



Lancashire Schools Forum

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| CC Geoff Driver, CBE, Leader, Lancashire County Council | Tel. | 01524 823606 |
| | Email | lancsschoolsforum15@gmail.com |
| CC Susie Charles, Cabinet Member for Children Young People and Schools | Date | 15 January 2019 |

Dear Geoff and Susie,

Schools Budget 2019/20

As you will be aware, at a meeting on 15 January 2019, the Schools Forum was presented with information about the latest proposals for setting the Schools Budget from April 2019.

Following consideration of the proposals, the Forum agreed a number of recommendations for your consideration in finalising the Schools Budget for 2019/20.

The Forum:

Supported the 2019/20 Early Years Block proposals:

- The Universal Base Rate for 3 and 4 year olds is set at £4.13 per hour (from £4.09 in 2018/19) and the hourly rate for eligible 2 years olds at £5.00 per hour in 2019/20 (the same rate as 2018/19);
- The Dedicated Schools Grant Reserve underwriting the uncertainties around Early Years Blocks in 2019/20;
- That discretionary supplementary payments continue for 2019/20 budget a review is undertaken over the coming year, as requested by the Early Years Working Group;

Supported the 2019/20 High Needs Block proposals:

- The methodology for the number of Commissioned Place in the 2019/20 used as a basis for the budget;
- The agreed saving proposals for special schools, PRUs and FE colleges be implemented;
- Proposals for the development of inclusion hubs continue, to be initially funded from existing budgets and school contributions ahead of possible de-delegation proposals in 2020/21;
- The Dedicated Schools Grant Reserve underwriting the uncertainties around High Needs Blocks in 2019/20;

Supported the 2019/20 Schools Block proposals:

- Set the 2019/20 gains cap at +1.5% against 2018/19;

Chair Tim Cross

C/O The Clerk to the Schools Forum, • Financial Management (Development and Schools)
PO Box 100, County Hall, Preston, PR1 0LD

- Set the 2019/20 MFG figure at -1.5% against 2018/19;
- Support the revised 2019/20 split site proposals and the transitional arrangements;
- Confirm the 0.5% (£3.7m) transfer from Schools Block to HNB.

Supported the 2019/20 Central School Services Block Proposals:

- Noted the 'overheads' information provided and the assurances given that the overheads has been thoroughly reviewed for 2019/20;
- Request a more detailed breakdown of the overheads by individual service;
- Request information on the possible implications of future reductions in the level of overheads of 25% and 50%.

We know that the original 2019/20 Schools Budget proposals included an option to devalue the Weighted Pupil Number (WPN) rate from the new academic year 2019/20. However, after detailed discussions, including consideration of representations from Lancashire special schools, the Forum have recommended that this proposal is not taken forward in 2019/20, due to the possible impact on Lancashire pupils.

We recommend that the £1.3m shortfall this creates in the budget proposals is met by the use of Dedicated Schools Grant (DSG) reserves, with a small contribution identified by reducing the DSG allocation to some 'combined budgets'. It was recognised that this proposal may need to be revisited in the future, if other savings could not be identified to bring High Needs Block expenditure in line with income.

Even with the 2019/20 support from the DSG, we recognised that there will be real implications arising from the decisions that have consequences for the level of provision that can be made in support of Lancashire pupils.

The Forum also approved a number of budget lines and arrangements using our decision making powers. These are set out at Annex1.

I hope that you will be able to accommodate our recommendations and decisions when you set the Schools Budget for 2019/20.

With best wishes.

Yours sincerely



Tim Cross
Chair
Lancashire Schools Forum

SCHOOLS BUDGET 2019/20
SPECIFIC APPROVALS NEEDED FROM THE SCHOOLS FORUM

The School and Early Years Finance (England) (No. 2) Regulations 2018 require certain proposals by the Local Authority relating to the Schools Budget to be approved by the Schools Forum. .

An indication of the specific proposals that have previously been considered and approved by the Forum is included together with proposals now put forward that require approval.

| Function | LA proposals 2019/20 | Proposed Expenditure: 2019/20 £m |
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| Consultation on Formula Changes | | |
| <ul style="list-style-type: none"> EYNFF Proposals were subject to consultation with providers ahead of the 2018/19 financial year, which included implementation of the Universal Base Rate in 2019/20 and the methodology for allocating the additional maintained nursery school (MNS) funding | Final proposals are contained in Schools Budget 2019/20 report | |
| <ul style="list-style-type: none"> The Schools Block Budget formula for based on the National Funding Formula (NFF) methodology was introduced from 2018/19, and included 2019/20 arrangements | Final proposals are contained in Schools Budget 2019/20 report | |
| <ul style="list-style-type: none"> Adjustments to the Special School, Pupil Referral Unit (PRU) and FE College High Needs funding formulae for 2019/20 have been subject to consultation with the | Final proposals are contained in Schools Budget 2019/20 report | |

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| Forum and the schools and providers impacted by proposals | | |
| De-delegation for mainstream schools | <p>LA proposals for:</p> <ul style="list-style-type: none"> • Schools in financial difficulty; • Museum service (primary only); • Staff Costs Public duties/Suspensions. <p>Approved by the Schools Forum on 17 October 2018</p> | |
| Movement of up to 0.5% from the schools block to other blocks | <p>Proposed to transfer 0.5% (£3.760m) from the Schools Block to the High Needs Block to mitigate the forecast HNB overspend were approved by the Forum on 17 October 2018.</p> <p>These proposals are subject to confirmation as part of the Final proposals contained in Schools Budget 2019/20 report as additional HNB funding has been made available by the DfE</p> | 3.760 |
| Contracts (where the LA is entering a contract to be funded from the schools budget) | No Proposals at this time | |
| Financial issues relating to: | | |
| <ul style="list-style-type: none"> • arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding | Proposals contained in the High Needs Block Working Group recommendations for Forum report for 15 January 2019 | |
| <ul style="list-style-type: none"> • arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding | Proposals contained in the High Needs Block Working Group recommendations for Forum report for 15 January 2019 | |

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| <ul style="list-style-type: none"> • arrangements for early years provision | Proposals contained in the Early Years Block Working Group recommendations for Forum report for 15 January 2019. Central funding level presented as part of the Schools Budget 2019/20 report | 0.355 |
| <ul style="list-style-type: none"> • administration arrangements for the allocation of central government grants | No Proposals at this time | |
| Minimum funding guarantee (MFG) | The proposed 2019/20 Minimum funding guarantee (MFG) level is minus 1.5% | |
| General Duties for maintained schools Contribution to responsibilities that local authorities hold for maintained schools | No Proposals at this time | |
| Central spend on and the criteria for allocating funding from: | | |
| <ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy | Policy previously agreed by the agreed the Schools Forum. Growth fund funding levels the Schools Block Working Group recommendations for Forum report for 15 January 2019 Final budget proposals are contained in the Schools Budget 2019/20 report | 1.462 |
| <ul style="list-style-type: none"> • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years | No Proposals at this time | - |
| Central spend on: | | |
| <ul style="list-style-type: none"> • early years block provision funding to enable all schools to meet the infant class size requirement | No Proposals at this time | |

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| <ul style="list-style-type: none"> back-pay for equal pay claims | No Proposals at this time | |
| <ul style="list-style-type: none"> remission of boarding fees at maintained schools and academies | No Proposals at this time | |
| <ul style="list-style-type: none"> places in independent schools for non-SEN pupils | No Proposals at this time | |
| <ul style="list-style-type: none"> admissions | Final budget proposals are contained in the Schools Budget 2019/20 report | 0.937 |
| <ul style="list-style-type: none"> servicing of schools forum | Final budget proposals are contained in the Schools Budget 2019/20 report | 0.188 |
| <ul style="list-style-type: none"> Contribution to responsibilities that local authorities hold for all schools | No Proposals at this time | |
| Central spend on: | | |
| <ul style="list-style-type: none"> capital expenditure funded from revenue: projects must have been planned and decided on prior to April 2013 so no new projects can be charged | No Proposals at this time | |
| <ul style="list-style-type: none"> contribution to combined budgets: this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources | Final combined budget proposals are contained in the Schools Budget 2019/20 report | 0.350 |
| <ul style="list-style-type: none"> existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged) | No Proposals at this time | |
| <ul style="list-style-type: none"> prudential borrowing costs – the commitment must have been approved prior to April 2013 | 2019/20 funding level presented as part of the 2019/20 Schools Budget setting proposals following initial agreement prior to April 2013. This is an annual commitment until 2020/21. | 0.240 |
| Central spend on: | | |

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| <ul style="list-style-type: none"> • high needs block provision | 2019/20 funding level presented as part of the Schools Budget setting proposals | 28.533 |
| <ul style="list-style-type: none"> • central licences negotiated by the Secretary of State | 2019/20 funding level presented as part of the Schools Budget setting proposals | 0.937 |
| Carry forward a deficit on central expenditure to the next year to be funded from the schools budget | No Proposals at this time | |
| Any brought forward deficit on de-delegated services which is to be met by the overall schools budget. | No Proposals at this time | |