



Nottingham City Council Schools Forum

Date: Tuesday, 29 June 2021

Time: 1.45 pm

Place: To be held remotely via Zoom - meeting participants will be given access details. The meeting will be livestreamed on the Council's YouTube Channel - <https://www.youtube.com/user/NottCityCouncil>

Members are requested to attend the above meeting to transact the following business

Governance Officer/Clerk to the Forum: Mark Leavesley **Direct Dial:** 0115 8764302

<u>Agenda</u>	<u>Pages</u>
1 Apologies for Absence	
2 Declarations of Interest	
3 Minutes of the last meeting To confirm the minutes of the last meeting held on 25 January 2021	3 - 8
4 Proposal for targeted funding above notional SEN for primary schools Joint Report of the Director of Education Services and the Corporate Director for People	9 - 22
5 2020/21 Dedicated Schools Grant - Outturn Report Joint report of the Corporate Director for People and the Chief Finance Officer	23 - 34
6 Meeting dates for the 2021/22 academic year For the Forum to meet on the following Tuesdays at 1.45pm: <u>2021</u> 12 October 7 December <u>2022</u> 18 January 1 March 26 April	

28 June

If you need any advice on declaring an interest in any item on the agenda, please contact the Governance Officer/Clerk to the Forum shown above, if possible before the day of the meeting

Nottingham City Council

Schools Forum

Minutes of the meeting held remotely on Zoom on 25 January 2021 from 10.03 am - 11.13 am

Membership

Present

Judith Kemplay (Chair)	Maintained Primaries
Paul Burke	Secondary Academies
Meeta Dave	Primary Academies
Kerrie Henton	AP Academies and Free Schools
Patricia Lewis	Maintained Special Schools
Stephen McLaren	The Nottingham Nursery School
Janet Molyneux	Maintained Primaries
Debbie Simon	Early Years PVI
Terry Smith	Maintained Primaries
David Tungate	Secondary Academies
Sheena Wheatley	Trade Unions
Bob White	Secondary Academies

Absent

Phil Briscoe	14-19 Education
Kerrie Fox	PRUs
Tim Jeffs	Primary Academies
Lee Morgan	Special Academies
Cath Rowell	Secondary Academies
James Strawbridge	Primary Academies

Colleagues, partners and others in attendance:

John Dexter	- Education Director
Julia Holmes	- Senior Commercial Business Partner
Patricia Lockhart	- Commercial Analyst
Councillor David Mellen	- Portfolio Holder for Regeneration, Schools and Communication
Nick Lee	- Director of Education Services
Catherine Smith	- Early Years Programmes Manager
Kathryn Stevenson	- Senior Commercial Business Partner
Janine Walker	- Head of SEND and Vulnerable Pupils
Ceri Walters	- Head of Commercial Finance
Phil Wye	- Governance Officer

24 Apologies for Absence

Kerrie Fox
Tim Jeffs
Cath Rowell

25 Declarations of Interest

Stephen McLaren declared an Interest in agenda item 8 –Nottingham Nursery School Funding Proposal (minute reference number 31) because he is a Governor of Nottingham Nursery School. He left the room prior to discussion and voting on this item.

26 Minutes of the last meeting

The Forum confirmed the minutes of the meeting held on 1 December 2020 on as a correct record.

27 Appointment of Vice-Chair

Resolved to appoint Paul Burke as Vice-Chair for the remainder of the 2020/21 academic year.

28 Membership update

Phil Wye, Clerk to the Forum, informed the members that there are two vacancies for a Primary Academy representative and a Secondary Academy representative. Invitations for nomination will be sent out to all Academy Head Teachers following the meeting.

29 Schools Budget 2021/22

Ceri Walters, Head of Commercial Finance, introduced the report presenting the proposed Schools Budget for the financial year 2021/22, highlighting the following:

- (a) the Schools Budget has been prepared in line with the parameters agreed at Schools Forum and with the financial regulations issued by the Department for Education (DfE);
- (b) minimum per pupil funding has increased in the 2021/22 financial year across all education sectors. This is partially because funding previously received through the Teachers' Pay Grant, Teachers' Pension Employer Contribution Grants and the Supplementary fund, to mainstream schools, will be allocated through the National Funding Formula (NFF) from 2021/22 by adding funding to schools baselines, increasing the basic per pupil funding and increasing the minimum per pupil funding;
- (c) the Dedicated Schools Grant for 2021/22 totals £310.287m. This is split between the Schools Block, the Early Years Block, the High Needs Block and the Central Schools Services Block. The High Needs Block has seen a £5.389m increase on the 2020/21 allocation;
- (d) final individual school budgets will be issued as well as the indicative early years, high needs funding allocations and guidance notes by 28 February 2021.

Resolved to

- (1) note the overall indicative 2021/22 Schools Budget to be spent incorporating the Schools, Central Schools Services, Early Years and high Needs blocks is £310.745m;**
- (2) note this is funded by the provisional 2021/22 DSG allocation of £310.287m and the reimbursement of £0.458m funding paid to academies for pupil growth April to August 2021;**
- (3) note that the budget will be updated in year to reflect subsequent adjustments made by the ESFA to the 2021/22 DSG allocation as described in the report;**
- (4) note that any balance remaining will be allocated to the Statutory School reserve;**
- (5) note the impact to schools budgets of the indicative allocation as set out in table 5 of the report;**
- (6) approve £0.011m additional early years central expenditure over and above the £0.997m already approved a Schools Forum on 1 December 2020;**
- (7) note the allocation of Pupil Premium funding will be allocated to schools in accordance with the grant conditions.**

30 Revised High Level Needs (HLN) System

Janine Walker, Head of SEND and Vulnerable Pupils, provided a verbal update and provided the following information:

- (a) following consultation with primary schools it was noted that the existing system for HLN funding was bureaucratic and difficult to access, and there were concerns that allocations were subjective leading to a lack of confidence. As a result of this feedback, improvements were made with a new HLN grid which is simpler to complete;
- (b) feedback on the new system has been positive, and around 900 requests for support have been made to date, with the first panel meeting in January. The next step will be to establish a training programme for schools;
- (c) the new system increases the number of funding bands from 3 to 9, and children are spread more evenly between them than before, with more children attracting higher funding levels. Nottingham City has gained High Needs funding recently so it is hoped that the system will be sustainable.

31 Nottingham Nursery School Funding Proposal

Stephen McLaren declared an Interest in this item because he is a Governor of Nottingham Nursery School. He left the room prior to discussion and voting on this item.

Nick Lee, Director of Education Services, presented the report consulting the Forum on proposals to increase lump sum funding to Nottingham Nursery School by £0.075m from the current financial year. This is to ensure that, in combination with restructure proposals committed to by the Governing Body, the school can recover its financial deficit over a 3-year period. The following information was highlighted:

- (a) it is nationally recognised that standalone maintained nursery schools face higher costs per head than other types of settings in delivering the early years education entitlements. Nottingham Nursery School has seen reduced funding over the time period since the introduction of the Early Years National Funding Formula of around £0.075m per year due to the introduction of the national 30 hour offer;
- (b) since the departure of the previous Headteacher, Nottingham Nursery has benefited from the leadership support of Mellers Primary. The deputy head teacher from Mellers is currently seconded to Nottingham Nursery 3 days per week. The Council has been working with the leadership and governing body of the Nursery School to develop a revised staffing model;
- (c) The new staffing model is more similar to a key worker model operated in the private sector, with provision lead and planned by qualified teachers but delivered in the main by teaching assistants;
- (d) The nursery currently provides an outstanding standard of education and provides much needed early years provision in the Radford area, and is very popular with parents.

Resolved to

- (1) agree to support a disapplication request to the Secretary of State to make an in-year increase to the Nottingham Nursery School lump sum of £0.075m;**
- (2) note that this will be an ongoing increase, taking the annual lump sum from £0.203m to £0.278m.**

Stephen McLaren re-joined the meeting.

32 Early Years Special Educational Needs & Disability (SEND) report

Kathryn Stevenson, Senior Commercial Business Partner, introduced the report consulting the Forum on proposals for the distribution of Early Years Special Education Needs (SEND) underspends relating to the 2019/20 financial year only.

- (a) Nottingham City's Disability Access Funding allocation for 2019/20 was £0.090m which equated to an estimated 146 pupils. However, schools & providers only claimed DAF for 30 pupils meaning £0.072m was unspent. In order to remedy this communication on DAF will be issued to Private, Voluntary and Independent (PVI) Special Education Needs Coordinators (SENCO's) and will repeated on a termly basis and replicated for school SENCO's;

- (b) data analysis of applications to the Early Years SEND Fund over the past 12 months have indicated a rise in the need of Speech and Language interventions as the pandemic has resulted in learning loss in relation to language development.

Resolved to

- (1) note the proposal to use the £0.072m Disability Access Fund (DAF) underspend from 2019/20 to provide support to settings with addressing gaps in Speech Language & Communication (SLC) Needs post-COVID;**
- (2) note the proposal to distribute the £0.146m SEN IF underspend to schools/settings on the basis outlined in the report;**
- (3) note that the level and eligibility criteria for the SEN Inclusion Fund will be reviewed in parallel with the High Level Needs review for the EY's phase and that revised proposals will be consulted on with the sector in line with ESFA operational guidance.**

33 Date of the next meeting

The Forum noted that the next meeting is scheduled for Tuesday 23 February 2021, but there is currently nothing on the agenda, so the Clerk to the Forum will check and confirm if this meeting is to proceed. The following meeting is scheduled for Tuesday 27 April 2021.

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Schools Forum - 29 June 2021

Title of paper:	Proposal for targeted funding above notional SEN for primary schools
Director(s)/ Corporate Director(s):	Nick Lee, Director of Education Services Catherine Underwood, Corporate Director for People
Report author(s) and contact details:	Kathryn Stevenson, Senior Commercial Business Partner (School Funding) Kathryn.stevenson@nottinghamcity.gov.uk
Other colleagues who have provided input:	Janine Walker, Head of SEND and Vulnerable Pupils
Summary	
<p>Local authorities can provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their pupils with SEND and/or high needs is not reflected adequately in the funding they receive through the local funding formula.</p> <p>This paper outlines a rationale and criteria for providing targeted funding to qualifying primary schools. The proposals have been subject to consultation with all City primary schools during the period from 21 May – 15 June 2021. Results are summarised in paragraphs 2.9-2.13.</p> <p>Schools Forum are invited to share views on the proposal to implement the new approach to targeted funding in the primary phase with full year allocations made for 2021/22.</p> <p>Similar proposals will be considered for early years and secondary phases in conjunction with the rollout of the new High Level Needs funding system for these age groups.</p>	
Recommendation(s):	
1	To note the new criteria for allocating targeted funding from the High Needs budget to primary schools from April 2021 .
2	To note that the projected £0.330m cost of the proposal in 2021/22 will be funded from the overall £8.052m budgeted from the High needs for mainstream schools.

1 Reasons for recommendations

- 1.1 To ensure that the most inclusive schools in the City are not financially disadvantaged through having to provide the first £6000 cost of additional needs.
- 1.2 The distribution methodology meets the national criteria in that it is simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of pupils with SEND or high needs or their characteristics.
- 1.3 The consultation with primary schools demonstrated support. Of the 18 primary schools that responded, 10 (56%) supported the implementation of the proposal

with the remaining 8 schools being unsure. Further details on consultation responses are outlined in section 2.9.

2 Background (including outcomes of consultation)

- 2.1 Under the National Funding Formula (NFF), schools receive funding for additional needs (and the cost of this up to £6000 for individual pupils) through a combination of deprivation and Low Prior Attainment (LPA) factors. Therefore, where schools can be clearly demonstrated to have disproportionate numbers of high needs pupils in comparison to their numbers of deprived and LPA pupils then we can confidently assert that the number of their high needs pupils is not reflected adequately in their formula funding.
- 2.2 Our proposed approach is to identify schools with disproportionate numbers of HLN pupils compared to the size of their Ever 6 FSM and LPA cohorts that are generating their funding for additional needs.
- 2.3 To do this, we will calculate how many HLN pupils the school would have if they were in line with the overall Nottingham City proportions. Across the city, the total cohort of HLN pupils in Y1-6 is 6% of the size of the Ever 6 FSM cohort and 7% of the size of the LPA cohort. Using these City averages, for each school we propose to work out a theoretical “expected” number of HLN pupils based on their number of Ever 6 FSM and LPA pupils. Where actual numbers of HLN pupils are more than 2 above this threshold, targeted funding will be provided from high needs to cover in full the costs of the first £6000 in additional needs.
- 2.4 The formula for working out targeted funding allocations for 2020/21 is therefore expressed as follows:

Formula	School's Actual HLN pupils	Minus	Theoretical Expected HLN pupils	Minus 2	= Funded pupils (where result is >0)	Multiplied by £6000
Detail	Y1-6 on new HLN system		Average of 6% * School's Ever6FSM pupil numbers 7% * School's LPA pupil numbers			
Example	15	-	$((6\% * 128) + (7\% * 112)) / 2 = 8$	-2	5	£30,000

- 2.5 The formula for the 2021/22 financial year (April-March) is based on October 2020 census data for the Ever 6 FSM and LPA pupil numbers, and January 2021 data for the number of pupils in Y1-6 receiving a HLN allocation. Each year, the formula would be recalculated based on the subsequent year's data.
- 2.6 For 2020/21 the formula will result in 16 schools receiving targeted funding allocations, with the first £6000 cost being met for 55 HLN pupils across those schools.

- 2.7 The schools receiving allocations include 9 of the 10 schools with the highest proportions of HLN pupils in the City. All of the schools except two have higher than average proportions of HLN pupils. Those two exceptions are schools that have particularly low proportions of Ever6FSM and LPA pupils, meaning they have low notional SEN budgets.
- 2.8 Without this proposed funding, all 16 schools are requiring very high proportions of their notional SEN funding to support the costs of the £6ks for their HLN pupils when compared to the City average of 33.3%. After the proposed additional funding is allocated, this has the impact of bringing all schools into the range of needing 38-59% of notional SEN budgets for supporting the first £6000 cost of HLN pupils.
- 2.9 All primary schools were invited to share their views and comments on the proposals as part of a consultation which took place between 20th May and 15th June 2021. Schools had the opportunity to attend one of two virtual consultation meetings and ask questions about the proposals.
- 2.10 There was a good response rate, with 18 (24%) of primary schools feeding in their views.
- 2.11 Ten schools were fully supportive of the approach and the implementation of the proposals. Comments from amongst these schools suggested they felt this was a fair approach and good indicator of need and recognising the importance of supporting schools to be inclusive.
- 2.12 Eight schools were unsure about the proposals.
- Four of these included comments in their return that indicated they agreed in principle that the proposals had potential to provide a fairer system. Their uncertainty mainly centred on concerns in case their individual school's budget could be detrimentally impacted.
 - Two stated that they found the proposals confusing and these respondents did not understand the rationale of comparing HLN pupils to Ever6 and LPA pupil numbers in the intended way.
 - The remaining two uncertain schools did not provide any comments.
- 2.13 Two schools questioned that the proposed formula does not include EYFS pupils. A similar approach for Reception and nursery aged pupils will be considered as part of the Early years phase of the HLN review which is currently underway.

3 Other options considered in making recommendations

- 3.1 Other options were considered based on published information about how other local authorities distribute targeted funding.

4 Outcomes/deliverables

- 4.1 A transparent approach for fairly and consistently identifying schools qualifying for targeted funding from the high needs budget.

5 Finance colleague comments (including implications and value for money/VAT)

- 5.1 Implementing the proposal for primary schools in 2020/21 will cost £0.330m. This can be met from the £8.052m budgeted from the high needs block for supporting mainstream schools.
- 5.2 A revised HLN allocation system was implemented for primary schools from April 2021. The former Additional Inclusion Allowance (known locally as AIA) which provided £4017 per HLN pupil in the previous academic year was withdrawn for primary schools and the associated funding used to support a significant increase in HLN top-up rates. School level funding protection has been provided for 2021/22 meaning that no school has seen a reduction in funding when comparing their revised HLN top-up funding to the old top-up rate plus AIA combined.
- 5.3 This targeted funding proposal is well aligned to national guidance, in that it is a simple and transparent approach and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of pupils with SEND or high needs.

Kathryn Stevenson, Senior Commercial Business Partner (School Funding), 16 June 2021

6 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 6.1 It is noted that the two recommendations set out in this report are for the Schools Forum to “note the new criteria and the projected costs” - this fits with the School and Early Years Finance (England) Regulations 2021 (EY Regulations) since the Nottingham City Schools Forum is in a consultative role in respect of the recommendations (paragraph 9), with the decisions ultimately for Nottingham City Council to take.
- 6.2 In accordance with Schedule 2 of the EY Regulations, local authorities are permitted to use the High Needs Funding outside of the main funding formula for mainstream schools, to provide targeted support for Children and Young People with special educational needs and disabilities. The proposals in this report seek to allocate targeted funding from the High Needs budget to primary schools as detailed further within the report.
- 6.3 Local authorities are required to consult with its Schools Forum and schools maintained by it about any changes, which the Council has done. The results of the consultation process have been considered and addressed within this report.

Dionne Screatton, Senior Solicitor, Commercial Employment and Education, 16th June 2021.

7 HR colleague comments

- 7.1 This report recommends utilising £0.330m from the high needs block for supporting mainstream schools. Schools that do attract this targeted funding will need to be mindful of the temporary nature of the funding and that funding will cease once the high level needs pupil(s) leave and/or if their number of high level needs pupils moves back under the threshold. There are no HR implications contained within the recommendations within this report, and the EIA demonstrates this could significantly benefit younger people with disabilities.

8 Equality Impact Assessment

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix A, and due regard will be given to any implications identified in it.

9 List of background papers other than published works or those disclosing confidential or exempt information

9.1 None.

10 Published documents referred to in compiling this report

10.1 National guidance around such funding is outlined in the ESFA's 2021 to 2022 High Needs Operational Guide paragraphs 104-106 on page 31 which can be found at this link: [High needs funding arrangements: 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/94421/high_needs_funding_arrangements_2021_to_2022.pdf)

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Equality Impact Assessment Form

[screentip-sectionA](#)

Document Control

Control Details:

Title:	Proposal for targeted funding above notional Special Educational Needs (SEN) budgets for primary schools
If this is a budget EIA please ensure the title is the same as the title used within the budget booklet	
Author:	Kathryn Stevenson
Director:	Nicholas Lee
Department:	Children & Adults
Service Area:	Education
Contact details:	kathryn.stevenson@nottinghamcity.gov.uk
Strategic Budget EIA: Y/N (Does this EIA have an impact on the budget) If yes, please include the reference number	N
Exempt from publication: Y/N (All EIA's are published on Nottingham Insight for public viewing unless specified. Exemption criteria is available on the EIA section on the Intranet)	N

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Document Amendment Record:

Version	Author	Date	Approved
1.0	Kathryn Stevenson	16.06.21	

Contributors/Reviewers (Anyone who has contributed to this document will need to be named):

Name	Position	Date
Rosey Donovan	Equality and Employability Consultant	21/06/2021

Glossary of Terms

Term	Description
SEND	Special Educational Needs & Disability
High Level Needs (HLN) pupils	Pupils with SEND with additional support needs costing in excess of £6000 per annum who qualify for high needs top-up funding to meet costs above this threshold.
Ever 6 FSM pupils	Pupils who have ever been eligible for Free School Meals (FSM) in the last 6 years.
Low Prior Attainment pupils	Under the national school funding formula, pupils funded for low prior attainment are those who did not meet the expected level at the end of their foundation stage.

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screeintip-sectionB

Summary

(Please provide a brief description of proposal / policy / service being assessed)

This proposal is to introduce a budget for providing targeted funding from the Council’s high needs budget for schools with relatively large numbers of pupils with high level SEND.

Under national arrangements, schools are required to fund the first £6000 in costs of additional needs for pupils with

high level SEND from their notional SEN budget, which forms a part of their overall delegated budget. However, local authorities can provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their pupils with SEND and/or high needs cannot be reflected adequately in the funding they receive through the local funding formula. This proposal sets out the LA's criteria for allocating funding in accordance with this guidance.

[screentip-sectionC](#)

Information used to analyse the effects on equality:

(Please include information about how you have consulted/ have data from the impacted groups)

Under our proposed approach, we identify schools with disproportionate numbers of High Level Needs (HLN) pupils compared to the size of their Ever 6 FSM and Low Prior Attainment cohorts that are generating their funding for additional needs. To do this, we calculate how many High Level Needs (HLN) pupils the school would have if they were in line with the overall City proportions relative to these cohorts and compare this to their actual number of HLN pupils.

We have analysed the profile of schools qualifying for funding under this proposal. This shows schools benefiting are;

1. Schools with significantly higher proportions of HLN pupils as a % of their school population than the City average,
2. Schools that may have a proportion of HLN pupils in their school population in line with the City average, but with significantly below average numbers of Ever 6FSM and low prior attainment pupils.

A consultation was held with all primary schools about these proposals between 20th May and 15th June 2021. A summary of the consultation results is included in the report to the 29 June 2021 Schools Forum meeting associated with this proposal.

Impacts and Actions:

<u>screentip-sectionD</u>	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	x	<input type="checkbox"/>
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input type="checkbox"/>	<input type="checkbox"/>
Younger	x	<input type="checkbox"/>
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults). <i>Please underline the group(s) /issue more adversely affected or which benefits.</i>	<input type="checkbox"/>	<input type="checkbox"/>

[screen-tip-sectionE](#)

How different groups could be affected
(Summary of impacts)

The targeted funding proposal would benefit around 20% of primary schools. This includes 9 of the 10 primary schools with the highest proportions of HLN pupils in the City. These schools, with numbers of HLN pupils not adequately reflected in their formula funding, face financial pressure from meeting the first £6000 in support costs for each HLN pupil. This impacts on the amount of their notional SEN budget remaining to support the additional needs of pupils with lower level SEN who do not qualify for top-up funding. This proposal should help address this meaning that schools are better resourced to meet the needs of all their pupils with SEND. This proposal should help support our mainstream primary schools to be inclusive of pupils with high level SEND.

[screen-tip-sectionF](#)

Details of actions to mitigate, remove or justify negative impact or increase positive impact
(or why action isn't possible)

Not required.

This proposal could particularly benefit disabled people or carers and younger people.

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Arrangements for future monitoring of equality impact of this proposal / policy / service:

Not required

9. Outcome(s) of equality impact assessment:

P a g e 2 0	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

10. Approved by (manager signature) and Date sent to equality team for publishing:

Approving Manager: Janine Walker, Head of SEND and Vulnerable Pupils Janine.walker@nottinghamcity.gov.uk 0115 8764698	Date sent for advice: 16/06/21
Approving Manager Signature:	Date of final approval: 21/06/21

Before you send your EIA to the Equality and Employability Team for advice, have you:
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1. Read the guidance and good practice EIA's
<http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user-friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly, when this is going to happen.
7. Clearly cross-referenced your impacts with SMART actions.

PLEASE NOTE: FINAL VERSION MUST BE SENT TO EQUALITIES OTHERWISE RECORDS WILL REMAIN INCOMPLETE.

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Schools Forum – 29 June 2021

Title of paper:	2020/21 Dedicated Schools Grant - Outturn Report
Director(s)/ Corporate Director(s):	Catherine Underwood, Corporate Director for Children and Adults Clive Heaphy, Chief Finance Officer
Report author(s) and contact details:	Ceri Walters, Head of Commercial Finance 01158 764 128 ceri.walters@nottinghamcity.gov.uk
Other colleagues who have provided input:	Aman Patel, Solicitor 0115 8765072 aman.patel@nottinghamcity.gov.uk
Summary This report sets out the 2020/21 Dedicated Schools Grant (DSG) outturn position and the updated reserve balance.	
Recommendation(s):	
1	To note that the 2020/21 financial outturn position of the DSG was an under spend of £3.789m (1.3% of the overall budget) against a final budget of £289.578m, as per Table 2 .
2	To note that this under spend has been allocated back to the Statutory Schools Reserve (SSR) resulting in a closing balance of £9.485m for 2020/21, as per Table 7 .
3	To note that the uncommitted balance on the SSR balance is £3.738m , as per Table 7 .

1 Reasons for recommendations

- 1.1 Enable the formal monitoring of progress against the 2020/21 DSG budget.
- 1.2 To confirm the impact of the 2020/21 outturn on the SSR, the impact on its commitments and the robustness of this reserve to manage risk.
- 1.3 To comply with the Schools and Early Years Finance (England) Regulations 2020.

2 Background (including outcomes of consultation)

- 2.1 The 2020/21 initial schools budget, as reported at Schools Forum (SF) on 21 January 2020, was **£289.163m**.

The Education and Skills Funding Agency (ESFA) made in-year funding adjustments to the allocation totalling £0.415m resulting in a **final budget of £289.578m for 2020/21**.

An analysis of those movements are set out in **Table 1** below:

TABLE 1: IN YEAR BUDGET MOVEMENTS	
Reason	£m
High needs (HN) block recouplement adjustment	(0.012)
Early years block adjustment to reflect January 2020 pupil counts	0.427
TOTAL	0.415

2.2 The schools budget is allocated on a block basis; **Table 2** provides a summary of the DSG blocks comparing actual spend to budget and referencing other funding streams.

TABLE 2: 2020/21 OUTTURN SUMMARY				
	Budget as at 21 Jan 2020 SF report	Final Budget £m	Actual Spend £m	(Under)/ Over Spend £m
Schools Block (section 2.3 and table 3)	220.180	220.180	219.439	(0.741)
Central School Services Block	7.068	7.068	6.825	(0.243)
Early Years Block (see section 2.4)	22.434	22.861	21.065	(1.796)
High Needs Block (see section 2.5)	39.482	39.470	38.461	(1.008)
TOTAL SCHOOLS BUDGET	289.163	289.578	285.790	(3.789)
Less funding not included in DSG allocation:				
ESFA Income	0.327	0.327		
DSG reserves – Note a)	1.060	1.060		
DSG ALLOCATION	287.776	288.192		

The following sections provide more analysis of the variances shown in **Table 2**.

2.3 Schools Block variance – **Table 3** provides a further breakdown of this with detailed narrative in sections 2.3.1 to 2.3.4.

TABLE 3: BREAKDOWN OF SCHOOLS BLOCK VARIANCES				
	Budget £m	Actual £m	(Under)/ Over Spend £m	(Under)/ Over Spend %
1. Pupil Growth Contingency Fund	1.961	1.228	(0.733)	(37%)
2. Trade Union Cover	0.042	0.034	(0.008)	(19%)
TOTAL	2.003	1.262	(0.741)	

2.3.1 The underspend of £0.733m on the pupil growth fund in 2020/21 is mainly due to the remaining balance on the Schools Block that could not be equitably allocated to all schools through the NFF during the budget setting process, was allocated to the pupil growth fund.

This approach was set out in the SF report dated 3 December 2019 “Proposed pupil growth allocation for 2020/21”.

2.3.2 The underspend of £0.008m on trade union cover budget was mainly due to one union not taking up all its allotted allowance in 2020/21. The underspend of £0.008m will be taken into account when calculating the rate per pupil and lump sum per school for maintained schools and academies in the financial year 2022/23 if de-delegation continues in this financial year.

2.4 Central Schools Services Block variance – the overall variance on this block was an underspend of £0.243m.

2.4.1 This underspend of £0.243 was mainly due to Virtual School funding being substituted by funding from the Pupil Premium Plus Grant (PPPG).

2.5 EY’s block variance - **Table 4** provides a further breakdown of this with detailed narrative in sections 2.5.1 to 2.5.4.

TABLE 4: BREAKDOWN OF EARLY YEARS BLOCK VARIANCES				
	Budget £m	Actual £m	(Under)/ Over Spend £m	(Under)/ Over Spend %
1. 2 Year old funding for schools/providers (see section 2.5.1)	3.717	3.376	(0.341)	(9%)
2. 3 & 4 year old funding for schools/providers (see section 2.5.2)	17.681	16.511	(1.170)	(7%)
3. EY Pupil Premium	0.230	0.231	0.001	-
4. EY Disability Access Funding (see section 2.5.3)	0.090	0.022	(0.067)	(75%)
SUB-TOTAL – Demand driven				
5. EY Special Education Needs (SEN)	0.170	0.022	(0.148)	(87%)

inclusion fund (see section 2.5.4)				
6. EY Central expenditure	0.974	0.902	(0.071)	(7%)
TOTAL	22.861	21.065	(1.796)	(8%)

2.5.1 **Point 1** – Numbers of two year olds accessing EY provision fell during the pandemic compared to the previous year.

It is estimated that up to £0.207m of the £0.341m underspend will be clawed back by the ESFA in the final 2021/21 early years block adjustment, due to 22% lower pupil numbers in the January 2021 count compared to January 2020. However, as our 2-Year old numbers for January 2021 were below 85% of January 2020, the Local Authority LA may qualify for up to £0.075m in funding protection. The exact level of funding protection will depend on the participation numbers in the summer term.

2.5.2 **Point 2** – Numbers of pupils accessing the early years entitlements for 3 and 4 year olds were also lower than usual due to the effect of the pandemic.

The ESFA made a one off change to funding arrangements so that Autumn 2020 was funded based on January 2020 numbers rather than January 2021. However, we are still forecasting a clawback of £0.483m by the ESFA when they complete the final 2020/21 early years block adjustment.

From the remaining £0.687m underspend, £0.075m is specifically ring-fenced for Nottingham Nursery School. SF approved that decision on **25 January 2021** in support of a disapplication request to provide £0.075m in additional lump sum funding.

Following advice from ESFA, this is being provided to Nottingham Nursery School via a £0.025m increase over three financial years from 2021/22 onwards rather than as a one-off additional payment in 2020/21 as originally planned.

The remaining underspend on 3 & 4 year old funding is ring-fenced in reserves as a contingency. It is anticipated that the 3 & 4 year old funding stream may well be overspent in 2021/22. This is due to the increased 3 & 4 funding rate by £0.12/hour from September 2020 which takes account of the benefit experienced in the past 3 years from the discrepancy in count dates (i.e. with single January counts being used for funding in to the LA and termly counts used for funding out schools and providers). However, due to the pandemic the ESFA are going to use termly count data to fund LA's during 2021/22 which will reduce funding. This will be met from the reserve if required for 2021/22.

2.5.3 **Point 3** – There has continued to be significantly fewer applications for early years Disability Access Funding (DAF) compared to the Department for Education (DfE) projections underpinning our funding level.

This underspend has been ring-fenced in reserves as there is an expectation from the DfE that this will be spent to support inclusion of pupils with SEND.

2.5.4 **Point 4** – The underspend on the SEN Inclusion Fund was at a similar level to 2019/20. This was the subject of a report to Schools Forum at the **21 January 2021** meeting.

As described in that report, the level and criteria for the SEN Inclusion fund will be reviewed and consulted on with the sector as part of the wider HN funding review for the EY phase. It is anticipated that this consultation will start this summer, after half term.

2.6 High Needs (HN) block variances - **Table 5** shows a summary of the HN Block variances.

TABLE 5: BREAKDOWN OF HIGH NEEDS BLOCK VARIANCES				
	Budget £m	Actual £m	(Under)/ Over Spend £m	(Under)/ Over Spend %
1. High Level Needs (HLN) support in mainstream schools – (see section 2.6.1)	5.837	5.643	(0.194)	(3%)
2. SEN resource unit top up funding	0.627	0.566	(0.061)	(10%)
3. Special schools	9.948	10.034	0.085	1%
4. Net cross border top ups with other LA's - (see section 2.6.1)	0.452	0.426	(0.026)	(6%)
5. Post 16 HLN top ups in FE settings	1.100	1.117	0.017	2%
6. Independent/Non Maintained Specials - (see section 2.6.2)	0.790	1.245	0.455	58%
7. Behaviour PRUs & devolved AP – (see section 2.6.3)	7.036	6.107	(0.928)	(13%)
8. Hospital & Home Education	1.893	1.867	(0.027)	(1%)
9. Education cost residential placements	1.390	1.390	-	-
10. Fair access	0.250	0.283	0.033	13%
11. IDEAL asylum seeker provision	0.152	0.183	0.031	20%
12. Outreach	0.159	0.159	-	-
SUB TOTAL - Demand driven				(2%)
13. LA support services – (see section 2.6.4)	2.905	2.629	(0.276)	(9%)
14. SEN transport contribution	1.000	1.000	-	-
15. Disability Access – (see section 2.6.5)	0.200	0.081	(0.119)	(59%)

TOTAL HN spend (LA)				(10%)
11. Places funded via recoupment	5.730	5.730	-	-
TOTAL (see section 2.6.3)	39.110	38.102	(1.008)	(3%)

2.6.1 **Point 1** – The budget for HLN support in mainstream schools, consisting of HN top up funding and additional inclusion allowance, was increased by £1.166m for 2021/22 to support the primary HLN funding review.

Due to COVID-19, implementation was delayed until April 2021 and although some interim rate increases and COVID contingency funding were put in place for 2021/22 there was a 3% underspend against the increased budget.

2.6.2 **Point 2** – The overspend on the independent/non maintained special school budget was linked to a number of factors;

1. A number of children moving into the City during the year requiring specialist autism places who could not be accommodated at Rosehill as places were not available,
2. A number of tribunal decisions resulted in placements in INMSS settings. In 4 cases, these tribunal outcomes hinged on sensory occupational therapy services which would be provided at the named INMSS settings but were not available at our local special schools. From September 2021, the LA is commissioning a Sensory Occupational Therapist who will deliver sessions at our maintained special schools,
3. Fee increases from the INMSS providers.

2.6.3 **Point 3** – Funding required for the behaviour PRUs was significantly below budget. As a result of the partial closure of schools, permanent exclusions during the year were at 40% of the level assumed in setting the indicative budget. This is the key driver of the HN's block underspend for 2021/21.

2.6.4 **Point 4** – The majority of the HN's LA central under-spend related to the inclusive education services and a combination of reduced mileage costs, staffing underspends and income being over budget.

2.6.5 **Point 5** – the underspend on disability access has been ring-fenced in the reserve to cover future commitments under **Appendix A point 1**.

2.7 The outturn position set out in **Table 2** includes a number of further drawdowns from the SSR. These reserve commitments were outlined in the 2018/19 Outturn Report and **Table 6** below shows the detail:

TABLE 6: IN YEAR RESERVE DRAW-DOWNS AND (REPLENISHMENTS)	
Reason	£m
Bulwell St Mary's temporary classroom funding	0.023
Secondary Fair Access b/f from 2019/20	0.045
Early years SEN for PVI Sections underspend 2018/19	0.004
Early years funding adjustment 2019/20	(0.245)
Nethergate expansion – furniture and IT equipment	0.059
Intensive Support Team (April-August 2020)	0.072
Routes to inclusion delivery	0.136
Intensive Support Team (September 20-March 21)	0.149
TOTAL	0.243

No further costs are to be incurred in relation to the temporary classrooms at Bulwell St Mary's Primary School.

SF approved the allocation of £0.304m to fund the temporary classrooms at this site on 21 January 2016 report titles "Funding to support temporary accommodation at Bulwell St Mary's CE Primary School". This was to fund the hire costs of a single and double classroom and reinstatements costs. All costs have now been incurred there is a remaining balance of £0.034m. This funding has been un-earmarked.

- 2.8 The SSR balance as at 1 April 2020 was £6.999m, after in year movements during 2020/21 the balance is £9.485m. **Table 7** below summarises the position:

TABLE 7: RESERVE ANALYSIS	
	Actual £m
Opening Balance as at 1 April 2020*	6.999
Less: DSG reserve supporting 2020/21 budget (See Table 2)	(1.060)
Less: 2020/21 Draw downs (See Table 6)	(0.243)
Add: 2020/21 Under spend (See Table 2)	3.789
Closing Balance as at 31 March 2021	9.485
Less: Future Commitments (see Appendix A)	(5.747)
Uncommitted Balance as at a 1 April 2021	3.738

Appendix A sets out the commitments/ring fenced funding from the SSR resulting an **unearmarked balance of £3.738m**.

The uncommitted element of the SSR is 0.1% of the DSG budget; this was 0.8% as at 31 March 2020. There is no statutory requirement for the levels of this reserve however it needs to align to any risk value which will be. This value will be captured as part of future reports.

- 2.9 All recommendations within this report align to the Schools and Early Years Finance (England) Regulations 2020. Future use of the reserve needs to align to the following expenditure categories set out in **Table 8**.

TABLE 8: EXPENDITURE CATEGORIES	
HIGH NEEDS BUDGET	
Top-up funding – maintained schools	
Top-up funding – academies, free schools and colleges	
Top-up and other funding – non-maintained and independent providers	
Additional high needs targeted funding for mainstream schools and academies	
SEN support services	
Hospital education services	
Other alternative provision services	
Support for inclusion	
Special schools and Pupil Referral Units (PRU's) in financial difficulty	
PFI/ BSF costs at special schools and AP/ PRUs	
Direct payments (SEN and disability)	
Carbon reduction commitment allowances (PRUs)	
Therapies and other related services	
EARLY YEARS BUDGET	
Central expenditure on early years entitlement	
CENTRAL PROVISION WITHIN SCHOOLS BUDGET	
Contribution to combined budgets	
School admissions	
Servicing of schools forums	
Termination of employment costs	
Falling Rolls Fund	
Capital expenditure from revenue (CERA)	
Prudential borrowing costs	
Fees to independent schools without SEN	
Equal pay - back pay	
Pupil growth	
SEN transport	
Exceptions agreed by Secretary of State	
Infant class sizes	
Other Items	

2.10 The value of maintained school balances has increased during the financial year 2020/21 from £7.056m to £8.347m.

3 Other options considered in making recommendations

3.1 No other options were considered as part of this report.

4 Outcomes/deliverables

4.1 To provide SF with the 2020/21 outturn position and to confirm the opening balance of the SSR for 2021/22.

5 Finance colleague comments (including implications and value for money/VAT)

5.1 This report contains financial implications.

6 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

6.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2021, SI 2021/59. Spend from the SSR needs to align with the requirements of the Regulations.

10 June 2021
Aman Patel, Solicitor
Commercial, Employment and Education Team
0115 8765072

7 HR colleague comments

7.1 Not applicable.

8 Equality Impact Assessment

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

9 List of background papers other than published works or those disclosing confidential or exempt information

9.1 None

10 Published documents referred to in compiling this report

10.1 Schools Forum 13 October 2020 – Outturn Report 2019/20

10.2 Schools Forum 21 January 2020 – Schools Budget 2020/21

10.3 Schools Forum 3 December 2020 – Proposed pupil growth allocation for 2020/21

APPENDIX A

No.		Date Approved	Funding Narrative	2021/22 £m	Other comments
1	Disability Access funding	29 March 2012 - Agenda Item 12-03-10		0.473	
2	Pupil growth		In 2020/21 there was a surplus balance on the Schools Block which was allocated	0.733	
3	Pupil growth	16 Oct 2014 – Agenda item 10	Balance of funding previously set aside for pupils without a school place	0.100	
4	Trade Union cover underspend b/f 2020/21	08 October 2019 – Agenda item 9	Funding used in the calculation of the rate per pupil and lump sum per school for the financial year 2022/23 for maintained schools and academies trade union representation.	0.008	
5	Trade Union cover underspend b/f 2019/20		Funding to be used in the calculation of the rate per pupil and lump sum per school for the financial year 2021/22 for maintained schools and academies trade union representation.	0.015	
6	Fair Access Contingency	23 Feb 2017 Agenda item 7	Contingency for emergency expenditure incurred by primary & secondary in year	0.025	Ongoing contingency of £25,000
7	Secondary Fair Access b/f from 2019/20		Available to support Fair Access costs in future years.	0.002	
8	Primary Fair Access b/f from 2020/21		Available to support Fair Access costs in future years.	0.011	
9	Early Years DAF underspends 18/19, 19/20 and 20/21		Underspend must be ring-fenced for purpose consistent with DAF objectives.	0.196	£0.057m from 18/19 ring-fenced for R2i in early years. £0.072m from 19/20 ring-fenced to provide support to settings with addressing gaps in Speech Language & Communication (SLC) Needs post-COVID.
10	Underspend on Early Years Provision 2018/19		This balance is being kept available as an early years block contingency to be drawn down in the event of future overspends.	0.652	
11	Underspend on Early Years Provision 2020/21		To cover clawback following final EY block adjustment for 2020/21 and contingency for potential overspend in 2021/22 due to variation to funding	1.511	0.075m of this is ring-fenced specifically for Nottingham Nursery School to be allocated over 3 financial years (see section 2.5.2 of this report)

			arrangements implemented by ESFA for 2021/22.		
12	EY SEN Inclusion Fund underspend 2020/21			0.148	
13	Nethergate expansion		Special school expansion does not qualify for funding from the pupil growth contingency, so is funded directly from reserves. This amount allows for 3 final classrooms/teaching spaces requiring set up at £8,000 each.	0.024	
14	R2I Delivery Team			0.411	
15	Initiatives to reduce exclusions, to be allocated in consultation with SF Sub-group			1.438	
TOTAL COMMITTED				5.747	

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