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# NOTICE OF MEETING

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## **CABINET MEMBER FOR EDUCATION**

**WEDNESDAY, 24 JULY 2019 AT 4.00 PM**

**THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL**

Telephone enquiries to Anna Martyn 023 9283 4870

Email: [anna.martyn@portsmouthcc.gov.uk](mailto:anna.martyn@portsmouthcc.gov.uk)

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

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### **Membership**

Councillor Suzy Horton (Cabinet Member)

Councillor Tom Coles

Councillor Terry Norton

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(NB This agenda should be retained for future reference with the minutes of this meeting).

### **A G E N D A**

- 1 Apologies for absence**
- 2 Declarations of interests**
- 3 School Modernisation Programme (Pages 3 - 10)**
- 4 Special Provision Capital Fund (Pages 11 - 18)**
- 5 Maintained Schools Balances Report as at 31 March 2019 (Pages 19 - 34)**
- 6 Future School Funding Arrangements 2020-2021 (Pages 35 - 64)**
- 7 Dedicated Schools Grant Outturn Report 2018-2019 and Revised Budget 2019-2020 (Pages 65 - 78)**

- 8        Education Portfolio Outturn Report for Financial Year 2018-2019 (Pages 79 - 84)**
- 9        Early Years SEND funding review and outreach support - Update (Pages 85 - 90)**
- 10      Targeted Short Breaks (Pages 91 - 98)**

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# Agenda Item 3



**Portsmouth**  
CITY COUNCIL

<b>Title of meeting:</b>	Education Decision Meeting
<b>Decision maker</b>	Cabinet Member for Education
<b>Subject:</b>	School Modernisation and Sufficiency Programme
<b>Date of meeting:</b>	24 July 2019
<b>Report from:</b>	Alison Jeffery Director of Children, Families and Education
<b>Report by:</b>	Caroline Corcoran Head of Sufficiency, Participation and Resources - Education Service
<b>Wards affected:</b>	All Wards
<b>Key decision (over £250k):</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

1.1 The purpose of this report is to provide an update on the progress of:

- Urgent school condition projects
- Mainstream school sufficiency schemes aimed at increasing school place capacity within the city
- Special school sufficiency schemes aimed at ensuring that schools can take children with more complex SEND.

## 2. Recommendations

**2.1 It is recommended that the Cabinet Member notes the progress on the school modernisation "urgent condition" projects, the secondary school sufficiency projects and the special school sufficiency projects (as set out in the report and in Appendix A).**

**2.2 It is recommended that the schemes agreed with the Lead Member since the last report are formally approved.**

## 3. School modernisation (urgent condition) projects

3.1 The urgent condition projects have been identified through Asset Management Plan meetings, condition surveys and recommendations by Education officers concerning the needs of specific pupils.

- 3.2 Funding for urgent condition projects was approved by the Council at the start of the financial year, plus a contingency allowance for urgent emerging works.
- 3.3 Five significant projects were identified for urgent works and the condition projects have been commissioned.
- Fernhurst Junior School - repairs to four gable ends.
  - Wimborne Junior School - repairs to masonry, stonework and for a pitched roof replacement.
  - Southsea Infant School - External repairs to masonry and stonework and replacement of windows.
  - Cumberland Infant School - Replacement of boilers
  - Copnor Primary School - Replacement of heating system
- 3.4 Completed condition projects have been removed from the progress dashboard.
- 3.5 Additional minor contingency works have been agreed:
- Craneswater Junior - hygiene facilities for disabled pupils
  - Trafalgar School - ramps to improve access for disabled pupils
  - Langstone Junior - compliance works for electronic gates, which pre-dated academy conversion
- 3.6 The progress of the individual projects is detailed in the Progress dashboard at [Appendix A](#).

#### **4. Secondary sufficiency schemes**

- 4.1 The Secondary School Place Strategy 2018-2024 outlines the immediate and medium-term pressures on secondary school places. The council has approved funding for creating additional secondary school places and feasibility studies.
- 4.2 The progress of current secondary individual schemes at Admiral Lord Nelson School, Charter Academy and The Portsmouth Academy are detailed in Appendix A, which has been updated.
- 4.3 The strategy recommended undertaking feasibility studies to create a plan to address future sufficiency issues. Three feasibility studies are being carried out at Admiral Lord Nelson School, Trafalgar School and Springfield School to explore the potential for future expansion. The feasibility studies will be costed and will inform recommendations in due course.

## **5. Primary sufficiency schemes**

- 5.1 The Primary School Place Strategy 2018-2024 outlined the potential medium-term pressures on primary school places, subject to housing developments in the city. The strategy recommended undertaking feasibility studies to create a plan to address future sufficiency issues. The council has approved funding for the feasibility studies.
- 5.2 Five feasibility studies are being undertaken:
- Meon Infant, Meon Junior and Moorings Way Infant
  - Flying Bull Primary
  - Stamshaw Junior
  - Langstone Infant and Junior
  - Medina Primary
- 5.3 The feasibility studies will be costed and will inform recommendations in due course.
- 5.4 Arundel Court Primary Academy has been granted funding, in line with the formula, for furniture and fittings, for the two additional classes commissioned by the council within the ESFA-funded new build.
- 5.5 Minor works have been undertaken at Beacon View Primary Academy to allow the school to continue to manage the bulge group of pupils requested by the council, prior to the ESFA-funded new build being completed.

## **6. Special school sufficiency schemes**

- 6.1 The council has previously approved funding for special school provision sufficiency schemes.
- 6.2 The progress of individual projects, as detailed in Appendix A, has been updated. These projects were not targeted at increasing the number of places, but ensuring that the schools can take children with more complex SEND.
- 6.3 There is an increasing demand for SEND places. The SEND Strategic Accommodation Review has reviewed current capacity in the city and further work is being done to establish how to address this pressure on SEND provision. The Review has completed the following and the findings will inform recommendations in due course:
- Accommodation audit carried out to establish the pupil capacity of all the existing SEN facilities and determine the maximum number of SEN places currently available within Portsmouth
  - Review of the forecast for SEN pupils over the next 5 years to determine the additional number of places required and how this may be best organized between different types of SEN settings
  - Identification of the best options for creating the additional places required and where these might be located.

- 6.4 In order to meet an urgent for places for September 2019, temporary accommodation is being created in Fratton at the former Harbour School site in Penhale Road. It is anticipated that this temporary accommodation will have a 3 year lifespan, whilst the findings of from the SEND Strategic Accommodation Review about the needs for future accommodation are considered.

## **7. Equality Impact Assessment (EIA)**

- 7.1 An equality impact assessment is not required for the overall programme as it is not possible to assess the protected characteristics reasonably, as described in the Equality Act 2010, across such a diverse range of capital works.
- 7.2 The implementation of the school modernisation programme (urgent condition) and the secondary sufficiency programme (phase 2) will not have a negative impact on any of the equality groups. The programme will improve access to schools for all equality groups, particularly with regard to those pupils who have learning difficulties and / or a disability.
- 7.3 Each individual capital project/scheme includes an equalities impact assessment.

## **8. Legal implications**

- 8.1 The works within the projects/schemes identified are being undertaken in accordance with the council's statutory powers and duties and, in particular, the council:
- is required to provide school premises in respect of foundation or voluntary controlled schools under the School Standards and Framework Act 1998, Schedule 3
  - has an obligation to ensure that school premises are maintained to a prescribed standard in accordance with section 542 of the Education Act 1996 and the School Premises (England) Regulations 2012, made under that section.
  - has a statutory duty to provide sufficient schools for primary and secondary education in its area in accordance with section 14 of the Education Act 1996. The schools must be sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education. Local Authorities must also promote diversity and parental preference.

## 9. Finance comments

- 9.1 Financial monitoring of the capital programme is reported within the quarterly budget monitoring reports. The quarterly monitoring report will be brought to the September meeting.
- 9.2 For condition projects, schools will be expected to use their Devolved Formula Capital (DFC) allocations to support these key priorities, in keeping with government expectations for the use of this funding. The expected contributions from schools' will be based on the agreed contribution methodology.
- 9.3 Any ongoing revenue implications will be met by individual schools through their individual budgets which are funded from the Dedicated Schools Grant (DSG).

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Signed by:  
Alison Jeffery  
Director of Children, Families and Education

## Appendix A: School Modernisation Programme - Live Projects Progress Dashboard

### Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Asset Management Plan files	Housing Property Services
Condition Survey Reports	Housing Property Services – Concerto database

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:

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# SCHOOLS MODERNISATION PROGRAMME - LIVE PROJECTS PROGRESS DASHBOARD

## SCHOOL MODERNISATION - URGENT CONDITION PROJECTS 2019-20

School	Description of works	Stage 1: Feasibility	Stage 2: Design	Stage 3: Tender	Stage 4: Works commenced on site	Stage 5: Works due to be completed	Stage 5: Work complete	RAG rating Last Quarter	RAG rating This Quarter	Project variance (Comments about progress and any emerging risks to timescales or budget)
Copnor Primary	Replacement of heating distribution system Phase 1 - Boilers	Completed	Completed	Completed	Aug-19				G	
Copnor Primary	Replacement of heating distribution system Phase 2 - Pipework replacement	Completed	Completed	Jul-19					G	
Fernhurst Junior	Gable repair - 4 No. gables	Completed	In progress		Spring 2020				G	Substantial scheme which requires longer period on site than summer holidays. Scheduled to maximise school holidays and minimise disruption to pupils
Wimborne Junior	External repair to masonry and stonework and pitched roof replacement	Completed	In progress		Spring 2020				G	Substantial scheme which requires longer period on site than summer holidays. Scheduled to maximise school holidays and minimise disruption to pupils
Southsea Infant	External repair to masonry and stonework and replacement of windows	Completed	In progress		Spring 2020				G	Substantial scheme which requires longer period on site than summer holidays. Scheduled to maximise school holidays and minimise disruption to pupils
Cumberland Infant	Replacement of heating distribution system (Phase 1)	Completed	Completed	Completed	Summer 2019				G	

School	Description of works	Feasibility (RIBA Stage 1-2)	Developed Design (RIBA Stage 3)	Technical Design (RIBA Stage 4)	Works commence on site (RIBA Stage 5)	Works due to be completed (RIBA Stage 6)	Work complete (RIBA Stage 6)	RAG rating Last Quarter	RAG rating This Quarter	Project variance (Comments about progress and any emerging risks to timescales or budget)
Admiral Lord Nelson	New build extension and remodelling to accommodate future expansion of the school (+50 places per year group).	Feasibility design complete. Requirements agreed.	Completed - planning approval granted	Completed	Sep-19	Sep-20		G	A	Return of tenders deferred to 21/06/19 due to delay on planning approval (highway issues).
Charter Academy	New build extension and remodelling to accommodate future expansion of the school from Published Admission Number of 120 to 180 (+60 places per year group).	Feasibility design complete. Requirements agreed.	Completed - planning approval granted	Completed	Jul-19	Sep-20		G	G	

# SCHOOLS MODERNISATION PROGRAMME - LIVE PROJECTS PROGRESS DASHBOARD

Portsmouth Academy	New build extension and remodelling to accommodate future expansion of the school from Published Admission Number of 192 to 250 (+58 places per year group).	Feasibility design complete. Requirements agreed.	Completed - planning approval granted	Completed	Onsite	Sep-20		G	G	
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## SPECIAL PROVISION SUFFICIENCY SCHEMES

School	Description of works	Feasibility (RIBA Stage 1-2)	Developed Design (RIBA Stage 3)	Technical Design (RIBA Stage 4)	Works commence on site (RIBA Stage 5)	Works due to be completed (RIBA Stage 6)	Work complete (RIBA Stage 6)	RAG rating Last Quarter	RAG rating This Quarter	Project variance (Comments about progress and any emerging risks to timescales or budget)
Redwood Park Academy	Re-modelling of school to provide places for pupils with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed		Nov-19	Summer 2020		G	A	Original contractor was not appointed in Feb 2019. New Design & Build tender being prepared and modular buildings are to be installed on site during summer 2019 until new building complete.
Cliffdale Academy (Works associated with modular retention and outside space)	Re-modelling of school to provide places for pupils with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed	Tender approved	Jun-19	Aug-19			G	
The Willows Centre for Children (Staff area)	Re-modelling to provide Foundation Stage places for children with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed	Tenders issued for staffroom works 06/06/19, return due 05/07/18	Sep-19	Nov-19		G	G	
The Willows Centre for Children (Reception area)	Re-modelling to provide Foundation Stage places for children with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed		Summer 2020	Summer 2020		G	G	Timing agreed with the school to minimise disruption to pupils.
The Lantern (Mary Rose pupils)	Re-modelling of school to provide places for pupils with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed	Task order issued	Onsite	Sep-19			A	Urgent project being fast tracked due to need. Timescales are very tight and there are risks about delivery by the start of the academic year. Risks being mitigated through careful project management and contractor working extended hours

# Agenda Item 4



**Title of meeting:** Cabinet Member for Education - Decision Meeting

**Date of meeting:** 24 July 2019

**Subject:** Special Provision Capital Fund

**Report from:** Alison Jeffery  
Director of Children, Families and Education

**Report by:** Caroline Corcoran  
Head of Sufficiency, Participation and Resources - Education Service

**Wards affected:** All Wards

**Key decision (over £250k):** No

**Full Council decision:** No

**Full Council decision:** No

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## **1. Purpose of report**

- 1.1 The purpose of this report is to seek approval for the use of the proposed allocation of £537,600 notified government funding to support local authorities to create sufficient good school places for all pupils, including those with Special Educational Needs and Disabilities (SEND). The guidance indicates that the funding will be received in summer 2019.

## **2. Recommendations**

- 2.1 **It is recommended that the Cabinet Member notes the measures required to access the funding as identified in 3.5 of this report and approves the allocation of £537,600 to support undertaking a citywide SEND accommodation review and to support works required to provide additional SEND places for complex plus pupils from September 2019.**

## **3. Background**

- 3.1 In March 2017, the Government committed £215m of capital funding to help local authorities create new school places and improve existing facilities for children and young people with SEND. This provided Portsmouth with an allocation of £770,608 for the period 2018/19 to 2019/20. Following consultation on a plan, as required by the funding conditions, this funding was applied towards the funding of the Vanguard Centre accommodation for The Harbour School.

- 3.2 In May 2018, the Government announced a further £50m increase to this fund for local authorities, providing Portsmouth with an additional £179,211 (3 years of funding @ £59,737 per year).
- 3.3 In January 2019, the Government announced further funding, which increased the amount allocated to Portsmouth by a further £358,400, making a total increase of £537,600 on the initially notified allocation.
- 3.4 The funding is available to support local authorities to invest in improving the quality and range of provision for children and young people with SEND aged 0-25 and can be used to:
- Create new (additional) places at good or outstanding provision
  - Improve facilities or developing new facilities.
- 3.5 To access the funding, the local authority is required to:
- Consult with parents and carers of children with SEND and young people with SEND.
  - Work with Education providers to agree how the capital can best be targeted.
  - Publish the plan on the local offer website showing how the funds will be invested.
- 3.6 The required steps have been completed. As required by DfE, the plan was published on the Local Offer website by the deadline of 31<sup>st</sup> May 2019.

#### **4. Pupil Numbers**

- 4.1 There are an increasing number of pupils in the city with complex and complex plus special education needs.
- 4.2 Complex pupils are predominantly ambulant with a range of needs (Severe Learning Difficulties, Moderate Learning Difficulties and Autistic Spectrum Disorder) with pupils taught together in groups of 8 to 12. For those pupils with even more complex / greater needs such as those associated with Severe Autism or Social, Emotional and Mental Health and who are taught in smaller groups with a higher staff to pupil ratio, there are very few places available.
- 4.3 Complex plus pupils are generally non-ambulant requiring specialist equipment and facilities; for example, pupils with Moderate Learning Difficulties, Severe Learning Difficulties/Autism are taught in groups of 8 to 10 pupils; with Profound and Multiple Learning Difficulties or severe autism being taught in groups of 4 to 6.

- 4.4 A significant increase in demand is forecast for pupils with complex plus needs who would require a place at a specialist education facility. There are also rising numbers of complex pupils. It is predicted that by 2023 Portsmouth would have a shortage of at least 100 places.
- 4.5 There is already an urgent demand for complex plus places for September 2019 that cannot be met in the city. Investing in a temporary solution will help meet this immediate demand. The funding which is currently allocated for the provision of additional SEND places is insufficient to meet the costs of the capital works which are required.

## 5. Proposals

- 5.1 It is proposed that the funding is used for two specific purposes:
- a) A SEND Strategic Accommodation Review to develop an accommodation strategy for the next decade, with a view to the report supporting the business case for a new Portsmouth special school which will provide for complex and complex plus pupils.
  - b) Creating temporary accommodation for complex plus pupils for September 2019. This would be achieved by refurbishing the ground floor of the old "Harbour Fratton" site as a temporary location until a new SEND school is built, and providing capital support for equipment, furniture and one-off set up costs.
- 5.2 The table below summarises the financial implications of the proposals.

### Capital funding

PCC allocated capital funding for urgent capital works to provide SEND places	£500,000
DfE Special Provision Fund - Capital allocation	£537,600
<b>Total funding</b>	<b>£1,037,600</b>
<b>Proposed allocation</b>	
a) SEND Strategic Accommodation Review to inform future capital works needed to secure sufficient SEND provision.	£17,600
b) Refurbishment of Fratton building to accommodate additional Mary Rose pupils from September 2019. This includes furniture and equipment and one-off capital set up costs	£1,020,000
<b>Total allocation</b>	<b>£1,037,600</b>

## **6. Consultation**

6.1 The Council sought the views of residents, especially parents of pupils with SEND, pupils with SEND and school/academies. This included Portsmouth Parent Voice and Dynamite (group for SEND pupils). The consultation period ran from 3<sup>rd</sup> May to 24<sup>th</sup> May 2019.

6.2 The consultation summary is shown at Appendix A.

6.3 The consultation responses supported the proposals.

## **7. Reasons for recommendations**

7.1 The SEND Strategic Review and SEND forecasting that has been undertaken has identified a significant increase in SEND pupils across Portsmouth.

7.2 To meet the needs of the increasing pupil numbers a strategic review of SEND accommodation is required in terms of capacity and suitability to meet both the current and also future needs of SEND pupils in Portsmouth.

7.3 The funding will enable a capital strategy masterplan for the expansion or new build of SEND facilities to be developed and will enable feasibility design studies to be produced on a range of options to meet the future needs.

7.4 This funding will also be used to help undertake capital works to provide temporary accommodation for complex plus pupils. The temporary works will mean that the accommodation will be suitable for up to 3 years. The provision is urgently needed for September 2019.

## **8. Equality impact assessment**

8.1 The proposals allows the council to provide accommodation which meets the specific needs of complex plus pupils, and to plan future accommodation for children with SEND needs. This positively impacts on the duty of the council in terms of this group. An Equalities Impact Assessment has been undertaken.

## **9. Legal implications**

- 9.1 The implementation of the recommendations in this report will assist the Council in complying with its statutory duties towards pupils with SEND needs in terms of the sufficiency of school places available and the suitability of school accommodation for their needs.
- 9.2 The proposed use of the additional funding will be in compliance with the conditions on which this funding is made available by central government.

## **10. Director of Finance's comments**

- 1.1 On 12 February 2019 Council approved funding of £679,200 for additional Special School Places. This consisted of £500,000 from corporate reserves and £179,200 capital special provision grant funding announced by the Department for Education (DfE) in May 2018. Since setting the budget the DfE have announced further grant funding of £358,400 in January 2019.
- 1.2 The capital special provision fund announced by the DfE in March 2017 provides support to local authorities to make capital investments in provision for pupils with special educational needs and disabilities. The funding is not ring fenced or time bound, to enable local authorities to make the best decisions for their areas.
- 1.3 To receive the funding the authority is required to verify that they have consulted with local stakeholders including parents, young people and education providers, complete and publish how they intend to invest the funding to meet local need and confirm that the funding has been spent on capital projects. Therefore the funding will be received by the local authority following the completion of the scheme.
- 1.4 Any on-going revenue implications will be met by the school via their individual schools budget which is funded by the Dedicated Schools Grant.
- 1.5 The proposed refurbishment of the Fratton site enables the authority to place pupils with high needs at a setting within the city and close to home. Prior to identifying the Fratton site, other options were considered and none were found to be suitable within the city. The other options would be either to place the pupils in high cost independent settings at an estimated cost for eight pupils over the three year period of £1.5m, plus associated transport costs putting further pressure on budgets, or to allow pupils to be out of school and without an education place, which would be in breach of our statutory responsibilities.

- 1.6 It provides an interim solution to the high needs capacity within the city until the completion of the new special free school (funded by the DfE) and the finalisation of the SEND strategic accommodation review which will provide the authority with the evidence to develop a long term SEND accommodation strategy in the city.

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Signed by:

### **Appendices:**

Appendix A - Consultation Report

### **Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:



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## Consultation on the use of Special Needs Funding

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### Background

The Department for Education has allocated a capital grant to Portsmouth City Council of £537,600. The purpose of this grant is to support the creation of places and to improve provision and facilities for children and young people with special educational needs and disabilities. This capital investment must be used to adapt or create special school buildings within the city to meet the needs of pupils being referred to them.

### Pupil Numbers

There are an increasing number of pupils in the city with complex and complex plus special education needs.

Complex pupils are predominantly ambulant with a range of needs (Severe Learning Difficulties, Moderate Learning Difficulties, and Autistic Spectrum Disorder) with pupils taught together in groups of 8 to 12; there are often a few places for pupils with greater needs such as those associated with severe autism or Social and Emotional Mental Health who are taught in smaller groups with a higher staff to pupil ratio.

Complex plus pupils are generally non-ambulant requiring specialist equipment and facilities; for example, pupils with Moderate Learning Difficulties Severe Learning Difficulties/autism are taught in groups of 8 to 10 pupils, with Profound and Multiple Learning Difficulties or severe autism being taught in groups of 4 to 6.

A significant increase in demand is forecast for pupils with complex plus needs who would require a place at a specialist education facility. There are also rising numbers of complex pupils. It is predicted that, by 2023, Portsmouth would have a shortage of at least 100 places.

There is already an urgent demand for complex plus places for September 2019 which cannot be met in the city without investing in a temporary solution.

### Proposal

It is proposed that the funding is used for two specific purposes:

- A SEND Accommodation Study is undertaken to develop an accommodation strategy for the next decade, with a view to the report supporting the business case for a new Portsmouth special school which will provide for complex and complex plus pupils.
- Creating temporary accommodation for complex plus pupils for September 2019. This would be achieved by refurbishing the ground floor of the old "Harbour Fratton" site as a temporary location until a new school is built

### Consultation

The Council sought the views of residents, especially parents of pupils with SEND, pupils with SEND, and school/academies. This included Portsmouth Parent Voice, and Dynamite (group for SEND pupils). The consultation period was May 3<sup>rd</sup> 2019 - May 24<sup>th</sup> 2019.

## Consultation Responses

Two responses were received. Responses are highlighted in italics.

1. A response was received from **Dynamite**, from a group which comprised a range of needs (anxiety, autism, mild/moderate LD but complex needs):
  - General feeling was that this is a good idea.
  - Will the provision at the Harbour Fratton site still be known as Harbour Fratton or will there be some rebranding, as people think of Harbour Fratton as the school for students who have been excluded from other schools? There is stigma attached to the name and young people with SEND sometimes feel that they are lumped in with young people who misbehave.

*Response: The provision will be called The Lantern.*

- The study to look at a new special school should also look at how young people with different needs are mixed within classes at special schools and if this has an effect on attainment (e.g. young people not being able to keep up with work which they find too difficult but other students are able to do, and the other way around with students not being able to achieve higher qualifications because other students aren't working at their level).

*Response: The study is looking at overall numbers and determining what accommodation is needed for SEND pupils in Portsmouth. The comments about how provision is delivered will be passed to the SEND team to consider as they work with schools.*

- Benefits of special schools include reduced noise levels and being set work which is at an appropriate level.
- There was a discussion about mainstream schools, feeling from young people who went to mainstream schools that there isn't often an understanding in mainstream schools of SEND and that's a reason people go to special schools.

2. A **member of the public** (parent of a complex SEN child residing in Portsmouth).

Solent Academies trust currently control all SEN schools and nurseries within Portsmouth – this is an unethical monopoly over services that when there is an issue, for example with the exec head teacher or EHCP, or safeguarding, or any other issue...means parents must seek placements outside of the child's home area/local authority in order to ensure positive working relationships with educators.

It would be prudent of [the council] to have a local authority maintained special school to provide choice an alternatives within the local authority area that those children who will not thrive under the Solent Academies Trust ethos have alternative suitable, monitored, accountable provision.

*Response: The council cannot open a local authority maintained school as this is not allowed under the legislation. However, the council could seek to open a free school, which would be an academy. There would be an open competition to determine which Trust would manage the academy when it opens.*

**Conclusion - The consultation responses support the proposal.**

# Agenda Item 5



**Portsmouth**  
CITY COUNCIL

**Title of meeting:** Cabinet Member for Education

**Date of meeting:** 24 July 2019

**Subject:** Maintained School Balances as at 31<sup>st</sup> March 2019

**Report from:** Alison Jeffery, Director of Children families and Education

**Report by:** Alison Egerton, Group Accountant

**Wards affected:** All Wards

**Key decision:** No

**Full Council decision:** No

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## **1. Purpose of report**

- 1.1. The purpose of this report is to inform the Cabinet Member of the level of maintained schools' revenue and capital balances as at 31<sup>st</sup> March 2019.

## **2. Recommendations**

- 2.1. It is recommended that the Cabinet Member notes the level of maintained schools' revenue balances and capital balances as at 31<sup>st</sup> March 2019 as shown in Appendices 2 & 3 and the monitoring action taken by the council.

## **3. Background**

- 3.1. Each year schools are given delegated budgets which are calculated using a locally agreed fair funding formula. These budgets are supplemented by specific government grants (e.g. Pupil Premium) and through the income generated by the school. Delegated revenue budgets are intended to be spent during the year on the existing cohort of pupils, although it is prudent for a school to retain a small surplus to provide for future uncertainties.
- 3.2. Schools do spend the vast majority of funds directly on the education of their pupils. However, there are a number of genuine reasons why schools may accumulate a balance at the year-end; for example, to provide for planned building works or to provide consistency in staffing levels during funding fluctuations relating to predicted changes in numbers on roll.

- 3.3. In some cases, factors outside of the control of the school can cause increases in balances; for example, large capital building schemes may slip from one year into the next.
- 3.4. Whilst devolved formula capital allocations are ring fenced for capital purposes only, schools may use revenue balances to support capital schemes. In 2018/19, schools allocated some £0.683m (£1.049m 2017/18) of revenue funding to capital purposes.
- 3.5. Schools were surveyed during the spring term to ascertain future commitments against estimated closing balances in order to provide data in accordance with Consistent Financial Reporting (CFR) requirements. This data has since been updated to reflect actual, rather than estimated, closing balances.
- 3.6. In 2014 Schools Forum agreed to discontinue the "balance control mechanism" (i.e. a "clawback" system) and to implement proposals to strengthen the monitoring arrangements. An extract from the current Scheme for Financing Schools is shown at Appendix 1 which highlights the 'controls on surplus balances' together with the items that can be deemed to be committed within the year-end balances.

#### 4. Revenue Balances

- 4.1. The following table illustrates the level of schools' revenue balances over the last three years:

Sector	No. of schools as at 31/3/17	Balance as at 01/04/17 £	% of 2016/17 budget allocation	No. of schools as at 31/3/18	Balance as at 01/04/18 £	% of 2017/18 budget allocation	No. of schools as at 31/3/19	Balance as at 01/04/19 £	% of 2018/19 budget allocation
Nursery & Primary schools	35	5,082,528	11.46	24	4,028,254	13.24	21	3,690,390	13.14
Secondary schools	4	1,590,543	8.27	2	379,974	3.57	2	749,157	6.59
Special schools	2	(598,094)	(14.10)	2	(892,921)	(17.22)	2	70,285	1.30
Total	41	6,074,977	8.96	28	3,515,307	7.60	25	4,509,833	10.06

- 4.2. Since presenting the balances report last year, the following schools have converted to Academy status and their surplus balances have transferred to the new Academy Trusts:

- Penhale Infant School
- Meon Infant School
- Meredith Infant School

- 4.3. In order to provide a consistent comparison between 2017/18 and 2018/19, the balances for these schools have been excluded from the restated 2017/18 figures in the table below.

Sector	Balance as at 01/04/18	% of 2017/18 budget allocation	Balance as at 01/04/19	% of 2018/19 budget allocation
Nursery & Primary schools	3,713,748	12.56	3,690,390	13.14
Secondary schools	379,974	2.41	749,157	6.59
Special schools	(892,921)	(17.22)	70,285	1.30
Total	3,200,800	6.33	4,509,833	10.06

- 4.4. It is important to note that the total schools' balances of £4.5m as at 1 April 2019 include £0.176m (£0.320m 2017/18) of community related balances e.g. Community Improvement Partnerships, community lettings, breakfast and after school clubs etc. leaving £4.3m (£3.2m 2017/18, including schools which have since converted to academy status) of "curriculum" balances relating to core activity. Of this, a further £1.199m (£0.767m 2017/18) has been committed to specific projects or initiatives, leaving a balance of £3.13m, or 7.4% of the 2018/19 budget allocation, as genuinely uncommitted. This exceeds the CIPFA guideline of between 2-3% of budget for uncommitted balances.
- 4.5. Three schools had year-end deficit balances at the end of 2017-18; as at the end of 2018-19 all three schools had a net surplus balance. Of the three schools concerned:
- The Harbour School is converting to academy status during 2019-20 and monthly meetings are being held to support the school in maintaining the surplus position.
  - The Willows Centre for Children is expected to close at the 31 August 2019 and reopen as part of an expanded Cliffdale Primary Academy (part of Solent Academies Trust). The authority is maintaining a watching brief on the financial position of the school to ensure that stability is maintained over the final term.
  - The authority has written to Mayfield School congratulating them on fulfilling their licenced deficit recovery plan, but acknowledging the surplus is small and offering support and advice to enable them to maintain/improve their position.

## 5. Review of Specific School Balances

- 5.1 The school revenue balances as at 31st March 2019 are shown by school at Appendix 2. Whilst the authority has seen a welcome reduction in the number of schools with reducing or low balances since 2018-19, there are still some schools which are causing some concern. Additionally there are some schools that meet the criteria of having excessive balances. The following sections set out the explanations for the level of balances and any action being taken.

### **Reducing or low balances**

- 5.2 During 2016-17 Schools Forum requested that the council contact the Chair of Governors for schools with reducing or low balances as at 31st March 2016. This process now forms part of the annual review of school balances.
- 5.3 Of the five schools that were contacted at the end of 2017-18, two schools (Willows Centre for Children and Southsea Infant) have seen an increase in their level of balances by the end of the 2018-19 financial year, indicating that the plans put in place by the school and governing body are starting to have an effect. Three schools (Corpus Christie Catholic Primary, Bramble Infant & Nursery and St Swithun's Catholic Primary) have seen a continued reduction in their balances when compared to 2017-18.
- 5.4 As part of the year-end monitoring process of school balances, a review was undertaken to identify those schools that have shown a continued or significant reduction (defined as 25% or more) in their level of balances and whose balances form less than 8% (primary and special schools) or 5% (secondary schools) of their budget share .
- 5.5 Two schools were identified as meeting the above criteria; one converted to academy on 1 April with a surplus balance, the other school (Bramble Infant and Nursery) had already contacted the authority prior to year-end to discuss the school's financial position.
- 5.6 A number of schools have balances that have remained stable for a few years, but the balance is less than 8% of the school's budget share. The authority has written to these schools, recognising their careful management and providing an opportunity to meet to discuss the school's long term strategy to remain financially sustainable and to offer any help and advice where possible. Of the schools concerned (Corpus Christie Catholic Primary, Craneswater Junior and St Swithun's Catholic Primary) the authority is already working with St Swithun's, providing support and advice with regards to the long term financial sustainability. Craneswater Junior School has indicated that they are likely to request a meeting in the near future, whilst the authority will keep a watching brief on Corpus Christi Catholic Primary School.
- 5.7 In addition to the schools identified the authority has been contacted by other schools that are concerned about the long term financial sustainability of the school and are starting to develop plans to manage their costs whilst maintaining the quality of Education. The authority is meeting with these schools to understand their plans and provide the advice and support required.
- 5.8 In summary, the schools and governing bodies contacted have indicated that they are aware of the financial situation and are taking action to address the financial pressures facing the schools.

### Schools Resource Management Advisor

- 5.9 In April 2019, the DfE wrote to Portsmouth City Council about the work the City Council was undertaking to improve the long term financial help of schools in the City. The letter explained that they have been effective at utilising Schools Resource Management Advisors (SRMAs) to support Academy Trusts, schools and local authorities elsewhere within the country to provide tailors advice on how to make use of resources.
- 5.10 The letter offer funded SRMA support, and a subsequent conversation with the DfE identified this would equate to 6 days and provide support to two schools. The support would be in the form of an initial visit and review of supporting paper work such as budgets, benchmarking etc. followed by a report with recommendations
- 5.11 As the SRMA's work will support and complement the work already been undertaken with schools the authority has taken up this offer and has requested the DfE to review two schools where the City Council feels a new approach may be beneficial.

### Excessive balances

- 5.12 The Scheme for Financing Schools categorises Primary & Special Schools who have uncommitted balances in excess of 8% of budget share as having excessive balances. For Secondary Schools, the threshold is 5% of budget share.
- 5.13 Of the 13 Primary and Special schools with uncommitted balances over 8%, five have balances below 10%, six have balances between 10% and 20% and two have uncommitted balances over 20%.
- 5.14 For Secondary Schools, only one of the two maintained schools had uncommitted balances in excess of 5% of budget share.
- 5.15 The table below highlights the three schools whose total balances exceed 20% of their budget share allocation. All these schools had uncommitted balances which were also deemed to be excessive (i.e. above the 8% and 5% thresholds).

School	Balance as at 01/04/19 £	% of 2018/19 budget allocation
<b>Primary</b>		
Fernhurst Junior	312,639	22.13
Portsdown Primary	523,824	24.64
St John's Catholic Primary	356,537	34.94
<b>TOTAL</b>	<b>1,193,000</b>	

5.16 Of the four schools that had high balances last year and which were reported in detail, three continue to hold high balances (Portsdown Primary, Fernhurst Junior and St John's Catholic Primary) and are analysed in detail below.

5.17 Explanations for the four schools this year with significant balances are set out below.

#### Fernhurst Junior

5.18 Fernhurst Junior has seen an increase in their balances between March 2018 and March 2019 of £8,116.

5.19 Of the total balance of £312,639, £22,139 relates to community balances, the school has indicated that a further £188,300 (13.33% of their budget share for 2018/19) is committed.

5.20 The school has indicated on their year-end return that their committed balance will mainly be used for:

- £185,000 to maintain staffing levels of the current cohort, supporting a high level of pupils with specific needs (SEND and pupil premium), to cover the additional costs relating to teachers' pension contributions and pay awards and to provide cover due to a number of personnel on maternity leave.
- £3,300 repairs to the community lodge roof

5.1 The remaining uncommitted balance of £124,339 equates to 8.8% of the budget share. The school has indicated that they are holding the uncommitted monies for a number of reasons including:

- A contingency for potential emergency building works
- Maintaining staffing during potential fluctuations in staffing and funding ahead
- Continued improvement of the community lodge and resources available to the after school club.

5.1 The school has indicated that based on their current estimates and spending plans that they will be in deficit by 2020-21, but state that they are exploring opportunities to increase income and control staffing costs to maintain flexibility within the schools budget.

#### Portsdown Primary

5.2 Portsdown Primary's year-end balances have decreased slightly from £552,819 at the end of March 2018 to £523,824 at the end of March 2018.

5.3 The school are indicating that of this balance £95,722 (4.5%) is committed.

5.4 The school has indicated on their year-end return that the committed balance will be mainly used as follows:



- £60,000 to provide consistency in staffing levels for anticipated increase in the number on roll.
  - £9,000 for the decoration and replacement of a carpet following the installation of a replacement boiler.
  - £3,000 for replacement of classroom chairs and tables
  - £4,500 for the promotion of both the school and nursery
  - £6,582 relating to a purchase order for the expansion of the school office space.
  - £12,640 relating to a purchase order to replace the nursery floor.
- 5.1 The remaining £428,102 equates to 20.13% of the schools budget share. The school has indicated in their March 2019 Statement of Intent that in addition to the items identified in paragraph 5.22 above they are holding the uncommitted monies for a number of purposes which they intend to complete over the next three years including:
- £20,000 replacement of interactive white boards that are nearing the end of their life.
  - £6,000 tablets for pupils to support reading.
  - £10,000 on-going roof repairs.
- 5.2 They are also holding the following contingencies:
- Potential changes to the Inclusion centre commissioning arrangements
  - Manage the impact of any change in funding due to the introduction of the national Funding Formula
  - Cover on-going increased staffing and pension costs.
  - Potential contributions from revenue to capital budgets to support projects identified through the schools modernisation capital programme (approximately £53,800).
- 5.3 The school has confirmed that all planned commitments against the 2017-18 committed year-end balance had all been completed by 31 March 2018.

#### St John's Catholic Primary

- 5.4 St John's year-end balances have increased by £20,969 from £335,568 at the end of March 2017 to £356,537 at the end of March 2018. The school have indicated that only £4,725 (0.46%) of their balance is committed. The school has indicated on their year-end return that the committed balance will be mainly used as follows:
- £4,725 relates to a purchase order for a new inventory recording system.
- 5.5 With regards to the remaining uncommitted balance of £351,812, this equates to 34.47% of the school's budget share. The Governing body have been considering their expenditure plans for 2019-20 and have identified a number of potential areas of expenditure in their response. Plans include:

- Refurbishment of the school playground
  - Installation of CCTV.
  - Continuing with the programme to maintain the fabric of the school roof including replacing roof tiles and flat roof maintenance.
  - Replacing pumps in the boiler room
  - Refurbishing the toilets.
- 5.6 As part of the financial monitoring and budget setting process the school continues to undertake a benchmarking exercise to ensure their expenditure plans are in line with schools of a similar type and size both locally and nationally. This is helping them to manage their budgets and support budget planning.
- 5.7 During the review of the schools with excessive balances, officers sought to obtain assurance from both the school and the accounting records, where possible, that last year's commitments were fulfilled in relation to planned capital works, e.g. as at Portsdown Primary.
- 5.29 With regards to the 2018-19 balances, our review identified that schools were concerned about future funding levels and long term financial sustainability. Where schools have high balances it is noticeable that the level of increase between 2018-18 and 2018-19 has been smaller than in previous years. Schools are using their balances to provide flexibility to enable the management of in-year pressures and long term financial planning, only using the balance to complete their plans when they are confident of their long term position.

## **6. Capital Balances**

- 6.1 Devolved capital allocations are ring fenced and schools are expected to spend them on priority capital needs of school buildings. These allocations will therefore be held as capital balances until they are used and may be supplemented by funding from other sources.
- 6.2 An analysis of schools' current capital balances is given at Appendix 3 together with proposed spending plans as returned in the school survey. Where spending plans exceed balances there will need to be additional funding proposals.
- 6.3 The table below illustrates the level of school capital balances for the last three years:

Sector	No. of schools as at 31/3/17	Balance as at 01/04/17 £	No. of schools as at 31/3/18	Balance as at 01/04/18 £	No. of schools as at 31/3/19	Balance as at 01/04/19 £
Nursery & Primary schools	35	1,005,712	24	573,715	21	742,769
Secondary schools	4	1,046,055	2	1,276,329	2	1,497,639
Special schools	2	(28,552)	2	(19,395)	2	14,424
Total	41	2,023,214	28	1,830,649	25	2,254,887

Note: the above totals are the aggregate of surplus and deficit balances.

- 6.4 As with the revenue balances, in order to provide a consistent year-on-year comparison, the closing balances in respect of those schools who converted to Academy status have been excluded from the restated 2017/18 figures in the table below.

Sector	Balance as at 01/04/18 Restated £	Balance as at 01/04/19 £
Nursery & Primary schools	570,404	742,769
Secondary schools	1,276,329	1,497,693
Special schools	(19,395)	14,424
Total	1,827,338	2,254,887

- 6.5 The increase in overall balances is partly due to the £421,900 additional devolved capital funding provided by Central Government in December 2018, where schools will not have had time to formulate and implement any spending plans.

## 7. Reasons for recommendations

This report is for information only and the Cabinet Member is asked to note the contents of the report.

## 8. Equality impact assessment (EIA)

This report does not require an Equality Impact Assessment as the proposals contained within this report are for information only and do not have any impact upon a particular equalities group.

## 9. Legal comments

There are no legal implications arising from the recommendation in this report.

## 10. Finance comments

Financial comments have been included within the body of this report.

.....  
Signed by:  
Alison Jeffery - Director of Children's Services

**Appendices:**

Appendix 1: extracts from the current Scheme for Financing Schools

Appendix 2: schools' revenue balances at 31<sup>st</sup> March 2019

Appendix 3: schools' capital balances and commitments at 31<sup>st</sup> March 2019

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
School Balances Files and Spreadsheets	Education Finance
Scheme For Financing Schools	PCC website

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:

**APPENDIX 1****Extracts from the current Scheme For Financing Schools****4.2 Controls on surplus balances**

As schools are moving towards greater autonomy and should not be constrained from making early efficiencies and to support medium term budgeting in a tighter financial climate, the balance control (clawback) mechanism for excessive balances continues to be withdrawn.

Schools will be deemed to have excessive balances, when Primary and Special Schools have uncommitted balances in excess of 8% and Secondary Schools 5% of their budget shares.

The control framework for monitoring school balances and their intended use requires that:

- a. Schools will continue to be asked to provide a breakdown of their year-end balances between committed and uncommitted, as well as an analysis of the intended use of any committed balances. The Education and Children's Finance team will continue to co-ordinate the process.
- b. A School Balances report will be presented to both the Cabinet member for Children's and Education and Schools Forum, following the completion of the year-end closedown process. This report will provide an analysis of the balances by school and schools with significant balances may be highlighted specifically within the report.
- c. Those schools identified as potentially breaching the balance thresholds, will be asked to provide further evidence of the planned use of their balances. The information will be reported back to Elected Members, the Schools Forum and the Education Department.
- d. The Education Department will consider this information as part of its school performance and improvement service provision, school challenge and specific reviews.

In determining whether school balances are committed, schools are only permitted to assign as committed, items listed in Annex 6.

School Forum may revisit the balance control (clawback) mechanism and the above control framework from time to time and where they believe significant and excessive balances have accumulated.

**Annex 6 –PERMITTED SPECIFIC PURPOSES FOR THE USE OF SURPLUS FUNDS**

- Valid orders placed through the financial system, but for which the goods have not been received.
- Funds held on behalf of other schools by fund holder schools (e.g. cluster funding).
- Balances held for specific community projects e.g. nursery provision, children's' centres, extended services.
- Contribution towards capital works with the school (where alternative capital resources have been exhausted). A clear statement of intent signed by the Chair of Governors (subject to clawback if not delivered in stated timescales - maximum 3 years).
- Providing consistency in staffing levels where numbers on roll are predicted to fluctuate within the next year (note that a reasonable commitment would be £3,000 per pupil and forecast variations in pupil numbers should be given).
- Unexpected funds received by the school near the year-end which will be utilised for a specific purpose in the following financial year.

**APPENDIX 2**  
**SCHOOLS REVENUE BALANCES AS AT 31 MARCH 2019**

DFE No.	Balance as @ 31/03/2018	% of 2017/18 Budget Share Allocation	School Name	2018/19 Budget Share	Analysis of Balance		Balance as @ 31/03/2019	% of 2018/19 Budget Share Allocation	Uncommitted as % of Budget Share Allocation	Committed as % of Budget Share Allocation
					Uncommitted	Committed				
PRIMARY & NURSERY SCHOOLS										
2008	289,119	12.55%	Copnor Primary	2,473,418	247,380	73,655	321,035	12.98%	10.00%	2.98%
3420	54,450	4.58%	Corpus Christi Catholic Primary	1,220,049	44,902	2,499	47,402	3.89%	3.68%	0.20%
2689	169,295	8.64%	Cottage Grove Primary	1,993,097	139,254	47,700	186,955	9.38%	6.99%	2.39%
2716	101,607	7.00%	Craneswater Junior	1,598,328	59,403	30,000	89,403	5.59%	3.72%	1.88%
2665	127,719	16.98%	Cumberland Infant	745,482	39,679	74,634	114,313	15.33%	5.32%	10.01%
2648	110,469	12.38%	Devonshire Infant	875,081		91,501	91,501	10.46%		10.46%
2714	304,523	22.19%	Fernhurst Junior	1,412,435	124,339	188,300	312,639	22.13%	8.80%	13.33%
2637	87,403	11.74%	Bramble Infant	779,258	43,902	14,000	57,902	7.43%	5.63%	1.80%
2719	137,445	13.21%	Manor Infant	1,056,483	112,426		112,426	10.64%	10.64%	
2673	135,383	14.09%	Medina Primary	960,372	77,168	25,000	102,168	10.64%	8.04%	2.60%
2654	67,754	9.53%	Meon Infant		now an Academy					
2645	99,534	8.98%	Meredith Infant		now an Academy					
2006	153,962	8.58%	Milton Park Primary	1,813,991	220,963		220,693	12.17%	12.18%	
2697	147,218	12.81%	Penhale Infant		now an Academy					
2765	552,819	26.90%	Portsdown Primary	2,126,264	428,102	95,722	523,824	24.64%	20.13%	4.50%
2680	50,335	6.17%	Southsea Infant	804,799	82,256		82,256	10.22%	10.22%	
3214	322,922	21.46%	St Georges Beneficial C of E Primary	1,555,941	196,861	35,750	232,611	14.95%	12.65%	2.30%
3422	335,568	32.47%	St John's Catholic Primary	1,020,539	351,812	4,725	356,537	34.94%	34.47%	0.46%
3212	150,170	9.64%	St Jude's C of E Primary	1,582,805	137,466	24,773	162,239	10.25%	8.68%	1.57%
5207	269,123	15.65%	St Pauls Catholic Primary	1,662,128	148,220	92,568	240,788	14.49%	8.92%	5.57%
3423	76,342	6.76%	St Swithun's Catholic Primary	1,143,904	6,801	49,000	55,801	4.88%	0.59%	4.28%
2698	106,002	9.71%	Stamshaw Infant	1,078,610	28,711	51,100	79,811	7.40%	2.66%	4.74%
2699	77,890	9.68%	Wimborne Infant	836,580	78,049	13,971	92,020	11.00%	9.33%	1.67%
2705	101,201	7.83%	Wimborne Junior	1,346,732	177,146	30,924	208,070	15.45%	13.15%	2.30%
	4,028,254		Total Primary & Nursery	28,086,297	2,744,838	945,822	3,690,390	13.14%	9.77%	3.37%
SECONDARY SCHOOLS										
4303	-72,131	-1.21%	Mayfield Secondary	6,268,827	25,665	6,187	31,852	0.51%	0.41%	0.10%
5413	452,105	9.68%	St Edmunds Catholic Secondary	5,102,446	470,306	247,000	717,305	14.06%	9.22%	4.84%
	379,974		Total Secondary	11,371,273	495,971	253,186	749,157	6.59%	4.36%	2.23%
SPECIAL SCHOOLS										
7472	-848,668	-19.92%	Harbour	4,409,149	49,748		49,748	1.13%	1.13%	
7750	-44,253	-4.79%	Willows Nursery	982,796	20,537		20,537	2.09%	2.09%	
	(892,921)		Total Special	5,391,945	70,285		70,285	1.30%	1.30%	

The figures in the table above may not sum exactly due to rounding

**APPENDIX 3**  
**SCHOOLS CAPITAL BALANCES AS AT 31 MARCH 2019**

Balance as @ 31/03/2018		Balance as @ 31/03/2019	Spending Plan	Description of Plan	Projected Balance
<b>PRIMARY &amp; NURSERY SCHOOLS</b>					
9,805	Copnor Primary		14,577	Replacement of Heating system (payment 2 of 3)	
			5,500	New entrance door into kitchen servery	
			6,000	Refurbishment to KS2 staff toilets & medical room	
			20,000	Purchase of new minibus	
		<b>31,750</b>	<b>46,077</b>		<b>(14,327)</b>
(3,980)	Corpus Christi RC Primary				
		<b>233</b>	<b>0</b>		<b>233</b>
1,840	Cottage Grove Primary		4,854	Secure system Citicom, instillation Easter 19	
		<b>7,723</b>	<b>4,854</b>		<b>2,869</b>
(26,740)	Craneswater Junior				
		<b>(24,749)</b>	<b>0</b>		<b>(24,749)</b>
40,002	Cumberland Infant		46,737	Boiler replacement	
		<b>46,737</b>	<b>46,737</b>		<b>(0)</b>
892	Devonshire Infant		9,670	ICT Project	
		<b>9,670</b>	<b>9,670</b>		<b>0</b>
(5,466)	Fernhurst Junior		14,380	Gable End/Roof works	
		<b>14,380</b>	<b>14,380</b>		<b>(0)</b>
19,353	Goldsmith Infant				
		<b>23,178</b>	<b>0</b>		<b>23,178</b>
13,911	Manor Infant				
		<b>31,272</b>	<b>0</b>		<b>31,272</b>
22,642	Medina Primary		11,579	AWP resurface and banner printer	
		<b>11,681</b>	<b>11,579</b>		<b>102</b>
26,485	Milton Park Primary				
		<b>26,657</b>	<b>0</b>		<b>26,657</b>

Balance as @ 31/03/2018		Balance as @ 31/03/2019	Spending Plan	Description of Plan	Projected Balance
38,000	Portsdown Primary		17,920	Boiler design, Yr 2 from Yr 2	
			48,000	Est contribution to boiler condition works	
			20,000	ICT Interactive classroom boards	
			6,000	ICT table to support pupils	
			10,000	On going roof repair	
		<b>64,113</b>	<b>101,920</b>		<b>(37,807)</b>
8,265	Southsea Infant		9,130	Server	
			1,320	Replacement of playground sleepers to brick	
		<b>17,199</b>	<b>9,130</b>		<b>8,069</b>
47,917	St Georges Beneficial Primary		40,000	Modular building for FSU	
			10,000	Deposit/lease payment to new minibus	
		<b>96,158</b>	<b>40,000</b>		<b>56,158</b>
296,389	St Johns RC Primary		3,222	New internal entrance doors	
			7,260	New water heater in boiler room	
			150,000	Refurbishment of school playground	
			7,500	CCTV at entrance	
			50,000	Replace roof tiles, re-felt	
			5,000	Replace pumps in boiler room	
			25,000	Refurbish toilets	
		<b>296,389</b>	<b>247,982</b>		<b>48,407</b>
40,303	St Jude's CE Primary		10,000	4 Whiteboards	
			2,320	External doors to Hall, plus Y6 window	
			8,000	Décor (Hall, sound boards, stairwells)	
			15,000	Refurbishment girls downstairs toilet	
			8,000	Pastoral refurbishment	
		<b>50,862</b>	<b>43,320</b>		<b>7,542</b>
12,356	St Paul's RC Primary		4,925	Salix lighting replacement	
			20,000	Playground equipment and grounds	
			25,000	IT Equipment	
			3,000	Minibus	
		<b>14,314</b>	<b>52,925</b>		<b>(38,611)</b>
0	St Swithun's RC Primary				
		<b>0</b>	<b>0</b>		<b>0</b>
27,931	Stamshaw Infant				
		<b>11,292</b>	<b>0</b>		<b>11,292</b>



Balance as @ 31/03/2018		Balance as @ 31/03/2019	Spending Plan	Description of Plan	Projected Balance
68	Wimborne Infant		23,000	Walkway between Infant & Junior	
		13,739	23,000		(9,261)
429	Wimborne Junior		3,929	Contribution towards works already carried out by PCC Yr3 of Yr3	
			7,855	Contribution towards works already carried out by PCC Yr2 of Yr2	
		173	11,784		(11,611)
573,715	Total Primary	742,769	669,018		79,411
<b>SECONDARY SCHOOLS</b>					
(1,625)	Mayfield				
		38,287	0		38,287
1,277,954	St Edmunds RC		1,209,099	New RE Block build	
			19,108	New Tech Block build (retention fee)	
			102,121	Capital works general contingency	
			89,079	Washrooms/classrooms refurbishments	
			60,000	Science Lab 408 refurbishment	
			30,000	Resurfacing work	
		1,459,407	1,509,407		(50,000)
1,276,329	Total Secondary	1,497,693	1,509,407		(11,714)
<b>SPECIAL SCHOOLS</b>					
(19,590)	The Harbour School				
		1,845	0		1,845
195	Willows Nursery				
		12,579	0		12,579
(19,395)	Total Special	14,424	0		14,424
<b>SUMMARY</b>					
573,715	Primary Schools	742,769	669,018		79,411
1,276,329	Secondary Schools	1,497,693	1,509,407		(11,714)
(19,395)	Specials Schools	14,424	0		14,424
1,830,649		2,254,887	2,178,425		82,122

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# Agenda Item 6

<b>Title of meeting:</b>	Cabinet Member
<b>Date of meeting:</b>	24 July 2019
<b>Subject:</b>	Future School Funding Arrangements 2020-21
<b>Report from:</b>	Alison Jeffery, Director of Children, Families and Education
<b>Report by:</b>	Alison Egerton, Group Accountant
<b>Wards affected:</b>	All Wards
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## **1. Purpose of report**

- 1.1. This purpose of this report is to provide the Cabinet Member with an update on the latest developments in respect of the future school revenue funding arrangements for 2020-21 onwards.

## **2. Recommendations**

### **1.2. It is recommended that the Cabinet Member:**

- a. Note the progress being made towards the 2020 to 2021 local funding formula including the issue of the consultation to mainstream schools as set out in Appendix A.
- b. Note the outcomes of the consultation issued to mainstream primary schools and agree the proposals set out in section 6.
- c. Note the progress being made towards the review of the High Needs funding methodologies.

## **3. Background**

- 3.1. In December 2016 the Department for Education (DfE) issued its stage 2 national consultation, setting out its plans for reforming the funding for schools and for high cost special educational needs and alternative provision. This was followed in September 2017 by the publication of the outcome of the national consultation along with details of the arrangements regarding the transition to the full National Funding Formula (NFF) which is due to be implemented from 2020-21.

- 3.2. The transition arrangements provide local authorities with some limited flexibility with regards to the local formula, for the financial years 2018-19 and 2019-20.
- 3.3. In early December 2017 Schools Forum agreed to smooth the transition to the National Funding Formula, for both primary and secondary schools, by spreading the impact of the change over the 2018-19 and 2019-20 financial years. Whilst the government intended to implement the national funding formula in 2020-21 they informed local authorities that due to the 2020-21 spending review the NFF would not be implemented in 2020-21 but that authorities would continue to have local flexibility in setting the schools funding formula for 2020-21. They agreed to maintain the transitional approach for primary schools to protect those schools that were seeing a reduction in funding due to the implementation of the NFF.
- 3.4. The DfE 'Schools revenue funding 2020 to 2021 operational guide', is due to be published in June/July 2019 and the authority understands that the DfE are not proposing any major changes to school funding arrangements as set out in the information published in December 2018.
- 3.5. This report is intended to provide Schools Forum with an overview of the progress being made towards agreeing the Schools Funding arrangements locally for the financial year 2020-21.

#### **4. Dedicated School Grant (DSG) Funding**

- 4.1. At this stage there are not expected to be any major changes to the method of calculating the funding of the DSG for 2020-21. Therefore it is expected that the DSG will continue to be comprised of the following four funding blocks:
  - Schools Block
  - High Needs Block
  - Early Years Block
  - Central School Services Block
- 4.2. The funding through each of the four blocks will be determined by a separate national funding formula.
- 4.3. The authority has not been requested to adjust the baselines underpinning the current funding blocks, for Schools, Early Years and Central School Services and it is expected that they will reflect the spending pattern as at 2017-18 with any adjustments made to reflect the 2019-20 funding changes.

- 4.4. In 2020-21 it is expected that the national funding formula will set the notional allocations for each school, which will be aggregated and used to calculate the total schools block received by each local authority.
- 4.5. The School block allocations will be expressed as a separate per pupil primary and secondary rate for each local authority. They will also include funding at local authority level for premises, mobility based on historic spend and lagged growth funding.
- 4.6. It is expected as in 2019-20, the 2020-21 schools block will be ring-fenced. Local authorities will have the ability to move funding from the schools block into other blocks, however the amount will be limited to 0.5% of the schools block and all maintained and academy schools in the City will need to be consulted, before any movement from the schools block can be approved. The consultation seeks schools initial thoughts on using this flexibility.
- 4.7. In September 2018 the DfE indicated that they would be consulting local authorities on the funding of hospital education. To date this consultation has not been undertaken and there is no indication as to when/if this consultation will go ahead. Therefore it is expected that the funding of the high needs block, will continue to be protected at the 2017-18 baselines and subsequent 2019-20 adjustments for net movements between authorities.
- 4.8. A further update will be brought in October 2019 to both the Cabinet Member for Education and Schools Forum following the publication of the operational guidance for 2020 to 2021.

## **5. Mainstream Funding Formula**

- 5.1 As stated above The DfE 'Schools revenue funding 2020 to 2021 operational guide', is due to be published in June/July 2019 and the authority understands that the DfE are not proposing any major changes to school funding arrangements as set out in the information published in December 2018.
- 5.2 As secondary schools are already being funded under the national funding formula it is proposed to continue to use the NFF rates for secondary schools in 2020-21. The current NFF rates are set out in Appendix 1 of the attached consultation document at Appendix A.
- 5.3 The authority has decided to consult with primary schools now on the next stage of the transition to the NFF for the 2020-21 budget period. This should help primary schools affected by the proposals to effectively manage their future spending plans.
- 5.4 The attached consultation (Appendix A) sets out the actions taken by Schools Forum in agreeing the 2019-20 Funding Formula and the

proposal to move all primary schools on to the national funding formula in 2020-21.

- 5.5 The transitional approach taken in 2018-19 and 2019-20 to move primary schools towards the NFF has reached the stage where there are only a small number of funding factors that do not reflect the NFF rates. It is recognised that the move to the NFF would impact most on those schools with high levels of deprivation and to ensure that these schools are protected it is proposed (subject to affordability) to set a neutral Minimum Funding Guarantee (0%) which will ensure that all schools receive the same per pupil funding as they received in 2019-20.
- 5.6 The consultation sets out the financial impact of this option along with the impact of the neutral MFG protection. The consultation therefore proposes to move all primary schools to the NFF for 2020-21.

## **6. 2019 to 2020 Consultation**

- 6.1 In line with the School and Early Years Finance (England) Regulations the authority has consulted with schools on any proposed changes to local school revenue funding formula.
- 6.2 The consultation was circulated to all mainstream schools on 31 May 2019, lasted for three weeks and closed on 24 June 2019. The results of the consultation are set out below and summarised in Appendix B.
- 6.3 In total 16 out of the 59 (27%) maintained and academy mainstream schools responded to the consultation, of which 11 were primary and 5 secondary. Two Academy Trusts provided a combined response on behalf of all schools in their Trust totalling 8 primary schools and 2 secondary schools. Their responses have been counted as separate schools to reflect the appropriate proportion of responses.
- 6.4 A number of schools provided comments along with their responses, we have responded to the schools individually regarding their comments.

### **Primary mainstream funding formula**

- 6.5 Question 1 relates solely to the primary funding formula therefore only primary responses have been taken into account for this question. Of the 11 schools that responded to the question 9 (82%) were in favour of all primary schools moving to the NFF in 2020-21.

### **Minimum Funding Guarantee (MFG)**

- 6.6 The consultation set out that the authority will try and maintain a neutral MFG of zero 0% which will ensure all schools maintain the same level of per pupil funding as they received in 2019-20.

- 6.7 Whilst this is the authority's intention, confirmation of the DSG funding for 2020-21 will not be received until mid-December 2019 and there is no guarantee that this proposal will be affordable. Additionally the consultation asked for schools thoughts on the proposal to utilise up to 0.5% of the schools block to support the high needs pressures, and received comments regarding the 2020-21 growth fund. To fund the high needs transfer and any potential changes to the growth fund could mean a reduction in the amount of MFG funding provided to schools by reducing the MFG rate to a minus percentage.
- 6.8 All schools agreed with the proposal to maintain a neutral MFG whilst 12 (75%) agreed with the authority using the MFG percentage to maintain affordability and manage the pressures in the high needs block.
- 6.9 The consultation included a worst case scenario of a minus 1.5% MFG to help schools understand the potential impact of using the MFG.

#### **Minimum funding levels**

- 6.10 Of those schools that responded 15 (94%) agreed to the continued use of the minimum funding levels as set by the DfE. It is therefore proposed to continue their use in 2020-21.

#### **Potential transfer of funding from schools block to high needs block**

- 6.11 As reported in the DSG budget outturn and revised 2019-20 report the pressures on the high needs budget continue to grow. The consultation sought schools views on a potential transfer of one off funding from the schools block to the high needs block. The responses show 13 (81%) of schools supported the principle of transferring 0.5% of the schools block to the high needs block.
- 6.12 Further work will continue over the summer regarding the high needs block pressures and the potential impact on schools if we were to implement a 0.5% transfer from the high needs block. This may lead to a further consultation in the autumn term.

#### **Other comments**

- 6.13 Schools provided a number of other comments, some related to the level of funding nationally provided to schools in particular around high needs. The authority is responding to the national SEND call for evidence as set out elsewhere on the Schools Forum agenda.
- 6.14 There were also a number of comments regarding the growth fund allocations as agreed at the May 2019 Schools Forum. We are

considering these comments along with the impact on the funding formula and will be consulting further in the autumn term.

- 6.15 In light of the consultation results and to enable the authority to manage overall affordability it is therefore proposed to:
- Seek to move the formula funding factor values for primary schools either to the NFF rates or further towards the NFF funding rates,
  - Limit the adjustments to the MFG to maximise the funding available to schools,
  - Further consult in the autumn term regarding a potential transfer of up to 0.5% of the schools block to the high needs block and the 2020-21 growth fund.
- 6.16 The implementation of the outcomes of the consultation will be subject to overall affordability and any further changes proposed following the publication of the 2020-21 operational guidance by the DfE. If the guidance identifies further changes, then these will be included in the autumn term consultation.

## **7. High Needs Budgets**

- 1.3. Following the work undertaken by the Head of Inclusion along with schools representatives, SEN Co-ordinators (SENCOs) and special school representatives a number of proposals were brought to Cabinet Member and Schools Forum to change the methodology of funding SEND. Initially this looked to make financial savings, but the additional funding provided by the DfE in 2018-19 and 2019-20 meant that the savings did not need to be implemented.
- 1.4. However some of the proposals simplified the methodology of assigning funding to schools and it is proposed that the options be reviewed to establish if there are any advantages of implementing the proposals on a same cost basis.
- 1.5. The Head of Inclusion has set up a number of task and finish groups with school representatives including Headteachers, SEN Co-ordinators (SENCOs) and special school representatives to review the following areas:
- Element 3 funding for mainstream schools
  - Inclusion centre funding
- 1.6. In addition the authority is working with the Solent Academies Trust to review the potential of introducing a single Element 3 Top-up rate across all schools in the Trust.



- 1.7. A further update on the progress of these work streams will be brought to both the Cabinet Member for Education and Schools Forum in the autumn term 2019.

## **8. Early Years funding**

- 1.8. Following Cabinet Member and Schools Forum agreement to increase the hourly rates paid to 2, 3 and 4 year olds from April 2019 it is not proposed to make any further changes to the hourly rates paid to providers for 2020-21.
- 1.9. The rates paid to providers will be reviewed for 2021-22 following a review of the 2020-21 financial year early years out-turn and pupil data.

## **9. Reasons for recommendations**

- 1.10. The purpose of this report is to provide an update on the latest developments in respect of the future school revenue funding arrangements for 2020-21 onwards. Further reports will be brought to future meetings, following publication of guidance from the Department for Education.

## **10. Equality impact assessment (EIA)**

- 1.11. This report and the proposals within form part of, and are consistent with, the national implementation of the schools and high needs national funding formula as directed by the Department of Education (DfE) and set out in the School and Early Years Finance (England) (no.2) Regulations 2018.
- 1.12. The DfE has conducted a full Equality Impact Assessment which can be found on their website<sup>1</sup>. The funding system does not seek to target funding by reference to particular protected characteristics under the Equality Act 2010 but instead targets funding to those groups which the evidence demonstrates face barriers to educational achievements.

## **11. Legal comments**

- 1.13. The Government is reforming the current school funding system from 2018-2019 and the details of that planned reform are set out in the body of this report.
- 1.14. The School and Early Years Finance (England) (No.2) Regulations 2018 apply specifically in relation to the financial year beginning on 1 April 2019. However it would be expected that the Government will update those regulations in advance of the 2020/21 financial year.

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<sup>1</sup> <https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs-equalities-impact-assessment>

- 1.15. In the meantime, as indicated in the report, the Department for Education is expected to issue updated Operational Guidance for local authorities shortly and this will address matters relating to school and early years budget setting for the 2020/21 financial year.
- 1.16. The Council will need in due course to have regard to the content of the updated regulations and guidance in making final budget decisions for the forthcoming financial year.

## 12. Finance comments

- 1.17. The financial implications are included within the report.

.....  
Signed by: Alison Jeffery, Director of Children, Families and Education

### Appendices:

**Appendix A - 2020-21 School Funding Formula Consultation**

**Appendix B - 2020-21 School Funding Formula consultation results**

**Appendix C - 2020-21 Primary formula factor funding rates**

### Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Schools revenue funding 2018 to 2019: Operational guide, December 2017, DfE	<a href="https://www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019">https://www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:

## **Appendix A**

See separate documents

## Appendix B - 2020-21 School funding formula consultation results.

### 2020-21 School Funding Formula Consultation

#### Questions:

Funding Formula Proposals									
1	Do you agree with the proposal to implement the national funding factor funding rates for 2020-21 as set out in Table B	Maintained				Academy			
		Y		N		Y		N	
		Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
Please add any further comments -									
2	Do you agree to implement the MFG at 0% per pupil for 2020-21, subject to affordability?	Maintained				Academy			
		Y		N		Y		N	
		Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary

Please add any further comments -

3	Do you agree that the authority uses the MFG factor to maintain affordability by adjusting the rate between plus 0.5% and minus 1.5% per pupil for 2020-21?	Maintained				Academy			
		Y		N		Y		N	
		Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary

Please add any further comments -

4	Do you agree to maintain the use of the minimum funding level per pupil?	Maintained				Academy			
		Y		N		Y		N	
		Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary

Please add any further comments -

5	Do you support the principle of transferring 0.5% funding from the Schools Block to the High Needs Block?	Maintained				Academy			
		Y		N		Y		N	
		Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
Please add any further comments -									
6	Do you have any other comments?	Maintained				Academy			
		Y		N		Y		N	
		Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
Please add any further comments -									

## Appendix C

### Mainstream Primary funding formula factors 2020-21

Factor	Primary Factor funding rates		
	PCC 2019-20 Rate	NFF 2019-20 Rate	PCC Consultation Proposed 2020- 21 Rate
	Primary	Primary	Primary
Reception Uplift	N	N	N
AWPU (Primary	£2,782	£2,747	£2,747
Free School Meals (FSM)	£440	£440	£440
Free School Meals - Ever 6	£540	£540	£540
IDACI Band F	£200	£200	£200
IDACI Band E	£240	£240	£240
IDACI Band D	£390	£360	£360
IDACI Band C	£560	£390	£390
IDACI Band B	£715	£420	£420
IDACI Band A	£950	£575	£575
EAL	£515	£515	£515
Prior Attainment	£1,050	£1,025	£1,025
Lump Sum	£110,000	£110,000	£110,000

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# 2020-21 School Funding Formula

Consultation



Portsmouth  
CITY COUNCIL

# **Funding Formula Consultation 2020-21**

## **Contents**

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2	Primary Mainstream Funding Formula.....	4
3	Financial Modelling of the impacts.....	8
4	Responding to the Consultation.....	9

## **1 Introduction & Background**

- 1.1. In December 2016 the Department for Education (DfE) issued its stage 2 national consultation, setting out its plans for reforming the funding for schools and for high cost special educational needs and alternative provision. This was followed in September 2017 by the publication of the outcome of the national consultation along with details of the arrangements regarding the transition to the full national funding formula (NFF) which was due to be implemented from 2020-21.
- 1.2. The transition arrangements provide local authorities with some limited flexibility with regards to the local formula, for the financial years 2018 to 2019 and 2019 to 2020.
- 1.3. In early December 2017 Schools Forum agreed to smooth the transition to the National Funding Formula, for both primary and secondary schools, by spreading the impact of the change over the 2018-19 and 2019-20 financial years. Following the receipt of the authority's funding allocation for 2018-19 in late December, the January 2018 Schools Forum meeting agreed to move all secondary schools to the National Funding Formula for 2018 to 2019 as this provided all secondary schools with additional funding. They agreed to maintain the transitional approach for primary schools to protect those schools that were seeing a reduction in funding due to the implementation of the NFF. This transitional approach continued to be applied to the primary school funding formula in 2019-20
- 1.4. In the autumn 2018 the DfE notified the authority that the introduction of the national funding formula would be delayed until after the spending review in 2020-21 and authorities would retain local flexibility in setting the funding formula for 2020-21.
- 1.5. The DfE are due to issue the 'Schools revenue funding 2020 to 2021 operational guide', in June/July 2019 and the authority is not expecting any major changes to school funding arrangements as set out in the information published in September 2018. The authority has decided to consult with schools now on the next stage of the transition to the NFF for the 2020-21 budget period. This should help primary schools affected by the proposals to effectively manage their future spending plans.
- 1.6. As secondary schools are already being funded under the national funding formula it is proposed to continue to use the NFF rates for secondary schools in 2020-21. The current NFF rates can be found in appendix A.
- 1.7. This consultation therefore focuses mainly on the primary schools (maintained and academy) funding formula for 2020-21, although secondary schools will be interested in some elements of the consultation.

## **Consultation Approach**

- 1.8. The School and Early Years Finance (England) Regulations require local authorities to consult with schools on any proposed changes to the local school revenue funding formula. This document forms part of that consultation process.
- 1.9. The authority may consult further, depending on the contents of the Schools revenue funding 2020 to 2021 operational guide which is due to be published later in the summer.
- 1.10. Since the proposals in this document build on previously agreed principles, it is not proposed to request Schools Forum to create a mainstream funding working group in 2020-21 at this stage.

## **2 Primary Mainstream Funding Formula**

### **Introduction**

- 2.1. The operational guidance from 2019-20 confirmed that local authorities will continue to have responsibility for determining the funding allocations for schools through a local formula for 2020-21.
- 2.2. It is expected that for 2020-21 there will be minimal change to the school funding arrangements and therefore, to enable schools to have as much information as possible regarding the 2020-21 funding allocations the authority is consulting on the final transition to the national funding formula.
- 2.3. In January 2019 Schools Forum agreed to the following changes to the 2019-20 primary funding formula:
  - Increased the Minimum Funding Guarantee (MFG) to plus 0.5% and continued to enable schools to gain through the formula changes by not implementing the CAP on gains.
  - Removed the Reception Uplift for 2019-20.
  - Increased the funding factor rates towards the NFF for: -
    - Free School Meals (FSM),
    - FSM Ever 6,
    - Income Deprivation Affecting Children Index (IDACI) band E and IDACI band F.
  - Retained the English as a second Language and Prior attainment rates at the 2018-19 NFF rates
  - Moved all other factors closer towards the NFF.
- 2.4. The DfE have previously advised that they are not expecting to make any major changes to the mainstream funding formula arrangements for 2020-21,

which has allowed the authority to undertake financial modelling to identify the impact on primary schools of implementing the NFF in 2020-21.

- 2.5. The outcome of this modelling has been used to inform the proposals set out in this document.

### **Move directly to the national funding formula**

- 2.6. Over the 2018-19 and 2019-20 financial years the authority has been moving the primary schools funding formula towards the national funding formula rates with the expectation that all schools (primary and secondary) would be on the NFF by 2020-21.
- 2.7. Whilst the DfE have provided local authorities with the flexibility to set their own formulas for 2020-21, as the 2019-20 funding rates are so close to the NFF rates, Portsmouth is proposing to move directly to the NFF in 2020-21.
- 2.8. It is recognised that due to the lower rates under the NFF, pupils on the IDACI bands A, B C and D will see a reduction in funding. This could impact on those schools with a large number of pupils within these "most deprived" bands. The protection offered by the minimum funding guarantee ensures that no school will lose more than minus 1.5% per pupil and the authority is currently proposing to retain the flexibility to increase this to a neutral MFG of 0% per pupil, subject to affordability.
- 2.9. As a result, the authority considers the option of moving all primary schools on to the national funding formula factor rates 2020-21 to be a financially sound proposal. The impact of doing this was modelled and the results are set out in the table below. The results include both the position before and after the application of the neutral MFG protection.

<b>Table A - impact of the NFF rates for primary schools</b>				
	<b>Pre MFG</b>		<b>Post 0% MFG</b>	
	<b>No of schools<sup>1</sup></b>	<b>% of schools</b>	<b>No of schools<sup>2</sup></b>	<b>% of schools</b>
		<b>%</b>		
Increase over 1.5%	0	0	0	0
Increase between 1% - 1.49%	0	0	0	0
Increase between 0.00% - 0.99%	0	0	0	0
No change	3	6	49	100
Decrease between (0.00%) - (0.99%)	1	2	0	0
Decrease between (1.00%) - (1.49%)	4	8	0	0
Decrease over (1.5%)	41	84	0	0
<b>Total</b>	<b>49</b>	<b>100</b>	<b>49</b>	<b>100</b>

<sup>1</sup> Includes Mayfield all-through school

<sup>2</sup> Includes Mayfield all-through school

<b>Largest gains and reductions in funding</b>				
	<b>Pre MFG</b>		<b>Post 0% MFG</b>	
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Biggest decrease	(160,940)	(7.06)	0	0
Biggest increase	0	0	0	0

2.10. Table A identifies the impact of implementing the NFF both pre and post MFG at zero %. By introducing the NFF 41 (84%) of primary schools will see a reduction in funding of over 1.5%. As expected the main reason for the reduction is the impact of the lower NFF rates for the higher deprivation bands.

2.11. The table also shows that with the introduction of the neutral MFG no primary school will see a reduction in funding for 2020-21. This approach is also cost neutral for the authority.

2.12. The three schools that don't see any change are the schools that received minimum funding level funding in 2019-20 due to the per pupil rate falling lower than the minimum levels set by the DfE. Whilst the five schools that see a small reduction of between 0% and 1.49% are those who have lower numbers of deprived pupils than the majority of schools in the City.

2.13. Table B below sets out the factor funding rates that were used in 2019-20 and the NFF rates for 2019-20 along with the proposed NFF rates which will be introduced in 2020-21.

<b>Table B - Primary Factor funding rates</b>			
	<b>PCC 2019-20 Rate</b>	<b>NFF 2019-20 Rate</b>	<b>PCC Consultation Proposed 2020-21 Rate</b>
<b>Factor</b>	<b>Primary</b>	<b>Primary</b>	<b>Primary</b>
Reception Uplift	N	N	N
AWPU (Primary	£2,782	£2,747	£2,747
Free School Meals (FSM)	£440	£440	£440
Free School Meals - Ever 6	£540	£540	£540
IDACI Band F	£200	£200	£200
IDACI Band E	£240	£240	£240
IDACI Band D	£390	£360	£360
IDACI Band C	£560	£390	£390
IDACI Band B	£715	£420	£420
IDACI Band A	£950	£575	£575
EAL	£515	£515	£515
Prior Attainment	£1,050	£1,025	£1,025
Lump Sum	£110,000	£110,000	£110,000

## Minimum funding levels

- 2.14. In 2018-19 and 2019-20 the authority implemented the minimum funding levels (MFL) per pupil as advised by the DfE. In 2018-19 six schools benefited from the use of the MFL and 2019-20 4 schools benefited from the use of the MFL. It is proposed to continue their use (subject to the DfE guidance) in 2020-21, the Table C below sets out the 2019-20 rates for information.

<b>Table C Minimum funding level per pupil</b>	
<b>Phase</b>	<b>MFL 19-20</b>
	<b>£</b>
Primary	£3,500
Secondary	£4,800
All through	£4,091 <sup>3</sup>
KS 4 only schools	£5,100

## Minimum Funding Guarantee (MFG)

- 2.15. The MFG for schools will continue to apply, and it is currently expected that local authorities will continue to have the flexibility to set a local MFG of between plus 0.5% and minus 1.5% per pupil in 2020-21.
- 2.16. In order to minimise turbulence in school funding in 2020-21 and maximising the funding passed to schools the authority is proposing to implement neutral MFG protection for all schools at the level of 0% per pupil.
- 2.17. It should be noted that to ensure affordability, the authority will use the MFG factor by adjusting the percentage per pupil between minus 1.5% and plus 0.5%. Clarification of the rate used will be brought to the January 2020 Schools Forum meeting for approval once the indicative DSG allocations are known in December 2019.
- 2.18. To help schools plan for the potential reduction of the MFG factor the NFF has been modelled using an MFG of minus 1.5%, thus providing schools with an indicative "worst case" budget, which it is hoped will help with their planning for 2020-21 and beyond. Table D below summarises the potential implications of the use of the minus 1.5% MFG.

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<sup>3</sup> This is a composite rate that recognises that the primary phase of the all-through school is not yet full.

<b>Table D - impact of the proposed 2020-21 formula factor funding rates for primary schools</b>		
	<b>Number of schools<sup>4</sup></b>	<b>Percentage of schools</b>
		<b>%</b>
Increase over 1.5%	0	0
Increase between 1% - 1.49%	0	0
Increase between 0.00% - 0.99%	0	0
No change	3	6
Decrease between (0.00%) - (0.99%)	0	0
Decrease between (1.00%) - (1.49%)	46	94
Decrease over (1.5%)	0	0
<b>Total</b>	<b>49</b>	<b>100</b>

<b>Largest gains and reductions in funding</b>		
	<b>£</b>	<b>%</b>
Biggest decrease (after MFG)	(90,869)	(1.44)
Biggest increase (after MFG)	0	0

### **3 Support for the High Needs Block.**

- 3.1. The four DSG funding blocks are ring fenced; however, in 2018-19, the ESFA permitted local authorities, with the agreement of Schools Forum, to request a one-off transfer of up to 0.5% from the Schools Block to the High Needs Block to support spend in that area.
- 3.2. This concession was repeated for 2019-20, although, following consultation with Head Teachers, it was decided not to request a transfer of funds to support the High Needs Block.
- 3.3. There is no indication that the concession will be repeated again for 2020-21; however, in order to be prepared for that eventuality, it would be helpful to understand schools' views at this point.
- 3.4. A 0.5% transfer from the Schools Block for 2020-21 would equate to approximately £580,000, or £23 per mainstream pupil. Your views are sought at question 5 of the consultation response below.

### **4 Financial Modelling of the impacts.**

- 4.1. To enable schools to understand the impact of the proposals for 2020-21 the following table is attached:
  - Table 1 - Proposed 2020-21 Funding Formula (neutral MFG)
  - Table 2 - Impact of a minus 1.5% MFG

<sup>4</sup> Includes Mayfield all through school



This identifies the impact on individual schools of the proposed change to the national funding formula funding rates for 2020-21.

- 4.2. Both tables 1 and 2 are based on the October 2018 census and does not include any adjustments for:
- Schools converting to academy status after 8 January 2019
  - Known changes in pupil numbers (e.g. Mayfield all through school)
  - Known changes in national non domestic rates (NNDR) due to conversion to academy status, revaluation or correction.
- 4.3. The tables have:
- Used the 2019-20 budget as the baseline to calculate the minimum funding guarantee at 0%
  - No cap on gains has been imposed for those schools that will see a gain in funding.
- 4.4. In light of the criteria set out in paragraphs 4.2 and 4.3 it should be noted that the budgets set out in Table 1 and 2 are indicative only and subject to overall affordability following the receipt of the DSG funding allocation, expected in December 2019. It is hoped that they will help schools to understand the indicative impact on their funding with the implementation of the proposed rates as set out in Table B and to plan for the introduction of the national funding formula in 2020-21.

## **5 Responding to the Consultation**

- 5.1. A consultation response is attached at Appendix 2 for schools to complete. The consultation will close on Monday 24 June 2019.
- 5.2. Please send your completed response forms to:-
- [schoolsfinancialsupport@portsmouthcc.gov.uk](mailto:schoolsfinancialsupport@portsmouthcc.gov.uk)
- 5.3. The responses to this consultation will be reported to both the Cabinet Member for Education and Schools Forum meetings in July 2019.

## Maintained and Academy Secondary School funding rates 2019 to -2021

<b>Table B - Secondary Factor funding rates</b>			
	<b>PCC 2019-20 Rate</b>	<b>NFF 2020/21Rate</b>	<b>Proposed 2020/21 Rate</b>
<b>Factor</b>	<b>£</b>	<b>£</b>	<b>£</b>
AWPU KS 3	3,863	3,863	3,863
AWPU KS4	4,386	4,386	4,386
Free School Meals (FSM)	440	440	440
Free School Meals - Ever 6	785	785	785
IDACI Band F	290	290	290
IDACI Band E	390	390	390
IDACI Band D	515	515	515
IDACI Band C	560	560	560
IDACI Band B	600	600	600
IDACI Band A	810	810	810
EAL	1,385	1,385	1,385
Prior Attainment	1,550	1,550	1,550
Lump Sum	110,000	110,000	110,000

**Questions:**

<b>Funding Formula Proposals</b>			
1	Do you agree with the proposal to implement the national funding factor funding rates for 2020-21 as set out in Table B	Y	N
Please add any further comments			
2	Do you agree to implement the MFG at 0% per pupil for 2020-21, subject to affordability?	Y	N
Please add any further comments			
3	Do you agree that the authority uses the MFG factor to maintain affordability by adjusting the rate between plus 0.5% and minus 1.5% per pupil for 2020-21?	Y	N
Please add any further comments			
4	Do you agree to maintain the use of the minimum funding level per pupil?	Y	N
Please add any further comments			
5	Do you support the principle of transferring 0.5% funding from the Schools Block to the High Needs Block?	Y	N
Please add any further comments			

6	Do you have any other comments?	Y	N
Please add any further comments			

Table 1 - Proposed 2020-21 Funding Formula  
indicative funding for consultation purposes only



LAESTAB	School Name	Number on Roll	Basic Entitlement		Total Deprivation	English as Additional Language	Low Attainment	Lump Sum	NNDR Rates			PFI	Total Allocation Before MFL, MFG or CAP	Minimum Funding Level (MFL) Adjustment	19-20 MFG Adjustment	19-20 Post MFG Budget	Notinal SEN	
			Primary	Secondary					2019 -2020 NNDR Rates	NNDR Rates adjustment 2018-2019	Rates							
			£	£					£	£	£							
8512006	Milton Park Primary School	394	1,082,318	0	183,097	20,172	167,327	110,000	33,264	0	33,264	0	1,596,179	0	31,596	1,627,775	268,886	
8512008	Copnor Primary	673	1,848,731	0	208,085	23,146	235,930	110,000	49,396	0	49,396	0	2,475,287	0	40,085	2,515,372	388,471	
8512637	Bramble Infant School and Nursery	170	466,990	0	56,812	20,919	47,095	110,000	23,814	0	23,814	0	725,630	0	28,191	753,821	86,476	
8512645	Meredith Infant School	245	673,015	0	125,039	21,283	88,359	110,000	17,308	(7,320)	9,988	0	1,027,683	0	24,585	1,052,268	153,748	
8512648	Devonshire Infant School	188	516,436	0	70,195	19,364	86,330	110,000	14,485	0	14,485	0	816,809	0	11,916	828,725	131,355	
8512665	Cumberland Infant School	173	475,231	0	52,993	3,942	46,749	110,000	9,575	0	9,575	0	698,490	0	47,547	746,037	85,862	
8512673	Medina Primary School	204	560,388	0	120,629	6,038	75,030	110,000	28,224	0	28,224	0	900,309	0	60,445	960,754	132,779	
8512680	Southsea Infant School	182	499,954	0	35,930	28,426	42,546	110,000	16,080	0	16,080	0	732,937	0	12,441	745,378	79,730	
8512689	Cottage Grove Primary School	405	1,112,535	0	273,237	74,279	193,177	110,000	37,516	0	37,516	0	1,800,743	0	70,212	1,870,954	314,576	
8512698	Stamshaw Infant School	236	648,292	0	124,407	21,287	71,837	110,000	20,990	0	20,990	0	996,812	0	32,433	1,029,245	135,616	
8512699	Wimborne Infant School	205	563,135	0	51,382	18,631	55,296	110,000	12,889	147	13,036	0	811,480	0	28,070	839,550	99,361	
8512705	Wimborne Junior School	353	969,691	0	106,229	12,360	143,845	110,000	23,445	0	23,445	0	1,365,570	0	26,663	1,392,233	223,272	
8512714	Fernhurst Junior School	352	966,944	0	175,147	17,510	161,324	110,000	32,578	0	32,578	0	1,463,503	0	31,100	1,494,603	254,371	
8512716	Craneswater Junior School	465	1,277,355	0	138,942	20,085	119,443	110,000	27,216	0	27,216	0	1,693,042	0	30,343	1,723,385	223,873	
8512719	Manor Infant School	217	596,099	0	156,623	21,708	58,976	110,000	29,232	0	29,232	0	972,639	0	49,115	1,021,753	126,067	
8512765	Portsmouth Primary School and Children's Centre	398	1,093,306	0	307,321	15,116	190,955	110,000	31,248	0	31,248	0	1,747,946	0	78,551	1,826,498	318,018	
8513212	St Jude's C.E. Primary	401	1,101,547	0	140,009	43,477	122,023	110,000	30,744	0	30,744	0	1,547,800	0	38,111	1,585,911	216,118	
8513214	St George's Beneficial Primary School	311	854,317	0	251,595	36,052	127,253	110,000	28,224	0	28,224	0	1,407,441	0	162,726	1,570,167	228,831	
8513420	Corpus Christi Catholic Primary School	312	857,064	0	105,418	37,913	93,275	110,000	28,476	0	28,476	0	1,232,146	0	29,145	1,261,291	165,782	
8513422	St. John's CC Primary School	210	576,870	0	108,267	34,439	66,510	110,000	26,712	0	26,712	0	922,798	0	49,146	971,944	122,775	
8513423	St. Swithun's Catholic Primary School	315	865,305	0	75,705	38,453	67,318	110,000	29,736	0	29,736	0	1,186,517	0	20,977	1,207,494	134,377	
8515207	St Paul's Catholic Primary Sch	394	1,082,318	0	255,351	27,015	139,173	110,000	35,028	345	35,373	0	1,649,230	0	78,579	1,727,809	255,182	
Total Maintained Primary Schools			6,803	18,687,841	0	3,122,412	561,614	2,399,771	2,420,000	586,178	(6,828)	579,350	0	27,770,988	0	981,978	28,752,966	4,145,524
8514303	Mayfield School	1,317	1,002,655	3,875,793	602,297	27,759	455,072	110,000	131,040	0	131,040	0	6,204,616	0	94,383	6,298,999	868,238	
8515413	St Edmund's Catholic School	998	0	4,050,876	694,405	36,119	338,845	110,000	103,320	0	103,320	0	5,333,565	0	47,440	5,381,004	720,778	
Total Maintained Secondary Schools			2,315	1,002,655	7,926,669	1,296,703	63,877	793,917	220,000	234,360	0	234,360	0	11,538,181	0	141,823	11,680,004	1,589,017
8512000	The Flying Bull Academy	410	1,126,270	0	343,770	28,958	152,138	110,000	8,215	0	8,215	0	1,769,351	0	154,283	1,923,634	288,468	
8512001	Beacon View Primary Academy	388	1,065,836	0	307,700	8,301	149,751	110,000	5,695	0	5,695	0	1,647,284	0	170,463	1,817,747	275,241	
8512003	The Victory Primary School	438	1,203,186	0	308,519	4,799	195,411	110,000	13,608	(4,291)	9,317	0	1,831,232	0	56,571	1,887,803	329,306	
8512004	Ark Ayrton Primary Academy	383	1,052,101	0	325,175	41,463	115,240	110,000	5,897	0	5,897	0	1,649,876	0	153,008	1,802,884	243,401	
8512005	Arundel Court Primary School	530	1,455,910	0	498,192	50,951	169,066	110,000	9,929	0	9,929	0	2,294,048	0	271,224	2,565,271	356,059	
8512007	Ark Dickens Primary Academy	389	1,068,583	0	402,801	32,782	170,140	110,000	6,804	0	6,804	0	1,791,110	0	156,182	1,947,293	314,815	
8512009	Stamshaw Junior School	220	604,340	0	148,731	7,725	82,792	110,000	6,703	0	6,703	0	960,292	0	23,924	984,216	148,799	
8512010	Lyndhurst Junior	462	1,269,114	0	107,450	4,120	126,695	110,000	5,090	0	5,090	0	1,622,470	0	27,660	1,650,130	224,332	
8512644	Court Lane Junior Academy	480	1,318,560	0	58,541	5,150	126,101	110,000	7,157	0	7,157	0	1,625,509	61,648	0	1,687,157	216,923	
8512653	College Park Infant School	358	983,426	0	80,355	13,944	69,674	110,000	8,905	(17,068)	(8,162)	0	1,249,236	0	17,960	1,267,196	144,751	
8512654	Meon Infant School	179	491,713	0	25,490	15,493	48,201	110,000	3,118	48	3,166	0	694,063	0	17,962	712,025	82,802	
8512658	Northern Parade Junior School	472	1,296,584	0	200,174	11,845	149,361	110,000	4,889	(15,737)	(10,848)	0	1,757,116	0	29,998	1,787,114	267,191	
8512659	Northern Parade Infant School	357	980,679	0	134,270	31,540	121,463	110,000	4,133	(15,637)	(11,505)	0	1,366,447	0	22,368	1,388,815	207,157	
8512666	Solent Junior School	362	994,414	0	25,102	1,030	96,122	110,000	5,191	0	5,191	0	1,231,859	40,332	0	1,272,191	160,807	
8512670	Westover Primary School	342	939,474	0	75,547	6,331	121,930	110,000	4,914	0	4,914	0	1,258,197	0	17,214	1,275,411	193,408	
8512674	Highbury Primary School	405	1,112,535	0	173,018	9,673	124,905	110,000	6,612	0	6,612	0	1,536,744	0	24,811	1,561,555	226,261	
8512677	Court Lane Infant Academy	359	986,173	0	45,191	13,866	115,959	110,000	7,106	345	7,452	0	1,278,641	0	16,833	1,295,474	184,167	
8512679	Solent Infant School	271	744,437	0	9,790	7,711	46,040	110,000	6,350									

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Table 2 - 2020-21 funding formula using minus 1.5% MFG  
indicative funding for consultation purposes only



LAESTAB	School Name	Number on Roll	Basic Entitlement		Total Deprivation	English as Additional Language	Low Attainment	Lump Sum	NNDR Rates			PFI	Total Allocation Before MFL, MFG or CAP	Minimum Funding Level (MFL) Adjustment	19-20 MFG Adjustment	19-20 Post MFG Budget	Notinal SEN	
			Primary	Secondary					2019 - 2020 NNDR Rates	NNDR Rates adjustment 2018-2019	Rates							
			£	£					£	£	£							£
8512006	Milton Park Primary School	394	1,082,318	0	183,097	20,172	167,327	110,000	33,264	0	33,264	0	1,596,179	0	9,328	1,605,507	268,886	
8512008	Copnor Primary	673	1,848,731	0	208,085	23,146	235,930	110,000	49,396	0	49,396	0	2,475,287	0	4,746	2,480,033	388,471	
8512637	Bramble Infant School and Nursery	170	466,990	0	56,812	20,919	47,095	110,000	23,814	0	23,814	0	725,630	0	18,891	744,520	86,476	
8512645	Meredith Infant School	245	673,015	0	125,039	21,283	88,359	110,000	17,308	(7,320)	9,988	0	1,027,683	0	10,601	1,038,284	153,748	
8512648	Devonshire Infant School	188	516,436	0	70,195	19,364	86,330	110,000	14,485	0	14,485	0	816,809	0	1,352	818,161	131,355	
8512665	Cumberland Infant School	173	475,231	0	52,993	3,942	46,749	110,000	9,575	0	9,575	0	698,490	0	38,150	736,640	85,862	
8512673	Medina Primary School	204	560,388	0	120,629	6,038	75,030	110,000	28,224	0	28,224	0	900,309	0	48,107	948,416	132,779	
8512680	Southsea Infant School	182	499,954	0	35,930	28,426	42,546	110,000	16,080	0	16,080	0	732,937	0	3,151	736,088	79,730	
8512689	Cottage Grove Primary School	405	1,112,535	0	273,237	74,279	193,177	110,000	37,516	0	37,516	0	1,800,743	0	44,360	1,845,103	314,576	
8512698	Stamshaw Infant School	236	648,292	0	124,407	21,287	71,837	110,000	20,990	0	20,990	0	996,812	0	18,959	1,015,771	135,616	
8512699	Wimborne Infant School	205	563,135	0	51,382	18,631	55,296	110,000	12,889	147	13,036	0	811,480	0	17,322	828,802	99,361	
8512705	Wimborne Junior School	353	969,691	0	106,229	12,360	143,845	110,000	23,445	0	23,445	0	1,365,570	0	7,782	1,373,352	223,272	
8512714	Fernhurst Junior School	352	966,944	0	175,147	17,510	161,324	110,000	32,578	0	32,578	0	1,463,503	0	10,819	1,474,323	254,371	
8512716	Craneswater Junior School	465	1,277,355	0	138,942	20,085	119,443	110,000	27,216	0	27,216	0	1,693,042	0	6,551	1,699,592	223,873	
8512719	Manor Infant School	217	596,099	0	156,623	21,708	58,976	110,000	29,232	0	29,232	0	972,639	0	35,877	1,008,516	126,067	
8512765	Portsmouth Primary School and Children's Centre	398	1,093,306	0	307,321	15,116	190,955	110,000	31,248	0	31,248	0	1,747,946	0	53,272	1,801,219	318,018	
8513212	St Jude's C.E. Primary	401	1,101,547	0	140,009	43,477	122,023	110,000	30,744	0	30,744	0	1,547,800	0	16,434	1,564,233	216,118	
8513214	St George's Beneficial Primary School	311	854,317	0	251,595	36,052	127,253	110,000	28,224	0	28,224	0	1,407,441	0	141,247	1,548,688	228,831	
8513420	Corpus Christi Catholic Primary School	312	857,064	0	105,418	37,913	93,275	110,000	28,476	0	28,476	0	1,232,146	0	12,303	1,244,449	165,782	
8513422	St. John's CC Primary School	210	576,870	0	108,267	34,439	66,510	110,000	26,712	0	26,712	0	922,798	0	36,618	959,415	122,775	
8513423	St. Swithun's Catholic Primary School	315	865,305	0	75,705	38,453	67,318	110,000	29,736	0	29,736	0	1,186,517	0	4,961	1,191,477	134,377	
8515207	St Paul's Catholic Primary Sch	394	1,082,318	0	255,351	27,015	139,173	110,000	35,028	345	35,373	0	1,649,230	0	54,843	1,704,072	255,182	
Total Maintained Primary Schools			6,803	18,687,841	0	3,122,412	561,614	2,399,771	2,420,000	586,178	(6,828)	579,350	0	27,770,988	0	595,674	28,366,662	4,145,524
8514303	Mayfield School	1,317	1,002,655	3,875,793	602,297	27,759	455,072	110,000	131,040	0	131,040	0	6,204,616	0	3,514	6,208,130	868,238	
8515413	St Edmund's Catholic School	998	0	4,050,876	694,405	36,119	338,845	110,000	103,320	0	103,320	0	5,333,565	0	0	5,333,565	720,778	
Total Maintained Secondary Schools			2,315	1,002,655	7,926,669	1,296,703	63,877	793,917	220,000	234,360	0	234,360	0	11,538,181	0	3,514	11,541,695	1,589,017
8512000	The Flying Bull Academy	410	1,126,270	0	343,770	28,958	152,138	110,000	8,215	0	8,215	0	1,769,351	0	127,202	1,896,552	288,468	
8512001	Beacon View Primary Academy	388	1,065,836	0	307,700	8,301	149,751	110,000	5,695	0	5,695	0	1,647,284	0	144,932	1,792,216	275,241	
8512003	The Victory Primary School	438	1,203,186	0	308,519	4,799	195,411	110,000	13,608	(4,291)	9,317	0	1,831,232	0	30,044	1,861,276	329,306	
8512004	Ark Ayrton Primary Academy	383	1,052,101	0	325,175	41,463	115,240	110,000	5,897	0	5,897	0	1,649,876	0	127,704	1,777,579	243,401	
8512005	Arundel Court Primary School	530	1,455,910	0	498,192	50,951	169,066	110,000	9,929	0	9,929	0	2,294,048	0	234,543	2,528,591	356,059	
8512007	Ark Dickens Primary Academy	389	1,068,583	0	402,801	32,782	170,140	110,000	6,804	0	6,804	0	1,791,110	0	128,725	1,919,835	314,815	
8512009	Stamshaw Junior School	220	604,340	0	148,731	7,725	82,792	110,000	6,703	0	6,703	0	960,292	0	10,912	971,203	148,799	
8512010	Lyndhurst Junior	462	1,269,114	0	107,450	4,120	126,695	110,000	5,090	0	5,090	0	1,622,470	0	4,635	1,627,104	224,332	
8512644	Court Lane Junior Academy	480	1,318,560	0	58,541	5,150	126,101	110,000	7,157	0	7,157	0	1,625,509	61,648	0	1,687,157	216,923	
8512653	College Park Infant School	358	983,426	0	80,355	13,944	69,674	110,000	8,905	(17,068)	(8,162)	0	1,249,236	0	479	1,249,716	144,751	
8512654	Meon Infant School	179	491,713	0	25,490	15,493	48,201	110,000	3,118	48	3,166	0	694,063	0	8,979	703,042	82,802	
8512658	Northern Parade Junior School	472	1,296,584	0	200,174	11,845	149,361	110,000	4,889	(15,737)	(10,848)	0	1,757,116	0	4,679	1,761,795	267,191	
8512659	Northern Parade Infant School	357	980,679	0	134,270	31,540	121,463	110,000	4,133	(15,637)	(11,505)	0	1,366,447	0	3,013	1,369,460	207,157	
8512666	Solent Junior School	362	994,414	0	25,102	1,030	96,122	110,000	5,191	0	5,191	0	1,231,859	40,332	0	1,272,191	160,807	
8512670	Westover Primary School	342	939,474	0	75,547	6,331	121,930	110,000	4,914	0	4,914	0	1,258,197	0	0	1,258,197	193,408	
8512674	Highbury Primary School	405	1,112,535	0	173,018	9,673	124,905	110,000	6,612	0	6,612	0	1,536,744	0	3,137	1,539,881	226,261	
8512677	Court Lane Infant Academy	359	986,173	0	45,191	13,866	115,959	110,000	7,106	345	7,452	0	1,278,641	0	0	1,278,641	184,167	
8512679	Solent Infant School	271	744,437	0	9,790	7,711	46,040	110,000	6,350	0	6,350							

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<b>Title of meeting:</b>	Cabinet Member for Education
<b>Date of meeting:</b>	24 July 2019
<b>Subject:</b>	2018-19 Dedicated Schools Grant Outturn Report and Revised Budget 2019-20
<b>Report by:</b>	Chris Ward, Director of Finance and Information Services and Section 151 Officer
<b>Wards affected:</b>	All Wards
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## **1. Purpose of report**

- 1.1 The purpose of this report is to inform the Cabinet Member for Education of the year-end outturn position as at the end of March 2019 for the Dedicated Schools Grant (DSG) and to propose revisions to the DSG budget for 2019-20.

## **2. Recommendations**

- 2.1 It is recommended that the Cabinet Member:
  - a. Note the year-end outturn budget position for the Dedicated Schools Grant as at the end of March 2019 and the variance explanations contained within this report.
  - b. Approve the revised DSG budget for 2019-20 as set out in Appendix 1 and section 5.

## **3. Background**

- 3.1. The DSG is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 3.2. The original DSG budget for the financial year 2018-19, was approved by the Cabinet Member for Education and endorsed by Schools Forum in January 2018, with subsequent changes approved throughout the

financial year. This report provides the Cabinet Member with the year-end outturn position as at 31<sup>st</sup> March 2019.

#### 4. Dedicated Schools Grant

<b>Table 1 - Dedicated Schools Grant</b>				
	<b>Original budget 2018-19 £000's</b>	<b>Revised Budget 2018-19 £000's</b>	<b>Outturn 2018-19 £000's</b>	<b>Over / (under) spend £000's</b>
<b>Income</b>				
DSG Brought forward 2017-18	(413)	(4,687)	(4,687)	0
DSG and other specific grants	<u>(79,592)</u>	<u>(70,294)</u>	<u>(70,675)</u>	<u>(382)</u>
<b>Total Income</b>	<b>(80,005)</b>	<b>(74,980)</b>	<b>(75,362)</b>	<b>(382)</b>
<b>Expenditure</b>				
Primary ISB	34,230	28,464	28,464	0
Secondary ISB	14,742	11,305	11,305	0
Special school place funding	1,556	1,556	1,622	67
Inclusion Centre Place funding	346	301	312	11
Alternative provision place funding	<u>1,082</u>	<u>1,082</u>	<u>1,082</u>	<u>0</u>
<b>Total Delegated</b>	<b>51,956</b>	<b>42,708</b>	<b>42,786</b>	<b>78</b>
De-delegated and central budgets	1,385	1,539	1,330	(209) <sup>1</sup>
Early Years	14,204	14,131	13,826	(305)
High Needs	12,460	14,331	14,140	(191)
<b>Total Expenditure</b>	<b>80,005</b>	<b>72,709</b>	<b>72,082</b>	<b>(627)</b>
<b>DSG Carried forward</b>	<b>0</b>	<b>2,271</b>	<b>3,280</b>	<b>1,009</b>

4.1. Table 1 below sets out the DSG final outturn position as at the 31<sup>st</sup> March 2019.

*The figures in the above table are subject to rounding to the nearest £1,000 and may not calculate exactly.*

#### **Dedicated School Grant**

4.2. The 2018-19 DSG grant income was £382,000 higher than budgeted; as reported previously, this relates mostly to the additional funding for pupils with Special Education and Disabilities (SEND) announced by the

<sup>1</sup> This includes £141,800 underspend on the schools specific contingency which Schools Forum and the Cabinet Member for Education approved would be carried forward to 2019-20 for the same purpose.

Secretary of State in December 2018. A further increase was made in respect of the 2017-18 financial year, for children accessing early education. The funding is based on the spring 2018 census which is finalised in the following July and therefore adjusted in the following financial year.

- 4.3. The value of the DSG funding received directly by the Council reduced during the financial year, as a consequence of schools converting to Academy status and their funding being paid directly to them from the Education & Skills Funding Agency (ESFA). The final amount allocated to Portsmouth City Council amounted to £70.675m compared to an initial budget estimate of £79.592m.
- 4.4. The net overall position is an increase to the carry forward of £1.009m comprising of increased DSG income of £382,000 and underspend of £627,000. A breakdown of which is set out in the report below.

#### **Academy conversion - budget adjustments**

- 4.5. There were 2 academy conversions (Meredith Infant School and Stamshaw Infant School) during the final quarter of the financial year, making a total of 3 academy conversions in 2018-19. The revised budget includes adjustments relating to these academy conversions.
- 4.6. Table 2 below shows the adjustments made to the budgets during the course of the year, to reflect these academy conversions, for the primary and secondary individual School Budgets (ISB) and the de-delegated budget.

<b>Table 2 - DSG budget adjustments 2018-19</b>					
	<b>Original Budget as at Jan 2018 £000's</b>	<b>FYE of 2017-18 academy conversions £000's</b>	<b>Budget as at April<sup>2</sup> 2018 £000's</b>	<b>2018-19 Impact of Academy Conversions £000's</b>	<b>Revised Budget (as shown above) £000's</b>
Primary ISB	34,230	(5,253)	28,977	(513)	28,464
Secondary ISB	14,741	(3,436)	11,305	0	11,305
De-Delegated	243	90	333	(3)	330
<b>Total</b>	<b>49,214</b>	<b>(8,599)</b>	<b>40,615</b>	<b>(516)</b>	<b>40,099</b>

- 4.7. The De-delegated adjustment shows the net position of the schools-specific contingency of £132,600 brought forward from 2017-18 and a reduction in de-delegated budgets of £43,500 due to academy conversions.

<sup>2</sup> Original budget less schools that converted to academy status as at 1 April 2018 and the agreement to use the 2017-18 schools specific contingency carry forward for the same purpose in 2018-19.

- 4.8. The variances shown in Table 1 are explained in more detail in the following sections.

#### **DSG Devolved - Individual School Budgets**

- 4.9. As previously reported, additional special school places were commissioned over the course of the year, over and above those agreed in the original budget. The majority of the overspend of £66,700 relates to 7 additional places at Willows from September 2018 (40,800), plus the equivalent of 2.5 additional places over the course of the year across Mary Rose and Cliffdale Academy special schools.
- 4.10. The Inclusion Centre overspend relates to two additional places at Trafalgar School from September 2018. These places are included in the 2019-20 budget.

#### **DSG retained**

##### **De-Delegated budgets, growth fund and centrally retained**

- 4.11. The Schools Specific contingency of £141,800 remains unspent at the year end. As agreed by the Cabinet Member and Schools Forum, this will be carried forward to be used for the same purpose in 2019-20.
- 4.12. The remaining element of the underspend is due to one off recoupment adjustments made to the DSG following schools' conversion to academy status (£67,000).

#### **Early Years**

- 4.13. The net underspend of £305,439 on the early years budgets relate to a combination of an increase in two year olds and additional hours for eligible 3 and four year olds offset by decrease in three and four year olds accessing universal early education in the city.
- 4.14. The cost of funding provision for two year olds exceeded the budget by £132,000, which was partly offset by the use of the two year old growth contingency (£50,100) to give a net overspend in that area of £81,900.
- 4.15. The budget for three and four year old provision includes both the universal 15 hours and the additional 15 hours for working parents, which was introduced in September 2017. There was a reduction in pupils accessing the universal hours and an increase in those accessing the additional 15 hours. With the partial use of the growth contingency, this led to an underspend of £276,078.

<b>Table 3 - 3 and 4 year old funding 2018-19</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Universal 15 Hours	8,008,500	7,980,252	(28,248)
Additional 15 hours for working parents	2,862,300	2,943,970	81,670
Growth contingency	329,500	0	(329,500)
<b>Total</b>	<b>11,200,300</b>	<b>10,924,222</b>	<b>(276,078)</b>

- 4.16. The growth contingency forms part of the on-going budget provision into 2019-20, whilst following a review and Schools Forum and Cabinet Member approval this has been reduced it is expected that there is sufficient funding to cover any future fluctuations in numbers during 2019-20.
- 4.17. It should be noted that any change in pupil numbers accessing early education at the time of the January 2019 census will result in an adjustment to Early Years funding allocation from the DfE in 2019-20. Current estimates expect this to be a net increase of approximately £33,000.
- 4.18. In addition to the place funding variations, there were underspends on the disability access fund (DAF), the three and four year old growth contingency and centrally retained budgets. The Inclusion Fund for nursery pupils with low level special educational needs and disabilities (SEND) was on budget this year, compared to an underspend last year.
- 4.19. The nursery pupil premium overspent by £56,300 in 2018-19, as this is funded based on the January 2017 census and updated in the following financial year using the January 2018 census, the authority is expecting to receive additional funding to cover these costs.

### **High Needs**

- 4.20. The High Needs budgets are the most volatile area of the DSG budget and very difficult to project accurately, due to a significant proportion of the funding being linked to pupil needs and movements. At the end of 2018-19, the overall High Needs budget was under spent by £190,800, as explained below.

<b>Table 4 - High needs budget</b>			
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Element 3 Top- up	8,732	8,745	13
Out of City Placements	2,148	2,030	(119)
SEN support services	3,450	3,365	(85)
<b>Total</b>	<b>14,331</b>	<b>14,140</b>	<b>(191)</b>

### **Element 3 Top-up**

The element 3 overspend comprises of a number of elements and contributing factors as set out in the paragraphs below.

#### Pupils with SEND in mainstream schools

- 4.21. As previously reported, the increasing number of Education Health and Care Plans (EHCP) has led to an increase in Element 3 funding being paid to mainstream schools to support children with high needs where the cost of additional support exceeds £6,000. The numbers of pupils with an EHCP in mainstream schools has increased during 2018-19 from 414 to 531.
- 4.22. During 2018-19, there were 117 new EHCPs issued. This was reflected in the overspend of £351,000 on this area of the budget.

#### Special Schools

- 4.23. The final outturn position for Element 3 funding for special schools was a £296,900 underspend. The underspend relates to:
- 32 pupils placed in Portsmouth special schools by other local authorities for which Portsmouth is not liable for top-up funding (£353,700)
  - Offset by additional funding required to meet the element 3 for unbudgeted additional places and an increase in the levels of need and complexity of individual pupils (£56,800).
- 4.24. Over the year a total of 534 pupils were placed at Portsmouth Special schools compared to a budget of 536, with an increase in the number of pupils placed by other local authorities (32 compared to a budget of 23).
- 4.25. The underspend on this budget partially offsets the overspend on the mainstream element 3 top-up payments.

#### Inclusion Centres and Alternative Provision units

- 4.26. There was an underspend in respect of the Alternative Provision (£36,352) and Inclusion Centres (£7,469) as a result of lower than previously anticipated numbers of pupils being placed by the City Council in these settings.

#### Other Local authority schools

- 4.27. Portsmouth City Council is responsible for the element 3 top-up funding of pupils with SEND placed in other local authority schools. For 2019-20 this budget has underspent by £82,800, the increase in the forecast underspend between quarter 3 and the end of the year relates to 2017-18 accruals no longer required (£15,600) and final clarification of the cost of placements which reduced the value of the orders at year end by £76,700

#### Post 16 Funding

- 4.28. The 2018-19 Post 16 element 3 Top-up budget included funding for 107 pupils based on the 2017-18 academic year, this assumed the same level of stability of pupil numbers that were seen in both the 2016-17 and 2017-18 academic years. The 2018-19 academic year saw an increase of 14 Portsmouth pupils with SEND attending further education establishments. The additional pupils combined with an increase in the average cost from £7,374 to £7,618 per pupil, has led to an overspend of £85,600 on post 16 funding.

#### Out of City Placements

- 4.29. The budget for Out of City placements includes pupils based in independent and specialist settings and those placed by Child and Adolescent Mental Health Service (CAMHS). The total underspend on this budget is £118,500, analysed as:
- Independent and specialist provision - Underspend of £119,000
  - CAMHS - overspend of £500
- 4.30. At the end of the financial year there were 40 pupils (budget 40 pupils) placed in independent and specialist out of city settings at a total cost of £2,066,400. Whilst there was no change in the number of pupils, the average cost per pupil has reduced from the budget of £53,010 to £51,600 (excluding CAMHS) providing a saving of £54,000.
- 4.31. Over the course of the final quarter all 2018-19 open orders, commitments and the remaining 2017-16 accruals were reviewed in detail with the SEND team. As a result, a number of placements that had either ceased earlier than expected, were cheaper than first anticipated, contributions from social care were agreed or had not started were

identified, thus reducing the final outturn further to provide a £119,000 underspend.

- 4.32. There were only 6 pupils (budget 7 pupils) placed in CAMHS settings over the course of the year. The costs for children placed by CAMHS were higher than estimated (based on the previous year average), which lead to an overspend of £20,100. This was almost entirely offset by the release of a number of the previous year's accruals which were not required, providing a net overspend of £500.

#### SEN Support Services

- 4.33. A receipt of funds relating to permanent exclusion recharges was appropriated in 2018-19 which contributed £85,100 to the underspend in the High Needs area.

#### **Carry forward balance**

- 4.34. The carry forward decreased in 2018-19 from £4.687m to £3.280m, representing the sum of all the variances in the overall DSG. As set out at previous meetings a number of decisions were made over the course of the financial year to utilise the 2017-18 carry forward to support the:

- Schools specific contingency
- High needs block pressures
- Revenue contribution to the refurbishment of Redwood Park School Academy
- The Harbour School
- Additional special school places at Willows Centre for Children

- 4.35. The final balance brought forward from 2018-19, has placed the authority in a stronger position to manage any fluctuation in expenditure in 2019-20, particularly within the high needs block. Decisions made in February 2019 (see paragraph 5.4) and the continuing growth in the numbers of pupil in mainstream schools with EHCPs is providing day one pressures of £257,000.

## **5. Revised Budget 2019-20**

- 4.36. Appendix 1 shows the budget for 2019-20 which was approved in January 2019. Since agreeing the budget there have been a number of changes, requiring the proposed revisions below.

#### **Academy Conversions**

- 4.37. A further two academy conversions have been completed since setting the budget in January 2019, as listed below. The necessary budget



adjustments have been completed and are reflected in the table in appendix 1.

- Meredith Infant School 1 March 2019
- Stamshaw Infant School 1 April 2019

### **Schools Specific Contingency and the carry forward**

- 4.38. The underspend in the schools specific contingency of £141,800 in 2018-19 has been transferred from the brought forward balance to the contingency budget. This allocation was approved by the Cabinet Member for Education and endorsed by Schools Forum in January 2019.

### **High Needs - impact of decision**

- 4.39. At the meeting on 13 February 2019 the Cabinet Member reversed the decision to implement proposed changes to the high needs funding for 2019-20. The revised budget contains the impact of these changes namely:
- The removal of the proposed banding system for Element 3 top-up for children with an EHCP in mainstream schools and Inclusion centres
  - Special school element 3 Top-up rates reverting to 2018-19 rates (i.e. no 1% reduction as originally agreed).
  - Remove the intention to save 10% by recommissioning the Outreach service.
  - Remove the requirement to make efficiencies within the Portage plus team.

- 4.40. The financial impact of these changes is additional cost of £126,000

### **Restructuring of Special Schools in the City**

- 4.41. At the meeting on 20 March 2019 the Cabinet Member for Education approved the decision to close the Willows Centre for Children from 31 August 2019. The budget contains the adjustment to both place and element 3 Top-up funding for the period following the school's closure.
- 4.42. On the 26 April 2019 the Regional Schools Commissioner approved the expansion of Cliffdale Primary Academy from the 1 September 2019. This expansion included an additional 48 places, previously accommodated at the Willows Centre for Children. Due to the economies of scale, level of need and age of the pupils transferring, it is proposed that the Element 3 Top-up rates for these children will be paid at Mary Rose 2019-20 rates from 1 September 2019.

### **Additional Special School places**

- 4.43. The expansion of Cliffdale by 48 places has reduced the number of additional places required at Cliffdale from 11 to 10 from September 2019 taking the total number of places at Cliffdale to 126. In addition there has also been an increase of 7 places at Mary Rise from 1 September 2019, taking to the total number of places at Mary Rose to 152.

### **Early Years Complex needs inclusion fund.**

- 4.44. In January 2019 a report was taken to Cabinet Member and Schools Forum regarding the proposal to introduce an Early Years complex needs inclusion fund, using the difference in funding between The Willows Centre for Children and the Cliffdale Primary Academy for the pupils that were transferring following the closure of Willows. As set out above the proposal to change the funding band for the Willows pupils transferring to Cliffdale has meant the funding available was not sufficient to cover the total cost of this fund. Whilst it was considered to set up a fund with reduced funding the amount available would not provide adequate levels of funding to meet the needs of pupils in early years settings. It is therefore proposed to provide an annual fund of £90,000 of which will be covered from the carry forward in 2019/20. The provision of this fund is not sustainable in the long term due to the one off nature of the carry forward, it will need to be reviewed periodically against all other risks to the DSG.
- 4.45. An early years complex needs inclusion fund of £90,000 (prorate) has been included in the revised and will be available from September 2019. Guidance on accessing the fund is being produced by the Early Years Team and SEND Team.

### **Technical adjustment**

- 4.46. The revised budget includes a technical adjustment to the Inclusion Centre place recoupment relating to Trafalgar Academy, due to the recoupment timing applied by the DfE.
- 4.47. Over all these changes have increased the projected high needs costs by £328,800. It is proposed to fund the additional high needs pressures from the 2018-19 DSG carry forward for 2019-20. Due to the one off nature of the carry forward, it will not be sustainable to continue to fund the high needs pressures in this manner. Whilst there has been a DfE SEND call for evidence there is no guarantee that this will result in additional funding for 2020-21. Therefore further work will be required to ensure the continued sustainability of the DSG in 2020-21.

## 6. Reasons for recommendations

It is recommended that the Cabinet Member note the contents of the report in respect of the financial outturn for 2018-19 and approve the amendments to the budget for 2019-20 for the reasons set out in section 5.

## 7. Equality impact assessment (EIA)

An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010. There is no change to policy or service and through the budget review process equality impact assessments would be undertaken on an individual basis as required.

## 8. Legal implications

There are no legal implications arising directly from the recommendations within this report.

## 9. Finance comments

Finance comments have been included within the body of this report.

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Signed by:

## Appendices:

Appendix 1 - Dedicated Schools Grant Revised Budget 2019-20

## Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
School & Early Years Finance (England) Regulations	<a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a>
DSG Budget Estimates and Monitoring Records	Education Finance

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:



## Appendix 1 - Dedicated Schools Grant Revised Budget 2019-20

	2019-20 Schools Budget January 2019 (Including Academies) £000	Proposed Budget Revisions £000	2019-20 Schools Budget July 2019 (Including Academies) £000	2019-20 Schools Budget July 2019 (Excluding Academies) £000
<b>Schools Block</b>				
<b>Individual Schools Budgets (ISB)</b>				
Primary	65,978	(0)	65,978	26,671
Secondary	49,453	0	49,453	11,680
<b>Total ISB</b>	<b>115,432</b>	<b>(0)</b>	<b>115,431</b>	<b>38,351</b>
<b>De-Delegated and Central Budgets</b>				
Growth Fund	754	0	754	754
De-delegated Budgets	0	142	142	142
Academy Conversions	0	25	25	25
<b>Other Schools Block Sub Total</b>	<b>754</b>	<b>167</b>	<b>921</b>	<b>921</b>
<b>Total Schools Block</b>	<b>116,186</b>	<b>167</b>	<b>116,352</b>	<b>39,272</b>
<b>Central School Services Block</b>				
Schools Forum	16	0	16	16
Admissions	307	0	307	307
Licences (negotiated by DfE)	126	0	126	126
ESG retained duties	377	0	377	377
<b>Central School Services Block Total</b>	<b>826</b>	<b>0</b>	<b>826</b>	<b>826</b>
<b>Early Years Block</b>				
3 & 4 Year Old Provision <sup>1</sup>	11,502	(0)	11,502	11,502
2 Year Old Provision	1,994	(0)	1,994	1,994
Central Expenditure on under 5's	642	0	642	642
<b>Early Years Block Total</b>	<b>14,138</b>	<b>(0)</b>	<b>14,138</b>	<b>14,138</b>
<b>High Needs Block</b>				
<b>Individual Schools Budgets</b>				
Special School Place Funding	5,518	78	5,597	1,411
Resource Unit Place Funding	522	0	522	307
Alternative Provision Place Funding	1,210	0	1,210	1,090
<b>Total ISB</b>	<b>7,250</b>	<b>78</b>	<b>7,329</b>	<b>2,808</b>
Element 3 Top-up funding	9,261	179	9,440	9,440
Out of City Placements	2,365	0	2,365	2,365
SEN Support Service	665	10	675	675
Medical Education	660	0	660	660
Outreach Services	178	9	187	187
Fair Access Protocol	60	0	60	60
Early Years Complex Needs Inclusion fund	0	53	53	53
Post-16 high needs places	504	0	504	0
<b>Other high needs block sub total</b>	<b>13,693</b>	<b>251</b>	<b>13,943</b>	<b>13,439</b>
<b>Total High Needs block</b>	<b>20,943</b>	<b>329</b>	<b>21,272</b>	<b>16,247</b>
<b>Total Expenditure</b>	<b>152,092</b>	<b>495</b>	<b>152,588</b>	<b>70,483</b>
<b>Income</b>				
Schools Block	(116,186)	(25)	(116,211)	(39,131)
Central Schools Services Block	(826)	0	(826)	(826)
Early Years Block	(14,138)	0	(14,138)	(14,138)
High Needs Block	(20,943)	(0)	(20,943)	(15,918)
DSG Income <sup>2,3</sup>	(152,092)	(25)	(152,117)	(70,012)
One-off use of Carry Forward	0	(471)	(471)	(471)
<b>Total Income</b>	<b>(152,092)</b>	<b>(495)</b>	<b>(152,587)</b>	<b>(70,483)</b>

<sup>1</sup>Includes early years pupil premium

<sup>2</sup>2019-20 per ESFA allocations March 2019

<sup>3</sup> Includes reimbursement of Growth funding for Academy schools

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<b>Decision maker:</b>	<b>Cabinet Member for Education</b>
<b>Subject:</b>	<b>Education Portfolio Outturn Report for Financial Year 2018-19</b>
<b>Date of decision:</b>	<b>24<sup>th</sup> July 2019</b>
<b>Report from:</b>	<b>Chris Ward, Director of Finance and Section 151 Officer</b>
<b>Report by:</b>	<b>Maria Smith, Group Accountant</b>
<b>Wards affected:</b>	<b>All</b>
<b>Key decision:</b>	No
<b>Budget &amp; policy framework decision:</b>	No

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## **1. Purpose of report**

- 1.1. The purpose of this report is to inform the Cabinet Member of the revenue expenditure position within the Education portfolio cash limit, together with the capital programme for the financial year 2018-19. This report sets out the budget position and contributing factors to the final portfolio overspend at the end of the financial year.

## **2. Summary**

- 2.1. The final revenue position for the portfolio at the end of 2018-19 was an overspend of £119,800, which is significantly lower than the anticipated £209,000 reported at the end of quarter 3. An overspend on the Home to School Transport budget of £274,000 was partially offset by an underspend on staffing due to vacancies and turnover, increased income and other small variances across the service.
- 2.2. The portfolio reserve at the end of the year had sufficient funds to offset this overspend allowing the portfolio to commence the new financial year without any budget "clawback" arising from the prior year overspend.
- 2.3. At the end of the financial year, the capital programme indicated that forecast spending was broadly in line with the approved capital budget of £88.4m

### 3 Recommendations

3.1 It is recommended that the Cabinet Member:

- Note the Education Portfolio outturn position for 2018-19 of £119,800 over the approved cash limit provision and the capital programme position at the end of the financial year.
- Note the potential cash limit pressure for the 2019-20 financial year; and that this will continue to be monitored and reported regularly during the year.
- Note the value of the portfolio reserve to support future service pressures.

### 4 Position against Cash Limited Budget at the end of 2018-19

4.1 The Education budget at year end was £4.294m, a decrease of £1.010m on the budget originally approved. This decrease reflects the contribution from the DSG of £1m for Redwood School Capital works alongside a number of other minor adjustments.

4.2 Against this budget, spending for the year amounted to £4.414m producing an overspend of £119,800 as identified below.

EDUCATION	Original Budget	Final Budget	Actual	Variation
Deputy Director	35,600	(1,086,900)	(1,094,116)	(7,216)
Head of School Improvement	733,800	803,500	732,855	(70,645)
Head of Inclusion	3,818,700	3,862,400	4,135,417	273,017
Head of Sufficiency, Participation & Resources	716,900	715,300	639,937	(75,363)
<b>Total Education</b>	<b>5,305,000</b>	<b>4,294,300</b>	<b>4,414,093</b>	<b>119,793</b>

The variances to budget are explained further below.

- 4.3 **Deputy Director of Children's Services** ended the year with a small underspend of £7,000. An underspend on staffing alongside income from interest receipts generated the small underspend in this service area.
- 4.4 **School Improvement Service** underspent by £70,000. This incorporates £20,000 of Music Service income, and underspends on staffing. These were partially offset by a shortfall in other income received.
- 4.5 **Inclusion Support Service** ended the year with an overspend of £273,000. Home to school transport continued to produce budget pressures and eventually overspent by £274,000. Whilst expenditure levels remained in line with the previous year, an increase in the budget provision for the year meant the overspend reduced accordingly. For 2019/20 the Education Service has a small surplus which it will use to mitigate some of the potential overspend. Options for balancing the budget in future years within existing resources have been considered but are very limited.



- 4.6 **Sufficiency, Participation and Support Service** was £73,000 underspent over the course of the year. Staffing budgets underspent within the careers advice and business and partnership teams, with an underspend on the operational budgets and increased income adding to the service underspend.
- 4.7 Under the approved financial arrangements, overspends and underspends are carried forward by the portfolio into a reserve, as portfolios are expected to manage their resources across financial years in order to encourage medium term operational and financial planning. Consequently, the service used £119,800 from the portfolio reserve at the end of 2018-19. As at 31 March 2019 the Education Portfolio reserve has a remaining balance of £218,000 however of this £114,000 relates to unspent grant funding with commitments to spend in 2019-20. This leaves £104,000 available to fund any future service pressures.

## **5 Position against Capital Budget at the end of 2018-19**

- 5.1 The actual spending on approved capital schemes as at the end of the financial year 2018-19 is shown in Appendix 1, alongside the overall forecast position for scheme costs.
- 5.2 The Council updated and approved the capital programme on 12<sup>th</sup> February 2019 for the period 2018-19 to 2023-24 and this incorporated updated estimates for ongoing projects. These are reflected in the programme shown in the appendix and includes the new schemes approved to start in 2019-20.
- 5.3 The actual spend to the end of 2018-19 at £53.8m is some £34.6m below approved budget and relates to slippage in planned expenditure (rather than an over underspend against the total budget), of which £10.2m relates to newly approved schemes yet to commence, reflecting the longer term nature of capital spending. Comparison with the forecast eventual spending levels suggest that, notwithstanding a few minor variations in individual schemes, the programme is broadly expected to be within the approved budget.

## **6 Equality impact assessment (EIA)**

- 6.1 An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010. There is no change to policy or service and through the budget review process equality impact assessments would be undertaken on an individual basis as required.

## **7 Legal comments**

- 7.1 There are no legal implications arising directly from the recommendations in this report.

## **8 Director of Finance comments**

- 8.1 The Home to School Transport budget has been overspent for a number of years. Despite the continued implementation of new policies and arrangements designed to reduce the numbers requiring transport, an increase in the numbers of pupils requiring high cost provision suggests continued pressure in this budget area.
- 8.2 As a result it is forecast that in 2019-20 the Education service will face continued financial pressure in respect of Home to School Transport, likely to be in excess of the available balance within the portfolio reserve. The options to manage this overspend have been considered and a paper outlining limited potential solutions along with consideration to provide additional funding is currently being finalised and will to be taken to Cabinet at the earliest opportunity.
- 8.3 The service is continuing to actively manage its expenditure requirements and income levels, but as some significant areas of the budget are demand led, fluctuations in these requirements could also impact on the levels of expenditure in 2019-20.
- 8.4 The service carried forward £218,000 into the portfolio reserve at the end of 2018-19. Of this £114,000 is grant funding which will be spent in 2019-20. It is proposed that the remaining balance is earmarked to fund any potential pressures during 2019-20.
- 8.5 The progress being made to deliver the proposed savings, as well as the forecast financial position of the Portfolio will continue to be monitored and reported regularly to the Cabinet Member during the year.

.....  
**Chris Ward, Director of Finance and Section 151 Officer**

**Background list of documents: Section 100D of the Local Government Act 1972**

The information upon which this report has been based has been drawn from a variety of sources; however much of the information used is held in budget files prepared by the Children and Education Finance Team. Please contact Maria Smith, Group Accountant, if required.

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet on

.....  
Signed by: Cabinet Member



Children and Education Capital Budgets

APPENDIX 1

Cap Programme Ref	Scheme	Current Approved Budget	Actual spend to Mar-19	Current Forecast Spend	Forecast Variance	Explanation
		£	£	£	£	
1	Primary Capital Programme	15,858,000	15,826,400	15,858,000	0	
2	Sufficiency Programme Phase One 2013- 2015	6,344,200	6,289,100	6,346,400	2,200	
3	Sufficiency Programme Phase Two 2015- 2017	11,024,800	9,110,000	11,055,500	30,700	additional temporary classroom requirements
4	Secondary School Feasibility Study	150,000	97,600	150,000	0	
5	Temporary Accommodation	358,000	358,000	358,000	0	
6	Vanguard Centre	3,264,900	3,325,500	3,260,600	-4,300	
7	King Richard School Rebuild 900-1000 places	1,712,300	1,418,800	1,712,100	-200	
8	Portsmouth College Sufficiency Post 16	263,400	263,500	263,400	0	
9	Universal Infant Free School Meal Works	892,800	890,600	892,800	0	
10	Universal Infant Free School Meal Provision	628,700	593,600	628,700	0	
11	Salix	124,200	115,500	124,200	0	
14	St Edmunds SI Provision	557,300	557,300	557,300	0	
12	Access SEN Pupils	290,500	290,600	292,100	1,600	Additional signage and paving requirements to facilitate usage by sensory impaired students.
13	ALN Lift Repairs	42,200	41,100	42,200	0	
15	Schools Conditions Projects - Modernisation	1,447,000	1,445,000	1,449,600	2,600	
16	School Condition Projects 2014-2016	2,837,700	2,726,500	2,813,900	-23,800	
17	School Conditions Project 2016 - 17	981,400	885,300	954,600	-26,800	
18	Secondary School Places Expansion Phase (1)	1,643,000	1,660,300	1,657,300	14,300	
19	Special Education Needs - Building Alterations	3,191,600	1,971,100	3,191,600	0	
20	Schools Devolved Formula Capital 2016-17	4,343,800	3,059,800	4,343,800	0	
21	Sufficiency of Secondary School Places	5,482,500	560,300	5,482,500	0	
22	Future Secondary School Places Feasibility	304,500	156,600	304,500	0	
23	School Condition 2017-18	954,300	699,700	954,300	0	
24	Beacon View - Kitchen Block	45,000	39,700	45,200	200	
25	School Condition 2018-19	1,362,200	758,300	1,373,300	11,100	
26	Sufficiency of School Places 2018-19	10,362,800	530,800	10,362,800	0	Current project approvals being revisited
27	Special School Places - Redwood Park	3,053,700	58,700	3,053,700	0	
28	Special School Places - Willows	400,000	66,900	400,000	0	
29	Milton Childcare Sufficiency	250,000	46,600	250,000	0	
30*	Forest School - Community Accessible Education Centre	30,000		30,000	0	
31*	30 Hours Delivery Support EY	10,000		10,000	0	
32*	Maintained Schools - Urgent Condition Projects	1,700,000		1,700,000	0	
33*	Additional Special School Places - Design	679,200		679,200	0	
34*	Additional Mainstream School Places - Design	250,000		250,000	0	
25*	Additional School Places - St Edmunds Grant	650,000		650,000	0	
36*	Additional School Places - 2020/21	6,908,000		6,908,000	0	
	<b>TOTALS</b>	<b>88,398,000</b>	<b>53,843,200</b>	<b>88,405,600</b>	<b>7,600</b>	
	Variation of actual to budget		34,554,800			

\*Newly approved schemes yet to commence

# Agenda Item 9



<b>Decision Maker:</b>	Cabinet Member for Education
<b>Date of meeting:</b>	24 July 2019
<b>Subject:</b>	Update on Early Years SEND Funding Review and Outreach support
<b>Report from:</b>	Alison Jeffery Director of Children, Families and Education
<b>Report by:</b>	Julia Katherine - Head of Inclusion, Education Service Anthony Harper - Early Years and Childcare Manager, Children and Families
<b>Wards affected:</b>	All
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

- 1.1. To inform the Cabinet Member for Education on progress following agreement to changes to the way in Portsmouth City Council supports early years children with Special Educational Needs and Disabilities (SEND) to access their funded entitlement.
- 1.2. To inform the Cabinet Member for Education on changes to the delivery of SEND Outreach support to mainstream schools.

## 2. Recommendations

- 2.1. It is recommended that inform the Cabinet Member for Education:
  - a. Notes the progress made to date with the agreed changes.
  - b. Agrees to the proposals to refocus the existing allocation of funding to support outreach that currently goes through The Harbour School/MABSS and PSENSP.
    - A new 'SEND outreach officer' will be managed through the Early Years Inclusion team, with a direct link to the Portage Plus Programme. This role will ensure a coordinated approach to support, advice and guidance for settings and families.
    - A broader outreach offer to schools will be co-ordinated by a new Co-ordinator who will work as part of the Inclusion Service.

### **3. Background**

- 3.1. In January 2019, the Cabinet Member for Education approved changes to the funding structure that supports children with additional needs who access registered childcare provision. This decision was ratified by Schools Forum and will see the following:
- 3.2. Commissioned places for early years children with complex SEND through a specialist provision at Cliffdale Primary Academy (previously delivered by Willows Nursery School).
- 3.3. A single funding stream for mainstream early years providers which has two elements:
  - a flexible 'complex needs' funding stream (EY Inclusion Fund - Enhanced) where funding will follow the child to the setting of their parent's choice. This element will be funded through the DSG High Needs Block, using the funding released from the closure of Willows Centre for Children
  - a refocussed Early Years Inclusion Fund (EY Inclusion Fund - Core) which supports children with 'low and emerging' needs, in-line with statutory guidance. This is already funded from the Early Years Block.
- 3.4. Additionally, the proposals committed to consultation with the current service providers, regarding the allocation of funding to early years outreach.

### **4. Review of current delivery**

- 4.1. Current support for registered childcare settings is split across a number of service areas; MABSS, PSENSP, Portage, Area Inclusion Coordinators. Whilst the support offered does demonstrate some good outcomes, providers report that it is not always easy to navigate, it is unclear who offers what and can mean some duplication within the system.
- 4.2. A key partner in the system is the Multi Agency Behavioural Support Service (MABSS). The team support children transitioning from pre-school to reception year with high-level social, emotional and mental health (SEMH) needs. They work alongside Early Years Advisory Teachers and partners to ensure all children have a positive experience of starting school. A comprehensive support package has been provided by a Lead Teacher Advisor and is open and available to all nursery settings at any point during the child's pre-school year. MABSS has supported children in 36 different settings during the last 3 years. More recently, the service has started to extend the age of children they support; to younger children with SEMH needs within nursery settings.

#### 4.3. Data provided shows:

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>No. of referrals for individual children</b>	<b>20</b> <i>(16 different settings)</i>	<b>20</b> <i>(17 different settings)</i>	<b>19</b> <i>(15 different settings)</i>

  

<b>Multi-agency EYs drop in</b>	<b>Autumn term</b>	<b>Spring term</b>	<b>Summer term</b>
<b>No. of settings requesting appointments with MABSS</b>	4	6	TBC

- 94% of the 17/18 cohort are either doing well or making progress in their reception year at school
- 72% of the 17/18 cohort made a quick and successful transition (with support ending by the October half term)
- 56% of the 17/18 cohort did not require any support in reception year
- Only 5 (27%) children from this cohort are still receiving MABSS support
- 100% of children transitioned to school in September 2018 are attending full time education.

4.4. It is clear that the current structure has provided successful interventions that have had a positive impact on children's transition to school. However, the focus has been on high-level needs and is responsive to referrals into the service.

4.5. There are currently 227 children accessing early education who are known to the Area Inclusion Team and have additional needs. These needs range from 'low and emerging' needs including speech and language through to complex disabilities. Childcare providers are supporting these children well, but are doing so in a challenging environment of reducing resources across the system.

4.6. The Portage Service review in May 2019 recognised increasing numbers of children and families with social communication/autistic features. Portage Plus has demonstrated a positive impact on supporting these children and have made recommendations to extend the offer.

## 5. Taking Forward Outreach Support

5.1. Although outcomes are currently good for this cohort of children, more could be done to identify and support needs early on. Support across the continuum of needs, which is coordinated and easy to navigate will further enhance this. A clear, transparent, consistent and quality assured offer of outreach support should be readily available for mainstream early years providers, designed to support individual pupils and build capacity in the sector.

5.2. Portsmouth City Council has recently reviewed the outreach provision that supports schools. Plans are underway for a new service for schools to be commissioned from September 2019 including:

- an Outreach Co-ordinator based within the Inclusion Service
- a telephone advice line
- a programme of professional development, delivered centrally
- individual interventions delivered by specialists

- proactive school support
- seconded SENCos to provide peer to peer support
- an integrated multi-agency offer (EPs, health professionals).

- 5.3. It is proposed that this same approach be taken to early years support. This will allow the LA to be more responsive in supporting registered childcare provision. It will allow a tiered approach of support which can be coordinated and delivered in a coherent, efficient way, making the most of limited resources.
- 5.4. In light of this, the council would like to end the current commissioning arrangements with effect from 31 August 2019. As a result of this, from 1 Sept 2019 a new post will be created within the Early Years inclusion team. This post will be able to deliver consistent, practical support and role modelling to settings across the spectrum of needs in a coordinated and coherent way. It is felt that this service will be more responsive as part of the wider inclusion support offer from Early Years.
- 5.5. It is important to acknowledge the increasing number of young children with social communication/autistic features. As such, it is proposed that we ensure a practical and effective working relationship with Portage colleagues. This will be developed through joint training and operational links.

## **6. Equality impact assessment**

A preliminary EIA has been completed.

## **7. Legal implications**

- 7.1 The Council's statutory duties for children and young people with SEN are set out in the Children and Families Act 2014. These duties include identifying children with SEN and ensuring that their needs are met. Section 27 of the Act requires a local authority to keep under review its educational, training and social care provision for children and young people who have special educational needs and disabilities and to consider the extent to which the provision is sufficient to meet need.
- 7.2 The Childcare Act 2006 - sections 1 to 5 require local authorities and their partners to improve the outcomes of all children under 5 and reduce inequalities. Local authorities are also required to establish and maintain a service providing information, advice and assistance for parents.
- 7.3 The Education Act 1996 also requires a local authority to ensure that their Relevant education functions are exercised by the authority with a view to (a) promoting high standards, (b) ensuring fair access to opportunity for education and training, and (c) promoting the fulfilment of learning potential by every person under the age of 20.
- 7.4 The recommendations contained in this report and set out in paragraph 2 above are being sought with the intention of furthering the above duties and are within the Cabinet Member's powers, as set out in Part 2 of the Council's constitution.



## **8. Director of Finance's comments**

- 8.1. The Dedicated Schools Grant is a ring fenced grant whose use is governed by the School and Early Years Finance (England) Regulations. The grant is split into four funding blocks and the regulations are specific about how each of the funding blocks may be used.
- 8.2. The High Needs Block provides funding for pupils aged 0 to 25 who are subject to an Education Health and Care plan or require additional support to access education. Currently the high needs support to very young pupils is provided by Willows Centre for Children, which is due to close at the end of August 2019.
- 8.3. The transfer to an expanded provision at Cliffdale Primary Academy, did not release the level of funding required to support the development of a "complex needs" early years provision, due to the economies of scale and the level of need of the pupils concerned. The remaining shortfall (£22,500) has been met from the 2018-19 carry forward to provide a budget of £52,500 for 2019-20 (full year effect will be £90,000). As the carry forward is one off funding this is not sustainable in the long term and will need to be reviewed on a regular basis.
- 8.4. The Early Years Block funds the low and emerging needs of early years pupils. The value is calculated as a percentage of the hourly rate received by the local authority. The total funding received by the authority varies each year depending on the number of eligible pupils recorded in the January census. Therefore the funding available for the low incidence inclusion fund will fluctuate in line with the overall funding and will need to continue to be reviewed regularly.
- 8.5. The DSG 2019-20 revised budget contains outreach funding of £186,900. This funding covers the current arrangements with the Portsmouth Special Educational Needs Partnership (PSENP) and The Harbour School early years arrangements. The proposal to change the both the main outreach provision and the early years outreach arrangements will redirect funding from one provider to another and not increase the overall DSG funding requirement.

.....  
Signed by:

## **Appendices:**

### **Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:



**Decision maker:** Cabinet Member for Education

**Subject:** Targeted Short Breaks

**Date of meeting:** 24<sup>th</sup> July 2019

**Report from:** Alison Jeffery  
Director Children, Families and Education

**Report by:** Julia Katherine  
Head of Inclusion, Education Service

**Wards affected:** All

**Key decision:** No

**Budget & policy framework decision:** No

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## 1. Purpose of report

- 1.1 To inform the Cabinet Member for Education of the potential pressure on the targeted short break budget in 2019-20 and make recommendations as to how this pressure can be managed.

## 2. Recommendations

- 2.1 It is recommended that the Cabinet Member for Education:
- a) **Notes the increase in the uptake of targeted short breaks by families with a child with Special Educational Needs and Disabilities (SEND), and the pressure this will exert on this budget in 2019-20.**
  - b) **Agrees that a consultation takes place with stakeholders regarding changes to the allocation of targeted short breaks, including consideration of a range of options:**

## 3. Background , summary of the legislative framework and local context

- 3.1 The [Department for Education - Short Breaks Guidance 2011](#) states that Local Authorities must provide a range of short breaks as per paragraph 2.2 of the guidance.
- 3.2 Local authorities should enable carers of disabled children to have breaks from caring by providing, as appropriate, a reliable range of services. The local authority should secure, as appropriate:

- a) Provision which will enable disabled children to participate in educational and recreational activities;
  - b) Provision of day-time care for disabled children in both their own homes and elsewhere, including befriending, sitting (for example where someone is commissioned to look after a child who for example cannot leave home) and sessional services;
  - c) Provision of overnight care for disabled children in both their own homes and elsewhere; and
  - d) Emergency care, for example, due to illness in the family. If the emergency relates to safeguarding concerns the guidance in Working Together must be followed.
- 3.3 The responsibilities described in c) and d) are delivered through the Children and Families Service as the specialist short break offer via Beechside short break respite provision.
- 3.4 The Portsmouth Targeted Short Breaks offer refers to a) open access recreational activities in the format of the Inclusive Holiday Playscheme, Teenage Holiday Programme, Teenage Project and the Portsmouth Autism Support Network activities (referred to as Targeted 1) and b) day time care in the format of the Specialist Holiday Playscheme and pre-paid cards (both referred to as Targeted 2).
- 3.5 Portsmouth commissions two contracts to ensure the provision of targeted short breaks for families with a child with a disability. These cover a) and b) as described above:
- The Targeted 1 Short Break contract providing recreational activities (a) has a value of £77,000 per year. The contract is due to end in March 2021.
  - The Targeted 2 Short Break contract providing daytime care (b) for the delivery of the Specialist Holiday Playscheme has a value of £147,000 per year. Children's Social Care contribute £24,023, Education contribute £122,977. The contract is due to end in March 2020. The Targeted 2 offer also includes the option of a 'pre-paid card'.
- 3.6 Families of children with an EHCP and attending a special school or in receipt of full time support in a mainstream school, are entitled to a Personal Budget which is provided in the form of a pre-paid card. This can be used for any short break activities the parent feels best meets their child's and family's needs and is part of the Targeted 2 offer.
- 3.7 As part of the Targeted 2 offer, £148,000 is allocated to fund pre-paid cards. This was reduced by £45,000 in 2018-19, following several years where this budget was underspent. Currently 495 families have opted to take up the offer of a pre-paid card, out of a total of 696 who are eligible. The funding allocated per family per year is currently £300. There is an expectation that this uptake will continue to increase as overall numbers of children with

EHCPs has increased and there is greater awareness of the support available to families.

- 3.8 Historically, there has been an underspend on this budget as the take up of pre-paid cards has been less than 100%. In order to increase the take-up of personal budgets, the procedure for allocating and offering families a pre-paid card was incorporated into the process of finalising an Education Health and Care Plan (EHCP). This has successfully increased the take-up, however for this reason there will be pressure on this budget in 2019-20.
- 3.9 Some families access more than one 'short break'. For example of the 91 children accessing the 'Targeted 2' Holiday Playscheme, 71 also accessed a pre-paid card. There are approximately 150 families currently receiving specialist short break services in addition to the targeted offer. 120 of these families receive a pre-paid card.

#### 4. Reasons for recommendations

- 4.1 In December 2018, a review of short breaks across Children's Services was commissioned. The purpose of this review was to address any interface issues between the targeted and specialist offer and to consider whether any further savings could be achieved from this budget.
- 4.2 It was advised that key objectives in terms of savings decisions should be to:
- ensure services are allocated fairly and targeted at those who most need them
  - continue to provide families with choice and control
  - improve outcomes and satisfaction with short breaks
  - commission services that provide improved value for money
  - enable eligible disabled children to undertake education, training or regular leisure activity
  - help families carry out day to day tasks
- 4.3 There also should be awareness of the legal context and the Islington judgement. Steve Broach, Luke Clements and Janet Read in their publication 'Disabled children; a Legal Handbook' write '*It is permissible, therefore, for children's services authorities to operate eligibility criteria to limit access to services. However, the principles of public law and departmental guidance demand that there must be a rational process for deciding which children are eligible for services and which are not. Eligibility criteria must therefore: be transparent because of the policy expectation – see, for example, the 'local offer' created by CFA 2014 s30 – and the need to comply with public law duties and an authorities' obligations under ECHR article 8; every 'local offer' must include information as to any eligibility criteria governing access to social care services for disabled children and young people;*



- *explain in clear 'everyday language' how services are allocated on the basis of need;*
- *take account of the impact of disability on children and families; and*
- *have been the subject of consultation which has taken into account (among other things) the relevant equality duties, particularly the duty under Equality Act 2010 s149 (see paras 9.97–9.107).*

## 5. Options considered and recommendations

- 5.1 A number of options have been considered, and will form part of the consultation, including the following. Respondents to the consultation will also have the opportunity to suggest additional options for consideration.
- 5.2 **Limiting eligibility criteria for pre-paid cards** . Access could be determined for example via an early help assessment. Applications would need to be received and considered on an annual basis. The benefit of this approach is that it would target those families most in need, however there would be additional cost implications of moving to an annual application process. In addition, the legislation makes clear that families should have access to some short breaks without an assessment.
- 5.3 **Removing the current scheme of pre-paid cards in its entirety.** This is an option could be considered in order to protect the rest of the short break offer, as it could be decided that the continuation of the provision of pre-paid cards is no longer affordable. This option may not be popular with those families that receive pre-paid cards as in recent surveys that have been undertaken parents have fed back how much the cards have been valued and the positive impact it has had on these families.
- 5.4 **Reduce the value of pre-paid cards** e.g. from £300 to £200 in order to reduce the pressure on the targeted short breaks budget and enable those families who benefit from this support to continue to access it.
- If there were 100% take up of the pre-paid cards, even at this reduced rate, the cost of delivering this service would be higher than the budget available, creating a budget pressure. Reducing the value to below £200 per year could be considered, but this would reduce the value to such an extent that the cards could lose their effectiveness in being able to fund a short break.
  - To mitigate to some extent the reduction in the value of the cards, it is proposed that all families eligible for a pre-paid card are also given a Family Card. These are provided by the Parenting Network and provide families with discounts on a range of leisure events and days out in the city. The cost of each Family Card is £15.
- 5.5 **Offer the pre-paid card only to families not accessing specialist short breaks.** There are approximately 150 families currently receiving specialist short break services in addition to the targeted



offer. 120 of these families receive a pre-paid card. A potential difficulty with this option is that it is likely to be a deterrent to families accessing commissioned activities (as families are not able to access both under this option). It also withdraws the support from families who are assessed as being in greatest need of support and respite, however it would ensure that support is available to as broad a range of families as possible. Consideration would need to be given to ensure that families are offered a pre-paid card as part of the process of a case being closed to the Children's Disability Team.

- 5.6 **Offer an annual allocation, based on numbers of applications and budget available.** This would ensure that the support can be delivered within the funding available, regardless of any further rise in the number of eligible families. Under this proposal, however, consideration would need to be given to the timing of applications, which would need to be sent in by the end of February and any new applications after this date would have to wait until the following year to receive short breaks. It is also possible under this proposal, depending on the number of applications, that the allocation is so small that it does not make the intended difference for eligible families.
- 5.7 In addition to the above options for consideration, the specialist holiday playscheme is due for retender in April 2020. It is therefore proposed that the consultation also seeks views on potential changes to the whole of the Targeted 2 offer, not just pre-paid cards. Feedback will be sought on the balance of the amount spend annually on the two aspects of the Targeted 2 offer: pre-paid cards and the specialist holiday playscheme,

## 6. Summary and conclusion

- 6.1 As set out above, it is recommended that consultation is undertaken with stakeholders on the options set out above is undertaken starting in September 2019, for implementation of any changes from April 2020.

6.2

## 7. Equality impact assessment

- 7.1 A full Equalities Impact Assessment is being completed.

## 8. Legal implications

- 8.1 The legal framework under which short breaks are provided includes:
- The Children Act 1989 requires Local Authorities to safeguard and promote the welfare of a child "in need" by providing a range and level of services appropriate to their needs.
  - The Breaks for Carers of Disabled Children Regulations 2011 which requires Local Authorities to provide breaks from caring to assist parents

and others who care for children with a short break from their caring responsibilities and to produce and review a Short Break Statement.

- Chronically Sick and Disabled Persons Act 1970 requires a Local Authority to provide to a disabled child a short break when necessary to meet that child's needs.
- The Children and Families Act 2014 seeks to ensure that children, young people and families are at the centre of decision making. It requires Local Authorities to offer families the choice of having a personalised budget to better enable them to have more control over the services they use.

8.2 It is important that the consultation process recommended in this report is fair and transparent and ensures that:

- Consultation is undertaken at a time when proposals are still at a formative stage;
- The proposer must give sufficient reasons for any proposal to permit intelligent consideration and response;
- Adequate time must be given for consideration and response; and
- The product of consultation must be conscientiously taken into account in finalising any proposals.

8.3 The Cabinet Member for Education has the power to approve, reject or modify the recommendations in accordance with the authority detailed in the City Council's constitution.

## **9. Finance comments**

- 9.1 Since the procedure for allocating and offering families a pre-paid card has been incorporated into the process of finalising an Education Health and Care Plan (EHCP) the take up has and will continue to increase. Even with current number of families eligible for a prepaid card the value of the payment needs to reduce in order to remain within the allocated budget. The available budget of £148,000 would provide sufficient funding for up to 643 families to receive a pre-paid card for £200, a Family Card costing £15 and allowing for the administration fee of £15 per card. This is less than the number of families who are currently eligible, but greater than the number of families currently accessing the pre-paid cards.

Signed by: Alison Jeffery - Director of Children, Families and Education

## **Appendices:**

### **Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:



Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

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