

To: Head teachers of all Lincolnshire maintained Nursery, Primary, Secondary and Special schools

28 February 2020

Dear Colleague

SCHOOL BUDGET INFORMATION 2020/21

This letter and the associated documents are intended to provide the information that schools need to produce their budgets for 2020/21.

School budget shares information for 2020/21 is held on Lincolnshire County Council's external website. The menu path is: Council and Councillors > Finances and budgets > School finances > School budget shares 2020/21

Further information is available for maintained schools on the sickness insurance scheme for 2020/21, and budget preparation material (including the medium term finance plans, and guidance on completing the finance plan, salary scales and buyback information). This information is available in Perspective Lite under Schools Finance / Budget Shares 2020/21.

Mainstream Schools Funding

Schools will be aware that the government implemented the national funding formula for mainstream schools in 2018/19. The government's national funding formula planned to deliver a fairer and more equitable settlement for each school. To enable a managed transition to take place nationally, the government adopted a funding floor (to prevent schools from losses) and a gains ceiling approach to enable incremental steps for schools to move towards the full national formula allowing for a financially sustainable re-distribution of funding across the country.

On 30 August 2019, the Prime Minister announced an investment of over £14bn in primary and secondary education between 2020/21 and 2022/23. The funding package for schools (aged 5 to 16) includes £2.6bn for 2020/21, £4.8bn for 2021/22 and £7.1bn for 2022/23 compared to 2019/20 funding levels.

The Local Authority Primary and Secondary Units of pupil funding used to finance schools budgets continue to rise in monetary value through the transition to the full national funding formula. Table 1 below outlines Lincolnshire's schools overall funding level for 2020/21 through the implementation of the national funding formula compared to other Local Authorities.

Table 1

	Lincolnshire's Unit of Funding	England National Average	Difference	Rank
Primary	£4,184	£4,337	-£153	62
Secondary	£5,279	£5,606	-£327	52

The unit funding levels are below the England average for each sector, however Lincolnshire's position nationally has improved when making comparisons. Lincolnshire's primary unit value has increased by £373 from 2018/19, and Lincolnshire's secondary unit by £346.

The Local Authority first replicated the national funding formula for Lincolnshire schools (subject to the governments funding floor and gains ceiling approach) in 2018/19 and supported the direction of travel due to the increase in funding it would bring into Lincolnshire schools.

The announcement of additional funding for mainstream schools and national funding formula changes for 2020/21 required Local Authorities to engage in an open and transparent consultation on their 2020/21 funding formula. The Local Authority consulted with its local schools, academies and its Schools Forum on the proposed schools funding formula changes for 2020/21. The Local Authority proposal to continue replicating the national funding formula in 2020/21 was agreed formally on the 21 January 2020. This ensured all Lincolnshire mainstream schools attract at least their full allocation under the national funding formula following the removal of the gains ceiling approach. Two other key changes include all schools receiving a minimum of +1.84% increase in per pupil funding, and the minimum per pupil funding levels being a mandatory factor within local formulas. The minimum per pupil funding levels are £3,750 for the primary sector and £5,000 for the secondary sector.

Key aspects of the formula updated for 2020/21 are outlined within appendix 1: section Mainstream Schools National Funding Formula. The updates relate to government funding announcements and changes that were announced in the autumn, and the Local Authority decision following the consultation with its schools.

There are however key uncertainties at a national level for schools funding which include:

- for schools forecast to lose funding compared to the full national funding formula, the scale of the downward trajectory of funding through the operation of a negative minimum funding guarantee will need to be confirmed in the medium term.
- how the government intends to fund school cost increases relating to pay within the national funding formula compared to operating separate funding streams, e.g. teachers' pay grant and teachers' pension grant.
- how the government intends to make changes to the historic funding arrangements, such as, split-site funding and rates funding.

The Local Authority will continue to respond to the government's schools funding reviews and consultations representing the position of Lincolnshire schools to achieve fair levels of funding when comparing nationally and for the schools formula to receive appropriate increases in funding nationally to meet the unavoidable cost increases facing schools to ensure the schools formula is sustainable going forward.

The financial risks and uncertainties facing schools make financial planning an extremely important task for schools. The schools medium term finance plan has been enhanced further in 2020/21 to further aid schools with this process. It is recommended that schools undertake scenario planning on both local (e.g. number on roll) and national risks to enable management teams and governing bodies to understand the potential implications, and to identify the most suitable option in this circumstance.

The schools medium term finance plan guidance advises schools to use the minimum funding guarantee assumptions from 2021/22 of +0.5% per pupil. This is in line with the governments regulation changes to the minimum funding guarantee from minus 1.5% per

pupil to +0.5% to +1.84% from 2020/21. It is however important for schools to continue undertaking scenario planning on future funding levels and the level of minimum funding guarantee used, in particular schools receiving protection funding following the implementation of the national funding formula.

The implementation of the national funding formula has however not considered notional SEN allocations in the build-up of the formula. This has been raised to the DfE through its Call for Evidence exercise. In light of the additional monies going into schools budgets through the 2020/21, the notional SEN funding arrangements are to be reviewed, which will impact the Local Authority's targeted high needs funding approach. The Local Authority will engage schools following the conclusion of this review.

Dedicated School Grant funding

The Dedicated School Grant (DSG) comprises of four blocks: – Schools block; Central School Services block (CSSB); Early Years block, and High Needs block, each of these blocks have been determined by a separate national funding formula.

The DSG remains a ring-fenced grant that can only be used in accordance with the School's and Early Years Finance (England) Regulations. The Schools block that provides aggregated schools funding to Lincolnshire schools is ring-fenced to the sector and is distributed through the agreed national funding formula.

Local Authorities including Lincolnshire are facing significant cost increases within their High Needs block. An increasing number of Local Authorities are now incurring overspends due to the growth in pupils meeting the SEND thresholds and increased complexity. Overall it has been reported nationally that half of Local Authorities had experienced an overspend at the end of 2018/19 on their DSG, amounting to over £250m. The national net position reported an overspend of £40m. Lincolnshire is currently not in an overspend position; however it continues to face a growing trend for more specialist support for young people, which is having a material impact on the high needs spending and its future financial sustainability. Work has commenced in reviewing SEND arrangements in Lincolnshire.

Nursery Schools funding

The decision by the government to have a universal funding rate across all providers of early years entitlement would have had a significant impact on the financial sustainability of maintained nursery schools. The government responded to this by providing 'supplementary funding' to maintained nursery schools to allow them to meet the costs over and above other providers in relation to their statutory governance arrangements. The government announced that they will continue to provide supplementary funding to maintained nursery schools for a further year to March 2021. The government has stated that it will consult openly regarding the future of maintained nursery schools, however no further information has been released to date. It is recommended that maintained nursery schools continue to undertake scenario planning that considers varying levels of funding to model how the school would respond to this change in preparation of a future announcement.

Special schools funding

The Local Authority introduced funding changes in 2018/19 to ensure the appropriate level of resources continue to be allocated to allow special schools to best meet the needs of its pupils in the changing demographics of Lincolnshire special schools. The fundamental building blocks of the existing funding formula still remain in place today.

Revised place numbers for the new academic year and updated pupil moderations have been incorporated into the special schools budgets for 2020/21. The Local Authority will continue to apply a 0% minimum funding guarantee for those existing pupils on bands A to F in schools receiving protection funding.

Summary

Budget information for nursery, primary, secondary and special schools have been published today in line with the DfE regulations.

Appendix 1 to this letter highlights a number of key points for schools to consider.

I hope you find the contents helpful.

Yours sincerely

Mark Popplewell BSc (Hons) FCCA
Head of Finance - Children's Services

Mainstream Schools National Funding Formula

The key components of the national funding formula are as follows:

- to differentiate basic per-pupil funding between key stages by maintaining stepped rates between primary, key stage 3 and key stage 4, to reflect the higher costs as pupils progress.
- to maximise the proportion of funding allocated to pupil-led factors.
- Local Authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors in 2020/21.
- to set the lump sum rate at £114,400 for all schools. The government has set the lump sum in the context of maximising pupil-led funding and encouraging efficiency.
- to apply a minimum per pupil funding level for each sector.

The Local Authority first replicated the national funding formula for Lincolnshire schools in 2018/19 and supported the direction of travel due to the increase in funding it would bring into Lincolnshire schools. In 2020/21, the Local Authority will continue to replicate the national funding formula following on from the consultation with schools in the autumn resulting from the government's schools funding formula changes for 2020/21.

The following key aspects of the government's schools national funding formula have been updated for 2020/21:

- All pupil-led formula factors will increase by 4% in monetary value with the exception of the Free School Meals factors which will increase by inflation.
- Schools will receive a minimum of +1.84% in per pupil funding.
- The minimum per pupil funding levels will be a mandatory factor in a Local Authority's local formula;
- The mandatory minimum per pupil funding levels will be: primary (£3,750); Secondary (£5,000), and all-through school (£4,271).
- No gains ceiling cap to be applied, therefore schools will be on the national funding formula level.
- Introduction of a new formulaic approach to the mobility factor in supporting schools with a high proportion of pupils joining the school mid-way through the academic year.
- New Private Finance Initiative (PFI) formula factor to meet its delegated affordability gap and unavoidable costs.

The Local Authority has undertaken its annual review of schools funding and affordability of the Schools block, and can confirm the national funding formula will continue to be replicated in 2020/21 in full (incorporating the key aspects updated for 2020/21 above) and has ensured a minimum of +1.84% increase in pupil-led funding from the 2019/20 per pupil baseline.

The Local Authority has provided reports to the Schools Forum on the national funding formula developments over the last three years, which can be found through the following link. It is important that schools read the reports to understand the background and direction of travel to enable schools to plan financially for the future.

[Lincolnshire's Schools Forum Agenda and Minutes](#)

School Reorganisations

A primary and a secondary policy is in place to provide a formalised approach to the funding of primary and secondary school reorganisations to support the Local Authority's statutory duty to provide sufficient school places for the children of Lincolnshire. The policy seeks to

address situations when, as part of its strategic planning of school places, the Local Authority asks a school / academy to take in additional pupils above the planned admission number (PAN) temporarily, or expand permanently.

The primary and secondary policies can be found using the following link (handbooks and guidance section):

[School Reorganisation Policies](#)

Early Years National Funding Formula

Lincolnshire's universal 3 & 4 year old hourly rate per pupil has been increased by £0.11 to a new rate of £3.98 in 2020/21. The same hourly rate will be applied for the universal free entitlement (up to 15 hours) and the additional hours for working families up to 30 hours. Funding will continue to be based on participation. The funding formula continues to have the mandatory deprivation supplement and SEN inclusion fund to target resource to vulnerable groups. Lincolnshire meets the pass-through threshold established by the government of ensuring that at least 95% of early years funding is passed onto.

On the 16 January 2020, a Schools Forum report was presented on the early year's national funding formula, which can be found from the link below:

[Early Years Funding Formula - Schools Forum Paper](#)

There will be a temporary one year rate increase in 2020/21 of £0.12 per hour for 3 & 4 year old entitlement. This one-off funding is to respond directly to the poorer performance outcomes at the end of the foundation stage in Lincolnshire compared to national averages and that of our statistical neighbours.

The hourly rate for disadvantaged 2 year olds has been increased by £0.10 to a new rate of £4.95 in 2020/21.

Early years funding is allocated on a monthly basis using the number of eligible hours each child receives. The Early Years Provider Hub is the online system being utilised by all early year providers to ensure accurate and up to date claims are submitted to ensure payments are correctly made.

Pupil Premium for 2020/21

The government announced that funding for pupil premium in 2020/21 will increase:

1. £1,345 per primary pupil who is currently eligible for free school meals (FSM) or has been eligible for FSM in the past 6 years except where the pupil is allocated the LAC or post-LAC premium.
2. £955 per secondary pupil who is currently eligible for free school meals (FSM) or has been eligible for FSM in the past 6 years except where the pupil is allocated the LAC or post-LAC premium.
3. £2,355 for Looked-after Children¹. Eligibility criteria includes those pupils who are in the care of, or provided with accommodation by, an English LA defined in Children Act 1989, or; have left care under a special guardianship order, a residency order, a child arrangement order, or because of adoption.
4. £310 per pupil for service premium.

¹ Where a pupil is eligible for Pupil Premium LAC the initial £1,000 will be allocated to the school by the Local Authority. Any further funding required by the school has to be applied for through the Virtual Head <https://www.lincolnshire.gov.uk/schools-and-education/virtual-school/>

5. £0.53 per hour early years pupil premium for each eligible three and four year old up to the full 570 hours of free education entitlement.

Pupil premium allocations for the financial year 2020/21 will be published in June 2020 following the receipt of pupil number data from the January 2020 census.

Further details are available at:

<https://www.gov.uk/government/publications/pupil-premium/pupil-premium>

Other School Grants

At the point of publishing school budgets, the government has not provided Local Authorities with updates to a number of 2020/21 school grant allocations. When further information is provided, updates will be provided through the Schools Bulletin.

Year 7 Catch-up Premium

The year 7 catch-up premium continues in financial year 2020 to 2021. Further details will be made available in 2020.

Primary PE and Sport Premium

The primary PE and sport premium is in place for the current academic year 2019/20. The government will provide details on the academic year 2020/21 funding arrangements in due course. It is assumed funding will remain at the same rates as 2019/20.

Universal Infant Free School Meals (UFSM)

The grant for UFSM is in place for the current academic year 2019/20 at the meal rate of £2.30. This allocation assumes that pupils will take 190 school meals over the academic year, providing £437 per eligible pupil. The government will provide details on the academic year 2020/21 funding arrangements in due course.

Further details will be made available shortly by the government. Education & Skills Funding Agency (ESFA) guidance for 2019/20 is available at:

<https://www.gov.uk/government/publications/universal-infant-free-school-meals-uifsm-2019-to-2020>

Free School Meals (FSM) supplementary grant

The FSM supplementary grant is in place for the current academic year 2019/20. The rollout of Universal Credit has introduced an income-based threshold for FSM eligibility. The rollout period and transition protection will mean more pupils will be eligible for FSMs. Pupils who were eligible for free school meals on 1 April 2018, and those who become eligible during the Universal Credit rollout period, will retain eligibility until the end of this rollout period. For those still in education at this point, protections will continue until the end of their current phase of education; this covers until at least summer 2023. The government's position is that schools should not remove FSMs eligibility for pupils over this period, unless the pupil's parent requests that they do so.

The government has introduced additional funding to manage the increase in FSMs in the short term, due to school funding operating on a lagged basis. This grant will provide schools with extra funding to help them meet the higher costs of providing extra meals before the lagged funding system catches up. The funding allocations will be determined by the difference between the numbers of pupils eligible for FSM in a school as recorded in the two latest October census'. The number of eligible pupils above the prior year census are multiplied by the rate of £440. It is assumed funding will remain at the same rates as 2019/20.

Devolved Formula Capital (DFC) for 2020/21

The government has not published information on DFC for 2020/21. It is assumed that the same allocations methodology will be applied as the current financial year, which will provide funding to schools to maintain their buildings and fund small scale capital projects.

The 2019/20 DFC allocations to schools are based on pupil numbers using the latest January school census data multiplied by the pupil rate. A lump sum of £4,000 will be provided together with a per pupil sum of: £11.25 for nursery and primary schools; £16.88 for non-boarding secondary schools, and; £33.75 for boarding schools, special schools / alternative provision schools.

Voluntary Aided (VA) schools are required by law to make a 10% contribution of the total DFC allocation therefore, only 90% of the allocation is provided for these schools by the DfE. However, as VA schools do not have access to any VAT refund scheme for their capital costs, the DFC allocation paid to these schools includes an element of funding for VAT (20% of 90%).

Further details (Conditions Funding methodology for 2019/20) are available at:

<https://www.gov.uk/government/publications/capital-allocations>

Lincolnshire Schools Broadband Connectivity

The current broadband arrangements for school through a consolidated broadband offer continue up to 31 October 2022 delivered through EMPSN (a Local Authority members company). This approach delivers significant economies of scale, and has driven costs down overall. It provides a resilient, secure and quality broadband service for all schools in delivering schools educational goals.

Schools Forum has agreed to retain annually within the CSSB a central budget of £1.199m to fund the schools consolidated broadband offer to the contract end date. Historic commitments funding had been anticipated to end upon the contracts reaching their natural conclusion. The ESFA however confirmed late in 2019 that a 20% reduction in funding would be applied in 2020/21. The lateness and scale of reductions was a concern for the Local Authority. The Local Authority will consider a blended approach of funding the contract to its end point through available historic commitments funding and one-off monies earmarked from the DSG.

The Local Authority and EMPSN working with schools will develop a timeline of events and options to ensure a smooth and planned transition takes place from November 2022. A consolidated approach is likely to have the greatest value to Lincolnshire schools due to the economies of scale it brings. A direct billing arrangement will exist from 2022, and it will be a new cost for schools to meet from the contract end date. The government will remove from the Local Authority centrally retained budget as the government drive to remove indefinite differences in funding between Local Authorities, which reflect historical decisions.

Managing Change / School Redundancies

The maintained primary school representatives on the Schools Forum have continued to vote to de-delegate a budget for 'schools in financial difficulty' – this continues for 2020/21.

No such budget was retained for maintained secondary schools as they did not have sufficient critical mass, or for nursery schools and special schools, therefore these schools will be required to finance the total cost of redundancy payments.

The Staffing Reduction Panel will therefore continue to meet to carefully consider maintained primary schools' applications to access the 'schools in financial difficulties' budget. Schools

will need to demonstrate that without implementing its proposed staffing reductions it will fall into a deficit within two years. Only then will this budget contribute to the redundancy costs.

The financial contribution that maintained primary schools will be required to make towards redundancies (if they meet the 'schools in financial difficulties' criteria) will be the first £5,000 of the total cost of every redundancy; or 50% of the total cost of every redundancy, whichever is the greater, subject to a maximum of overall redundancy costs of 2.5% of the school's budget share for the financial year.

The Panel is happy to consider the proposals from other maintained school sectors; however those redundancy costs will need to be met by the school.

De-Delegation budgets for 2020/21

As detailed above, the maintained primary schools representatives of the Schools Forum have voted to continue to de-delegate a number of budgets in 2020/21.

The de-delegation rate for 2020/21 is £35.24 to support termination of employment costs, consultant headteachers and school intervention for vulnerable schools and the Ethnic Minority and Traveller Education Team (EMTET).

Pay Awards

The teachers' pay grant relating to the September 2018 and 2019 decisions will continue to be allocated to schools during 2020/21. The rates have not been published by the government, however the Local Authority have calculated the indicative rates to be as follows:

Nursery	£47.02 per pupil
Primary	£47.02 per pupil
Secondary	£69.21 per pupil

The special schools teachers' pay grant distribution is determined by the Local Authority in accordance with DfE guidance. The distribution uses the special schools funding formula as the basis of the allocation. The Local Authority expects to receive £174.99 per pupil in 2020/21.

The schools medium term finance plan incorporates a 2% teachers' pay award from September 2020, and 1% rises in future years for financial modelling purposes.

The schools medium term finance plan incorporates a 2% non-teaching pay award from April 2020, and 1% rises in future years.

It is of sound financial management for schools to prudently budget for cost rises within the school's medium term financial planning in future years for staff pay. The schools medium term finance plan does provide schools with the option to change the percentage increase on the salary scales.

National Living Wage Increase

The government's planned direction of travel is to continue increasing the national living wage up to £9 per hour. The national living wage rate from April 2020 is £8.72 per hour. The salary scales ensures the lowest scale point meets the national living wage level.

Employer Pension Contribution Rates (non-teaching staff)

Following the outcome of Lincolnshire's Pension Fund 2019 valuation, Lincolnshire County Council employer pension contribution rates (including maintained schools) have been set for a period of three years to March 2023. These are as follows:

- April 20 - March 21: 24.9%
- April 21 - March 22: 25.9%
- April 22 - March 23: 26.9%

Teachers' Pension Scheme – increase to employer contribution rates

The increase to 23.6% from 16.48% in the teachers' employer contribution rate took effect from September 2019. The schools medium term finance plan builds in the new Teachers' Pension Grant new rate going forward.

The rates have not been published by the government, however the Local Authority have calculated the indicative rates to be as follows:

Nursery	£132.85 per pupil
Primary	£132.85 per pupil
Secondary	£195.57 per pupil

The special schools teachers' pension grant distribution is determined by the Local Authority in accordance with DfE guidance. The distribution uses the special schools funding formula as the basis of the allocation. The Local Authority expects to receive £484.95 per pupil in 2020/21.

Where a primary or secondary school have less than 100 pupils the plan will calculate funding at 100 pupils as per the ESFA guidance. For special schools this is a minimum of 40 places.

Apprenticeship Levy

Since April 2017 the funding for apprenticeships changed as part of a series of wider reforms to the apprenticeship system. Employers with a pay bill of more than £3m will be subject to the apprenticeship levy. This will be at the rate of 0.5% of the total salary cost. This money will go into a digital account which can be used to pay for apprenticeship training or for training to enhance the skills of existing members of staff.

The type of school is dependent on determining who is considered to be the employer for the purpose of the levy:

- Community and Voluntary Controlled Schools: the Local Authority is the employer, therefore as the combined salary bill exceeds £3m each year the levy will apply. These schools will have to make provision for the relevant cost of the levy (0.5% of the schools total gross pay to staff (e.g. basic pay and allowances)) in the same way they do for other payroll costs e.g. National Insurance.
- Foundation and Voluntary Aided Schools: the governing body is classed as the employer. If the school's pay bill exceeds £3m each year then the levy will apply and the school will be required to make provision for the relevant cost of the levy.
- Academies: the Trusts of standalone Academies or multi-academy trusts are classed as the employer. If the trusts pay bill exceeds £3m each year then the levy will apply.

For those schools using the Business World payroll system, the levy will be deducted as part of the normal payroll process and will be paid directly to HMRC on their behalf. Those schools not using the Business World payroll system will need to ensure that their payroll provider is aware of the need to calculate and deduct the levy. Schools will therefore be required to budget for this levy within the schools medium term financial planning.

Further information can be found at:

- <https://www.gov.uk/guidance/pay-apprenticeship-levy>
- <https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

If schools have any specific queries please send them to the following e-mail address:
[Schools Apprentice@lincolnshire.gov.uk](mailto:Schools_Apprentice@lincolnshire.gov.uk)

LA School Carry Forward policy

The Local Authority's school carry forward policy states that primary and special schools may retain for any purpose, up to 8% of their budget shares, or £30,000 (whichever is greater). The corresponding figure for secondary schools is 5%, or £30,000 (whichever is the greater). The figure for nursery schools is 10%, or £30,000 (whichever is the greater). Additional sums can only be retained for specific, time limited, costed, capital projects that are consistent with the priorities set out in the school's Asset Management Plan.

Schools with excess balances at 31 March 2020 will be asked in the summer term to complete a proforma outlining briefly their detailed plans for the use of those funds (in line with the policy). The Schools Finance team will undertake follow up action with the schools on those completed proforma plans to ensure policy compliance. Compliance for the committed excess balances reported at 31 March 2019 will be undertaken in the summer term.

It is sensible for schools to retain a reasonable level of reserves, and this should be considered as part of each schools budget setting and medium term financial planning work.

Scheme for Financing Schools

The scheme sets out the financial relationship between the Local Authority and the maintained schools that it funds. It contains requirements relating to financial management and associated matters, which are binding on both the Local Authority and on schools. The scheme applies to all maintained schools and can be found at the link below.

[Lincolnshire's Scheme for Financing Schools](#)

School's Medium Term Finance Plan

The Local Authority will again ask schools to submit by 29th May each year, when the submitted document is sent to Schools Finance Team it should be copied into the email address of the head teacher and Chair of Governors. Approval of the budget should be minuted at the Full Governors Meeting. The Schools Finance Team will undertake a review of the school returns and provide feedback to individual schools on its findings in the summer term. We believe this approach assists schools in strengthening their financial management.

The new finance plan is further enhanced from the changes made in 2019/20, which incorporated a dashboard that provides a number of important graphs on the schools financial position and a validation tab in order to assist schools with the accurate completion of the document. The additions in the 2020/21 plan include: class structures, integrated curriculum and finance planning and schools financial value standard benchmarking section.

Schools are encouraged to undertake financial benchmarking regularly to identify areas of potential efficiencies. The DfE Schools Financial benchmarking tool helps with this process:

[DfE Schools Financial Benchmarking](#)

Schools are not permitted to overspend without the prior approval of the Local Authority; therefore adopting the following practices will help schools reduce the risk of overspending:

- Setting a detailed, balanced and realistic budget at the start of the financial year.
- Monitoring expenditure against the budget each month.
- Projecting the forecast spend for the year-end position (including for every member of staff) at least three times and entering the forecast on the finance system.
- Taking timely action to address potential overspendings.
- Considering the schools financial position beyond the next financial year, having regard to pupil number changes in particular. Maintaining an up-to-date medium term financial plan remains a vital activity.

It is important that schools are familiar with the Local Authority Monitoring & Intervention Policy including recommended best practice:

[Lincolnshire's Monitoring & Intervention Policy](#)

Integrated Curriculum and Financial Planning (ICFP) Metrics

ICFP Metrics is a benchmarking tool designed to help schools better understand curriculum arrangements from a value for money perspective. ICFP analysis is a way to analyse all aspects of education within a school setting to ensure that financial management planning determines an appropriate balance in the allocation and expenditure of resources within a schools available funding.

There is a new page within the primary medium term finance plan that is largely prepopulated from information contained within the plan to assist with a schools resource allocations and its decision making process. The Local Authority supports the DfE position that all schools should consider ICFP metrics when reviewing its budgets.

Schools Financial Value Standard (SFVS)

The SFVS is a mandatory annual return for schools to complete, which is designed to help schools manage their finances and to give assurance that they have secure financial management in place. The DfE re-launched the SFVS that schools are required to complete following a consultation with Local Authorities.

The checklist asks questions of governing bodies in 7 key areas of resource management:

- Governance
- School Strategy
- Setting the annual budget
- Staffing
- Value for Money
- Protecting public money
- SFVS Dashboard

Upon the completion of the Dashboard a RAG (Red, Amber, Green) rating will be generated for your school. The dashboard shows how a school's data compares to thresholds on a range of statistics identified by the DfE as indicators of good resource management and outcomes. The Dashboard is designed to help schools identify areas of improvement of resource management. Schools should carefully consider the results for each of the indicators in the dashboard. Completion of the Dashboard is a mandatory element of the submission of the SFVS.

To provide greater assurance to the Local Authority regarding the responses provided to some questions, the Local Authority will now require evidence attaching to your SFVS.

For the financial year 2020/21, schools will be required to submit their completed return by the end of the summer term (Summer 2020).

<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>

Please ensure your completed returns are submitted to:

SchoolFinanceReturns@lincolnshire.gov.uk

Lincolnshire's Finance Buyback charges for 2020/21

The Local Authority's Schools Finance Team has reviewed its charges for 2020/21, and the costs for all three levels of Service Bronze (fixed and variable element), Silver and Gold will see an increase of 2% in line with anticipated staff pay increases in delivering the service. The service is a non-profit making service, and is primarily a staffing led model.

The Finance Buyback costs for 2020/21 have been calculated at individual school level and are available on Perspective Lite.

A schools' current level of service will rollover into 2020/21. Should schools wish to discuss upgrading to a higher level of service or wish to discuss the different levels of service please contact:

sbss@lincolnshire.gov.uk

Financial Training (Budget Preparation Courses for maintained school)

The Schools Finance Team will be running the annual budget preparation courses throughout the county on the dates and venues detailed below:

Date	Venue	Address
9 th March	Lincoln , Lincoln Golf Centre	Moor Lane, Thorpe on the Hill, Lincoln, LN6 9BW
17 th March	Woodhall , Woodhall Spa Golf Club	The Broadway, Woodhall Spa LN10 6PU
20 th March	Boston , Supreme Inns	Bicker Bar, Bicker, Boston, PE20 3AN
25 th March	Lincoln , Lincoln Golf Centre	Moor Lane, Thorpe on the Hill, Lincoln, LN6 9BW
26 th March	Grantham , Olde Barn Hotel	Toll Bar Road, Marston, NG32 2HT

To book onto one of the courses please email the following address:

Schools_Fin_Training@lincolnshire.gov.uk

Licences

The government continue to purchase a single National Copyright Licence managed by the DfE for all state-funded schools (including nursery schools) in England. The cost continues to be met from the Central Schools Services Block of the DSG; therefore schools no longer pay for them directly.

For 2020/21, the licences covered by the central arrangement are:

- print and digital copyright content in books, journals and magazines (Copyright Licensing Agency (CLA));
- printed music (Schools Printed Music Licence (SPML));
- copyright content in newspapers and magazines (the Newspaper Licensing Agency media access (NLA) licence);
- recording and use of copies of radio and television programmes, including from a number of catch-up services (the Educational Recording Agency (ERA) licence);
- the showing of films (the Public Video Screening Licence (PVSL) and Motion Picture Licensing Company (MPLC) licences);
- payments for musical performances of covered work (Performing Right Society for Music (PRS));
- playing recorded music (Phonographic Performance Ltd. (PPL));
- rights to make CDs and DVDs containing copyright music (the Mechanical Copyright Protection Society (MCPS)); and
- hymns and other Christian music (Christian Copyright Licensing International (CCLI)).

Keeping up-to-date on developments

All schools are encouraged to keep up-to-date with further developments in school funding arrangements by reading reports that are presented to the Schools Forum at its four meetings (in January, April, June and October) each year. The reports are available in Committee Records on LCC's website by following the link below:

<http://lincolnshire.moderngov.co.uk/mgCommitteeDetails.aspx?ID=166>

Also, useful information is available to support schools in managing their finances at the following link:

<https://www.lincolnshire.gov.uk/local-democracy/finances-and-budget/schools-financial-information/>

Contact details

Should you wish to discuss any particular aspect of this pack of information, please refer to the named contact officer(s) on the relevant letter, or contact colleagues in the Local Authority's Finance Team:

Overall Schools Funding

- Sue Bainbridge, Senior Finance Technician: 01522 555301
- Mark Nunn, Senior Finance Technician: 01522 554603

Early Years Funding Formula

- Carla Snowshall, Senior Finance Technician: 01522 553625

Special Schools Funding Formula

- Nicky Freeman, Senior Finance Technician: 01522 554653

Alternatively, please contact the Schools Finance Helpdesk on 01522 550555 or schools_finance@lincolnshire.gov.uk.

Overall High Needs Funding

- Adam Hillman, Senior Finance Technician: 01522 554561

For individual high needs pupil level detail queries, please contact the SEND team on 01522 554682 or SENFinanceproject@lincolnshire.gov.uk.