

## MUNICIPAL YEAR 2018/19 REPORT NO. 27

**MEETING TITLE AND DATE:**  
**Schools Forum 04 March 2020**

**REPORT OF:**  
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Services

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	Item: 4c
<b>Subject: Schools Budget 2020/21</b>	
<b>Wards: All</b>	

### 1. EXECUTIVE SUMMARY

In December 2019 the DfE announced the initial 2020/21 Dedicated Schools Grant (DSG) and issued the October 2019 data set to be used to calculate 2020/21 Individual Budget Shares for primary and secondary schools. At the January 2020 meeting, the Schools Forum noted and agreed the formula factors and unit rates used in the Schools Block funding formula and these were submitted to the DfE by their deadline of 21st January 2020.

The draft Schools Budget 2020/21 was considered and approved by Cabinet at their meeting on 12<sup>th</sup> February 2020, as part of the Budget 2020/21 and Medium-Term Financial Plan 2020/21 to 2023/24 (General Fund) report. This report will be presented at the full Council meeting on 26th February 2020 for final approval.

This report seeks the support of Schools Forum to the recommended application of the DSG in 2020/21, based on the initial DSG allocation.

Further updates on the DSG funding and application for 2020/21 will be presented at future meetings during the financial year when there are any changes to report. Regular budget monitoring reports will also be provided.

### 2. RECOMMENDATIONS

**The Schools Forum is asked to note and support:**

- The latest proposals for allocating the DSG for 2020/21 within the Schools, Early Years and High Needs blocks.

### 3. Dedicated Schools Grant 2020/21

At the January meeting it was reported that the initial DSG allocation for 2020/21 had been announced in December 2019 and that Enfield had received an allocation of £351.26m.

An updated DSG for 2020/21 will be confirmed in July 2020 when the Early Years Block will be adjusted to reflect the January 2020 Census. At this stage we have assumed that funding will remain at 2019/20 levels and early indications of January 2020 census data suggests that numbers have remained broadly at January 2019 levels for pupils taking up the basic 15 hours entitlement and the additional 30 hours.

The latest budget monitoring for 2019/2019 indicates a projected overspend of approximately £4.9m.

## 4. Proposed Allocation of DSG Funding 2020/21

### 4.1 Summary of Budget Requirements and Funding

Draft Budget requirements and funding are summarised in **Appendix B**. The following paragraphs provide some background detail to the budget allocations.

### 4.2 Schools Block

The formula factors and unit rates were approved by Schools Forum in January 2020 and have been included in the APT Proforma submitted to the Education and Skills and Funding Agency (ESFA) by their required deadline of 21<sup>st</sup> January 2020. It should be noted, however, that following the Forum meeting on 15<sup>th</sup> January we received notification from the ESFA that although our first disapplication request to transfer 0.5% of funding from the Schools Block (SB) to the High Needs Block (HNB) had been agreed, the second request to transfer £140k from the SB to HNB had been declined. This additional £140k was therefore allocated via the formula by adjusting the FSM Ever 6 unit rate as shown in Table 1 below.

**Table 1 – FSM Ever 6 Unit Rate**

<b>FSM Ever 6 Unit Rate</b>	<b>Prim</b>	<b>Sec</b>
Forum Report - 15/01/2020	565.26	822.65
Verbal Update at Forum	553.25	805.18
Final Submitted APT Rates - 2020/21	561.19	816.74

Validation checks carried out by the ESFA did not result in any changes to our submission and formula allocations for 2020/21 were then circulated to all schools and academies. This information would support schools with their budget planning for next 3-year period. The full budget notifications for maintained schools will be issued in early March.

At this stage, the formula allocations for 2020/21 include estimated rates budgets but as soon as the 2020/21 rates bill information is received from the Business Rates Team schools will be informed of any change to their overall funding allocation.

### 4.3 Early Years Block

#### 4.3.1 3- and 4-Year Olds – 15 Hours Entitlement

In 2020/21, all providers of the free nursery entitlement will continue to be funded through the Early Year's National Funding Formula (EYNFF), which has been in place since April 2017. In 2020/21, as in 2019/20, 95% of the funding received must be passed to providers. The hourly DSG funding rate for 2020/21 has been increased by £0.08 and £0.07 of this will be passed to providers, increasing the provider rate from £5.11 to £5.18 per hour. Each provider will be funded based on participation.

**Appendix B** indicates that expenditure totalling £16.559m is expected to be delegated to maintained schools, academies and PVI providers in 2019/20. Funding will continue to be adjusted on a termly basis to reflect actual pupil numbers.

#### 4.3.2 3 and 4 Year Olds – 30 Hours Entitlement

From September 2017 the Government extended the free nursery entitlement from 15 to 30 hours a week for working parents with the aim of reducing childcare costs for working families thus enabling parents to return to work or work more hours.

As with the 15 hours basic entitlement, the authority is required to delegate 95% of available funding to providers and for 2020/21 the hourly rate will increase from £5.11 to £5.18. Funding for the 30 Hours Entitlement is within the £4.118m detailed in **Appendix B**.

#### 4.3.3 2 Year Olds – 15 Hours Entitlement

There are no planned changes to the funding arrangements for Terrific Twos, which provides 15 hours free provision for deprived 2-year olds. The hourly rate for this provision has also increased by £0.08 and this will be fully passported to providers, increasing the hourly rate from £5.66 to £5.74 for 2020/21. **Appendix B** details that planned that funding of £3.783m is expected to be delegated to providers in 2019/20.

#### 4.3.4 Early Years Pupil Premium

For 2020/21 the authority has received an allocation of £0.169m for the Early Years Pupil Premium (EYPP). This funding is allocated to providers at a rate of £300 per eligible pupil who are taking up the 15 hours free entitlement.

### 4.4 High Needs Block

Allocations from the High Needs Block have been grouped into 4 broad areas and any budget increases or changes in methodology are detailed in the relevant section below. It should be noted that the HNB allocations are still being finalised and should be considered as draft estimates at this stage, but the latest position indicates a potential overspend in this area of £671k. This mainly relates to an increase in in borough provision which will enable more pupils to be educated in borough and, in time, reduce expenditure on out of borough independent placements.

The draft allocations are summarised in **Appendix B**.

#### 4.4.1 Delegated Funding

The High Needs Block includes provision for delegated budgets to Special Schools, the Pupil Referral Unit, ARPs and Nurture Units and Exceptional Needs funding for pupils with Education, Health and Care Plans (EHCPs) in mainstream schools.

Table 2 below summarises the initial 2020/21 budget allocations for Delegated Funding.

**Table 2: Summary of Delegated Funding**

Delegated Funding 2020/21	Budget Allocation
	£000
Special Schools incl Outreach	19.640
ARPs & Satellite Provision	2.999
Exceptional Needs	8.046
Nurture Groups	0.866
PRUs	2.289
<b>TOTAL DELEGATED</b>	<b>33.840</b>

#### **Special Schools**

There is no change to the funding methodology for Special Schools but funding for agreed additional places will be included in initial budgets for 2020/21. Where additional places or

provisions are still in negotiation, funding has been included within the overall budget and individual school budgets will be adjusted in year when arrangements have been confirmed.

As in 2019/20, outreach work in special schools will continue to operate as a commissioned service and funding allocations are not automatic. A block allocation of £112k will be allocated to schools whose expenditure plan has been approved. There is total provision of £0.672m for outreach work in the 2020/21 budget.

### **ARPs (including Speech & Language Units)**

The funding methodology for ARPs remains as 2019/20. Schools with an ARP will receive the first £4k of their place funding through the funding formula. The £6k balance of place funding plus the Top Up will be allocated from the High Needs Block. For any places that were vacant on October 19 census day the full £10k place funding will be allocated from the High Needs Block.

The budget includes provision for 3 new ARPs with effect from September 2020.

### **Nurture Groups**

Nurture Groups are funded as a commissioned service. Schools with Nurture Groups are allocated a block allocation of £59,700 for 2020/21.

### **SEN Exceptional Needs**

The funding arrangements for exceptional needs will continue on the same basis for 2020/21. The local arrangements are summarised as follows:

- All schools receive £12k within their lump sum allocation as a contribution to the £6k for 2 SEND pupils
- Schools fund the £6ks for the average number of SEND pupils based on the expected Enfield position of 1 in every 50 pupils being classed as high needs (reduced from 1 in 60 to reflect latest position)
- Where schools have more than the average number of SEND pupils additional £6ks will be provided by the authority
- The position regarding the £6k funding is fixed at the start of the financial year based on the spring term SEN data
- The authority will provide Top Up funding for all pupils and this will be adjusted on a termly basis to reflect new Education, Health and Care Plans and pupil movement

There has been a significant increase in the number of mainstream pupils with an EHCP and an additional £1.7m has been built into this budget for 2020/21 to reflect the associated increase in costs.

### **Pupil Referral Unit (PRU)**

Funding for 2020/21 has been based on 100 places. As in 2019/20, the budget includes an additional £100k which will provide, up front, the funding usually received from excluded pupil transfers during the year. This will give the PRU more certainty in terms of budget planning.

#### **4.4.2 Placement Funding**

The High Needs Block funds placements for SEN pupils in out of borough schools and FE Colleges and those being supported by the Home and Hospital Service.

Table 3 below summarises the budget allocations for Placement Funding.

**Table 3: Placement Funding**

Budget Area 2020/21	Budget Allocation
	£000
Post 16 SEN Support	2.350
Home & Hospital	0.309
Other LA - Special Schools	2.622
Other LA – Mainstream Tuition	1.230
Independent Residential	2.603
Independent Day	8.273
<b>TOTAL PLACEMENT</b>	<b>17.387</b>

**Post 16 SEN**

Local Authorities are responsible for funding Post 16 high needs pupils in FE establishments from the High Needs element of the DSG. The estimated full year cost of funding this provision in 2020/21 is £2.350m, the same as 2019/20. There has been increased demand in this area due to the increase in offer to 25 years old and the development of bespoke provision to cater for the complex needs to some young people. The authority continues to work with students and providers to ensure that the offer of provision for post 16 pupils is consistent and aims keep costs within budget. This work will be further developed in 2020/21 and is hoped to lead to cost reductions.

**Home and Hospital Provision**

The Home and Hospital Tuition Service is managed by West Lea School and provides tuition for pupils in hospital and those who cannot access school due to illness. Revised strategies introduced by the school have enabled the service to operate within budget provision but demand for the service is increasing and it is becoming more challenging to operate within existing budget provision. The budget allocation for this this provision for 2020/21 will remain at £309k but the position will continue to be monitored.

**Outborough Placements**

As reported over the last 2 financial years, the Authority has experienced significant pressures in relation to the provision of high needs places which have resulted from an increased number of SEN pupils and an increase in the complexity of their needs. There has been an increase in the placement of pupils in other local authority schools and independent day and residential schools due to in borough provision being at full capacity and in some cases, it does not meet individual pupil needs.

As detailed in the High Needs report presented at this meeting, various strategies and initiatives have been introduced to create more SEN provision within borough and reduce further pupils being placed in costly independent provision. The budget provision for 2020/21 has been based on the projected 2019/20 outturn costs reported in the January 2020 monitoring exercise. These budgets will be closely monitored each month and updates will be presented to the Forum on a regular basis.

**4.4.3 Central and Commissioned Services**

There have been some changes to central and commissioned services funding from the High Needs Block.

As reported via the budget monitoring reports in 2019/20, the Education Psychology Service and SEN Service have both undergone restructures to reflect the changing needs of the service due to increased demand. The full year costs of these re-structures are included in the 2020/21 budget and total £0.972m. The increased cost of the Speech and Language Service, £0.173m, is also included in the budget.

#### **4.4.4 High Needs Net Position**

As indicated in Appendix B, projected high needs costs for 2020/21 exceed budget provision by £2.8m and combined with the expected deficit carry forward from 2019/20, could result in an overall deficit of £8m. The HNB budget only reflects known expenditure so any increased in provision/cost will add to the overall deficit position.