

# AGENDA

**Meeting:** Schools Forum  
**Place:** Online meeting  
**Date:** Thursday 11 March 2021  
**Time:** 1.30 pm

Please direct any enquiries on this Agenda to Lisa Pullin, Tel 01225 713015 or email [committee@wiltshire.gov.uk](mailto:committee@wiltshire.gov.uk) of Democratic Services, County Hall, Bythesea Road, Trowbridge, BA14 8JN.

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<b>Membership:</b>	<b>Representing:</b>
Neil Baker	PHF - Maintained Primary Representative
Aileen Bates	WGA - Special School Governor Representative
Andy Bridewell	PHF - Maintained Primary Representative
Rebecca Carson	PHF - Primary Academy Representative
Mark Cawley	Early Years Representative
Michele Chilcott	WASSH - Secondary Academy Representative
Sam Churchill	PHF - Maintained Primary Representative
Jon Hamp	Special School Academy Representative
John Hawkins	Teaching Association Representative
Cllr Ross Henning	Observer - Local Youth Network
Mel Jacob	WGA - Primary School Governor Representative
Georgina Keily-Theobald	WASSH - Maintained Special School
Nikki Barnett/Denise Lloyd	Observer - Post 16, Wiltshire College
Lisa Percy	WASSH - Secondary Academy Representative
John Proctor	Early Years Representative (PVI)
Giles Pugh	Salisbury Diocesan Board of Education
Nigel Roper	WASSH - Maintained Secondary Representative
Graham Shore	PHF - Primary Academy Representative
Trudy Srawley	Observer - Wiltshire Parent Carer Council
Ian Tucker	Co-Chair of WASSH - Secondary Academy Representative
David Whewell	WGA - Secondary School Governor representative
Catriona Williamson	PHF - Maintained Primary Representative

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## PART I

Items to be considered whilst the meeting is open to the public

1 **Apologies and Changes of Membership**

To note any apologies and changes to the membership of the Forum.

2 **Minutes of the Previous Meeting** (*Pages 7 - 24*)

To approve as a correct record and sign the minutes of the meeting held on 21 January 2021 (copy attached).

3 **Chair's Announcements**

To receive any announcements from the Chair.

4 **Declaration of Interests**

To note any declarations of interests.

5 **Public Participation**

*Schools Forum welcomes contributions from members of the public. During the ongoing Covid-19 situation the Forum is operating revised procedures and the public are able participate in meetings online after registering with the officer named on this agenda, and in accordance with the deadlines below. A maximum of 15 minutes will be allocated to public participation at the start of each meeting.*

[Guidance on how to participate in this meeting online](#)

Statements

Members of the public who wish to submit a statement in relation to an item on this agenda should submit this electronically to the officer named on this agenda **no later than 5pm on Tuesday 9 March 2021 (1 clear working day before the meeting)**. Statements should take no longer than 3 minutes to be read aloud.

Questions

Those wishing to ask questions are required to give notice of any such questions electronically to the officer named on the front of this agenda no later than **5pm on Thursday 4 March 2021** to allow a response to be formulated. Questions are limited to a maximum of 2 per person or organisation.

Please contact the officer named on the front of this agenda for further advice.

6 **Updates from Working Groups** (*Pages 25 - 32*)

The Forum will be asked to note the minutes/updates from the following meetings:

- Joint meeting of the School Funding Working Group and SEN Working Group – 1 March 2021
- Early Years Reference Group – 23 February 2021.

7 **Dedicated Schools Budget - Budget Monitoring 2020/21** (*Pages 33 - 38*)

The report of Marie Taylor (Head of Finance – Children and Education) seeks to present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2020/21 as at 31 January 2021.

8 **Update on the work of the High Needs Block Recovery Group** (*Pages 39 - 58*)

Helean Hughes (Director – Education & Skills) and Cate Mullen (Head of Inclusion & SEND) will give an update on the work of the High Needs Block Recovery Group. Attached are the findings from the f40 SEND survey that was carried out in the autumn 2020 and the f40's submission to the Government review on SEND from January 2020.

9 **DfE Consultation Update - HNB Funding** (*Pages 59 - 108*)

The report of Marie Taylor (Head of Finance – Children and Education) seeks to present the DfE consultation on the HNB funding formula for 22-23 and beyond, to share the local authority response and to seek Schools Forum views on the consultation questions.

10 **Schools Budget Update 2021-22 - All Blocks** (*Pages 109 - 114*)

The report of Grant Davis (Schools Strategic Financial Support Manager) seeks to outline the key changes resulting from implementing the schools funding formula for 2021-22.

11 **School Admission Appeals** (*Pages 115 - 124*)

The report of Libby Johnstone (Democratic Services and Clara Davies (School Place Commissioning) seeks to inform Schools Forum of the final arrangements in place for the subsidised charging for admission appeals for all schools.

12 **f40 - Campaign for Fair Funding for Schools Update** (*Pages 125 - 128*)

The report of Grant Davis (Schools Strategic Financial Support Manager) seeks to provide members with an update on the work of the f40 group. The f40 group have recently issued an outline of the work that they are undertaking and the direction of their fairer funding campaign.

13 **Updates for Schools Forum**

Grant Davis (Schools Strategic Financial Support Manager) will give verbal updates to Schools Forum on Covid funding and the consultation on support for small rural schools.

14 **Scheme for Financing Local Authority Maintained Schools** (*Pages 129 - 184*)

The report of Bea Seggari (Schools Support Accountant) seeks to outline the updated Wiltshire *Scheme for Financing Local Authority Maintained Schools* and provide Schools Forum members with an update, following the revisions detailed in the DfE's statutory guidance in August 2020. This report is presented purely to bring the latest government led changes to the attention of maintained members of the Schools' Forum rather than for consultation.

15 **Confirmation of Dates for Future Meetings**

To confirm the dates of future meetings, as follows, all to start at 1.30pm:

10 June 2021  
7 October 2021  
9 December 2021

16 **Urgent Items**

To consider any other items of business, which the Chair agrees to consider as a matter of urgency.

**PART II**

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

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### Schools Forum

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#### **MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 21 JANUARY 2021 AT ONLINE MEETING.**

##### **Present:**

Neil Baker (Chairman), Nikki Barnett, Aileen Bates, Andy Bridewell, Rebecca Carson, Michele Chilcott, Sam Churchill, John Hawkins, Cllr Ross Henning, Mel Jacob, Georgina Keily-Theobald, Lisa Percy (Vice-Chair), John Proctor, Giles Pugh, Nigel Roper, Graham Shore, Trudy Srawley, Ian Tucker, David Whewell, Catriona Williamson and Lynn Yendle

##### **Also Present:**

Jane Davies (Portfolio Holder, Education and SEND), Grant Davis (Schools Strategic Financial Support Manager), Helean Hughes (Director – Education and Skills), Lisa Pullin (Democratic Services Officer), Marie Taylor (Head of Finance – Children and Education)

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#### **1 Apologies and Changes of Membership**

Apologies were received from Mark Cawley (Early Years representative).

Apologies were also received from the following Wiltshire Council Officers: Helen Jones (Director – Commissioning), Cllr Laura Mayes (Cabinet Member for Children, Education & Skills), Simon Thomas (FACT Programme Lead) and Lucy Townsend (Interim Corporate Director – People).

The Chair welcomed Ian Tucker from St John's School in Marlborough who is one of the new Co-Chairs of WASSH (with George Keily-Theobald, Downland School) and he replaces Fergus Stewart on Schools Forum.

#### **2 Minutes of the Previous Meeting**

The minutes of the previous meeting held on 10 December 2020 were approved subject to the following minor amendment being made at minute number 49, the 4<sup>th</sup> bullet point to read as follows:

There were also some projects currently in the scoping phase – Transport, Easy Early Support front doors and Multi-agency use of the Case Management System; and

##### **Resolved:**

**That the Chairman approve and sign the minutes of the meeting of Schools forum held on 10 December 2020 subject to the minor amendment as detailed above.**

### 3 **Chairman's Announcements**

The Chair made the following announcements:

#### **Review of Membership**

On 20 January 2021, Grant Davis carried out a review of the proportion and membership of Schools Forum, looking at the proportions following the census and conversions which have taken place since the last review in October 2020. In terms of Primary representatives, there were currently have 4 maintained and 2 academy representatives.

Based upon the latest proportions, which are now showing that we should have 3.47 maintained reps and 2.53 academy reps, a change in the membership breakdown is needed.

The Chair proposed that this change come into effect from September 2021 when the annual review of membership is usually carried out. The Clerk agreed to liaise with Catriona Williamson (Chair of Primary Heads Forum) to ensure that an additional primary academy representative is sought, and one maintained primary representative will relinquish a place in time for the meeting on 7 October 2021.

#### **Comfort break**

It was agreed that a brief comfort break would be held around 3pm.

### 4 **Declaration of Interests**

There were no interests declared.

### 5 **Public Participation**

No questions or statements had been received prior to the meeting.

### 6 **Updates from Working Groups**

The Forum noted the update received by way of the minutes of the meeting of the School Funding and SEN working group held on 11 January 2021.

The Forum noted the update received by way of the minutes of the meeting of the Early Years Reference Group meeting held on 12 January 2021.

An early years representative thanked Marie Taylor for the immense amount of work put into the preparation and modelling for the Early Years Reference Group meeting.

There were no questions raised from the notes of the meetings.



**Resolved:**

**That Schools Forum note the minutes of the joint meeting of the School Funding and SEN working group held on 11 January 2021 and the Early Years Reference group meeting held on 12 January 2021.**

**7 Dedicated Schools Budget - Budget Monitoring 2020-21**

Marie Taylor (Head of Finance – Children and Education) referred to the budget monitoring report as at 31 December 2020 that was circulated with the Agenda.

Marie highlighted the following:

- There was no significant change from the blocks since the last report up to October 2020;
- The overall forecast overspend was £9.123 million against the overall dedicated schools' grant budget. The main driver for the forecast variance was the ongoing pressures of the high needs block;
- The pandemic had created much uncertainty around early years and no variance was forecast on the budgets for the free entitlement for 15 and 30 hours childcare for 2, 3 & 4 year olds however, this would depend on the outcome of the October census, consultation with the sector representatives, increased numbers of children returning to childcare, and children becoming eligible and the DfE's post financial year adjustment which, could be negative if the January 2021 census numbers fall;
- There is good news in that a separate COVID grant has been received by the local authority (COMF grant) to support, facilitate and aid containment of the virus. An amount of £1.0 million had been earmarked to allocate to providers under certain criteria;
- The forecast underspend on schools block largely related to the school's growth fund which was currently showing an underspend and was helping to offset the overall pressure on the DSG;
- The high needs budgets were projected to overspend by £11.556 million. When the level of funding available does not match the local needs, the budget cannot be set at the required level but, can only be set at the available funding level which creates an imbalance. No one budget can be set at an achievable level and so the location of the overspend is not an indication of individual budget issues but that the whole block is under significant pressure;
- The major driver of the increased cost is volume, however it is important to note that the number of EHCP's being requested has slowed slightly –

this could be due to reduced face to face contact with pupils due to Covid or it could be that we have reached a plateau; and

- With the deficit reserve brought forward in 2019-20 of £11.350 million minus the positive early years block adjustment of £0.539 million this would take the forecast overspend to an overall deficit position of £19.933 million. Wiltshire was not alone in this and although there was a High Needs Working Group looking at ways to make savings it was more of a struggle to keep this project going during Covid.

An early years representative asked Marie to reword paragraph 16 in the report to clarify that whilst there was a positive early years block adjustment this would go towards reducing the negative reserve.

**Resolved:**

**That Schools Forum note the budget monitoring position at the end of December 2020.**

## **8 School Budget Setting 2021-22**

### **8a School Revenue Funding 2021-22 - Funding Settlement and Budget Setting Process**

Grant Davis (Schools Strategic Financial Support Manager) referred to the report which sought to update Schools Forum on the revenue funding settlement and the budget setting process for 2021/22. Grant highlighted the following:

- The DfE had issued the revenue funding settlement for schools on 17 December 2020;
- In the Autumn of 2019, the Government announced its pledge to boost schools and high needs funding over a 3-year period - £2.6 billion in 2020-21, - £4.8 billion in 2021-22 (increase by £2.2bn) and £7.1 billion in 2022-23 (increase by £2.3bn. In addition, a further £700 million was pledged for high needs nationally in 2020-21 and a further £730 million for 2021-22;
- The DfE have continued to allocate school funding on the basis of the NFF which should see all schools benefitting from the additional funding. The 2021-22 year is another “soft” year with Schools Forum still retaining its role in determining the school funding allocation methodology;
- The introduction of mandatory minimum per pupil funding levels for the 2020-21 year have been continued and the rates have increased for the 2021-22 year to £4,180 for Primary and £5,415 for Secondary. These figures incorporate and include the teachers’ pay and pension grants will cease at end of 20-2021 year – this means that these two grants will be baselined into schools’ core funding at a value of £14.179m for 2021-22;

- It was a surprise to hear from the DfE that the numbers of eligible Pupil Premium Grant funding pupils would be taken from the October 2020 census and not the January 2021 census;
- The provisional Dedicated Schools Grant (DSG) allocation for Wiltshire was £406.342 million which was an increase of £31.839m compared with 2020-21;
- The overall uplift in 'real' funding for comparative purposes is 4.47%, split as Schools - 3.55%, Central – -0.98%, High Needs – 9.68%, Early Years – 4.96%;
- Included within the Schools Block funding of £317.724m is the amount of £1.814m allocated on the basis of pupil growth within Wiltshire;
- The DfE have stipulated that the funding awarded through the Teachers Pay and Pension elements must be excluded when considering any transfers between the Schools' Block and other Blocks. Therefore, any transfer would be based upon the Net Funding figure of £303.545 million, not the Total funding figure of £317.724 million;
- There had been an uplift in funding for all of the blocks except for the central schools' services block;
- Included within the Wiltshire allocation is £0.805m for the Teachers Pay and Pension funding for Special Schools and High Needs settings. This has been equated to an uplift of £660 per place to be added to the current funding in Special Schools;
- The DfE continue with their commitment to reviewing the High Needs NFF and a consultation is proposed with the initial changes expected to be reflected in 2022-23. The review will cover all factors of the High Needs NFF including the 'Historic Spend' factor and also the weightings applied to each factor. Schools Forum members will be asked to respond to the consultation when it has been issued and circulated;
- The funding regulations do allow for a transfer of funding between the schools' block and other blocks within the DSG of up to 0.5% with the agreement of Schools Forum (this had been previously agreed);
- Local Authorities were required to submit their proposed delegated budget for schools in their areas by 21 January 2021 (today) to the DfE who would then confirm the formula is compliant with the funding regulations. The DfE will then confirm the budgets to academies with the LA also needing to notify maintained schools of their budget shares by the end of February 2021; and

- It had been agreed by the maintained schools' representatives at the December meeting of Schools Forum that the de-delegation of services would continue in 2021-22.

An early years representative reported that he felt that in paragraph 17 of the report to state that early years had an increase of 4.96% was misleading. Whilst it was an increase on the previous year's funding, over the last 4 years there had been no increase for pay and pension and that their funding was in fact decreasing. Grant Davis responded this figure had been included for comparative purposes across all of the blocks and that early years would change over the year as it was not fixed like the other blocks.

**Resolved:**

**That Schools Forum note the report.**

### **8b Central School Services Block Update 2021-22**

Marie Taylor (Head of Finance – Children and Education) referred to the report which sought to update Schools Forum on issues relating to the central schools block budget for 2021-22 and the decisions that would need to be made as part of the budget setting process. Marie highlighted the following:

- The budget proposal for the central schools services block was approved in principle at the December meeting of the Forum and the only change since that was the actual charge for copyright licences has been which had now been received from the DfE and it was higher than our estimate and comes in at £0.395 million; and
- Assuming the proposed budget is accepted by the Forum, an amount of £0.192m unallocated CSSB is estimated to be available to transfer to fund high needs pressures.

**Resolved:**

- 1. That Schools Forum note the change to the copyright licence cost for 21-22 and reduction in the contribution to the high needs block in the report and the required decisions to the central school's block budget for 2021-22 later in the meeting when all information had been received.**
- 2. That Schools Forum note that the notification of the school improvement monitoring and brokering grant has not yet been shared by the DfE. If the grant ceases or is significantly reduced, the expenditure plan will need to be reviewed and decisions would need to be reconsidered at the next available Schools Forum meeting.**

### **8c High Needs Block Update 2021-22**

Marie Taylor (Head of Finance – Children and Education) referred to her report which sought to update Schools Forum on issues related to the high needs block and the decisions that would need to be made as part of the budget setting process for 2021-22. Marie highlighted the following:

- The budget proposal for the high needs block was approved in principle at the December meeting of the Forum and the only changes since this are the now confirmed planned places for September 2021 and the DSG management plan (contained in Agenda supplement (1));
- The high need block allocation is £57.529 million (which is an uplift of £5.5 million – 10.66% on 2020-21). Looking at the current pressures there is £10.144 million that needs to be covered to meet current spend levels, £1.811 million which is the best estimate of planned placements and the top ups needed to support these placements, £4.716 million which is the estimated cost increase based on planned reduced EHCP rate of increase for 2021-22, £0.348 million for estimated contract inflation at 2%. £2.260 million of savings has been identified as per the high needs block recovery plan, leaving an estimated cost pressure for 2021-22 of £14.606 million;
- It is not possible to fully fund the pressures above from within the high needs block. In order to partially fund the pressures on the high needs block, there could be a transfer of the surplus from the central block (£0.192 million) a transfer of 0.5% from the schools' block (£1.5 million). However, this would still mean a funding shortfall which would be similar for other local authorities; and
- The current forecast overspend on the School Funding reserve is £19.898 million. This is currently being cash flowed by the local authority. This level of deficit has triggered the requirement to submit a DSG Management Plan to the DfE. This has been completed by the High Needs Recovery Group and will be encompassed into the governance and sign off alongside the Council's budget and Schools Budget for 21-22 by Members at Council at the February meeting.

The Chair reported the DSG Management Plan was considered by the joint meeting of the School Funding and SEN Working Group and they had made some suggestions to add to the Plan. The consultation on high needs funding was welcomed and it was suggested that Schools Forum with the assistance of the Officers do all they can to ensure that the other stakeholder groups are given the opportunity to respond to the consultation.

Schools Forum were consulted and confirmed their support for the proposals detailed below.

**Resolved:**

1. That Schools Forum note the pressures on the high needs block for 2021-22 and the potential options to reduce the shortfall against high needs budgets including agreeing a transfer from Schools Block to balance the high needs pressures. *(This decision was made later in the meeting under Agenda item 9)*

**That Schools Forum approve the draft DSG Management Plan for presenting to Cabinet and submission to the DfE.**

#### **8d Early Years Update 2021-22 (Indicative Allocations)**

Marie Taylor (Head of Finance – Children and Education) referred to the report which sought to update Schools Forum on issues related to the Early Years block for 2021-22 and the decisions that would need to be made as part of the budget setting process. Marie highlighted the following:

- In his 2020 Spending Review, the Chancellor announced that there would be £44 million nationally for early years education in 2021-22 to increase the hourly rate paid to childcare providers for the government's free hours offers. The provisional early years block settlement for Wiltshire for 2021-22 was £28.217 million and of this sum, £0.265 million related to the increased hourly rates;
- At the moment, the indicative allocations would mean an increase of 8p per hour for 2-year-old funding (to £5.48 per hour) and 6p for 3 to 4-year-old funding (£4.25 per hour);
- The operational guidance for early years entitlements: local authority funding of providers 2021-22 was published in December 2020 and this contained a number of key points for the local authority to include when they were funding their providers;
- Consultation had been carried out with Schools Forum early years representatives (John Proctor and Mark Cawley) prior to the meeting of the Early Years Reference Group meeting as well as at the meeting itself where they had considered modelling of what the allocation would mean for early years and the hourly rates. Appendix 1 to the report showed options of the hourly rates and the % of the contingency unallocated (to be used for any increased take up of hours);
- Option 1 shown maximises the 2-year-old funding and passports the increase in full. The guidance previously protected 2-year-old funding however, this has been relaxed. To do this, the 3&4-year-old rate needs to be £4.25 in order to leave a contingency for any increased take up of hours. Option 6 shows that in order to increase the 3&4-year-old rate by 1p per hour, the hourly rate for 2-year olds would need to be £5.42. The steer from the Early Years Reference Group was that the 2-year-old vulnerable children rates needed to be protected and so option 1 was the preferred option;

- Appendices 2 and 3 to the report showed the calculations of compliance with a worked example showing 98.2% of pass through;
- The Disability Access Fund is payable as a lump sum once a year per eligible child. If a child is splitting their entitlement between two or more providers, then parents should be asked to nominate the main setting. If a child receiving DAF moves from one setting to another within a financial year the new setting is not eligible to receive DAF for this child within the same financial year. There was no change in the allocated funding rate for 2021-22.

The Chair asked if the early years block would be funded under the same census for Pupil Premium as schools? Marie Taylor reported that the Early Years Pupil Premium is indicative based upon the January 2020 Early years census and the indicative allocations are due to be reviewed in the Spring of 2021. A DfE update was awaited.

Schools Forum were consulted and confirmed their support for the proposals detailed below.

**Resolved:**

- 1) That Schools Forum note the update on the early years block.**
- 2) That Schools Forum agree to increase the current rate of 2-year-old funding to £5.48 per hour and 3 and 4-year-old funding to £4.25 per hour.**
- 3) That all other funding factors remain at current 2020-21 levels or, funded levels.**
- 4) That Schools Forum agree the early years block to fully fund the Early Years Inclusion Fund at the current level. The demand on this fund exceeds this level of funding in the 2020-21 financial year and for that reason, should any significant increase in DfE funding be notified, this fund should be increased accordingly during the financial year, to a maximum of 95% pass through to providers.**

**8e Schools Block Update 2021-22 (Delegated Budget)**

Grant Davis (Schools Strategic Financial Support Manager) referred to the report which sought to update Schools Forum on issues relating to the schools delegated budget for 2021-22 and the decisions that would need to be made as part of the budget setting process. Grant highlighted the following:

- That it had been previously agreed that Wiltshire would move as close to the national funding formula (NFF) as possible. In 2020-21 all factors were fully funded at the published NFF values, apart from the Mobility factor. Historically, due to the major beneficiaries being service schools, who were already benefitting from additional one-off growth funding from

the DfE and also the MOD's Education Support Fund, Schools Forum felt that the factor's introduction would not achieve an equitable position. A school's mobility position could move each year and is less predictable as a factor;

- The main funding formula for 2021-22 was similar to 2020-21 but the key following changes should be noted:
  - An increase in Pupil and School led funding values of 3%
  - Teachers Pay and Pension Grants being baselined into AWPU values
  - IDACI data has been refreshed
  - Minimum Funding Guarantee to be set between 0.5% and 2.0% to ensure all schools see a gain in funding on their pupil led funding
  - Maximum Sparsity funding being increased from £26,000 to £45,000 for small and rural primary schools
  - Increases in the minimum per pupil funding levels (MPPFL) to £4,180 and £5,415 in primary and secondary schools
- Initial modelling suggests that the NFF is fully affordable for all schools in Wiltshire which is a real milestone which includes:
  - Full NFF values applied for all funding factors
  - Increased Sparsity funding in line with NFF proportional increases
  - Mobility included and funded at NFF values
  - MFG set at the maximum level of 2%
  - Split site increased £90,000 as agreed with Schools Forum (76.4% of lump sum value)
  - Transfer from Schools' Block to High Needs Block of 0.5% (£1.517m)
- Growth allocations for 2021-22 are based upon pupil data from the October 2020 census and the October 2019 census. Criteria for growth was agreed at the December meeting of the Forum. No new schools were opened in 2020-21 and £1.814 million was allocated from the DfE for the 2021-22 growth fund;
- There were no plans to open any new schools in the 2021-22 year. The growth fund supports new primary and secondary schools with diseconomy costs for the first 7 years or until the school is full. The Basic Need Class Expansion for additional classes is still to be confirmed with colleagues in the School places team for the 2021-22 academic year. The Infant Class Size increases have been confirmed for 2020-21 with six schools being funded through this factor;
- Following the additional funding pledge, the DfE are seeking to ensure that all schools see an uplift in their calculated per pupil funding and have therefore proposed that the Minimum Funding Guarantee (MFG) is set at a positive figure of between 0.5% and 2.0%. Setting a positive MFG of



2% is fully affordable and will ensure that all schools see an uplift in their 'per pupil' funding of at least 2%. The cost to the formula in 2021-22 is less than £0.250m, subject to decisions taken by the Forum later in the meeting;

- Sparsity is an optional funding factor and prior to the introduction of the NFF, Wiltshire had chosen not to support sparsity funding due to the inequitable situation which can arise where two 'like' schools are funded differently simply because one school is deemed eligible for sparsity funding;
- As part of the DfE's proposals to support small and rural schools, the maximum sparsity value for primary schools was increased from £26,000 to £45,000, with Secondary schools increasing from £67,500 to £70,000. This would affect 28 eligible primary schools and 2 secondary schools. The table at paragraph 28 of the report showed the impact of the changes at the maximum NFF rates, a 3% uplift and keeping them the same as the current values;

The Diocesan representative asked if the maximum rates for sparsity were affordable for Wiltshire. Grant Davis confirmed that they were. The Diocesan representative expressed the view that it would seem logical to go for the recommended national level of funding in their view. Grant confirmed that models would be shown later in the meeting for the Forum to decide at what level to set sparsity funding for 2021-22.

- The national methodology was introduced, and Wiltshire has received funding through the NFF for Mobility, however, applying the factor remains optional and to be determined by the Forum. It has not previously been implemented;
- Following the release of the October 2020 census data, modelling of the mobility factor has moved significantly from the 2020-21 year to the 2021-22 year. Of the eligible schools in 2021-22, there are 11 service schools and 48 non-service schools eligible for the funding. It is important to reconsider the introduction of the mobility factor as it will help compensate lagged funding. If mobility is not funded, it will have a knock-on impact upon MFG and Minimum Per Pupil Funding Levels (MPPFL) funding;
- The Minimum Per Pupil Funding Levels (MPPFL's) were introduced as part of the NFF and have been increased annually as part of the DfE's proposals to standardise funding across the country. These are mandatory as part of the NFF and therefore there is no scope for amending these values without permission from the Secretary of State; and
- Following the decision to include the Teachers Pay and Pension Grants within the AWPU funding values, increasing them by £180 and £265 for

primary and secondary, the MPPFL rates have also been increased accordingly to £4,180 and £5,415.

**Resolved that Schools Forum:**

1. **Note the schools block update report.**
2. **Agree to apply all the funding factors at the 2021-22 NFF rates.**
3. **Note the modelling of the Mobility factor and agree to introduce Mobility as a funding formula factor.**
4. **Note the modelling of the Sparsity factor and agree to apply a proportional uplift of 3% for 2021-22.**
5. **Agree to set the Minimum Funding Guarantee at a level of +2.0%.**
6. **Agree that the Growth fund be set at £2.21 million – split £0.1 million Infant Class Size and £2.1 million basic need.**

*(The decisions numbered 2-6 above were made later in the meeting under Agenda item 9)*

The Forum agreed to suspend the meeting at 3.12pm for a comfort break. The meeting reconvened at 3.18pm.

The Clerk confirmed that as this was a virtual meeting, a roll call vote would be carried out for any decisions to be made when all Forum members were not in unanimous agreement/disagreement.

**9 School Budget Decisions 2021-22**

The Chair led the Forum through the Decision Matrix (completed version attached as Appendix 1 to these minutes) and the decisions as detailed below were made:

**Resolved:**

**Early Years Block** *(Confirmation below of decisions around Early Years agreed earlier in the meeting)*

1. **Schools Forum agreed to increase the current rate of 2-year-old funding to £5.48 and 3 and 4-year-old funding to £4.25 per hour.**
2. **The early years block to fund the Early Years Inclusion Fund at £357,000.**
3. **If any significant increase in DfE funding be notified, the Early Years Inclusion fund should be increased accordingly during the financial year, of at least 95% pass through to providers.**

### **Central Schools Services Block**

4. The Section B expenditure for the Central Schools Services block is agreed as follows:

Education Welfare Service	£0.199 million
Asset Management	£0.186 million
Statutory/Regulatory duties	£0.669 million
Admissions	£0.438 million
Servicing of Schools Forum	£0.003 million

5. Central spend on historic commitments (Section C) agreed as follows:

- i) Funding for LAC Personal Education Plans be funded at £0.103 million;
- ii) Funding for Child Protection Officer in Schools Adviser at £0.056 million; and
- iii) Prudential Borrowing at £0.208 million.

6. Schools Forum note the LA decision (Section A) to set budget at £0.395 million for central copyright licences for 2021-22.

7. These allocations allow a transfer of £0.192M to support the high needs block.

8. Schools Forum agree that there be no top slice for services formerly funded from the general duties' element of ESG pending DfE grant announcement unless a significant change to DfE grant for School Improvement is notified.

### **High Needs Block**

9. Schools Forum agreed that top up values for Named Pupil Allowances, Extended Learning Programme's Resource Bases and Special Schools are to remain at the 2020-21 values and note the proposed consultation on High Needs formula for 2022-23 with less weighting on the historical funding factor.

10. Schools Forum approve the content of the DSG Management Plan as set out on pages 17 to 44 of the Agenda Supplement.

### **Schools Block – Delegated Budget**

11. Schools Forum agree to apply all the funding factors at the 2021-22 NFF rates.

12. Schools Forum note the modelling of the Mobility factor and agree to introduce Mobility as a funding formula factor.

13. Schools Forum note the modelling of the Sparsity factor and agree to apply a proportional uplift of 3% for 2021-22.
14. Schools Forum agree to set the Minimum Funding Guarantee at a level of +2.0%.
15. Schools Forum to agree that the Growth fund be set at £2.21 million – split £0.1 million Infant Class Size and £2.1 million basic need.
16. Schools Forum agree to transfer up to a maximum of £1.517 million (0.5%) from Schools block to High Needs block.
17. That the budgets for De-delegation of central services be agreed as follows:
 

i)	Access Budget Software	£52,544
ii)	FSM Eligibility	£27,804
iii)	Trade Union	£70,000
iv)	EMAS & Travellers	£542,796 (Primary only)
v)	Behaviour support	£639,105 (Primary only)
vi)	Maternity supply	£549,158
18. That Schools Forum agree to set the overall Schools Budget at the level of the DSG Settlement – namely £406,341,860.

#### **Appendix 1 to Minutes - Completed Decision Matrix**

##### 10 **Confirmation of Dates for Future Meetings**

Schools Forum noted that the future meetings would be held on:

11 March 2021  
 10 June 2021  
 7 October 2021  
 9 December 2021.

##### 11 **Urgent Items**

There were no urgent items.

(Duration of meeting: 1.30 - 3.45 pm)

The Officer who has produced these minutes is Lisa Pullin, Tel 01225 713015 or email [committee@wiltshire.gov.uk](mailto:committee@wiltshire.gov.uk) of Democratic Services

Press enquiries to Communications, direct line (01225) 713114/713115

**Schools Forum - January 2021**  
**Decision Matrix for 2021-22 Budget**

DSG Block	Decision Required	Inter-dependencies with other decisions	Proposal	Decision Maker			Decision - noted at meeting
				Local Authority	Schools Forum	DfE	
<b>Overall Budget</b>	Overall Schools Budget	individual decisions for blocks to feed in	Schools Budget to be set at level of DSG Settlement £406,341,860	Decides	Proposes		Agreed Neil & George, Aileen & Nigel
<b>Central Schools Services Block</b>	Ongoing commitments eg Admissions, Schools Forum support, Services formally funded from retained duties element of ESG		Line by Line summary, appendix to Central DSG Report. Summarised in Proposed Budget summary Propose as presented in Appendix	Proposes	Decides for each line	Adjudicates if Schools Forum does not agree LA proposal	Agreed at Decision Matrix - Neil & David W
	Central spend on historic commitments	will inform any further funding to be delegated if spend is not agreed, is not evidenced or does not meet criteria	Propose agree eligible expenditure as per table in Central Schools Services Block Report	Proposes	Decides for each line	Adjudicates if Schools Forum does not agree LA proposal	Agreed at Decision Matrix - Neil & David W
	Central Licences negotiated by Secretary of State		Propose Budget for central copyright licences set at £0.395m	Decides	None	None	Noted, Neil & Nigel
<b>Page 25</b>	Central spend on general duties for maintained schools - services previously funded by ESG general duties rate	would be a top slice for maintained school budgets - impacts on delegated budget decision	No top slice proposed -pending DfE Grant announcement	Proposes	Decided by maintained school members	Adjudicates if Schools Forum does not agree LA proposal	Agreed at Decision Matrix - Neil & George KT
<b>Schools block - Delegated Budget</b>	Affordability of local formula		Converge as closely as possible to the NFF and fund factors at the NFF rates.	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	Agreed Neil & Lisa and Nigel
	Introduction of the Mobility factor		Following completion of Army Rebasng and greater stability of school populations, review the principle of funding Mobility for those schools with significant Mobility and suffering lagged funding.	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	Agree to introduce Neil & Giles
	Sparisty funding rates		Confirm the sparsity funding rates for 2021-22, based upon options presented, fund at full NFF rates, uplift by 3% (NFF uplift) or retain the 2020-21 rates.	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	3% Uplift - voted
	Minimum Funding Guarantee		Propose set MFG positive 2%	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	Neil & Lisa

Schools Forum - January 2021  
Decision Matrix for 2021-22 Budget

DSG Block	Decision Required	Inter-dependencies with other decisions	Proposal	Decision Maker			Decision - noted at meeting
	Growth fund		Growth fund to be set at £2.21m - split £0.1m Infant class Size and £2.1m basic need Criteria remain unchanged from previous year and agreed at Schools Forum meeting December 2020, Total growth funding awarded by DfE of £1.814M to Wiltshire.	Proposes and decides	must be consulted	Ensures formula is compliant with regulations	Agreed Neil & Lisa and Nigel
	Transfer to High Needs from Schools Block		To Transfer up to a maximum of £1.517m from Schools Block to High Needs Block. This equates to 0.5% of the Schools Block (net of Teachers Pay and Pension funding).	Proposes and decides	must be consulted	Subject to SofS Agreement beyond 0.5%	First to be discussed, Neil & David W
	De-Delegation of Central Services		Access Budget Software - £52,544	Proposes	Decides for each line	Made by Maintained only	at Decision Matrix point Neil & Nigel
Page 10	De-Delegation of Central Services		FSM Eligibility - £27,804	Proposes	Decides for each line	Made by Maintained only	at Decision Matrix point Neil & Andy B
	De-Delegation of Central Services		Trade Union - £70,000	Proposes	Decides for each line	Made by Maintained only	at Decision Matrix point Neil & Nigel
	De-Delegation of Central Services		EMAS & Travellers - £542,796	Proposes	Decides for each line	Made by Maintained only	at Decision Matrix point Neil & Nigel
	De-Delegation of Central Services		Behaviour Support - £639,105	Proposes	Decides for each line	Made by Maintained only	at Decision Matrix point Neil & Catriona
	De-Delegation of Central Services		Maternity Supply - £549,158	Proposes	Decides for each line	Made by Maintained only	at Decision Matrix point Neil & Nigel
High Needs Block	Top Up values for NPAs, ELP, Resource Bases and Special Schools		Initial proposal no change from 2020-21 values - note proposed consultation on High Needs formula for 2022-23 with less weighting on the historical funding factor.	Decides	none - but would consult Schools Forum	none	Neil & Lisa P at Decision Matrix
	Approval of the draft DSG Management Plan, prior to submission to Cabinet and the DfE		Schools Forum to approve the content of the DSG Management Plan, as set out in the DfE's Management Plan template.	Decides	none - but would consult Schools Forum	none	Agreed during report
Early Years Block	Agree Wiltshire formula		Proposed formula as per EY Block report Proposed Basic Hourly rate increases to £4.25 for 3&4 year olds and £5.48 for 2 year olds.	Proposes and decides	must be consulted	none	Agreed during report

**Schools Forum - January 2021**  
**Decision Matrix for 2021-22 Budget**

DSG Block	Decision Required	Inter-dependencies with other decisions	Proposal	Decision Maker			Decision - noted at meeting
	Level of Inclusion Support Fund and how funded	Links to High Needs Block decisions	Proposed ISF £357,000 as in the 2020-21 year.	Proposes and decides	must be consulted	none	Agreed during report
	% Pass Through to settings		Proposal in Early Years report for maintaining at least 95% pass through	Proposes and decides	must be consulted	none	Agreed during report

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**Schools Forum**  
**School Funding and SEN Working Group**  
**MS TEAMS MEETING**

**1<sup>st</sup> March 2021**

**Minutes**

**Present:** Marie Taylor (Chair), (Finance, local authority (LA)), Grant Davis (Finance, LA), Neil Baker (Christchurch), John Hawkins (Teacher / Governor rep), Catriona Williamson (Mere), Andy Bridewell (Ludgershall Castle), Lisa Percy (Hardenhuish), Helean Hughes (Director LA), Cate Mullen (Head of Inclusion & SEND, LA), Rebecca Carson (Woodford Valley) and Sam Churchill (Hilmarton)

**Apologies:** No apologies were received.

1.	<p><b>Welcome and Apologies</b>                  MT welcomed Bea Seggari to the meeting, a member of Grant’s team who has worked on the Schools Financing Scheme                  No apologies were received, <i>TEAMS meetings do allow school leaders to dip in and out to deal with matters arising at school, these are not minuted.</i>                  Outstanding action – to seek Special School representation on the group from a current SF member  <i>Now actioned, Georgina Theobald-Kiely will be joining the working group for future meetings which is very welcome news.</i></p>	MT
2.	<p><b>Minutes from previous meeting</b>                  The actions from the minutes of the previous meeting held on 11 January 2021 were run through and the minutes had been accepted at the January Schools Forum meeting as an accurate and true record.</p>	
3.	<p><b>Matters Arising</b>                  There were no matters arising.</p>	
4.	<p><b>Budget Monitoring for the period to 31st December 2020 (MT)</b></p> <p>MT shared her report with the group. The forecast overspend for 20/21 is £9.032m which is a small movement from the last report.</p> <p>Highlights:                  Early Years - No variance is forecast on 2, 3 &amp; 4-year-old grant at this time due to January census and potential clawback.</p> <p>School Budgets – the underspend is largely driven by the growth fund and this offsets the DSG overspend position.</p> <p>The HNB forecast overspend is £11.634m – again, based on higher numbers of EHCPS and levels of support requested. This forecast includes an estimate of future growth based on historical trend.</p> <p>MT was confident around the accuracy of majority of forecasts with SEN AP being most likely to change due to the changing nature of learning opportunities.</p>	

	<p>The pressures on the HNB continue and the HNB working group will be prioritising demand management, savings projects, commissioning and spend controls.</p> <p>Of major concern remains the impact of this on the DSG deficit reserve balance which is held in the local authority's balance sheet. The reserve balance is now forecast to be £19.843m.</p> <p>This overspend will continue to be cash flowed by the local authority as per the DfE guidance.</p>	
5	<p><b>HNB Recovery Group Update (HH)</b></p> <p>HH took the group through the action tracker and revised RAG rated timescales – post COVID</p> <p>The January meeting of the group was cancelled due to late DfE guidance around school closures. The group are meeting later this week to progress the plan.</p> <p>MT shared the f40 SEN report with the group and GD shared the data from the PowerPoint slides.</p> <p>The group discussed the data at length and the appropriateness of selecting comparators and examples of good practice.</p> <p>CM/MT to look at stat neighbours &amp; SW comparators as the f40 group did not include all LAs.</p>	CM/MT
6	<p><b>DfE Consultation – HNB NFF Proposed Changes</b></p> <p>MT took the group through the DfE's 5 proposals, her initial thoughts and requested input from LA operational staff and school leaders.</p> <p>The group were concerned about proposals 1&amp;2 and the negative impact on funding for Wiltshire. Especially as the majority of LAs would see a temporary uplift for 22-23.</p> <p>Views were welcomed and the draft document will be updated for sharing more widely with Schools Forum, colleagues and CLT, Councillors and MPS.</p> <p>LP suggested herself and NB take the draft and promote with a joint letter to school leaders through PHF and WASSH – encouraging completion of the consultation.</p> <p>Helean offered to take the updated draft to her MP meeting on Friday</p>	<p>MT</p> <p>MT</p> <p>HH</p>
7	<p><b>Schools Budget 21-22</b></p> <p>GD took the group through the report, highlighting areas of major change / interest.</p> <p>GD was able to submit Wiltshire's formula to the DfE earlier than the deadline which meant that maintained schools received their budget share certificates before the target date of 14<sup>th</sup> February. NB congratulated GD.</p> <p>Soft formula until 23-24 at least</p> <p>£10M real terms increase for schools, £5M HNB</p> <p>Pupils – interesting these are almost static for 21-22 compared to 20-21 – an overall increase of just 68, reflecting the low birth rate.</p>	

	<p>MFG – improved position with no schools capped in 20-21 or 21-22 and the value per school should drop over time  Growth Fund – DfE methodology 19-20 MLSOA 21-22 is £1.814M  Transfer to HNB – max of 0.5% £1.517M  Top ups – remain at current levels – no reduction</p>	
8	<p><b>Schools Financing Scheme Update (GD &amp; BS)</b></p> <p>The group welcomed the update which had been on hold in anticipation of the implementation of the hard formula. No consultation has been required as the changes are solely “DfE directed revisions” – Schools Forum will need to approve.  The document now aligns to the latest DfE guidance (August 2020) – GD thanked BS for her hard work on the refresh.  The scheme applies to all schools.  It is proposed that the document now receives an annual update each October.  CW welcomed the update as it was an outstanding requirement in her audit report.  CW asked about credit cards in schools. GD confirmed that level of detail would be outlined in the more user friendly handbook which would be produced once the scheme was approved.  NB raised a charge from Lloyds bank – HH asked that details were forwarded to her to look into.</p>	<p>GD  NB HH</p>
9	<p><b>COVID &amp; Other updates (verbal) GD</b></p> <p>GD updated the group on the latest funding from the DfE around COVID – a new education recovery package of £700M nationally – more info to follow, £302M into schools, average £6k primary &amp; £22k secondary plus a national tutoring programme  Exceptional costs – no update on current term  Staff absences – Nov to Dec – claims process to be confirmed  NB asked, will there be an audit of funding? GD responded unlikely however Ofsted may make enquiries  Additionally, there is a FSM supplementary grant to pass additional funds to schools for rising numbers of FSM.  F40 update – GD took the group through the f40 update. F40 taking more interest in EY than previously.</p>	
10	<p><b>Admissions Appeals – new charging arrangements</b></p> <p>Clara Davis, School Place commissioning lead joined the meeting.  CD took the group through the admissions appeals paper which included a joint position statement co-produced with heads.  The group welcomed the subsidised rates.  CD was asked if schools could use alternative providers and confirmed this was the case and agreed to add this to the report for clarity together with a reminder about the statutory requirements and the importance of high quality reports if the appeal is to stand any chance of being refused.  SC asked if the virtual appeals could continue? Clara said the DfE had to change legislation to allow virtual meetings so not a local decision  MT suggested that the LA could raise with the DfE as this is preferred by parents and reduces costs and time.</p>	<p>CD  CD</p>

	NB asked whether the guidance and link to rules could be added to the position statement. CD to action	CD
10	<p><b>AOB</b></p> <p>MT raised the DfE had updated the HNB Operational Guidance (Feb 2021) which was unusual for the time of year. A new appendix, Appendix 3, appears to provide clarity around where health and social care should contribute to costs. This will be examined in depth by the HNB recovery group.</p>	MT
11	<p><b><i>Date and Time of Next Meeting</i></b></p> <p>Next meeting – date provisionally set at: Thursday 27<sup>th</sup> May @ 8.30am This is planned as a virtual teams meeting.</p> <p>Next Schools Forum meeting Thursday 10<sup>th</sup> June 2021 @ 1.30pm. This is planned as a virtual teams meeting.</p>	

## **Early Years Reference Group Meeting**

**Tuesday 23 February 2021**

### **1. Welcome and introductions**

Gary Binstead, Jane Boulton, Lucy-Anne Bryant, Mark Cawley, Rosemary Collard, Emma Cooke, Jenny Harvey (notes), Sarah Hawkins, Russ Martin, John Proctor, Jane Provis, Marie Taylor, Emily Wood

### **2. Apologies**

Bid Lilywhite, Debbie Muir, Trudy Surman, Claire Shipley

### **3. Minutes of last meeting (12 January 2021)**

The group approved the minutes as a true and accurate record.

### **4. Matters arising**

Matters arising Item 4 - DCS capacity issue – This has been discussed with Matt Look, Senior Commissioner for Special Schools and various solutions are being looked into. The bottleneck appears to be around resource bases places. Some children are outgrowing DSC provision as they should be in school now, and all agreed that lessons needed to be learnt from this situation.

Matters arising Item 4 – JP referred to MT's post-meeting update regarding the Director of Resources response to business rate waiving. He felt that this was just the view of the Director of Resources rather than fact. JP and MC said that previous government guidance has been that local government were to take the decision on waiving business rates for nurseries.

**ACTION: None**

### **5. Impact of COVID on settings (All)**

#### **Routemap out**

Wiltshire's peak was in January 2021, and the number of cases since then are in decline.

EC informed the group that testing is part of a wider toolbox to reduce community transmission, and it is the local authority's hope that early years settings will be included in testing plans, but confirmation is still awaited. EC confirmed there is currently 1 setting closure. LAB confirmed early years settings are not transmitting the virus, it is coming in from local communities. JP queried his Wilton site closure details, but EC knew nothing about it.

#### **DfE advice**

Government updates will be ongoing for the immediate term. All settings are to continue to remain open, testing and vaccination information have been updated, and an update on wrap around care is expected in the coming days.

The group asked about merging of bubbles in wrap around care, and EC advised that the guidance is still very much to remain within bubbles. These can be within the same school, so mixed age groups, but they shouldn't be mixed across different schools and early years settings.

LAB informed the group that both the sector and local authority are starting to prep for the Easter holidays. There has been 1 formal complaint received by the council about the lack of childcare. A childminder solution was offered to this parent. However, the parent wanted

provision on their school site but as very few parents had requested the provision, there was no financial justification for the childcare provider to operate. All agreed that there appeared to be an issue with parental expectation about provision.

MC confirmed he received a reply to his correspondence with Michelle Donelan and an online meeting was arranged just before the February half term break to discuss holiday provision on behalf of the sector. MC said that providers wanted to deliver holiday care but financially weren't able to. LAB informed the group that she had fed back in last week's DfE survey that this part of the sector needed funding support. GB, LAB and EC are meeting with DfE next week to discuss this area.

MT and LAB confirmed that the COMF funding scheme will be impacted by provider closures as a result of increased testing. Consequently, they have discussed the current parameters of the scheme and will be adjusting slightly. There will also be a Contingency/Hardship funding element available, and LAB will confirm further details.

There have been 36 applications to date for Lost Private Income, although LAB confirmed that at least a further 30 are expected before the application closing date of 22 March 2021. Funding will then be calculated and distributed to all eligible early years providers by the end of March. This is also the same with the Clinically Extremely Vulnerable staff applications.

MT asked the group if the scheme needed to be adapted at all to accommodate the possible surge in closures as a result of increased testing. MT confirmed £5 million had been received by Wiltshire Council as a whole, although it had been hoped there would be more funding arriving. MT reiterated that the funding still needs to be spent under the terms and conditions of the grant. All agreed that it would be prudent to wait until end of financial year for applications, and then the available funding could be allocated to applicants, prioritising first bubble/ setting closures if all were unaffordable within the estimate.

SH shared that from her personal experience with her group of settings, it would be better to find out whether someone is positive to reduce the number of setting closures.

RC asked how would a provider go about claiming for long term sick members of staff, LAB advised to email into the EY inbox ([earlyyears@wiltshire.gov.uk](mailto:earlyyears@wiltshire.gov.uk)) and LAB would email an application form.

**ACTION: JP to email Wilton site closure details to EC to take forward  
RC to email EY inbox for Long Term Sick Employees application form**

## **6. Testing (All)**

EC confirmed that community asymptomatic testing centres (rapid lateral flow testing) opened in Devizes last week, Salisbury this week, and Trowbridge and Chippenham will be opening shortly.

Home testing kits will be rolled out to PVI settings, although the DfE have confirmed that this doesn't include childminders. LAB and EC are contacting DfE to find out why this is the case, and how we can get childminders included in the testing rollout. No formal start date for the rollout has been confirmed as yet, and Public Health have been contacted to find out how the rollout will be implemented. Guidance is being emailed to the sector today, and training is currently being developed on how to use the testing kits. The rapid lateral flow kits are not as reliable as the PCR kits with a large margin of error. However, they are just one tool within a larger toolkit.

EC confirmed that some schools have independently chosen to give their on-site nursery provision access to testing kits they have received, but EC confirmed that the local authority is unable to regulate this distribution.

EC reiterated to the group that testing is voluntary, and members of staff cannot be forced to take a test and need to be made aware of this. Everyone needs to be informed that these are home tests and it important that they are carried out at home, not on site. Providers will have to trust their staff to carry out the tests and be truthful about their results.

JB raised the possibility that some staff might want remuneration for carrying out a work task in their own time. EC advised setting management to have the testing conversation with all their staff and that the tests themselves only take a few minutes to perform.

**ACTION: None**

### **7. DAF funding (All)**

In an email to the group prior to the meeting, JB raised the issue of the changing of Term's 1 and 2 scheduled DAF payments. EW confirmed that the rollout of the EYES Establishment Portal had been a little challenging and that setting up access for Springboard had been difficult, and only resolved just before the Autumn 2020 headcount window closed. Therefore, JH manually entered the Springboard headcount.

JB pointed out that DSCs need to ensure that when putting packages together for children, they know what funding will be in place for them. Also, some DLA applications are incredibly lengthy and are works in progress; changing timescales can be problematic for providers. JB confirmed that discussion with all other DSC's highlighted they had experienced similar situations.

**ACTION: EW to call JB to discuss DAF funding situation for Springboard  
EW to relook at DAF funding for all DSCs**

### **8. EYPP and Better 2Gether Funding Holiday Support**

In an email to the group prior to the meeting, JB raised the issue of the recent February half term support funding and late confirmation of eligible EYPP. LAB appreciated that at the time of the Christmas and February half term holiday support rollout, the local authority didn't have the names of eligible children for providers. Providers were requested to count the number of vulnerable children who were possibly eligible for EYPP. If this caused problems, a provider can opt out of any future funding distribution. Currently, Easter 2021 will be last term this funding will be available. Providers will be sent a list with eligible names week commencing 15 March in readiness for the Easter holiday funding rollout. Some EYPP applications under the Universal Credit criteria will require additional proof to be provided by the parent.

JB enquired about funding for those school aged children who aren't currently in school so don't qualify for PP, but then due to their age also don't qualify for EYPP.

**ACTION: JB to send names of school aged children to LAB for checking**

### **9. AOB**

JP fed back to the group about a job centre work scheme he is currently involved with getting people into the Early Years sector. 11 potential names were forwarded to him, and 8 have booked on an induction course. The next step is for all candidates to be interviewed; JP knows nothing about the individuals and candidate quality will be known after interview. A review meeting will be held on 17<sup>th</sup> March, and a possible communications strategy will be put in place if the whole process is deemed successful.

**ACTION: LAB to put item in next newsletter promoting scheme.**

**10. Next meeting**

The next meeting will be scheduled for 27 April 2021, 1-2.30pm. A Microsoft Teams meeting request will be emailed out.



Wiltshire Council

Schools Forum

11th March 2021

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## **DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2020-21**

### **Purpose of the Report**

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2020-21 as at 31<sup>st</sup> January 2021.

### **Main Considerations**

2. Appendix 1 to this report outlines the budget monitoring summary as at 31<sup>st</sup> January 2021.
3. An overspend of £9.032 million is currently projected against the overall schools budget. The main driver for this forecast variance is the on-going pressures on the high needs block, the reasons for these are known and understood. The detailed budget monitoring report is shown in Appendix 1.

### ***Early Years Budgets (Budget £27.827M, forecast variance (0.326M))***

4. The pandemic has created much uncertainty around early years and grant guidance around settings has changed following government expectations around opening.
5. Summer Term until 31<sup>st</sup> May 2020 – the government's expectation was that settings would open to facilitate children of key workers, vulnerable children with a social worker and those children with an education health and care plan. Open settings were paid at 100% with additional incentive payments of £100 per child per week to fund the additional costs of PPE and deep cleaning. Closed settings were paid at 80%. A hardship fund was set up for those closed settings who evidenced financial hardship as a result of COVID19. From 1<sup>st</sup> June, the Government's expectation was that all settings would be open and therefore payments continued to be made at 100% to open settings and 80% to closed settings with lower payments made to open settings to help fund the additional costs of cleaning and PPE.
6. For the Autumn Term, there have been broadly the same number of children in settings as in the previous Autumn however, dual placements are not currently recommended and therefore some settings have above average reduced hours and some increased hours. Clearly the children in settings require funding at the usual rate in order for them to be able to staff appropriately. No additional payments for PPE and cleaning have been made. For providers who may be seeing a temporary dip, support payments are being made at the current hourly rates, representing above average reductions across the sector over the last three years.
7. For the Spring Term, the government's expectation is that settings will remain open whilst schools are closed and will only be paid for children attending settings.
8. Due to the uncertainty, no variance is forecast on the budgets for the free entitlement for 15- and 30-hours childcare for 2, 3 & 4 year olds. There are small underspends in both age funding streams however, this is aligned with the slight reduction in actual variance in take up and it is anticipated that the DfE's post financial year adjustment will remove this in whole or, part if the January 2021 census numbers fall.

	<b>Budgeted PTE</b>	<b>Forecast PTE</b>	<b>Forecast PTE Variance</b>	<b>Budgeted Spend £M</b>	<b>Forecast Spend £M</b>	<b>Forecast spend Variance £M</b>
2-year olds	774	774	Nil	2.382	2.382	Nil
3- & 4-year olds	9,938	9,938	Nil	24.358	24.358	Nil
ISF	447	303	(144)	0.357	0.210	(0.147)

9. The 19-20 adjustment based on the January 2020 census data was an increase of £0.539 million. In addition, the 20-21 allocation increased by £0.943 million. This reflects a higher count of children than the previous year.

10. The local authority has a duty of sufficiency in this sector and is working closely with providers to support through these turbulent times, providing additional financial support whilst following the COVID guidance and remaining within the terms and conditions of the grant funding. This means that private income losses cannot be supported from this grant.

### **COMF Grant Funding**

11. A separate COVID grant has been received by the local authority (COMF grant) to support, facilitate and aid containment of the virus. An amount of £1.0 million has been earmarked to allocate to providers under certain criteria, namely

- a. Payment to open or partially open settings - funded and non funded provision; a one-off grant to support purchase of PPE and increased cleaning costs. A payment of £0.231M was paid out to providers in January 2021.
- b. To provide additional support in the event of continued staff absence due to pregnancy, extremely clinically vulnerable or COVID sickness in cases where staff cannot be furloughed to aid containment of the virus
- c. To fund private losses at the EYE rates where bubbles burst, and closures take place. This includes wraparound childcare.
- d. To fund a deep clean prior to the re-opening of a bubble or, whole setting

12. For schemes b to d above, the deadline for applications is 22<sup>nd</sup> March when payments will be assessed and assuming affordable within the £1M, will be paid. To date, 36 applications have been received and another 30 have been advised.

### **Schools Budgets (Budget £291.677M, forecast variance (£2.273M))**

13. The forecast underspend on schools largely relates to the schools growth fund which currently shows an underspend and is helping to offset the overall pressure on the DSG.

### **High Needs Budgets (Budget £53.632M, forecast variance £11.634M)**

14. High Needs budgets are projected to overspend by £11.634m. The biggest areas of overspend are Independent Special School packages, alternative provision, named pupil allowances and top ups. When the level of funding available does not match the local needs, the budget cannot be set at an achievable level and so the location of the overspend is not an indication of individual budget issues but that the whole block under significant pressure.

15. The major driver of the increased cost is volume. Activity (volume) is measured in FTE – full time equivalent pupils. Variance analysis is provided at Appendix 2. It is important to note that the number of EHCPs being requested has slowed slightly

however this could be due to reduced face to face contact with pupils due to the COVID pandemic.

	<b>Children with an EHCP in Wiltshire</b>
Number as at 1 <sup>st</sup> April 2020	3,860
As at 31 <sup>st</sup> January 2021	
Forecast demand ( <i>based on historical trend</i> )	
Forecast Year to Date Movement	<b>XXX (XXX% increase)</b>

**16.** As Schools Forum are aware, much work has been done, over recent years to investigate and address the issues. More detail is reported regularly through the high needs working group update from the Director, Education and Skills.

### **DSG Reserve**

17. The reserve brought forward of £11.350 million is increased by the positive early years block adjustment of £0.539 million. The forecast overspend would take the reserve into a deficit position of £19.843 million.

18. With effect from 2018-19, the department tightened the rules governing deficits in local authorities' overall DSG accounts, under which local authorities must explain plans for bringing DSG account back into balance. The DfE required a report from any local authority that had a DSG deficit of more than 1% as at the end of any financial year.

19. With effect from 2020-21, the department further updated the rules governing deficits and expanded the requirements around deficits to include a DSG management plan workbook. Which was approved at the January Schools Forum and at Full council on the 23<sup>rd</sup> February 2021.

	<b>DSG Reserve £ M</b>
2019-20 Brought Forward	(11.350)
2019-20 Early Years Adjustment	0.539
2020-21 Forecast Overspend	(9.032)
2020-21 Forecast DSG Reserve Deficit	(19.843)

### **Proposals**

20. Schools Forum is asked to note the budget monitoring position at the end of January 2021.

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Service Area	Current Annual Budget	Period 10 Forecast	Period 10 Forecast Variance		19/20 Outturn Variance	December forecast variance	Budget Move-ment from Previous Report
	£m	£m	£m	%			
Three to Four Year Olds Free Entitlement Funding	24.358	24.358	0.000	0.00%	0.986	0.000	0.000
Two Year Olds Free Entitlement Funding	2.382	2.382	0.000	0.00%	0.204	0.000	0.000
Early Years Inclusion Support Fund	0.357	0.210	(0.147)	-41.11%	0.023	(0.116)	-0.031
Early Years Pupil Premium & DAF	0.309	0.223	(0.085)	-27.64%	(0.041)	0.000	-0.085
Early Years Central Expenditure	0.422	0.328	(0.094)	-22.24%	0.000	(0.088)	-0.006
<b>Early Years Block</b>	<b>27.827</b>	<b>27.501</b>	<b>-0.326</b>	<b>-1.17%</b>	<b>1.172</b>	<b>-0.204</b>	<b>-0.122</b>
Schools Budget Shares Primary & Secondary - Local Authority Schools	109.365	109.365	0.000	0.00%	0.000	0.000	0.000
Schools Budget Shares Primary & Secondary - Academy Schools	177.438	177.438	0.000	0.00%	0.000	0.000	0.000
Licences and Subscriptions	0.051	0.037	(0.014)	-27.39%	0.000	(0.014)	0.000
Free School Meals	0.021	0.021	0.000	0.00%	0.000	0.000	0.000
Staff Supply Cover (Not Sickness)	0.604	0.475	(0.129)	-21.39%	0.013	(0.152)	0.023
Behaviour Support Team	0.622	0.622	0.000	0.00%	0.000	0.000	0.000
Ethnic Minority and Traveller Achievement	0.528	0.445	(0.083)	-15.73%	(0.056)	(0.082)	-0.001
<b>De Delegated Total</b>	<b>1.826</b>	<b>1.600</b>	<b>-0.226</b>	<b>-12.39%</b>	<b>-0.043</b>	<b>-0.248</b>	<b>0.021</b>
Growth Fund	3.047	1.000	(2.047)	-67.18%	(0.245)	(2.047)	0.000
<b>Schools Block</b>	<b>291.677</b>	<b>289.403</b>	<b>-2.273</b>	<b>-0.78%</b>	<b>-0.288</b>	<b>-2.295</b>	<b>0.021</b>
Special School Place Funding	7.560	7.560	0.000	0.00%	0.000	0.000	0.000
Resource Base (RB) Funding	1.932	1.932	0.000	0.00%	0.000	0.000	0.000
Enhanced Learning Provision (ELP) Funding	1.908	1.908	0.000	0.00%	0.000	0.000	0.000
<b>High Needs Block (all schools)</b>	<b>11.400</b>	<b>11.400</b>	<b>0.000</b>	<b>0.00%</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Named Pupil Allowances (NPA)	5.015	7.971	2.956	58.95%	2.295	2.905	0.052
Special School Top-Up	6.869	9.354	2.485	36.17%	0.893	2.733	-0.248
Resourced Base (RB) Top-Up	1.674	2.228	0.554	33.12%	0.246	0.575	-0.021
Enhanced Learning Provision (ELP) Top-Up	0.933	1.701	0.768	82.36%	(0.402)	0.737	0.031
Secondary Alternative Provision Funding	2.791	2.791	0.000	0.00%	0.124	0.000	0.000
Non Wiltshire Pupils in Wiltshire Schools	0.000	0.000	0.000	0.00%	0.000	0.000	0.000
<b>Devolved to Maintained &amp; Top Up Total</b>	<b>17.281</b>	<b>24.044</b>	<b>6.763</b>	<b>39.14%</b>	<b>3.157</b>	<b>6.950</b>	<b>-0.187</b>
Wiltshire College Places	2.100	2.100	0.000	0.00%	0.000	0.000	0.000
Wiltshire Pupils in Non Wiltshire Schools	1.761	2.439	0.679	38.54%	0.199	0.651	0.027
Post-16 Top-Up	3.620	5.051	1.431	39.54%	0.681	1.404	0.027
Independent & Non-Maintained Special Schools	10.696	13.240	2.543	23.78%	1.533	2.287	0.257
SEN Alternative Provision, Direct Payments & Elective Home Education	1.718	2.463	0.745	43.36%	1.834	0.720	0.025
Education Other than at School (EOTAS)	0.484	0.464	(0.020)	-4.18%	(0.028)	0.023	-0.044
<b>Funding for Places outside Schools</b>	<b>20.379</b>	<b>25.757</b>	<b>5.378</b>	<b>26.39%</b>	<b>4.219</b>	<b>5.085</b>	<b>0.293</b>
High Needs in Early Years Provision	0.454	0.430	(0.024)	-5.36%	0.000	(0.024)	0.000
Speech & Language	0.566	0.543	(0.023)	-4.07%	0.006	0.000	-0.023
0-25 Inclusion & SEND Teams	1.976	1.782	(0.194)	-9.83%	0.000	(0.216)	0.022
Specialist Teacher Advisory Service	1.305	1.086	(0.219)	-16.76%	0.093	(0.226)	0.007
Other Special Education	0.271	0.224	(0.047)	-17.24%	0.033	(0.012)	-0.034
<b>Commissioned &amp; SEN Support Services</b>	<b>4.572</b>	<b>4.065</b>	<b>-0.507</b>	<b>-11.09%</b>	<b>0.132</b>	<b>-0.479</b>	<b>-0.028</b>
<b>High Needs Block</b>	<b>53.632</b>	<b>65.266</b>	<b>11.634</b>	<b>21.69%</b>	<b>7.508</b>	<b>11.556</b>	<b>0.078</b>
Central Licences	0.382	0.382	0.000	0.00%	0.000	0.000	0.000
Central Provision (Former ESG)	1.026	1.026	0.000	0.00%	0.000	0.000	0.000
Admissions	0.426	0.423	(0.003)	-0.63%	(0.008)	0.065	-0.068
Servicing of Schools Forums	0.003	0.003	0.000	0.00%	0.000	0.000	0.000
<b>Central Provision within Schools Budget</b>	<b>1.837</b>	<b>1.834</b>	<b>-0.003</b>	<b>-0.15%</b>	<b>-0.008</b>	<b>0.065</b>	<b>-0.068</b>
Education Services to CLA	0.103	0.103	0.000	0.00%	(0.033)	0.000	0.000
Child Protection in Schools & Early Years	0.056	0.056	0.000	0.00%	0.000	0.000	0.000
Prudential Borrowing	0.300	0.300	0.000	0.00%	0.000	0.000	0.000
<b>Historic Commitments</b>	<b>0.459</b>	<b>0.459</b>	<b>0.000</b>	<b>0.00%</b>	<b>-0.033</b>	<b>0.000</b>	<b>0.000</b>
<b>Central School Services</b>	<b>2.296</b>	<b>2.293</b>	<b>-0.003</b>	<b>-0.12%</b>	<b>-0.041</b>	<b>0.065</b>	<b>-0.068</b>
<b>Total Schools Budget</b>	<b>375.431</b>	<b>384.464</b>	<b>9.032</b>	<b>2.41%</b>	<b>8.351</b>	<b>9.123</b>	<b>-0.090</b>
Pupil Premium (academy & maintained)	15.314	15.314	0.000	0			
6th Form Funding Maintained Schools (LSC Grant)	1.182	1.182	0.000	0			
UI Free School Meal Grant Provisional (academy & maintained)	3.345	3.345	0.000	0			
PE & Sports Revenue Grant (academy & maintained)	3.605	3.605	0.000	0			
Teachers' Pension Grant	0.401	0.401	0.000	0			
Teachers' Pay Grant		0.000	0.000	0			
Army Rebasing Funding	1.476	1.476	0.000	0			
Other Schools Grants							
<b>DfE Revenue Grants for all Wiltshire Schools</b>	<b>25.324</b>	<b>25.324</b>	<b>0.000</b>	<b>0</b>			
<b>TOTAL DfE SCHOOLS FUNDING</b>	<b>400.755</b>	<b>409.787</b>	<b>9.032</b>	<b>2.25%</b>			

Appendix 1 - the service forecasts of expenditure as at 31st December 2020 - this is an estimate of net expenditure on the schools budget  
Appendix 2 - the service forecasts of planned activity in FTE (full time equivalent pupils) as at 31st December 2020 - this is a measure of volumes of pupil placements / support arrangements

Volume analysis	Budgeted Activity	Period 10 Forecast Activity	Period 10 Forecast Variance		19/20 Outturn Volume	Volume movement from Previous Report	Period 1 Forecast Price	19/20 Outturn Price	Unit
	FTE	FTE	FTE	%					
Three/Four Year Olds FE	9,938	9,521	-417	-4%	4,997	- 417	£4.20	£4.20	p/hr
Two Year Olds FE	774	704	-69	-9%	419	- 70	£5.40	£5.32	p/hr
ISF	0	0	0	0%	591	-	£615	£615	pa
							£0.53	£0.53	p/hr
<b>Early Years Block ACTIVITY DRIVER DATASET</b>	<b>10,712</b>	<b>10,226</b>	<b>- 486</b>	<b>-5%</b>	<b>6,007</b>	<b>- 486</b>			
Sp Sch Place Funding	756	756	0	0%	716	-	£10,000	£10,000	pa
RB Funding	322	322	0	0%	273	-	£6,000	£6,000	pa
ELP Funding	318	318	0	0%	326	-	£6,000	£6,000	pa
	<b>1,396</b>	<b>1,396</b>	<b>0</b>	<b>0%</b>	<b>1,315</b>	<b>-</b>			
NPA	1,042	1,367	325	31%	1,162	- 10	£5,833	£5,715	pa
Special School Top-Up	778	909	132	17%	875	- 20	£10,286	£9,850	pa
RB Top-Up	351	389	38	11%	391	- 4	£5,723	£5,202	pa
ELP Top-Up	317	385	68	21%	353	4	£4,419	£3,132	pa
	<b>2,487</b>	<b>3,050</b>	<b>563</b>	<b>23%</b>	<b>2,781</b>	<b>- 30</b>	<b>£7,883</b>	<b>£6,615</b>	pa
Wiltshire College Places	350	350	0	0%	350	-	£6,000	£6,000	pa
Non Wiltshire Schools	177	203	25	14%	201	1	£12,042	£10,716	pa
Post-16 Top-Up	394	460	65	17%	443	9	£10,987	£9,873	pa
Ind & Non-Maint Sp Sch	214	259	45	21%	237	7	£51,096	£49,673	pa
SEN AP, DP & EHE	164	167	3	2%	199	8	£14,749	n/a	pa
	<b>1,300</b>	<b>1,438</b>	<b>138</b>	<b>11%</b>	<b>1,080</b>	<b>24</b>	<b>£17,906</b>	<b>£18,863</b>	pa
<b>High Needs Block ACTIVITY DRIVER DATASET</b>	<b>5,184</b>	<b>5,884</b>	<b>701</b>	<b>14%</b>	<b>5,175</b>	<b>- 6</b>	<b>£11,091</b>		

The total activity FTE is higher than total no of EHCPs as children in SS, ELP & RB may also have top ups  
SS, ELP & RB places above those agreed with the DfE are costed to top ups

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# f40 SEND survey

Autumn 2020



Data collected between October 5,  
2020 – November 15, 2020

## Painting a picture of the SEND crisis

In the autumn of 2020, f40 undertook a national survey to capture the extent of the SEND funding crisis in England.

We asked every local authority in the country to provide key statistics around their SEND budgets to illustrate how well councils were managing their funding in comparison to demand, and identify trends.

Of the 149 authorities responsible for education in England, 77 responded, giving us a 52% response rate.





## Painting a picture of the SEND crisis

The attached slides show the year-end position of High Needs Blocks, part of the Dedicated Schools Grant (DSG), across the authorities that responded.

The High Needs Block is used to pay for the needs of all pupils whose cost is more than £10,000 per year. This is largely made up of SEND pupils and children with additional educational needs.

Changes to the SEND 0-25 Code of Practice in 2015, placed additional pressure on the funding stream, to the extent that many local authorities are finding it difficult to meet the need within the budget available.

There has been a lot of anecdotal evidence of the pressures but, through this survey, f40 hoped to gain more factual evidence to show the extent of the difficulties faced by local authorities.

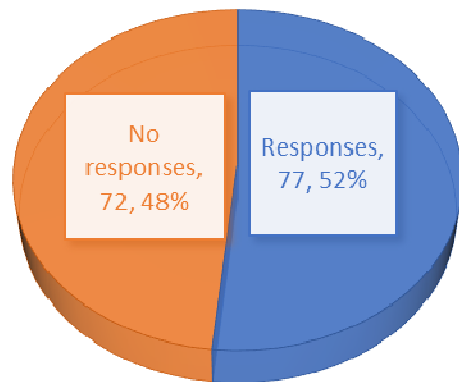


## Summary of findings

- Of the 77 that responded, 69 expected SEND budgets to be in deficit for 2020/21, with only eight expecting to have a balance or to finish even.
- Most LAs say deficit budgets are rising each year, some doubling.
- Three expect their cumulative deficits to be more than they received for 2020-21.
- In 2018-19, 43 requested to move money from Schools Block (SB) to High Needs Block (HNB). 41 were permitted to do so.
- 2019-20, 52 requested to move money from SB to HNB. 43 were permitted to do so.
- 2020-21, 45 requested to move money from SB to HNB. 31 were permitted to do so.



### Response Rate (All LAs)

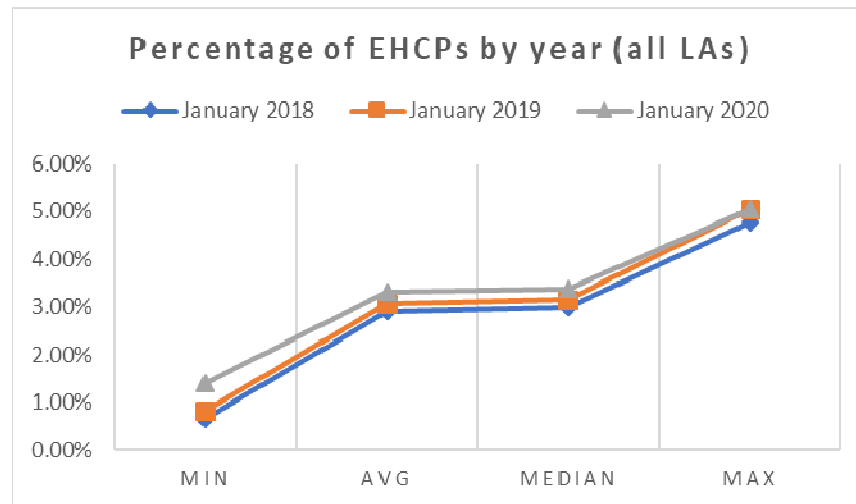


The graph to the right shows the percentage of EHCPs when compared to the total pupil population stated in the Dedicated Schools Grant (DSG) allocations each year.

It provides for each year, for all local authorities, the minimum percentage, maximum percentage, and the average and median across three years.

### 77 from 149 local authorities responded

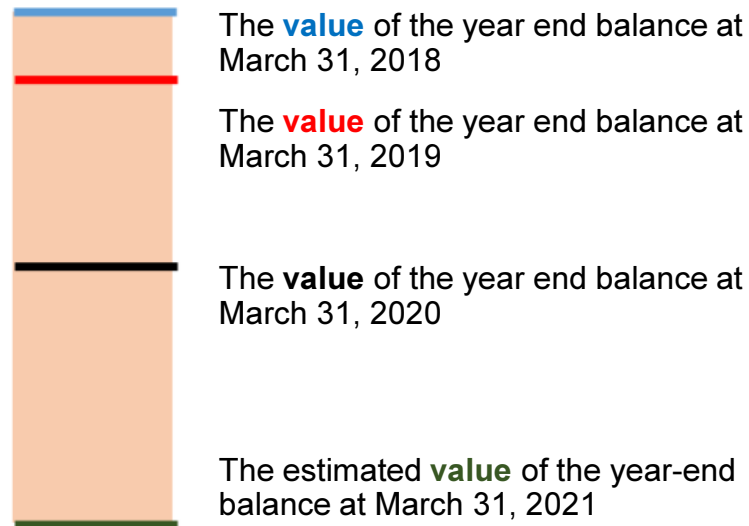
#### Percentage of EHCPs by year (all LAs)



## Year-end balances of the High Needs Block

- Figure 1 shows the responding local authorities' year-end High Needs Block positions, including an estimate for the year ending March 31, 2021.
- Figures 2 and 3 are a closer look at Figure 1, to provide greater visibility. Figure 2 is the left side of Figure 1 and Figure 3 is the right side. West Sussex, Bristol and Warwickshire appear in both to provide context.

### Each bar shows



*Not all bars have the colours in this*

*This is because some LAs*



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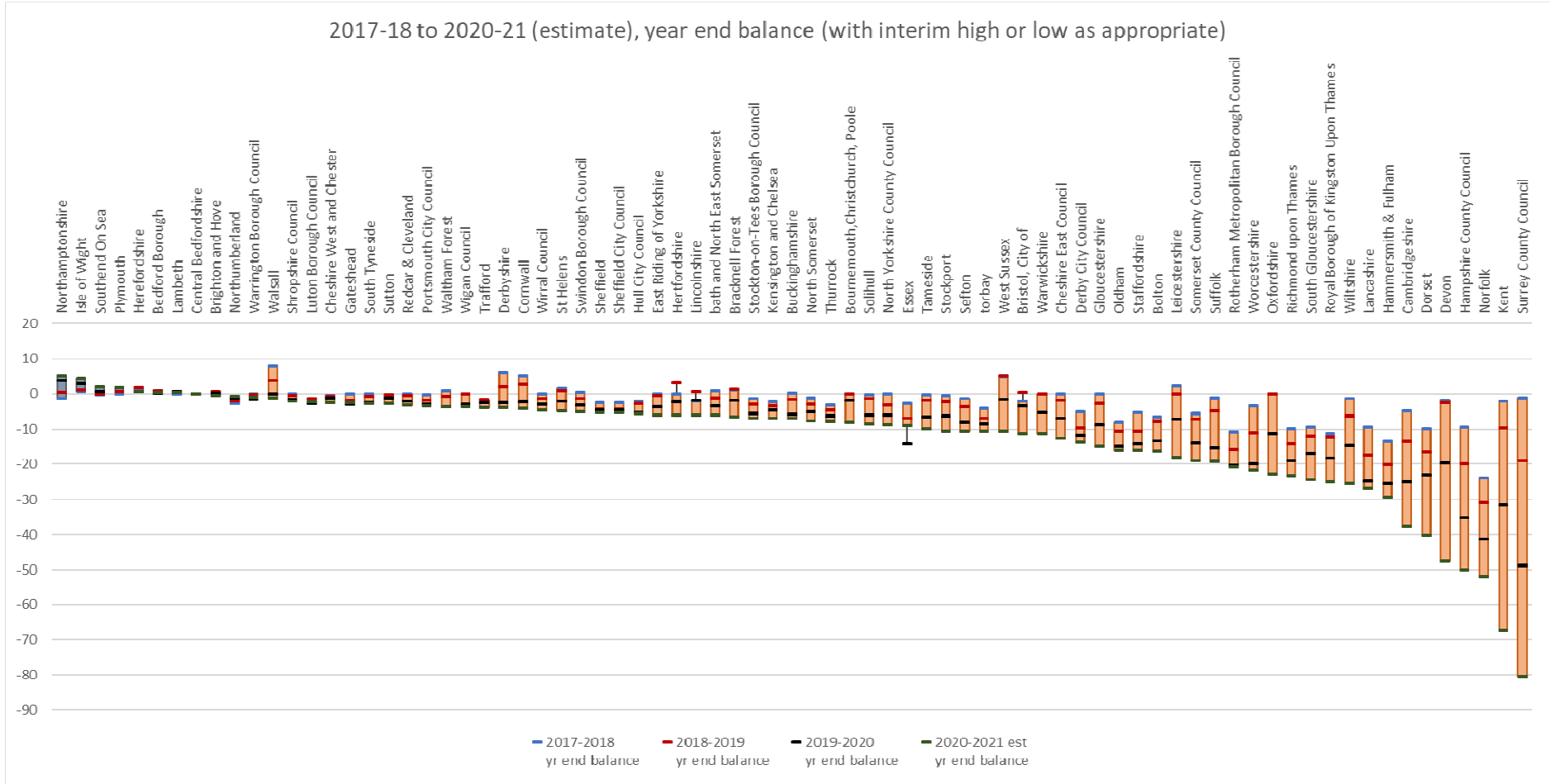
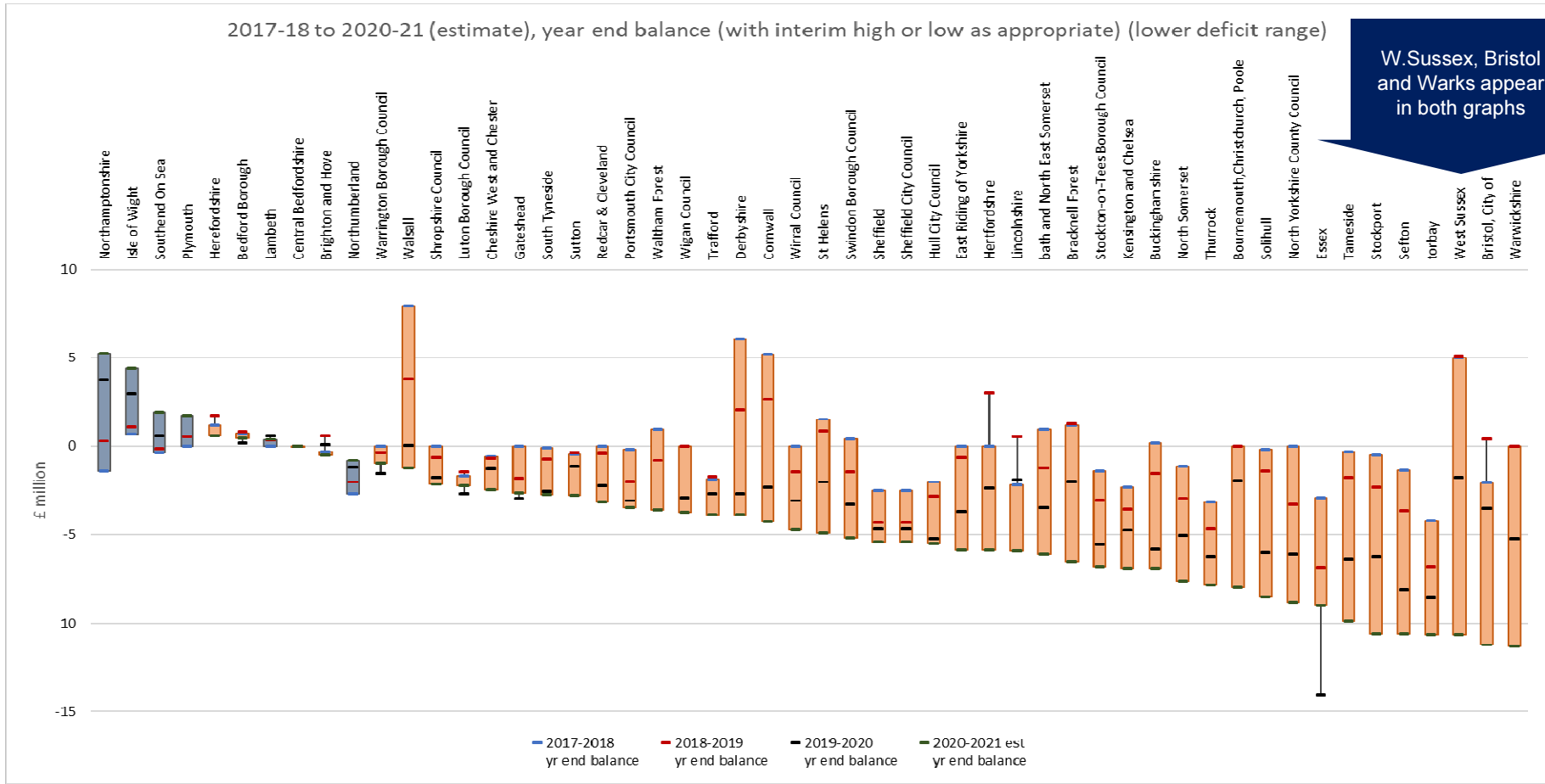


Figure 1



W.Sussex, Bristol and Warks appear in both graphs

Figure 2

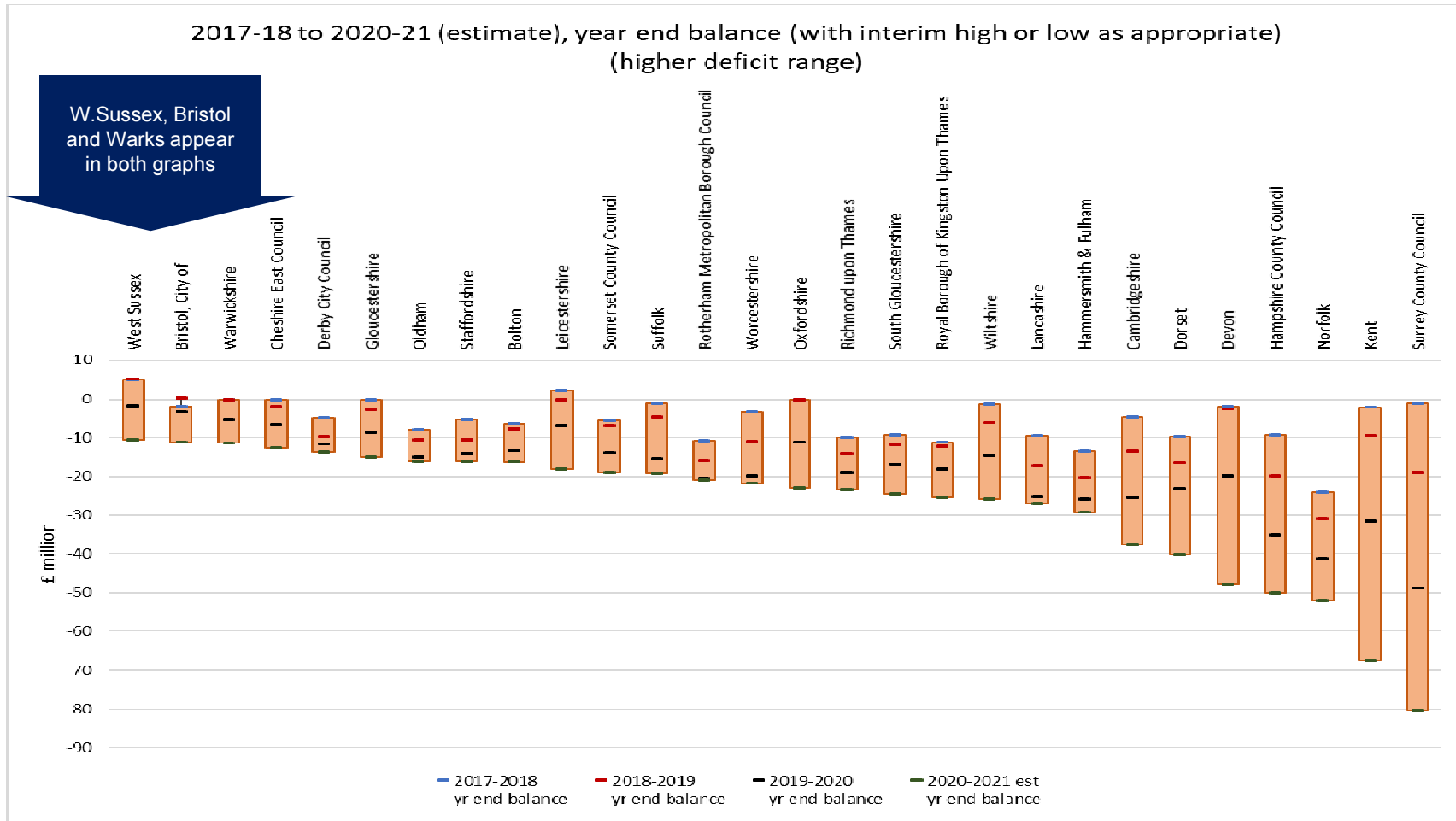


Figure 3

## Estimated High Needs Block

Figure 4 shows the estimated cumulative High Needs Block at the end of March 2021, on a per pupil basis.

Figure 5 shows the High Needs Block balance, showing the overspend as a proportion of the 2020-21 High Needs Block received. In this, it can be seen that for three local authorities the cumulative deficit is more than they received for 2020-21.

The pupil population used for these calculations comes from the sum of Schools Block pupils and High Needs Block pupils (in special schools and special academies), as is used for the DSG allocations.





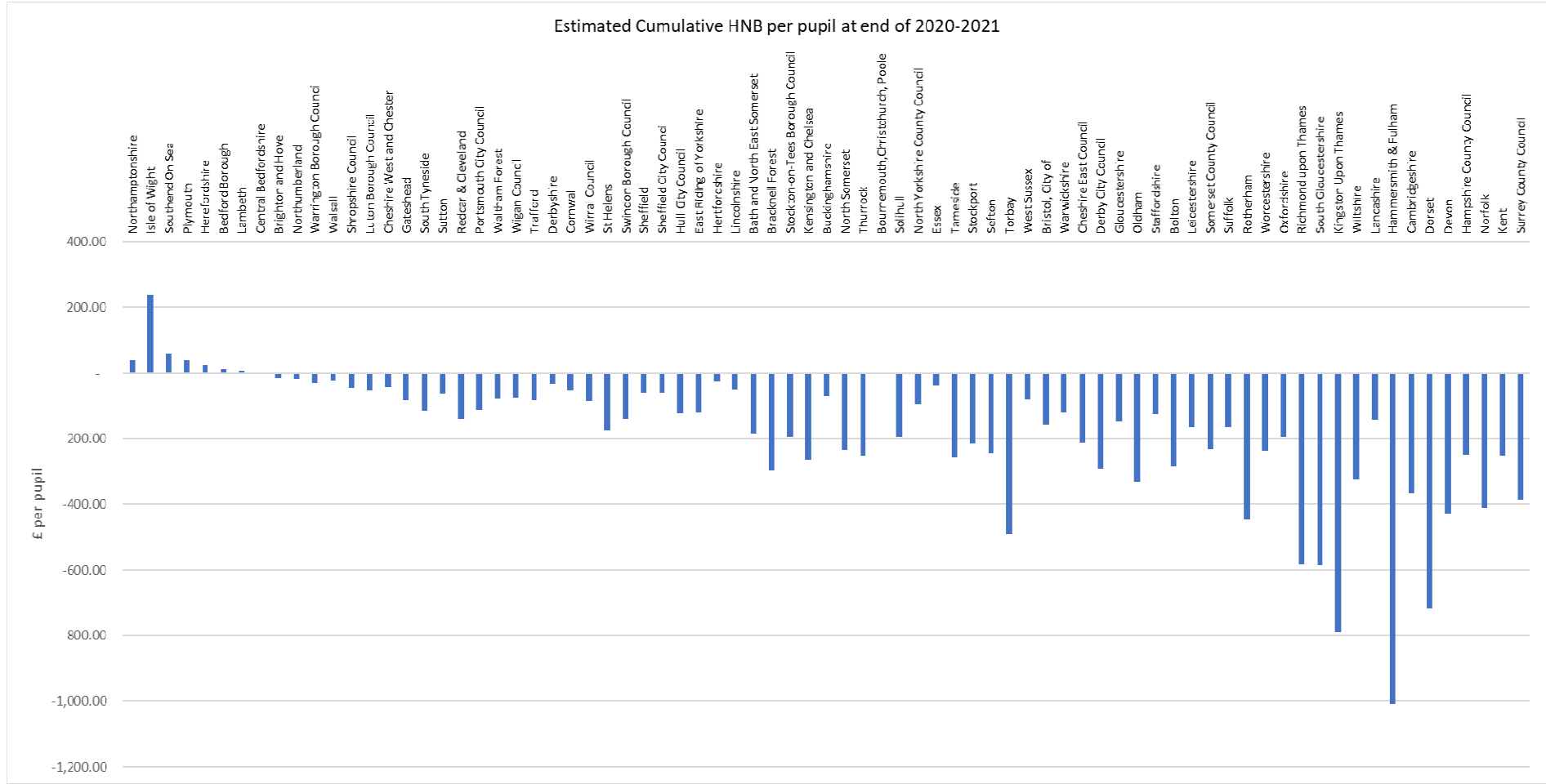
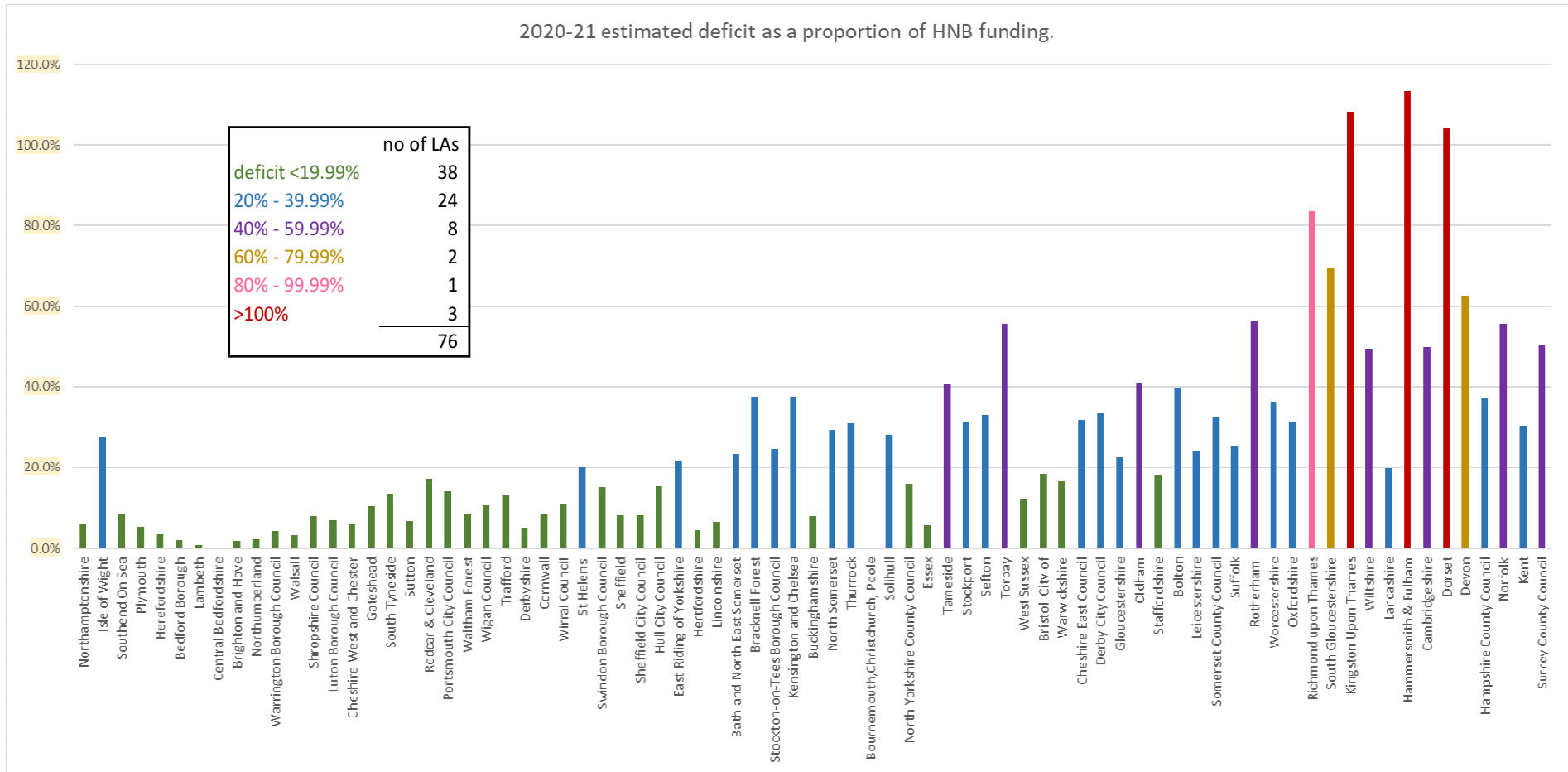


Figure 4



Local authorities are in the same order as the previous graph

Figure 5

## Moving money between the blocks

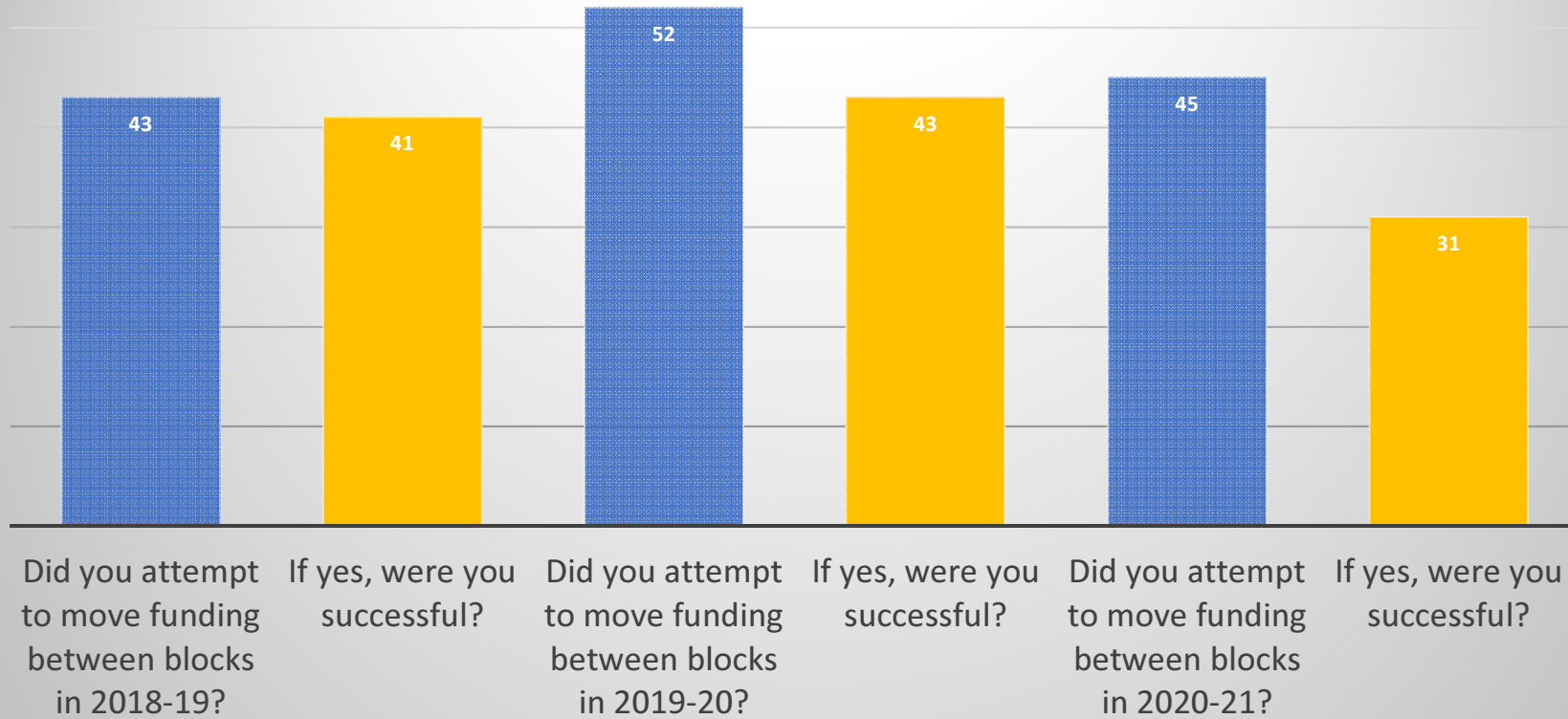
This table and the following graph show the number of local authorities that successfully moved money between the blocks in each year.

Figure 6

	Did you attempt to move funding between blocks in 2018-19?	If yes, were you successful?	Did you attempt to move funding between blocks in 2019-20?	If yes, were you successful?	Did you attempt to move funding between blocks in 2020-21?	If yes, were you successful?
Yes, Schools to High Needs	43	41	52	43	45	31
Yes, Schools to Early Years	1	1	0	0	1	1
Yes, something else	6	6	6	6	13	10
No	25		19		18	
	<b>75</b>	<b>48</b>	<b>77</b>	<b>49</b>	<b>77</b>	<b>42</b>



### Yes, Schools Block to High Needs Block



## Further work to be done

The survey results were discussed by members of the f40 Executive Committee. Questions were raised as to whether the true extent of the High Needs crisis was being masked by the transfer of funds from Schools Block to High Needs Block.

As a result, further work is being undertaken to try to ascertain if this is true and, if so, to what extent.

This is subjective and so is not being published with this data.



# Thank you

## Contact f40:

Email f40 secretary: [Karen@dtw.co.uk](mailto:Karen@dtw.co.uk)

Call: 07545 210067

Web: [www.f40.org.uk](http://www.f40.org.uk)

Twitter: @f40campaign

Facebook: @f40FairFunding





January 2020

## **f40's submission to Government review on SEND**

The f40 campaign group was launched more than 20 years ago with the central aim of influencing significant change in the way Government allocates funding to local authorities and schools. The group is made up of 42 local authorities who are among the lowest funded for education in England.

f40 seeks fairness and equal opportunities in education for all children, regardless of where they live, and wishes to see schools properly funded and equipped to enable them to provide a quality education. The per pupil funding should be enough to actually run a school, before extra monies for deprivation etc are added on.

Currently, there are too many discrepancies in the way funding is distributed, with some schools receiving substantially more per pupil than others. The historical proxy factors and add-ons that some schools receive need to be abolished to make the funding of education fair. We appreciate that additional funds should be paid for deprivation and realistic area costs, but the base funding for every school should be the same.

This also applies to SEND funding, which remains woefully insufficient to meet the growing demand, and is also unfairly distributed across the country.

Many local authorities have deficit SEND budgets and schools are simply unable to cope with the demands placed upon them, both financially and in terms of specialist care required. As budgets in health, mental health and social care are also under strain, schools are having to provide so much more than education.

f40 believes the whole SEND system needs major reform, but it must be considered holistically as changes to one area could impact adversely on another. It is extremely complex, so full consultation with local authorities, schools and specialist providers is required to ensure all issues are raised.

### **SEND reform**

f40 believes the current SEND system is broken and needs major change and investment in order to meet growing demand and assist the most vulnerable children in our country, many of whom have very complex, challenging needs that require a variety of additional support.

In short, steps need to be taken to:

- Increase SEND budget by £2.4bn between now and 2023 and fund current deficits
- Provide clarity and guidance on how notional SEND funding is spent by schools
- Reduce demand for EHC plans
- Place greater emphasis on early intervention
- Introduce expected levels of SEND support in Mainstream schools
- Strengthen and amend the Code of Practice and Tribunal system
- Ensure every teacher receives training in SEND and managing challenging behaviour

### **SEND funding**

**1** f40 believes major changes are required to the structure of the SEND system, but central to this is that funding in the High Needs Block needs to substantially increase. We believe £2.4bn additional funding is required in special needs education by 2023, and extra funding should be available to assist local authorities with current deficits.

**2** f40 supports a full Government SEND activity-led costing exercise, based on the current situation and not historical data, as the landscape has changed significantly since 2014.

**3** The current funding structure is complex and very confusing. We believe it needs to be standardised with guidance introduced to specify what percentage of the formula values should be applied to notional SEND funding. Notional funding should also be reformed to support small/rural/coastal schools.

**4** Guidance should be given to schools on how SEND budgets are spent and how much investment they should be making in terms of intervention programmes – when issues first arise.

**5** Consideration needs to be given to the £6k threshold and whether it should be increased or removed, however, the repercussions of that need to be thought through. Some believe that unless the demand for EHCPs comes down, increasing the threshold is not workable and will lead to more schools choosing to ignore a child's special needs purely because they cannot afford to pay the £6k threshold. Compensation controls would need to be considered to mitigate against this.

**6** Any shortfall in SEND funding should be topped up by Government, with the Department for Education meeting the current deficits in local authority budgets.

**7** When looking at funding, pressures on SEND-related services that fall outside of the HNB need to be taken into account, such as Educational Psychology Services, Home to School Transport, and EHE, CME and CMN education.

### **EHCPs v early intervention**

Since EHCPs were introduced in 2014, the demand for SEND support has far exceeded original expectations and is no longer workable. The number of EHCPs is increasing year on year, with many parents believing they are the route to additional funding to support their children, and that they pave the way for places at specialist SEND schools.

**1** Schools should be given a definition of what Ordinary Available Provision is along with what level of need there must be before a school/parent can apply for an EHCP. Currently each school and local authority is drawing their own conclusions.

**2** Schools also need more guidance on how and when to cease an EHCP.

**3** We believe emphasis should be placed on early intervention, instead of EHCPs, namely:

- Early intervention programmes being available to schools when issues / concerns first arise
- A requirement that two cycles of SEND intervention be carried out before statutory assessment

### **Code of Practice and tribunals**

**1** We believe the Department for Education needs to review the SEND Code of Practice 2014 to re-focus parental expectations, so they clearly understand what an EHCP is for, emphasising that it doesn't automatically lead to a specialist placement and their 'choice' of specialist school.

Currently, the right of parental 'choice' of provision in the Act is often interpreted by tribunals as a parent's right to choose, when we believe it should be worded as 'parental preference' instead and considered so by tribunals.

**2** In addition, there could be a requirement for the tribunal to consider 'efficient use of resources' in weighing a parent's choice of provision against that offered by the LA – a similar threshold to the 1980 Act and Admissions. Tribunals would need to be trained in the financial funding arrangements to be able to make this judgement.

**3** We would also like to see the revision of the Code of Practice to clarify health responsibilities and funding to support SEND in terms of therapy, monetary contributions towards high cost specialist placements, equipment, specialist nursing in schools, medical assistants in transport etc. Currently, High Needs Block is paying for a significant amount of health-related costs that should be the responsibility of the health, mental health and social care departments.



## **Incentivise inclusion**

The current funding and inspection systems mean there are perverse incentives for schools who exclude children with the most challenging needs and behaviours.

The fact that schools have to pay the first £6k towards the support of a child with SEND does not incentivise them to be inclusive.

Other perverse incentives for schools NOT to include, are:

- Poor general SEND budgets
- Lack of accountability
- Poor guidelines on what provision they should be offering
- League tables that focus on their academic outcomes
- Progress 8 focusing on academic achievement
- Ofsted inspections being heavily weighted towards academic progress and behaviour

Understandably, schools believe they will be judged unfairly if they include SEND pupils and will fare better with Ofsted, league tables and Progress 8 if they only retain pupils with fewer challenges and who 'perform' better.

**1** Government should place greater emphasis on schools being inclusive of SEND and should operate a carrot and stick system to reward and penalise accordingly.

**2** f40 believes that if a child is capable of remaining in a mainstream school, then measures should be put in place to enable them to do so.

**3** The Department for Education should impose clear minimum standards for the support every mainstream school should be providing to children with SEND. In order to recoup the full SEND funding available, they must meet those standards or risk losing part of their funding.

**4** The current system means it can be cheaper to pass the cost of an EHCP or a permanent exclusion onto the local authority High Needs Block, without any recourse on a school's budget. We need a system where being more inclusive to SEND pupils is the cheaper option and which does not result in the school being judged unfairly during inspection.

**5** SEND progress outcomes should be properly measured.

**6** Ofsted framework reformed further to enable greater scrutiny of SEND support.

**7** Progress 8 should include a less academic focus when measuring success and outcomes.

**8** Greater powers should be given to LAs relating to admissions, exclusions, off-rolling, part-time timetables and home education to enable children to continue with their education rapidly – not waiting for decisions that can take months.

**9** Zero tolerance policies for behaviour should be made illegal (or addressed in Ofsted inspection frameworks).

## **Accountability**

**1** In order to standardise SEND provision and encourage inclusivity, ALL schools, including maintained, Independent and Non-Maintained Schools (INMS) and academies, should be subjected to the same agreed minimum levels of support for SEND pupils, and inspections. Those that fail to adhere to the minimum standards of support should be held accountable and be penalised.

**2** INMS should also be held to account for the additional 'add-on' services they provide and the effectiveness of them to each child. Saying services and add-on therapies are 'beneficial' does not mean they are required in the development of a child.

The current system, with parents given the opportunity to 'choose' the school they would like for their child, means the more independent schools spend on additional, add-on therapies and services, the more parents are likely to choose them – and the more likely they are to win at tribunal. This makes normal commissioning impossible for local authorities.

**3** Health has a part to play in how it describes a child's needs too. Something being beneficial is not the same as necessary.

**4** INMS should also be required to operate using a local funding formula, with anything else they offer being funded from charity collection.

**5** To this end, f40 would support a review of the position of INMS within the system.

**6** We would also support an introduction of the LA right of 'direction' for academies who refuse to admit children with SEND, when the LA is of the view that need can be met. We don't believe this decision should sit with the Secretary of State, as it does at present, as it leaves young people in limbo with interrupted education for far too long.

### **Post 19 SEND funding**

**1** Post 19 provision should be properly funded and should focus more on preparation for adulthood and employment skills, rather than just education. In many cases, people with SEND remain in education until age 25 purely because it is the only option available, rather than the most suitable. Whilst we accept that remaining in education to 25, or other programmes, is appropriate for many young people, the financial burden must be recognised and it requires additional funding.

**2** Clear pathways should be considered for children from Year 9 onwards, ensuring continued school placements post 16-19 are appropriate.

**3** Greater clarity should be given around what constitutes education provision in terms of Post 16, for example joint funded programmes.

### **Capital funding and expanding the provision of SEND places**

The impact of the increase in EHC Plans and decreasing confidence of parents/carers in mainstream schools is that they are increasingly preferencing specialist placements, including at INMS, which can be 2-3 times higher than a maintained or academy special school.

**1** We believe there should be realistic investment directly to local authorities to enable them to build and extend its specialist estate, without dependency on academisation or Free School status – through the opening of new maintained special schools or the creation of satellites from existing maintained and academy special schools.

**2** Changes to regulations that enable local authorities to open new special schools – without them being Free schools. The current system means plans to open new schools are protracted and very slow to come to fruition.

### **Teacher training and shared knowledge**

**1** F40 believes every teacher should be given full training in educating children with SEN and behavioural challenges. If this were to happen, mainstream schools would be better equipped to keep SEND pupils on their roll.

**2** Knowledge held by specialists in the SEND field from independent and non-maintained schools should be better shared among mainstream schools and teachers.

**Ends**

Wiltshire Council

Schools Forum

11th March 2021

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## **DfE Consultation – High Needs Block (HNB) National Funding Formula (NFF) Proposed Changes**

### **Purpose of the Report**

1. To present the DfE consultation on the HNB funding formula for 22-23 and beyond, to share the local authority response and to seek Schools Forum views on the consultation questions.

### **Main Considerations**

2. The link to the DfE consultation can be found here;  
<https://consult.education.gov.uk/funding-policy-unit/high-needs-nff-proposed-changes>
3. The consultation closes on 24<sup>th</sup> March 2021.
4. The high needs National Funding Formula (NFF) calculates funding allocations to local authorities for children and young people in England with complex special educational needs and disabilities (SEND) or who require alternative provision (AP).
5. This DfE consultation forms the first stage of a longer-term review of the High Needs NFF. This review will be taken forward following the SEND review and will consider how the distribution of High Needs funding can be improved, to achieve the highest quality support for the most vulnerable children and young people.
6. The HNB funding consultation was not anticipated but appears to be a pre cursor to the SEN review which will then feed into a longer-term review of high needs funding.
7. The interim funding proposals for the 22-23 financial year around changes to the historic funding (Questions 1 & 2) would reduce Wiltshire's HNB funding by £1.2M and an estimated £1.5M. With a overspend in excess of £11M for the 20-21 and a DSG deficit anticipated to be in excess of £19M, this is not acceptable.
8. In question 3 acknowledges use of the historic factor in itself is not ideal and asks for alternative models which, could come into use from the 23-24 financial year onwards.
9. Question 4 seeks views on the impact of the pandemic on use of attainment datasets in the formula.
10. Question 5 seeks detailed views on effective proxies for SEND & AP in the formula.
11. The local authority has prepared a factsheet which will be shared with all interested parties including, senior officers at the local authority, WASSP, WASSH, PHF, school leaders, SENCOS, Wiltshire councillors and MPS. Schools Forum are asked to share and promote colleagues to respond to the consultation.

12. The views of Schools Forum are sought on questions 1-5 however, input is particularly welcomed on questions 3-5.

13. The local authority briefing, and draft response is found at Appendix 1.

### **Proposals**

14. Schools Forum is asked to note the DfE consultation and proposed local authority responses

15. Schools Forum is asked for views on the consultation questions.

16. Schools Forum is asked to promote completing the consultation within their school community.

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Schools Forum 11<sup>th</sup> March 2021 - Appendix 1

DfE HNB Formula CONSULTATION BRIEFING & Draft Local Authority Response

The DfE have launched a consultation around proposed changes to the HNB funding formula.

<https://consult.education.gov.uk/funding-policy-unit/high-needs-nff-proposed-changes>

There are 5 proposals

**1. The current formula has 50% lump sum comprising LA planned spend in 17/18. The first proposal is to use actual 17/18 expenditure opposed to 17/18 budget as a baseline to allocate the historical element. Proposed 22/23 onwards.**

LA Name	Current 2017-18 baseline used for historic spend fac	2017-18 actual expenditure amount we propose to use in futu	Original funding through the historic spend fac	Proposed level of funding through the historic spend fac	Actual % increase in high needs allocations between 20-21 and 21-22	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend fac)	Losses	Percentage of 17/18 current baseline
Wiltshire	£47,147,500	£44,709,479	£21,322,449	£20,105,850	9.40%	8.00%	£1,216,599	-3%

**What would this mean for Wiltshire?**

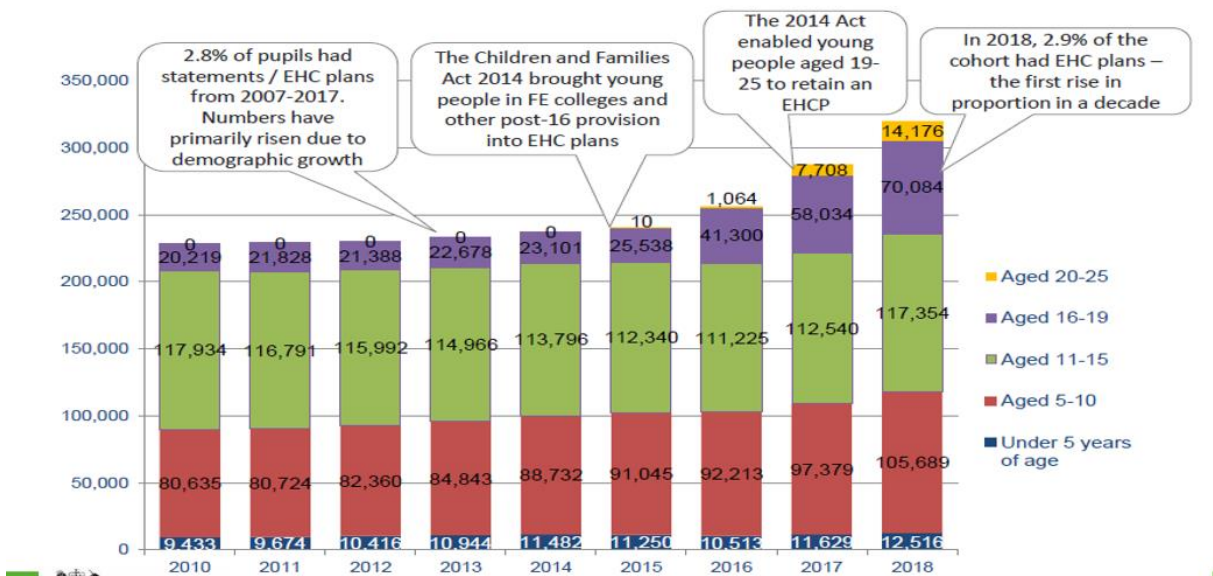
Stepping back into the historical formula for one year does not provide stability for local authorities. There are 95 local authorities that gain under this proposal and 46 who lose so it is possible there will be much support. Proposal 3 suggests the historical formula is NOT fit for purpose and therefore seeks alternative child led demand driver formula.

The DfE are clear that long term, the intend to move away from historical formula. It therefore seems incongruous to increase the proportion back up to 50% (it is currently 36% for Wiltshire.)

Although this proposal is planned for one financial year only, in reality timescales can slide and reliance on poor methodology could continue for longer than this. Therefore, the financial reduction of £1.2M for Wiltshire could continue post 22-23.

Unfortunately, 17/18 was a time when the impact of the 2014 F&C Act and subsequent age increase to 20-25 in 2017 had not fully come to fruition for Wiltshire. Therefore, spend was lower than plan. This was the final year that Wiltshire had an underspend in HNB. Therefore, taking 5-year-old, out of date spend as a baseline is quite inappropriate.

The DfE graph below shows the increase in 16-19 age group and 20-25 age group at national level.



This would mean a DfE estimated **reduction of £1.2M** in HNB historic lump sum funding for Wiltshire.

The statutory responsibilities have not changed for vulnerable learners. We already have a challenging transformation and savings programme which the HNB recovery group are leading on.

The overspend would increase by £1.2M and the DSG deficit which, is cash flowed by the local authority will increase by this value.

The LA level of general reserves is estimated to be £16.856 at the end of the 22/23 financial year. The DSG deficit reserve is estimated to be in excess of £25M in 22-23.

#### **Wiltshire's response**

- Stability – increasing the historical proportion and changing to spend not plan for 22-23 only does not create stability for local authorities.
- We agree with the DfE's commentary that the historic funding factors are not the perfect long-term solution. We would go further and say these factors are not now, fit for purpose. If we are all agreed then, why would we increase the proportion of funding flowing through these on a temporary basis? Better surely to continue to dilute and reduce this out of date factor by applying any new monies with pupil led factors as happened in 20-21 and 21-22
- 2017-18 was only 3 years after the F&C act and the additional responsibilities and the year when the act enabled learner to retain an EHCP from 19 to 25 years. Nationally spend increased significantly from 2018-19 onwards as evidenced in the DfE chart above. Services were still maturing and responding to the additional duties in 2017-18. Therefore, spend on whole co-horts of older learners are completely excluded from proposed funding model.
- Increasing the proportion back to the original 50% from the current 36% would exasperate the current funding gap even further for Wiltshire because current spend bears no relation to the children being supported 5 years previously in 2017-18.
- It is unacceptable to reduce funding whilst retaining the same statutory functions and not taking into account the local authority HNB savings plans.
- In reality the overspend will increase and the local authority DSG deficit reserve will increase which is a financial burden to the local authority in excess of £19M which is in excess of the general reserves of the local authority.
- Strong relationships between school leaders and the local authority, have resulted in transfers from schools block agreed to support HNB even when, the schools NFF was not affordable.
- Wiltshire's parent carer council has one of the largest memberships in the country and a solid indicator of the success of the local partnership in understanding and planning for the needs of children and families.

#### **2. Increase the proportion of actual expenditure in 1 above (the historical lump sum) to 60%.**

In recognition of the significant shortfall in HNB funding, the DfE increased in both 19-20 and 20-21. These increases have been allocated on pupil led factors. This has diluted the proportion of historical formula from the original 50% to an average of 34%. For Wiltshire this is 36% for 21-22.

#### **What would this mean for Wiltshire?**

Increasing the proportion to 60% would exasperate the reduction for Wiltshire.

Local estimate is **£1.5M reduction** in HNB funding.

### Wiltshire's response

- Stability – increasing the historical proportion and changing to spend not plan for 22-23 only does not create stability for local authorities.
- If we are all agreed that the historic funding factors are not fit for purpose, why would we increase the proportion from 50% to 60% of funding flowing through these on a temporary basis? Better surely to continue to dilute and reduce this out of date factor by applying any new monies with pupil led factors as happened in 20-21 and 21-22
- 2017-18 was only 3 years after the F&C act and the additional responsibilities and the year when the act enabled learner to retain an EHCP from 19 to 25 years. Nationally spend increased significantly from 2018-19 onwards as evidenced in the DfE chart above. Services were still maturing and responding to the additional duties in 2017-18. Therefore, spend on whole co-horts of older learners are completely excluded from proposed funding model.
- Increasing the proportion to 60% which is 10% larger than the original formula from the current 36% would exasperate the current funding gap even further for Wiltshire because current spend bears no relation to the children being supported 5 years previously in 2017-18.
- It is unacceptable to reduce funding whilst retaining the same statutory functions and not taking into account the local authority HNB savings plans.
- In reality the overspend will increase and the local authority DSG deficit reserve will increase which is a financial burden to the local authority in excess of £19M which is in excess of the general reserves of the local authority.

### 3. Alternative to the historic spend factor (Proposed 23-24 onwards)

The DfE have confirmed they would prefer to replace the historic spend factor with alternative factor(s) that better reflect local issues and are able to be kept up to date but that avoid perverse incentives such as numbers of EHCPs. The DfE say that the earliest alternative factors can be introduced is 23-24 following the SEN Review.

Drivers influencing costs (*from a national ISOS survey commissioned by the DfE*)

- a) Parental Preference (quality of relationships with parents, providers and the LA)
- b) Capacity and ability of all types of all to work together in common endeavours to improve outcomes for YP with SEND.
- c) Strategic decisions pattern of provision, centrally commissioned support on offer will affect how much money is spent

### What would this mean for Wiltshire?

Moving away from an outdated formula and towards a suite of easy to update drivers to reflect the needs of young people and take into account local variables including rurality would be fair, transparent and a positive move for Wiltshire.

### Wiltshire's response

- Getting a suite of easy to update drivers to reflect the needs of young people and take into account local variables including rurality would be fair, transparent and a positive move for Wiltshire.
- Key to planning services and provision for vulnerable children is the ability to plan long term with a useful estimate of funding. If LAS are aware of their estimated share of any new funding allocations such as those received in 20-21 and 21-22.
- We agree it would be sensible to change for formula after the SEN review outcomes are known and understood.
- A calculator / tool where LAs can input their planning data into the new formula factors and estimate their allocations. This will be useful to measure the gap in funding and requirement
- The range of drivers needs to encompass some generic and bespoke datasets. Whilst we understand EHCP numbers can reward inappropriately it would be naive to assume that these are awarded liberally by local authorities most of whom would prefer preventative services.

- In addition, EHCPS are the only measure used nationally and are the result of a statutory process as outlined in the Code of Practice. Morally and legally it is a young person's right to be assessed for support to access learning. Meeting the needs in that EHCP are a legal requirement, this makes EHCPS an ideal measurement tool in both funding and spending.
- We therefore do NOT accept that using numbers of EHCPS is inappropriate.
- Unfortunately, the large shortfall in funding means that investment in preventative services has suffered as demand and volumes have increased alongside legislation and funding has not.
- Our rates are not uplifted on the grounds of affordability so schools are coming back and asking for banding reviews in order to fund the required level of service, time would be better spent on annual review support & challenge. This places more and more activity into an already over stretched system and service.

#### 4. Attainment data as a funding driver – views on pandemic impact (Proposed 22-23 & 23-24)

The current HNB formula comprises low attainment data and the end of KS2 & KS4 across the previous 5 years as two in a group of proxy indicators to allocate HNB funding. This is due to strong associations with low attainment and some types of SEND.

For 22-23 there will be no data due to disruption to tests and exams in 2021 and this is likely to be repeated for 2021.

It is therefore proposed that 2016, 2017, 2018, 2019 and 2019 (2019 used twice) is used for both 22-23 and 23-24 years.

#### What would this mean for Wiltshire?

- We agree that avoiding use of 2021 teacher grades avoids objectivity and consistency issues however, the data fluctuates significantly across year groups for this cohort of young people - even in larger schools and we would want to see evidence of how 2016 - 2019 results varied and compared.
- This is a difficult area; the measure is retrospective / historic measure and particularly challenging to fund secondary on KS2 results.
- Modelling should be carried out across more options as this approach carries a level of risk.

#### 5. Effective proxies for SEND & AP in the formula

Currently taken into account are, local population of C&YP, two health & disability measures (bad health\* & DLA) and two deprivation factors (FSM and local area deprivation measure.)

The DfE welcome views on how proxy factors can be improved, confirming, numbers of EHCPS are not a suitable measure.

#### Wiltshire's response:

- The range of drivers needs to encompass some generic and bespoke datasets. Whilst we understand EHCP numbers can reward inappropriately it would be naive to assume that these are awarded liberally by local authorities most of whom would prefer preventative services.
- In addition, EHCPS are the only measure used nationally and are the result of a statutory process as outlined in the Code of Practice. Morally and legally it is a young person's right to be assessed for support to access learning. Meeting the needs in that EHCP are a legal requirement, this makes EHCPS an ideal measurement tool in both funding and spending.
- We therefore do NOT accept that using numbers of EHCPS is inappropriate.
- Numbers of EHCPS can be used if there is a ceiling of the national increase in EHCP numbers or, average per head of population so that local authorities are not incentivised to increase numbers of EHCPS.

**Continues overleaf...**



**Question 5 continued...**

- An alternative measure to EHCPS would be assessments carried out as outlined in the Code of Practice. This is a useful measurement of demand from parents and schools and reflects levels of activity within local authority areas. Not all assessments lead to an EHCP and so no perverse incentive is applicable.
- Other measures we believe should be included are around mental health as the demand for these services is increasing over time. Often these are short term needs, preventing lifelong reliance on mental health services. Referrals to CAMHS, active cases
- Similarly, vulnerable families social care needs have impact on behaviour at school and a measure around this would be useful. Referral figures or active cases CiN, CP
- Wiltshire does not believe LAC numbers should be used as a driver as these pupils are supported through pupil premium.
- Health age appropriate characteristics including health inequalities such as obesity do not have a strong link to SEND although they may to underperformance
- Rural local authorities such as Wiltshire require multiple small, specialist provision so that learners are not travelling huge distances to school. Economies of scale of running larger urban based provision are lost and therefore rural factors need to be taken into account.
- This includes commissioned services such as speech therapy where travelling time and costs need to be built into contracts.
- In addition, parental preference is often for small local school provision so these schools can have a higher proportion of learners with EHCPS. As we know inclusivity is expensive and this places a burden on small schools.
- Using DfE measure of a small school being one with fewer than 150 primary pupils and 600 secondary pupils, Wiltshire is a large, rural authority with 78 small primary schools out of 201 (39% of total primaries) and 4 small secondary schools out of 29 (14% of total secondaries.)
- Wiltshire therefore believes the formula should include a rurality / sparsity measure.
- Unfortunately, the large shortfall in funding means that investment in preventative services has suffered as demand and volumes have increased alongside legislation and funding has not.
- Our rates are not uplifted on the grounds of affordability so schools are coming back and asking for banding reviews in order to fund the required level of service, time would be better spent on annual review support & challenge. This places more and more activity into an already over stretched system and service.

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Department  
for Education

# **Review of national funding formula for allocations of high needs funding to local authorities: changes for 2022-23**

## **Consultation**

**Launch date: 10th February 2021**

**Respond by: 24th March 2021**

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# 1. Introduction

- 1.1. We are inviting local authorities in England, schools and colleges, other interested organisations and individuals to respond to specific proposals for a small number of changes to the national funding formula that we will use to allocate high needs funding to local authorities in the 2022-23 financial year. We are also seeking views on some of the longer term changes to the formula that could be considered in future.
- 1.2. High needs funding allocations to local authorities are one aspect of the distribution of funding to schools, colleges and other organisations that make provision for children and young people with special educational needs (SEN), those who are disabled, and those who require alternative provision (AP) because their needs cannot be met in the school they would normally attend.
- 1.3. We are allocating significant increases in high needs funding – an additional £780 million in 2020-21, compared to 2019-20 funding levels, and a further £730 million in 2021-22, bringing the total allocated by the end of next year to over £8 billion. We are aware that many local authorities have in the past spent more on high needs than we have allocated, and therefore want to make sure that we are allocating high needs funding as appropriately and fairly as possible. This is the first stage of our planned review of the high needs national funding formula, first introduced for the allocations of funding to local authorities in 2018-19.
- 1.4. We are currently considering wider SEN and disability (SEND) and AP system changes that could be implemented in future years. The aim of the SEND review, 6 years on from the reforms inaugurated by the Children and Families Act 2014, is to make sure the system is consistent, high quality, sustainable, and integrated across education, health and care. Our AP reforms are intended to improve the behaviour, attendance and post-16 outcomes of young people in AP, and reduce the number who need to stay in that provision long term.
- 1.5. These broader reviews of the SEND system and AP arrangements are likely to have implications for the way that we allocate high needs funding. The pandemic has unavoidably delayed completion of this SEND Review, but our ambition is to publish the review's proposals for consultation in the spring of 2021. We are thinking hard about how best to time and structure that consultation so that families and professionals alike can fully participate and make their views known. But in the meantime, we are continuing to work closely with children, young people and experts across education, health and care to develop policy thinking. We then expect there to be a subsequent further consultation on changes to the distribution of high needs funding consequential on the review, which could be implemented

beyond 2022-23. The development of proposals for longer-term changes following the SEND review, however, does not preclude us from making immediate improvements to the high needs funding formula that we use for allocations in 2022-23. Indeed, we think that it is important to give the opportunity now for people to express views on the ways that we propose the formula is improved for 2022-23, especially given the pressures that local authorities are facing.

- 1.6. The questions we would like answers to are set out in a separate online survey. Please respond using this survey if possible, as other forms of response will not be as easy to analyse, although other formats will be available (see section 1.10). Before you respond to the online survey questions, please read the rest of this document. You do not have to answer all the questions, but in any case, it would be very helpful if you would answer the initial questions so we can see whether you are responding on behalf of a particular type of organisation, or from a specific local authority area in England.

## Who this is for

- 1.7. This consultation is for:
  - Local authorities
  - Schools and colleges
  - Any other interested organisations and individuals

## Issue date

- 1.8. 10<sup>th</sup> February 2021

## Enquiries

- 1.9. If your enquiry is related to the policy content of the consultation you can contact the team via email:

[HighNeedsNFF.CONULTATION@education.gov.uk](mailto:HighNeedsNFF.CONULTATION@education.gov.uk)

If your enquiry is related to the DfE e-consultation website or the process in general, you can contact the DfE Ministerial and Public Communications Division by email:

[Consultations.Coordinator@education.gov.uk](mailto:Consultations.Coordinator@education.gov.uk) or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

## **Additional copies**

- 1.10. Additional copies are available electronically and can be downloaded from: [GOV.UK DfE consultations](#). Word or pdf versions of questions can exceptionally be made available on contact with [HighNeedsNFF.CONULTATION@education.gov.uk](mailto:HighNeedsNFF.CONULTATION@education.gov.uk).

## **The response**

- 1.11 The results of the consultation and the Department's response will be [published on GOV.UK](#) following analysis of the responses later in 2021.

## 2. About this consultation

- 2.1. This consultation is seeking views on possible changes to two specific factors in the high needs national funding formula, which is the formula the department uses to allocate funding to local authorities for children and young people with complex needs.
- 2.2. This national funding formula was first introduced, following extensive consultation, for the calculation of high needs funding allocations to local authorities in 2018-19. Before 2018-19, allocations had been based on each local authority's past spending, and the formula marked a significant and widely welcomed shift towards a fairer distribution of funding to local areas, based on the needs in those areas. Aware that the formula would need to adapt to changing circumstances, we undertook to review it to see if changes were needed after the first four years of its operation.
- 2.3. This first stage of consultation is to consider specific questions about improvements to the formula funding distribution that could be implemented for 2022-23, but which would not pre-empt wider and longer-term changes resulting from the current SEND review or AP reforms. We are also asking a couple of more general questions, the responses to which we hope will help us in taking forward any longer-term changes to the funding arrangements.
- 2.4. Following the 2019 call for evidence on the funding of provision for children and young people with SEND and those requiring AP, and subsequent representations we have received, we are clear that there are a number of other issues relating to the current funding arrangements, but which are not specifically about the national funding formula. For example, there are continuing questions about the expectation that mainstream schools meet the costs up to £6,000 of supporting a pupil with SEND from their core budget, the level of the £10,000 per place funding for special schools and the funding arrangements for young people with SEND in further education. Such issues will be addressed as part of the SEND review and in subsequent consultations.
- 2.5. In this consultation we are asking for views specifically about the way that high needs funding is allocated through the national funding formula, rather than about the overall level of funding. We have already announced that schools and high needs funding will amount to £7.1 billion in 2022-23, compared to 2019-20, and will be looking carefully at how much high needs funding is required nationally in subsequent years as part of the next government spending review.
- 2.6. Annex A sets out further information about the current high needs funding arrangements. Annex B provides further advice on the proposed changes to local authorities' allocations. Annex C sets out the



equalities impact of these proposals.

### **3. How we use historic levels of local authority expenditure in the funding formula**

- 3.1. We know from previous research, carried out prior to the introduction of the current national funding formula, and from more recent data analysis, that the demand for SEND and AP provision varies considerably between areas because of local factors that are outside the direct control of local authorities. Similarly, the supply and pattern of specialist provision in each area varies considerably for a number of reasons, including decisions taken in the past, local authority boundaries and a range of other local factors. Local authorities can influence the demand for and supply of specialist provision, but some changes – such as the building of a new special school – often take several years to implement. The historic spend factor in the national funding formula is the main proxy we currently use for these local demand and supply constraints that can significantly affect local authorities' levels of spending on high needs.
- 3.2. The changes to this factor that we are considering, therefore, are intended to make sure that the funding formula better reflects such local factors that drive the costs of provision locally, and which take time to change.

### **Proposal to use actual expenditure from 2017-18**

- 3.3. In the 2018-19 formula, and the formulae for subsequent years, we have calculated this lump sum element based on 50% of each local authority's planned expenditure on high needs in 2017-18, as reported by the authority for the purpose of establishing a baseline. Now that we have authorities' actual expenditure on high needs for that year, we can see how that has varied from the planning amounts originally submitted to the department. Annex B sets out that variation for each authority.
- 3.4. Actual expenditure on high needs in 2017-18 will be a better representation of past spending levels than the planned spending amounts we used in the initial years of the formula. We do not intend to update this factor on a regular basis using more recent data, as to do so would introduce an incentive on local authorities to spend more in order to attract more funding in future. We therefore propose to replace the current lump sum included in the formula calculation with an amount calculated on the basis of actual expenditure in 2017-18 reported by each local authority. If you wish to respond on this proposal, please answer question 1 on the online survey.

## **Increasing the proportion of actual expenditure from 2017-18**

- 3.5. With the significant increases in high needs funding through the formula since 2018-19, the overall proportion of funding allocated through this factor has reduced considerably, down by 10 percentage points from 44% of funding in 2018-19 to 34% in the 2021-22 formula. Although some local authorities will have been able to make changes that have helped them spend within their high needs funding allocations, for others speed at which this funding has reduced, as a proportion of total high needs funding, will have been greater than the speed at which they have been able to make changes to local patterns of provision, so we are considering whether it would be appropriate to increase the proportion of funding through this factor.
- 3.6. One way of doing that would be to use more recent outturn data, but because we do not intend to use data from more recent years, as explained above, the alternative would be to increase the percentage of the 2017-18 actual expenditure amounts, from 50% to, say, 60%. This would increase the significance of this factor in the 2022-23 formula, reflecting a more gradual pace of change in the pattern of spending that it would be reasonable to expect from local authorities. As an illustration, if the percentage of actual expenditure had been set at 60% of 2017-18 spending levels, the historic spend factor would have made up 40% of the overall 2021-22 formula: a more modest four percentage point reduction since 2018-19.
- 3.7. We would therefore be grateful for views on the option of increasing the percentage of actual expenditure in 2017-18 included in the funding formula calculation. If you wish to respond on this, please answer question 2 on the online survey.

## **Finding an alternative to the historic spend factor**

- 3.8. We are aware that using a past level of spend as a factor in the funding formula is not the perfect long term solution to how we reflect local issues in the funding arrangements. While historic spending reflects local circumstances that should be acknowledged in the funding distribution, it can also reflect aspects of the local system – such as where there is poor value for money – that should not be reinforced through funding allocations. Past levels of spending also reflect the situation in a local area as it was, and, over time, will cease to reflect current patterns of need or demand. Ideally, therefore, we would prefer to replace the historic spend factor with an alternative factor or factors, that better reflect these local issues, and are able to be kept up to date.
- 3.9. Research that was carried out prior to the introduction of the national

funding formula considered the reasons for the differences between spending patterns in local authorities. The research was conducted by the Isos Partnership<sup>1</sup> and reported that in any single area the factors which shaped spending on children and young people with SEND were both complex and multiple. At a higher level, however, they identified three main drivers at play, in addition to the local demographic context that determined underlying needs.

- 3.10. First, parental preference was considered a critical driver of the nature and quantity of different types of provision available in a local area, which shaped how and where money was spent. It was also noted that parental preference is influenced strongly by the quality of relationships and dialogue between parents, providers and authorities.
- 3.11. Second, in their research they found that the capacity and ability of all types of provider in a local area to provide high-quality education for children and young people with SEND, and the readiness of those providers to work together in support of a common endeavour to improve outcomes for all children and young people with SEND, had a significant bearing on how funding was distributed.
- 3.12. Finally, they concluded that the strategic decisions that local authorities make about how they will meet the needs of children and young people with SEND, the pattern of provision that they have, or will, put in place and the centrally commissioned support on offer, will affect how and how much money is spent.
- 3.13. We are considering how far we should reflect this local variation in provision and the consequent funding distribution, and the factors we would use. It is important that any factor we use instead of historic spending does not create perverse incentives: for example, to create more placements in special schools in order to gain more funding, when some of those pupils would make better progress if they were well supported in a mainstream school. Any factor would also need to be “fit for purpose” for use in a funding context: for example, that the data used are collected uniformly across the country, with robust assurance processes in place; and that the data set is relatively stable from year-to-year, so as not to subject local authorities to significant swings in their funding.
- 3.14. The earliest any alternative factors we might use would be introduced into the formula for allocations is 2023-24, following the SEND review and subject to later consultation. Nevertheless, we would be grateful for initial views on both the extent to which the funding formula should

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<sup>1</sup>See the link to the report written by Isos Partnership: [Research on funding for young people with special educational needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

reflect the local demand for and pattern of SEND and AP provision, and the factors we might use. If you wish to respond on this, please answer question 3 on the online survey.

## 4. Attainment data used in the funding formula

- 4.1. We use low attainment at the end of key stages 2 and 4 as two of the group of proxy indicators of SEND in the national funding formula, because there is a strong association between low attainment and some types of SEND. The formula calculation uses attainment data for pupils living in each local authority area, from the most recent 5 years of key stage 2 tests and GCSE exams (e.g. 2015 to 2019 test and exam results have been used in the formula we published in July 2020 for the 2021-22 allocations). For the 2022-23 funding formula we will not have 2020 key stage 2 test data, or GCSE exam results that would be appropriate to use for this purpose, because of the disruption caused by the pandemic.
- 4.2. We have considered using the same data from 2015 to 2019 as used in the 2021-22 formula, but this series would continue to include older data from before the changes to the tests and exams in 2016. So instead we propose to update the series using 5 years' data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data.
- 4.3. In view of continuing disruption to the 2021 tests and exams, we are likely to need to take a similar approach in the 2023-24 funding formula, i.e. use the 2019 data in place of both 2020 and 2021 attainment data.
- 4.4. If you wish to give views on how we propose to address the absence of 2020 attainment data, please answer question 4 in the online survey. Section 5 gives further information about our plans for improving this and the other SEND and AP proxies in the formula.

## 5. Effective proxies for SEND and AP in the formula

- 5.1. Our future development of the funding system must support the outcome of the SEND review, and any changes to the AP arrangements. This is one of the reasons why we are limiting the scope of potential changes to the high needs funding formula for 2022-23, and planning another consultation, likely to be undertaken later in 2021, on further changes to the funding arrangements that will be needed following the SEND review.
- 5.2. As well as the historic spend and low attainment factors referred to in the previous sections, we currently use a measure of the local population of children and young people, two health and disability measures (the number of children in bad health and the number of families in receipt of disability living allowance) and two deprivation indicators (the number of children eligible for free school meals and a local area deprivation measure) – see annex A for more information on how these indicators work together as proxies for SEND.
- 5.3. In responses to previous consultations, it has often been argued that allocations to individual local authorities should be based, at least in part, on the number of children and young people who have education, health and care (EHC) plans. Numbers of EHC plans, however, cannot be used as a robust indicator of underlying need because the way they are used varies considerably across local areas (with no consistent national threshold for requiring an EHC plan), and the number of plans is therefore not necessarily directly associated with the local authority's need to spend. For example, a parent may request an EHC needs assessment because they are worried that without a plan their child will not be admitted to the school that will best meet their needs. Furthermore, there would be a significant risk of introducing a perverse incentive on local authorities to increase the number of EHC plans, despite the bureaucracy involved, beyond those that are really needed to enable children and young people with SEND to receive a good quality education.
- 5.4. The SEND review is considering whether system changes are needed to provide more consistency in EHC needs assessment and planning process, and to improve other aspects of the SEND arrangements. Following the SEND review we will consider whether consequent changes to the proxies we use in the funding formula would be appropriate: it is important that the proxies used represent the factors that will best reflect spending pressures on local authorities' SEND services, following any reshaping of those services in the light of the review outcomes. At the next stage of consultation we will also consider whether there are new factors that could either replace

existing factors, for example those that may have become out of date<sup>2</sup>, or that could be added to the formula to address particular types or prevalence of identified need<sup>3</sup>. In addition, we will also look at how we fund SEND support in mainstream schools.

- 5.5. We would therefore welcome views on how we could improve the proxy factors within the high needs national funding formula. This will then inform our thinking on potential changes to the high needs national funding formula for 2023-24 onwards. If you wish to offer ideas on factors that could be added to the current formula, or that could replace the current proxies, please answer question 5 in the online survey.

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<sup>2</sup> For example, one of the factors we use is data from the 2011 population census that counts the number of children in bad health in a local authority area. However, a question on this is expected to appear in the 2021 population census.

<sup>3</sup> For example, although we do not use 19 to 25 population data because the numbers are distorted by the location of higher education institutions, we will look to see whether modification of the 2 to 18 population data would better reflect the underlying needs amongst 19 to 25 year olds that should be met from high needs funding.



## 6. Conclusion

- 6.1. This consultation forms the first stage of our review of the high needs national funding formula, and focuses on specific proposals for the allocations to local authorities in the 2022-23 financial year. Future consultations will cover further proposals for changes to the formula and to the arrangements for the funding for SEND and AP. An equalities impact assessment has been carried out for the changes that we have proposed in this consultation; see annex C for further details.
- 6.2. If you have any comments on the equalities impact of these proposals for change, please answer question 6 in the online survey.

## Annex A: The current high needs funding system

High needs funding is provided to local authorities through the high needs block of the dedicated schools grant (DSG). Local authorities must spend that funding in line with the associated conditions of grant 2021-22<sup>4</sup>, and School and Early Years Finance (England) Regulations<sup>5</sup> 2021. High needs funding is also provided directly to some schools and colleges<sup>6</sup> by the Education and Skills Funding Agency (ESFA).

The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, to enable both local authorities and institutions to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality alternative provision (AP) for pupils of compulsory school age who, because they have been excluded or suspended, or because of illness or other reasons, cannot receive their education in mainstream or special schools.

The high needs funding block provides local authorities with resources for place funding and top-up funding for institutions, and funding for high needs services delivered directly by the authority or under a separate funding agreement with the service provider (including funding devolved to schools and colleges for that purpose), as permitted by regulations.

The high needs funding block of the DSG has, since 2018-19, been distributed by means of a national funding formula applied consistently across all local authorities, that calculates each authority's allocation.

The formula attempts to balance the two fundamental drivers determining local authorities' relative need to spend on high needs:

- the nature of the local SEND system. Within the current formula the basic entitlement, historic spend and hospital education factors are elements of the formula that reflect local issues, for example the number of pupils in special schools; and
- the underlying needs of the population being served. The population and other proxy factors in the formula, which relate to the

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<sup>4</sup> <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2021-to-2022/dsg-conditions-of-grant-2021-to-2022>

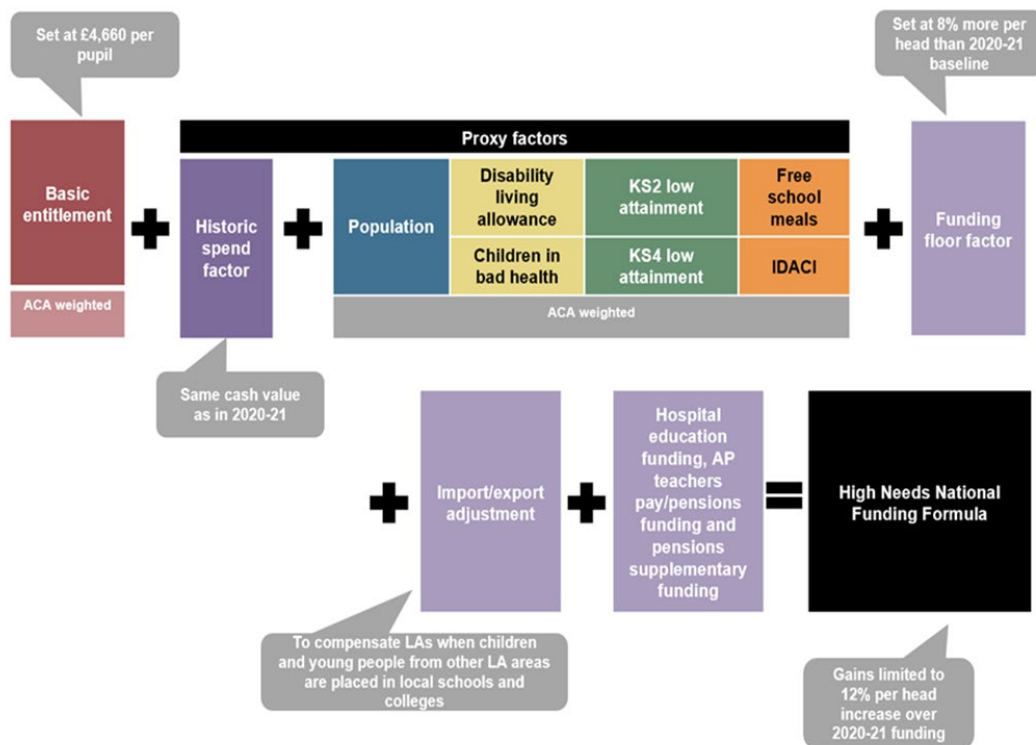
<sup>5</sup> <https://www.legislation.gov.uk/ukxi/2021/59/made>

<sup>6</sup> In this consultation we have used the term(s) "schools and colleges" to refer to different types of school, including pupil referral units, academies, free schools, non-maintained special schools and independent schools; and to different types of further education (FE) provider – general FE colleges, independent learning providers and special post-16 institutions (i.e. specialist colleges).

characteristics of the children and young people living in the local authority area, combine together to reflect the level of underlying needs.

Figure 1 below summarises the formula used for the 2021-22 allocations.

Figure 1



For a more detailed account of the operation of the high needs national funding formula in 2021-22 please see the relevant high needs funding formula technical note: [High needs national funding formula: technical note \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

## Annex B: The impact of the proposed historic spend formula factor changes

1. Annex A has a link to the technical note setting out how the historic spend factor is calculated in the 2021-22 formula. Section 3 of this document explains the proposal to change the values used to calculate this factor from those based on 2017-18 planned expenditure, to amounts based on 2017-18 actual expenditure.
2. The actual expenditure data used to calculate these new historic spend factor amounts is from the 2017-18 section 251 returns from local authorities, and from the deductions made from local authorities' 2017-18 dedicated schools grant high needs block allocations for direct funding by the Education and Skills Funding Agency of places in academies and further education<sup>7</sup>. As for the original calculations, we have used the expenditure lines from the local authority level data as shown in table 1<sup>8</sup>. The calculation of the historic spend factor amount includes adjustments that reduce the historic spend by the amount of the basic entitlement factor, reverse the positive or negative import/export adjustments and subtract the hospital education factor amount<sup>9</sup>.

Table 1

Section 251 lines included
1.0.1 Individual Schools Budget (ISB) (after academy recoupment) <sup>10</sup>
1.2.1 Top up funding - maintained schools
1.2.2 Top-up funding – academies, free schools and colleges
1.2.3 Top-up and other funding – non-maintained and independent providers
1.2.4 Additional high needs targeted funding for mainstream schools and academies
1.2.5 SEN support services
1.2.6 Hospital education services
1.2.7 Other alternative provision services
1.2.8 Support for inclusion

<sup>7</sup> Places in academies and places in further education – data from [DSG allocations: 2017 to 2018 \(www.gov.uk\)](https://www.gov.uk/government/publications/dsg-allocations-2017-to-2018)

<sup>8</sup> Data from <https://www.gov.uk/guidance/section-251-2017-to-2018> : note, for all lines NET expenditure has been used.

<sup>9</sup> Number of pupils in special schools/academies, hospital education funding and import/export adjustments – data from <https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020>

<sup>10</sup> Only expenditure for special schools and PRU/AP schools from this line are included.

<b>Section 251 lines included</b>
1.2.9 Special schools and PRUs in financial difficulty
1.2.10 PFI and BSF costs at special schools, AP/ PRUs and Post 16 institutions only
1.2.11 Direct payments (SEN and disability)
1.2.12 Carbon reduction commitment allowances (PRUs)
1.2.13 Therapies and other health related services
1.4.11 SEN transport

3. Table 2 below shows our calculation of the changes to each local authority's historic spend factor amount. Note that expenditure information is not available for local authorities that have been through boundary changes since 2017-18. For these authorities a simple apportionment has been calculated, based on the apportionment of the historic spend amounts previously provided, to give an indication of the impact.
4. Also in table 2, to give an indication of how the change might impact future allocations of high needs funding, we have applied the new values to the 2021-22 national funding formula, and illustrated what the difference would have been to the underlying percentage increase in each local authority's high needs funding allocation in 2021-22 allocation, compared to 2020-21. It is important to note that the impact would not be exactly the same in 2022-23, because of the other data that will be updated in the formula, and because the overall level of increase will not be the same.

Table 2

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Barking and Dagenham	£28,123,481	£29,963,071	£12,482,621	£13,321,426	12.0%	12.0%
Barnet	£48,033,977	£49,696,598	£21,625,987	£22,319,136	8.0%	8.0%
Barnsley	£21,530,000	£25,779,319	£9,790,873	£12,003,032	12.0%	12.0%
Bath and North East Somerset	£22,832,000	£25,153,665	£10,085,212	£11,085,669	8.0%	8.0%

<sup>11</sup> The underlying percentage increase in protected high needs funding, per head of population, between 2020-21 and 2021-22 - as shown in the high needs NFF tables published in July 2020 ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/901852/2021-22\\_NFF\\_summary\\_table.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901852/2021-22_NFF_summary_table.xlsx), high needs tab, column H)

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Bedford Borough	£21,226,000	£21,433,230	£9,199,261	£9,187,433	8.0%	8.0%
Bexley	£32,109,000	£32,420,937	£14,696,026	£14,969,846	8.0%	8.0%
Birmingham	£151,467,000	£156,651,420	£64,002,087	£66,554,193	12.0%	12.0%
Blackburn with Darwen	£18,431,400	£20,450,940	£8,437,360	£9,467,328	11.8%	12.0%
Blackpool	£18,654,000	£19,683,116	£7,681,927	£8,170,825	11.4%	12.0%
Bolton	£33,354,000	£35,826,834	£15,225,444	£16,597,500	10.8%	12.0%
Bournemouth, Christchurch & Poole	£37,175,926	£40,953,138	£17,333,590	£17,333,590	8.0%	8.0%
Bracknell Forest	£15,673,028	£14,378,803	£7,597,056	£6,858,462	8.0%	8.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Bradford	£65,012,779	£59,886,545	£29,371,531	£26,681,153	12.0%	11.9%
Brent	£54,220,000	£51,042,432	£25,953,945	£24,451,239	8.0%	8.0%
Brighton and Hove	£24,850,000	£24,389,722	£11,464,348	£11,250,618	9.5%	8.0%
Bristol, City of	£50,667,390	£54,623,544	£22,148,697	£23,969,597	8.5%	10.8%
Bromley	£47,062,000	£47,433,711	£20,673,297	£20,553,461	8.0%	8.0%
Buckinghamshire	£79,785,000	£78,716,007	£36,813,933	£36,338,943	8.0%	8.0%
Bury	£29,308,032	£33,107,730	£13,645,659	£15,484,374	8.0%	8.0%
Calderdale	£17,665,000	£17,289,930	£8,241,304	£7,998,762	12.0%	12.0%
Cambridgeshire	£65,252,000	£68,003,213	£29,942,834	£31,251,406	8.0%	8.0%
Camden	£34,106,825	£33,553,665	£14,265,132	£13,713,991	8.0%	8.0%



LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Central Bedfordshire	£27,406,427	£26,799,073	£11,851,260	£11,532,781	8.5%	8.0%
Cheshire East	£33,924,000	£34,560,731	£16,535,477	£16,610,449	8.0%	8.0%
Cheshire West And Chester	£37,832,252	£37,110,167	£16,317,190	£16,098,213	8.0%	8.0%
Cornwall	£40,068,000	£42,090,683	£18,174,714	£19,091,585	12.0%	12.0%
Coventry	£35,395,000	£34,906,240	£15,160,240	£14,913,197	12.0%	10.6%
Croydon	£58,819,000	£63,375,071	£27,359,993	£29,291,078	8.0%	8.0%
Cumbria	£42,262,637	£40,163,605	£19,720,095	£18,696,566	9.7%	8.0%
Darlington	£12,132,500	£13,901,582	£5,290,397	£6,179,436	10.0%	12.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Derby	£35,175,614	£34,604,099	£15,647,028	£15,216,022	9.8%	8.0%
Derbyshire	£69,402,000	£68,128,711	£33,031,554	£32,566,660	10.1%	8.3%
Devon	£66,640,572	£69,435,158	£30,710,230	£32,150,463	9.8%	10.7%
Doncaster	£28,932,000	£28,418,992	£13,370,279	£12,952,995	12.0%	12.0%
Dorset	£34,997,014	£38,552,839	£15,839,159	£15,839,159	8.0%	8.0%
Dudley	£29,970,000	£30,689,367	£12,381,842	£12,795,964	12.0%	12.0%
Durham	£48,936,000	£52,320,883	£21,460,204	£23,111,816	12.0%	12.0%
Ealing	£52,641,000	£54,584,414	£24,602,556	£25,562,170	8.0%	8.0%
East Riding of Yorkshire	£21,526,496	£21,890,007	£10,156,248	£10,365,504	12.0%	12.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
East Sussex	£50,509,000	£48,813,016	£23,239,408	£22,313,217	9.9%	8.0%
Enfield	£44,604,100	£42,678,463	£21,057,172	£20,035,265	8.0%	8.0%
Essex	£131,999,000	£133,464,541	£60,382,948	£60,711,824	9.1%	8.2%
Gateshead	£21,779,000	£23,423,725	£9,741,377	£10,309,739	10.1%	11.5%
Gloucestershire	£57,213,334	£58,888,867	£25,651,202	£26,413,962	9.3%	9.5%
Greenwich	£46,008,431	£45,126,204	£20,822,255	£20,425,393	8.0%	8.0%
Hackney	£41,304,614	£42,072,650	£19,442,307	£19,672,343	8.0%	8.0%
Halton	£16,559,000	£16,744,464	£7,353,514	£7,415,620	10.4%	9.7%
Hammersmith and Fulham	£20,080,000	£25,328,053	£7,957,023	£10,323,708	10.0%	12.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Hampshire	£107,228,000	£112,142,615	£46,009,539	£48,219,193	11.9%	12.0%
Haringey	£35,854,000	£37,301,947	£16,458,948	£17,671,816	8.0%	9.3%
Harrow	£32,204,396	£33,935,112	£14,670,609	£16,183,194	8.0%	8.0%
Hartlepool	£10,661,230	£11,055,775	£4,691,163	£4,830,435	12.0%	12.0%
Havering	£22,698,263	£23,104,218	£10,603,814	£10,864,176	8.0%	8.0%
Herefordshire	£14,329,000	£15,228,453	£6,405,621	£6,835,457	10.1%	11.7%
Hertfordshire	£104,161,000	£96,035,672	£45,998,113	£41,684,508	9.7%	8.0%
Hillingdon	£35,130,000	£37,901,510	£15,937,975	£16,531,207	8.0%	8.0%
Hounslow	£46,277,000	£43,969,262	£21,161,149	£19,770,158	8.0%	8.0%
Isle of Wight	£14,878,000	£15,125,330	£6,947,456	£7,026,538	8.8%	8.2%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Islington	£27,605,000	£25,704,986	£12,796,427	£11,849,000	8.5%	8.0%
Kensington and Chelsea	£16,005,000	£18,475,045	£6,809,805	£7,826,422	9.2%	12.0%
Kent	£198,170,384	£201,319,968	£87,889,671	£89,111,010	8.0%	8.0%
Kingston upon Hull, City of	£27,369,000	£29,452,088	£12,464,500	£13,392,044	11.4%	12.0%
Kingston upon Thames	£20,455,000	£24,387,628	£8,976,122	£10,170,298	8.0%	8.0%
Kirklees	£34,398,000	£38,359,762	£15,415,901	£17,431,771	12.0%	12.0%
Knowsley	£19,610,000	£20,250,367	£8,859,253	£9,500,775	9.6%	11.3%
Lambeth	£41,803,000	£43,202,050	£19,484,987	£20,045,053	8.0%	8.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Lancashire	£107,475,969	£115,344,201	£48,059,906	£51,674,972	10.8%	12.0%
Leeds	£64,812,672	£62,965,901	£29,213,162	£27,961,776	12.0%	12.0%
Leicester	£48,130,000	£49,712,326	£21,035,562	£21,695,560	9.1%	9.3%
Leicestershire	£66,021,052	£65,600,503	£29,719,333	£29,322,935	8.0%	8.0%
Lewisham	£50,703,795	£49,918,291	£23,746,610	£23,726,543	8.0%	8.0%
Lincolnshire	£81,631,706	£71,806,451	£36,453,765	£31,452,152	8.0%	8.0%
Liverpool	£46,055,754	£45,044,591	£19,616,464	£18,952,957	12.0%	12.0%
Luton	£27,392,047	£25,796,378	£12,903,647	£12,011,509	8.9%	8.0%
Manchester	£70,934,000	£73,933,742	£31,740,266	£32,949,888	10.3%	10.6%
Medway	£37,383,544	£37,937,026	£16,183,808	£16,332,538	8.0%	8.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Merton	£32,356,000	£32,931,007	£15,277,871	£15,727,827	8.0%	8.0%
Middlesbrough	£23,289,000	£25,176,850	£9,124,362	£9,896,952	10.8%	12.0%
Milton Keynes	£39,034,784	£36,313,678	£17,544,196	£16,156,659	8.0%	8.0%
Newcastle upon Tyne	£35,824,000	£34,006,268	£15,267,989	£13,369,798	10.2%	8.0%
Newham	£47,501,000	£45,495,509	£22,742,098	£21,748,357	8.0%	8.0%
Norfolk	£77,048,000	£87,591,102	£34,785,120	£40,128,171	8.9%	12.0%
North East Lincolnshire	£17,110,000	£18,008,607	£7,857,000	£8,273,304	10.9%	11.9%
North Lincolnshire	£15,742,247	£16,651,091	£7,245,123	£7,858,045	10.4%	12.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
North Northamptonshire	£31,726,993	£31,060,819	£13,939,813	£13,566,355	8.4%	8.0%
North Somerset	£23,072,107	£23,628,641	£10,738,608	£11,021,194	8.0%	8.0%
North Tyneside	£20,261,000	£18,699,163	£8,781,008	£8,159,089	11.1%	8.0%
North Yorkshire	£47,902,000	£51,451,351	£22,572,000	£24,505,176	9.6%	12.0%
Northumberland	£32,233,000	£33,395,315	£14,918,567	£15,395,725	11.1%	11.4%
Nottingham	£29,440,298	£34,060,022	£13,233,330	£15,004,616	12.0%	12.0%
Nottinghamshire	£60,464,237	£64,551,368	£28,901,777	£31,044,551	12.0%	12.0%
Oldham	£29,919,445	£31,747,525	£13,051,513	£13,860,004	12.0%	12.0%
Oxfordshire	£58,980,000	£60,766,723	£25,631,572	£26,274,593	10.0%	9.8%



LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Peterborough	£27,943,570	£28,817,087	£12,304,297	£12,617,135	9.6%	9.5%
Plymouth	£29,624,000	£30,040,088	£12,706,156	£12,964,070	9.5%	9.2%
Portsmouth	£19,459,000	£18,237,402	£8,202,242	£7,563,214	12.0%	12.0%
Reading	£19,261,400	£20,163,658	£9,816,786	£10,315,234	8.0%	8.0%
Redbridge	£41,789,615	£43,176,345	£19,881,199	£20,782,845	8.0%	8.0%
Redcar and Cleveland	£16,108,173	£16,478,324	£7,212,513	£7,373,918	10.8%	10.6%
Richmond upon Thames	£24,910,000	£27,165,046	£11,202,856	£12,371,588	8.0%	8.0%
Rochdale	£21,538,000	£22,663,846	£9,880,294	£10,304,355	12.0%	12.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Rotherham	£28,730,000	£33,249,674	£12,800,816	£14,877,653	11.1%	12.0%
Rutland	£3,882,327	£3,448,267	£1,894,017	£1,693,987	8.0%	8.0%
Salford	£31,575,000	£35,089,051	£14,295,170	£16,014,719	10.4%	12.0%
Sandwell	£38,667,228	£38,192,391	£17,549,646	£17,231,074	10.1%	8.2%
Sefton	£27,556,000	£27,547,001	£12,282,358	£12,180,760	10.5%	9.0%
Sheffield	£52,725,000	£52,767,461	£23,206,115	£23,063,010	12.0%	12.0%
Shropshire	£25,079,000	£25,542,102	£11,933,200	£12,168,226	10.5%	10.2%
Slough	£23,221,000	£25,288,162	£10,435,307	£11,541,586	8.0%	8.0%
Solihull	£26,742,580	£27,512,008	£11,670,480	£12,002,001	8.0%	8.0%
Somerset	£49,758,400	£52,180,559	£22,689,838	£23,992,388	10.0%	11.3%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
South Gloucestershire	£31,202,526	£35,908,047	£14,310,432	£16,723,983	8.0%	8.0%
South Tyneside	£17,097,000	£16,577,345	£7,344,925	£6,935,097	11.3%	8.0%
Southampton	£22,619,942	£25,112,958	£10,168,037	£11,421,113	10.1%	12.0%
Southend-on-Sea	£17,783,562	£18,284,005	£7,495,531	£7,673,752	12.0%	11.6%
Southwark	£42,884,908	£51,618,450	£19,286,806	£23,588,536	8.1%	12.0%
St Helens	£21,669,000	£20,696,332	£9,921,978	£9,154,127	9.2%	8.0%
Staffordshire	£71,442,921	£75,709,634	£30,027,599	£31,824,286	10.6%	11.8%
Stockport	£29,822,000	£29,734,568	£13,727,728	£13,532,039	9.3%	8.0%
Stockton-on-Tees	£25,035,326	£25,312,656	£11,114,311	£11,335,351	10.3%	10.1%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Stoke-on-Trent	£29,493,037	£36,139,084	£13,774,243	£16,951,354	10.9%	12.0%
Suffolk	£57,940,447	£58,766,773	£26,558,785	£26,572,841	10.5%	9.3%
Sunderland	£23,186,530	£22,798,372	£9,905,450	£9,856,871	12.0%	12.0%
Surrey	£142,348,000	£147,055,349	£64,484,117	£66,417,221	8.0%	8.0%
Sutton	£36,954,000	£35,897,090	£16,830,505	£15,836,843	8.0%	8.0%
Swindon	£30,232,000	£30,114,410	£13,470,520	£13,406,324	8.0%	8.0%
Tameside	£19,028,045	£19,298,827	£8,655,813	£8,772,385	12.0%	12.0%
Telford and Wrekin	£20,801,209	£21,197,631	£9,156,063	£9,296,174	9.4%	8.9%
Thurrock	£22,444,000	£24,655,929	£10,295,138	£11,488,693	8.0%	11.2%
Torbay	£17,218,000	£18,899,388	£7,179,459	£7,930,828	9.6%	12.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Tower Hamlets	£46,677,410	£47,094,720	£21,058,113	£20,835,296	8.0%	8.0%
Trafford	£25,038,000	£25,547,970	£11,396,274	£11,676,365	8.0%	8.0%
Wakefield	£28,074,000	£30,298,748	£12,587,527	£13,647,974	12.0%	12.0%
Walsall	£29,893,640	£29,300,096	£13,562,165	£13,103,926	12.0%	12.0%
Waltham Forest	£36,047,353	£37,427,505	£15,661,426	£16,334,578	8.0%	8.0%
Wandsworth	£43,284,977	£40,731,670	£17,844,426	£16,787,764	8.0%	8.0%
Warrington	£20,096,525	£21,524,241	£9,013,192	£9,675,828	9.4%	11.4%
Warwickshire	£59,201,333	£60,491,309	£26,627,879	£27,044,981	8.0%	8.0%
West Berkshire	£20,056,000	£19,611,347	£8,419,066	£8,222,127	8.0%	8.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
West Northamptonshire	£37,324,588	£36,540,882	£16,399,215	£15,959,868	9.9%	8.7%
West Sussex	£77,406,000	£75,663,821	£34,641,903	£33,583,219	9.6%	8.0%
Westminster	£24,756,000	£23,943,920	£11,439,465	£10,941,779	8.0%	8.0%
Wigan	£27,444,000	£27,865,018	£12,527,873	£12,658,559	12.0%	12.0%
Wiltshire	£47,147,500	£44,709,479	£21,322,449	£20,105,850	9.4%	8.0%
Windsor and Maidenhead	£18,718,500	£19,336,963	£8,239,495	£8,413,116	8.0%	8.0%
Wirral	£35,061,200	£34,136,451	£14,518,418	£13,924,046	12.0%	9.2%
Wokingham	£18,049,608	£19,306,041	£8,420,712	£9,054,679	8.0%	8.0%

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Wolverhampton	£33,071,000	£31,224,735	£14,420,809	£13,344,136	9.5%	8.0%
Worcestershire	£48,080,000	£50,445,094	£21,006,015	£22,199,767	10.8%	11.8%
York	£18,417,903	£18,711,381	£7,994,161	£8,024,818	8.0%	8.0%

5. The different historic spend amounts, if used in the 2021-22 national funding formula calculations, would have meant that 47% of authorities would have experienced a change in their allocations, with 35 receiving a larger increase and 36 receiving a smaller increase. For 79 authorities, the effect of the 8% funding floor and the 12% limit on gains would have been to override the impact of the change in the historic spend factor value.
6. If a local authority wishes to query the amounts in table 2 above, please send the enquiry to [HighNeedsNFF.CONULTATION@education.gov.uk](mailto:HighNeedsNFF.CONULTATION@education.gov.uk) by the end of the consultation period.



# Annex C: The high needs NFF consultation equalities impact assesment

## The Public Sector Equality Duty

1. The Equality Act 2010 identifies the following as protected characteristics for the public sector equality duty:
  - Age
  - Disability
  - Gender Reassignment
  - Pregnancy and Maternity
  - Race (including ethnicity)
  - Religion or belief
  - Sex
  - Sexual orientation
  
2. Under Section 149 of the Equality Act 2010, the Secretary of State is under a duty to have due regard to the need to:
  - a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
    - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
    - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
    - tackle prejudice, and
    - promote understanding.

## What we are proposing in this consultation package

3. This consultation sets out proposed changes to the high needs national funding formula for 2022-23, and seeks views on some aspects of the formula that we are looking to change in future years. The formula calculates funding allocations to local authorities for the education of children and young people with special educational needs and disabilities (SEND) or those who require alternative provision (AP). Local authorities distribute this funding to schools, colleges and other providers.

### **Consideration of the protected characteristics identified in the Equality Act 2010**

4. This is an assessment, pursuant to the public sector equality duty, of the potential impact of these proposals. The Equality Act 2010 identifies eight protected characteristics, as set out in paragraph 1. Our initial assessment is that our funding reform proposals may impact positively on children and young people with a disability by improving the local authority level distribution of resources they can access, and so better matching available resources to need. We have no evidence to suggest there would be a negative impact, either on those with a disability, or on those young people with other protected characteristics. We welcome stakeholder feedback on this topic.

### **Consultation question**

5. We welcome your views on the equalities impact of our proposals for change. If you do have any comments on the impact that these proposals may have on equality, please let us know by answering question 6 within this questionnaire.



Department  
for Education

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**Wiltshire Council**

**Schools Forum**

**11<sup>th</sup> March 2021**

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## **Schools Budget Update 2021-22**

### **Purpose of report**

1. To outline the key changes resulting from implementing the schools funding formula for 2021-22. The report is for information only.

### **Background**

2. The Department for Education (DfE) published the 2020-21 financial settlement for schools on 17<sup>th</sup> December 2020. The settlement included details of the Dedicated Schools Grant (DSG) and its individual component blocks of funding.
3. The funding allocated through the Schools Block of the DSG is then modelled through the Funding Formula to ensure that the schools' budget is affordable. This incorporates decisions taken by Schools Forum regarding any additional funding and any pupil and premises, funding-factor rates.
4. The 2018-19 year saw the introduction of the National Funding Formula (NFF). The NFF was initially proposed as a 'soft' formula for the 2018-19 year before becoming a 'hard' formula in 2019-20. Subsequently the DfE confirmed that 2019-20, 2020-21 and 2021-22 would also remain as 'soft' years, enabling Schools Forum to make school funding decisions at a local level.
5. The Schools Block of funding was set at £317.724 million which is a 'real terms' increase of £10.4m on the 2020-21 funding level. The increase is accounted for by the increased funding committed by the Government, coupled with a small growth in pupil numbers. In addition, the Schools Block of funding was increased by a further £14.179m which represents the former Teachers Pay and Pension Grants which have been baselined into the core funding.
6. The High Needs Block of funding has seen an increase for 2021-22 to £57.0m, which is a growth of £5.0m from the national increase in funding of £730m committed by the Government, announced in the Autumn of 2020.
7. The Early Years Block has been provisionally set at £28.2m, which will be subject to change during the year, based upon take-up rates. This represents an increase in funding of £1.3m compared to 2020-21.
8. The Central Block allocated to fund centrally provided services and historical commitments has been reduced from £2.48m to £2.45m. The reduction represents a planned decrease in funding towards historic commitments.

9. The table below set out the year on year changes and the impact of incorporating the Teachers Pay and Pension Grants into the core funding.

	<u>2020-21</u>	<u>2021-22</u>	<u>Increase</u>	<u>Pay &amp; Pens.</u>
Schools Block	293,142,767	303,545,131	10,402,364	14,179,214
Central Block	2,479,715	2,455,503	-24,212	109,619
High Needs Block	51,996,188	57,029,690	5,033,502	805,430
Early Years Block	26,884,359	28,217,273	1,332,914	0
<b>TOTAL FUNDING</b>	<b>374,503,029</b>	<b>391,247,597</b>	<b>16,744,568</b>	<b>15,094,263</b>

### Main Changes for Information

#### Pupil Numbers

10. There has been an overall increase in the pupil numbers funded within Wiltshire in 2021-22. The increase has been across all Key Stages and is detailed in the table below;

Key Stage	15-16	Change	16-17	Change	17-18	Change	18-19
KS1 & KS2	36,013	958	36,971	944	37,915	456	38,371
KS3	13,928	139	14,067	485	14,522	509	15,031
KS4	9,833	-262	9,571	-299	9,272	186	9,458
TOTALS	59,774	835	60,609	1,130	61,739	1,151	62,860

Key Stage	18-19	Change	19-20	Change	20-21	Change	21-22
KS1 & KS2	38,371	160	38,531	166	38,697	(133)	38,564
KS3	15,031	129	15,160	396	15,556	153	15,709
KS4	9,458	288	9,746	91	9,837	64	9,901
TOTALS	62,860	577	63,437	653	64,090	84	64,174

## Per Pupil Funding and Other Funding Rates

11. Following the introduction of the NFF, Wiltshire's Schools Forum agreed to align its funding rates as closely as possible to the national rates. In 2018-19 this was achieved in all instances except for the Deprivation FSM6 rate which was funded at 75% of the national rate. Since this point, Wiltshire has been in a position to fund all factors at their NFF values. Apart from the Sparsity factor for 2021-22 where a local decision over the uplift was taken, all formula factors have been funded at full NFF rates.

12. The Wiltshire funding rates for the 2021-22 year are detailed in the table below.

Funding Factor	Value 2019-20	Value 2020-21	Value 2021-22
AWPU – Primary	£2,747	£2,857	£3,123*
AWPU – Key Stage 3	£3,863	£4,018	£4,404*
AWPU - Key Stage 4	£4,386	£4,561	£4,963*
Deprivation – FSM Primary & Secondary	£440	£450	£460
Deprivation – FSM6 - Primary	£406	£560	£575
Deprivation – FSM6 - Secondary	£590	£815	£840
IDACI – Band F - P/S	£200 / £290	£210 / £300	£215 / £310
IDACI – Band E - P/S	£240 / £390	£250 / £405	£260 / £415
IDACI – Band D - P/S	£360 / £515	£375 / £535	£410 / £580
IDACI – Band C - P/S	£390 / £560	£405 / £580	£445 / £630
IDACI – Band B - P/S	£420 / £600	£435 / £625	£475 / £680
IDACI – Band A - P/S	£575 / £810	£600 / £840	£620 / £865
Low Attainment – Primary	£1,022	£1,065	£1,095
Low Attainment – Secondary	£1,550	£1,610	£1,660
EAL – Primary	£515	£535	£550
EAL – Secondary	£1,385	£1,440	£1,485
Mobility – Primary (new from 2021-22)	£0	£0	£900
Mobility – Secondary (new from 2021-22)	£0	£0	£1,290
Lump Sum	£110,000	£114,400	£117,800
Sparsity – Primary - Maximum	£25,000	£26,000	£26,780**
Sparsity – Secondary - Maximum	£65,000	£67,000	£69,525**
Minimum per Pupil Funding Level - Primary	£3,500	£3,750	£4,180*
Minimum per Pupil Funding Level - Secondary	£4,800	£5,000	£5,415*

\* - Includes the Teachers Pay and Pension Grants of £180 in primary and £265 in secondary

\*\* - Sparsity NFF rates increased by 3%, NFF rates - maximum of £45,000 in Primary and £70,000 in Secondary

13. The DfE uplifted all of the funding factors as below, allowing for rounding's by;

- School-Lead Factors – Lump Sum and Sparsity 3%
- Pupil-Lead Factors – AWPU, EAL, Prior Attainment 3%
- Other Factors 0%

**Minimum per Pupil Funding Level (MPPFL)**

14. The DfE had previously introduced minimum per pupil funding levels, to ensure that all schools receive a minimum amount of funding per pupil. These thresholds had been set at £3,500 in Primary and £4,800 in Secondary schools in 2019-20. For 2020-21, these were increased to £3,750 in Primary and £5,000 in Secondary. These funding levels are mandatory funding factors.

15. The mandatory MPPFL is calculated by adding all of the Pupil and School Lead funding factors for a school and dividing by the Number of Pupils on Roll. Where a school is funded below the MPPFL threshold, it will receive additional funding. If the schools funding exceeds the MPPFL threshold, no additional funding will be awarded

16. For the 2021-22 year these thresholds have been increased to include the Teachers Pay and Pension grants, as below;

- Primary MPPFL - £4,180 (net of TP&P Grants £4,000)
- Secondary MPPFL - £5,415 (net of TP&P Grants £5,150)

17. The number of schools impacted by the setting of the MPPFL for 2021-22 are;

<b>2021-22</b>	<b>Primary</b>	<b>Secondary</b>	<b>TOTAL</b>
Total Schools	202	30	232
Total MPPFL Funding allocated	£3,833,014	£2,743,228	£6,576,242
Schools gaining through MPPFL	75	14	89
Range of Gains through the MPPFL	£422 - £308k	£5k - £450k	

For comparison purposes, it is useful to show the MPPFL information for the 2020-21 year to view the impact between the two years.

<b>2020-21</b>	<b>Primary</b>	<b>Secondary</b>	<b>TOTAL</b>
Total Schools	202	29	231
Total MPPFL Funding allocated	£1,486,074	£3,014,300	£4,500,373
Schools gaining through MPPFL	35	14	49
Range of Gains through the MPPFL	£2k - £180k	£22k - £436k	

18. For the 2022-23, the DfE have not confirmed any proposals about increasing the MPPFL rates.



## Minimum Funding Guarantee

19. The Minimum Funding Guarantee (MFG) ensures that schools are either protected from a drop in their overall per pupil funding or are guaranteed an increase in their per pupil funding. The additional funding for 2021-22 has resulted in a significant and continued shift away from schools being funded through the MFG.
20. Schools Forum agreed that Wiltshire would mirror the national increases in funding and set a positive MFG figure which would ensure that all schools are guaranteed a 2.00% increase in their MFG per pupil funding.
21. For 2021-22 all schools will have received an increase in their MFG per pupil funding of at least 2.00%. In order to fund the MFG, schools seeing a gain in their level of per pupil funding are traditionally capped. However, since 2020-21, the additional funding made available through the formula enabled Schools Forum not to apply a cap, therefore fully funding all schools at the National Funding Formula values.
22. The removal of the Cap was a real milestone in ensuring all schools are fully funded using NFF values and this continues for 2021-22. The table below shows the number of schools impacted by the MFG.

	Schools 19-20	Schools 20-21	Schools 21-22
MFG Adjustment	100	15	37
No MFG / Cap	19	217	194
Capped Adjustment	114	0	0
MFG Funding	£1,169,111	£185,685	£226,799
Avg. MFG Adj. per School	£11,691	£12,379	£6,130

## Growth Funding

23. The DfE introduced a new methodology for calculating Growth funding in the 2019-20 year. Previously, there had been no national formulaic approach for calculating growth. The new funding calculation uses Middle Layer Super Output Area data.

The approach for the growth factor allocates:

- £1,455 for each Primary 'growth' pupil
- £2,175 for each Secondary 'growth' pupil
- £68,700 for each brand new school that opened in the previous year.

24. The total allocated to Wiltshire for growth in the 2021-22 was £1.814m based upon;
- Primary Growth Numbers 502.5
  - Secondary Growth Numbers 492.0
  - New Schools 0

## Transfer to High Needs

25. Schools Forum agreed to transfer funding from the Schools Block into the High Needs Block as a one-off non-recurrent transfer. The funding regulations allow for a transfer of 0.5% between the blocks, as long as it has been agreed by members of Schools Forum. A transfer for an amount of greater than 0.5% required the express approval from the Secretary of State.
26. A transfer of 0.5% (£1.517m) will take place between the Schools Block and the High Needs Block. The pressures within the High Needs Block will continue to be monitored and reported to Schools Forum during the 2021-22 year.

## High Needs Funding – Top Up Rates

27. At the Schools Forum meeting in January 2021 it was agreed that the funding rates for top ups in Resource Bases, Enhanced Learning Provisions and Named Pupil Allowances would be retained at the prevailing 2020-21 rates and that there would be no reduction in the rates.
28. Funding rates for Special School would also remain unchanged from the 2020-21 year. A full funding review of High Needs is proposed by the DfE, to take effect in the 2022-23 year and is subject to a separate paper at the Schools Forum meeting.
29. The Teachers Pay and Pension Grants have been baselined into the core 'place' funding for Special Schools, in a similar fashion to the AWPU values in mainstream schools. This has the effect of moving the place funding from £10,000 to £10,660 per place.

## Summary of Main Points

30. The main points to note from the Wiltshire funding formula for 2021-22 are summarised below;
  - The formula was fully affordable for the 2021-22 year at NFF rates
  - The Mobility factor has been introduced into the Wiltshire formula
  - The mandatory MPPFL funding was awarded to 89 schools, (£6.5m)
  - A non-recurrent transfer of 0.5% (£1.517m) from the Schools Block to the High Needs Block was agreed
  - All schools received an increase in their MFG per pupil funding rate of 2.00%
  - The Growth Fund was set at a value of £2.2m
  - High needs funding rates are unchanged for 2020-21
  - School budgets were issued by the 9<sup>th</sup> February 2021.

## Proposal

31. Schools Funding Working Group is asked to note the content of this report.

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Wiltshire Council

Schools Forum Finance & SEN Working Group  
1 March 2021

Schools Forum  
11 March 2021

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## School Admission Appeals

### Purpose of the Report

1. To inform Schools Forum of the final arrangements in place for the subsidised charging for admissions appeals for all schools.

### Background

2. Schools Forum will recall that the DfE have updated guidance around admissions appeals and that this poses a number of challenges including confirmation that funding for admissions appeals lies with schools; the subsequent introduction of charges and some schools suggesting they may accept pupils above PAN to avoid appeal costs. An earlier paper brought to Schools Forum on this matter is available [here](#).
3. In response to DfE Guidance 'Scheme for financing local authority-maintained schools', the Working Group and Schools Forum have previously discussed increasing the Central Schools Services Block or taking an allocation from the budget of maintained schools (dedicated schools block), to provide funding for admissions appeals. Schools Forum and the Working Group did not favour these options as they would affect all schools, including those that do not have appeals and those who are happy with alternative arrangements they already have in place. Schools Forum indicated introducing charges to schools that have admission appeals, at a subsidised rate, would be preferable.

### Main Considerations

4. The Council therefore intends to introduce charges to all schools using the appeals service from 1<sup>st</sup> April 2021. The schedule of charges proposed, attached at Appendix 1, is to be considered by the Cabinet Member for Children Education and Skills following the meeting of Schools Forum. Recognising the need for charges to be acceptable to schools, the charges do not include all the direct costs incurred by the council in administering appeals (e.g. IT equipment, office space etc). Additionally, the council is proposing to subsidise the costs for schools who have more than three appeals per year. The calculations for the rate of charge have also been reviewed to ensure they reflect the current administrative arrangements needed to support appeals, as well as efficiencies due to appeals being held virtually.
5. In the Schools Forum Working Group on 30<sup>th</sup> November there was a discussion about schools preferring to admit pupils over PAN to avoid paying for appeals. This would lead to popular schools being over capacity whilst other local schools continued to have surplus places. Some schools also operate waiting lists. If a school wished to create additional places above PAN, those places

should be offered to the highest priority applicant on the waiting list, not necessarily the family who have appealed.

6. It was resolved that a Position Statement could be adopted by Schools Forum and shared with schools. This Position Statement would set out the expectations of the LA and Schools Forum, in order to avoid the scenario, set out in para 4. above. Schools could be reminded that once at PAN, applications should be refused unless there is no reasonable alternative. This would help to ensure that admissions policies are adhered to and that schools with available places have higher prospects of those places being filled.
7. This position statement has now been drafted by a sub group of Schools Forum members and is attached at Appendix 2.

### **Proposals**

8. To note the update that the local authority will be introducing the new charges from 1<sup>st</sup> April 2021.
9. To invite feedback from Schools Forum on the Position Statement and if it is supported to agree that it should be circulated to all schools through Right Choice.

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Service	Charges 20/21	Proposed Charges 21/22	Year on Year Price Change*
Full service	£535	£508	-£27
Full service (3 appeals 30% discount)	N/A	£355 <i>(£152 subsidy)</i>	N/A
Full service (5 appeals 50% discount)	N/A	£254 <i>(£254 subsidy)</i>	N/A
Preparation and presentation only	£314	£314	N/A
Panel and clerking single appeal	£221	£193	-£28
Per additional appeal on same day (full service)	£232	£188	-£44
Per additional appeal on same day (Preparation and Presentation only)	£116	£116	N/A
Per additional appeal on same day (Panel and Clerk only)	£116	£73	-£43
Late withdrawal or settled (full service)*	£232	£252	+£20
Late withdrawal or settled (Preparation and Presentation only)*	£116	£116	N/A
Late withdrawal or settled (Panel and Clerk only)*	£116	£136	+£20
Early withdrawal or settled appeal*	£154	£137	-£16

Early withdrawal or settled appeal (Preparation and Presentation only)*	£77	£77	N/A
Early withdrawal or settled appeal (Panel and Clerk only)*	£77	£60	-£17

\*Withdrawal charges will only apply where preparatory work has already been undertaken, and late withdrawal will constitute within 10 days of the appeal.

## **Position statement on the Planned Admission Number (PAN) and admission appeals**

### **Background**

1. The DfE Guidance ‘Scheme for Financing Local Authority-maintained schools’, now requires that if a local authority provides an admission appeals service without charge to maintained schools (as in Wiltshire), it is not able to charge other schools for the same service. Alternatively, the Local Authority must charge all schools equally for this service. In Wiltshire the funding for appeals is delegated to all schools as part of their formula allocation.
2. Where the local authority holds duties in relation to all schools, all schools must be treated on an equivalent basis. Paragraph 156.1 & 156.2 of the Schools Revenue Funding – Operational Guide states;
  - a) *“Local authorities should not be treating voluntary aided schools, foundation schools or academies, differently from maintained schools in the services they provide to them; this is set out in the DSG conditions of grant.*
  - b) *“Schools such as voluntary aided schools, foundation schools and academies, cannot therefore be charged for services that are provided free of charge to community and voluntary controlled schools, and paid for out of the centrally held DSG. For example, although admissions appeals are not a duty that the local authority holds in relation to all schools, we would still expect all schools to be treated fairly and equitably by the local authority.”*
3. Wiltshire Council currently provides an admission appeals service free of charge to maintained schools. In light of the revised DfE guidance above, the Local Authority can either now offer this service for free to all own-admission authority schools or introduce fair charges to all schools. It is not financially viable for the Local Authority to introduce free school appeals for all schools. There is no statutory duty for the local authority to provide this and the schools have been delegated funding in their individual allocations.
4. In response to this, over the period July-September 2020, the Local Authority contacted schools to indicate it was likely to introduce charges for admission appeals for all maintained schools, in addition to academy, voluntary aided and foundation schools. Schools are also able to purchase the appeals service from other providers, but they will need to reassure themselves that the statutory requirements are being met by providers as per the DfE appeals code <https://www.gov.uk/government/publications/school-admissions-appeals-code>.
5. Since the contact with schools, the local authority has received representation about potential situations where schools may wish to admit pupils over the Planned Admission Number (PAN) in order to avoid paying for an appeal. For Voluntary Controlled and Community schools the LA is the admissions authority and will refuse applications once the school is at PAN in that year

group, unless a child has moved into the catchment area and there is no reasonable alternative school. In these situations, the school would stand the costs of the appeal.

6. For Academies, Foundation and Voluntary Aided schools, the Governing Body/Academy Trust is the admissions authority and could therefore in principle admit above PAN. However, Schools Forum does not support this for the reasons outlined below.
7. The only exception to this is for main round admissions, as schools are given an annual opportunity to request an increase in their PAN for the main intake year only. The Code of Practice states that this must be agreed in sufficient time to allow the LA to administer its coordination responsibilities effectively. In Wiltshire this is January for secondary schools and February for primary and junior schools.
8. This briefing note sets out the position agreed by Schools Forum on expectations on both maintained schools and own-admission authority schools to fund appeals and maintain their PAN to be fair and consistent to all schools.

### **Importance of schools not admitting over PAN**

9. There is a clear expectation from Schools Forum that schools should not admit pupils over their PAN or Infant Class Size number to avoid paying for admission appeals. Such action would mean popular schools could be pushed over capacity, whilst other local schools continue to have surplus places. As schools are funded on numbers of children on roll, falling numbers in some schools will lead to reduced incomes. For some Wiltshire's schools this will lead to significant financial pressure.
10. All schools should apply their admissions policies. Applicants must be prioritised according to the oversubscription criteria. In accordance with the Code of Practice, if an additional place is available it must be allocated to the highest priority pupil, not necessarily the appellant. Schools must not discriminate, if they are under PAN a place must be offered, if at PAN the application should be refused. The only exception to this is for Grammar Schools where applicants have not met the entry requirements. Applications can be referred by all schools to the Fair Access Panel under limited circumstances as outlined in the Fair Access Protocol.
11. Schools Forum recognises the financial impact on maintained schools who also now need to pay for admission appeals. However, it notes that the funding for admission appeals has been delegated to all schools as part of their formula allocation.
12. Schools Forum support's the LA's proposal to subsidise appeal costs provided by the LA for all schools, to reduce the financial implications on those schools that regularly have appeals.



13. Schools Forum will refer admissions authorities to the Office of the Schools Adjudicator where there is clear evidence that schools are not acting in accordance with the Code of Practice.

Type of School	Admission authority	Responsibility for ensuring appeal arrangements are in place	Responsibility for financing the appeals
Academies (CA)	Academy Trust ('own authority school')	Academy Trust	Academy Trust as it receives funding for admission appeals in accordance with funding agreements.
Foundation Schools (FO)	Governing body ('own authority school')	Governing Body	The governing body receives funding for admission appeals in accordance with funding agreements.
Voluntary Aided Schools (VA)	Governing body ('own authority school')	Governing Body	The governing body receives funding for admission appeals in accordance with funding agreements.
Community Schools (CO)	Local Authority (LA 'maintained schools')	Local Authority	The schools themselves as the funding for admission appeals has been delegated to all schools as part of their formula allocation
Voluntary Controlled Schools (VC)	Local Authority (LA 'maintained schools')  NB: This may be the governing body if the LA has delegated responsibility to it for determining admission arrangements.	Local Authority	The schools themselves as the funding for admission appeals has been delegated to all schools as part of their formula allocation



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**Wiltshire Council**

**Schools Forum**

**11<sup>th</sup> March 2021**

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## **f40 – Campaign for Fair Funding for Schools Update**

### **Purpose of report**

1. To provide members with an update on the work of the f40 group. The f40 group have recently issued an outline of the work that they are undertaking and the direction of their fairer funding campaign.
2. This report is presented purely to bring the latest information to members of the Schools' Forum rather than for consultation. Please refer to Appendix 1 – f40 Campaign Update 2021.

### **Brief Summary**

3. The f40 group have issued their latest campaign focus, concentrating on the following areas;
  - Fairness
  - Increased Funding
  - SEND
  - Early Years
  - Covid
4. The key areas which f40 is asking for are;
  - Changes to the NFF to make it fairer, more easily understood and transparent
  - Additional £5.5bn to be funded between now and 2023
  - Guaranteed three-year funding programme
  - Schools fully recompensed for Covid costs and lost income
5. The full details are contained in Appendix 1.

### **Proposal**

6. Schools Forum is asked to note the content of this report and the f40 update.
- 

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## Fairness

f40 seeks fairness and equal opportunities in education for all children, regardless of where they live, and wishes to see all schools properly funded to enable them to provide a quality education. The basic entitlement should be enough to run a school, before extra money is added.

There are still too many discrepancies in the way funding is distributed, with some schools receiving far more per pupil than others. The historical add-ons that some schools receive should be abolished. Additional funding should be given for deprivation and other additional needs and realistic area living costs, but

base funding for every school should be the same. While government has acknowledged the unfairness and is attempting to level up, it is a slow process and the unfairness continues, with many areas, especially large rural communities and 'shire' local authorities still receiving inequitably less funding.

The Covid pandemic has shone a light on these disparities and highlighted the plight of disadvantaged pupils. More funding should be given for all disadvantaged pupils – including those living in more rural areas, which are sometimes forgotten, as well as those in towns and cities.

## Increased funding

The pandemic has placed greater stress on already tight budgets. For a number of years, education funding has not kept pace with inflation, while the demands on schools and teachers have grown rapidly. In real terms, school funding is at 2010 levels.

In July 2019, f40, joined by a number of headteacher and school organisations, including teaching unions and parent and school governor groups, calculated that education required an extra £12.6b up to 2023.

In October 2019, government agreed a £7.1b incremental increase to the overall schools budget – with an additional £700m for special educational needs. While welcome, based on the figure previously calculated, it was £5.5b short of what was needed.

With teachers' pay and pensions being increased, much of the extra £7.1b will be used to pay for these increases, once rolled out.

To put this into context, the Schools Block budget increased by £1.7bn in April 2020; According to the NEU, £960m was absorbed by increased school costs (including pay rises) and £350m by the increase in the number of pupils. This left a real increase of £430m – £58 per pupil.

However, we know that schools incurred considerable costs due to Covid just in preparation to return to school last September, which will have eaten into any increases.

## SEND

Special Educational Needs continues to be a major concern, with need outstripping budgets and EHCP applications continuing to rise. The situation will get worse unless the High Needs system is overhauled, with less reliance on EHCPs and greater emphasis on school inclusion. We urge government to complete the review of SEND, and its funding, and implement the recommendations.

Schools need support systems, guidance and additional funding to enable them to be properly

inclusive of SEND pupils. And local authorities need additional funding to settle the huge deficit SEND budgets they currently have, which is increasing each year.

SEND funding continues to be unfair, with some councils receiving far more than others, despite having similar pupil numbers, need and deprivation. Funding is based on historic factors, rather than the situation now. The DfE is attempting to level up SEND funding, but it is a very slow process.

## Early years

Early Years has become much more of a concern throughout the pandemic. Children have not necessarily attended nurseries, but provision is still expected to be available. Funding for the free entitlement has received some support, but many providers have lost private parental income that is not being replaced but is a significant part of the organisation. There are fears many will go out of business unless financial support is given.

Up to 2019, there had been no increase in funding for the free entitlement for a number of years, but with significant increases in costs in wages (from the

national minimum wage) and from pension requirements, leaving nurseries running on a shoestring. The pandemic has highlighted how fragile this market is, but we know how necessary early education is for the life chances for our young people.

We are grateful of the recent announcement that children who are registered with a provider but not attending as a result of Covid can be counted on the census and that there is an 85% guarantee for LAs, however this does not address the loss of private parental income and the need for nurseries to have guaranteed funding to enable financial planning.

## Covid

Schools cannot afford the additional costs and financial impacts of Covid, such as:

- Extra teaching needs
- Heating and cleaning
- PPE
- Additional learning and catering resources
- Lack of guaranteed nursery funding (private/voluntary/independent/schools)
- Loss of income

We believe government should provide assistance with additional costs and loss of income incurred.

We acknowledge government has promised to pay additional teacher costs from November and December 2020, dependent upon levels of school reserves. But so far, only Covid expense claims from March to July 2020 have been processed, and the criteria for that was too narrow.

We are asking that the second window for claims be opened, with a third window planned for the end of 2021, allowing schools to properly explain their individual financial circumstances as they start to return to normal.

## What f40 is asking for

### **Changes to the National Funding Formula to make it fairer, more easily understood and transparent.**

We would like a minimum level of funding to meet basic educational need of all pupils, and the removal of historic inequalities and funding protections for Schools Block and High Needs Block. We do not wish to remove additional funding for deprivation, additional needs or realistic living costs.

**At least £5.5b additional school funding (above full inflation increases) in 2022/23, for Early Years, Primary, Secondary, 16-19, and High Needs up to age 25.** A further £5.4bn is needed from 2023 to 2025 to ensure every child is taught by a qualified teacher in classes of no more than 30. These figures were estimated in 2019 and are currently under review. f40 is refreshing its funding model in 2021 to ensure our figures take account of the latest data and cost pressures in education.

**A guaranteed rolling, three-year funding programme to enable education providers to budget ahead.**

**Schools recompensed for Covid expenses** relating to additional teacher costs, a reduction in nursery attendance, heating and cleaning, PPE, and extra learning and catering resources, with 75% of lost income met.



**Wiltshire Council**

**Schools Forum:**

**11<sup>th</sup> March 2021**

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## **Scheme for Financing Local Authority Maintained Schools**

### **Purpose of report**

1. To outline the updated Wiltshire *Scheme for Financing Local Authority Maintained Schools* and provide members with an update, following the revisions detailed in the DfE's statutory guidance in August 2020.
2. This report is presented purely to bring the latest government led changes to the attention of maintained members of the Schools' Forum rather than for consultation.

### **Background**

3. Local authorities (LA's) are required to publish schemes for financing schools setting out the financial relationship between themselves and the schools they maintain, to meet the provisions of Section 48(4) of the School Standards and Framework Act 1998, and Schedule 14 paragraph 2A(2) to that Act.
4. The document appended to this report is the 2021 Wiltshire Scheme for Financing LA Maintained Schools, updated and amended in accordance with guidance from the Secretary of State for Education.
5. When making any changes to a Scheme, LA's are required to consult all maintained schools in their area and then obtain the approval of the members of Schools Forum, representing maintained schools, **except** for any 'Directed Revisions' requested by the Secretary of State.
6. Included within the Scheme are a number of '*Directed Revisions*'. The power of '*Directed Revision*' is used by the government either to remove outdated provisions or insert new provisions to reflect latest legislation or policy. The Scheme contains a considerable number of Directed Revisions.
7. With Directed Revisions, LA's are directed by the Department for Education (DfE) to incorporate within, or remove from, their schemes specific wording and no consultation with maintained schools or approval of the Schools' Forum is necessary in relation to Directed Revisions.
8. The current Wiltshire Scheme has been updated for presentational changes, review of content and to ensure that references to legislation are current. The appended version represents a complete overview in line with the Department for Education's statutory guidance '*Schemes for financing local authority maintained schools*', as updated in August 2020, the main change being for the introduction of the Risk Protection Arrangements as an alternative to commercial insurance.

## **Role of the Scheme**

9. The scheme defines the financial relationship between the LA and the maintained schools which it funds. The requirements of the scheme are binding on the LA and the schools it maintains and ensures compliance with statutory requirements, accounting standards and appropriate codes of practice.
10. The scheme requires the LA to appropriate its entire Dedicated Schools Grant for the purposes of their Schools' budget but allows LA's the freedom to establish and set their own non-DSG Education budgets in addition to the DSG.
11. The scheme will apply to all schools maintained by the local authority, regardless of whether they are community, foundation, voluntary aided or controlled.

## **What's included in the Scheme?**

12. The regulations do state that the Scheme for Financing LA Maintained Schools must deal with certain matters and for ease these are broken down into the following broad categories:

### **Financial Controls**

- Payment of salaries and bills
- Control of Assets
- Accounting policies and year-end procedures
- Writing off debts
- Submission of budget plans
- Audit
- Purchasing (incl. tendering and contracting)
- Notice of concern
- SFVS
- Fraud

### **Budget Share and Banking Arrangements**

- Frequency of budget shares
- Interest
- Bank Accounts
- Borrowing
- Leases

### **Surplus and Deficit Balances**

- Carrying forward balances
- Planning for Deficit budgets
- Balances of closing schools
- Deficits
- Loan Schemes

### **Income**

- Lettings
- Fees & Charges
- Fund raising
- Sale of Assets

### **Charging of a School Budget Share**

- Circumstances when school budget shares can be charged

**Taxation**

- VAT

**Provision of Services by the LA**

- Traded Services
- SLA's
- Teachers Pensions

**PFI****Insurance**

- Cover (inc. RPA arrangements)

**Miscellaneous**

- Access to information
- Liability of Governors
- Governors Allowances
- Health & Safety
- Right of Attendance of the Chief Financial Officer
- Special Educational Needs
- Whistleblowing
- Child Protection
- Redundancy & Early Retirement Costs
- Data Protection

**Responsibility for Repairs****Community Facilities**

- What is meant by Community Facilities?
- Financial Aspects
- LA Powers
- Audit
- Treatment of Income
- Health & Safety
- Insurance
- Taxation
- Banking
- Payments in respect of Redundancy and Dismissal

**Proposal**

13. Schools Forum is asked to note the content of this report and give approval to the updated Wiltshire Scheme.

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## Scheme for financing Local Authority Maintained Schools

February 2021

Prepared and updated by the Accounting & Budget Support Team

For further information, please contact [ABSupport@wiltshire.gov.uk](mailto:ABSupport@wiltshire.gov.uk)

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## **1. Summary**

### **1.1 The Scheme**

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain, to meet the provisions of Section 48(4) of the School Standards and Framework Act 1998, and Schedule 14 paragraph 2A(2) to that Act.

This document is the 2020 Wiltshire Scheme for Financing LA Maintained Schools, updated and amended in accordance with guidance from the Secretary of State for Education.

When making any changes to a Scheme, LA's are required to consult all maintained schools in their area and then obtain the approval of the members of Schools Forum, representing maintained schools, except for any 'Directed Revisions' requested by the Secretary of State.

### **1.2 Directed Revisions**

The power of 'directed revision' is used by the government either to remove outdated provisions or insert new provisions to reflect latest legislation or policy. In this instance, local authorities are directed by the Department for Education to incorporate within, or remove from, their schemes specific wording and no consultation with maintained schools or approval of the Schools' Forum is necessary.

Before making a directed revision to schemes, the Secretary of State is required, by provisions in the School Standards and Framework Act 1998, to consult the relevant local authorities and other interested parties.

### **1.3 Changes from Previous Versions of the Scheme**

The current Wiltshire Scheme is considerably out of date and this version represents a complete revision in line with the Department of Education's statutory guidance '*Schemes for financing local authority maintained schools*', as updated in August 2020.

### **1.4 Review Date**

The scheme will be reviewed annually and updated as necessary.

## 2. The outline scheme

The following references are made throughout this scheme:

- “the act” is the School Standards and Framework Act 1998
- “the authority” is Wiltshire Local Authority
- “the council” is Wiltshire Council
- “the regulations” are the School and Early Years Finance (England) Regulations 2020

The regulations state that schemes must deal with the following matters:

- the carrying forward from one funding period to another of surpluses and deficits arising in relation to schools’ budget shares;
- amounts which may be charged against schools’ budget shares;
- amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used;
- the imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures;
- terms on which services and facilities are provided by the authority for schools maintained by them;
- the payment of interest by or to the authority;
- the times at which amounts equal in total to the school’s budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time;
- the virement between budget heads within the delegated budget;
- circumstances in which a local authority may delegate to the governing body the power to spend any part of the authority’s non-schools’ education budget or schools’ budget in addition to those set out in section 49(4)(a) to (c) of the 1998 act;
- the use of delegated budgets and of sums made available to a governing body by the local authority which do not form part of delegated budgets;
- borrowing by governing bodies;
- the banking arrangements that may be made by governing bodies;
- a statement as to the personal liability of governors in respect of schools’ budget shares having regard to section 50(7) of the 1998 act;
- a statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 act;
- the keeping of a register of any business interests of the governors and the head teacher;

- the provision of information by and to the governing body;
- the maintenance of inventories of assets;
- plans of a governing body's expenditure;
- a statement as to the taxation of sums paid or received by a governing body;
- insurance;
- the use of delegated budgets by governing bodies to satisfy the authority's duties imposed by or under the Health and Safety at Work etc Act 1974;
- the provision of legal advice to a governing body;
- funding for child protection issues;
- how complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made;
- expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 act.

### **3. Introduction**

#### **3.1 The Funding Framework**

The funding framework which replaced Local Management of Schools is set out in the legislative provisions in section 45 to 53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their Schools' Budget and their Non-Schools Education Budget, although at a minimum the LA must appropriate its entire Dedicated Schools Grant to their Schools' Budget.

The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on the Authority's maintained schools except for capital and certain miscellaneous items.

Local authorities may deduct funds from their Schools' Budget for purposes specified in regulations made by the Secretary of State under section 45A of the Act (the centrally retained expenditure).

The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions, including gaining the approval of the Schools' Forum or the Secretary of State in certain instances, as prescribed by the Secretary of State.

The balance of the Schools' Budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the Non-Schools Education Budget must be retained centrally, although earmarked allocations may be made to schools.

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State and enables the calculation of a budget share for each maintained school.

This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with section 51 of the Act.

Upon approval of the Individual Schools Budget by the Authority and it being allocated in accordance with the formula, the Governors, or the Head teacher if authorised on their behalf, is empowered to incur expenditure for the purposes and up to the amount specified in the estimates as approved.

The financial controls within which delegation works are set out in a scheme made by the LA in accordance with section 48 of the Act and regulations made under that section. All proposals to revise the scheme must be submitted for consultation with all schools (both head teachers and governing bodies) and approved by the Schools' Forum, though the authority may apply to the Secretary of State for approval in the event of the Forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under section 50 of the Act.

Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (section 50(3A) of the act).

Wiltshire Council (LA) may suspend a school's right to a delegated budget if the provisions of the Scheme for Financing Schools, or rules applied by the Scheme, have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons, under schedule 17 to the Act. There is no right of appeal.

Each authority is obliged to publish each year a statement setting out details of its planned Schools' Budget and other expenditure on Children's Services, showing the amounts to be centrally retained and funding delegated to schools. The formula used to calculate the budget share for each school will be published by the LA separately from this Scheme.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State.

A copy of each year's budget and outturn statement should be made easily accessible to all schools.

### **3.2 The Role of the Scheme**

The scheme defines the financial relationship between the Local Authority and the maintained schools which it funds.

The requirements of the scheme relating to financial management and associated issues are binding on both the Authority and schools. They ensure compliance with statutory requirements, accounting and auditing standards and codes of practice which are established by the professional accounting bodies and shall apply to all staff employed at the school, including consultants.

Section 48(3) of the School Standards and Framework Act provides that where there is any inconsistency between the scheme and any other rules or regulations made by the LA relating to the funding or financial management of schools which they maintain, the terms of the scheme shall prevail.

### **3.3 Application of the scheme to the Local Authority and maintained schools**

The scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the LA, whether they are situated in the area of the Authority or located elsewhere. It does not apply to schools

situated in the LA's area which are maintained by another authority. Nor does it apply to academies. A list of schools to whom this scheme applies is published at Annex A to this scheme.

### **3.4 Publication of the scheme**

A copy of the scheme and any subsequent revisions will be accessible to the public and supplied to the head teacher and governing body of each school covered by the scheme via the Wiltshire Council Right Choice website by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date. It will also be available at LA offices from the Accounting and Budget Support team.

### **3.5 Revision of the scheme**

Any proposed revisions to the scheme will be the subject of consultation with the governing body and head teacher of every school maintained by the authority before they are submitted to the Schools Forum for approval by members of the Forum representing maintained schools. Where the Schools' Forum does not approve them or approves them subject to modifications which are not acceptable to the Authority, the Authority may apply to the Secretary of State for approval.

It is also possible for the Secretary of State to make directed revisions to the scheme after consultation. Such revisions become part of the scheme from the date of the direction.

### **3.6 Delegation of powers to the head teacher**

Governing bodies are required to consider, within statutory limitations, the extent to which they wish to delegate any power granted to them by this Scheme to the head teacher. These considerations should be undertaken annually and formally recorded in the minutes of the first formal meeting of the full governing body for that year.

It is recommended that governing bodies give head teachers delegated power to spend within budget headings set by the governing body, and that in turn, the head teacher formally sets out levels of delegation and financial limits for staff with budgetary and procurement responsibilities at a local level. Expenditure should not be incurred where there is no budgetary provision.

The first formal budget plan of each financial year (as submitted to the LA in accordance with para 4.3) must be approved by the full governing body, and termly financial forecasts by the full governing body or a subcommittee thereof.

Provided a governing body has made provision for discharging its statutory duties in any financial year, it may vire funding between budget headings within the delegated budget share. The governing body may also approve virements to, but not from budgets earmarked by the Authority for specific purposes, and the Head Teacher may be authorised to vire between budget heads up to a maximum value approved by a resolution of the full governing body. Any virements authorised by the Head Teacher must be reported at the next meeting of the governing body.



When the head teacher deals with a matter arising from delegated functions and does so in accordance with this scheme, then they shall be deemed to have taken delegated action on behalf of the Governors. The governing body of a school may delegate any of its financial functions to a subcommittee or individual with the exception of:

- a) setting the budget;
- b) determining the terms of reference for subcommittees or individuals;
- c) planning and conducting its affairs to remain solvent;
- d) establishing proper arrangements for financial management and internal control of budgets;
- e) providing such information as the LA may reasonably require to enable it to ascertain that the governing body is able to fulfil its financial obligations;
- f) ensuring that funding is used only for the purposes for which it was intended.

The head teacher is responsible to the governing body for the financial management of the school including:

- g) the management of the school's finances at a strategic and operational level;
- h) the management of effective systems of internal control;
- i) preparation of income and expenditure estimates for approval by the governors as required by this Scheme;
- j) ensuring that the governing body is provided with proper training, guidance and advice on financial matters;
- k) ensuring that accounts are prepared in a proper manner as specified by the LA.

### **3.7 Maintenance of schools**

The Local Authority is responsible for maintaining the schools covered by the Scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under Sections 45 to 53 of the School Standards and Framework Act 1998.

## **4. Financial Controls**

### **4.1 General procedures**

Application of financial controls to schools

In managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring as set out in the scheme and in detailed publications referred to in the scheme but outside and compatible with it.

#### **Provision of financial information and reports**

Schools are required to provide the Authority with details of anticipated and actual income and expenditure, in a form and at times to be determined by the Authority, currently at the end of September, December and at the year-end.

Reports may not be required more often than once every three months except where the Authority has notified the school in writing that in its view the schools financial position requires more frequent submission.

#### **Payment of salaries and payment of bills**

Schools are required to comply with the administrative procedures for payment of salaries. All schools have delegated budgets and are responsible for the payment of bills at a local level.

#### **Control of assets**

Schools are required to maintain an inventory of moveable, non-capital assets, excepting goods sold generally as a normal day to day school activity, and must follow the Authority's procedure for the sale or disposal of surplus goods.

Moveable property surplus to the school's requirements must not be disposed of except by sale on the authority of the governors. The sale must normally be by public auction or competitive tender but, where neither is appropriate, the governors must adopt the method which best serves the interests of the school.

Schools may determine their own arrangements for keeping a register of assets worth less than £1,000. This should include anything that is portable and attractive, such as a camera.

The governing body must ensure that all inventories are reviewed at least once a year and all discrepancies reported to the governing body. A record of all items written off must be maintained.

Each governing body is responsible for the custody and control, and maintaining proper security arrangements for buildings, stock, equipment, cash, personnel and financial records under its control. All moveable property of the school shall as far as practical be marked as school property.

### **Accounting policies, including year-end procedures**

Schools are required to abide by the Authority's accounting policies and procedures, including end-of-year procedures which will be issued annually to schools.

### **Writing off debts**

The Governing Body may write off debts totalling up to £1,000 however the Governing Body will not write-off any debt belonging to the school which exceeds £1,000.

The formal agreement of the Local Authority's Section 151 Officer will be obtained before a debt exceeding £1,000 is written off.

Debts greater than £10,000 can only be written off by the Executive Member with responsibility for Finance on advice of the Section 151 Officer

## **4.2 Basis of accounting**

The accounts of the authority are on the basis of accruals accounting, therefore when schools submit their final accounts at the end of the year their return must be on this basis in the format required by the authority.

Schools are free to operate their own internal system for internal reporting but are required to report to the Authority in the form specified above.

## **4.3 Submission of budget plans**

Each school is required to submit their 3-year budget plan approved by the full governing body (or a committee of) by the 31<sup>st</sup> May of each year in a format determined by the authority. The purpose of the 3-year budget plan is to show that the Governing Body can meet expenditure requirements within the resources available to them.

The format of financial returns will be compatible with the Consistent Financial Reporting framework and may vary from year to year according to the requirements of the authority.

The authority will make available to schools such information as it holds on income and expenditure by schools which is necessary for efficient planning by them.

Such information could cover pay inflation rates for both teaching and non-teaching staff, price inflation and other budget assumptions. This information will be made available in the budget guidance issued each year by the Schools Accounting and Budget Support Team. The authority will notify the schools it maintains when financial information is available at times during the year.

Schools in determining their budgets should take into full account when considering their budget proposals:

- a. the progress of spending against budget in the current year
- b. known and estimated future commitments including inflation
- c. actual and projected pupil numbers
- d. likely changes in the allocation formula or the school's budget share
- e. priorities set out in the School's Development Plan
- f. estimated surpluses/deficits at the previous 31st March
- g. any agreed repayment schedule

The budgeted spend for any given year may not exceed the delegated budget for the school for that year plus or minus any accumulated surplus or deficit. This requirement may only be waived in accordance with the provisions of paragraphs 6.9, 6.10 of this Scheme.

The school's formal annual budget plan must be approved by the governing body or a committee of the governing body.

Financial forecasts during the course of the year are required in a format determined by the authority. Forecast Income and Expenditure returns show a projected year-end position for the school. The Income and Expenditure returns enable the authority to discuss spending with the school where it appears not to be as shown in the budget, or where it looks as if the budget will end up in deficit.

#### **4.4 School resource management**

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements.

It is for heads and governors to determine at school level how to optimise the use of resources and maximise value for money. There are significant variations in effective management of resources between similar schools, and so it is important for schools to

review their current expenditure, compare it to other schools and think about how to make improvements.

#### **4.5 Virement**

The transfer of funds between budget heads is known as a virement.

The governing body has the power to vire between budget headings in the expenditure of their budget shares. In so doing the governing body must take into account the long-term effects of those virements.

The head teacher may be authorised to vire between budget headings but such virements must be approved by a resolution of the full governing body and ensure that the virement will not lead to the school ending up in an overall deficit.

#### **4.6 Audit: General**

All schools covered by this Scheme are subject to the Authority's audit regime, which covers both internal and external audit.

Each school will be subject to Internal Audit within a regime that is determined by Wiltshire Council and access to the records must be made available to the authority's auditors.

Each school will also be subject to external audit in a regime determined by the authority's external auditors as part of their external audit of the authority, and access to the records must be available to the external auditors.

#### **4.7 Separate external audits**

A governing body may use funds from the school's budget share to fund external audits. Such audits will be separate and in addition to any audit requirements of the Authority and are entirely at the discretion of the governing body. No funds will be delegated specifically for this purpose.

#### **4.8 Audit of voluntary and private funds**

Every school that has private or voluntary funds or trading organisations must provide annual audit certificates to the authority in respect of these funds. Each school must retain also valid audit certificates in respect of any voluntary and private funds it holds. Such funds include those held by trading organisations controlled by the school.

#### 4.9 Register of business interests

The governing body of each school must have a register listing the business interests of each member of the governing body and the head teacher. This register must also include:

- the business interests of the immediate family of members of the governing body and the head teacher;
- details of any other educational establishments they govern;
- any relationships between school staff and members of the governing body.

This register must be maintained and updated regularly, be subject to annual review, be available for inspection by governors, staff, parents and the LA, and be published on a publicly accessible website.

#### 4.10 Purchasing, tendering and contracting requirements

Schools must abide by the Contract Regulations and Financial Regulations and Procedure Rules within the [Constitution](#) of Wiltshire Council as applied to schools. This duty includes the requirement to assess in advance the professional competence of any contractors in areas such as compliance with health and safety regulations, safeguarding practices and taking account of the local authority's separately published policies and procedures.

The requirement to abide by the Authority's Contract Regulations applies in all cases except where this would require schools to:

- a) do anything incompatible with any provisions of this scheme, or any statutory provision, or any EU Procurement Directive;
- b) seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- c) select suppliers only from an approved list;
- d) seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year, subject to the specific listed exceptions in the Authority's Contract Regulations.

The fact that an authority contract has been let in accordance with EU procurement procedures does not in itself make it possible to bind a school into being part of that contract. For the purposes of the procurement directives schools are viewed as discrete contracting authorities.

Schools may seek advice on a range of compliantly procured deals via Buying for schools.

#### **4.11 Application of contracts to schools**

Schools have the right to opt out of Local Authority arranged contracts. Although governing bodies are empowered under paragraph 3 of Schedule 1 of the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and owner of the funds in the budget share. On occasions, the governing body may enter into contracts on its own behalf. In these circumstances the governing body will have clear statutory obligations e.g. the employment of staff in aided or foundation schools.

#### **4.12 Central funds and earmarking**

The Authority is authorised to make sums available to schools from central funds in the form of allocations which are additional to and separate from a school's budget share.

Such allocations, for example, sums for SEN or other initiatives funded from the central expenditure of an authority's Schools Budget or other authority budget should be subject to conditions setting out the purpose or purposes for which the funds may be used. These conditions will normally preclude virement and prohibit their inclusion in the school's budget share.

Schools will be required to demonstrate that funds allocated for a specific purpose have been spent appropriately and in accordance with specified conditions and have not been vired into the school budget share.

The Authority may require earmarked funds to be returned to the LA if not spent in the period for which they were intended.

The LA is specifically prohibited from making any deduction in respect of interest costs to the authority, from advances made in respect of earmarked centrally provided funds that have been devolved to schools.

#### **4.13 Spending for the purposes of the school**

Section 50(3) of the School Standards and Framework Act 1998 (SSAF) allows governing bodies to spend budget shares for the purposes of the school subject to regulations made by the Secretary of State and any provisions of this scheme. By virtue of Section 50 (3A) amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Section 50(3)(b) of the SSAF Act 1998 also provides for the Secretary of State to determine additional purposes for which spending of the budget share may occur. For example, under the School Budget Shares (Prescribed Purposes)(England) Regulations 2002, which have been amended by the School Budget Shares (Prescribed Purposes)(England)(Amendment) Regulations 2010 schools are permitted to spend their budgets on pupils who are on the roll of other maintained schools or academies.

#### **4.14 Capital spending from budget shares**

To help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010, Governing bodies are permitted to use their budget share to meet the cost of capital expenditure on school premises. This includes expenditure by a governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998.

The governing body of a school must notify the Authority of any capital expenditure in excess of £15,000 in any one financial year and is required to take account of any advice from the Director of Children's Services as to the merits of the proposed expenditure. If the premises are owned by the LA or the school has voluntary controlled status, then the governing body must obtain the permission of the LA before commencing any capital work, but such consent can only be withheld on health and safety grounds.

#### **4.15 Notice of concern**

The LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

These may include:

- a. insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- b. insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- c. placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
- d. insisting on regular financial monitoring meetings at the school attended by local authority officers;
- e. requiring a governing body to buy into a local authority's financial management systems;



- f. imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the authority may take where the governing body does not comply with the notice.

#### **4.16 Schools financial value standard (SFVS)**

All local authority maintained schools (including nursery schools) that have a delegated budget must demonstrate compliance with the SFVS and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

All maintained schools with a delegated budget must submit the form to the Local Authority before the end of the financial year.

The S.151 Officer will sign a declaration each year assuring the Education and Skills Funding Agency that the Local Authority has a system of audit for schools in place which gives adequate assurance over their standards of financial management and the regularity and propriety of their spending, and remedies any shortfalls. If requested, the LA will provide the names of schools not meeting the standard to the ESFA.

#### **4.17 Fraud**

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them, and the consequences of breaching those controls. This information must also be included in induction for new school staff and governors.

Where it is suspected that money or property of the school has been stolen or otherwise misappropriated, or that a financial irregularity has occurred, the Head Teacher must immediately report the matter to the S.151 Officer and the Director for Children's Services.

## **5. Instalments of the budget share and banking arrangements**

### **5.1 Frequency of instalments**

The Authority will make available budget share instalments, on a monthly basis to schools. Monthly instalments will be made paid by the Banks' Automated Credit System (BACS) to schools. For the purposes of this section, Budget Share includes any placed funding for special schools. Top up payments for pupils with high needs will be made on a monthly basis

### **5.2 Proportion of budget share payable at each instalment**

Schools will receive their budget share in equal monthly instalments, paid directly into their nominated school bank account.

### **5.3 Interest clawback**

The Secretary of State provides for a local authority to deduct from a school's budget share instalments an amount equal to the interest foregone by the authority in making available schools budget shares in advance. Wiltshire has not implemented such a clawback in its scheme.

### **5.4 Interest on late budget share payments**

The LA may add interest to any late payments of budget share instalments where the reason for late payment is LA error. The interest rate and method of calculation will be the same as that used to clawback interest.

### **5.5 Budget shares for closing schools**

Where approval for discontinuation of a school has been obtained, its budget share may be made available until closure on a monthly basis.

### **5.6 Bank and building society accounts**

All Wiltshire schools have external bank accounts into which their budget share cash instalments (as determined by this Scheme) are paid. With all school bank accounts, schools shall be allowed to retain all interest earned on those accounts.

## 5.7 Restrictions on accounts

Bank accounts held by schools for budget share purposes may be held in the name of the school rather than the authority. Funds paid to the school by Wiltshire LA and held in external accounts remain LA property until spent (s.49(5) of the SSFA 1998).

Where the school's bank account is held in the name of the school, the account mandate must provide that the LA is the owner of the funds in the account; that it is entitled to receive statements, and that it can take control of the account if the school's right to a delegated budget is suspended by the LA.

There are no restrictions on the use of direct debits or standing orders for a bank account operated by a school, except where the account is part of an authority contract.

## 5.8 Borrowing by schools

Governing bodies may only borrow money (which includes use of finance leases), with the written permission of the Secretary of State.

The Secretary of State's general position is that schools will only be granted permission in exceptional circumstances, although they may, from time to time, introduce limited schemes to meet broader policy objectives such as the Salix scheme, designed to support energy saving.

Schools are not permitted to use overdrafts as these are regarded as borrowing. The Authority encourages the use of Government Procurement Cards (P-cards) by schools rather than credit cards as these can reduce transaction costs and can enable schools to benefit from significant discounts. They are also a useful means of facilitating electronic purchases. P-cards must be paid off in full each month and all balances cleared. Use of credit cards is permitted but no interest charges should be incurred by the school, with all balances fully cleared each month.

## 5.9 Other provisions - Leases

A lease is an arrangement whereby one party (the lessor) conveys to another party (the lessee) the right to use an asset for an agreed period of time in return for payment(s), and leases have to be accounted for in accordance with International Accounting Standard 17, which defines two different types of lease; finance and operating.

A **finance** lease is one whereby substantially all the risks and rewards of ownership of the asset are transferred from the lessor to the lessee. Assets which are leased under finance leases, appear on the lessee's balance sheet, along with the corresponding obligation to make payments for that leased asset in the future. Schools are **not** permitted to enter into finance leases.

Operating leases are all leases which are not finance leases. Assets leased under operating leases are not shown on the lessee's balance sheet, but should instead, appear on the lessor's balance sheet. Schools are permitted to enter into operating leases.

Whilst schools may enter into operating leases, they are not permitted to enter into finance leases. It is not always straightforward to establish which category a lease falls into. Schools must seek the Deputy S.151 Officer's advice and guidance before entering into leasing agreements, to satisfy themselves that the lease they are about to enter into is not a finance lease. They must also carry out a proper financing appraisal prior to any lease being agreed, to demonstrate that leasing of assets is better value for money than outright purchase.

## **6. The treatment of surplus and deficit balances arising in relation to budget shares**

### **6.1 Right to carry forward surplus balances**

Each school is allowed to carry forward from one financial year to the next any surplus balance for the year plus or minus any balance brought forward from the previous year.

The amount of any surplus balance will be shown on the school's annual outturn statement and may contain budget commitments.

### **6.2 Controls on surplus balances**

Surplus balances held by schools as permitted under the scheme are not currently subject to any restrictions.

### **6.3 Interest on balances**

All surplus balances are held by schools in their bank accounts. Any interest accrued from holding a surplus balance belongs to the school.

### **6.4 Obligation to carry forward deficit balances**

Schools with budget deficits will have these carried forward. These will be a first charge on the delegated budget share of the school for the following financial year. Any school which is operating a deficit on 31 March will have that deficit carried forward to 1 April of the following financial year. The amount of any deficit balance will be shown on the school's annual outturn statement.

### **6.5 Planning for deficit budgets**

Wiltshire schools may not run or plan to run a deficit budget, except where they have an agreed recovery plan in place. The school must notify the Local Authority immediately they become aware of any unplanned deficit, or risk thereof, so that an agreed recovery plan can be put in place where necessary (also see section 6.9 below).

### **6.6 Charging of interest on deficit balances**

The LA may charge interest on all deficit balances operated by maintained schools.

## **6.7 Writing off deficits**

The Authority is not permitted to write off the deficit balance of any school. However, the LA may give assistance towards the elimination of a deficit balance through the allocation of a cash sum from within the Schools' Budget (from a centrally held LA budget specified for the purpose of expenditure on special schools in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum).

## **6.8 Balances of closing and replacement schools**

Where a school opens or closes during a financial year, it will have its budget share calculated on a pro-rata basis for the school terms that it operates.

Any balance of a closing school (whether surplus or deficit) reverts to the authority, other than where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

## **6.9 Licensed deficits**

The Authority will work with schools currently in deficit to agree a recovery plan to repay that deficit in line with the Deficit Budget Procedure Policy (normally within a 3-year period).

## **6.10 Loan schemes**

The Authority may exceptionally operate a loan scheme in agreement with individual schools. However, loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.

Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.

If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of

Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.

#### Credit union approach

If schools wish to group together to use surplus balances to loan funds through a credit union type of approach, then the Authority must be satisfied that these surplus balances are sufficient to support such a scheme. The Authority will require an audit certificate to prove that such funds are available and must give written authorisation for such schemes to operate.

## **7. Income**

### **7.1 Income from lettings**

Schools are allowed to retain income from the letting of school premises which would otherwise accrue to the LA, subject to any alternative provisions arising from any joint-use or Private Finance Initiative (PFI) agreement.

Income from lettings should not be paid into voluntary or private funds held by the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

Schools may cross-subsidise lettings for community and voluntary use with income from other lettings provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

### **7.2 Income from fees and charges**

Schools are permitted to retain income from fees and charges except where a service is provided by the LA from centrally retained funds.

In setting their fees and charges schools are required to have regard to any policy statements on charging and remission of charges for school activities produced by the Authority.

### **7.3 Income from fund-raising activities**

All Wiltshire schools are permitted to retain all income from fund-raising activities.

### **7.4 Income from the sale of assets**

Schools are permitted to retain the proceeds from the sale of assets except where the asset was purchased from non-delegated funds in which case it is for the Authority to decide whether the school should retain the proceeds. Schools are not allowed to retain income from the sale of land or buildings that form part of the school premises and are owned by Wiltshire Council.

The retention of proceeds of sale for premises not owned by the local authority will not be a matter for this scheme.



## **7.5 Administrative procedures for the collection of income**

Schools must have regard to advice or guidance issued by the LA.

The Governors may remit in advance, all or part of any charges made for chargeable activities from its delegated budget. Once a charge has been raised, no debtor shall be excused a payment due, other than with the approval of the governing body or the head teacher where power of approval to write off has been delegated. The school will maintain a record of such write offs, which will be available for inspection by the Local Authority.

## **7.6 Purposes for which income may be used**

Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.

## **8. The charging of school budget shares**

### **8.1 General provision**

The budget share of a school may be charged by the LA without the consent of the governing body only in the circumstances set out in 8.3 below.

Wiltshire LA will consult schools on the intention to so charge, the basis of the calculation of such charge and inform schools when such a charge has been made.

Whenever possible, prior advice of the charge will be given to the governing body. Such charge shall normally only be made as a last resort as good practice requires that agreement should be sought with schools about the nature of any charge made against the school budget (the authority cannot act unreasonably in the exercise of any power given by the scheme, or it may be the subject of a direction under s.496 of the Education Act 1996).

For the avoidance of doubt, the authority may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools' Forum.

### **8.2 Charging of salaries at actual cost**

The authority is required to charge the salaries of school-based staff at actual cost.

### **8.3 Circumstances in which charges may be made:**

1. Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
2. Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B).
3. Awards by courts and industrial tribunals against the LA, or out of court settlements arising from action or inaction by the governing body contrary to the LA's advice.
4. Expenditure by the LA in carrying out health and safety work, or capital expenditure for which the LA is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work; this includes circumstances in which the LA's expenditure would have been avoided if the governors had undertaken work for which they had delegated responsibility in a timely manner.

5. Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA or the school has voluntary controlled status
6. Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA.
7. Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the LA.
8. Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
9. Correction of LA errors in calculating charges to a budget share (e.g. pension deductions). Before applying any such provision, the authority will consider whether it is reasonable to do so. If the error dates back several years, it may be questionable whether such charging is reasonable.
10. Additional transport costs incurred by the LA arising from decisions by the governing body on the length of the school day or opening times (including term dates), or failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
11. Legal costs which are incurred by the LA because the governing body did not accept the advice of the LA.
12. Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out.
13. Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
14. Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge being the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
15. Costs incurred by the LA in securing provision specified in an Education, Health and Care Plan (EHCP) as a result of the governing body of a school failing to secure such provision despite the delegation of funds in respect of low cost, high incidence SEND and/or specific funding for a pupil with High Needs.
16. Costs incurred by the LA due to submission by the school of incorrect data.
17. Recovery of amounts spent from specific grants on ineligible purposes.
18. Costs incurred by the LA as a result of a governing body being in breach of the terms of a contract.

19. Costs incurred by the LA or schools in ending or withdrawing from a partnership arrangement with other schools, for example, where redundancy costs are incurred in respect of staff providing services across the partnership.
20. Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

## **9. Taxation**

### **9.1 Value Added Tax (VAT)**

Wiltshire Council will reclaim Value Added Tax (VAT) on expenditure relating to non-business activity. HM Revenue & Customs have agreed that VAT incurred by schools when spending any funding made available by the LA will be treated as being incurred by the LA and qualifies for reclaim by the LA.

This does not include expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings, nor capital works at foundation schools funded directly by the DfE.

Wiltshire Council will refund VAT monthly to schools.

Further guidance may be obtained by contacting the Authority's Treasury Team.

### **9.2 Construction Industry Scheme (CIS)**

Schools are required to abide by the procedures issued by the Authority in connection with the Construction Industry Scheme and payments to self-employed individuals. Such guidance will be published separately from the Scheme.

## **10. The provision of services and facilities by the local authority**

### **10.1 Provision of services from centrally retained budgets**

Wiltshire LA will determine on what basis services from centrally held funds will be provided to schools. Such services include existing premature retirement costs (PRC) and redundancy payments.

The authority will not discriminate between categories of school in its provision of services to schools except in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.

### **10.2 Provision of services bought back from the local authority using delegated budgets**

Any arrangements by which schools buy back services from the Authority shall be limited to a maximum of three years from the date of the agreement between the school and the Authority.

When a service is provided for which expenditure is not retainable centrally by the authority under the Regulations made under section 45A of the act, it should be offered at prices which are intended to generate income which is no less than the cost of providing those services.

The total cost of the service should be met by the total income, even if schools are charged differentially.

It is recognised that absolute break-even or profit is not always achievable over fixed financial years and it is for the authority to show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services.

### **10.3 Packaging**

Where the authority is offering the services on a buy-back basis, these will be offered in a way that does not unreasonably restrict schools in their freedom of choice among services available. Schools will be able to buy back all services individually as well as a package of services.

### **10.4 Service level agreements**

If services or facilities are provided under a service level agreement, whether free or a buy-back service, the terms of any such agreement will be reviewed at least every three years. The service level agreement will be available to schools at least a month before the agreements become effective.

Where services are provided by the authority, they will be made available on a basis which is not related to an extended agreement wherever reasonable as well as on the basis of such an agreement. Where services are provided on an ad hoc basis it is permissible for the authority to charge for these services at a different rate than if provided on the basis of an extended agreement.

Where premises and liability insurance are arranged centrally on behalf of schools these conditions do not apply in respect of insurance as the limitations envisaged may be impracticable for insurance purposes.

## 10.5 Teachers pensions

In order to ensure that the performance of the duty on the authority to supply Teachers' Pensions with information under the Teachers' Pension Scheme Regulations 2014, the following conditions are imposed on the authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the authority which the authority requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The authority will advise schools each year of the timing, format and specification of the information required. The governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the authority which the authority requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The authority will advise schools each year of the timing, format and specification of the information required from each school. The governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

## **11. Private finance initiatives (PFI) and public private partnerships (PPP)**

Schools may only enter into a Private Finance Initiative/Public-Private Partnership with the prior written approval of the authority.

The authority may charge to a school's budget share amounts calculated under a PFI/PPP arrangement entered into by the authority and the governing body of that school. Sums charged will reflect the extent to which funding delegated to the school relates to services covered by the PFI/PPP contract fee and will be in accordance with the agreement between the authority and the governing body.



## 12. Insurance

### 12.1 Insurance cover

Where funds for insurance are delegated to any school, the LA will require the school to demonstrate that cover relevant to the LA's insurable interests under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the authority if the authority makes such arrangements, either paid from central funds or from schools' delegated budgets. (See also section 8.3 point 6.).

The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.

In fixing this minimum level of cover the LA must have regard to the actual risks which might reasonably be expected to arise in the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools may do this individually when any insurance contract of which they are part expires.

Primary and /or secondary maintained schools may opt to join the RPA collectively by agreeing through the Schools' Forum to de-delegate funding.

Head teachers and governing bodies must ensure that all reasonable action is taken to minimise risks.

The S.151 Officer has overall responsibility for insurance and risk management and schools must adhere to the insurance and risk management requirements published from time to time by the authority.

## **13. Miscellaneous**

### **13.1 Right of access to information**

Governing bodies are required to supply to the Authority all financial information and other information which might reasonably be required to enable the Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Authority (e.g. earmarked funding) on the school.

### **13.2 Liability of Governors**

The governing body of each school is a corporate body. Under the terms of section 50(7) of the School Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

Note: An example of behaviour which is not in good faith is the carrying out of fraudulent acts.

### **13.3 Governors' Allowances**

The Authority may delegate to the governing body of a school yet to receive a delegated budget share, such funds as it shall determine appropriate to meet governors' expenses.

Under section 50(5) of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share.

Schools are prohibited from paying any other allowances to governors and from duplicating payment of expenses by the Secretary of State to additional governors appointed by them to schools under special measures.

For schools with delegated budgets, the authority may publish separately from the scheme, a guide to what it considers to be reasonable expenses.

### **13.4 Responsibility for legal costs**

Legal costs incurred by the governing body in respect of legal actions and/or including costs awarded against the council may be charged to the school's budget share unless the governing body acts in accordance with advice of the authority, where the costs are the responsibility of the LA as part of the cost of maintaining the school (unless they relate to the statutory responsibility of voluntary aided school governors for buildings).

Where there is conflict of interest between the authority and the governing body, the governing body should obtain independent legal advice.

A school cannot expect to be reimbursed with the cost of legal action against the local authority itself (although there is nothing to stop the authority making such reimbursement if it believes this to be desirable or necessary in the circumstances).

### **13.5 Health and safety**

In expending the school's budget share, governing bodies are required to have due regard to the duties placed on the Authority in relation to health and safety, and the Authority's policy on health and safety matters published separately from this Scheme.

Schools are required to comply with the authority's policy on the legal requirement to undertake mandatory health and safety training. This is an essential element to consider and comply with, in the management of the budget share.

### **13.6 Right of attendance for Chief Finance Officer**

Governing bodies are required to permit the S.151 Officer of the Authority, or any officer of the Authority nominated by the S.151 Officer, to attend and speak, but not to vote, at meetings of the governing body at which any agenda items are relevant to the exercise of his or her responsibilities.

The S.151 Officer's attendance should normally be limited to items which relate to issues of probity or overall financial management; such attendance should not be regarded as routine. The authority should give prior notice of such attendance unless this is impracticable.

### **13.7 Special educational needs**

Governing bodies must use their best endeavours in spending their delegated budget share to secure appropriate provision for children assessed as having special educational need. In doing so they must give due regard to advice and guidance published by the Authority.

Schools and governing bodies are required to use their best endeavours in spending the budget share, to secure the special educational needs of their pupils. The LA reserves the right to suspend delegation where a situation is serious enough to warrant it (this would not normally relate to an individual pupil).

### **13.8 Interest on late payments**

Schools that make late payment of external invoices may be charged interest for late payment by their suppliers. If this is as a result of the school's actions, then the interest will be the responsibility of the school.

### **13.9 Whistleblowing**

Schools may have in place their own internal whistleblowing policy for staff and governors, using an HR Toolkit supplied by the LA.

Schools are required to follow the Authority's scheme published separately for dealing with staff or governors who wish to complain about financial management or financial propriety at the school.

### **13.10 Child Protection**

Schools are required to release staff to attend child protection case conferences and other related events. Funding for the cost of attendance is deemed to be part of the delegated school budget share.

### **13.11 Redundancy and early retirement costs**

The 2002 Education Act sets out details of how premature retirement and redundancy costs should be funded. The LA has put in place local arrangements and these are detailed at Appendix B.

### **13.12 Data protection**

Head teachers are responsible for ensuring compliance with data protection legislation and controlling access to all data covered by such legislation.

## 14. Responsibility for repairs

All revenue funding for repairs and maintenance is now delegated, therefore the governing body is responsible for costs of all revenue funded repairs and maintenance.

The LA will retain capital funding for programmed strategic repairs and maintenance items and this is administered by the LA's School Place Commissioning Team.

For voluntary aided schools. The liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools.

Eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the *de minimis* limit applied by the DfE to categorise such work, which may not match the *de minimis* limit used by the Authority.

## **15. Community facilities**

### **15.1 Introduction**

Under section 27 (1) of the Education Act 2002, the governing body of a maintained school shall have power to provide any facilities or services whose provision furthers any charitable purpose for the benefit of:

- a) pupils at the school or their families, or
- b) people who live or work in the locality in which the school is situated.

Schools which choose to exercise the power conferred by section 27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power.

Section 88 of the Children and Families Act 2014 has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its local authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their local authority when offering this type of provision.

Under S.28(1), the main limitations and restrictions on the power will be those contained in schools' own instruments of government and in Wiltshire Council's Scheme for Financing Schools made under Section 48 of the School Standards and Framework Act 1998, as amended by paragraph 2 of Schedule 3 to the Education Act 2002. which extends the coverage of schemes to include the exercise of powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibition, restrictions and limitations in the scheme for financing schools. This part of the scheme does not extend to joint-use agreements, transfer of control agreements, or agreements between the authority and schools to secure the provision of adult and community learning.

### **15.2 Consultation with the authority: financial aspects**

Whilst there is no requirement for a school to consult or obtain advice from the local authority on decisions regarding establishing community facilities, as public bodies, they are expected to act reasonably, and this includes consulting those affected by the decisions that they make.

If it is found that there has been mismanagement of the community facilities funds, the LA may suspend the right for the school to receive a delegated budget.

### **15.3 Funding agreements: local authority powers**

Where a third party is involved with supplying funding and/or taking part in the provision, an agreement in writing must be made between the school and the third party(s). The proposed agreement must be provided to the LA and will be considered along with the plan. The LA will have up to one month to consider and provide advice regarding the agreement.

The LA may not veto the agreement or acquire a right to countersign an agreement.

Note: If the third party requires authority consent to the agreement for it to proceed, such a requirement and the method by which authority consent is to be signified is a matter for that third party, not for the scheme.

However, if the LA considers that an agreement is against the wishes of the LA, has been concluded without the complete knowledge of the LA, or is in the view of the LA, seriously prejudicial to the interests of the school or the authority, this may constitute grounds for suspension of the right to a delegated budget.

### **15.4 Other prohibitions, restrictions and limitations**

If the LA considers that risks associated with the project in question require the protection of the authority's financial interests, the governing body shall follow the advice of the LA to obtain indemnity insurance, or carry out the activity through the vehicle of a limited company, as specified by the authority.

If Governing Bodies choose or are advised to carry out the activity through the vehicle of a limited company, they must follow any advice offered separately by the LA in setting up of companies.

The Governing Body may not do anything which they are unable to do by virtue of any prohibition, restriction or limitation on their powers which is contained in the school's instrument of government.

### **15.5 Supply of financial information**

The governing body of a school exercising the community facilities power may be required, at the request of the Authority taking into account the risk and financial liabilities of the facility, to provide a statement of income and expenditure to the authority for the previous six months, and an estimate for the following six months. The format of the statement will vary depending upon the type of facility provided.

If the school believes that the income will be insufficient to meet expenditure without moving into deficit, the school must inform the LA of this in writing to the Director of Education and Skills immediately.

If the LA believes that the financial management or general management of the facility is causing concern, it may give notice to the governing body whereupon financial

statements may be required every three months. In such circumstances, a recovery plan will be required to be produced in consultation with the Authority.

Financial information relating to community facilities will be included in returns to the LA under the consistent financial reporting (CFR) framework which will inform the LA about the financial aspect of a school's community facilities.

## **15.6 Audit**

Where a governing body exercises the power of community facilities, the school will allow access to school records connected with the exercise of this power, in order to facilitate internal and external audit of the relevant income and expenditure.

If a governing body enters into an arrangement with a third party pursuant to the exercise of the community facilities power, then such agreements should contain a provision allowing access by Wiltshire Council to the records and other property of those persons held on school premises, or held elsewhere insofar as they relate to the activity in question, and in order for Wiltshire Council to satisfy itself as to the propriety of expenditure on the facilities in question.

## **15.7 Treatment of income and surpluses**

All income that is derived from community facilities will be retained by the school except where otherwise agreed with a third party, whether that be the authority or some other person.

The school, in exercise of this power, is permitted to carry forward such retained income over from one financial year to the next as a separate community facilities surplus.

If the authority ceases to maintain a community or community special school any accumulated retained income obtained from the exercise of community facilities power reverts to Wiltshire Council unless agreed with a funding provider.

## **15.8 Health and safety**

Section 13.5 of this scheme also applies to any community facility arrangements.

Governing Bodies must ensure that Disclosure Barring Service clearance has been obtained for all adults involved in community activities taking place during the school day. The costs of such clearance are the responsibility of the Governing body, unless passed on to a funding partner as part of an agreement with that partner.



## 15.9 Insurance

It is the responsibility of the Governing body to ensure that adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. The arrangements must be agreed with the Authority before finalisation of the insurance arrangement for community facilities.

The LA may make an assessment of the insurance arrangements, and if it judges those arrangements to be inadequate, may make arrangements itself and charge the resultant cost to the school in order to protect itself against possible third-party claims. Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.

## 15.10 Taxation

Schools must seek the advice of the LA on any matters relating to VAT, taxation, income tax (PAYE) and National Insurance. Schools should be aware that they may need to register with the Inland Revenue as an employer and follow all regulations in force relating to the employment and payment of staff.

## 15.11 Banking

Schools in exercising their powers of community facilities are permitted to set up a bank account in order to account for all income and expenditure in connection with community facilities.

Where a school already has a bank account it still may require a separate account unless the school can demonstrate that it has adequate internal accounting controls to maintain separation of funds.

Where schools have bank accounts for community facilities, they shall be allowed to retain all interest earned on these accounts.

Schools that have a bank account for community facilities should not allow that account to go overdrawn.

## 15.12 Payments in respect of redundancy and dismissal

Section 37.7 of the Education Act 2002 states that:

*“Where a local education authority incurs costs-*

*(a) in respect of any premature retirement of any member of staff of a maintained school who is employed for community purposes, or*

*(b) in respect of the dismissal, or for the purpose of securing the resignation of any member of the staff of a maintained school who is employed for those purposes,*

*they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.”*

And section 37.7(A) states that:

*“Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.”*

Section 37.7(B) states that:

*“The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.”*

And section 37.9:

*“Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between two purposes; and the preceding provisions of this section shall apply separately to each part in the payment of costs.”*

And Section 37.10:

*“Regulations may make provision with respect to the recovery from governing bodies of amounts payable by virtue of subsection (7).”*

## Annex A: List of schools to whom this scheme applies

### Primary Schools

DfE Number	School Name
8652003	Fynamore Primary School
8652004	Greentrees Primary School
8652005	Nursteed Community Primary School
8652009	Bratton Primary School
8652023	St Paul's Primary School
8652027	Marlborough St Mary's CE Primary School
8652031	Neston Primary School
8652034	Monkton Park Primary School
8652045	Gomeldon Primary School
8652052	Hilmarton Primary School
8652053	Horningsham Primary School
8652060	Luckington Community School
8652086	Stanton St Quintin Community Primary School
8652087	Ramsbury Primary School
8652091	Harnham Infants' School
8652136	Westbury Infant School
8652137	Westwood-with-Iford Primary School
8652140	Wootton Bassett Infants' School
8652159	Kiwi Primary School
8652168	Priestley Primary School
8652170	The Grove Primary School
8652178	Princecroft Primary School
8652180	Redland Primary School
8652184	Longleaze Primary School
8652185	Mere School
8652190	Woodlands Primary School
8652191	Salisbury, Manor Fields Primary School
8652196	Holbrook Primary School
8652218	Kings Lodge Primary School
8652222	Walwayne Court School
8652225	Bitham Brook Primary School
8652226	Charter Primary School
8652227	Newtown Community Primary School
8653002	Ashton Keynes Church of England Primary School
8653013	Box Church of England Primary School
8653015	Christ Church of England Controlled Primary School
8653017	Longford CofE (VC) Primary School
8653018	Broad Hinton Church of England Primary School
8653019	Broad Town Church of England Primary School
8653020	St Nicholas Church of England VC Primary School, Bromham
8653035	Cherhill CofE School
8653040	Colerne CofE Primary School

<b>DfE Number</b>	<b>School Name</b>
8653045	St Sampson's Church of England Primary School
8653047	Crockerton CofE Primary School
8653048	Crudwell CofE Primary School
8653049	Collingbourne Church of England Primary School
8653063	Durrington Church of England Controlled Junior School
8653086	Heddington Church of England Primary School
8653088	Hilperton Church of England Voluntary Controlled Primary School
8653090	Holt Voluntary Controlled Primary School
8653091	Hullavington CofE Primary and Nursery School
8653096	Kington St Michael Church of England Primary School
8653100	Lacock Church of England Primary School
8653102	Langley Fitzurse Church of England Primary School
8653104	Lea and Garsdon Church of England Primary School
8653134	Newton Tony Church of England Voluntary Controlled School
8653135	North Bradley CofE Primary School
8653140	Oaksey CofE Primary School
8653149	Preshute Church of England Primary School
8653150	St Mary's Church of England Primary School, Purton
8653158	Harnham Church of England Controlled Junior School
8653161	Shalbourne CofE Primary School
8653163	Sherston CofE Primary School
8653166	Southwick Church of England Primary School
8653170	Staverton Church of England Voluntary Controlled Primary School
8653172	Stratford-sub-Castle Church of England Voluntary Controlled Primary School
8653174	Sutton Veny CofE School
8653186	Urchfont Church of England Primary School
8653191	The Minster CofE Primary School
8653192	Westbury Church of England Junior School
8653193	Westbury Leigh CofE Primary School
8653201	Winterbourne Earls Church of England Primary School
8653205	Sambourne Church of England Voluntary Controlled Primary School
8653220	Minety Church of England Primary School
8653222	St Barnabas Church of England School, Market Lavington
8653229	Coombe Bissett Church of England Primary School
8653230	Dinton CofE Primary School
8653239	St John's Church of England Primary School, Tisbury
8653242	Brinkworth Earl Danby's Church of England Primary
8653300	St Michael's CofE Aided Primary
8653306	Baydon St Nicholas Church of England Primary School
8653316	Chapmanslade Church of England Voluntary Aided Primary School
8653318	Chilton Foliat Church of England Primary School
8653330	Derry Hill Church of England Voluntary Aided Primary School
8653355	St Nicholas Church of England Primary School, Porton
8653362	St Andrew's Church of England Voluntary Aided Primary School, Laverstock

<b>DfE Number</b>	<b>School Name</b>
8653383	Sarum St Paul's CofE (VA) Primary School
8653387	St Martin's CofE Voluntary Aided Primary School
8653396	St Thomas à Becket Church of England Aided Primary School
8653402	Whiteparish All Saints Church of England Primary School
8653405	Winterslow CofE (Aided) Primary School
8653412	Christ The King Catholic School, Amesbury
8653418	St Joseph's Catholic Primary School, Malmesbury
8653425	St Osmund's Catholic Primary School, Salisbury
8653430	St John's Catholic Primary School, Trowbridge
8653435	Wardour Catholic Primary School
8653437	St Patrick's Catholic Primary School, Corsham
8653449	Broad Chalke CofE Primary School
8653453	Chilmark and Fonthill Bishop Church of England Aided Primary School
8653454	Semley Church of England Voluntary Aided Primary School
8653459	Hindon Church of England Voluntary Aided Primary School
8653460	Alderbury and West Grimstead Church of England Primary School
8653461	Kennet Valley Church of England Aided Primary School
8653464	Old Sarum Primary School
8653465	Wylve Valley Church of England Voluntary Aided Primary School
8653467	Churchfields, the Village School
8653468	Amesbury Church of England Voluntary Controlled Primary School
8653469	Five Lanes CofE VC Primary School
8653471	Lyneham Primary School
8653472	Bellefield Primary and Nursery School
8655201	Downton CofE VA Primary School
8655205	Frogwell Primary School
8655206	Studley Green Primary School
8655207	St George's Catholic Primary School, Warminster
8655208	St Mary's RC Primary School
8655209	Paxcroft Primary School
8655215	Ludgershall Castle Primary School
8655216	Pitton Church of England Voluntary Aided Primary School
8655218	Clarendon Junior School
8655219	Clarendon Infants' School

### Secondary and Special Schools

<b>DfE Number</b>	<b>School Name</b>
8654000	Abbeyfield School
8654070	The Stonehenge School
8654610	St Joseph's Catholic School
8655415	Matravers School

<b>DfE Number</b>	<b>School Name</b>
8657003	Silverwood School
8657007	Downland Special School

## Annex B: Responsibility for redundancy and early retirement costs

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central schools budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

(4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.

(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

(6) The fact that the local authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget.

In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy.

Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal or resignation costs to delegated school budget:

- if a school has decided to offer more generous terms than the local authority's policy, then it would be reasonable to charge the excess to the school
- if a school is otherwise acting outside the local authority's policy
- where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- where staffing reductions arise from a deficit caused by factors within the school's control

- where the school has excess surplus balances and no agreed plan to use these
- where a school has refused to engage with the local authority's redeployment policy

Charge of premature retirement costs to local authority non-schools budget or central schools budget:

- where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards
- where a school is closing, does not have sufficient balances to cover the costs and where the central schools budget does not have capacity to absorb the deficit
- where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale
- where a school is in special measures, does not have excess balances, and employment of the relevant staff is being or has been terminated as a result of local authority or government intervention to improve standards

Costs of early retirements or redundancies may be charged to the central school services block of the schools' budget, as a historic commitment, where the expenditure is to be incurred as a result of retirement and redundancy charges agreed before 1 April 2013. Costs may not exceed the amount budgeted in the previous financial year.

The local authority can retain a central budget within the schools' budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets, excluding nursery schools, only where the relevant maintained school members of the schools' forum agree.

It is important that the local authority discusses its policy with its schools' forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some local authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if schools forum agrees, to support individual schools where a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share.

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the education acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

Section 37 now states:

(7) Where a local education authority incurs costs—

(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes they shall recover those costs from the governing body except in so far as the local authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection 7(B) is met.

(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the education Acts.

(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the 2 purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.