

Cheshire West & Chester Council

Cheshire West and Chester Schools Forum

Tuesday 8 October 2019
4.30pm – 6.30 pm

To be held at

Queen's Park High School
Queen's Park Road
Handbridge
Chester CH4 7AE

Refreshments will be available from 4pm

Schools Forum Clerk
Children and Families
Cheshire West and Chester Council
Telephone 01244 972901



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Cheshire West and Chester Schools Forum

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Agenda for Cheshire West and Chester Schools Forum 8 July 2019

1.	4.30	Introductions and apologies		
2.	4.35	Minutes and matters arising of last meeting 2.1 To agree the minutes from part two of the meeting held 8 July 2019 2.2 Matters arising		Page 4-10
3.	4.45	Apprenticeship levy	Rosemary Hodgson	Verbal report
4.	5.05	School Funding Arrangements 2020-2021	Natalie Cole	Page 11-14
5.	5.25	Implementing mandatory minimum per pupil funding levels consultation Mandatory minimum per pupil funding levels consultation	Natalie Cole	Page 15-16
6.	5.40	Final allocation of the DSG 2019-2020	Natalie Cole	Page 17-20
7.	5.55	DSG 2019-2020 Forecast Outturn at First Review	Natalie Cole	Page 21-22
8.	6.05	Schools Financial Value Standard 2019-2020	Natalie Cole	Verbal report
9.	6.15	Early years Hub	Natalie Cole	Verbal report
10.	6.25	AOB		
11.	6.30 Finish	Next meeting: Tuesday December 2019 Queen's Park High Schools Forum and finance sub group meeting schedule and forward plan		Page 23-24

Cheshire West and Chester Schools Forum, Queen's Park High School, Chester 8 July 2019

Members	Representing	Attendance
Schools and Academies		
Marie Allen	Academies - special	Attended
Alan Brown	Primary headteachers	Attended
David Curry	Secondary headteachers	Attended
Sarah Curtis	Primary headteachers	Attended
Stephanie Cade	Academies - mainstream	Apologies
John Freeman	Secondary governors	Apologies
Kate Docherty	Primary headteachers	Attended
David Nield	Primary governors	Attended
Phil Hopwood	Special governors	Attended
Mike Holland	Secondary headteachers	Attended
Kath Lloyd	Primary governors	Absent
Mike McCann	Special headteachers	Attended
John Murray (Chair)	Academies - mainstream	Attended
David Rowlands	Secondary governors	Attended
Andy Stewart	PRU	Attended
Katie Tyrie	Nursery headteachers	Attended
Lyndsay Watterson	Academies - mainstream	Attended
Susan Yarnall	Primary governors	Apologies
Ian Devereux Roberts	Primary headteachers	Attended
Sarah Worthington	Primary headteachers	Absent
David Bradburn	Primary governors	Attended
Duncan Haworth	Primary governors	Attended
Amanda Harrison	Academies - mainstream	Apologies
Harry Ziman	Academies - mainstream	Absent
Jason Lowe	Academies - mainstream	Attended
Non Schools		
Hilary Berry	CWAPH	Attended
Kathryn Magiera	Diocese	Absent
Paula Adolph	PVI	Absent
Sue Anderson	PVI	Attended
Caroline Vile	Diocese	Apologies
Greg Foster	Unions	Absent
Geoff Wright	Unions	Absent
Vacancy	16-19 providers	Vacancy
Non-voting Observers		
Councillor Nicole Meardon	Cabinet Member for Children and Families	Attended
Officers in attendance		
Mark Parkinson	Director of Education	
Natalie Cole	Finance Manager	
Charlotte Fenn	Clerk	
Public/Observers		
Councillor Jill Houlbrook	Shadow Cabinet Member for Children and Families	
Sue Tomlinson	CWAPH Vice-chair	

1. Introductions and apologies

Apologies were noted from Stephanie Cade, John Freeman, Amanda Harrison, Susan Yarnall and Caroline Vile (not reported at meeting).

John Murray welcomed the following new members to the meeting. Alan Brown, primary headteacher representative, elected following the retirement of Cheryl Bullen, and David Neild, primary governor representative, elected following the resignation of Carol Gahan.

Forum members noted the election of Stephanie Cade, academies representative, following Luci Jones' term of office ending, the resignation of Sarah Worthington, primary headteacher representative, and the retirement of the CWAPH chair, Hilary Berry, as of 31 August 2019. It was also noted that the new CWAPH chair from September would be Sue Tomlinson and Rob Pullen working as a job share.

Councillor Jill Houlbrook and Sue Tomlinson were welcomed to the meeting as observers.

John Murray reported that Duncan Haworth had agreed to take over as Schools Forum Chair from September and John Freeman as vice chair; no other nominations had been put forward.

2. Minutes and matters arising of last meeting

2.1 To agree the minutes from the meeting held 11 February 2019

The minutes of the meeting held on the 11 February 2019 were agreed as a correct record.

2.2 Matters arising

Item 7 Increasing funding for schools petition

Councillor Meardon reported that the f40 group were involved in campaigning for increasing yearly years funding as well as school funding.

3. F40 School Funding Update

Councillor Meardon briefed Forum on the recent f40 campaign meeting in London, and briefing for MPs around school funding issues making reference to the briefing notes circulated with the agenda. It was noted that there was some uncertainty as to whether the next Comprehensive Spending Review, due in the autumn, would take place due to Brexit and a possible general election. F40 were working alongside other groups, including Worthless and parent groups. It was noted that f40 were a cross party group and a letter had been sent to the Government raising funding concerns. Councillor reported that the f40 were campaigning for activity led formulae, funding future proofing, removal of locked in historical inequities, increase in early years funding, rolling three year budgets, review of the home to school transport policy, as well as parity between MATS. Case studies had also been given to MPs. They were also asking for additional

high needs funding and structural changes to allow flexibility between the funding blocks.

John Murray asked Forum members if there were any examples of funding issues e.g. services/activities schools could no longer provide, that Councillor Meardon could use as part of the campaign. Hilary Berry responded that CWAPH could put together some examples without naming schools to protect their identity.

Forum members commented that f40's campaign had been very effectively presented in the presentation to MPs and urged them to keep pushing this agenda.

4. Dedicated Schools Grant (DSG) 2018-2019 – Final Outturn

Natalie Cole introduced the report which detailed the 2018-2019 final outturn position for the centrally held DSG budget.

Forum's attention was drawn to the table on page 10 which summarised the main variances at final outturn compared to the Third Review. In response to a question seeking clarification regarding staff vacancies underspend, Mark Parkinson stated that this was due to delays in recruitment and maternity leave.

It was noted that the central spend block had not received an increase over several years.

Natalie drew Forum members' attention to the proposals as outlined in paragraph eight.

Resolved that the Forum

- i. note the final outturn on the 2018-2019 centrally held DSG; and
- ii. endorse the planned allocation and retention of the unspent reserve as recommended by the Schools Forum Finance Sub Group (Vote: unanimous).

5. Maintained School Balances Financial Year 2018-2019 and Academy Balances 2017-2018

Natalie Cole introduced the report which provided the final outturn position of maintained schools for the 2018-2019 financial year and academy balances for the latest reported position for the 2017-2018 academic and financial year accounts.

Forum members' attention was drawn to the table under paragraph four which summarised the school balances outturn position.

Natalie referred Forum members to the separate analysis of school balances document which provided a breakdown of all maintained school balances. It was noted that the number of schools in deficit had increased.

Forum members were also referred to the academies balances in appendix A.

Forum members had a discussion on the implications of the reported balances. It was noted that there was a wide range of balances and it was difficult to draw conclusions, the increases could be due to a number of reasons such as financial management,

restructuring, capital, future funding uncertainties. It was acknowledged that some schools may be reluctant to commit to recurring expenditure due to the current funding uncertainties but it was also noted that one off initiatives could benefit all, e.g. workforce development to build capacity, putting back something into the system.

It was noted that the number of schools holding balances in excess of the balance control mechanism (BCM) thresholds (no longer in operation) for the last three years had increased. Natalie sought views from Forum regarding reinstating the BCM or any other suggestions as how to address the excess balances. It was acknowledged that clawed back funds from schools with balances in excess of the thresholds would be redistributed to all schools including academies that were not subject to the same caps on balances.

Mark Parkinson pointed out that it was difficult for Council Meardon to campaign with the f40 group for extra school funding when excessive balances were being reported.

Hilary Berry agreed to take back the concerns raised regarding primary school balances to CWAPH and feedback any solutions to Natalie.

Concerns regarding the increasing deficits were also acknowledged. It was noted that budgets were a big challenge for small schools and there had been an increase in the number of Notices of Concern issued.

Resolved that the Schools Forum note

- i. the outturn position and movement in balances for both schools and academies; and
- ii. the mechanisms in place to support schools with deficit balances (maintained schools only).

6. Review of Growth Fund criteria for schools and academies

Natalie Cole took Forum through the report which reviewed the Growth Fund criteria in the context of the need for increased capacity in the secondary sector and pressure on the current budget.

Natalie drew Forum members' attention to the recommended revisions to the criteria in paragraph eight in particular to the affordability criteria relating to school surplus balances which could be applied across maintained schools and academies.

It was noted that the growth fund was only intended to solve temporary funding issues.

Forum members questioned whether the LA could get more Section 106 funding. Mark Parkinson responded that the issues were down to timing, the number of surplus places, some developments taking longer than expected and pupil yield's not as predicted.

David Curry raised concerns regarding the impact of the affordability criteria and schools in year budget planning; schools needed to be aware of the changes and whether they were eligible or not. Officers acknowledged these concerns and agreed to get a communication out to schools.

Resolved that the Schools Forum approved the revisions to the Growth Fund criteria for submission to the Education and Skills Funding Agency (Vote: unanimous).

7. Directed revisions to Schemes for Financing Schools for 2019-2020

Natalie Cole introduced the item and took Forum members through the report which updated the Schools Forum on the Directed Revisions to Schemes for Financing Schools issued by the Department for Education (DfE) which were to be incorporated in the Cheshire West and Chester Scheme.

Natalie referred Forum members to appendix A which detailed the updates required to reflect current policy positions and changes in legislation.

Natalie sought Forum's view on changing the date for budgets to be submitted to the local authority from 1 June to 1 May, as outlined in paragraph eight, with an initial budget plan agreed by the Governing Body by the end of spring term. It was noted that some governing bodies had not as yet agreed their budget plans and warning notices had been issued.

Questions were raised as to whether schools would have enough information to be able to complete budget plans to this timescale. Natalie assured Forum that schools would have enough local information to submit a draft budget plan by the end of spring term, revisiting it once carry forward figures were available in time for the May deadline.

It was acknowledged that Governing Body meeting dates may need to be revised to fit in with the new deadlines.

Resolved that the Schools Forum

- i. approve the revisions to the scheme which will be reflected in the updated Scheme to be published July 2019; and
- ii. endorse a consultation with all schools in the autumn term on amending the date for submission of budget plans (Vote: unanimous).

8. Call for evidence on Government consultation on SEND and AP provision

John Murray introduced the item. The Government was holding a consultation on how the financial arrangements work for the provision for children and young people with special educational needs and disabilities, and for those who need alternative provision.

Forum members discussed the consultation documentation.

Sarah Curtis reported that she had collated responses from SENCOs and agreed to send them to the Schools Forum clerk to be incorporated into a Schools Forum response along with the response submitted by Kate Docherty.

Mark Parkinson urged Forum members to encourage schools to respond to the consultation. Comments for the Schools Forum response were to be sent to the clerk.

9. Annual review of the Cheshire West and Chester Schools Forum's membership, constitution and terms of reference

Charlotte Fenn introduced the item. It was noted that no formal revisions to the Schools Forum regulations had been issued and officers had determined that the pupil ration did not warrant a revision to the membership at this time.

John Murray drew members' attention to the Finance and High Needs sub group membership in appendix three and four. Following the recent retirements and resignations Forum members reviewed the current membership and agreed the following new members:-

Finance sub group

Lyndsey Watterson - secondary head teacher representative

High Needs sub group

Mike Holland - secondary head teacher representative

Andrew Stewart – PRU representative

It was agreed that the Schools Forum clerk should seek new governor representatives for both sub groups, via email, as not all governor representatives were present at the meeting.

It was noted that the High Needs sub group had not met for some time but would be called upon to meet in the autumn after the SEND consultation.

Resolved that the Schools Forum

- i. note that there were no changes to the constitution and terms of reference; and
- ii. agreed the revised membership of the Finance and High Needs sub groups as outlined above.

10. Any Other Business

SEND Consultation

Mark Parkinson brought to the Schools Forums' attention the SEND Consultation taking place following the recent review. The authority was running three consultation events of which the first had been today (8 July). Findings of the consultation would be presented to Cabinet in November and then brought to Schools Forum in December or January. The consultation ended on 12 September.

St Mary's Nursery Deficit

Katie Tyrie raised concerns regarding her schools deficit as stated in the analysis of school balances document (ref item five). It was noted that part of the deficit was as a result of the school not having their rates paid.

Retirements

Presentations were made to Hilary Berry, CWAPH Chair, and John Murray, Schools Forum Chair and Principal Chester Catholic High School; both were retiring from their roles at the end of August.

11.Next meeting

Tuesday 8 October 2019.

Agenda Item 4

School Funding Arrangements for 2020-2021

Purpose of the Report

1. The purpose of the report is to provide Schools Forum with details on the school funding arrangements for 2020-2021 following the publication by the Department for Education (DfE) in September 2019. The report also details the impact on Cheshire West and Chester and proposals for consulting with schools and Schools Forum on the arrangements for 2020-2021.

Recommendations

2. The Forum is asked to note the report, in particular the proposals that have been put forward by the Finance Sub Group to commence consultation with schools.

As outlined in paragraph 17, Forum is required to make a recommendation on the Schools Block funding formula following the consultation and is asked to hold a virtual vote or to delegate to the Finance Sub Group later in October.

Background

3. In 2018-2019 the government introduced a National Funding Formula (NFF) for schools which replaced the previously historic basis for distributing Dedicated Schools Grant (DSG) funding for local authorities. It is the government's intention to move to a hard national funding formula for schools under which school allocations would be determined nationally without any local authority involvement. However, as the formula represents significant change and some elements are still yet to be addressed, a 'soft' approach will be implemented until 2021-2022. Under a soft formula, local authorities will continue to determine, in conjunction with their schools and Schools Forum, the formula which will distribute the total funding to maintained schools and academies.

Schools revenue funding arrangements for 2020-2021

4. In September 2019, the DfE published arrangements for schools revenue funding for 2020-2021 financial year. The operational guidance includes details on the schools block allocation methodology but not actual funding allocations. Schools Block funding rates and further details on high needs, central school services and early years block allocations are expected in October.
5. The structure of the NFF in 2020-2021 is not changing. Formula factor values are being updated and there are also some small technical changes being made. In 2020-2021, the NFF will again set notional allocations for each school, which will be aggregated, and used to calculate the total schools block received by each local authority.

6. Further to the recent Spending Review announcements, the DfE have yet to publish illustrative local authority and school level allocations for the DSG blocks of funding. At this stage, only a number of key elements have been confirmed which are detailed below.

Changes to Schools Block Funding allocations

7. The following areas of the NFF are being updated in 2020-2021:
- The minimum per-pupil levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The primary level will rise to £4,000 in 2021- 2022.
 - The funding floor will be set at 1.84%, in line with the forecast GDP (Gross domestic product) deflator, to protect pupil-led per-pupil funding in real terms. This minimum increase in 2020-2021 allocations will be based on the individual school's NFF allocation in 2019-2020.
 - Schools that are attracting their core NFF allocations will benefit from an increase of 4% to the formula's core factors. Exceptions to this are that the free school meals factor will be increased at inflation as it is intended to broadly reflect actual costs. Premises funding will continue to be allocated at local authority level on the basis of actual spend in the 2019-2020 APT (Authority Proforma Tool), with an RPIX (retail price index (RPI) excluding mortgage interest payments) increase for the PFI (private finance initiative) factor only.
 - A new formulaic approach to the mobility factor will be introduced so that it allocates this funding fairly to all authorities, rather than on the basis of historic spend. The new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past three years. To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%.
 - Growth funding will be based on the same methodology as last year, and will have the same transitional protection ensuring that no authority whose growth funding is unwinding will lose more than 0.5% of its 2019-2020 schools block allocation. There will be no capping or scaling of gains from the growth factor.

Changes to High Needs Block Funding allocations

8. The basic structure of the high needs national funding formula in 2020-2021 is not changing. The allocation will be updated for changes in pupil numbers and their movement between local authorities (captured by the basic entitlement factor update and import/export adjustment). In addition, the funding floor will be set at 8% so each local authority can plan for an increase of at least that percentage, taking into account changes in their two to 18 population. This increase will be based on local authorities' high needs allocations in 2019-2020, including the additional £125 million announced in December 2018. The gains cap will be set at 17% allowing authorities to see up to this percentage gain under the formula, however this increase will not apply to Cheshire West and Chester as we did not gain from the NFF.

Changes to Central School Services block (CSSB) allocations

9. This block allocation comprises of formula funding for ongoing central LA commitments and protected funding for historic commitments. The government has not yet confirmed the level of funding for the CSSB in 2020-2021 and provisional NFF allocations will be

published in October. However, the government expect to start to reduce the historic commitments element of the block from 2020-2021 and the detail of the approach will follow in due course. Historic commitments in Cheshire West and Chester are the annually agreed combined budgets and prudential borrowing costs.

Other announcements from the Spending Review

10. Alongside the schools funding announcement, the Secretary of State announced the following:
- The intention to increase starting salaries for teachers to £30,000 by 2022-23. This is subject to school teachers review body process.
 - The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-2021. The rates that determine the 2020-2021 allocations will be available in due course.
 - An increase in the 16-19 funding rate from £4,000 to £4,188 (3% increase)
 - An Additional £66m (1.8%) nationally in early years funding (1.8% for CWAC is £0.357m)

Approach to setting the Schools Block funding formula

11. In 2020-2021, as in previous years, each local authority will continue to set a local schools formula, in consultation with local schools. The government has confirmed its intention to move to a single 'hard' national funding formula to determine every school's budget. With funding levels and allocations being announced later than in previous years, local authorities have less time for modelling and consultation. However, local authorities must continue to engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula including the principles adopted and any movement of funds between blocks.
12. In 2020-2021, while local authorities will continue to have discretion over the design of the majority of their funding formulae, the government intend to make the minimum per-pupil funding (MPPF) levels a mandatory factor in local formulae. This is currently out to consultation.
13. Local authorities will have the freedom to set the Minimum Funding Guarantee (MFG) in local formulae between +0.5% and +1.84% per pupil, as well as to use a gains cap. This ensures that every school will gain on a per pupil basis but it does not protect schools from a loss in funding from a fall in pupil numbers.
14. Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval. A disapplication will be required for transfers above 0.5%, or any amount without schools forum approval.

Meeting of the Schools Forum Finance Sub Group

15. The funding announcement was discussed with the Finance Sub Group of the Schools Forum on 17 September. In October 2017, a consultation was held with schools on the proposal to move the local funding formula in line with the NFF to be consistent with the direction of travel of central government. There are no proposals to reverse this decision

and therefore the consultation required with schools for the next financial year will be limited to the changes and recurring annual decisions only.

16. Following consideration by the Schools Forum Finance Sub Group, the consultation will cover only four aspects of the formula:

- Setting MFG protection for 2020-21 at between 0.5% and 1.84%
- Adopting the Minimum Per Pupil Funding rates (also subject to government consultation)
- Consider adopting the optional mobility factor
- Review the local premises formula factor values
- Agreement of de-delegation arrangements (including direct charging of SIMS licences)

17. Owing to the small number of changes this year, this will be a brief consultation and will be held once details are available in October to enable financial modelling to be provided. In order to meet the timeframes for November Cabinet, a recommendation by Schools Forum will need to be made by the end of October. This vote will therefore need to be held virtually or delegated to the Schools Forum Finance Sub Group following the consultation.

Next steps

18. The consultation with all schools and the Schools Forum on the proposals for 2020-2021 will take place as soon as possible in October in order to gain Officer and Member approval on the principles of the school funding formula before the end of term. Final allocations for the 2020-21 will not be received until December 2019 with the final funding formula to be agreed and submitted to the ESFA in January 2020. Schools Forum will be consulted on the other DSG blocks of funding in December.

Cheshire West and Chester
Schools Forum
8 October 2019

Agenda Item 5

Implementing mandatory minimum per pupil funding levels Government consultation
Launch date: 10 September 2019
Respond by: 22 October 2019

Draft response for consideration by Schools Forum

Question 1: Do you agree that, in order to calculate mandatory minimum per pupil funding levels, all local authorities should follow the NFF methodology? If not, please explain your reasons.

We agree that all local authorities should follow the same methodology. In Cheshire West and Chester we have sought to mirror the NFF, we consider a consistent approach of the funding to be necessary in moving towards a hard national formula and in ensuring schools receive the minimum amount of funding allocated by central government.

Question 2: Do you agree that any requests from local authorities to disapply the use of the mandatory minimum per pupil levels should only be considered on an exceptional basis and in the context of the grounds described above? If not, please explain your reasons.

We agree that reasons for disapplications should be clear and exceptional and published prior to the disapplication timeframe so that local authorities can operate within this process. The grounds described in the consultation appear reasonable.

Question 3: Please provide any additional comments you wish to make on the implementation of mandatory minimum per pupil levels.

Whilst we agree that each school should receive a minimum amount of funding per pupil, we hold the view that this should be implemented using the basic entitlement factor for all pupils and not through the proposed calculation.

The calculation brings schools with low levels of deprivation and low attainment up to the same level of funding as schools with a higher prevalence of deprivation and pupils with additional needs. This is eradicating the additional funding for AEN targeted to those schools and further affecting their ability to prioritise resources for inclusion and SEND. For example, under this calculation, we have two secondary schools that would be funded at the same level:

School A 10% FSM, IDACI bands B-F 13%
School B 5% FSM IDACI bands B-F 3%

The inclusion of the lump sum in the calculation also means that small schools and rural schools appear to be funded in excess of the minimum level when in fact many are struggling to be financially viable. We would like to see further amendments to the

calculation to recognise the disproportionate effect of the lump sum per pupil in this calculation for schools with less than 150 pupils.

Question 4a: Do you think that any of our proposals could have a disproportionate impact, positive or negative, on specific pupils, in particular those who share a protected characteristic? Please provide evidence to support your response.

Please see response at Q3.

Question 4b: How could any adverse consequences be reduced and are there any ways we could better advance equality of opportunity between those pupils who share a relevant protected characteristic and those who do not? Please provide evidence to support your response.

Please see response at Q3.

Agenda Item 6

Final Allocation of the Dedicated Schools Grant for 2019-2020

Purpose of the report

1. To report to the Forum the final allocation of the Dedicated Schools Grant (DSG) for 2019-2020 as published by the Education and Skills Funding Agency in July 2019, highlighting the changes from the draft allocation used in budget setting for this financial year.

Recommendations

2. The Schools Forum is asked to note the amendments to the DSG allocation for the high needs and early years funding blocks and the adjustments to centrally held budgets for 2019-2020.

Background

3. In December 2018, the Education and Skills Funding Agency (ESFA) announced the details of the DSG funding settlement for the 2019-2020 financial year. This was the basis for setting the schools budget share and centrally held budgets for 2019-2020 and were agreed at the January 2019 Forum.
4. In July 2019, the ESFA published revised DSG allocations for all local authorities to reflect changes in high needs commissioned places, early years census data and academy recoupment. It is a requirement for local authorities to discuss the published DSG allocation with the Schools Forum in confirming that the grant has been used in support of schools.

Changes to the Allocation

5. The indicative DSG allocation available in January 2019 for the local authority was £266,036m. A table detailing this calculation which was presented to the Schools Forum in January 2019 is included in Appendix A.
6. Table 1 below shows, in summary, the changes to the Local Authority's allocation since January 2019. The net change to the allocation is a increase of £0.480m giving a revised allocation of £266.516m. There have not been any academy conversions since January 2019 and no changes to the amount of academy recoupment or funding held by the Local Authority. A temporary adjustment of £0.295m relating to the final early years funding from 2018-2019 has been made to the allocation. £0.167m was accounted for in 2018-2019 so there is a benefit to 2019-2020 of £0.128m. Details of individual amendments are included in Table 2 in paragraph 7.

Table 1 Summary of change to the final DSG allocation

	Indicative January 2019 £m	Final 2019 July £m	Change £m
DSG Allocation	266.036	266.516	0.480
Less deductions for high needs places	(2.228)	(2.228)	0.000
Less academy recoupment	(60.998)	(60.998)	0.000
Temporary funding adjustments		0.295	0.295
Net DSG allocation	202.810	203.585	0.775

7. In order to maintain the integrity of the budgets set on the indicative allocations, adjustments have been made to budgets in accordance with the reason for the change in the allocation. For example, the increase in funding due to higher pupil numbers on the early years census has been adjusted with a budget increase to the early years budget for place funding. The actions that have been taken for each adjustment are shown in Table 2 below.

Table 2 Adjustments to DSG allocation January 2019 to July 2019

Funding Block	Description of Adjustment	Adjustment £m	Budget adjustment actioned
Early Years block	Universal three and four year old funding - increase to 2019-2020 baseline funding due to pupil numbers increasing from January 2018 to January 2019 census.	0.074	Increase in centrally held Early Years budget for place funding
Early Years block	Extended three and four year old funding - increase to 2019-2020 baseline funding due to pupil numbers increasing from January 2018 to January 2019 census.	0.348	Increase in centrally held Early Years budget for place funding
Early Years Block	Correction to 2018-2019 funding for seven months of increase in pupil numbers in January 2019 census	0.295	£0.167m was accounted for in 2018-2019 so there is a benefit to reserves of £0.128m
Other – two year old funding	Increase in two year old funding from actual participation recorded in January 2019 census	0.102	Increase in centrally held budget for two year old place funding
Other – Early Years Pupil Premium	Decrease to reflect actual take up from previous estimate	-0.018	Decrease in centrally held budget for early years pupil premium claims

Funding Block	Description of Adjustment	Adjustment £m	Budget adjustment actioned
Other – Supplementary nursery school funding	Decrease to reflect calculation in January 2019 census	-0.008	Decrease in centrally held Early Years budget for place funding
High Needs Block	Import/export adjustment for high needs places in other authorities	-0.018	Decrease in high needs budgets across 16-25, special schools, non maintained special schools and mainstream
Total		0.775	

Next Steps

8. The revised allocations and adjusted budgets will form the basis of reporting for the remainder of 2019-2020.

Appendix A Extract from report to Schools Forum January 2019

Final DSG 2018-2019 and Indicative 2019-2020 allocation

	Final 2018-2019			Indicative allocation 2019-2020 (Dec 2018)			Change to 2018-2019 £000
DSG Allocation Block	Pupil Numbers	Amount per pupil £	Allocation £000	Pupil Numbers	Amount per pupil £	Allocation £000	
Schools Block							
Primary unit of funding	27,116	3,999	108,427	27,379	4,009	109,774	1,347
Secondary unit of funding	17,311	5,003	86,610	17,839	5,034	89,803	3,193
Funding of growth and premises			3,906			4,496	590
	44,427		198,943	45,218		204,072	5,130
High Needs Block							
National Funding Formula			37,427			37,346	
Growth			215			406	
Adjusted pupil numbers			105			93	
In year adjustments			-401				
Additional high needs funding						703	
			37,346			38,548	1,202
Early Years Block							
Three and four year old entitlement	5,053	2,451	12,384	5,053	2,451	12,384	
Maintained nursery supplementary			89	0	0	88	
Disability Access Funding		615	65	0	615	63	
Extended hours	2,171	2,451	5,321	2,171	2,451	5,321	
Two year olds	792	3,010	2,382	792	3,010	2,382	
Early Years Pupil Premium			149	0	0	149	
			20,391			20,388	-3
Central School Services Block							
Ongoing responsibilities	44,427	40	1,776	45,218	39	1,763	-14
Historic commitments			1,265			1,265	0
			3,041			3,028	-14
Total DSG Allocation			259,721			266,036	6,315

Agenda Item 7

Dedicated Schools Grant (DSG) 2019-2020 Forecast Outturn at First Review

Purpose of the Report

1. The purpose of the report is to provide an update on the financial forecast outturn position for 2019-2020 for centrally held DSG as reported at the First Review. This is based on the position at July 2019.

Recommendations

2. The Forum is asked to note the First Review position on the DSG.

Forecast Outturn

3. The forecast outturn position for the centrally held DSG is a net overspend of £0.5m. This net forecast position includes the following key variances:-
 - There is a forecast overspend of £0.640m on post 16 high needs places. This is due to a shortfall in the grant budgeted for 16-19 commissioned high needs places due to a change in funding arrangements effective from September 2019. Funding previously deducted from local authorities' DSG allocations and paid as sixth form grant will remain in the DSG, however, the LA had budgeted for this grant to continue. However, this is partially offset by £0.3m budgeted for import/export adjustments to high needs that is not required leaving a net overspend of £0.340m.
 - Additionally there are increased forecast costs for placements at Independent and Non Maintained Special Schools of £0.070m. This is from an increasing number of high cost placements over and above the £0.3m growth factored in at budget setting.
 - An overspend of £0.090m is currently forecast against staffing costs across the Children and Families directorate. This is due to pressures from unfunded pay awards which have previously been met from vacancy management savings. A combination of further pay increases and appointments to vacant posts to fulfil statutory duties is expected to create a pressure on the DSG that has been mitigated in previous years.
4. Other areas of DSG will be reviewed as commitments for the new academic year are confirmed in the autumn term. Officers will continue to monitor the financial position and seek ways to mitigate the impact across all areas of the DSG, but Schools Forum should note that, in the first instance, any overspend will be a call on the unapplied DSG carry forward from 2018-2019

Next Steps

5. To review the forecast DSG outturn position as part of the Second Review (end of September).

**Cheshire West and Chester
Schools Forum
8 October 2019**

Agenda Item 11

Schedule of meetings 2019-2020

Schools Forum – all meetings 4.30pm – 6.30pm (refreshments at 4pm) unless otherwise stated.

Date	Venue	Provisional agenda
Tuesday 10 December 2019	tbc	<ul style="list-style-type: none"> • DSG 2019-2020 Forecast Outturn at Mid Year Review • Initial Planning for DSG Allocations for 2020-2021 and Budget Setting • Basic needs capital programme
Tuesday 14 January 2020	Queen's Park High School - tbc	<ul style="list-style-type: none"> • Combined Budgets and Miscellaneous Expenditure • DSG Allocations for 2020-2021 and Budget Setting • Draft of 2020-2021 School Funding Formula for January submission • De-delegation – Proposals for 2020-2021 • DSG 2019-2020 Forecast Outturn at Third Review • SEND High Needs Consultation outcomes
Tuesday 11 February 2020	Queen's Park High School - tbc	<ul style="list-style-type: none"> • Early Years funding formula for February submission • Special Educational Needs (SEN) Funding for Mainstream and Special Schools – Funding from the High Needs Block 2020-2021 • Central Spend budgets 2020-2021
Tuesday 7 July 2020	Queen's Park High School - tbc	<ul style="list-style-type: none"> • School funding arrangements –national data comparison 2020-2021 • School funding arrangements for 2021-2022 • Directed revisions to schemes for financing schools • DSG 2019-2020 outturn • Financial year 2019-2020 analysis of schools balances (including Academies) • Annual review of Schools Forum membership, constitution and terms of reference

Schools Forum finance sub group – all meetings 2pm – 4pm unless otherwise stated

Date	Venue
Tuesday 19 November 2019	Nicholas House G2
Tuesday 17 December 2019	Nicholas House G2
Tuesday 21 January 2020	Nicholas House G2
Tuesday 16 June 2020	Nicholas House G2