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# NOTICE OF MEETING

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## SCHOOLS FORUM

WEDNESDAY, 16 SEPTEMBER 2020 AT 4.30 PM

## VIRTUAL REMOTE MEETING - REMOTE

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### Membership

#### Schools Members

Two head teacher representatives - primary phase  
One head teacher representative - secondary phase  
One head teacher representative - special phase  
Four academy representatives - primary proprietor  
Five academy representatives - secondary proprietor  
One academy representative - special proprietor  
One governor - primary phase  
One governor - secondary phase

#### Non School Members

Four Councillors (one from each political groups)  
One 16-19 Education Providers representative  
One Early Years Providers representative

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

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

### AGENDA

- 1 Apologies
- 2 Declarations of Interest
- 3 Membership changes

**4 Minutes of the previous meeting held on 8 July 2020 and matters arising (Pages 5 - 10)**

**5 Dedicated Schools Grant Quarter 1 2020-21 Budget monitoring and budget revision (Pages 11 - 22)**

The purpose of this report is to inform Schools Forum of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2020-21 as at the end of June 2020.

**RECOMMENDED that Schools Forum:**

**(1) Notes the forecast year-end budget position for the Dedicated Schools Grant as at 30 June 2020, together with the associated explanations contained within this report.**

**(2) Endorses the revisions to the 2020-21 budget as set out in Appendix and section 4.**

**6 School funding arrangements 2021-22 (Pages 23 - 36)**

Purpose of report

To provide Schools Forum with an update on the latest developments in respect of the future school revenue funding arrangements for the financial year 2021-22 onwards.

**RECOMMENDED**

**1.1 It is recommended that Schools Forum:**

**1.1.1 Note the Department for Education's proposed changes to school revenue funding arrangements for 2021-22 as set out in this report.**

**1.1.2 Endorse the proposals for implementing the local funding formula arrangements as set out in this report; in particular to:**

- **Implement the National Funding Formula rates for both primary and secondary schools in in 2021-22, as set out in Appendix 1;**
- **Implement a minimum funding guarantee (MFG) of at least +0.5% and up to +2.0% subject to affordability, for 2021-22 as set out in paragraphs 5.16**
- **The method of managing affordability as set out in paragraph 5.17.**
- **Implement the disapplication request as set out in section 6.**

**7 Any other business**

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# Agenda Item 4

## SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held on Wednesday, 8 July 2020 at 4.30 pm at the Guildhall, Portsmouth

### Present

Jackie Collins	Head Teacher	Primary Phase
David Jeapes	Head Teacher	Secondary Phase
Share D'all	Governor	Primary Phase
Alison Beane	Academies	Special Schools
Steve Labeledz	Academies	Secondary Phase
Natalie Sheppard	Academies	Secondary Phase
Nathan Waites	Academies	Secondary Phase
Mike Gaston	Representative	16 - 19 Education
Kara Jewell	Representative	Early Years
Terry Norton	Councillor	Conservative Party
Lynne Stagg	Councillor	Liberal Democrat Party
Claire Udy	Councillor	Progressive Portsmouth People Group

### 50. Apologies

Apologies for absence were received from Sean Preston, Dave Jones, Simon Barrable (represented today by Mike Gaston), Jason Crouch and Councillor Judith Smyth.

### 51. Declarations of Interest

Alison Egerton, Group Accountant informed the forum that there were two outstanding declaration of interests from Councillor Udy and Kara Jewell, although as she had not been into the office she could not confirm whether these had come into the office. She would confirm with both members whether the forms were still outstanding over the course of the next week.

Councillor Norton declared a personal and non-prejudicial interest as his partner works at Mayfield Secondary School, his Daughter attends Mayfield pre-school and he works as a supply teacher for Mayfield School.

## **52. Membership Changes**

Alison Egerton gave an update on membership since the last meeting. She explained that:

- The Special School representative Alison Beane's membership expired on 28 February. As the only Special School Academy Trust in the city, Alison has agreed to continue to stand as a representative.
- Maintained School secondary head teacher representative David Jeapes' tenure ended on 20 June. Following a conversation with the headteacher of St Edmunds, David has agreed to stand again.
- Natalie Sheppard has resigned from the Schools Forum and today would be her last meeting. She thanked Natalie for her input to the Forum.
- As a result there are two vacancies for secondary academy representatives. All secondary academy reps were asked for volunteers by 10<sup>th</sup> July and to date Alison had received no responses. She asked academy representatives of the forum to talk to their colleagues to encourage volunteers as come September the Forum would be two representatives down. The volunteers do not need to be headteachers as long as they are at the Academy Trust.

Following the cessation of David Jeapes' tenure, the role of Chair to the Forum also ceases and a new Chair needed to be elected. Alison had emailed all Schools Forum members yesterday to see if anyone else wanted to be put forward for Chair. She asked Forum members if anyone wanted to take over this role. David indicated that he was happy to continue as Chair but equally was happy if anyone else wanted to take over the chairmanship. No other Schools Forum members put themselves forward therefore a vote was taken to elect David Jeapes as Chairman.

Following a vote, Schools Forum members unanimously agreed to appoint David Jeapes as Chair of the Schools Forum

**RESOLVED that David Jeapes be appointed as Chair of the Schools Forum.**

## **53. Minutes of the meeting held on 12 February 2020 and matters arising**

It was proposed by Nathan Waites and seconded by Share D'all that the minutes be agreed as a correct record.

**RESOLVED that the minutes of the previous meeting held on 12 February 2020 be confirmed as a correct record.**

There were no matters arising from the last minutes.

## **54. Dedicated Schools Grant Outturn 2019-20**

The Chair introduced this item and said that he was aware there may be some questions later on this regarding the £1 billion funding from the Government that had recently announced to support schools and colleges.

There was no reason to believe that this funding was not coming however at the moment there was no further details on this. As soon as this is received it would be shared through the headteacher briefings and it would come to the Schools Forum in due course.

Angela Mann introduced the report. She explained that table 1 in the report had some errors in it and a revised version had been circulated to Schools Forum members which corrects the 2018/19 carry forward figure. A copy of the revised table 1 is below. She drew attention to two areas. There was an underspend in the early years budget due to a reduction in the number of pupils over the course of the year. This was reflected in the January 2020 census and it is expected to lead to a reduction in the early years block funding in July as there is a lag of approximately £1.5 million. The high needs block overspend was mainly due to mainstream education Education Health Care Plans (EHCP), out of city provision and post 16 pupils with EHCP's.

<b>Table 1 - Dedicated Schools Grant</b>				
	<b>Original budget 2019-20 £000's</b>	<b>Revised Budget 2019-20 £000's</b>	<b>Projected outturn 2019-20 £000's</b>	<b>Projected over / (under) spend £000's</b>
<b>Income</b>				
DSG Brought forward 2018-19	0	(3,280)	(3,280)	0
DSG and other specific grants	<u>(72,309)</u>	<u>(70,263)</u>	<u>(70,212)</u>	<u>51</u>
<b>Total Income</b>	<b>(72,309)</b>	<b>(73,543)</b>	<b>(73,492)</b>	<b>51</b>
<b>Expenditure</b>				
Primary ISB	28,753	26,672	26,493	(179)
Secondary ISB	11,680	11,680	11,680	0
Special school place funding	1,578	1,411	1,348	(63)
Inclusion Centre Place funding	302	307	307	0
Alternative provision place funding	<u>1,090</u>	<u>1,090</u>	<u>1,090</u>	<u>0</u>
<b>Total Delegated</b>	<b>43,403</b>	<b>41,159</b>	<b>40,918</b>	<b>(241)</b>
De-delegated and central budgets	1,580	1,746	1,254	(493)
Early Years	14,138	14,176	13,796	(379)
High Needs	13,189	13,652	14,410	758
<b>Total Expenditure</b>	<b>72,309</b>	<b>70,734</b>	<b>70,377</b>	<b>(356)</b>
<b>Net forecast position</b>	<b>0</b>	<b>(2,809)</b>	<b>(3,115)</b>	<b>(305)</b>
<b>DSG Carried forward</b>	<b>0</b>	<b>2,809</b>	<b>3,115</b>	<b>305</b>

In response to questions, the following matters were clarified:

- Mike Stoneman, Deputy Director Children, Families and Education advised he had spoken with the Quality and Sufficiency Coordinator in terms of early years settings, who was confident PCC will be in a good position. There are a number of early years providers struggling,

however there are a number of strong providers who would likely fill those gaps.

- Pupil Place Planning update the forecast every year. Mike Stoneman agreed it was a good idea to give headteachers an update on pupil forecasts and what this could mean for their future budgets. Mike would take this away as an action.
- When officers looked at the 2021 funding over £2 million additional funding was given for high needs. When officers looked at budgets this was sufficient for pressures however they will need to look at the revised activity information. Mike Stoneman added that unless the council receives additional funding there will be future pressures. There have been some actions already taken such as increasing the capacity of the SEN team to support annual reviews for EHCP in mainstream schools. The big issue is around the increasing complexity of SEND and the increasing numbers also around post 16.
- With regard to the decreased funding following recoupage of high needs places for an independent provider, officers explained they had an independent provider in city that they were expecting to have a number of places taken from the high needs block and then paid to the independent provider. Officers had challenged the DfE as they did not believe this should be included within the city and they have now agreed it should not be included within the city. This will be corrected for the 2020-21 financial year. For the 2019-20 financial year PCC had to make a payment for the additional places. High needs funding received from the DfE included these pupils within the funding.
- There are a number of factors for reception pupil numbers decreasing however the overriding factor is birth rate. An update to heads will be provided.

**DECISION: The Schools Forum noted the year-end outturn budget position for the Dedicated Schools Grant as at the end of March 2020 and the variance explanations contained within this report.**

#### **55. Maintained Schools Balances as at 31 March 2020**

The report was introduced by Alison Egerton, Group Accountant. David Jeapes said that Mayfield School (where he is headteacher) does have a deficit, however the governors are working very hard to turn this around in a timely manner and all the usual scrutiny is being applied.

In response to questions the following matters were clarified:

- There is one school heading towards academisation with the possibility of a deficit. Officers are working with the school and the academy trust and have monthly monitoring meetings.
- Officers had received the report from the Schools Resources Management Advisor. Officers were yet to go through the comments but it was hoped to get it to schools before the end of term.
- In terms of schools with an excessive balance but under the 20% threshold, there are two schools that officers are in close conversation with. One school is about to amalgamate so they are keeping their



balance to assist with this process. Officers are talking to the other school that has a high balance as they have concerns about their in year budget. The finance officer is arranging a meeting with the headteacher at the beginning of the next term.

- With regard to the school in appendix 2 with a significant balance, officers explained that school has a large capital programme which they are using some of their balances for.

The Chair suggested that in future, if officers are aware that a school is undergoing a capital development that this appears as a committed balance rather than uncommitted balance. Officers explained that a lot of information comes from the schools themselves and they had been missing a number of statements on this occasion due to the situation with COVID-19.

The Chair thanked Alison and team for having the conversations with schools regarding their balances.

(Councillor Udy left the meeting at this point)

**DECISION:**

**Schools Forum noted the level of maintained schools' revenue balances and capital balances as at 31<sup>st</sup> March 2020 as shown in Appendices 2 & 3 and the monitoring action taken by the council.**

**56. Schools Forum Constitution**

The report was introduced by Alison Mann, Finance Manager.

**DECISION:**

**Schools Forum agreed to retain the current constitution attached at Appendix A, which took effect from 24<sup>th</sup> May 2018.**

**57. Scheme for Financing Schools**

The report was introduced by Alison Egerton, Group Accountant who advised that no responses were received to the consultation.

**DECISION:**

**Schools Forum members representing maintained schools approved the revised Scheme for Financing Schools attached at Appendix 1, to come into force on 1 August 2020.**

**58. Any Other Business**

The Chair gave his thanks to Natalie Sheppard for all she had done for the Schools Forum as it was her last meeting before stepping down as a representative. He asked all Forum colleagues to encourage colleagues to get a representative elected for the vacancies mentioned earlier.

The Chair thanked all officers for making the meeting possible today and all their hard work during the COVID-19 pandemic.

**59. Dates of Future Meetings**

Forum members noted the date of the next meeting of 16 September 2020 which was expected to be a virtual meeting, however if this changes officers will be in touch with the details nearer the time.

The meeting concluded at 5.15 pm.

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David Jeapes  
Chair

# Agenda Item 5



Portsmouth  
CITY COUNCIL

<b>Title of meeting:</b>	Schools Forum
<b>Date of meeting:</b>	16 September 2020
<b>Subject:</b>	Dedicated Schools Grant 2020-21 Quarter 1 budget monitoring and budget revision
<b>Report by:</b>	Chris Ward, Director of Finance and Section 151 Officer
<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. The purpose of this report is to inform Schools Forum of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2020-21 as at the end of June 2020.

## 2. Recommendations

It is recommended that Schools Forum:

- 2.1. Notes the forecast year-end budget position for the Dedicated Schools Grant as at 30 June 2020, together with the associated explanations contained within this report.
- 2.2. Endorses the revisions to the 2020-21 budget as set out in Appendix and section 4.

## 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 2020-21, was approved by the Cabinet Member for Education and endorsed by Schools Forum in February 2020. This report provides Schools Forum with the latest forecast estimate of the year-end outturn as at 30 June 2020.
- 3.3. Table 1 below sets out the forecast year-end financial position of the DSG budget as at 30 June 2020.

<b>Table 1 - Dedicated Schools Grant</b>			
	<b>Original (SF) Budget 2020-21 £000's</b>	<b>Projected outturn 2020-21 £000's</b>	<b>Projected over / (under) spend £000's</b>
<b>Income</b>			
DSG Brought forward 2019-20	(3,115)	(3,115)	0
DSG and other specific grants	<u>(73,456)</u>	<u>(73,456)</u>	<u>0</u>
<b>Total Income</b>	<b>(76,571)</b>	<b>(76,571)</b>	<b>0</b>
<b>Expenditure</b>			
Primary ISB	27,302	27,302	0
Secondary ISB	12,543	12,543	0
Special school place funding	244	244	0
Inclusion Centre Place funding	374	374	0
Alternative provision place funding	<u>40</u>	<u>40</u>	<u>0</u>
<b>Total Delegated</b>	<b>40,503</b>	<b>40,503</b>	<b>0</b>
De-delegated and central budgets	2,401	2,117	(284)
Early Years	14,416	14,416	0
High Needs	16,278	16,334	56
<b>Total Expenditure</b>	<b>73,598</b>	<b>73,370</b>	<b>(228)</b>
<b>Net forecast position</b>	<b>(2,973)</b>	<b>(3,201)</b>	<b>(228)</b>
<b>DSG Carried forward</b>	<b>2,973</b>	<b>3,201</b>	<b>228</b>

### Academy conversions / school closures

- 3.4. As at 30 June 2020 there have not been any academy conversions this financial year.

### De-delegated and Central Budgets

- 3.5. The forecast position includes growth fund allocations that have been issued to all eligible schools and academies meeting the criteria for 2020-21 financial year. One maintained school and eleven academies received growth funding for the financial year 2020-21 and no further payments are expected. This will result in a £284,000 underspend compared to budget. As discussed at previous meetings a consultation is underway with maintained and academy schools to agree the carry forward of any Growth Fund balance to support the continuing payments in future years.

### Early Years Block

- 3.6. At the end of the first quarter the Early Years block is forecast to be on budget. The impact of the Coronavirus lockdown on the early years

provision has provided a level of uncertainty for both the local authority and early years settings across the city. For the summer term, the authority has paid providers based on the forecast head count at the beginning of the summer term, this will be adjusted at the end of July and August for any actual pupils that may have attended over and above the initial estimate. Until this data is received it is not possible to forecast the outturn position of this budget effectively.

- 3.7. The Early Years Team have been working closely with providers over the lockdown period to support them in accessing the additional financial support provided by central government and where required providing specialist business support.
- 3.8. At the time of writing this report the authority has clarified with settings how payments for the autumn term will be made, recognising that not all pupils will return in the autumn and therefore funding in accordance with the guidance issued by the DfE. Following the receipt of mid-term actual pupil numbers, the authority will inform settings regarding the process for making payments in the spring 2021 term in line with any further guidance issued by the DfE.

### **High Needs Block**

- 3.9. As at the end of June 2020 work is still underway to reconcile the final class lists at the end of the 2019-20 financial year which were delayed due to the coronavirus lockdown. This work is still in progress and is expected to be finalised by the end of the second quarter, along with the summer term class lists. Therefore the Element 3 Top up budgets forecast is based on the budget.
- 3.10. The authority has received class lists from The Harbour School alternative provision setting for the half term period to the end of May 2020. This class list is showing an additional three pupils attended the school during this period and the forecast has assumed that these pupils will continue for the full financial year. Thus showing an overspend of £25,000.
- 3.11. In addition, during the Spring Term, agreement was reached between the Education Department and The Harbour School in relation to the funding of near to school and short stay places for the summer term. These places are normally commissioned by schools who would pay the Element 3 top-up funding for these places. Due to the coronavirus lockdown schools have not been commissioning these places and whilst the guidance issued by the DfE suggested that schools should be charged for the top-up funding based on previous activity, due to the nature of these services it is not feasible to identify which school would have commissioned these places over the summer 2020 term. To ensure The Harbour School continues to receive Top-up funding as per the national guidance the DSG is covering this top-up funding at a cost of £31,000.

3.12. Forecasting an overall high needs block overspend of £56,000.

3.13. Table 4 below summarises the forecast outturn position for the remaining elements of the high needs block (excluding individual school budgets).

<b>Table 4 - Other High Needs Budget</b>	<b>Original (SF) Budget 2020-21</b>	<b>Forecast Outturn as at 30-Jun-20</b>	<b>Forecast (under)/ overspend</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Element 3 Top up	11,299,900	11,355,900	56,000
Out of City providers	2,976,800	2,976,800	0
Permanent exclusion recharge	0	0	0
EYs Complex Needs Inclusion Fund	200,000	200,000	0
SEN support services	877,300	877,300	0
Medical Education	672,100	672,100	0
Outreach	191,900	191,900	0
Fair Access Protocol	60,000	60,000	0
<b>Total Other High Needs Block</b>	<b>16,278,000</b>	<b>16,334,000</b>	<b>56,000</b>

### **Grant funding**

3.29 At the end of June 2020 there were no adjustments to the Dedicated School Grant funding received by the authority. However following the closure of the quarter end accounts the authority received an allocation adjustment in relation to the Early Years block and High Needs block. Further details on the impact of the adjustments are set out in Section 4 relating to the revised budget.

### **Carry forward balance**

3.35 The authority carried forward a balance of £3.1m from the 2019-20 financial year, of the balance £0.1m was used to support the schools specific contingency for maintained schools as previously agreed with Schools Forum, leaving a balance of £3.0m.

3.36 As at the 30 June 2020 the forecast carry forward has increased to £3.2m which is the net impact of the overspend on the high needs block and the underspend on the Growth Fund.

#### **4. Budget Revision 2020-21**

- 4.1. Since setting the budget in February 2020 the academy conversion of the Harbour School has been postponed and subsequent to the end of June budget monitoring there have been a number of changes to both income and expenditure that have impacted on the DSG budget, relating to:
- Clarification of the number of pupils in the highly exceptional places at The Harbour School SEN provision.
  - Clarification of the location of a number of additional special school high needs places at Solent Academies Trust.
  - Confirmation of post-16 high needs places recouped from the authority's DSG.
  - An update to the DSG allocation in relation to the impact of the January 2020 census for the Early Years block and the import/export adjustment for the High needs block.

#### **The Harbour School academy conversion**

- 4.2. At the time of setting the budget it was expected that The Harbour School would have converted to academy status by the start of the 2020-21 financial year and that place funding would be recouped from the local authority and passed to the school direct by the DfE.
- 4.3. The school was due to convert on 1 April 2020, but following the national coronavirus lockdown just before the conversion and the lack of clear guidance from the DfE regarding the funding of alternative provision settings the authority, school and Delta Academy Trust took the decision to postpone the conversion until a time when the impact on the funding had been clarified.
- 4.4. Whilst the conversion date has yet to be finalised it is proposed to reinstate the Harbour places as part of the authority's DSG budget for both the Special School SEN places and the Alternative Provision places and reduce the recoupment of the DSG grant by the DfE by an equivalent amount. Thus providing a nil impact on the overall budget.

#### **The Harbour School Highly Exceptional Element 3 Top-up funding**

- 4.5. Following the approval of the 2020-21 original budget an error was identified with pupil numbers used to estimate the Highly Exceptional band funding for The Harbour School. The Element 3 Top-up budget has been adjusted to incorporate those additional pupils at a cost £294,200.

#### **Additional Special school places at Solent Academies Trust (SAT)**

- 4.6. The original budget contained an estimate for an additional number of Special School High Needs places required from September 2020. At the time of setting the budget discussions were still underway with Schools regarding the location of the places and the actual number of places required.

- 4.7. As reported in February, the Original budget included funding for an additional 20 places (prorate) from September 2020 and associated Element 3 Top-up (based on the Cliffdale band values) which had not been allocated to a specific school.
- 4.8. Following agreement with the Academy Trust the budget has been updated and the places allocated to the specific schools using the appropriate element 3 top-up rates, as set out in the table below.

<b>Table 5 - Impact of Place change on Element 3 Top-up funding</b>						
	<b>Original Budget 2020-21</b>		<b>Revised Budget 2020-21</b>		<b>Variance between Revised &amp; Original</b>	
	<b>Places</b>	<b>Element 3 top-up</b>	<b>Places</b>	<b>Element 3 top-up</b>	<b>Places</b>	<b>Element 3 top-up</b>
		<b>£</b>		<b>£</b>		
Mary Rose	152	2,276,862	169	2,533,124	17	256,262
Cliffdale - Willows	18	210,395	18	210,395	0	0
Cliffdale	156	1,964,337	150	1,890,220	-6	-74,117
<b>Total Cliffdale</b>	<b>174</b>	<b>2,174,732</b>	<b>168</b>	<b>2,100,615</b>	<b>-6</b>	<b>-74,117</b>
Redwood Park	141	1,184,391	143	1,200,024	2	15,633
Additional Places	12 <sup>1</sup>	117,471	0	0	-12	-117,471
<b>Total SAT</b>	<b>479</b>	<b>5,753,456</b>	<b>481</b>	<b>5,833,763</b>	<b>2</b>	<b>80,307</b>
The Harbour	95	1,161,137	95	1,455,366	0	294,229
<b>Total</b>	<b>574</b>	<b>6,914,593</b>	<b>576</b>	<b>7,289,129</b>	<b>2</b>	<b>374,536</b>

- 4.9. The impact on this budget is a net increase of an additional two places from September 2020 at cost of £23,300 for the place funding and an increase in the associated element 3 top-up £80,307 as the majority of the additional places have gone to Mary Rose rather than Cliffdale.
- 4.10. The total cost of the additional places (paragraph 4.9) and the adjustments to the Harbour Highly Exceptional pupil numbers (£294,200) have created a potential High Needs block overspend of £397,800.

### **Post-16 High needs places recoupment**

- 4.11. Following the agreement of additional places at Highbury and Portsmouth Colleges from September 2020 and confirmation that Portsmouth is no longer the Home Authority for an independent Post-16 provider, the level of funding recouped by the DfE for post-16 High Needs places has reduced by a net £52,000. The budget has been adjusted accordingly as set out in Appendix 1.

<sup>1</sup> Places are prorated if they start partway through the financial year, therefore for 20 additional places for the period September 2020 to March 2021, the total is divided by 12 and multiplied by 7 months to calculate the cost.



## July 2020 DSG Allocation

4.12. In July 2020 the authority received an adjustment to the DSG Allocation which is summarised in the table below.

<b>Table 6 DSG Funding Blocks</b>	<b>March 2020 allocation (excluding academies)</b>	<b>July 2020 allocation (excluding academies)</b>	<b>Revised DSG allocation (excluding academies)</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Schools Block	41,248	41,248	0
Central School Services Block	856	856	0
Early Years Block	14,416	14,110	(305)
High Needs Block	18,988	18,940	(48)
<b>Total DSG</b>	<b>75,508</b>	<b>75,155</b>	<b>(353)</b>

4.13. The movement in the Early Years block relates to the annual adjustment to pupil numbers in relation to the January 2020 census. The original allocation received from the DfE was based on the January 2019 census, following the receipt of the January 2020 census the DfE adjusts the DSG allocation in July to reflect the change in pupil numbers between the two census dates. Additionally it also adjusted the 2019-20 DSG allocation for the period September 2019 to March 2020.

4.14. This year the authority has seen a reduction in pupils between January 2019 and January 2020. The impact on the 2020-21 DSG funding is as set out in Table 7. In addition to the funding reduction it is proposed the related Early Years budgets are adjusted in line with the funding as set out in Appendix 1.

<b>Table 7 - 2020-21 - funding adjustment for period April 2020 to March 2021</b>	<b>Actual</b>		
	<b>Initial 2020-21 Allocation (Mar 20)</b>	<b>2020-21 funding (July 20)</b>	<b>Actual variation</b>
	<b>£</b>	<b>£</b>	<b>£</b>
2 year olds	2,039,300	1,809,800	-229,500
3 & 4 year olds universal hours	8,649,600	8,565,900	-83,600
3 & 4 year olds additional hours	3,533,100	3,528,600	-4,500
<b>Total Place funding</b>	<b>14,222,000</b>	<b>13,904,300</b>	<b>-317,600</b>
Disability Access Fund	65,100	65,800	0
Early Years pupil premium	127,800	140,100	12,300
<b>Total Early years estimated adjustment</b>	<b>14,414,900</b>	<b>14,110,200</b>	<b>-305,300</b>

4.15. For 2019-20 the authority has seen a reduction in funding of £175,300. As this relates to the previous financial year it is proposed that the 2019-20 carry forward is used to fund the reduction in grant.

4.16. The reduction in High Needs block funding is the net impact of the import/export adjustment. The authority has challenged the import/export

adjustment as there were a number of pupil movements that did not match the authority's understanding. Should the DfE agree with the data changes then the high needs block allocation could be adjusted by an additional £90,000, this has not been included in the revised budget due to the level of uncertainty regarding the DfE response to the challenge.

4.17. Overall the combined changes set out in section 4 above have provided a nett increase to the High Needs block budget of £376,300. It is proposed that these additional costs are covered from the use of the 2019-20 brought forward balance.

## **5. Reasons for recommendations**

5.1. It is recommended that Schools Forum notes the contents of the report in respect of the financial forecast outturn for 2020-21 as at the end of the first quarter and endorses the amendments to the budget for 2020-21 for the reasons set out in section 4.

## **6. Equality impact assessment**

6.1. An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

## **7. Legal implications**

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

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

8.1. Financial comments are contained within the body of the report

.....  
Signed by:

### **Appendices:**

Appendix 1: Dedicated Schools Grant revised Budget 2020-21

**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 Angela Mann, Finance Manager, if required.

Title of document	Location

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

.....  
Signed by:



## Appendix 1 - Dedicated Schools Grant Revised Budget 2020-21

	2020-21 Original Budget (SF) (Inc. Academies)	2020-21 Proposed Budget Revisions	2020-21 Revised Budget July 2020 (Inc. Academies)	2020-21 Revised Budget July 2020 (Ex. Academies)
	£000	£000	£000	£000
<b>Schools Block</b>				
<b>Individual Schools Budgets (ISB)</b>				
Primary	68,019	0	68,019	27,302
Secondary	54,634	0	54,634	12,543
<b>Total ISB</b>	<b>122,653</b>	<b>0</b>	<b>122,653</b>	<b>39,845</b>
<b>De-Delegated and Central Budgets</b>				
Growth Fund	1,403	0	1,403	1,403
De-delegated Budgets	0	142	142	142
Academy Conversions	0	0	0	0
<b>Other Schools Block Sub Total</b>	<b>1,403</b>	<b>142</b>	<b>1,545</b>	<b>1,545</b>
<b>Total Schools Block</b>	<b>124,056</b>	<b>142</b>	<b>124,198</b>	<b>41,390</b>
<b>Central School Services Block</b>				
Schools Forum	16	0	16	16
Admissions	333	0	333	333
Licences (negotiated by DfE)	124	0	124	124
ESG retained duties	384	0	384	384
<b>Central School Services Block Total</b>	<b>856</b>	<b>0</b>	<b>856</b>	<b>856</b>
<b>Early Years Block</b>				
3 & 4 Year Old Provision <sup>1</sup>	11,829	(73)	11,756	11,756
2 Year Old Provision	1,943	(219)	1,724	1,724
Central Expenditure on under 5's	643	(13)	630	630
<b>Early Years Block Total</b>	<b>14,416</b>	<b>(305)</b>	<b>14,110</b>	<b>14,110</b>
<b>High Needs Block</b>				
<b>Individual Schools Budgets</b>				
Special School Place Funding	5,735	23	5,759	1,218
Resource Unit Place Funding	598	0	598	374
Alternative Provision Place Funding	1,210	0	1,210	1,090
<b>Total ISB</b>	<b>7,543</b>	<b>23</b>	<b>7,567</b>	<b>2,682</b>
Element 3 Top-up funding	11,300	357	11,657	11,657
Out of City Placements	2,977	0	2,977	2,977
SEN Support Service	877	0	877	877
Medical Education	672	0	672	672
Outreach Services	192	0	192	192
Fair Access Protocol	60	0	60	60
Early Years Complex Needs Inclusion fund	200	0	200	200
Post-16 high needs places	704	(52)	652	0
<b>Other High Needs block sub total</b>	<b>16,982</b>	<b>305</b>	<b>17,287</b>	<b>16,635</b>
<b>Total High Needs block</b>	<b>24,525</b>	<b>328</b>	<b>24,854</b>	<b>19,317</b>
<b>Total Expenditure</b>	<b>163,853</b>	<b>165</b>	<b>164,018</b>	<b>75,673</b>



	2020-21 Original Budget (SF) (Inc. Academies)	2020-21 Proposed Budget Revisions	2020-21 Revised Budget July 2020 (Inc. Academies)	2020-21 Revised Budget July 2020 (Ex. Academies)
<b>Income</b>				
Schools Block	(124,056)	(0)	(124,056)	(41,248)
Central Schools Services Block	(856)	(0)	(856)	(856)
Early Years Block	(14,416)	305	(14,110)	(14,110)
High Needs Block	(24,525)	48	(24,477)	(18,940)
DSG Income <sup>2,3</sup>	<b>(163,853)</b>	<b>353</b>	<b>(163,500)</b>	<b>(75,155)</b>
One-off use of Carry Forward	<b>0</b>	<b>(518)</b>	<b>(518)</b>	<b>(518)</b>
<b>Total Income</b>	<b>(163,853)</b>	<b>(165)</b>	<b>(164,018)</b>	<b>(75,673)</b>

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

<sup>2</sup>2020-21 per ESFA allocations July 2020

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

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**Title of meeting:** Schools Forums

**Date of meeting:** 16 September 2020

**Subject:** Schools Funding Arrangements 2021-22

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

**Wards affected:** All

**Key decision:** Yes/No

**Full Council decision:** Yes/No

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## **1 Purpose of report**

- 1.1 The purpose of this report is to provide Schools Forum with an update on the latest developments in respect of the future school revenue funding arrangements for the financial year 2021-22 onwards.

## **2 Recommendations**

- 2.1 It is recommended that Schools Forum:
- 2.1.1 Note the Department for Education's proposed changes to school revenue funding arrangements for 2021-22 as set out in this report.
- 2.1.2 Endorse the proposals for implementing the local funding formula arrangements as set out in this report; in particular to:
- Implement the National Funding Formula rates for both primary and secondary schools in in 2021-22, as set out in Appendix 1;
  - Implement a minimum funding guarantee (MFG) of at least +0.5% and up to +2.0% subject to affordability, for 2021-22 as set out in paragraphs 5.16
  - The method of managing affordability as set out in paragraph 5.17.
  - Implement the disapplication request as set out in section 6.

## **3 Background**

- 3.1 In July 2020 the Government published the Policy Document "The national funding formula for Schools and High Needs 2021-2022", and the "Schools Revenue funding 2021-2022 operational guide" along with local authority indicative funding allocations.

3.2 The publications contain further detail regarding the second year of the three year plan to provide additional funding for schools and high needs announced in September 2019, providing nationally £2.6bn in 2020-21, £4.8bn in 2021-22 and £7.1bn in 2022-23.

3.3 This report is intended to provide Schools Forum with an overview of the main changes to school funding highlighted in the Policy Document and Operational Guide and the progress being made towards agreeing the Schools Funding arrangements locally for the financial year 2021-22.

#### **4 Dedicated School Grant (DGS) Funding**

4.1 The DfE Policy Document and Operational Guide for 2021-22, set out how the authority will be funded through the National Funding Formula and the changes for 2021-22 along with any changes to the Schools Block and funding for mainstream schools and the Central Schools Services Block.

4.2 Further information in respect of High Needs is expected to be published in September 2020.

4.3 The DfE has advised that local authorities will continue to have flexibility to set a local formula in consultation with Schools Forum for 2021-22, but that later this year the Government will put forward plans to move to a "hard" NFF in the future and that further consultation with local authorities and other stakeholders will happen in due course.

4.4 There have been two technical changes to the Local Authority National Funding formula this year:

- The inclusion of the Teachers Pay Grant (TPG), Teachers Pension Employers Contribution Grant (TPECG) and any supplementary grants in to the school core funding (further details in Section X)
- Updating of the Income Deprivation Affecting Children Indices (IDACI) to utilise the 2019 data set.

4.5 Indicative funding allocations for 2021-22 were published to local authorities in July 2020. Portsmouth's indicative allocations (inclusive of academies' funding) for 2021-22, together with current allocations for 2020-21 are shown in the table below:



	<b>2020-21<sup>1</sup></b> <b>£'000</b>	<b>2021/22</b> <b>£'000</b>	<b>Change</b> <b>£'000</b>	<b>Change</b> <b>%</b>
Schools Block	122,437	131,476	9,039	7.4%
High Needs Block	24,477	27,595	3,118	12.7%
CSSB	856	912	55	6.4%
Early Years Block	14,110	14,110	0	0.0%
<b>Total</b>	<b>161,880</b>	<b>174,093</b>	<b>12,212</b>	<b>8.3%</b>

- 4.6 Local authorities may again request a one off transfer of the Schools Block funding to the High Needs Block to support pressures. Up to 0.5% of the Schools Block can be agreed by Schools Forum, and any transfer above this requires Secretary of State Approval. There are no restrictions for transferring funding from the Central Schools Support Block, the Early Years Block or the High Needs Block to other funding blocks. There are no proposals to transfer additional funding to the High Needs block for 2021-22.
- 4.7 The following sections provide an update on the main changes to the block funding and the impact on Portsmouth.

## **5 Schools Block**

- 5.1 The Schools Block covers the mainstream (maintained and academy) schools individual budgets and the growth fund.
- 5.2 The 2021-22 policy document on the Schools Block funding to the local authority will allow for:
- An increase of 3% on all NFF funding factors, with the exception of the Free schools meals factor which will increase by 2%
  - Increase in the Minimum per pupil funding levels (MPPFL) to £4,000 for primary and £5,150 for Secondary
  - A further increase in the MPPFL of £180 for primary and £265 for secondary to account for the inclusion of the TPG and TPECG into the core funding.
  - The inclusion of TPG and TPECG in the 2020-21 baseline for schools
  - A minimum increase of 2% on the per pupil funding when compared to the 2020-21 baseline
  - An increase to the PFI factor in line with the retail price index (1.56%).
  - Where the national assessment data is not available following the cancellation of assessments in summer 2020 due to Covid-19, the 2019 data will be used in setting the low prior attainment pupil numbers.

<sup>1</sup> As per July 2020 DSG allocation.

## **Funding for Schools**

- 5.3 In 2020-21 Portsmouth schools moved to the national funding formula factor values as published by the DfE with the addition of the Portsmouth area cost adjustment of 1.42%. It was agreed by Schools Forum in January 2020 to increase the lump school for one year only in order to maximise the funding to schools during 2020-21 and that the value would revert to the NFF value in 2021-22. Appendix 1 sets out the factor values used to calculate the 2020-21 school budgets and the 2021-22 NFF factor values published by the DfE in the Policy Document.
- 5.4 The Policy Document and operational guidance state that if schools are funded on the NFF factor values there is no need to consult with schools regarding the 2021-22 mainstream funding formula. To update schools of the 2021-22 funding arrangements a briefing will be included in the consultation regarding the carry forward of Growth fund balances which is due to go to schools in September.
- 5.5 This section sets out the changes that have been made in relation to the:
- Incorporation of the TPG and TPECG to the core budget through the use of the minimum per pupil funding levels
  - Update on the IDACI data set from 2015 to 2019
  - Minimum funding guarantee (MFG) and
  - Sets out proposals as to how the authority will manage affordability following receipt of the 2021-22 Allocation in December 2020.

## **Incorporation of the TPG and TPECG into core funding for schools**

- 5.6 Locally Portsmouth mainstream schools are expected to receive approximately £5.5m for TPG, TPECG and related supplementary grants in 2020-21. These grants cover the teacher's pay award from September 2018 and September 2019 and increase in employer pension contribution from September 2019. These grants will be incorporated into the 2021-22 mainstream funding formula in the following way.
- The 2020-21 baseline (against which the MFG is calculated) has been increased to include the grants paid to schools in 2020-21.
  - The basic per pupil entitlement has been increased by £180 for primary pupils and £265 for secondary pupils (key stage 3 and Key stage 4) on top of the 3% increase to the factor values, to reflect the amount paid per primary and secondary pupil via the grants.
  - The minimum per pupil funding level has been increased to include £180 per primary pupil and £265 per secondary pupil as set out below.
- 5.7 The rolling of the grants into the core budget will impact on the funding received by maintained schools from April 2021 and for academies from September

2021. To ensure that academies are treated fairly they will continue to receive the TPG and TPECG for the period April to August 2021.

### Minimum per pupil funding (MPPF)

- 5.8 This is now a compulsory formula factor. To account for the inclusion of the TPG and TPECG into schools budgets these values have been increased to reflect the change. Table 2 below sets out the changes

Phase	MFL 2020-21	Original MFL 2021-22	TPG and TPECG adj.	MFL 2021-22	Change
	£	£	£	£	£
Primary	3,750	4,000	180	4,180	430
Secondary	5,000	5,150	265	5,415	415
All-through	4,271	4,581	161	4,741	470
KS3 only schools	4,800	5,056	159	5,215	415
KS4 only schools	5,300	5,609	106	5,715	415

- 5.9 The operational guidance clarifies the calculation for middle schools, all through schools and schools with non-standard year group structure (e.g. all through schools) which provides greater consistency. The final calculation will be based on the number of year groups as set out in the Authority Proforma tool in December 2020.
- 5.10 The MPPF is applied to school budgets after the other funding factors but before the MFG.

### Income Deprivation Affecting Children Indices (IDACI)

- 5.11 IDACI is an area based index measuring the relative deprivation of different areas and ascribes a score as well as a rank to each Lower Layer Super Output Area (LSOA)<sup>2</sup>. The 2019 update provides a more up to date measure of the relative deprivation of different areas to the current data set which is based on 2015.
- 5.12 For both the schools funding and the local authority high needs funding the IDACI scores are divided into seven bands A to G with A being the most deprived and G being the least deprived. Funding is allocated on Bands A to F, with a higher amount per pupil paid to those pupils on a band A compared to those on a band F.
- 5.13 For 2021-22 the DfE are changing the banding structure to reflect the new data and to ensure that the amount of funding that is allocated through the IDACI factor does not decrease.

<sup>2</sup> LSOA are small areas designed to be of a similar population size, of approximately 1,500 residents or 650 households.

- 5.14 The new band boundaries will be defined by rank rather than by score as set out in the table below.

<b>Table 3 comparison of IDACI bands 2020-21 to 2021-22</b>					
<b>2020-21 IDACI Scores</b>			<b>2021-22 IDACI Scores</b>		
<b>IDACI band</b>	<b>IDACI Score</b>	<b>National % of pupils</b>	<b>IDACI band</b>	<b>IDACI Rank</b>	<b>National % of pupils</b>
G	$x < 0.2$	55%	G	12,317-32,844	62.5%
F	$0.2 \leq x < 0.25$	10%	F	9,033-12,316	10%
E	$0.25 \leq x < 0.3$	9%	E	5,748-9,032	10%
D	$0.3 \leq x < 0.35$	8%	D	4,106-5,747	5%
C	$0.35 \leq x < 0.4$	7%	C	2,464-4,105	5%
B	$0.4 \leq x < 0.5$	8%	B	822-2,463	5%
A	$0.5 \leq x \leq 1$	3%	A	1-821	2.5%

- 5.15 At the time of writing this report the DfE has not released the detailed indicative school data to enable a comparison between the IDACI funding in 2020-21 compared to 2021-22. Therefore it is not possible at this stage to identify any potential impacts this change will have on schools.

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

- 5.16 Local authorities will have the freedom to set a Minimum Funding Guarantee in their local formula of between +0.5% to +2.0% per pupil, without application to the Secretary of State. The MFG is applied to the individual school funding formula after the minimum per pupil funding.

### **Proposals for managing affordability**

- 5.17 The authority normally receive the initial funding allocation in mid to late December, which is too late to come back to Schools Forum to obtain any further approval before presenting the final budget for approval in mid-January. To ensure that Officers are able to propose an affordable budget to Schools Forum it is proposed that the following factors would be adjusted:
- The area cost adjustment of 1.42% would **not** be added to the NFF formula factor values.
  - The level of MFG would be reduced to a level lower than plus 2% but higher than plus 0.5% per pupil.

## **6 Disapplication requests**

- 6.1 Each year, local authorities can submit disapplication requests to the ESFA, where strict adherence to the legislation as set out in the School and Early Years Finance (England) regulations (as amended each year), would generate perverse results for specific schools. The authority will be submitting a disapplication request by the deadline of 11 October 2020 in respect of the

operation of the minimum funding guarantee (MFG), as set out in the following paragraphs.

- 6.2 **Ark Charter Academy:** has historically enjoyed a high level of MFG protection, which dates back many years and was caused by a sudden and significant drop in pupils. The local formula at that time, in common with most other local formulae, provided "real term protection", which ensured that a school would receive at least 95% of the previous year's funding in cash terms. This funding was subsequently locked in by the MFG, which provides protection on a per pupil basis. As the pupil numbers at Ark Charter have increased, so the MFG protection has grown.
- 6.3 Capital investment for Ark Charter was needed to increase the capacity of the school to meet basic need; however the local authority could not sanction the capital investment if the increase in capacity would also increase the level of MFG support. The local authority has agreed a compromise with Ark, whereby only 600 pupils (2018-19 capacity) would continue to receive MFG protection and any new pupils above that level will receive appropriate pupil-led funding for that school, i.e. basic entitlement, deprivation, prior attainment funding etc. Official approval to this agreement was received from the DfE, but needs to be applied for annually.

## 7 High Needs Block Funding

- 7.1 Nationally the Government have increased High Needs funding by a further £730m on top of the £780m provided in 2020-21. The DfE has advised that each local authority should see an increase in their High Needs Block funding of 8%, using the 2020-21 high needs allocations as a baseline, with adjustments for population changes. The DfE has also set a gains cap of 12%.
- 7.2 Indicative funding published by the DfE on 20 July provides Portsmouth with an increase in funding of 12.7%<sup>3</sup> when compared to 2020-21.
- 7.3 The allocation incorporates funding for the TPG, TPECG by increasing the basic entitlement factor from £4,087 to £4,660 per pupil attending special schools and academies. The allocation also includes the changes to the IDACI data set as with mainstream schools.
- 7.4 The actual funding allocation for 2021-22 will not be known until December 2020 and will be adjusted for the latest pupil census information and the up to date Teachers Pay/Pension Grant information.

## Funding for Schools

- 7.5 The DfE has not issued any detailed guidance regarding how the additional DSG funding relating to the TPG and TPECG should be passed on to Special

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<sup>3</sup> The funding floor and cap on gains calculation excludes funding for basic entitlement, import/export adjustment, hospital education and the AP settings TPG and TPECG funding. Portsmouth City Council receives the full 12% on the other formula factors.

Schools, therefore we are not clear if this will be included as part of the place funding or part of the Element 3 Top-up funding. Additional information is expected from the DfE in September and will be shared with schools when received.

## **8 Central Schools Services Block**

8.1 The Central Schools Services Block (CSSB) supports the following budgets:

- Admissions
- Central licences provided by the DfE
- Schools Forum
- Education support grant retained duties for all schools.

8.2 The authority is expected to receive an increase of £55,000 due to an increase in the per pupil funding rate to £33.48, an increase of 6.4%. The authority will utilise the increase to fund an inflationary increase in central licences and to support the Admissions service.

## **9 Early Years Block Funding**

9.1 To date the DfE has not issued any guidance yet in relation to the Early Years Block for 2021-22, following publication later this year an update will be brought to Schools Forum and the Cabinet Member for Children Families and Education.

## **10 Engagement with schools**

10.1 As there is no longer a requirement to consult with schools on the formula factors a formal consultation relating to the 2021-22 funding formula has not gone to schools. Instead to ensure that all schools are kept informed an update on the funding arrangements as set out in this report will be circulated to schools in the autumn term.

## **11 Strategic direction**

11.1 The strategic direction, as set out in the SEND Strategy, remains a commitment to promote inclusion and improve the outcomes for children and young people aged 0-25 with SEND. In order to do this, we aim to ensure that there are in place a continuum of high quality support services that contribute towards removing barriers to achievement and that children and young people's special educational needs are identified early so that a high quality and co-ordinated offer of support can be put in place.

11.2 The SEND Strategy states that we aim to ensure a continuum of high quality educational provision is in place so that children and young people with SEND can attend a local mainstream nursery, school or college wherever possible.

- 11.3 This means that we need to ensure mainstream providers have the resources, skills and competence to meet the needs of a wide range of children and young people with SEND. In addition, we want to commission high quality specialist provision so that children and young people can be successfully educated within the city.
- 11.4 In 2017/18 Portsmouth and Southampton City Councils undertook a joint SEND Strategic Review. A summary of the key findings that are pertinent to this paper are set out below: :
- The number of EHCPs will increase, at a minimum, in line with population increases and increases in prevalence, but potentially also as a result of increased expectations and demand.
  - This increase is expected to be **most significant in the numbers of children with severe learning difficulties and complex** needs which has already put pressure on special school places.
  - The **need and demand for Special School places is predicted to increase** year on year due to increasing numbers of children and young people with severe and complex needs and autism and the increase in age of statutory protection
  - The review identified that there are children currently in special schools whose needs could be met in an inclusion centre or mainstream school, but additional support and resources for mainstream schools would be needed to achieve this.
- 11.5 These predictions have been further refined and confirmed by the SEN Place Planning Strategy 2018-2024. In the light of this, an SEND accommodation review was commissioned in 2019 to: review existing accommodation; consider how to physically organise the SEND provision on a city wide basis; and identify the need for additional accommodation and / or reconfiguration of existing accommodation.
- 11.6 Key recommendations from the review included:
- **Inclusion centres** - additional places should be created by extending the capacity of existing facilities subject to feasibility work; and that new inclusion provision is considered if future opportunities become available
  - **Alternative / SEMH provision (AP)** - capacity at Flying Bull Inclusion Centre is increased to meet the growing need (and to consider an extension to Year 6 on the Flying Bull site); and consideration be given to supporting internal AP provision in secondary mainstream schools
  - **Complex and Complex Plus** - additional specialist school places are created for children and young people with complex and complex plus needs.

11.7 A second phase of work is now being undertaken building on these recommendations. This includes a review of existing accommodation in the City in order to identify recommendations for how to create up to 140 additional specialist places in total across a number of sites/settings in the most cost effective way. The second phase of work is due to be completed by October 2020 and will inform future capital works to support SEND places in the city.

## 12 Mainstream Education Health and Care plans

12.1 In October 2019 Schools Forum agreed to the introduction of a banded funding system for pupils with Education Health and Care Plans attending mainstream schools from April 2021. Since then the Education Department has been working with schools to agree the criteria for each of the bands and allocating a band to the individual pupils based on their needs.

12.2 Following this work financial modelling has been undertaken to allocate a value to each of the bands which attempts to ensure that the schools receive the funding to enable them to support pupils effectively but does not build in undue growth to the budget. The resulting potential funding to schools (based on the implementation of band values) was then compared to the current EHCP funding being received by schools for the pupils that would fall into each band. The initial band values and the variance to the current EHCP funding provided to schools are set out in the table below.

<b>Table 4 - Proposed band values for EHCP mainstream April 2021</b>		
<b>Band</b>	<b>Proposed value</b>	<b>Variance to current funding (July 2020)</b>
	<b>£</b>	<b>£</b>
Core	400	(2,632)
Enhanced	2,000	(11,524)
Exceptional	4,300	27,188
Exceptional plus	6,050	5,527
Highly Exceptional	8,000	1,926
<b>Total</b>		<b>20,485</b>

12.3 The financial modelling has been based on the pupils as at July 2020, if these values are implemented 19 schools (18 Primary, 1 Secondary) would see a reduction in the funding. The minimum reduction in funding would be £332 (5.7% of current EHCP funding) with the maximum reduction would be £3,595 (11% of current EHCP funding). Of the 39 schools that gain under the banding proposals (29 primary, 10 Secondary and 1 All through) the maximum gain will be £6,150 (8% of current EHCP funding) and the minimum gain £49 (0.01% of current EHCP funding). Further modelling will be carried out in the autumn term to include the new cohort of pupils and identify the impact on schools.

12.4 Introduction of the banding will increase the cost to the DSG by £20,500.

12.5 The funding briefing to be sent to Schools early in the autumn term will include a school by school breakdown of the impact of the proposed banding on their July EHCP funding. The actual banding values will be set in January 2021



following the receipt of the initial 2021-22 funding allocation in December 2020 and clarification of the methodology for passing the Teachers pay and pension grants to special schools. It is proposed that the rates set out in Table 4 will be not be reduced when finalising the budget, but may be increased according to overall affordability.

### **13 Reason for recommendations**

- 13.1 The purpose of this report is to provide an update on the latest developments in respect of the future school revenue funding arrangements for 2021-22 onwards. The report also seeks endorsement to the proposals for implementing these arrangements locally, in order to ensure that they comply with the requirements of both the DfE's operational guidance and the School and Early Years Finance (England) Regulations.

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

- 14.1 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 and set out in the School and Early Years Finance (England) Regulations 2020.
- 14.2 The DfE has conducted a full Equality Impact Assessment which is attached to the Policy document and can be found on their website<sup>4</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 their educational achievement.

### **15 Legal Implications**

- 15.1 The Government is reforming the current school funding system from 2018-2019 and an update on the progress of that reform is provided in the body of this report.
- 15.2 The recommendations in this report are consistent with the requirements of the Schools Revenue Funding Operational Guide published by the Education & Skills Funding Agency and the national funding formula for schools and high needs 2021 to 2022 published by the Department for Education.
- 15.3 It is anticipated that the School and Early Years Finance (England) Regulations 2020 will be updated in due course by central government to confirm the specific provisions in relation to schools funding in the 2021/22 financial year.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/901889/FINAL\\_2021-22\\_NFF\\_Policy\\_Document\\_MB.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901889/FINAL_2021-22_NFF_Policy_Document_MB.pdf)

**16 Finance Comments**

16.1 Financial comments and implications are included in the body of this report.

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

**Appendices:**

Appendix 1: Portsmouth Rates to National Funding Rates Comparison Table 2020/21 to 2021/22

**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 national funding formula for schools and high needs 2021 to 2022 (published 20/07/2020)	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901889/FINAL_2021-22_NFF_Policy_Document_MB.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901889/FINAL_2021-22_NFF_Policy_Document_MB.pdf</a>
Schools revenue funding 2021 to 2022: Operational guide (published 20/07/20)	<a href="https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022">https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022</a>
School and Early Years Finance (England) Regulations 2020	<a href="#">The School and Early Years Finance (England) Regulations 2020</a>

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

.....  
Signed by:

**Appendix 1 - Portsmouth Rates to National Funding Rates Comparison Table 2020/21 to 2021-22**

Funding Factors	Payable for:	Unit rate 2020-21*		Unit Rate 2020/21	
		Primary £	Secondary £	Primary £	Secondary £
<b>Basic Entitlement</b> Number on Roll (NOR) NOR Key Stage 3 NOR Key Stage 4	Primary including reception Key stage 3 pupils Key stage 4 pupils	2,897.46	4,074.89 4,625.58	3,123	4,404 4,963
<b>Deprivation</b> Free School Meals Free School Meals Ever 6	Free School Meals (FSM) Free School Meals Ever 6	456.37 567.93	456.37 826.54	460 575	460 840
IDACI F	2020-21 Pupils with an IDACI score 0.20 to 0.25 2021-22 Pupils ranked between 9,033 and 12,316	212.97	304.25	215	310
IDACI E	2020-21 Pupils with an IDACI score 0.25 to 0.30 2021-22 Pupils ranked between 5,748 and 9,032	253.54	410.73	260	415
IDACI D	2020-21 Pupils with an IDACI score 0.30 to 0.35 2021-22 Pupils ranked between 4,106 and 5,747	380.31	542.58	410	580
IDACI C	2020-21 Pupils with an IDACI score 0.35 to 0.40 2021-22 Pupils ranked between 2,464 and 4,105	410.73	588.21	445	630
IDACI B	2020-21 Pupils with an IDACI score 0.40 to 0.50 2021-22 Pupils ranked between 822 and 2,463	441.16	633.85	475	680
IDACI A	2020-21 Pupils with an IDACI score 0.50 to 1.0 2021-22 Pupils ranked between 1 and 821	608.50	851.89	620	865
<b>Prior attainment</b> Primary	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)	1,080.08		1,095	
Secondary	Pupils not achieving the expected standard in Key Stage 2 at either reading, writing or maths		1,632.80		1,660
<b>English as an additional Language</b>	EAL eligible pupils who started school within the last 3 years	542.58	1,460.39	550	1,485
<b>Mobility</b>		887.39	1,267.70	900	1,290
<b>Lump Sum</b>	Flat rate per school	136,770	136,770	117,800	117,800

\*Note: the 2020-21 rates represent the values for Portsmouth schools based on the national NFF rates plus the area cost adjustment of 1.01416.

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