



Lancashire Schools Forum

CC Geoff Driver, CBE, Leader, Lancashire County Council and CC Phillippa Williamson, Cabinet Member for Children Young People and Schools

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Date 12 January 2021

Dear Geoff and Phillippa,

Schools Budget 2021/22

As you will be aware, at a meeting on 12 January 2021, the Schools Forum was presented with information about the latest proposals for setting the Schools Budget from April 2021.

Following consideration of the proposals, the Forum agreed a number of recommendations for your consideration in finalising the Schools Budget for 2021/22. Where applicable these recommendations follow the outcomes of consultations with schools and early years providers.

The Forum:

Supported the Schools Block proposals, as follows:

- The DfE's National Funding Formula (NFF) methodology should continue to be used as the Lancashire formula in 2021/22;
- The Minimum Funding Guarantee (MFG) be set at +2.0% for 2021/22, mirroring the National Funding Formula;
- To transfer Schools Block headroom of circa £2m (0.26% of the Schools Block) once the National Funding Formula methodology has been implemented in full as the local formula, to support the Early Years Block.

Supported the High Needs Block (HNB) proposals, as follows:

- To use the increased High Needs Block allocation to cover the forecast growth in High Needs expenditure from April 2021;
- To increase High Needs Block expenditure to broadly match uplifts in the mainstream sector, including:
 - Increasing the Weighted Pupil Numbers (WPN) rate by 2% to £4,391
 - Special School and PRU School Specific factors uplifted by 2%
 - Increase the Hospital Education budget to £927k
- To align Pupil Referral Unit (PRU) Excluded Pupils, Medical and Other pupils to the Weighted Pupil Number (WPN) value at Band E2 (1 WPN) from April 2021:
 - in the secondary PRU formula, 1 WPN would be paid rather than the average of the secondary AWPU value;

Chair Shaun Jukes

C/O The Clerk to the Schools Forum, • Financial Management (Development and Schools)
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- in the primary PRU formula, 2/3 of 1 WPN would be paid rather than the primary AWPV value.
- For the teachers pay and pensions grants to be incorporated into the special school and PRU school specific factor, at £660 per pupil, as a separate line on budget statements.

Supported the Early Years Block (EYB) proposals, as follows:

- To passport increased Government allocations for 2021/22 by increasing base rates for 2 year olds by 8p per hour and 3&4 year olds by 6p per hour;
- The transfer of the £2m Schools Block Headroom to the Early Years Block, to allow the increase in Government funding to be passed on in full and to continue the additional local increases facilitated by the similar transfer first supported by a Schools Block transfer in 2020/21, to continue into 2021/22;

Supported Central School Services Block (CSSB) proposals, as follows:

- The proposals for the Central School Services Block in 2021/22, including the allocations of Dedicated Schools Grant (DSG) Combined Budgets as follows:
 - MASH - £150k;
 - Emotional Health and Wellbeing Service - £200k.

Supported the Dedicated Schools Grant (DSG) Reserve underwriting the uncertainties around the 2021/22 Dedicated Schools Grant Schools Budget, across Schools Block, High Needs Block, Early Years Block and the Central School Services Block.

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 2021/22.

With best wishes.

Yours sincerely



Shaun Jukes
Chair, Lancashire Schools Forum

SCHOOLS BUDGET 2021/22**SPECIFIC APPROVALS NEEDED FROM THE SCHOOLS FORUM**

The School and Early Years Finance (England) Regulations 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 2021/22	Proposed Expenditure: 2021/22 £m
Consultation on Formula Changes		
<ul style="list-style-type: none"> As required by DfE, the HNB working group were consulted on the best way to incorporate the former teachers pay and teachers pensions grants in the special school and AP formulae 	Proposals look to incorporate the former teachers pay and teachers pensions grants in the HNB formulae by an increase to the school specific factor. A school specific factor is available in both the special school and PRU formulae and an additional allocation of £660 per pupil will be included in both for 2021/22, included as a separate line on budget statements, so that it is transparent and easily identifiable.	2.598
<ul style="list-style-type: none"> In response to requests from PRU representatives, proposals have been developed to use WPN values in the AP funding formula, rather than AWPU values 	Proposals look to incorporate the WPN value at Band E2 (1 WPN) in the secondary PRU formula rather than the average of the secondary AWPU value, and at 2/3 the WPN value (at Band E2) for primary PRUs, rather than the primary AWPU. Both phases receive a circa £30 per pupil increase using this formula	0.013

De-delegation for mainstream schools	LA proposals for: <ul style="list-style-type: none"> • Schools in financial difficulty; • Museum service (primary only); • Staff Costs Public duties/Suspensions; • Primary Inclusion Hubs Approved by the Schools Forum on 20 October 2020	3.456
Movement of up to headroom from the schools block to other blocks	Consultation responses are provided in the Forum papers, and in accordance with responses and recommendations from the Schools Block, proposals to transfer headroom from Schools Block to the Early Years are built into the Schools Budget 2021/22.	2.000
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 report to the Forum and the Forum budget papers	98.839
<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 report to the Forum and the Forum budget papers	12.094
<ul style="list-style-type: none"> • arrangements for early years provision 	Proposals contained in the Early Years Block Working Group report to the Forum and the Forum budget papers	84.471
<ul style="list-style-type: none"> • administration arrangements for the allocation of central government grants 	No Proposals at this time beyond passporting DfE allocations to schools	

Minimum funding guarantee (MFG)	Consultation responses on MFG reported to Forum on 20 October 2020 and recommended that the level of MFG to be used in the Lancashire funding formula for 2021/22 be set at +2.0%.	
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 	<p>Policy previously agreed by the Schools Forum. Proposal to increase the growth fund unit values in line with increased NFF Minimum Pupil Funding levels for 2021/22, using the higher rate that incorporates previous teachers pay and pensions grants</p> <p>Final budget proposals are contained in the Schools Budget 2021/22 report</p>	1.797
<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	
<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 2021/22 report	1.400
<ul style="list-style-type: none"> servicing of schools forum 	Final budget proposals are contained in the Schools Budget 2021/22 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 2021/22 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 	Historic commitment ended in 2020/21	0.000
Central spend on:		

<ul style="list-style-type: none"> high needs block provision 	2021/22 funding level presented as part of the Schools Budget setting proposals	31.305
<ul style="list-style-type: none"> central licences negotiated by the Secretary of State 	2021/22 funding level presented as part of the Schools Budget setting proposals	1.000
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	