

Schools Forum Agenda

Tuesday 16 June 2020 at 2.00 pm
Online - Virtual Meeting

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Agenda Item 1

Hammersmith & Fulham
Schools Forum
Draft Minutes
Tuesday, 14 January 2020

Present

Voting Members	Non-Voting Members
Primary School Heads Claire Fletcher, St Paul's CE Primary Michelle Barrett, Randolph Beresford and Vanessa Nursery Academies and Free Schools Gary Kynaston, Hammersmith Academy (Chair) Clare Wagner, West London Free School Daniel Upfield, Ark Swift Primary Academy Alternative Provision Academies Krishna Purbhoo, Exec Head of TBAP Non-Schools Members Jane Gleasure, Little People (EY PVI)	School Representatives Tim Scott, Fulham College Aidan Smith, LA Governor at Jack Tizard Jessica Mair, John Betts Trade Union Representatives Dave Anderson Observers Alex Parker, Business Manager Jo Chapman, Business Manager Stacy George, Business Manager

Quorum is over 40% of voting members in attendance. The Forum currently has 12 voting members. 7 voting members attended the meeting (58.3%).

H&F Officers
Jacqui McShannon, Director of Children's Services Tony Burton, Head of Finance, Children's Services & Education Jan Parnell, Assistant Director of Education Kevin Gordon, Assistant Director of Assets, Operations and Programmes Mandy Lawson, Assistant Director SEN and Disabilities (SEND) Kevin Morris, Secondary Advisor and 14-19 Development David Abbott, Clerk

1. Welcome, Introductions and Minutes of the Last Meeting

The Chair welcomed everyone to the meeting and led a round of introductions (attendance is listed above).

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

Apologies

Apologies were received from Wendy Aldridge, Sullivan Primary.

Minutes of the previous meeting

Action 1 (page 4) - Officers noted that the draft letter would be updated with feedback from this meeting. The Chair asked if there was a way to share the information in the letter about the challenging financial circumstances in the education system more widely. He asked for it to be forwarded on to Central Government.

Action 2 (page 7) - Officers noted that the High Needs Block was on the agenda.

Action 3 (page 7) - The disapplication request was also on the agenda.

RESOLVED

The minutes of the previous meeting were agreed as an accurate record.

2. Early Years Block Budget Update 2020/21

Tony Burton (Head of Finance, Children's Services) presented the report on the Initial Allocation of Early Years Block funding for 2020/21 based on January 2019 census numbers. The report explained the impact of the allocation on the participation model for all providers. The focus was on the funding for the 3 and 4 Year Old offer and the steps required for setting the 2020/21 Early Years budget.

Tony noted that there had been a modest increase in the Early Years DSG funding rate, equivalent to an additional 8p per hour.

Tony explained that more information on the SEN Inclusion Fund (including costs and suggestions of how best to balance funding) would be presented to the Forum at the next meeting in March. The fund was currently set at £300k but it may need to grow if demand on the budget exceeds that figure.

The Chair asked how best to feed into that work. Jan Parnell (Assistant Director of Education) said the Early Years Strategy was going out to consultation for a six-week period at the end of January. The Council had recently appointed a new Early Years lead who was currently meeting stakeholders. Jan Parnell added that officers were also streamlining the process to make it less onerous for schools to apply for funding - e.g. schools could apply on a group rather than an individual basis etc.

Tony discussed the central services budget in section 4 of the report. A forum member asked how the £80k for the finance team in the central services block had been calculated. Tony explained that it was based on staff time that service the finance elements of Early Years work. Previously this was picked up by the central services block, but officers were looking to regularise the budget. The DfE had signalled their intention to claw the central services block back at some point.

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Jane Gleasure commented that the level of SEND in the borough was the most significant issue for the PVI sector. There was very little training or funding available. She said there was just one support worker spread between 75 nurseries. At one of her nurseries 15 percent of children had SEND – at the other it was around 10 percent. Michelle Barrett agreed that the need was outstripping the resources available.

Jane added that there was good access to the speech and language therapy service. Concerns were raised about the issuing of funds allocated through EHCPs. Mandy Lawson noted that this should not be happening and agreed to follow this up.

ACTION: Mandy Lawson

Michelle and Jane raised the issue of access to enhanced or full-time places for vulnerable children including those who are CP and CIN. It was noted that a system for the LA's allocation of additional support for these children remains outstanding.

Claire Fletcher said schools with nurseries were struggling to have two qualified teachers in nurseries.

Jan Parnell asked that all of these points were including in the letter. The Chair added that this area needed real focus from the Council.

Mandy Lawson informed members that as part of the consultation on the SEN Inclusion Fund it is essential that officers got accurate data on the numbers of children, this will support the LA to direct resources at an appropriate level.

RESOLVED

The recommendations and next steps in the report were noted.

3. High Needs Block Update

Tony Burton (Head of Finance, Children's Services) presented the report on the High Needs block position and the medium-term position with respect to funding and expenditure. He noted that the DfE had informed officers in November 2019 that they intend to begin clawing back the central services allocation. Officers would be raising this with the DfE next month.

Tony noted that there was an overspend of £5.8m in the current year. Paragraphs 1.6 and 1.7 gave examples of what kinds of expenditure the funding covered.

Tony noted that H&F was the beneficiary of additional funding and said, if this was an indication of how Government rebalances the High Need Block in future then it was a promising step. He would give further updates as this developed.

A member noted that the forum had previously asked officers for more specific information about the impact of not approving the disapplication – and the report made that clear. Tony noted that the funding gap would increase to £3m next year if the disapplication wasn't approved.

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Michelle Barrett said some EHCPs were very prescriptive with very expensive provision that wasn't always necessary in Early Years.

Tony highlighted the alternate provision section of the report and officers noted that the reshaping of TBAP and alternate provision in the borough had been challenging but the Council was committed to working as flexibly as possible towards an outcome that would benefit schools more than the current static model.

Tony added that officers would continue to work with the ESFA to understand future funding and lobby for better position for H&F.

The Chair then moved on to the recommendation for the disapplication request. The Forum took a vote on the recommendation. The decision was unanimous in favour of the disapplication (all 7 present voting members of the forum and 4 of the 4 present mainstream schools voting members voted for the proposal).

RESOLVED

Schools Forum agreed the disapplication request of 1% or circa £1.05m of the schools block provisional allocation for the 2020/21 financial year as a key element of the strategy to close the gap over the medium term.

4. Schools Block Budget 2020/21 - Final Proposed Authority Proforma Tool

Tony Burton (Head of Finance, Children's Services) presented the report which provided an update on final proposed modelling following notification of final 2020/21 financial year School Block allocations by the Education and Skills Funding Agency (ESFA) in late December 2019. He noted it had also been covered at recent budget workshops with schools.

Tony highlighted that the 2021 schools block allocation had improved from provisional allocation due to an increase in growth funding (described in 1.4 of the report).

A member asked if there would be any minimum funding guarantee in future years with the national funding formula fully implemented. Tony said the Council didn't know yet.

Tony noted that the report recommended Model 3 which used area cost adjusted national Schools Block NFF rates and increased each rate by 7.06%. It assumed a 1% transfer from the Schools Block to High Needs Block and 0.5% Minimum Funding Guarantee factor rate.

Tim Scott noted that the comparison table made it seem as though most secondary schools were worse off under Model 3 than Model 2. He asked if there was an argument apply a different percentage in Key Stages 3 and 4 to even it out. Members also questioned the use of FSM6 over FSM numbers.

Tony explained that the proposed model 3:

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- ensures a move towards the NFF – albeit at proposed local factor rates set 7.06% above the NFF factor rates after area cost adjustment.
- distributes funding via NFF funding factors linked to school census in a way that is clear and transparent and linked with weighting of factor funding set out in the NFF for 2020/21
- Avoids passing very high levels of funding through the MFG rather than NFF factors
- results in £1.5m of MFG funding allocation at the 0.5% positive level
- The move to 2020/21 NFF adjusted rates provides a significant key stage 4 AWPUP factor increase versus the current rate.
- that the choice in the formula was to use FSM or FSM 6 – you couldn't use both. Officers recommended keeping with FSM6.

A member noted that the Council's universal free school meals initiative meant it was very difficult to get people to sign up to the official 'Free School Meals' so those numbers would be off. Another member asked if the fully implemented National Funding Formula would need FSM numbers. Tony to check.

ACTION: Tony Burton

A member asked if it was possible to show the comparisons as a percentage of total school budget. Primaries with small budgets don't look like their losing much compared with schools with larger budgets but in percentage terms it could be a lot.

A member raised the issue of falling rolls and the significant impact that reductions in funding could have on a school. It was noted that four primaries had over 10 percent falling rolls. Officers said the maintained schools contingency fund could help and the issue was on the agenda at the Primary Heads meeting scheduled for 15 January 2020. There was a plan to mitigate the impact.

Tony recommended that a sub-group of Schools Forum meet with to consider bids for falling rolls protection and make recommendations to the Forum. Daniel Upfield, Jessica Mair, Tim Scott, Claire Fletcher volunteered.

The recommendations in the report were put forward by the Chair and unanimously agreed (recommendations 5 and 6 were unanimously agreed by the maintained school representatives).

Tony noted that final checks and minor adjustment to schools NNDR business rates recently confirmed would be made prior to submission to the ESFA. There may be changes following submission to ESFA linked to queries raised by the ESFA. It is not expected that the proposed allocation for any individual school would change as a result of this.

The Chair thanked Tony and the rest of the H&F Children's Services Finance Team for their hard work – particularly over the Christmas break.

RESOLVED

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1. That the APT for Model 3 is submitted to ESFA for 2020/21 school budget shares, with revised NFF rates for local factors in appendix 2 and with an MFG value of 0.5% per pupil positive.
2. That Schools Forum agree a proposal to continue to transfer 1% of the total Schools Block to the High Needs Block in 2020/21. This equates to £1.05m based on the final grant allocation.
3. That, in the event the Minister of State declines the disapplication (Recommendation 2), and additional funding to schools needs to be allocated through a revised model it is proposed that the factor rates in Model 3 are further uniformly uplifted to adjust allocations at a school level.
4. That Schools Forum agree a proposal to top-slice the 2020/21 Schools Block to the value of £0.13m or 0.01% of the total for the Falling Rolls protection fund in 2020/21. Together with the £0.125m retained balance for falling rolls, this would establish a total fund of £0.25m for 2020/21. A sub-group of Schools Forum is recommended to consider final bids for funding and to agree allocations. 8.5.
5. That maintained school representatives at Schools Forum agree to the proposed de-delegated budgets proposed for 2020/21 in Table 4 totalling £709,115.
6. That maintained school representatives at Schools Forum agree to the proposed Education Functions budgets proposed for 2020/21 in Table 5 totalling £323,024.

5. Draft Work Programme Update

The draft work programme was presented for information and noted.

6. Any Other Business

There was no other business.

Meeting started: 2.00 pm
Meeting ended: 4.25 pm


Chair

Clerk: David Abbott | david.abbott@lbhf.gov.uk

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Agenda Item 2

Agenda Item 2

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">SCHOOLS FORUM</p> <p align="center">Tuesday, 16th June 2020</p>
<p align="center">EARLY YEARS FUNDING</p>	
<p>Open</p>	
<p>Wards Affected: (All Wards); All</p>	
<p>Accountable Director: Jacqui Mc Shannon, Director of Children's Services</p>	
<p>Report Authors:</p> <p>Jill Lecznar Tony Burton</p>	<p>Contact Details:</p> <p>Tel:</p> <p>E-mail: jill.lecznar@lbhf.gov.uk tony.burton@lbhf.gov.uk </p>
<p>Purpose of the report</p> <p>This report updates forum on the 2020-21 Early Years Block funding numbers and gives details of the current issues and spend for the Summer term.</p>	

1. Early Years Funding 2020-21

- 1.1. There are six funding streams in the Early Years Block of the DSG, as set out below. The focus of this paper is the early years entitlement for 3 and 4 year olds (YO), which constitutes the bulk of the funding and which is also subject to pass through and other requirements.
- 1.2. Since its introduction in April 2017 the EYNFF (Early Years National Funding Formula) has set the hourly funding rates that each local authority is paid to deliver the universal and additional entitlements for 3 and 4 YO. There is a separate established formula that sets hourly funding rates for 2 YO. For 2020/21 Local Authorities are required to;
 - Set a single funding rate (including the same base rate and supplements) for both entitlements for 3 and 4 YO
 - Must pass at least 95% of funding received to providers
 - Must use a universal base rate for all types of providers including maintained nursery schools
 - Must use a deprivation supplement in their local 3 and 4 YO formula
 - Must not channel more than 10% of funding to providers as supplements

- Must provide a SEN Inclusion Fund for 3 and 4 YO
- Compliance will be monitored through the S251 Budget and Outturn reporting process,

1.3. Summary explanations including funding rates applicable in 2020/21 are set out below:

- Universal entitlement for 3 & 4 YO – 15 hours free childcare for all 3 and 4 YO available from the term after their 3rd birthday for a maximum of 38 weeks per year. Funding will be received by LBHF at £8.00 per hour (2019/20 £7.92).
- Additional entitlement for working parents 3 & 4 YO – additional 15 hours free childcare for eligible 3 and 4 YO from the term after their 3rd birthday for a maximum of 38 weeks. Parents are required to obtain a 30-hour code. Funding is received by LBHF at £8.00 per hour (2019/20 £7.92).
- Disadvantaged 2 YO – 15 hours free childcare for eligible 2 YO from the term after their 2nd birthday for a maximum of 38 weeks per year. Funding received is £6.58 per hour (£6.50 in 2019/20) and in 2019/20 this was passed on at the same rate to providers. The rate to be paid in 2020/21 will need to be agreed by Schools Forum.
- Early Years (EY) Pupil Premium – additional funding for disadvantaged 3 and 4 YO paid as a top up of £0.53p per hour up to a maximum of £302.10 per year. Eligibility relates to benefits received by the family and must be confirmed by the provider and recorded on the termly head count.
- Disability Access Fund – additional per pupil funding for those receiving DLA to access the 3 and 4 YO offer. This is currently £615 per eligible pupil per annum.
- Maintained Nursery School Supplementary Funding – additional funding for maintained nurseries to reflect the higher running costs of a nursery outside a primary school setting. This has been calculated by the ESFA based on 2016/17 baseline data provided by the Local Authority and is estimated to be £820,000 in 2020/21. This is also based on headcount data from the January census. ESFA have confirmed the continuation of the supplement for the whole of the 2020/21 financial year.

1.4. Table 1 below shows the Initial Early Years allocations for the 2020/21 financial year based on the January 2019 census. This will be revised in July 2020 to take account of the January 2020 census. There will be a further revision in July 2021 to take account of the January 2021 census. The final allocation is calculated by using of 5/12 of the January 2020 numbers and 7/12 of the January 2021 numbers.

- 1.5. There is a budget risk in relation to the allocations identified in Table 1. Should the January 2021 census return fewer hours eligible for government funding, the budget would reduce accordingly.

Table 1: Breakdown of Early Years Funding Allocations 2020/21

Element	Amount £m (Jan 2019)
3 and 4 YO universal offer	11.939
3 and 4 YO extended offer	1.922
Sub-total 3 and 4 YO Offer	13.861
2 YO Disadvantaged offer	1.145
EY Pupil Premium	0.106
Disability Access Fund	0.047
MNS supplementary funding	0.820
TOTAL	15.979

Preliminary calculations using the January 2020 census numbers submitted to the ESFA indicate a small increase in funding due for the Summer term as a result of continuing increased up take of the 30 hour extended offer.

2. 3 & 4 YO Offer 2020/21 budget model

- 2.1. The 2020/21 budget model is based on the initial allocation detailed above and summarised below for the first two elements of funding in table 1 (Universal 15 hours childcare and targeted additional 15 hours extended hours Childcare for 3 and 4 YO). This model assumes the same base rate and deprivation rates paid in 2019/20.

Table 2: 2020/21 Early Years Budget – 3 & 4 YO Universal and Extended Offer

	20/21 Budget	19/20 Budget	Variance
	£000	£000	£000
Participation based on estimated hours - base rate	10,742	10,432	310
Participation based on estimated hours - deprivation	1,224	1,076	148
Central services expenditure - 5% maximum allowed	693	666	27
SEN Inclusion Fund	300	300	0
Provision for Vulnerable & Additional Needs Children	600	600	0
Contingency	302	252	50
TOTAL SPEND	13,861	13,326	535
DSG EY funding	-13,861	-13,326	-535
NET POSITION	nil	nil	nil

2.2. The breakdown of the hourly funding rate of £8.00 is shown in the table 3 below.

Table 3: Factors and Hourly Rates Applied (see paragraph 3.1 for full detail)

Factors	Rate per hour £	Rate per hour %
A. Basic hourly rate per child	£6.20	77.5%
B. Deprivation hourly rate (average)	£0.71	8.7%
C. SEN Inclusion Fund	£0.17	2.2%
D. Vulnerable & Additional Needs	£0.34	4.5%
E. Contingency	£0.18	1.3%
F. Central Support Expenditure	£0.40	5.0%
Total	£8.00	100.0%

3. Key Elements of the Budget Model 2020/21

- 3.1. All providers, both schools, private & voluntary nursery providers and childminders to be funded according to the DFE regulations through a universal base rate and a supplement for deprivation based on IDACI bandings for individual children. Deprivation is a mandatory supplement. The value of supplements must not exceed 10% of the total amount of the payments made.
- 3.2. Factor A - Universal base rate. The base rate used is £6.20 per hour which is the same as 2019/20 (£6.10 in 2018/19.)
- 3.3. Factor B – Deprivation. The deprivation supplement was reduced in 2019/20 to ensure this element keeps within the 10% limit set by the grant regulations and also to ensure that the overall budget fits the funding envelop for 2020/21. Current deprivation rates paid are shown in Appendix 1 of this report.
- 3.4. Factor C - SEN Inclusion Fund. All providers at some stage may require additional funding to help them support the needs of individual children with lower level or emerging SEN in their settings.

The Early Years Inclusion Fund is to support 2, 3 & 4 year olds who get early education funding, and have a low level or emerging SEN. The funding is for use in the setting and is allocated to the provider. *(Note that Early Years Inclusion Funding for two year olds will be from the High Needs Block rather than Early Years Block of the DSG in line with the regulations of grant).*

The currently budgeted level of the fund is £300,000 and this will be reviewed in light of estimated levels of take up.

- 3.5. Factor D – Provision for Vulnerable & Additional Needs children. The model above shows funded childcare for vulnerable children & children with additional needs as a separate line; this includes funding for additional hours above entitlement and other costs associated with the provision. This is at the same level as the funding set aside in 2019/20 to support these children.
- 3.6. Factor E – contingency funding. This has been increased by £50,000 in the 2020/21 draft budget. The contingency has been set at this level pending the results of the SEN Inclusion Fund policy consultation and associated funding requirements to ensure some additional resources are available to enable some flexibility. The majority of the £0.08 per hour additional funding is held in contingency pending this work.
- 3.7. Factor F - Central Services Expenditure. The model assumes a budget for central services of £693,000 which is the maximum amount allowed (5% of total 3 and 4 YO funding) under regulations. The proposed allocation of the central items is detailed in table 4 below.

4. Details of Early Years Central Budget

Table 4: Proposed Central Services Budget 2020/21

Item of Central Expenditure		Budget 2020/21 £000s
i.	Early Years Strategy, Advice and Curriculum Support	119
ii.	Family Support Services – Early Help	209
iii.	Family Support Services – Children's Centres	215
iv.	Vulnerable & Additional Needs – spot purchases non Maintained Nursery Schools	70
v.	Finance Team – Early Years support	80
Total Central Spend from Early Years DSG		693

4.1. Note that:

- items ii and iii in table 4 is provided through the Family Support Services. Commissioning arrangements of Family Support Services for 2020/21 will be reviewed by the Local Authority. Officers will be able to report back on outcomes achieved and value for money for this allocation at a later Schools Forum.
- item iv provides allowance within the central budget for Vulnerable & Additional Needs provision outside of the maintained nursery sector in order to comply with grant funding regulations and per current levels of expenditure.

- item v. relates to existing finance team expenditure previously met by Central Services Block dedicated schools grant. In appropriately funding early years finance functions from the Early Years block of the DSG, a corresponding amount of CSSB can be released.

5. In year update

- 5.1. The 2019-20 provisional outturn on the DSG Early Years block reported in the Council's accounts is an in-year surplus of £293,000. This is offset by the brought forward deficit of £206,000 and the ESFA in-year clawback of £21,000 leaving a carry forward surplus of £66,000 into 2020/21. This is provisional until ESFA announces the final allocation for 2019/20 in July 2020. The numbers submitted for the January 2020 Early Years census indicate that further funding will be due to add to the calculated surplus.
- 5.2. Spring term adjustments for Early Years entitlements (Actual less estimate) for schools (maintained and academies) were calculated before the end of March 2020 and have been paid/recovered in full.
- 5.3. Spring term adjustments for PVI's and Childminders were calculated later at the beginning of April due to issues with the IT system used to collect the required data. In light of the current Covid-19 pandemic situation, with the majority of settings closed from the end of March it was agreed to pay providers any additional funding due but to delay any clawbacks for the present. The value of clawbacks accounted for in 2019/20 but not yet collected is a total of £152,000:
 - 2 year old offer £31,000
 - 3 and 4 year old offer £121,000
 Any decision not to collect these overpayments of funding will reduce the amount of funding available to the whole Early Years sector in 2020/21.
- 5.4. Spring term adjustments have been made to maintained and academy primary and nursery schools in full.
- 5.5. Summer term estimate payments of £4.4m have been made to all current Early Years providers for both the 2 year old offer and the 3 and 4 year old offer. These payments were made either on the basis of estimates submitted by providers or the Spring Actual plus 20% where estimates from providers were not available.
- 5.6. Summer term estimates have been paid to maintained and academy primary and nursery schools based on Spring term actuals.
- 5.7. As previously explained, funding for the Summer term is based on the January 2020 census and the ESFA will announce a revised 2020/21 funding allocation in July.


Report ends

Appendix 1 – IDACI Sliding Scale of Rates 2020/21 –Early Years Deprivation Participation Rate

IDACI Bandings used for Deprivation Supplement to universal hourly rate

IDACI banding	Hourly rate 2018/19	Hourly rate 2020/21
1	£1.40	£1.25
2	£1.30	£1.15
3	£1.20	£1.05
4	£1.00	£0.85
5	£0.65	£0.50
6	£0.55	£0.40
7	£0.45	£0.30
8	£0.40	£0.25
9	£0.30	£0.15
10	£0.00	£0.00

DFE Regulations state that the total amount paid as a supplement to the universal hourly rate must not exceed 10% of the total payable.

	<p>London Borough of Hammersmith & Fulham</p> <p>SCHOOLS FORUM</p> <p>Tuesday 16th June 2020</p>
<p>Schools Block and Central Services Schools Block Budget 2020/21</p>	
<p>Open</p>	
<p>Classification - For Scrutiny Review & Comment</p> <p>Key Decision: No</p>	
<p>Wards Affected: (All Wards); All</p>	

Accountable Director: Jacqui McShannon, Director of Children's Services
Report Authors: Tony Burton Head of Finance for Children's Services and Education
Purpose of the report The report provides details of the final Schools Block of the Dedicated Schools Grant budget allocations to schools calculated after the disapplication request to transfer 1% of the schools block allocation was rejected by the Minister of State on 13th February 2020. This report also sets out the recommended budget for the Central Services Schools Block of the Dedicated Schools Grant in financial year 2020/21.

1. Introduction

- 1.1. Following Schools Forum approval of the 2020/21 Authority Proforma Tool in January 2021, a disapplication request submitted by the local authority to the Minister of State to transfer 1% from the Schools Block to the High Needs Block was rejected in January 2020.
- 1.2. Therefore only 0.5% of the schools block budget (c£0.525m) was transferred to the High Needs Block budget in 2020/21. The remaining 0.5% has been distributed to schools by increasing the national funding formula factor rates. This is permissible through the school funding regulations and was previously approved at the January 2020 Schools Forum as the alternative action required should the disapplication request be refused.
- 1.3. It should be noted that the Local Authority provided a full case for consideration by the minister of state to support the expenditure on the High Needs Block. The High Needs Block is now under significantly more pressure than expected in the 2020/21 financial year.
- 1.4. This paper also:
 - Sets out proposals for Falling Rolls funding held in 2020/21 (section 3)
 - Confirms de-delegated balances held in 2020/21 by the local authority on behalf of maintained mainstream primary schools (section 4)
 - Proposes the final 2020/21 Central Services Schools Block budget for 2020/21 including proposed transfer to support the High Needs Block of £0.461m.

2. 2020/21 Final Budget Allocations

- 2.1. The final allocation was calculated in line with Recommendation 2b of the January report to Schools Forum: *A disapplication to the Minister of State for approval for the block transfer in 2020/21 was submitted in November 2019 pending final Schools Forum Approval in January 2020. If approved this will be sent to DfE immediately after Schools Forum. In the event the Minister of State declines the disapplication it may be necessary to allocate additional funding to schools through a revised model. It is proposed that in this instance, the proposed factor rates in Model 3 are further uniformly uplifted to adjust allocations at a school level.*
- 2.2. The factor rates used for the final allocation were recalculated after the disapplication request was refused to allocate the additional £0.525m. All factor rates were

increased by 0.78% (from 7.06% above national funding formula rates (after area cost adjustment)).

- 2.3. Appendix 1 shows the final 2020/21 factor rates versus:
- the NFF rate after area cost adjustment
 - and the rate proposed at January 2020 Schools Forum
 - the 2019/20 factor rates.
- 2.4. Appendix 2 gives a school by school breakdown of the final budget allocations totalling £103.46m including the additional £0.525m.

3. Falling rolls fund

- 3.1. ESFA guidance states that the local authority may set aside schools block funding to create a small fund to support good schools with falling rolls where local planning data shows that surplus places will be needed within the next three years. The loss of a bulge class does not qualify a school for access to falling rolls funding.
- 3.2. The ESFA advise that the allocation of falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. The conditions of grant are such that falling rolls funding is only available to schools rated Good or Outstanding.
- 3.3. As at 1st April 2019 there was a balance on the Falling Rolls fund held in DSG reserves of £0.225m. During the year, additional funding was paid out to schools of £0.1m. The balance carried forward into 2020/21 is £0.125m and this will be added to the £0.098m agreed as part of the 2020/21 budget setting exercise making £0.223m available for schools in 2020/21.
- 3.4. The budget available for falling rolls funding from the 2020/21 budget reduced from the £0.13m as agreed in January Schools Forum to £0.98m as a result of final changes to business rates to be paid through the school funding model.
- 3.5. At the January 2020 meeting of Schools Forum it was agreed to set up a sub -group of members to consider final bids for funding and to agree allocations. The formation of this sub-group has been delayed but the intention is to meet virtually at the earliest opportunity to review bids for the £0.223m available for falling rolls. It is expected that the subgroup will comprise:

- 3 to 4 representatives from Schools Forum members and associates (but no representation from a school planning to apply for funding)
 - A local authority Finance Officer
 - A local authority Education Officer
- 3.6. Officers will seek applications from all mainstream schools with a roll fall between January 2019 and January 2020 before the end of the summer term. Funding will be allocated to schools in full or in part depending on the level of interest and in total no more than the available budget of £0.223m.
- 3.7. Schools Forum are asked to delegate the decision for allocation of these funds to Schools Forum subgroup for release of funds early in the Autumn Term.

4. De-delegated Services (Maintained Schools Only)

- 4.1. De-delegated services are for maintained schools only. The funding is allocated through the schools funding formula but can be passed back for maintained primary and secondary schools with Schools Forum approval.

Table 1 – Maintained Schools De-delegated Budgets and Outturn 2019-20

Area of Expenditure	2019/20 Budget £	2019/20 Outturn £	difference
Maintained Schools in Financial Difficulty/Contingency	200,400	185,000	-15,400
Maintained Schools Trade Union Facilities Cover	140,000	98,000	-42,000
Maintained Schools Maternity Cover Fund	140,000	123,000	-17,000
Maintained Schools Licence Fees	40,000	42,905	2,905
Behavioural Support (SEND)	29,000	29,000	0
Free School Meals Eligibility	32,000	32,000	0
Underperforming Ethnic Groups Primary	125,000	41,026	-83,974
Total	706,400	551,027	-155,373

- 4.2. The surplus of £0.155m has been transferred to reserves for application to future expenditure by Maintained Primary schools only and is ringfenced to maintained primary schools.

- 4.3. There is now £0.480m available as contingency in addition to the £0.2m approved as part of the 2020/21 budget setting exercise. It is proposed that this contingency is available for schools in financial difficulty and to mitigate Covid 19 costs where costs are to be met from government funding and where maintained schools have exhausted reserves.

5. Central Services Schools Block Budget 2020/21

- 5.1. Schools Forum is asked to confirm agreement with the proposed deployment of the Central Services Schools Block (CSSB) of the Dedicated Schools Grant (DSG) in line with the regulations of grant.
- 5.2. In 2020/21 there is no change to the arrangements for Central Schools Services Block (CSSB) of the DSG. The CSSB allocation for 2020/21 provides funding for:
- The retained duties element of the Education Services Grant (ESG) for all schools
 - Ongoing central statutory functions – for example Admissions - for maintained schools
 - Ongoing historic commitments
- 5.3. For historic commitments there will be a 20% cash reduction to this element of funding for all LAs receiving it, with a protection so that no LA loses more than 0.5% of its 2019-10 schools block. For Hammersmith & Fulham this equates to a reduction in grant of £0.514m in 2020/21 versus 2019/20.
- 5.4. Since 2018/19 financial year significant savings have been achieved against CSSB to allow a transfer to support High Needs Block funding pressures. The cumulative value of those savings is circa £0.8m per annum. However as a result of the DfE cash reduction on the CSSB in 2020/21 the transfer to the High Needs block will be limited to £0.461m in 2020/21.
- 5.5. It is unknown at this time the value of any further reduction proposed in CSSB from 2021/22 and beyond and Hammersmith & Fulham await further information from the department.
- 5.6. The application of CSSB in 2020/21 is detailed in table 2 below and Schools Forum are asked to review and approve this budget.

Table 2 – CSSB Budget 2018/19 to 2020/21

Area of Expenditure	2018/19 £m	2019/20 £m	2020/21 £m	Change 2019/20 to 2020/21 £m	Comments
Copyright Licensing	0.097	0.097	0.107	0.010	As advised by the ESFA
Asset Management, Place Planning and Strategic Operations	0.816	0.604	0.123	-0.481	Efficiencies and Maintained School Contributions
Asset Management – CERA Commitment	1.435	1.435	1.435	0.000	No change
Management, Support & Finance	1.087	0.931	0.731	-0.200	Efficiencies and Maintained School Contributions
Virtual School	0.276	0.282	0.282	0.000	No change
Lilla Huset Professional Development Centre	0.200	0.200	0.172	-0.028	Increased Fees and Charges
Admissions and ACE	0.519	0.516	0.567	0.051	Pay inflation
Transfer to High Needs	0	0.350	0.461	0.111	Transfer from CSSB to support High Needs
Total Spend/Funding	4.430	4.415	3.878	-0.537	

Report ends

Appendix 1 – Final Factor Rates 2020/21 and Comparison


Factor Rates				
	M1	M2	M3	M4
Basic/pupil funding	2019/20 H&F Unit Values	2020/21 NFF ACA Weighted (ACA 1.18381)	Proposed 2020/21 M3 Factors Rates (Weighted NFF plus 7.06%) January 2020 SF	FINAL factors 2020/21 (Weighted NFF + 7.90%) - MFG=0.50%
MFG	1.4300%	1.4100%	1.0706	1.079
AWPU				
Primary AWPU	3,565.92	3,382.15	3,620.92	3,649.33
KS3 AWPU	5,114.12	4,756.55	5,092.36	5,132.32
KS4 AWPU	5,327.16	5,399.36	5,780.55	5,825.91
Additional Needs Funding				
Deprivation				
Primary FSM	Not used	532.71	Not used	574.80
Secondary FSM	Not used	532.71	Not used	574.80
Primary FSM6	768.41	662.93	709.74	715.31
Secondary FSM6	1,250.35	964.81	1,032.92	1,041.02
Primary IDACI A	716.70	710.29	760.43	766.40
Primary IDACI B	619.49	514.96	551.31	555.64
Primary IDACI C	572.95	479.44	513.29	517.32
Primary IDACI D	560.54	443.93	475.27	479.00
Primary IDACI E	476.77	295.95	316.85	319.33
Primary IDACI F	460.22	248.60	266.15	268.24
Secondary IDACI A	984.56	994.40	1,064.61	1,072.96
Secondary IDACI B	864.59	739.88	792.12	798.33
Secondary IDACI C	813.92	686.61	735.08	740.85
Secondary IDACI D	761.17	633.34	678.05	683.37
Secondary IDACI E	676.37	479.44	513.29	517.32
Secondary IDACI F	635.00	355.14	380.22	383.20
Low Prior Attainment				
Primary LPA	898.72	1,260.76	1,349.77	1,360.36
Secondary LPA	1,769.52	1,905.93	2,040.49	2,056.50
EAL				
Primary EAL	506.76	633.34	678.05	683.37
Secondary EAL	1,495.45	1,704.69	1,825.04	1,839.36
Mobility				
Primary Mobility	172.71	1,035.83	1,108.96	1,117.66
Secondary Mobility	172.71	1,479.76	1,584.23	1,596.66
Looked After Children	551.23	-		
School Led Funding				
Lump Sum				
Primary lump sum	134,850.37	135,427.86	144,989.07	146,126.67
Secondary lump sum	134,850.37	135,427.86	144,989.07	146,126.67
Sparsity				
Primary sparsity	n/a	n/a	n/a	n/a
Secondary sparsity	n/a	n/a	n/a	n/a

Appendix 2 – Final School Level Budget Shares

School Name	October 2018 Census (adjusted for Growing Schools)	October 2019 Census (adjusted for Growing Schools)	Pupil Number Change	% Pupil number variance	Proposed Allocations 2020/21 at January SF £	Final 2020/21 Allocations after £525k allocated (Weighted NFF + 7.90%) - £
Addison Primary School	304	295	-9	-3%	1,650,301	1,663,112
All Saints CofE Primary School	202	199	-3	-1%	944,869	952,492
Ark Bentworth Primary Academy	194	182	-12	-6%	1,054,468	1,054,533
Ark Burlington Danes Academy	1,120	1,090	-31	-3%	7,723,476	7,723,484
Ark Conway Primary Academy	209	208	-1	0%	1,122,899	1,131,637
Ark Swift Primary Academy	247	216	-31	-13%	1,274,191	1,274,329
Avonmore Primary School	184	197	13	7%	1,120,318	1,129,073
Brackenbury Primary School	410	395	-15	-4%	2,096,009	2,112,409
Earls Court Primary School	168	196	28	17%	1,002,036	1,009,898
Flora Gardens Primary School	177	192	15	8%	1,131,320	1,140,159
Fulham College Boys' School	322	305	-17	-5%	2,444,796	2,463,791
Fulham Cross Girls' School and Language College	634	637	3	0%	4,724,873	4,724,862
Fulham Primary School	257	249	-8	-3%	1,424,342	1,435,462
Good Shepherd RC Primary School	200	199	-1	-1%	1,016,528	1,024,701
Greenside Primary School	188	202	14	7%	1,103,879	1,112,497
Hammersmith Academy	659	688	29	4%	5,042,239	5,042,183
Holy Cross RC School	589	573	-16	-3%	2,866,444	2,887,979
John Betts Primary School	239	212	-27	-11%	1,033,388	1,041,723
Kenmont Primary School	200	198	-2	-1%	1,110,377	1,119,120
Lady Margaret School	597	598	1	0%	3,750,715	3,780,013
Langford Primary School	167	192	25	15%	1,151,446	1,160,428
Larmenier & Sacred Heart Catholic Primary School	415	410	-5	-1%	1,892,446	1,907,659
Lena Gardens Primary School	80	0	-80	0%	0	0
London Oratory	991	1,001	10	1%	6,040,780	6,087,615
Melcombe Primary School	365	352	-13	-4%	1,892,930	1,907,877
Miles Coverdale Primary School	209	213	4	2%	1,174,614	1,183,819
Normand Croft Community School for Early Years and Primary Education	181	186	5	3%	1,515,138	1,515,101
Old Oak Primary School	299	254	-45	-15%	1,531,094	1,542,953
Phoenix Academy	408	455	47	12%	3,821,475	3,821,337
Queen's Manor School and Special Needs Unit	193	181	-12	-6%	991,385	999,122
Sacred Heart High School	936	970	34	4%	6,066,400	6,113,807
Sir John Lillie Primary School	285	279	-6	-2%	1,560,220	1,572,320
St Augustine's RC Primary School	212	208	-4	-2%	1,068,006	1,076,610
St John XXIII Catholic Primary School	289	323	34	12%	1,749,231	1,763,310
St Johns Walham Green Church of England Primary School	357	360	3	1%	1,690,491	1,698,498
St Mary's Catholic Primary School	194	188	-6	-3%	1,034,283	1,042,597
St Paul's CofE Primary School	199	193	-6	-3%	1,083,783	1,092,490
St Peter's Primary School	207	206	-1	0%	1,033,761	1,041,942
St Stephen's CofE Primary School	407	418	12	3%	1,965,895	1,981,783
St Thomas of Canterbury Catholic Primary School	248	217	-31	-13%	1,112,595	1,121,553
Sullivan Primary School	222	214	-8	-4%	1,184,305	1,193,549
The Fulham Boys School	546	586	40	7%	3,999,095	3,999,005
The Hurlingham Academy	476	551	75	16%	4,206,146	4,205,960
Thomas's Academy	199	204	5	3%	1,169,097	1,178,220
Wendell Park Primary School	391	380	-11	-3%	1,933,335	1,935,183
West London Free School	647	648	1	0%	4,343,412	4,377,018
West London Free School Primary	394	419	25	6%	2,014,764	2,030,107
Wormholt Park Primary School	389	359	-30	-8%	2,073,456	2,089,687
TOTALS	17,004	16,996	-8		102,937,052	103,463,007

Agenda Item 4

Agenda Item 4

	London Borough of Hammersmith & Fulham SCHOOLS FORUM Tuesday, 16th June 2020	
2020/21 High Needs Block Budget allocations		
Open		
Wards Affected: (All Wards); All		
Accountable Director: Jacqui McShannon, Director of Children Services		
Report Authors: Tony Burton Head of Finance for Children’s Services and Education		Contact Details: Tel: 07909 004 710 E-mail: tony.burton@lbhf.gov.uk
Purpose of the report This report provides summarised information regarding the 2020/21 High Needs block budget allocations and the predicted forecast outturn position.		

1. Introduction

- 1.1. This paper sets out the financial year 2020/21 High Needs Block allocations notified to the authority in March 2020 and the breakdown of these allocations across the local authority's high needs block budget with a predicted forecast.

2. Summary Position

- 2.1. The total financial year (FY) 2020/21 High Needs Block (HNB) allocation to Hammersmith and Fulham council is £24.845m, an increase of 13.2% compared to FY 2019/20.
- 2.2. The High Needs Block attributable to the local authority (LA) in FY 2020/21, after academy recoupment, is £22.342m, an increase of £2.795m compared to FY 2019/20.
- 2.3. The transfer to the High Needs Block from the Schools Block (SB) in FY 2020/21 is £0.526m, a decrease of £0.476m compared to FY 2019/20. This reduction is due to the unsuccessful DfE disapplication request to transfer 1% of the Schools Block to the High Needs Block. The permissible 0.5% has been transferred between the blocks.
- 2.4. The decision by the Minister of State to disallow the full transfer agreed at January Schools Forum results in a reduction of £0.529m in the value of the transfer to the high needs block in 2020/21. This puts additional unbudgeted

pressure on the High Needs Block from 2020/21. It is unknown if conditions of grant will allow continued block movements and at what level from 2021/22 financial year. An update to the National Funding Formula in the Summer should provide clarity at least for 2021/22 financial year.

- 2.5. In financial year 2019/20 a contribution of £0.350m was included in the HNB budget. A further £0.300m contribution was applied at the end of the financial year from the Central School Services Block (CSSB) to HNB as a result of in-year savings made in the CSSB resulting in a total transfer of £0.65m to HNB in 2019/20.
- 2.6. There is proposed transfer from the CSSB to support the High Needs Block in 2021/22 of £0.461m as a result of further savings against the CSSB. A further £0.515m would have been available from proposed savings in the expected CSSB to support HNB expenditure in 2020/21 but ESFA reduced the level of funding available. The ESFA are making year on year reductions in the historic element of the CSSB available to authorities as part of the move to a hard national funding formula.
- 2.7. The total loss of funding in 2020/21 to support the HNB expenditure as detailed in the DSG Deficit Recovery Plan shared with the DfE last year is £1.044m.
- 2.8. The Education Skills Funding Agency (ESFA) consulted in January 2020 about the treatment of accumulated DSG deficits. Guidance from the EFSA has been issued which states that from 2020/21 financial year deficits should be carried forward to be met from future schools' budgets unless specific permission has been sought and agreed by DfE. Under the new ESFA rules a long term solution is required to recover £19m accumulated deficit as at 31st March 2020 plus the ongoing HNB budget overspend against the current resources available. The exact accounting treatment for the deficit is subject to discussion with the authority's external auditors Grant Thornton.
- 2.9. Table 1 summarises the FY 2020/21 HNB funding compared to FY 2019/20.

2.9.1. Table 1 – FY 2020/21 HNB budget

	2020/21 £m	2019/20 £m	Difference £	%
High Needs Block total LA allocation	24.845	21.939	2.906	13.2
Academy recoupment/deductions for ESFA direct funding of places	-2.503	-2.393	-0.110	
LA allocation after academy recoupment	22.342	19.546	2.796	14.3
Transfer from SB	0.526	1.002	-0.476	
Transfer from CSSB	0.461	0.650	-0.189	
Adjusted FY 2020/21 HNB	23.329	21.198	2.131	10.1

3. High Needs Budget for FY 2020/21

- 3.1. The High Needs Block (HNB) allocation for FY 2020/21 is £24.845m, an increase of 13.2% compared to FY 2019/20.
- 3.2. Academy and direct funding of places is deducted from the total HNB allocation and paid direct to the schools, Alternative Provision (AP) and the FE college. The remainder of the funding is paid directly to the local authority.
- 3.3. The HNB has benefited in previous financial years by a 1% transfer from the Schools Block and a contribution from the Central Schools Services Block. In FY 2020/21 the contribution from the SB is 0.5% and there is a proposed contribution from the CSSB of £0.461m.
- 3.4. The net overall increase in the HNB after the academy recoupment and block transfers is £2.131m or 10.1%.
- 3.5. Table 2 summarises the academy recoupment and direct funding of places by the ESFA.
- 3.6. The deduction from the total HNB allocation has increased by £0.109m since FY 2019/20.

3.6.1. Table 2 – Academy recoupment/direct funding of places.

	2020/21 £m	2019/20 £m	Difference £
Mainstream academies (SEN units and resourced provision) – pre 16	0.152	0.339	-0.187
Mainstream academies (SEN units and resourced provision) – post 16	0.000	0.024	-0.024
Alternative provision academies and Free schools	1.053	1.162	-0.109
Maintained special schools - post 16	0.000	0.067	-0.067
Maintained mainstream schools – post 16	0.000	0.100	-0.100
16-19 Academies and Free schools – post 16	0.090	0.090	0.000
Further education (FE) and independent learning providers	1.208	0.612	0.596
Total HNB deductions	2.503	2.394	0.109

- 3.7. The net increase in the place funding HNB deduction from the overall LA funding reflects place decisions made by the local authority and academies.
- 3.8. It should be noted that there has been an increased place funding deduction for the Further Education college provision within the borough. This is a direct result of the error made by the college in AY 2019/20 in completion of their pupil data return. This error by the college inadvertently highlighted to other LA's that H&F has under commissioned place numbers. The place

funding number has been increased, resulting in an increased cost to H&F. However, a proportion of this funding will be recovered through the import and export adjustment ensuring that the LA will be reimbursed by other boroughs for the places they use at the FE provision. The LA will be notified of this adjustment in July 2020.

4. High Needs block FY 2019/20 final outturn and FY 2020/21 current forecast

- 4.1. The High Needs block final outturn figure for 2019/20 was a £5.8m overspend which was in line with the forecast outturn. This has resulted in a cumulative deficit on the High Needs Block of £19.78m at 31st March 2020.
- 4.2. A provisional overspend figure of c£2.132m is forecast for FY 2020/21 based on current assumptions. This forecast will be reviewed and updated as more information is known.
- 4.3. Table 3 shows the forecast comparison across the FY's 2019/20 and 2020/21.

4.3.1. Table 3 – High Needs FY 2019/20 and 2020/21

	FY 2019/20 Final outturn £m	FY 2020/21 Forecast outturn £m
Alternative Provision	2.250	2.097
Commissioned Services	2.178	2.032
EHCP Top Up	12.468	11.904
Independent Fees	2.061	2.299
LAC Belongings	0.484	0.500
Place Funding	4.631	4,700
SEND Service	1.912	1.907
Discretionary payments	0.740	0.021
Total expenditure	26.724	25.46
HNB (net) allocation	(19.54)	(22.34)
Transfer from SB	(1.00)	(0.53)
Transfer from CSSB	(0.35)	(0.46)
Total income	(20.89)	(23.33)
FORECAST OUTTURN (overspend)	5.83	2.13

- 4.4. The FY 2020/21 forecast overspend of £2.13m does not include an assumed adjustment for the import/export update which is expected to be notified to the authority in July 2020. This adjustment could be additional HNB funding of c£0.5m in FY 2020/21.
- 4.5. The financial forecast for 2020/21 is before further growth in Education Health Care Plans. Detailed modelling is required to understand the growth trend over the medium term.

5. FY 2020/21 pressures within the HNB

- 5.1. The LA continues to review its DSG deficit recovery plan. The current assumptions within the plan highlight a forecast overspend in FY 2020/21 of £2.13m assuming the current level of HNB income highlighted in this report.
- 5.2. The Hammersmith and Fulham council are a significant regional commissioner for children and young people with SEND, 47% of the area's school-aged population with an EHCP originate from out of borough. The Council has taken the decision to invoice placing authorities for wrap-around services, Speech and Language (SALT) and Occupational Therapy (OT) and for overhead costs known as the regional commissioner fee. These services have historically been provided free of charge.
- 5.3. There is a risk of only partial recovery of the assumed OT and SALT recharges primarily due to quality data issues held by the NHS trust who provide the services within LBHF schools to pupils whose home is within another borough. If no income was recovered, the risk to H&F is c£0.4m. The council continues to work closely with the trust to help minimise the risk of under recovery. The FY 2020/21 forecast currently assumes full recovery of the income from other boroughs. Any recovery of income relating to previous financial years would provide an upside to the FY 2020/21 HNB forecast outturn position.
- 5.4. The FY 2020/21 projected outturn also includes the forecast for the Alternative Provision academy in line with the new service level agreement and the projected savings forecast from it.

Report ends