**Suffolk County Council**

**Budget Commentary 2019-20**

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# **Note**

Schools Forum papers are available on the Suffolk Learning website. <https://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/schools-forum>

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# DEADLINES

|  |  |
| --- | --- |
| **Action** | **Deadline** |
| **2019-20 Budget Plan approved by Governors**  2019-20 one-year Budget Plan must be approved by Governors | 29 March 2019 |
| **2019-20 Budget Toolkit with the LA**  2019-20 Budget Toolkit (containing the one-year budget) must be with the LA  Submit via AVCO | 30 April 2019 |
| **2-Year (2020-21 & 2021-22) Toolkit with the LA**  2-Year budget plan must be with the LA - must be signed off by Governors  Submit via AVCO | 31 May 2019 |

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## **FOREWORD**

Transition to the National Funding Formula (NFF) in Suffolk

As you will be aware the Department for Education (DfE) have introduced the NFF which they feel will provide a consistent funding approach and on a fair basis. 2019-20 sees the second year of the transitional arrangements as we move towards its full implementation. Towards the end of 2018 Local Authorities (LAs) were notified that there will be a further delay to the full implementation which is now scheduled for the 2021-22 financial year.

Schools Forum agreed that Suffolk should adopt the NFF with effect from 2018-19. This approach is to be continued in to 2019-20 after further agreement from Schools Forum in November 2018. By moving to the NFF as quickly as possible it provides stability to our schools funding and hopefully minimises any turbulence in the system.

The government confirmed in 2017 that there will be an additional £1.3 billion for schools and high needs across 2018-19 and 2019-20 and that all LAs will receive some increase to the DSG budget. On top of this a further £125 million in each of 2018-19 and 2019-20 has been allocated to LAs for SEN. Of this, the allocation to Suffolk is £1.6m each year. This funding is to help ensure that there is sufficient capacity locally for pupils in mainstream, alternative provision and special schools, and for young people aged 16 and above.

The DSG allocated to the schools block in 2019-20 is £410.6m. This compares with £397.5m 2018-19; an increase of £13.1m (3.3%).

Within the schools block, the government will provide for at least a 1% per pupil increase for each school in 2019 to 2020 through the national funding formula compared to their **2017 to 2018 baseline.** The minimum per pupil funding levels have increased to £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in years 10 and 11 from £3,300 and £4,600 respectively.

In previous years the local authority has applied a fixed cap to gains in schools formula funding. This has resulted in several schools that have had their increases in funding significantly capped over recent years. To address this in the transition towards the national funding formula, it was proposed that capping and scaling of gains will be applied in 2018-19 and Schools Forum agreed to continue using this approach in 2019-20. Scaling is the degree to which gains above the cap are scaled back. MFG will continue at -1.5% per pupil.

This agreed approach to scaling of caps and MFG will ensure that the funding at school level starts to reflect the funding that will be received by individual schools when the national funding formula is implemented in full (2021-22) and will enable schools to plan with more certainty over a longer period of time.

Modelling work was again undertaken on the 2018 data set to provide evidence that adopting NFF and the options of MFG and scaling of caps was the best approach. This work was presented to the Children and Young Peoples Directorate Management Team and subsequently to Schools Forum.

Using NFF unit values and looking at the overall picture there are some positive outcomes:

* Fewer schools are being protected through MFG and this is down vastly on the levels seen in 2018-19.
* Schools that are gaining can do so more quickly, moving towards NFF.
* More schools are gaining more than 2% on prior year budgets (in real cash terms).
* Overall 78% of schools are seeing an increasing budget compared to

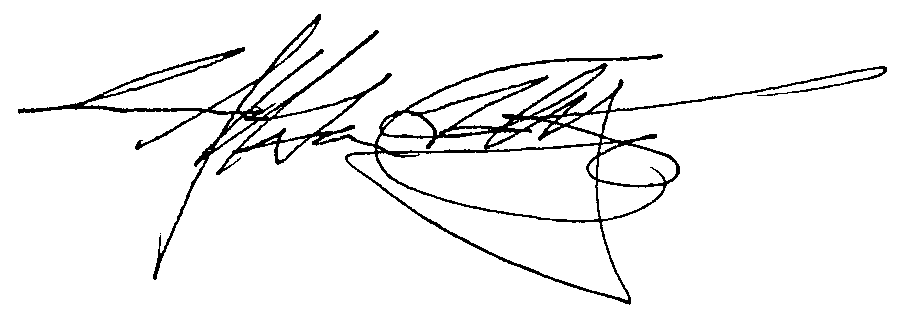
71% in 2018-19.

* Fewer schools see their funding reduce. Those schools that are seeing a reduction in funding can be explained by fewer pupils on roll compared to 2018-19. There are a small number of schools that see their funding reduce even though their number on roll has not fallen. This will be due to slight changes in pupil characteristics.
* Once NFF is fully implemented Suffolk schools would have had 2 full years on the formula allowing it to bed in fully. This would achieve the aim of minimising any turbulence in the system.

Those schools that are seeing an element of protection through MFG will need to plan accordingly. With NFF currently planned to be fully implemented by 2021-22, and MFG protection still in place, it does give those schools time to plan and adjust accordingly.

It must be remembered that although the NFF affects the distribution of funding to schools in Suffolk, pupil numbers continue to be the key driver in determining the budget for a school. Therefore, those schools with a reduction in pupil numbers are more likely to see a decrease in their budget compared with the previous year.

These are challenging times and I would like to offer my continued appreciation of the work you do in order to maintain good standards of financial management in schools. Despite the financial pressures we all work under, the past few years have seen an improvement in education standards. By continuing to work together we can use the funding that schools and the LA receive directly to continue to improve outcomes for all children and young people in Suffolk.



Allan Cadzow

**Allan Cadzow**

Corporate Director for Children and Young People

1. **INTRODUCTION**

The Dedicated Schools Grant (DSG) is spilt into four separate blocks. The blocks are: Schools, High Needs, Early Years and the Central School Services Block. The DSG allocation from the ESFA for Suffolk is £521.5m and the funding has been allocated to each block based on the ESFA formula allocation. As set out in the table below:



The NFF, as expected has increased the schools block funding again in 2019-20. Changes will now be minima year on year. Any notable changes are summarised below:

* + - There is an increase in pupil numbers of 680, plus an increase in AWPU of £26.80 per pupil which increases the schools block by approximately £5.3m.
    - Prior attainment allocations have increased as more pupils are captured under the Early Years Foundation Stage Profile for low prior attainment.
    - There has been an increase in Minimum Funding Level allocations in 2019-20 where £1.6m is being used to support a small number of schools. This is allocated to schools that do not meet the respective thresholds of the minimum funding levels. These schools are likely to be those with lower deprivation allocations.
    - Rent and split site funding have been included at the same level (unless otherwise stated) as 2018-19.

As previously, the pupil numbers are based on the October (2018) census; all other information used to calculate the budgets is provided by the government as a national dataset which the local authority used in its calculations. The local authority cannot change this data, even if schools believe it is incorrect, so it is important that schools prioritise and check any returns they submit to the government.

The data is received by the LA as a percentage, which is converted to pupil numbers based on the numbers on roll.

1. **SCHOOLS BLOCK**

The schools block is distributed via the same factors (including exceptional factors and Minimum Funding Guarantee MFG) as last year**.** There are now nine formula factors that are attributable to Suffolk. These factors will form the schools delegated budget. All formula factors are as per the NFF issued by the ESFA.

As always it is useful to clarify the factors that make up the formula even if there has been little change. The factors are as follows:

* 1. **Basic Entitlement: Age Weighted Pupil Unit (AWPU)**

This is allocated based on the October census numbers and is a per pupil amount. There are separate rates for primary (including reception) £2,773.80, KS3 £3,889.80 and KS4 £4,412.80.

* 1. **Deprivation**

Deprivation is calculated using FSM, FSM Ever 6 and IDACI and each measure attracts funding.

1. An element is allocated based on pupils eligible for Free School Meals (FSM).

Two measures are used:

1. FSM - pupils will be recorded as ‘eligible’ on the school census only if a claim for free school meals has been made and the school or the LA has confirmed that the pupil is entitled to free school meals.

ii) FSM Ever 6- pupils entitled to free meals at any time in the last 6 years from the previous January census.

1. Monies are also allocated based on the Income Deprivation Affecting Children Index (IDACI). Under this index pupils are allocated a score, the higher the score the more funding that is attached to the pupil. The government uses the IDACI data published as part of the Indices of Multiple Deprivation. This information assigns a score to areas of England based on the Lower Super Output Area (LSOA). This score, which ranges from zero to one, can be interpreted as the proportion of families with children under 16 which are income deprived. The pupil’s postcode is matched to an IDACI score and hence an IDACI band. There are 6 bands which attract funding. These bands are not of equal size
   1. **Prior attainment (low cost, high incidence SEN)**

For pupils costing £10k per annum or less to support, the funding is allocated directly to schools as part of the schools block and forms part of their whole school delegated budget.

For simplicity Suffolk has always described this funding as £10k from within the delegated budget. (This funding is sometimes described by the government in their literature as £6k plus the AWPU, rounded up to the £10K; if a Local Authority AWPU is below £4k then the difference is found from the notional SEN budget which is still within the schools delegated budget.

The funding is not based on individual assessment of pupil needs but instead is allocated using a proxy measure for low level, high incidence special educational needs. Schools are not able to link funding directly to a pupil but instead have to look at their total budget to support those pupils with Special Educational Needs and Disability (SEND).

The proxy measure set by the government is based on prior attainment and is applied:

* Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)
* Secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths

The EFSA have set a national weighting for the new year 7 cohort of 0.64. This weighting has been calculated in the same way, by scaling back the proportion of year 7 pupils identified as having low prior attainment (LPA) to a level commensurate with the number of secondary-age pupils identified as LPA in October 2015; before the new, more challenging KS2 test was introduced.

* 1. **English as an Additional Language (EAL)**

Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system. This is a cash sum of £515 for each eligible primary pupil and £1,385 for each eligible secondary pupil.

* 1. **Lump Sum**

A fixed amount of £110,000 is paid to all schools; the amount is the same whatever the phase or size of the school.

* 1. **Sparsity**

This factor is to support small schools in rural locations. Schools that are eligible for sparsity funding must meet two criteria i.e. they are located in areas where pupils would have to travel a significant distance to an alternative should the school close and they are small schools. All data is calculated by the ESFA.

A sparsity distance is calculated for each school. Pupils for whom it is their closest compatible school are identified and then the average distance to the second nearest compatible school for these pupils is calculated. The sparsity distance is calculated, as the crow flies.

In addition, the number of pupils in a school is divided by the number of year groups to determine the size of an average year group.

Schools qualify for sparsity funding only if they meet both of the following criteria:

|  |  |  |
| --- | --- | --- |
| **School** | **Average year group less than:** | **Sparsity distance greater than:** |
| **Primary** | **21.4** | **2 miles** |
| **Middle** | **69.2** | **2 miles** |
| **Secondary** | **120.0** | **3 miles** |
| **All through** | **62.5** | **2 miles** |

The allocation to qualifying primary schools is a maximum of £25,000 tapered to the number of pupils on roll.

The allocation to qualifying secondary schools and middle schools is a maximum of £65,000 tapered to the number of pupils on roll.

Tapering works by giving the school the % of funding based on the pupils the schools does not have on roll.

Since the pupil population changes each year, it’s possible for a school to be eligible for sparsity funding in one year but not in the next.

* 1. **Split sites**

The LA recognises that some schools operate where the main teaching base (excluding sports facilities) is on a split site and other schools do not have sufficient facilities available on the campus to provide a full curriculum, e.g. physical education facilities that are off-site.

The criteria to qualify for the split site factor **where the main teaching base (excluding sports facilities) is on a split site** are:

* the sites are separated by a public highway
* the provision on the additional site does not qualify for an individual school budget share through the DSG
* A range of core education must unavoidably take place for a significant proportion of pupils in buildings on both sites
* Schools with remote sixth forms are not eligible for split site funding.

Schools that meet the above criteria receive a split site allowance of **£50,000 per annum** to contribute towards the additional costs associated with operating the main teaching base over a split site including administration costs (e.g. two reception areas), caretaking, IT costs and infrastructure and transport costs.

Schools which have a need to **transport children to other physical education facilities (playing fields and sports hall)** receive a split site allowance to contribute to the cost of travel. The allocation paid to a qualifying school is a block sum of **£1,000 for a primary school and £5,000 for a secondary school.**

Schools that meet the criteria to qualify for the split site factor where the main teaching base (excluding sports facilities) is on a split site will not be eligible for the split site funding to transport children to other physical education facilities (playing fields and sports hall).

* 1. **Rates**

Rates are paid based on actuals. The Schools’ Accountancy Team charge the school the value of the rate shown on the schools block table and pay the rates on behalf of the schools.

* 1. **Exceptional factor – Rent**

The DfE has permitted the LA to include rent as an exceptional factor in the 2018-19 Suffolk formula. The DfE expect applications for exceptional factors to relate to fewer than 5% of the schools in an authority’s area (which applies in this instance) and to account for more than **1.0%** of the school’s budget. There are twelve schools that this affects and the rent for each is included in the budget.

* 1. **Minimum Funding Levels (MFL)**

The minimum per pupil funding levels have increased to £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in years 10 and 11 from £3,300 and £4,600 respectively. Schools that do not reach these minimum thresholds will see an adjustment to their funding. Further info can be found here on pages 24-26: <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/736053/Schools_block_national_funding_formula-Technical_note.pdf>

The calculation is also included in the Budget Estimate Tool and shown in the ‘3 Year Schools Block & MFG tab.’

1. **MINIMUM FUNDING GUARANTEE (MFG) AND SCALING BACK OF GAINS**

Schools are protected from substantial losses arising from funding formula changes in the schools block through the Minimum Funding Guarantee (MFG). The 2019-20 MFG has been set by the local authority, with the approval of Schools Forum, at -1.5% per pupil; this means that no school can lose more than 1.5% per pupil.

However, schools with falling rolls can potentially lose more funding.

The funding from the capping and scaling back of gains cannot total more than the funding required for the MFG. The local authority, with approval of Schools Forum on 14 January 2019 have not set a fixed cap but have scaled back all gains by 9.81% i.e. schools with a budget increase will receive 90.19% of the increase per pupil.

1. **CENTRAL SERVICES SCHOOLS BLOCK (CSSB)**

The CSSB provides funding for LAs to carry out a wide variety of central functions including statutory duties that are provided for **all** pupils in state-funded schools and academies. It was introduced in 2018-19 to bring together:

* Funding previously allocated through the retained duties element of the Education Services Grant (ESG)
* Funding for ongoing central functions previously
* Residual funding for historic commitments

These were reported in detail to Schools Forum in October 2018 and further information can be found here: <https://www.suffolklearning.co.uk/do_download.asp?did=17569>

Corporate Landlord responsibilities fall under the CSSB. There have been some ongoing discussions at Schools Forum over the past 6 months about what is and isn’t included within this area. Corporate Property are working up the finer details and an updated document will be shared with all schools before the start of April 2019.

1. **HIGH NEEDS BLOCK**

The high needs block supports the provision of pupils with SEN and disabilities (SEND), from their early years to age 25, and education for pupils who cannot receive their education in schools. This includes those pupils in mainstream schools whose provision costs more than £10k per annum to support and all pupils who are in receipt of specialist provision.

* 1. **Mainstream Schools (including Academies and Free Schools)**

All mainstream schools who have pupils whose needs they believe will cost more than £10k per annum to support, currently have the opportunity to apply to the LA for additional high needs funding on a termly basis. The additional top up funding will be paid under the new universal banding rates for mainstream schools for the financial year. Specials, PRUs and Specialist Units will follow on to the new bandings from September 2019.

Schools will need to apply and will need to confirm if any pupils have joined, left the school or have potential banding changes.

Unlike the first £10k, top ups are based on an assessment of the individual pupils needs and will be directly linked to that pupil. This funding will be paid each term as additional income and will not form part of the schools delegated budget. Therefore, this funding is not protected by MFG or constrained by the scaling back of gains.

**6.2 Targeted Support Funding**

Targeted Support funding has been included in the toolkit for the first time under the High Needs Funding Section. If a school qualifies the funding amount for the financial year will be included.

The new policy is based on the percentage of a schools notional SEN budget that is required to be used in support of those pupils in receipt of additional high needs funding (top up). Autumn term return data is used which ties in with the October census. The maximum level of a school’s notional SEN budget that is expected to be spent on pupils eligible for top up funding is set at a rate of 70%.

Examples:

* School A has a notional SEN budget of £130,000. It has 20 pupils in receipt of top up funding. The total expected in the funding formula for that school to evidence in support of those pupils is £120,000 (20 x £6,000). 120,000/130,000 = 92% School A would therefore receive an additional £40,400 to give them a total notional SEN support budget of £170,400. (120,000/170,400 = 70%)
* School B has a notional SEN budget of £36,000. It has 3 pupils in receipt of top up funding. The total expected in the funding formula for that school to evidence in support of those pupils is £18,000 (3 x £6,000). 18,000/36,000 = 50%. School B would therefore not receive any targeted SEN Support.



The benefit of the proposed system is that it allows schools in areas of low deprivation to still accommodate pupils with high needs without it impacting on their overall funding. This is intended to create an incentive to support Suffolk schools to be as inclusive as possible and allow smaller rural schools to cater for their local community without destabilising their funding**. Please note that this funding will be paid outside of the budget separately in April.**

**6.3 Specialist Provision**

Special Schools and Alternative Provision (APs) are funded on a block and top up model. For each place the LA commissions, the Special Schools and APs will be paid £10k. This funding is guaranteed and will not change in year if the setting is slightly over or slightly under the level of the commissioned places. Special academies and alternative provision academies will receive this funding directly from the ESFA. Specialist Provision attached to mainstream schools attract £6,000 per place.

The settings will then receive top up, based on the individual needs of the pupils placed at the setting. As mentioned above in 5.1 new bandings have been introduced which universal for learners, whatever the setting they may be in. The new bandings will be introduced in September 2019 for Specialist Provision.

# **EARLY YEARS BLOCK**

* 1. **Basis of EY Funding**

At this point there are no planned changes to the EY Formula which was fully introduced in 2018-19.

**The factors and bands to be used in 2019-20** (subject to EFSA approval) are shown below.

|  |  |
| --- | --- |
| **Factor** | **Funding rate for the universal and extended hours entitlement  for 3 and 4 Year olds** |
| Base rate | £4.00 per hour |
| Deprivation Supplement | £0.31 per hour |

The early years additional 15 hours entitlement for 3 and 4 year old children of eligible working parents started in September 2017. Further information on the eligibility criteria is available here:

<http://infolink.suffolk.gov.uk/kb5/suffolk/infolink/advice.page?id=5__UEXQa6bc>

The hourly rate for eligible funded 2 year olds remains at £5.20.

**Early Years Disability Access Fund (DAF) is available for eligible funded 3 and 4 year olds.**

Details of the eligibility criteria and the DAF claim form can be found at:

<https://www.suffolklearning.co.uk/early-years/sen-in-suffolk/disability-access-fund-daf>

**Please note that this is the first year that there will be no EY funding in the delegated budget. All EY funding will be paid through the new termly process as administered by the EY team.**

**SEN Funding**

**High needs funding for Early Years** is funded from the high needs block. The first £2,550 (pro rata) will be within the provider’s delegated budget. Early Years providers can claim top up funding for any pupils whose needs will cost over £2,550 to support. For further information please use the following link: <https://www.suffolklearning.co.uk/early-years/sen-in-suffolk/high-need-funding>

Early Years funding is not part of the MFG of a primary school.

**The New Provider Portal**

Please see link for further information on the provider portal:<https://www.suffolklearning.co.uk/early-years/claiming-funding-for-2,-3-4-year-olds>

# **PUPIL PREMIUM**

This funding stream is in addition to funding allocated through the DSG. The pupil premium per pupil amounts for 2019-20 will be protected at the current rates, which are:

* £1,320 per primary age pupil who has been eligible for free school meals (FSM) at any time in the past six years “Ever 6”.
* £935 per secondary age pupil who has been eligible for free school meals (FSM) at any time in the past six years “Ever 6”.
* £300 per Service child for those recorded on roll as service children in the last four years. Due to the minimum pay scales of members of the regular armed forces we would not normally expect service children to be eligible for free school meals.
* £2,300 per Looked after child based on pupils in settings who at some point in the year to 31 March 2018, children looked after from the first day of care. Eligibility also covers children who have been adopted from care or leave care under a special guardianship or residence order.

A looked-after child is defined in the Children Act 1989 as one who is in the care of, or provided accommodation by English or Welsh local authority. This funding is held centrally and managed by the Suffolk Virtual School Team.

Pupil premium allocations for financial year 2019-20 will be published in June 2019 following the receipt of pupil number data from the spring 2019 census.

* 1. **How will the number of pupils eligible for the last 6 years be calculated?**

The DfE has provided the number of pupils by school previously eligible for FSM, as per past census data.

This information is available on the key to success website:

[https://www.keytosuccess.education.gov.uk](https://www.keytosuccess.education.gov.uk/). This means that when added to the number of pupils eligible for FSM in January 2019 schools can estimate the pupil premium in 2019-20. The formula for calculation is as follows:

|  |
| --- |
| Pupils on January 2019 who were Ever 6 FSM at autumn 2018 + January 2019 FSM pupils |
| -  Pupils who are both Jan 2019 FSM and EVER 6 FSM  =  Pupil Premium pupil numbers  ***x***  £1,320 primary / £935 Secondary  =  Indicative Deprivation Pupil Premium allocation for 2019-20 |

* 1. **Payment of pupil premium**

The pupil premium will be paid to the LA through a specific grant. Once the grant has been received this will be distributed to schools. At this point it is anticipated that the grant will be received in quarterly instalments on a similar basis to 2018-19.

The LA has not validated any of the pupil premium information.As the school census is a statutory return, the guidance on free school meal eligibility therefore has legal force. It is the individual responsibility of the school to ensure this had been adhered to.

As the LA has no control over this funding and distributes the income we receive from the DfE as per their allocation, it has been decided that we will not provide indicative numbers of pupil premium in the budget toolkits. Schools can access their own indicative numbers on the DfE website (listed above) for use in planning.

* 1. **Academies**

Schools that are academies on 1 April 2019 will receive their PPG directly from the Education Funding & Skills Agency (EFSA). The LA will pay PPG to schools due to convert to academy status as set out below:

| **Date of conversion to academy** | **Proportion of PPG paid by LA** |
| --- | --- |
| On or by 1 September 2019 | 5/12ths of their annual allocation |
| After 1 September 2019 and on or by 1 January 2020 | 9/12ths of their annual allocation |
| After 1 January 2020 | Their full allocation |

**7.4 Looked After Children**

An element of pupil premium will be allocated to the maintained school or academy for each child, who at some point in the year up to 31 March 2018, has been looked after for at least one day in year groups R to 11. It is the responsibility of the LA (Virtual School Team) to determine how this is distributed and therefore is not included as part of the schools budget.

* 1. **Use of pupil premium**

Education and Learning (E&L) has previously issued guidance for the effective use and accountability of pupil premium to narrow gaps in attainment and improve outcomes for pupils that are vulnerable to under achievement. The Government has stated that as a condition of the grant, schools need to publish details of their pupil premium allocation and spending plans in the current year on their school website. Schools also need to publish a statement for the previous year confirming total allocation and how the money was spent and the impact this had on educational attainment. For further information on the use of pupil premium and reporting please contact [Adrian.Orr@suffolk.gov.uk](mailto:Adrian.Orr@suffolk.gov.uk).

1. **EARLY YEARS PUPIL PREMIUM**

The eligibility criteria and the system for claiming Early Years Pupil Premium (EYPP) remains the same for eligible 3 and 4 year olds. The rate also remains the same at 53p per hour per eligible child up to the maximum 15 universal hours.

Details of the EYPP eligibility criteria and the claim form can be found at:

<https://www.suffolklearning.co.uk/early-years/schools-only-nursery-class-info>

# **DUAL PLACEMENT COST SHARING**

The LA advises schools to transfer funding appropriately where pupils are in dual placements or transfer schools.

1. **NATIONAL COPYRIGHT LICENCES**

Detailed guidance about the various copyright licences that a school may or may not need to purchase to ensure that they remain within the current copyright laws. The licences included in the blanket licence remain the same for 2019-20. All the other licensing agencies require a single licence for each school.

1. **UNIVERSAL INFANT FREE SCHOOL MEALS GRANT**

All government-funded schools must offer free school meals to every pupil in reception, year 1 and year 2.

Schools will continue to receive £2.30 per meal.

For 2019 to 2020 academic year, the total allocation is based on the average number of meals recorded in the October 2018 and January 2019 census. The final allocations will be announced in June 2019.

### **For 2018 to 2019 academic year, the final allocations on the average number of meals schools recorded in the October 2018 and January 2019 census. The final allocations will be announced in June 2019.**

Schools will receive two payments.

The first payment for 2019-20 will again be made on 7/12ths of each schools provisional main allocation. This will be paid to schools on subjective 85923 “Other Government Grants” and will be paid in June 2019.

The final main allocation for each maintained school as at 1 April 2020 minus the amount of the main allocation paid in June 2019. Any school that converts to academy status after 1 April 2019, and by 1 April 2020, will receive the remainder of its main allocation direct from EFSA.

For more info and the latest information held, please click on the following link: <https://www.gov.uk/government/publications/universal-infant-free-school-meals-uifsm-funding-allocations-2018-to-2019>

To assist with planning, Schools’ Choice has developed a catering calculator. Please contact [finance@schoolschoice.org](mailto:finance@schoolschoice.org)

# **REDUNDANCY AND PREMATURE RETIREMENT FUNDING**

The Education Act 2002 broadly states that all redundancy costs will be funded by the LA and individual schools will be liable for the premature retirement element of the cost on redundancy.

The costs of premature retirement will be charged against the school budget at the time of payment. The redundancy element will be charged centrally.

Premature retirement costs vary based on the age of the employee, length of service etc. Therefore, if schools would like an estimate of this cost for planning purposes they will need to contact the relevant department. There is a new process which was communicated to schools in the autumn term as set out by Adrian Orr’s letter.

For employees in the Local Government Pension Scheme (LGPS) e.g. non-teaching staff please contact the Pension team by email**:**[pensions@suffolk.gov.uk](mailto:pensions@suffolk.gov.uk).

For teaching staff please go to the teacher pension agency website.

# **DEVOLVED FORMULA CAPITAL GRANT (DFC)**

The overall capital funding settlement will remain at a low level for both the LA and schools. The priorities for LA maintained schools remain urgent Health and Safety condition work and place provision.

The DFC formula for 2019-20 will continue to be a national formula based on a fixed lump sum and the FTE of pupils aged 3+ to 17+ as recorded on the latest Spring school census. The rates are the same as in the previous 3-year allocation period from 2016–19.

* 1. **Summary of DFC rates**

|  |  |  |  |
| --- | --- | --- | --- |
| **Per School** | **Per Primary School pupil** | **Per Secondary School pupil** | **Per boarding/**  **PRU/ Special school pupil** |
| £4,000 | £11.25 | £16.88 | £33.75 |

It is anticipated that the capital payments will continue to be made in July 2019.

# **FINANCIAL PLANNING AND STRATEGIES**

* 1. **The Case for Medium Term Financial Planning**

There is a continued need to plan in these financially challenging and uncertain times. The government has introduced the national funding formula to hopefully provide some more clarity regarding budgets moving forward. As stated previously, Suffolk has also chosen to implement the formula now which should enable schools to better plan.

There are four main reasons that schools should plan and that the authority requires these plans to be submitted:

* To ensure school governors and leadership look at these issues and consider the implications for their schools.
* To think carefully and creatively about the future position of the school, and look at options and risks.
* To provide information for decision making, especially around the cost of staffing and the need for schools to have effective, flexible, and affordable staffing structures.
* To enable the LA to assess risk and target intervention where it is most needed.
  1. **School Budget Plan Toolkit**

The toolkit will again remain unchanged in 2019-20. The budget estimation toolkit allows schools to calculate funding estimates for years two and three. It is based on current information rolled forward and will not guarantee funding as we do not know details of future funding arrangements.

2019-20 budget planning assumptions will be made available on the Schools’ Choice website during February.

* 1. **First Step – 2019-20 Detailed Budget**

Schools will receive their 2019-20 budget toolkits earlier this year to aid with earlier planning. The toolkit will be published this year on Suffolk Learning. The LA requires a copy of the budget toolkit (containing the 2019-20 approved budget) by 30 April 2019.

Schools are required to update the budget plan page of the budget toolkit to confirm the prepared by/date of preparation and the date of the meeting at which the 2019-20 budget plan was approved.

The completed 2019-20 budget planning toolkit should then be returned by AVCO. Schools should use the following file path for this upload: \other\out\BudgetPlan.

* 1. **Second Step – Strategic, High Level Plans (Strategy Toolkit) for 2020-21 & 2021-22**

Schools will then continue to work on the same toolkit completing the 3-Year Budget with a detailed line by line budget for the following two years. This will be based on one realistic scenario.

Although this may be more time consuming to complete initially, we believe it should reduce governor questions and errors and therefore overall be time-neutral or have minimal impact.

The 3 Year plans will need to be signed off by Governors during the first half of the Summer Term 2019. A copy of the approved toolkit will need to be uploaded on AVCO by 31 May 2019.

* 1. **Other Financial Planning Calculators available**

Teaching Staff Spreadsheet. Allows calculation of estimated teaching costs from 2019-20 until 2023-24. This calculator is provided by Schools’ Choice.. Please check with Schools’ Choice for further information.

Support Staff Spreadsheet. Allows calculation of estimated support costs from 2019-20 until 2023-24. This calculator is provided by Schools’ Choice and has been issued via AVCO. Please check with Schools’ Choice.

Maternity Cost Calculator [(Maternity Cost Calculator)](https://ask.schoolschoice.org/schools/help/finance/maternity-calculate-cost). Only estimates costs for teaching staff.

High Needs Calculator [(Calculators)](https://ask.schoolschoice.org/schools/finance/budget18-19/high-needs-funding-calculator). Planning toolkit to estimate top up funding for mainstream schools. Note: check that the correct top up values are included in cells F190-F202.

The Early Years Calculator is located within each school’s 2019-20 Budget Toolkit.

* 1. **Budget Plan Submission Deadlines**

|  |  |
| --- | --- |
| **Action** | **Deadline** |
| 2019-20 one-year Budget Plan must be approved by Governors  N.B. School term ends 29 March | 29 March 2019 |
| 2019-20 Budget Toolkit (containing the one-year budget) must be with the LA | 30 April 2019 |
| 2 Year Strategy Toolkit approved by governors must be with the LA | 31 May 2019 |

# **2019-20 FINANCIAL DIFFICULTIES**

Schools that are struggling to balance their budgets should, in the first instance, contact the Schools’ Accountancy Team [sat@suffolk.gov.uk](mailto:sat@suffolk.gov.uk) who will be able to advise the schools on the next steps.

# **CASHFLOW**

Schools with a cashflow advance loan will need to produce a cashflow forecast in addition to the one-year budget plan. Guidance and templates are available on Schools’ Choice website to assist schools with this ([Cashflow Forecast Guidance and Templates](http://www.suffolklearning.co.uk/leadership-staff-development/schools-accountancy/banking/cash-flow-advances)). This should be presented to Governors at the beginning of the financial year.

# **USEFUL CONTACTS**

|  |  |  |
| --- | --- | --- |
| Overall budget strategy | Michael Quinton | michael.quinton[@suffolk.gov.uk](file:///\\Euser.eroot.eadidom.com\..\2013-14\Budget%20Info%20for%20Schools\Commentary%20and%20Slides\michael.quinton@csduk.com)  01473 265596 |
|  |  |
| Questions on the delegated formula budget | Schools Accountancy Team | [sat@suffolk.gov.uk](mailto:sat@suffolk.gov.uk) |
| 01473 265626 |
| School in financial difficulties | Schools Accountancy Team | [sat@suffolk.gov.uk](mailto:sat@suffolk.gov.uk) |
| 01473 265626 |
| Seeking financial support and advice | School Finance Helpdesk | [finance@schoolschoice.org](mailto:finance@schoolschoice.org) |
| 0345 6037 684 |
| Onsite Financial Support and Advice & Academy Support | Enhanced Finance Service | [efs@schoolschoice.org](mailto:efs@schoolschoice.org) |
| 01473 264054 |
| Seeking HR support and advice | HR transactional support | [HR@schoolschoice.org](mailto:HR@schoolschoice.org) |
| 0345 6066 046 option 1 |
| Schools’ Choice Services to Schools | Service Managers | [services@schoolschoice.org](mailto:services@schoolschoice.org)  0300 1231 420 |
|  | [www.schoolschoice.org](http://www.schoolschoice.org) |
|  |  |
| Energy, Water and Energy Efficiency |  | [energyservices@vertas.co.uk](mailto:energyservices@vertas.co.uk) |
| 01473 264484 |
| Devolved Formula Capital Grant | Schools Infrastructure Team | [capitalfinance@suffolk.gov.uk](file:///\\Euser.eroot.eadidom.com\..\2013-14\Budget%20Info%20for%20Schools\Commentary%20and%20Slides\capitalfinance@suffolk.gov.uk) |
| 01473 265074 |