

**SETTING OF 2019/20 MAINTAINED
SCHOOLS' AND ACADEMIES'
BUDGETS**

I. 2019/20 Funding

I.1 Central Government confirmed the following Plymouth DSG allocations in December 2018;

Table I.2

	18/19 Final DSG Allocation (£m)	19/20 Indicative DSG Allocation (July 18) (£m)	19/20 DSG Allocation (December 18) (£m)	Increase/ (decrease) compared to 18/19 baselines (£m)	Increase/ (decrease) compared to 18/19 baselines (%)
Schools Block	£149.550m	£153.302m	£154.619m	£5.069m	3.39%
High Needs Block	£29.826m*	£29.504m	£30.058m*	£0.232m	0.78%
CSSB	£3.679m	£3.702m	£3.709m	£0.030m	0.82%
Early Years Block	£16.623m	-	£16.611m	(£0.012m)	(0.07%)
	£199.678m	£186.508m	£204.997m	£5.319m	

*includes £0.550m additional High Needs funding as per the Secretary of State's announcement on 17th December 2018 in recognition of the cost pressures Local Authorities are experiencing on the high needs element of the grant.

2. 2019/20 Schools Block Funding

- 2.1 The distribution of the DSG to local authorities will be set out in four blocks for each authority; a schools block, a high needs block, an early years block, and the new central school services block.
- 2.2 The schools block has been allocated between local authorities on the basis of the primary and secondary units of funding.
- 2.3 The Schools Block for 2019/20 has been calculated as follows (using the October 2018 census data);

Table 2.4

2019/20 Schools Block Funding		
Schools Block Primary Unit of Funding	£3,909.03	
Schools Block Primary Pupils (headcount)	20,791	
Total Primary funding		£81.273m
Schools Block Secondary Unit of Funding	£5,101.29	
Schools Block Secondary Pupils (headcount)	13,655	
Total Secondary funding		£69.658m
Funds through the growth, premises and mobility factors		£3.690m
Total schools block funding		£154.621m*
Less amount allocated for growth		(0.490)m
Funding available to allocate to schools		154.131m

*schools block overall total states £154.619m as opposed to £154.621m due to rounding

2.4 Growth Funding

- 2.5 Growth funding is within local authorities' schools block NFF allocations. For 2019 to 2020, growth funding will be allocated to local authorities using a new formulaic method based on lagged growth data. The change in the method of funding local authorities has not changed the way in which authorities can allocate funding locally.
- 2.6 Subject to the approval of their schools forum, local authorities are able to retain some of their schools block funding centrally (i.e. rather than allocate it to their individual schools), for a growth fund. This can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need pressures, to support additional classes needed to meet the infant class size regulation, and to meet the costs of new schools. Authorities must use the fund on the same basis for the benefit of both maintained schools and academies in the area. It was proposed and agreed at Schools Forum in December 2018 to keep the growth fund at £490k in 2019/20, the same level as in 2018/19.

3. Plymouth's Consultation Document

- 3.1 A summary of consultation responses was presented to Schools Forum on 5th December 2018. 22 responses were received in total and the paper to Schools Forum included a tally of who agreed/disagreed with the proposals and a summary of comments made.
- 3.2 The following proposals were presented and agreed at schools forum, with the agreement that any further responses (received by midnight on 5th December) will be brought back to schools forum in January to note. (reference numbers refer to the numbers on the original consultation document and report presented to schools forum in December 2018);
- 8.1** *Agree that the Local Authority is able to use the £0.586m retained ESG duties element of the Central Services Block funding to meet statutory and regulatory obligations for schools.*
 - 8.2** *Use the historic commitment previously used to fund the excellence cluster to offset the £0.136m shortfall to enable the local authority to continue to provide the services previously covered by the ESG retained grant.*
 - 8.4** *To keep the growth fund at £0.490m in 2019/20 or an increased amount (not yet notified by Central Government)*
 - 8.5** *To adopt the National Funding Formula method of allocation in 2019/20*
 - 8.6** *To set the minimum funding guarantee (MFG) at minus 1.5%*
 - 8.7** *Not to transfer any funding out of the Schools Block to the High Needs Block*
 - 8.8** *To use the alternative gains cap to mirror the National Funding Formula*
 - 8.9** *Adjustments to the funding formula to ensure affordability will be made to the basic entitlement factor, at the same percentage for primary school, key stage 3 and key stage 4 pupils.*
 - 8.10** *No de-delegation costs are included in 2019/20 budget allocations for maintained primary schools or maintained secondary schools.*
 - 8.11** *Not to charge maintained schools for the loss in general ESG in 2019/20.*
- 3.3 Option 2 of proposal 8.3 was agreed at schools forum on 5th December with the agreement that this would be the final decision unless an overwhelming number of

responses were received by midnight meaning there is no longer a majority in favour of Option 2. If this is the case, it will be brought back to schools forum in January for discussion.

**8.3 Collate consultation responses from schools and agree on the best option to utilise the remaining £1.239m of funding previously used to fund the Excellence Cluster in the event that this funding is available in 2019/20.
Option 1 – return £1.239m additional funding to mainstream schools
Option 2 – return £1.179m additional funding to mainstream schools and use £0.060m to establish arrangements for the running of a co-ordinated early help for schools model.**

3.4 3 further responses to the consultation document were received between 2pm and midnight on 5th December. This included 1 response from a maintained primary school who agreed with proposal 8.11 and Option 2 of proposal 8.3.

3.5 The remaining 2 responses were mainly identical and came from a Secondary Academy School and a Multi Academy Trust. They both agreed with proposals 8.1, 8.4, 8.5 and 8.9. However, they both disagreed with proposals 8.2, 8.6 and 8.11. Therefore the revised tallies on these proposals are;

Proposal 8.2 - 13 agreed, 5 disagreed
Proposal 8.6 - 11 agreed, 2 disagreed
Proposal 8.11 - 12 agreed, 2 disagreed

3.6 The Secondary Academy School agreed to Option 1 on proposal 8.3, but the Multi Academy Trust agreed to Option 2 giving a revised tally as follows;

Proposal 8.3 - 2 agree to Option 1 and 13 agree to Option 2.

3.7 Therefore, as the majority of total responses are in favour of the above proposals, all of the proposals agreed by Schools Forum on 5th December 2018 still stand (including proposal 8.3 – Option 2).

3.8 Comments included within these 3 responses, not already reported back to Schools Forum in December include;

3.9 'What was the rationale to apply a plus 0.5% MFG in 2018/19 and then reduce to - 1.5% in 2019/20 when the floor calculations are based on the increase over two years? This appears to have left more schools with funding reductions. What would be the impact on movements for individual schools if the MFG was set at 0% or 0.5%? We believe that schools, or at least schools forum, should see the impact of the other options so a decision can be made based on the full information'.

PCC reply – A plus 0.5% MFG was applied in 2018/19 to mirror the National Funding Formula 0.5% funding floor. In 2019/20 the APT included a function for the 1% funding floor to mirror the 2019/20 National Funding Formula and therefore the MFG was not required to be used in the same way.

3.10 It is proposed not to charge maintained schools for the loss in general ESG in 2019/20 but ask that you comment on the impact that you believe it would have, should we need to move to this position. (Charging maintained schools) would be similar to academy schools who have to pick up the costs for such services from their own budgets.

PCC reply – all other respondents have shown their support and agreement to this proposal and the paper taken to schools forum in January gives a description of the impact charging maintained schools would have on individual schools e.g. ‘this will mean that the school will have to reduce our staffing budget by 32%’, ‘It would be impossible for maintained schools to manage if the cost of this is passed onto them’. This is not the same as academy schools who have to pick up the costs for such services from their own budgets as the majority of the ESG spend on general duties was £1.4m of pension legacy costs, the majority of which relate to schools who have since converted to Academies.

Schools Forum recommendations;

3.11 To note the further 3 consultation responses received on 5th December as per points 3.4 to 3.10.

4. High Needs Block

- 4.1 On the 17th December the Secretary of State for Education wrote to LA's announcing additional funding for High Needs Block budgets of £250m nationally, spread equally over 2018/19 and 2019/20.
- 4.2 Plymouth will be receiving an additional £0.550m in both 2018/19 and 2019/20. This will be received as an increase to the High Needs Block allocations. There are no additional conditions around the use of this extra funding.
- 4.3 The announcement also included:
- An additional £100m funding for Special Provision Capital Fund in 2019/20 for funding new places and specialist facilities. This funding can be used for more places in SEN units and resourced provision in mainstream schools or colleges; in special schools; or in any of the other types of provision used for pupils and students with Education, Health and Care (EHC) plans. Plymouth's allocation has not yet been announced.
 - The cap has been lifted on the number of free schools bids that will be approved in each wave, all high quality bids in the current wave will be approved.
 - The government have commissioned 'SEN Futures' to research and the impact of current SEN provision on children and young people's outcomes, and to assess the value for money of SEN provision in England.
 - The government will also begin working towards establishing a new SEND System Leadership Board focused on improving local joint commissioning.
 - There will be a review of current SEND content in Initial Teacher Training provision (ITT) and improvements made to the existing SEND specialist qualifications.
 - The government will fund three more cohorts of Educational Psychologist trainees, starting in September 2020, increasing the number of trainees from 160 to 206.
 - An evidence-gathering exercise will be started to look at the financial incentives in the current arrangements, in particular mainstream school notional SEN budgets.
- 4.4 The Secretary of State for Education also recognised the rising demand for EHC plans for those over 19, and the need for education, health and social care services to agree a shared vision of what good life outcomes look like for an individual, and when it is right to cease an EHC plan. Central Government have commissioned one of their delivery partners, the National Development Team for Inclusion to work with 20 local authorities to develop and model effective practice on this, and to share their findings across regions.
- 4.5 The high needs block for 2019/20 has been calculated as follows:

Table 4.6

DfE Allocation	
(A) Basic entitlement factor (9%)	£2,612,000
(B) Historic spend factor (44%)	£12,706,156
(C) Population factor (20%)	£5,856,977
(D) FSM factor (5%)	£1,437,538
(E) IDACI factor (5%)	£1,466,742
(F) Bad health factor (4%)	£1,043,202
(G) Disability factor (5%)	£1,376,227
(H) KS2 low attainment factor (3%)	£974,032
(I) KS4 low attainment factor (3%)	£1,005,428
(J) Funding floor factor (1%)	£49,750
(K) Hospital education funding (2%)	£632,260
NFF allocation before import/export adjustment (100%)	£29,160,312
(L) Import/export adjustment (1.2%)	£348,000
(M) Additional high needs funding (1.9%)	£549,889
2019/20 high needs NFF allocations	£30,058,201

Schools Forum recommendation:

- 4.6 It is recommended to allocate the £0.550m to the overall high needs block budget in 2018/19 to offset some of the high needs deficit. The total 2019/20 high needs funding will be allocated during budget setting and presented to Schools Forum in March 2019.

5. Central School Services Block Funding

5.1 Central Government have allocated £3.709m to Plymouth for Central Funding in 2019/20;

Table 5.2

	£
Historical commitments	
Prudential Borrowing (relating to historic school builds)	512,000
Termination of Employment Costs (pension costs)	634,000
Funding previously used to fund Excellence Cluster	1,375,560
Schools Sports Partnership	110,000
Total Historical commitments funding	2,631,560
On-going commitments	
Admissions	282,000
Schools Forum	18,798
Copyright Licences (2018/19 cost £0.184)	191,002
Retained ESG - to be transferred back to the Local Authority	586,000
Total On-going commitments	1,077,800
Total Central School Services Block	3,709,360

5.3 The total historical commitments funding of £2,631,560 is the same as initial allocations from Central Government and includes £1,376,560 funding previously used to fund the Excellence Cluster. This will be used to fund the following (as per Plymouth's funding consultation and Schools Forum approval in December 2018);

Table 5.4

	£
To establish arrangements for the running of a co-ordinated early help for schools model	60,000
To fund the shortfall in the ESG retained grant	136,000
To return to mainstream schools for the use on early help – split between all schools funded via the DSG schools block.	1,179,560
Total	1,375,560

5.5 The total ongoing commitments funding of £1,077,800 is £0.007m higher than initial allocations. However, copyright licences costs have increased by the same amount and therefore the additional funding has been added to copyright licences.

Schools Forum recommendation;

5.6 The Central School Services Block funding for 2019/20 is allocated as per the tables 5.2 and 5.4 above.

5.7 The remaining ongoing projects funded via historical commitments should be included in the Schools Forum forward plan to ensure that they are reviewed.

6. Estimated 2019/20 School Budgets

- 6.1 Appendix 1 shows the estimated 2019/20 individual school budgets compared to 2018/19 budgets and Appendix 2 shows a summary of this information. Please note that 2019/20 figures include funding previously attributed to the Excellence Cluster as per point 3.3.
- 6.2 Appendix 3 shows the estimated 2019/20 individual school budgets (excluding funding previously attributed to the Excellence Cluster) compared to 2018/19 and Appendix 4 shows a summary of this information. These appendices are for information purposes only to ensure that 2019/20 figures can be compared to 2018/19 figures.
- 6.3 The 'growing schools' funded via the APT are; Holy Cross RC, Pomphlett Primary, St Matthews C of E Primary, Scott Medical School, UTC Plymouth, Plymstock School and Eggbuckland Community College. All other schools who meet the 'growing schools' criteria will be funded via the growth fund budget during the year.
- 6.4 Appendix 5 illustrates the impact various National Funding Formula scenarios can have on individual schools final budget allocations. The schools used in this example have been picked for illustration purposes only to highlight how budget allocations can vary depending on different circumstances.
- 6.5 Appendix 6 identifies the treatment of individual schools under the National Funding Formula. All schools have been listed under one of the following treatments;
- 3% gains cap is applied in full (the school would have gained more in 2019/20 but gains have been capped at 3% on 2018/19 baselines).
 - 3% gains cap is restricted to the minimum funding level and funding floor protection (the school's gains have been restricted but at a level less than 3% to ensure that they receive the greater of either; the minimum amount per pupil or 1% increase on 2017/18 baselines).
 - Uplift required to 1% funding floor (the school's budget allocation has been increased to ensure that they get 1% increase from 2017/18 baseline allocations).
 - Uplift required to minimum per pupil funding level (the school's budget allocation has been increased to ensure that they get the minimum per pupil funding amounts)
 - NFF allocated in full – gains cap is not required for 19/20. The schools budget allocation has increased at an amount which is less than a 3% increase on 2018/19 baselines and therefore the budget has been allocated in full.
- 6.6 Current information from Central Government suggests that Plymouth's full funding will be allocated in 2020/21 without the need for a further cap on gains. However, this could be subject to change due to future spending reviews, further changes to the National Funding Formula etc.

- 6.7 The AWPU has been increased by 0.12% of the 2019/20 National Funding Formula values. This has allocated an additional £35,740 to the schools block. This has been done to ensure the schools block allocation is allocated in full to schools.
- 6.8 All figures included within the appendices are estimates only and are still subject to approval by the ESFA. The Local Authority deadline for confirmation of schools budget shares to mainstream maintained schools is 28th February 2019.

7. Schools Forum Recommendations

Summary of Schools Forum recommendations;

- 7.1 To note the further 3 consultation responses received on 5th December as per points 3.4 to 3.10.
- 7.2 It is recommended to allocate the £0.550m to the overall high needs block budget in 2018/19 to offset some of the high needs deficit. The total 2019/20 high needs funding will be allocated during budget setting and presented to Schools Forum in March 2019.
- 7.3 The Central School Services Block funding for 2019/20 is allocated as per the tables 5.2 and 5.4 above.
- 7.4 The remaining ongoing projects funded via historical commitments should be included in the Schools Forum forward plan to ensure that they are reviewed.
- 7.5 The 2019/20 National Funding Formula AWPU values to increase by 0.12% to ensure the schools block funding is allocated to schools in full.