Schools Services Block (CSSB) funding, it has been necessary to reduce the budgets for historic commitments as follows:

- Specific budgets for the Cheshire West Education Improvement Board and 14-19 officer will be removed. Future funding for these activities will be accessed through the School Monitoring and Brokering Grant alongside school improvement priorities.

- The balance of the reduction of the historic commitments funding will be replaced by a growth in Council funding for school improvement activities.
- In 2020-2021, Schools Forum agreed the continuation of funding for the Duke of Edinburgh programme from a transfer from the Schools Block. This followed the reduction in the Central Schools Services block allocation and was agreed for one year pending a review to terminate the arrangement or move to direct charging to schools. A review of the service level agreement has not been taken forward in 2020-2021 therefore this has been included in the budget proposals again in 2021-2022 with a view to reviewing arrangements further during the year.

Approval of Central Spend

17. Under the School and Early Years Finance Regulations, the Schools Forum have the responsibility for deciding on the budgeted level of funding for a list of central spend activities as defined and reported in the Section 251 budget statement. Decisions are required on the budgets for the activities for 2021-2022 under the section of Central Provision for the Schools Budget. As outlined in Appendix B, there are changes proposed to two of the centrally held budgets in 2021-2022 in line with the budget setting proposals in Appendix A. Some central spend lines are subject to restriction in that the regulations specify they may not exceed the value committed for 2013-2014 for the purpose for which expenditure has already been committed. In all cases where restrictions apply, the proposed value of the budget has not been increased since 2013-2014.

Next Steps

18. For the proposed allocations and budget proposals to form the opening budget for 2021-2022 for approval by Council on 21 February 2021. To include the central spend budgets in the 2021-2022 Section 251 Budget statement submission to the DfE for April 2021.

Appendix A Dedicated Schools Grant - 2021-2022 - Budget setting proposals

| Ref | | Schools Block £000 | High Needs £000 | Early Years £000 | Central Services £000 | Total £000 | Notes |
|-----|--|-----------------------|--|---------------------|--------------------------|--|---|
| 1 | Additional funding through the Schools block funding formula Operation of approved funding formula and October 2020 pupil numbers | 17,810 | | | | 17,810 | Based on formula agreed by Cabinet |
| | Subtotal - school funding formula | 17,810 | 0 | 0 | 0 | 17,810 | |
| 2 | Growth in high needs budgets to meet current level of expenditure Increase special school top up funding budget Increase mainstream top up funding Increase independent school fees budget Increase inter authority budget Increase post 16 budget Increase alternative provision budget Align funding to early years inclusion fund | | 314 890 45 434 599 43 -200 | | | 314 890 45 434 599 43 -200 | Increase in expenditure budget required to meet existing commitments based on forecast spend November 2020 |
| | Subtotal | 0 | 2,124 | 0 | 0 | 2,124 | |
| 3 | Growth in high needs - full year effect of 2020-2021 expenditure Special school commissioned places Special school top up for academic year Academy and Further Education commissioned places | | 180 51 97 | | | 180 51 97 | Increase in expenditure budgets to meet the full year costs of increases in academic year costs. |
| | Subtotal | 0 | 328 | 0 | 0 | 328 | |
| 4 | Growth in high needs - new expenditure Hospital education inflationary increase Mainstream top up funding Special school top up funding Independent school placements Special schools to support increase numbers | | 46 840 366 549 408 | | | 46 840 366 549 408 | National allocation for regional facility Previous year's annual growth - 120 additional pupils at £7k (10% increase) Previous year's annual growth - 30 additional pupils Previous year's annual growth Equivalent to 70 places from Sept 2021 |

| | | | | | | | |
|----------|---|---------------|--------------|------------|-------------|---------------|--|
| | Post 16 top up funding | | 152 | | | 152 | Previous year's annual growth |
| | Inter authority placements top up funding | | 221 | | | 221 | Previous year's annual growth |
| | Import/export adjustment | | 300 | | | 300 | Allows for growth for 50 pupils |
| | Passport TPG/TPECG allocation to schools | | 851 | | | 851 | National funding formula allocation |
| | Vacancy management savings | | -87 | | 37 | -50 | Existing gap to funded establishment |
| | Subtotal | 0 | 3,648 | 0 | 37 | 3,685 | |
| 5 | Review 2020-2021 allocations | | | | | | |
| | Removal of funding for inclusion projects | -200 | | | | -200 | Review of 2020-2021 budgets required to set an in year balanced budget |
| | Removal of funding for workforce development | | -105 | | | -105 | |
| | Funding of Duke of Edinburgh scheme | -25 | | | 25 | 0 | |
| | Savings target for vacancy management savings | | -146 | | | -146 | |
| | Savings target for mainstream top up funding | | -150 | | | -150 | |
| | Subtotal | -225 | -401 | 0 | 25 | -601 | |
| 6 | Early years allocation to providers | | | | | | |
| | 3 and 4 year old free entitlement | | | 173 | | 173 | Allocations in line with national funding formula allocations |
| | Disability Access Funding | | | 21 | | 21 | |
| | Extended hours | | | 84 | | 84 | |
| | 2 Year Olds | | | 35 | | 35 | |
| | Subtotal | 0 | 0 | 313 | 0 | 313 | |
| 7 | Centrally held budgets | | | | | | |
| | Increase on copyright licence deduction | | | | 5 | 5 | To match increased charge from DfE |
| | Reduction in historic commitments funding - CWEIB | | | | -35 | -35 | Removal of specific budget |
| | Reduction in historic commitments funding - 14-19 | | | | -60 | -60 | Removal of specific budget |
| | Reduction in historic commitments funding - school improvement budget | | | | -107 | -107 | Reduction in DSG to be offset by growth in Council funding |
| | Reduction in ongoing commitments statutory services | | | | -37 | -37 | |
| | Subtotal | 0 | 0 | 0 | -234 | -234 | |
| | Net change in budgets | 17,585 | 5,699 | 313 | -172 | 23,426 | |
| | Change in allocation | 18,694 | 4,616 | 313 | -197 | 23,426 | |
| | Transfers between blocks | -1,109 | 1,084 | 0 | 25 | 0 | |

Appendix B Central Spend Budgets 2021-2022

Table 1 – Central spend budgets by Section 251 activity

| Line Description | Restriction to previous year's expenditure | 2021-2022 £000 | 2020-2021 £000 | Change £000 | Reason for Change |
|--|--|----------------|----------------|-------------|--|
| Central expenditure on children under 5 | No | *839 | 839 | 0 | No change proposed |
| Contribution to combined budgets | Yes | *405 | 587 | -202 | See table 2 and 3 - Reduction in budgets following reduction in CSSB allocation. LA funding is to be allocated to School Improvement (subject to Council approval) which does not require approval in this report. |
| School admissions | No | *760 | 760 | 0 | No change proposed. Pay award increases managed from vacancy savings |
| Servicing of schools forums | No | *48 | 48 | 0 | No change proposed. Pay award increases managed from vacancy savings |
| Termination of employment costs | Yes | 0 | 0 | 0 | No expenditure |
| Falling rolls fund | No | 0 | 0 | 0 | No expenditure |
| Capital expenditure from revenue | Yes | 0 | 0 | 0 | No expenditure |
| Prudential borrowing costs | Yes | 430 | 430 | 0 | No change proposed |
| Fees to independent schools without SEN | No | 120 | 120 | 0 | No change proposed. Please note that this is a nominal budget should such places be required and this budget will be used flexibly for high needs provision in year. |
| Equal pay - back pay | No | 0 | 0 | 0 | No expenditure |
| Pupil growth/ Infant class sizes | No | 307 | 307 | 0 | No change proposed |
| Central provision within schools budget (Education Welfare, Asset Management and Statutory Duties) | No | *704 | 741 | -37 | Retained funding for services previously funded from the ESG retained duties rate applicable from April 2017. Reduction in budgets to meet reduction in CSSB funding. |
| Central provision within schools budget (Education Welfare, Asset Management and Statutory Duties) | No | 0 | 0 | 0 | Retained funding for services previously funded from the ESG general duties rate applicable from April 2017. No change proposed. |

*Gross budgets before vacancy management savings attributed to activities.

Table 2 – Combined and Miscellaneous budgets

| Service delivery area | Proposed Allocation in 2021-2022 | Allocation in 2020-2021 | Purpose of the budget |
|--|---|--------------------------------|--|
| Schools' contribution to the LSCB | £89,000 | £89,000 | Subscription for all schools towards the work and function of the Local Safeguarding Children's Board (LSCB) |
| School Improvement and Intervention Team | £241,000 | £348,000 | This funds the School Intervention Team, including the team of Associate School Improvement Advisers. The small central team focuses on the co-ordination, deployment and quality assurance of a larger team of ASIAs. This larger team of ASIAs is not only ensuring that effective monitoring and challenge of schools is taking place but is contributing to the delivery of priorities for the Education Improvement Board. Budget to be reduced by £107,000. £100,000 of LA funding is to be allocated to this activity (subject to Council approval). |
| Raising the participation age and 14-19 support | | £60,000 | To support schools and the LA to improve engagement and outcomes across the 14-19 age range. This includes the ongoing support for schools in the delivery of the 14-19(25) Strategy Specific budget removed in view of removal of funding for historic commitments and retirement of postholder |
| Primary statutory national curriculum assessments | £20,000 | £20,000 | To deliver support for Primary National Assessments including moderation activities. |
| FFT License | £30,000 | £30,000 | To pay for the Fischer Family Trust (FFT) license for all schools (maintained and academies). |
| Commissioning Budget for the Cheshire West Education Improvement Board (CWEIB) | | £35,000 | To provide budget for the CWEIB to commission activity in line with the priorities agreed by the Board. Specific budget of £35,000 removed in view of reduced DSG funding. Activities to be supported from School Intervention budget subject to priorities |
| Support for Duke of Edinburgh Activities | £25,000 | £25,000 | To provide a centrally allocated resource to commission Edsential to deliver a Duke of Edinburgh programme across all schools in the borough. £25,000 CSSB funding to be replaced by school funding |
| Total | £405,000 | £607,000 | |

Agenda Item 4

Early Years Funding for 2021-2022

Purpose of the report

1. This report details the proposed budget allocation for the early years block and funding of the two, three and four-year-old entitlements for 2021-2022 through the Early Years Funding Formula (EYFF) and Early Years Inclusion Support Fund (EYISF). Schools Forum's views are sought on the proposed changes within the report.

Recommendations

2. That Schools Forum review the proposed allocation of the early years block allocation and approve the increase in base rate funding for 2021-2022.

Background

3. This report follows the principles agreed in earlier reports to Schools Forum on the local authority's early years block allocation for 2021-2022. There are no changes proposed to the local Early Years Single Funding Formula from 2019-2020 when the decisions were taken to retain the current funding formula and use of the deprivation, quality and rurality funding supplements as described in **Appendix A**.

Early Years Block allocation

4. 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 eight pence per hour increase to the two-year-old funding rate to local authorities
 - an increase to three and four-year-old rates of six pence with a minimum funding floor for local authorities of £4.44 per child hour (CW&C funding remains at this minimum level).
5. For CW&C this has led to a £0.314m (1.4%) increase in the two-year-old and three and four-year-old funding rates in the early years block. This increase is to be applied to base rates in funding formula to increase funding to all providers. Initial early years block allocations for 2021-2022 are shown in the table below. Allocations will be updated in July 2021 from the headcounts taken at the January 2021 census.

| Early Years Block | Pupil Numbers | Amount per pupil £ | Allocation 2021-2022 £000 |
|---------------------------------------|----------------------|---------------------------|----------------------------------|
| Three and four-year-old universal | 5,059 | 2,531 | 12,804 |
| Maintained nursery school supplement | | | 66 |
| Extended 15 hours | 2,468 | 2,531 | 6,245 |
| Total three and four-year olds | | | 19,115 |
| Two-year olds | 771 | 3,101 | 2,389 |
| Early Years Pupil Premium | 558 | 302 | 169 |
| Disability Access Funding | 146 | 615 | 90 |
| Total Early Years Block | | | 21,763 |

Budget proposals for 2021-2022

6. The proposed EYFF for three and four-year-old entitlements is detailed in Appendix A. Allowing for increases in central spend previously agreed; it is proposed to increase the base rate to all providers from £3.72 to £3.78 for 2021-2022.
7. Following the increase in funded rate for two-year olds, it is proposed to increase the base rate to all providers from £5.22 to £5.30 for 2021-2022 passporting all of the increase in funding.
8. The following sources of funding will continue to be made available for providers in line with current funding allocations and eligibility criteria. The budget for Early Years Inclusion Funding has been reduced (from £719k in 2020-2021) to allow the previous investment from the high needs block to be re-prioritised in the budget plan. There is no impact on providers from this budget realignment as this budget has not been fully spent. Funding will continue to be made to providers in accordance with the existing assessment framework.

| Budget heading | Budget £000 |
|-------------------------------|-------------|
| Early Years Pupil Premium | 169 |
| Disability Access Funding | 90 |
| Early Years Inclusion Funding | 519 |
| Total | 778 |

9. Further detail on the budgets held as central spend are shown in the table below and are unchanged from 2020-2021. The central spend budget accounts for 4% of the total early years block allocation and therefore complies with the central spend cap of 5% of three and four-year-old funding (and the requirement to passport 95% of the allocation to providers).

| Budgeted central spend | Budget £000 |
|---|----------------|
| Commissioning Team | 121 |
| Early Years Consultants and Early Years Childcare Advisors | 439 |
| Early Years Workers | 271 |
| Ongoing maintenance for the provider hub | 8 |
| Total | 839 |

Consultation for 2022-2023

10. The EYFF was last reviewed for the 2019-2020 financial year when changes were last made to national requirements for formula allocations. To ensure the formula is regularly reviewed, officers will commence a review with the Early Years Reference Group in the summer term. Expecting that any national guidance will be available at the end of the summer term, officers will prepare a consultation on any proposed changes for distribution to providers in September 2021. This will enable Schools Forum to recommend any proposed changes to Cabinet later in the autumn term.

Next Steps

11. To implement the EYFF funding rates for 2021-2022 and notify providers in accordance with the statutory timeframe of 31 March 2021.

Appendix A Proposed Cheshire West and Chester 2021-2022 Early Years Single Funding Formula

| National Funding Formula Requirement | Proposed Cheshire West and Chester 2021-2022 Early Years Single Funding Formula |
|--|---|
| Base rate | Base rate of £3.78 per child per hour |
| <p>Mandatory supplement</p> <p>Deprivation: Local authorities must use this supplement to recognise deprivation in their areas.</p> | <p>Additional payment based on the number of children attending the Setting who reside in the 30% most disadvantaged areas in England on the Income Deprivation Affecting Children Index (“IDACI”) or in the 30% most disadvantaged areas in Wales on the Welsh Index of Multiple Deprivation. Payment of £0.005 per child per hour will be made based on the percentage of Eligible Children residing in such an area attending the Setting (e.g. if 40% of Eligible Children attending the setting live in a 30% IDACI area, the Provider will receive (£0.005x40) £0.20 per child per hour).</p> |
| <p>Discretionary supplements</p> <p>Rurality/sparsity: A rurality/sparsity supplement is permitted to allow local authorities to support providers serving rural areas less likely to benefit from economies of scale.</p> | <p>Rurality supplement - £2,000 lump sum if the Setting is defined as being in a Rural or Pre-dominantly Rural Census Output Area under the Council’s Rural / Urban Classification; is more than two miles from the next nearest providers and has below 77% occupancy according to the January 2021 census.</p> |
| <p>Quality: A quality supplement is permitted to support workforce qualifications</p> | <p>Qualification Supplement - Additional payment based on the highest qualified staff member at the Setting. If the highest qualified staff member holds an appropriate Qualified Teacher Status the Provider will receive £0.25 per child per hour. If the highest qualified staff member holds Early Years Professional Status the Provider will receive £0.15 per child per hour.</p> <p>Eligibility to be verified at the January 2021 census and includes the provision of progress and tracking data.</p> |

Agenda Item 5

Arrangements for funding from the High Needs Block 2021-2022

Purpose of the Report

1. The purpose of this report is to update Schools Forum on proposed arrangements for allocations from the High Needs Block for 2021-2022 for commissioned places and top up funding.

Recommendations

2. Schools Forum is asked to provide a view on the proposals within the report on financial arrangements for high needs pupils in 2021-2022 for the following:
 - i. To retain current top up funding rates, commissioned places and exceptional funding arrangements in Appendices A, B and C, unchanged from 2020-2021.
 - ii. Top up funding without an EHCP to be allocated at Band 3A only from April 2021.
 - iii. Allocations of mainstreamed Teacher's Pay Grant (TPG) and Teacher's Pension Employer Contributions Grant (TPECG) to special and alternative provision schools to be allocated as a lump sum.

Background

3. Further to the budget setting proposals set out in agenda item 3, this report provides further detail on the funding arrangements for high needs pupils in 2021-2022. These proposals are made in the context of the continuing pressures on the high needs block and the approach to setting a balanced in year budget for this financial year whilst longer term plans are developed. There are no proposals to change current commissioned places (Appendix A) or top up rates (Appendix B) and exceptional funding criteria (Appendix C) to allocate funding to schools for high needs pupils from 2020-2021. Schools taking pupils over their commissioned numbers will continue to be supported with exceptional funding as described in the appendix rather than through a change of commissioned places.

Top up funding without an EHCP

4. Top up funding was originally set up as individual pupil funding (IPF) in 2007 as a way of getting some additional funding to support children with SEN who did not require a statement of SEN. However, over the years it has increased the funding allocated without a statutory plan to a point that we now have 412 children

accessing top up funding without a statutory plan (EHCP) at a cost of £2.3 million for 2020/21 to date, an increase from £1.8 million 2019/2020.

5. The current system of top up funding creates challenges for parents, schools and the local authority in terms of equality of provision for children and young people accessing the same level of funding through two different systems for the same level of SEN. This can cause difficulties when families are moving out of the locality and in the different ways progress and the impact of provision on outcomes for children is monitored. Therefore, in order to ensure equity of provision, to monitor expenditure and review the impact of provision more closely, we feel top up funding needs to be allocated for pupils at level 3a only. This will ensure those with more complex needs that require more long-term support are met through the statutory process.
6. Benchmarking information of budgeted spend per head of population identifies CW&C as a particular outlier in mainstream top up funding in the latest data from 2019-2020, particularly in the primary sector (see Appendix D). Since then, expenditure has continued to grow significantly and is a contributory factor in the forecast high needs block deficit.
7. An analysis of top up funding was presented to the January meeting of the Schools Forum Finance Subgroup and showed trends in mainstream top up allocations since 2018 (see Appendix E) and identified the following main themes, contributory factors and recommendations.

Data Themes

- Since April 2019, Band B has nearly doubled from 92 to 171.
- Band A has accelerated between September 2019 following a reduction the previous September 2018.
- An overall 60% increase in Band B being awarded.
- The top-up population has broadly remained stable between April 2018 to January 2021. However, trends indicate by March 2021 the overall top-up population will have increased. The contributing factors include:
 - A growth of 42% in young people aged 11 to 15 between September 2019 to September 2020. This may be related to children transferring from Primary to Secondary school.
 - An 8% increase in the 5 to 10-year olds between September 2019 to September 2020 where previous years showed a decline.

- A significant decrease in Under 5's between to September 2018 to September 2019 followed by a 200% increase between September 2019 to September 2020.

Contributing factors

- New banding system introduced in September 2019 with Band 3A removed. Although the number of 3A's ceased following a review has been in line with our estimations (approximately 50%) only 22% have been allocated Band A and 15% have had moved to an EHC Plan (Band B).
- The introduction of the Primary & Secondary Inclusion Framework in September 2019 comes at a time when both numbers start to increase and more Band B's are awarded.
- The introduction of the Early Years Inclusion Framework in April may have suppressed the under 5 population before seeing a significant growth from September 2019. This also includes the 2 terms transfer of Early Years Inclusion Funding into Reception.

Recommendations

- Top-up funding without an EHC Plan is limited to Band A only.
- Time limited funding (previously agreed at February 2020 School's forum) is based on the anniversary of the agreement at Panel instead of the end of the academic year, for example:
 - Funding awarded in the Autumn term will cease on the 31 December the following calendar year.
 - Funding awarded in the Spring term will cease on the 31 March the following calendar year.
 - Funding awarded in the Summer term will cease on the 31 August the following calendar year.
- Existing Band B's will be maintained and reviewed annually. There is no expectation that an EHCNA (Education Health and Care Plan Needs Assessment) will be considered as an outcome of the review.
- Existing Band C's will be considered for an EHCNA by the end of the summer term 2021.
- A request for an EHCNA must be made via the EHC Hub and not through Top-up Panel.

- Any child transferring from nursery to reception with Band B top-up (without and EHC Plan) must be reviewed and considered for an EHCNA following the second term. If Top-up remains appropriate consideration must be given to reducing this to Band A.

Allocation of mainstreamed grants

8. For 2021-2022 the teachers' pay grant (TPG) and teachers' pension employer contribution grant (TPECG) have been incorporated within the high needs block. The grants have been incorporated by increasing the basic entitlement factor for the number of pupils in special schools by £660, from £4,000 to £4,660. Funding that has previously been allocated to alternative provision schools and through the pensions supplementary fund have been added to the formula based on the amounts allocated in 2020-2021.
9. In view of this change there will be an additional DSG condition of grant requiring local authorities to pass on to special schools, special academies, pupil referral units and hospital schools funding no less than the amounts of TPG, TPECG and supplementary fund paid in 2020-2021. The condition of grant will also require that this additional high needs funding must not result in a reduction to the number of places allocated to a school or to the top-up funding in respect of individual pupils and must be disregarded in applying the protection for special schools. There is therefore an expectation that this high needs funding be additional to any place funding or top-up funding and for it to be paid directly to special maintained schools, academies and independent special schools, in line with the arrangements for payment of the separate grants in 2020-2021. Therefore, the local authority propose to continue to pay these grants as a separate lump sum in 2021-2022. The allocation will be based on the amount received in the high needs block allocation to ensure each school receives the grant on the same basis as in 2020-2021.

Next steps

10. Proposals within the report are to be implemented from April 2021 for the 2021-2022 financial year and included in High Needs budget allocation notifications to schools and academies to be distributed by the end of February 2021.

Appendix A Commissioned places

| School | Commissioned places Academic Year 2020/2021 | Proposed Commissioned places Academic Year 2021/2022 |
|--------------------------------------|---|---|
| Special schools and academies | | |
| Archers Brook School | 85 | 85 |
| Cloughwood Academy | 70 | 70 |
| Dee Banks School | 110 | 110 |
| Dorin Park School | 135 | 135 |
| Greenbank School | 99 | 99 |
| Hebden Green School | 119 | 119 |
| Hinderton School | 45 | 45 |
| Oaklands School | 155 | 155 |
| Rosebank School | 49 | 49 |
| The Russet School | 113 | 113 |
| Total Special Schools | 980 | 980 |
| Resource Provision | | |
| Barnton Primary | 7 | 7 |
| Upton Westlea Primary School | 10 | 10 |
| Frodsham Weaver Vale Primary | 7 | 7 |
| Darnhall Primary | 7 | 7 |
| Acresfield Primary | 9 | 9 |
| Dee Point Primary | 9 | 9 |
| Lache Primary | 9 | 9 |
| The Acorns Primary | 7 | Under review |
| Willow Wood Primary | 7 | 7 |
| St Nicholas Catholic High | 12 | 12 |
| The Catholic High, Chester | 15 | 15 |
| Total Resource Provision | 99 | 99 |
| Alternative Provision | | |
| The Bridge | 40 | 40 |
| Ancora House | Block contract | Block contract |
| Total Alternative Provision | 40 | 40 |

Appendix B Top up funding rates 2021-2022 (unchanged from 2020-2021)

Mainstream

| Band | Funding rate £ |
|-------------|---------------------------|
| 3A | 4,500 |
| 3B | 7,125 |
| 3C | 11,062 |

Special schools and alternative provision

| School | Band 1 £ | Band 2 £ | Band 3 £ |
|----------------------|---------------------------|-----------------|-----------------|
| Archers Brook School | 3,781 | 12,208 | 16,215 |
| Cloughwood Academy | 3,781 | 12,208 | 16,215 |
| Dee Banks School | 4,035 | 12,267 | 16,180 |
| Dorin Park School | 3,898 | 12,109 | 16,011 |
| Greenbank School | 3,684 | 11,893 | 15,797 |
| Hebden Green School | 3,856 | 12,071 | 15,975 |
| Hinderton School | 5,311 | 13,772 | 17,795 |
| Oaklands School | 3,667 | 11,837 | 15,722 |
| Rosebank School | 5,018 | 13,488 | 17,514 |
| The Russet School | 3,691 | 11,915 | 15,827 |
| School | Funding rate £ | | |
| The Bridge | 16,796 | | |

Appendix C Existing exceptional funding arrangements

Mainstream - Notional SEN and arrangements for additional funding

Local authorities identify within each school's budget share a notional SEN budget from which schools and academies can provide a level of support for all their pupils with SEN. This is a notional amount of funding and should not be regarded by schools and academies as a substitute for their own budget planning and decisions about how much they need to spend on SEN support, or as a fixed budget sum for spending by schools.

However, local authorities need to take a view on the level of additional support costs that can be met from each school's notional SEN budget in order to make sure that schools have sufficient resources to meet those costs up to the £6,000 threshold, and to determine which schools might need additional funds from the high needs budget which must be agreed on a formulaic basis. Additional funding from the High Needs block will continue to be distributed under the following criteria.

Notional SEN must be sufficient to meet the first £6,000 of each high needs pupil on roll recognising any part year effect of starters and leavers. For schools up to and including 150 pupils, the notional SEN must also be sufficient to cover £6,000 for every 1:50 pupils. Therefore, additional funding will be made available from the high needs block if Notional SEN < (number of high needs pupils * £6,000) + (£6,000 for every 1:50 pupils for schools with 150 or fewer pupils). Reviews will be carried out on a termly basis.

Resource Provision

Schools that have one or more pupils in Reception will also be allocated funding equivalent to 3B in order to support access to the foundation curriculum. This funding will only be in place whilst there is one or more pupils in Reception year.

Schools funded through commissioned places

Schools will not receive additional place funding where they take pupils over their commissioned place number, only the top up funding element. Exceptions will be considered where over numbers require a change to the structure of the provision and increase the core costs to the school as funded by place funding. These situations will be considered as they arise on a case by case basis. Schools should not request additional place funding for pupils from other local authorities and should contact the CW&C SEN Team.

**Cheshire West and Chester
Schools Forum
8 February 2021**

Agenda item 8

Schedule of meetings 2020-2021

Schools Forum – all meetings 4.30pm – 6.30pm

| Date | Venue | Proposed agenda |
|------------------------|------------------------------------|--|
| Tuesday 6 July 2021 | MS Teams (subject to change) | <ul style="list-style-type: none">• School funding arrangements –national data comparison 2021-2022• School funding arrangements for 2022-2023• Directed revisions to schemes for financing schools• DSG 2020-2021 outturn including schools' balances• Annual review of Schools Forum membership, constitution and terms of reference |

Schools Forum Finance subgroup

| Date | Time | Venue |
|----------------------|----------------|------------------------------|
| Tuesday 15 June 2021 | 2.00 – 4.00 pm | MS Teams (subject to change) |