

Report to: Schools Forum

Date of Meeting(s): 7th May 2020

Subject: Central Funding Allocation 2020/21

Report of: Eleni Ioannides – Interim Director Children and Families

Contact Officer: John McDonald – Strategic Finance Manager

Summary: To provide a summary of the outcome of bids by Schools to the centrally held fund 2020/21

Recommendation(s): For Schools Forum to note the contents of the report

Implications:

*What are the **financial** implications?* Contained within the report

*What are the **staffing** implications?* n/a

Risks: n/a

1. Introduction

1.1 Centrally retained funds are available to support the areas below

- growth
- disproportionate SEN
- contingency (maintained only)

1.2 In order to access funding individual schools had to submit a business case to the Schools Finance Team detailing the amount of funding required. Schools were also asked to submit the following documentation to support the bid.

- a) The detailed current year budget and 3-year forecast
- b) The current level of balances held by the school and usage statement
- c) Supporting narrative / business case

1.3 The bids were assessed by Finance before submission to the Assistant Director of Education for approval

The EFA guidance that governs the distribution of funds in relation to the first three areas is as follows:

1.4 Growth

A school or academy can submit a business case where it has agreed with the authority to provide an extra class in order to meet basic need or where a school has increased its' PAN in agreement with the authority. The business case will detail the additional costs to the school of this extra provision and this will be cross referenced against an amount based on an additional per pupil AWPU increase reflecting the proportion of the year which is not funded within the school's budget share. This is in line with the practice that many authorities adopt. There is no EFA prescribed method for funding growth.

1.5 Disproportionate SEN

The initial qualifying criteria is that a school must have a greater proportion of high needs pupils compared with numbers on the roll than the specified threshold (40% above the specified average for each sector). The proportion above the threshold is then multiplied by £6,000 to give a potential annual allocation which would be adjusted on a termly basis for a revision to numbers. However, before any allocation is approved an assessment is made of the individual circumstances pertaining to that school.

1.6 Contingency

Contingency funding can be retained centrally but only for a limited range of circumstances:

- a. exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet;
- b. schools in financial difficulties; and
- c. additional costs relating to new, reorganised or closing schools.

2. Allocations

- 2.1 The total value of received bids was £1.376m. The value of approved allocations is £0.495m. A further £0.315m has been ring fenced for now, in relation to bids for which additional information and consideration is required before final approval can be granted. Appendix 1 provides further details.
- 2.2 The growth fund is set at £1.404m. Any unspent funding can be either carried forward or fed back through the formula in 2021/22. The use of any underspend will be determined in consultation with Schools Forum.

We are working with the LA's admissions team to identify areas where we may need future growth funding to support schools, however, conversely this has also highlighted areas with projected falling rolls which will give rise to additional financial pressures.

- 2.3 Although a deadline of 28th February 2020 was set for applications for supplementary funding, as seen in previous years, it is likely that some schools may only apply in-year. Likewise, due to the nature of the Contingency funding, we may receive additional bids during the financial year due to unforeseen circumstances. Therefore, whilst the full amount of funding has not yet been allocated, it is likely that there will be additional commitments in year.
- 2.4 We have received a significant number of requests for contingency funding from schools in financial difficulties. We are awaiting additional information from 2 schools in relation to these requests. In view of current longer term forecasts, it is expected that demands on this funding stream will continue to rise year on year.

3. Recommendations

- 3.1 Schools Forum to note the content of the report
- 3.2 Any unspent growth funding to be carried forward and the future use of the underspend to be determined in consultation with Schools Forum.