

**(BARKING AND DAGENHAM SCHOOLS FORUM)**  
**19 January 2021**

<b>Title:</b> Schools' Forum Report	
<b>Open</b>	<b>For Decision / For Information</b>
<b>Wards Affected: All</b>	<b>Key Decision: No</b>
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<b>Accountable Operational Director:</b> Jane Hargreaves – Commissioning Director for Education Youth and Childcare	
<b>Accountable Strategic Director:</b> Elaine Allegretti – Director for People and Resilience	
<p><b>Summary:</b> The purpose of this report is to update the Barking and Dagenham Schools Forum on:</p> <ol style="list-style-type: none"> <li>1. Membership</li> <li>2. Revised DSG funding for 2020/21, including HNB</li> <li>3. DSG Outturn forecast for 2020/21</li> <li>4. High Needs Block (HNB) Outturn Forecast for 2020/21</li> <li>5. Updated Early Years (EY) funding and payments for 2020/21</li> <li>6. DSG block allocations for 2021/22</li> <li>7. Growth Funding for 2021/22</li> <li>8. Falling Rolls for 2021/22</li> <li>9. Local Funding Formula for 2021/22 including</li> <li>10. High Needs budget for 2021/22</li> <li>11. Early Years formula for 2021/22</li> <li>12. Update on BACS migration for schools</li> <li>13. Update on Financial Regulations for schools</li> <li>14. Music Service remodelling</li> <li>15. Verbal update on Covid19 funding for Schools</li> <li>16. Three Year Budget Planning for Schools</li> <li>17. Replacement of Council's Oracle General Ledger and HR/Payroll System</li> <li>18. AOB</li> </ol>	

## Recommendation(s)

The Schools' Forum is requested to:

1. (a) note the updated constitution, based on October 2020 census.  
(b) approve consultation with key members for the election of representatives in respect of vacancies.
2. note the updated DSG allocations for 2020/21.
3. note the projected 2020/21 DSG Outturn position.
4. note and comment on the 2020/21 High Needs Outturn forecast position.
5. note the updated 2020/21 Early Years funding arrangements.
6. (a) note the final 2021/22 DSG allocations.  
(b) note the reduction in historic element of Central Block and the impact on service to schools.
- 7 (a) note the expected shortfall in growth funding allocations for 2021/22.  
(b) agree the centrally held growth fund budget of £2.596k for 2021/22.  
(c) approve the change to the growth fund policy in order to provide pupil led funding uplift of 40% for classes of more than 4 through centrally held growth fund.
- 8 (a) approve the creation of the falling rolls budget of £750k.  
(b) approve the proposed changes to falling rolls fund to provide broader protection to schools.
- 9 Note and agree the following principles to be applied to the final formula:
  - (a) primary secondary ratio of 1:1.35 in the final funding model.
  - (b) to apply no capping and scaling.
  - (c) to apply the maximum MFG of +2%.
  - (d) note the movement and impact of IDACI, EAL and mobility.
  - (e) approve by phase, the delegation rates and amounts.
  - (f) note the academy charges for Safeguarding and Trade Union duties.
  - (g) agree the proposed central spend line by line.
  - (h) note the reduction in historic funding element of CCSB and impact of this reduction.
- 10 note the update on High Needs budget setting for 2021/22.
- 11 (a) note the early years budget and the provider hourly rates.  
(b) approved the central spend on 3&4 year olds.

- 12 note the update on BACS migration for schools.
- 13 note the update on introduction of Schools Financial Regulations.
- 14 Schools forum is requested to agree the new delivery model and the charging structure for CMS in principle for the financial year 2021/22.
- 15 note the verbal update on Covid19 funding for Schools.
- 16 note the guidance on setting rolling three-year budget.
- 17 note the update on replacement for Oracle and HR/Payroll systems.

**Reason(s)**

The Schools Forum Regulations 2012 requires that the Schools' Forum meets regularly and is consulted by the local authority concerning the Dedicated Schools Budget and various related matters.

**1. Constitution**

- 1.1. The schools forum is largely made up of representatives from the maintained and academy sectors, along with those from governors, early years, diocese, 14-19 year old sector and trade unions.
- 1.2. The number of representatives from the maintained and academy sectors should be, in broad terms, proportionate to the total number of pupils on roll. However, these proportions can change as a result of changes in pupil intake and academy conversions. Therefore, number of representatives from each of these sectors requires review from time to time.
- 1.3. The October 2020 pupil census data is set out below in table 1.

<b>Maintained:</b>	<b>Primary NOR</b>	<b>Secondary NOR</b>	<b>Total NOR</b>	<b>Percentage</b>
Primary	19,464	-	19,464	49%
Secondary	-	7,485	7,485	19%
All-through	517	2,345	2,862	7%
<b>Academy:</b>				
Primary	3,853	-	3,853	10%
Secondary	-	2,913	2,913	7%
All-through	967	2,308	3,275	8%
<b>TOTAL</b>	<b>24,801</b>	<b>15,051</b>	<b>39,852</b>	<b>100%</b>

Table 1: Analysis of October 2020 pupil census by sector and phase.

1.4. The existing and proposed number of representatives from the schools sector are set out in table 2 below. Whilst there have been some movement in pupil numbers, between phases and between local authority maintained and academy sector, these changes are marginal to impact on the relative number of representatives. Therefore, no changes are being proposed in respect of number of representatives from the different sectors. The updated number of representatives are based on October 2020 census.

Representing	Existing No. of Reps	Proposed No of Reps	Elected By	Pupil rep ratio
Maintained Primary	7	7	Primary Heads Forum	3,244
Maintained Secondary	2	2	Secondary Heads Forum	2,495
Maintained All-through (A/T)	1	1	Formal election process with sector.	2,862
Academies & Free Primary	1	1	Formal election process with sector.	3,853
Academies & Free Secondary	1	1	Formal election process with sector.	2,913
Academies & Free Primary (A/T)	1	1	Formal election process with sector.	3,275
Maintained Special	1	1	Maintained Special School	
Maintained PRU	1	1	Automatic	
Academy Special School	1	1	Formal election process with sector	
Governors 1 Primary 1 Secondary	2	2	Governor Ser. to administer process	
Early Years Rep	1	1	Local Authority	
Church of England Rep	1	1	Formal process with Diocese	
Catholic Rep	1	1	Formal process with Diocese	
14-19 Rep	1	1	Automatic	
Trade Union Rep	1	1	Formal process with Trade Unions	

Table 2 – Proposed ratios of Schools Forum representatives

**Recommendation (i):** Schools forum are requested to:

- (a) note the updated constitution, based on October 2020 census and
- (b) approve consultation with key members for the election of representatives in respect of vacancies.

## 2 Revised DSG funding for 2020/21, including HNB

2.1 The DSG funding allocations published in November 2020 are set out in the table 3 below. The total DSG allocation for the year, after recoupage, is £230,566k. There have been no further changes to the funding allocations since the previous update in July 2020. However, the direct funding adjustments are subject to further ongoing changes and finalised by 31 March 2021, and Early Years funding allocations by July 2021.

Block	Pre-recoupment	Post Recoupment	Funding Pre-recoupment	Recoupment / Direct Funding	Post Recoupment	Variance +favourable/(unfavourable)
	July 20	July 20	November 20	November 20	November 20	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
	(a)	(b)	(c)	(d)	(e)=(c)-(d)	(f)=(e)-(b)
Schools Block	226,041	171,254	226,041	54,787	171,254	0
CSSB Block	2,364	2,364	2,364	0	2,364	0
High Needs Block	37,568	34,015	37,568	3,553	34,015	0
Early Years block	22,933	22,933	22,933	0	22,933	0
Total DSG	288,906	230,566	288,906	58,340	230,566	0

**Table 3: 2020/21 DSG Allocations as at November 2020 DfE Updates**

**Recommendation (ii):** Schools forum are requested to:

(a) Note the updated DSG allocations for 2020/21

### 3. DSG Outturn forecast for 2020/21

- 3.1 The DSG funding and projected out-turns are set out in table 4 below. DSG is reporting an underspend of £1,585. The post recoupment Schools Block allocation of £171,254 includes £1,894k of centrally retained Growth Fund which was expected to fund 7½ primary and 19 secondary classes (please see table 5 below). However, based on September 2020 openings, new secondary classes required are 16. The difference relates to updated position on Eastbrook.

	2020/21 Funding £'000	2020/21 Projected Out-turn	Deficit (surplus) at as March £'000
Schools Block – ISB	171,254	171,249	(5)
Central Block	2,364	2,364	0
High Needs Block	34,015	32,435	(1,580)
Early Years Block	22,933	22,993	0
<b>Total</b>	<b>230,566</b>	<b>230,566</b>	<b>(1,585)</b>
<b>DSG reserves (surplus)</b>			<b>(1,726)</b>
<b>DSG forecast (Surplus)</b>			<b>(3,311)</b>

**Table 4– 2019/20 DSG funding and expenditure outturn**

3.2 The reduction in number of classes that opened in September 2020 means that the previously agreed pupil led funding uplift of £225k for Robert Clack can now be fully met from the centrally retained Growth Fund budget rather than from DSG reserves and delegated contingencies. The underspend on growth fund is £5k.

	R	Y7	Total	£000s
<b>Total AWPU led growth classes</b>	<b>7.5</b>	<b>16</b>	<b>23.5</b>	<b>1,664</b>
Robert Clack – pupil led funding uplift				225
<b>Total Growth Fund requirement</b>				<b>1,889</b>
Growth Fund budget				1,894
<b>Underspend</b>				<b>5</b>

**Table 5: 2020/21 Projected Growth Fund Out-turn**

- 3.3 High Needs block is reporting an underspend on £1,585. Details of projected High Needs out-turns are set out in section 4 of this report.
- 3.4 In March, government confirmed that it will continue to pay local authorities for free Early Years entitlement places for 2, 3 and 4 year olds to support providers. The local authority continued to fund eligible 2, 3 and 4-year old places during the spring and summer terms regardless of whether the settings have been open or not and whether children have been attending or not.

**Recommendation (iii):** Schools forum are requested to:

(a) Note the projected 2020/21 DSG Outturn position.

**4. HNB Outturn Forecast for 2020/21**

4.1 As a reflection of the historic underfunding and the high levels of demand in previous years, LBBD received the maximum funding increase of 17% in 2020/21 as compared to last financial year. The 2020/21 HN funding is £34m as compared with £28.7m in 2019/20. Table 6 below shows the detailed forecast position for High Needs for 2020/21.

	2019/20 Budget	2020/21 Budget	2020/21 Outturn Forecast	Variance +deficit / (surplus)
Alternative Provision	3,544,000	3,574,000	3,188,669	(385,331)
ARP Funding	6,032,800	6,102,000	6,042,652	(59,348)
DSG – High Needs Education Inclusion	1,666,000	1,618,000	1,586,483	(31,517)
Top-ups (inc. OB and NMSS)	6,662,200	7,635,000	6,908,293	(726,707)
High Needs Top Ups – Post 16	969,000	1,291,000	1,753,542	462,542
SEN Panel Top Ups	1,418,000	1,148,000	1,148,000	0
LACHES, Language Support	331,000	335,000	361,482	26,482
Initiatives	200,000	150,000	150,000	0
Special School Funding	7,493,000	10,643,000	10,954,092	311,092
Early Years & Integrated Youth Services	398,000	356,000	342,163	(13,837)
<b>Total</b>	<b>28,714,000</b>	<b>32,852,000</b>	<b>32,435,376</b>	<b>0.00</b>
<b>Gatekeeping for In-year Growth/import/export</b>		<b>1,162,675</b>	<b>1,579,299</b>	<b>(416,624)</b>
<b>Total Budget</b>		<b>34,014,675</b>	<b>34,014,675</b>	<b>0.00</b>

**Table 6 – High Needs Outturn**

4.2 Table 6 above shows that the High needs block pressure areas for 2020/21 includes

- Post16 top up payments in support of continued growth and additional funding in support of our 16-25 cohort.
- Special Schools top up payments due to changes in banding levels for some children and young people in these placements
- The gatekeeping in-year growth of £1,162,675 is made of £934k that was been earmarked to respond to any additional in year growth that we may have to respond to in the remaining months of the year and £228k which was subject to import and export adjustments. As schools are now complying with government lockdown procedures and supporting vulnerable groups and key workers pupils, the full impact of demand and associated pressures are yet to be known .

4.3 Payment to all providers and settings has continued during the financial year in accordance with government guidelines around Covid-19 and careful monitoring of the

High Needs block has continued due to the complexities and increase in SEN children being identified.

**Recommendation (iv):** Schools forum are requested to:

Note and comment on the 2020/21 High Needs Outturn forecast position.

## 5. Updated Early Years (EY) funding and payments for 2020/21

- 5.1 In the summer, DfE announced its intention to return to normal funding process for the 2021 spring term as actual or intention to take up formal childcare were expecting to return to pre-Covid levels by January. From the start of the spring term 2021, local authorities are to be funded on the basis of their January 2021 census for the 2021 spring term.
- 5.2 The DfE recognises that attendance may not be fully back to normal for all areas at the January 2021 census, and it may not represent the mid-year attendance in the normal way. However, in local authorities where attendance is below 85% of the January 2020 census levels, and where that local authority can provide evidence of increased attendance during the spring term, DfE would provide a top-up to the January 2021 census. The top-up, which would be made on a case-by-case basis, would only fund the additional places taken up after the January 2021 census week count and the total allocation for spring term will be limited to a cap equivalent to 85% of their January 2020 census level. These arrangements were published before the January 2021 lockdown was announced.

**Recommendation (v):** Schools forum are requested to:

Note the updated 2020/21 Early Years funding arrangements.

## 6. DSG block allocations for 2021/22

- 6.1 The 2021/22 DSG allocations were published in December 2020. The Primary (£5,212) and Secondary (£6,851) Units of Funding (PUF and SUF) were previously published in July 2020. These unit rates have now been applied to the October 2020 census to determine the final allocations for 2021/22.
- 6.2 The final funding allocations for 2021/22 are set out in tables 7 and 8 below. There are no changes to the overall structure of the formula used to calculate funding distribution. The key changes in respect of 2021/22 formula allocations relevant to the local authority are as follows:



(a) Key factors have been uplifted by 3% and others by different inflation measures.

(b) The Teacher Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) have been rolled into the DSG by uplifting Primary and Secondary AWPUs by £198 and £291 respectively (the national rate) and then uplifted by Area Cost Adjustment.

6.3 The total Schools Block allocations including TPG and TPECG, is £244,281k. This is an increase of £7,629k or 2.35%, of which just over £3,168k relates to increases in pupil numbers and the balance relates to increases in unit of funding, compared to 2020/21.

6.4 The premises funding consists of business rates, PFI and split sites. The 2021/22 allocations are based on historic spend from the previous year with the exception of PFI which has been uplifted for RPIX data. The premises allocation for 2021/22 is £9,992k, and increase of £939k largely reflects the backdated business rates increases.

Block	2020/21 Alloc. (a)	2021/22 Final Allocations (b)	Movement + Fav / (unfav.) (c)=(a)-(b)	% change (d)
Pupil No	39,376	39,847	471	1%
Schools Block	214,590	222,219	7,629	4%
Premises (historic)	9,053	9,992	939	10%
Growth Fund	2,398	1,939	(459)	(19%)
TPG and TPECG	11,109	10,130	(978)	(9%)
<b>Total Schools Block</b>	<b>237,150</b>	<b>244,281</b>	<b>7,131</b>	

Table 7: 2021/22 Schools Block Allocations

Block	2020/21 Alloc.	2021/22 Final Allocations	Movement + Fav / (unfav.)	% change
Schools Block	237,150	244,281	7,131	
High Needs	37,568	42,598	5,030	13%
CSSB - On-going	1,438	1,619	181	13%
CSSB - Historic	926	740	(186)	(20%)
Early Years (Prov.)	22,933	23,205	272	1%
<b>Total DSG Funding</b>	<b>300,015</b>	<b>312,444</b>	<b>12,429</b>	<b>4%</b>

Table 8: 2021/22 DSG Allocations for all Blocks

6.5 The growth fund allocation for 2021/22 is £1,939, representing a reduction of £459k compared to the previous year (please see table 9 below). However, the actual growth fund budget requirement exceeds the budget allocation from the DfE (please see section 7 of this report). The shortfalls have to be met from the Schools Block allocations.

Financial Year	Growth Fund Allocations (in £'000s)	Reduction Compared to Previous Year (in £'000s)
2018/19	4,044	
2019/20	2,983	(1,061)
2020/21	2,398	(585)
2021/22	1,939	(459)

Table 9 : Growth Fund allocations

- 6.6 The Central Schools Services Block (CSSB) is split into two elements: continuing statutory functions and local arrangements for historically agreed services. The statutory functions are allocated on the basis of per-pupil funding rates (90% basic per pupil factor and 10% based on FSM and FSM E6) uplifted by Area Cost Adjustment giving a unit rate £40.64 for the local authority. In accordance with previous DfE announcement, the historic element is seeing year on year reductions of 20% that started in 2020/21.
- 6.7 The High Needs block is increasing by £5,030k. The new allocation, now based on formula, goes some way to address gap created by funding allocated on a historic basis. LBBD had one of the largest existing funding gaps and is receiving maximum uplift of 12% (measured against rebased baseline). However, a growing population and other demographic changes mean continuing increase in demand for services.

**Recommendation (vi):** School Forum are asked to note:

- (a) the final 2021/22 DSG allocations
- (b) reduction in historic element of Central Block and the impact on service to schools

## 7 Growth Funding for 202/21

- 7.1 Growth funding allocations are based on differences between the primary and secondary numbers on roll in each LA between the October 2019 and October 2020 school censuses. The methodology captures growth at the level of Middle Layer Super Output Areas (MSOAs). For this, the school postcode information is used to identify the MSOA for the school, to map the growth in small geographical areas within local authorities between the previous two October censuses. Negative growth is disregarded.
- 7.2 The impact of formulaic approach to distributing growth fund has been to allocate the national funding more widely across more local authorities. This approach does not take into account the need to adopt an area based approach to growth to respond to local circumstances such as new housing developments. DfE is yet to publish how growth would be managed under the hard NFF.

7.3 The provisional September 2021 expansions are set out in Table 10. The primary and secondary phases are reporting growths of 315 and 561 respectively. Total cost of funding growth is £2,783k which includes £437k of pupil led funding. The DfE growth fund allocation is £1,939 leaving an expected shortfall of £844k which is met from the Schools Block. The LA is funded at £1,889 and £2,457 per pupil for primary and secondary growth. In contrast, schools are funded at £2,228 and £2,931 plus pupil led funding where appropriate).

School	Pri. Sep21 Growth	Sec. Sep21 Growth	Pupil Led £000s	AWPU Led £000s	Total Growth Fund £000s	Comments
Barking Abbey School		81		237	237	Permeant expansion; Y7
Dagenham Park CofE		30		88	88	Permanent expansion; Y7
Eastbrook School **	45	90	146	364	510	Permanent expansions; R and 7
Eastbury Community	60			134	134	Permanent expansions to R
Gascoigne Primary	30			67	67	Permanent expansions to R
Goresbrook	30			67	67	Permanent expansions to R
Greatfields		60		176	176	Permanent expansion of Y7
Riverside Secondary		120		352	352	Permanent expansion of Y7
Robert Clack **	30	180	238	594	832	Permanent expansion of Y7
The Sydney Russell	60			133	133	Permanent expansions to R
<b>Total centrally held Growth Fund</b>	<b>255</b>	<b>561</b>	<b>384</b>	<b>2,212</b>	<b>2,596</b>	
Riverside Primary **	60		53	134	187	<i>New and growing school; R growth</i>
<b>Total Growth Fund requirement</b>	<b>315</b>	<b>561</b>	<b>437</b>	<b>2,346</b>	<b>2,783</b>	
<b>DSG Growth Fund allocation</b>					<b>1,939</b>	
<b>Budget Shortfall</b>					<b>844</b>	
<b>Total GF requirement:</b>	<b>315</b>	<b>561</b>	<b>437</b>	<b>2,346</b>	<b>2,783</b>	
Add: Contingency	30	60		245	245	Growth / Falling Rolls
<b>Total</b>	<b>345</b>	<b>621</b>	<b>437</b>	<b>2591</b>	<b>3,028</b>	

Table 10 : 2021/22 Planned Sept. 21 Expansions and Growth Fund Requirements

Note: \*\* are funded at AWPU plus 40% pupil led funding factors (growth exceeding 4 classes or are new and growing)

7.4 New and growing schools, “schools that have opened in the last seven years, and have not reached their full number of year groups.” These must be funded through the formula, from the schools block, in order that schools can attract the other pupil led funding factors to compensate for diseconomies of scale associated with new schools. The DfE recommends that significant expansions are also funded through the formula so that these attract pupil led funding factors.

- 7.5 As part of the consultation on formula for 2021/21, schools were asked for their views on funding proposals. Only five schools responded and all were in favour of providing pupil led funding for growths of more than 4 classes.
- 7.6. It is important to recognise that large scale expansions can strain school finances because start-up / fixed costs including facilities management, certain staffing costs, resources etc have to be funded while schools are operating below full capacity. It is also important to lock in protections before the implementation of the hard formula. Therefore a change to the existing growth policy is recommended so that existing schools (ie not new and growing schools) that open more than four new classes in September are assigned pupil led funding for growth. This can be funded by varying the pupil number on APT so that these are included in the overall ISB allocation for the year. However, this can create difficulties where the full planned classes fail to open in response to lack of pupil number which will then have to be clawed back the following year. It is proposed that a 40% uplift to AWPU is applied to the growth fund allocations.

**Recommendation (vii):** School Forum are requested to:

- (a) note the expected shortfall in growth funding allocations for 2021/22
- (b) agree the centrally held growth fund budget of £2,596 for 2021/22
- (c) approve the change to the growth fund policy in order to provide pupil led funding uplift of 40% for classes of more than 4 through the centrally held growth fund.

## 8 Falling Rolls

- 8.1 Please see Appendix 1 (column J) for changes in numbers on roll (NOR) (with pupil number adjustments for new and growing schools) used for funding purposes. Overall, pupil numbers have increased by 470 between October 19 and October 20 census; the primary phase is reporting a net overall reduction of 55 and the secondary reporting a net increase of 525. In the primary phase, 21 are reporting combined reductions of 483, and 19 reporting increases of 199, and 3 reporting no overall movement. In the secondary/ all-through phases, 3 are reporting combined reductions of 102, and 10 are reporting aggregate increases of 856. A significant number of schools with falling rolls are likely to experience financial stress. Of the 24 schools with reductions in pupil numbers, 18 are reporting reductions in ISB (after removing the impact of rolling in teachers pay and pension grants and business rates adjustments which is cost neutral). Therefore, it is prudent to set aside £250k to fund falling rolls from Schools Block plus £255k from DSG reserves, and an additional £245k of general contingency to be shared across growth and falling rolls. This will mean a maximum falling rolls fund of £750k to cushion the impact of reduction of £1,833k in ISB.
- 8.2 To be eligible for falling rolls, schools must meet a number of qualifying criteria. It is a DfE mandatory requirement that the school must be good or outstanding. Other requirements previously agreed by the Forum are;

- (a) reductions of 5% or more in numbers on rolls after adjusting for impact of bulge classes. It is proposed that this is changed to reductions of 2% or more to ensure focused support is provided to a greater number of schools.
- (b) year on year reduction in delegated budgets of 2% or more. It is proposed that this is changed to a reduction of 1% or more (after removing the impact of rolling in Pay and Pension Grants and changes in business rates).
- (c) school's reserves do not exceeding 2% of delegated budget.
- (d) a recovery plan is submitted as part of the application process. It is proposed that this requirement is removed. However, before funds are released the qualifying schools would be required to provide details of the planned use of the falling rolls fund allocations (as an appendix to the budget) and then provide details of actuals after year-end. A list of schools qualifying for falling rolls fund would be presented to the next schools forum for approval.

**Recommendation (viii):** School Forum are requested to:

- (a) approve the creation of the falling rolls budget of £750k
- (b) approve the proposed changes to falling rolls fund to provide broader protection to schools.

## 9 Local Funding Formula for 2021/22

9.1 The year 2021/2022 is expected to be, the final transitional year before the implementation of the 'hard' National Funding Formula. Local authorities remain able to set a local schools funding formula, in consultation with local schools for this year only. Later this year, the government is expected to consult on plans to move to a 'hard' NFF in the future (probably in 2022/23). Under the NFF, all schools would be funded on identical funding factors and unit of funding. The only difference would be the uplift to units of funding for area cost adjustment (12.985% for LBBD) to reflect differential costs between areas.

- The mandatory use of Minimum Per-Pupil Funding (MPPF) levels to ensure that primary and secondary schools attract at least £4,180 and £5,415 through the formula respectively. This is different from AWPU, as MPPF calculation takes into account all pupil led and school led funding. This will not have any impact on any of the schools in Barking and Dagenham as all the schools attract funding well above these thresholds, and one reason for this is because the local authority is in high cost area so attracts high ACA uplift. The primary purpose of MPPF is to protect schools in rural areas.
- The gains by schools under the formula are not capped. However, shortfalls in growth funding and business rates, and falling rolls means that have to be funded from top slicing the schools block.

- The protection for growth funding, allocated on a formulaic basis from 2019/20 onwards, will continue at 0.5% of the Schools Block (reductions in growth fund allocations cannot be greater than 0.5% of Schools Block allocations). The authority did not trigger protection.

9.2 The schools block budget income and expenditure are set out on table 11 below. The projected income and expenditure for the year is £244,281k and £244,536k respectively, and the difference of £255k is met from DSG reserves to fund falling rolls. Cost of schools funding formula is £241,029k. Individual School Budget modelled for 2021/22 is attached as Appendix 1 to this report (please column I).

<b>2021/22 Schools Block Budget</b>	<b>£'000s</b>
School Block Allocation 21/22	222,219
Premises	9,992
Growth Fund	1,939
Protected TPG and TPECG	10,130
<b>(A) Schools Block Budget for 2021/22</b>	<b>244,281</b>
Schools Block formula requirement	241,029
Less: 2020/21 cash advance	161
Growth Fund	2,596
Falling Rolls - £250k plus £245k growth fund / falling rolls contingency plus £255k transfer from reserves	750
<b>(B) Provisional Schools Block Expenditure</b>	<b>244,536</b>
<b>(B) - (A) Diff. of £255k funded from DSG reserves</b>	<b>255</b>

**Table 11: Budget Available for Formula Funding**

- 9.3 The funding model has been calculated on the following basis:
- includes the effect of rolling in TPG and TPECG and there will be no further allocations of these grants.
  - The NFF rates with ACA have been applied all of the factors with the exception of AWPU. Shortfalls in growth fund and the cost of funding falling rolls fund have been off set against AWPU.
  - The DfE funding ratio, based on the existing data for the local authority, is 1:1.41. The Schools Forum previously agreed to gradually move towards the existing ratio of 1:1.41 in phases. In the 2020/21 formula, AWPU were flexed to achieve a ratio of 1:1.35. The notional funding allocations published by the DfE is showing that most primary schools are having to be supported through the funding floor factor in respect of the minimum 2% per pupil uplift. This is because the pupil led factors are not fully effective in driving the funding allocations and minimum increases through the formula. Therefore, in respect of 2021/22, the existing ratio of 1:1.35 is being proposed in order to provide continuing protection to the primary

phase. It will also provide reduced funding turbulence and uncertainty until these issues are possibly resolved at a national level.

- (d) The local AWPU rates for primaries are higher and secondaries lower than the NFF rates in order to achieve the required primary secondary ratio 1:1.35. This means secondaries would be funded 35% more per pupil than a primary in recognition of their greater cost.
- (e) The model also includes rates adjustments and estimated PFI uplifts.
- (f) To mirror calculation of schools NFF by the DfE, capping and scaling of gains have not been applied to the formula. This means that schools will retain all of their gains under the formula.
- (g) The formula offers Minimum Funding Guarantee (MFG) protection. This measures the percentage increase in per pupil funding between 2020/21 and 2021/22 formula budget after removing lump sum and rates allocations but including teachers pay and pension grants for both years. The regulations allow MFG to be set between 0.5% and 2%. The model assumes 2% protection in 2021/22. There are 26 schools that have triggered MFG protections, and all except two are primary schools.
- (h) The adjusted change in pupils is an increase of 163 (October 19 to 20 census movement is an increase of 470) the difference relates to adjustments relating to new and growing schools. There are 31 schools with increases / no reductions in pupil numbers, all of which are seeing increases in ISB (after removing the impact of Pay and pension Grants. Of the 25 with falling pupil numbers, 18 are showing reductions in ISB totalling £1,883k.
- (i) The IDACI data is updated every 5 years, most recent is in respect of 202/21 model. There has also been a change in methodology, now based on ranking instead of scores. The data is showing reductions in proportion of pupil in the most deprived bandings and increases at the other end of the spectrum. This, along with reductions in numbers on roll fall, means reductions in funding passing through this factor for most schools. There are similar reductions in EAL and mobility data and corresponding funding passing through these factors for both primary and secondary phases. The unit rates and quantum passing through is set out in **Appendix 2**.

9.4 The final formula allocations are subject to review by the DfE, with possible further technical adjustments or refinements to the ISB allocations set out on **Appendix 1**. The deadline for submitting the local formula (known as Authority Proforma Toolkit) is 21 January 2021.

The local authority consulted schools on the proposed funding principles, agreed by the last Schools Forum, to be applied to the 2021/22 funding formula. Only five schools responded. These were broadly in support of the following proposals:

- setting up falling rolls fund,
- set MFG at +2%,

- no capping of gains,
- primary secondary ratio of 35%,
- support for providing pupil led growth funding for schools adding on more than four classes in September.

However, there was no clear agreement on the ranking of these priorities.

**Recommendation (ix):** Schools forum are requested approve the following principles to be applied to the funding model for 2021/22:

- (a) primary secondary ratio of 1:1.35 in the final funding model
- (b) to apply no capping and scaling
- (c) to apply the maximum MFG of +2%, and
- (d) note the movement and impact of IDACI, EAL and mobility

### De-delegation for 2020/21 (Maintained Schools)

9.5 The existing and revised de-delegation rates, for primary and secondary phases, are set out in the tables 12 and 13 below respectively. The updated figures are based on October 2020 census. De-delegated amount is top sliced from LA maintained individual school budget share to provide the respective services. There is no change to the aggregate amount being de-delegated (£424k). Funding for trade union duties is distributed back to designated schools that release staff to undertake official trade union duties.

	2020/21 Primary De-delegations			2021/22 Primary De-delegation			Movt
	Primary Pupil Nos	Unit Rate	Total Amount	Primary Pupil Nos	Unit Rate	Total Amount	
Contingencies	20,370	3.61	73,485	19,981	3.64	72,790	(695)
LSCB	20,370	1.38	28,066	19,981	1.39	27,800	(266)
Trade Union	20,370	8.28	168,609	19,981	8.36	167,014	(1,595)
FSM Eligibility	20,370	0.83	16,925	19,981	0.84	16,765	(160)
<b>Primary Total:</b>			<b>287,085</b>			<b>284,369</b>	<b>(2,716)</b>

Table 12 : Primary De-delegation Rates 2021/22

	2020/21 Secondary De-deleg.			2021/22 Secondary De-dele.			Movt.
	Secondary Pupil Nos	Unit Rate	Total Amount	Secondary Pupil Nos	Unit Rate	Total Amount	
Contingencies	9,734	3.61	35,115	9,830	3.64	35,810	695
LSCB Board	9,734	1.38	13,411	9,830	1.39	13,677	266
Trade Union	9,734	8.28	80,571	9,830	8.36	82,166	1,595
FSM Eligibility	9,734	0.83	8,088	9,830	0.84	8,248	160
<b>Secondary Total:</b>			<b>137,185</b>			<b>139,901</b>	<b>2,716</b>

**Table 13 :** Primary De-delegation Rates 2021/22



9.6 Both academies and local authority maintained schools benefit from the arrangements in respect of trade unions and local safeguarding board. Academies are to be invoiced as there is no provision to de-delegate. Table 14 presents the revised rates chargeable to academies.

	2020/21 Charges	2020/21 Academy Charges (to be invoiced)			2021/22 Academy Charges (to be invoiced)				
	Total 2020/21	Primary NOR	Unit Rate	Primary Total:	Secondary NOR	Unit Rates	Secondary Total	TOTAL 2021/22	Movt
LSCB	13,194	4,615	1.38	6,369	5,170	1.39	7,194	13,563	369
Trade Union	79,263	4,615	8.28	38,215	5,170	8.36	43,216	81,431	2,168
<b>Total:</b>	<b>92,457</b>			<b>44,584</b>			<b>50,410</b>	<b>94,994</b>	<b>2,537</b>

Table 14 : Charges to Academies 2021/22

**Recommendation (ix):** Schools forum are requested approve:

- (e) by phase, the delegation rates and amounts.
- (f) note the academy charges for Safeguarding and Trade Union duties.

### **Central School Services Block**

- 9.7 The Central Schools Services Block (CSSB) had been created in 2018/19 by combining the residual Education Services Grant of £0.6m and £1.9m of funding allocations for central services previously agreed by Schools Forum. CSSB is split into two elements; continuing statutory functions and local agreed historically services.
- 9.8 The element of funding within CSSB that local authorities receive for historic commitments are being reduced 20% year on year, and 2021-22 is the second year of the reductions. This is in line with the previously announced taper strategy.
- 9.9 The central block allocations for 2021/22 are set out on table 15 below. The statutory functions are allocated on the basis of per-pupil funding rates (90% basic per pupil factor and 10% based on FSM and FSM E6) uplifted by Area Cost Adjustment giving a unit rate £40.64 for the local authority. The reductions on historic are broadly being offset by increases in on-going responsibilities.

	Rate	Pupil Numbers	2021/22 Total Funding	2020/21 Funding	Movt
On-going resp.	40.64	39,847	1,619	1,439	180
Historic			741	925	(184)
<b>Total</b>			<b>2,360</b>	<b>2,364</b>	<b>(4)</b>

Table 15 – Central School Services Block allocations for 2021/22

9.10 On-going responsibilities funded from CSSB are set out in table 16 below.

	2020/21 Budget Allocation	2021/22 Budget Allocation	Movt	Notes
<b>On going responsibilities:</b>				
Admissions	536,800	636,353	99,553	a
Service of schools forum	60,000	60,000	-	b
Licences / subscriptions	215,554	180,406	(35,148)	c
Statutory / regulatory	626,446	742,624	116,178	d
<b>Total (on-going)</b>	<b>1,438,800</b>	<b>1,619,383</b>	<b>180,583</b>	

Table 16 – Central School Services Block – budget allocations

- (a) Expenditure incurred in connection with the LA's functions including administration of the system of admissions  
(b) Expenditure incurred in connection with the LA's functions of running the schools forum meetings  
(c) DfE managed licences means that these no longer need to be procured separately but recharged to schools through the central licences by DfE as charged to LA  
(d) The Education Services Grant ceased in September 2017. From 2018/19 onwards this now becomes part of the CSSB.

9.11 Historic responsibilities funded from CSSB are set out in table 17 below.

	2020/21 Budget Allocation	2021/22 Budget Allocation	2019/20 Budget Allocation	Reduction	
<b>Historic</b>					
School improvement	86,358	69,087	107,948	(38,861)	e
Schools estates	120,000	96,000	150,000	(54,000)	f
School games organiser	40,000	32,000	50,000	(18,000)	g
Trewern outdoor education	167,200	133,760	209,000	(75,240)	h
Community music service	248,000	198,400	310,000	(111,600)	i
Advisory teachers	264,000	211,200	330,000	(118,800)	j
<b>Total (historic)</b>	<b>925,558</b>	<b>740,447</b>	<b>1,156,948</b>	<b>(416,501)</b>	

Table 17 : CSSB budget allocations

**Notes:**

- (e) Funding for core school commissioner role within the LA with the set up of BDSIP.  
(f) For capital investment team to support and project manage builds. Due to the level of expansion and inward investment required in future years, schools forum on 10/10/11 agreed to support this on an ongoing basis  
(g) Funding for a previously agreed post (sports co-ordinator). Schools forum agreed on 21/02/12 to fund this on an ongoing basis  
(h) & (i) Schools forum approved on 20/01/11  
(j) The cost of funding Barking & Dagenham in support of School Improvement Partnership priorities.

Recommendation (ix): Schools forum are requested to:

(g) agree the proposed central spend line by line.

(h) note the reduction in historic funding element of CCSB and impact of this reduction.

## 10 HN budget for 2021/22

10.1 The High Needs working group met on 7 January and reviewed the draft budget for 2021/22 of £39.978m (after recoupment) and including The Teacher Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) of £148k based upon the latest DSG funding announcement published on December 2020. **Appendix 3** provides the 2021/22 detailed budget analysis, and as requested by School Forum in previous years the last 3 years budgets has also been provided for comparison purposes.

10.2 There continues to be significant growth and demand for SEN places especially in early years and primary schools. ARP expansions was discussed at the HN working group and proposed new settings, all subject to each of the schools' governing body approval. The draft budget 2021/22 does include the proposals, and **Appendix 4** details ARP proposed growth for 2021/22.

10.3 Autumn census mainstream SEN pupil data was reviewed at the HN working group as an action from School Forum and the inter relationship with mainstream notional budgets. The census reported 528 pupils (excluding ARP pupils) with an EHC plan recorded by schools and 657 recorded as receiving top up with and without an EHC plan but excluding ARP census. The working group agreed that further work was required with a sample of schools to review their notional budgets and further data analysis including checking of the data by schools.

Recommendation (x): Schools forum are requested to:

(a) note the update on High Needs budget setting for 2021/22

## 11 Early Years formula for 2021/22

11.1 The provisional EY allocations for 2021/22 is £23,205k. The detailed provisional budget allocations are set out in table 18 below. The hourly rates for both 3&4 year olds and 2 year olds have increased, by 6p and 8p, to £5.64 and £5.82 respectively.

	20/21 Funding Rate	21/22 PTE	21/22 Annual Entitle. (Hrs)	21/22 Funded Hours	21/22 Funding Rates	Total 2021/22 Funding
Universal Entitlement 3&4	5.58	4,641	570	2,645,273	5.64	14,919,340
Plus 15 PTE 3& 4 YO from	5.58	1,164	570	663,406	5.64	3,741,609
<b>Total 3&amp;4 YO EY Block</b>						18,660,950
Supplementary Funding						
EY Pupil Premium	0.53	509	570	290,251	0.53	153,833
Disability Access Fund	615.00				615	89,175
2 Year Old Allocation 2017-18						
Entitlement 2 YO	5.74	1,297	570	739,045	5.82	4,301,242
<b>PROVISIONAL EY 2021/22</b>						<b>23,205,200</b>

Table 18: 2021/22 EY Funding Allocations

11.2 There are no significant changes to the regulations governing the distribution of Early funding to providers. The requirements are as follows:

- set a single funding for universal and additional hours.
- plan to pass on a minimum of 95% of their three and four year old funding to providers.
- use a universal base rate for all types of providers.
- use a deprivation supplement.
- not to channel more than 10% of their funding through supplements
- provide a Special Educational Needs Inclusion Fund (SENIF)
- pass on Early Years Pupil Premium (EYPP) in full to providers for eligible 3 and 4 year olds
- pass on the Disability Access Fund (DAF)

11.3 There are no proposed changes to the formula for funding providers. The planned distribution of Early Years DSG budget is set out in table 19 below. It is proposed to passport through the full hourly rate increase through to providers. The new provider rates for 3&4 Year Olds are to be increased by 6p to £4.84 and for 2 Years Olds by 8p to £5.51.

	2020/21	PTE 21/22	Annual Entit. (Hrs) 21/22	Funded Hours 21/22	Rates 21/22	Total Funding 21/22
Central	879,748					933,047
Universal Entitlement 3&4	4.78	4,641	570	2,645,273	4.84	12,803,122
Plus 15 PTE 3& 4 YO from	4.78	1,164	570	663,406	4.84	3,210,885
Deprivation (estimate)	(30p-22p)			3,284,823	(30p-22p)	1,000,586
Flexibility (estimate)	0.21			977,579	0.21	223,685
SEN Inclusion						489,624
<b>Total 3&amp;4 YO EY Block</b>						<b>18,660,950</b>
Supplementary Funding:						
EY Pupil Premium						<b>153,833</b>
Disability Access Fund						<b>89,175</b>
2 Year Old Allocation						
Entitlement 2 Yos	5.43	1,297	570	739,045	5.51	<b>4,072,137</b>
Commissioning Costs						<b>160,000</b>
SEN inclusion fund						<b>69,105</b>
<b>TOTAL EY BLOCK 2021/22</b>						<b>23,205,200</b>

**Table 19 - 2021/22 Early Years budget allocations**

- 11.4 In line with previous years, it is proposed that 5% of the 3 and 4 year old funding is retained centrally to meet central support and costs of early years provision (please see table 20 below). This is to fund home portage scheme (home visiting), early years teacher service (qualified teachers working with settings to raise standards, childminding development officer, and commissioning costs.

<b>EY central Costs</b>	<b>2020/21 Central Costs Budgets</b>	<b>2021/22 Central Costs Budgets</b>
Childminding development Officers	69,345	73,546
Early Years Teachers Service	522,480	554,134
Home Portage Scheme	179,293	190,155
Targeted Support Central Costs DSG	108,630	115,211
<b>Total</b>	<b>879,748</b>	<b>933,047</b>

**Table 20 - Early Years central costs.**

Recommendation (xi): Schools forum are requested to:

- (a) note the early years budget and the provider hourly rates
- (b) approved the central spend on 3&4 year olds

## 12 Update on BACS migration for schools

- 12.1 The migration to BACS payment for all maintained schools are still in progress, and it is due to be rolled out in summer 2021. Following the request for schools to volunteer to be part of the BACS pilot scheme this autumn term, 17 schools expressed an interest to be part of the pilot scheme, In addition 9 schools have already implemented BACS payments in their respective schools
- 12.2 Schools have been contacted to provide an update on progress of implementation. Minority of schools have not started the migration process due to ongoing pressures at schools relating to the pandemic but have plans to start during the spring term.
- 12.3 Participating schools have been asked to follow the steps below:
- Contact their respective banks to request access to online banking.
  - Contact their Financial system provider to activate BACS in their finance system.
  - Contact all suppliers to obtain and confirm bank details and other relevant information.

**Recommendation (xii):** Schools forum are requested to note:

(a) update on BACS migration for schools

## 13 Update on Financial Regulations for schools

- 13.1 The panel to develop the financial regulations for schools have completed their draft report, which is now ready for consultation with LA specialist departments. The timetable for the completion of schools financial regulation is set out below:

Task	Dates and Deadline
Consultation with LA specialist departments Legal, procurement, Audit Assurance, Treasury etc	Jan 2021
Consultation with schools and Schools Forum	Feb 2021
Approval and ratification	March/April 2021

**Recommendation (xii):** Schools forum are requested to note:

(a) The update on introduction of Schools Financial Regulations

## 14 Music Service remodelling

14.1 The subgroup to review the remodelling of the Community Music Service (CMS) have completed their work. The senior leadership of CMS will present the findings of the report in a form of slides at the schools forum meeting for members to ratify the working groups recommendations.

- Schools forum is required to approve the findings and the new charging model for CMS for the financial year 2021/22.
- CMS will arrange a service level agreement with respective schools to implement the new delivery model for a pooled funding arrangement.
- The new service delivery model is to be implemented from September 2021.

**Recommendation (xiv):** Schools forum are requested to agree:

Schools forum is requested to agree the new delivery model and the charging structure for CMS in principle for the financial year 2021/22.

## 15 Update on Covid19 funding for Schools

15.1 Government's response to Covid-19 is fast-moving and the accompanying guidance is being regularly updated. **Therefore, a verbal update is to be provided to School Forum at the meeting.**

**Recommendation (xv):** Schools forum are requested to note:

the verbal update on Covid19 funding for Schools

## 16 Three Year Budget Planning

16.1. As part of financial transparency, the government has now made it requirement for maintained schools to provide LAs with three-year budget forecasts by 31<sup>st</sup> May each year starting in 2021/22. It had been a long-standing requirement of the local authority's Scheme for Financing Schools.

16.2. The annual and three-year rolling budgets are set locally by schools. In doing so, schools make their own assumptions underpinning income and expenditure. To enhance the consistency and robustness of this process, schools should make reasonable assumptions. This would help to improve the accuracy and reliability of the three-year rolling budget so that financial issues are highlighted and timely actions can be taken.

- 16.3. The main areas are estimating ISB and main grants which is largely determined by pupil numbers and should form an important focus in setting the income budget. Impact of changes in pupil numbers should be calculated on a consistent basis across all schools as all are broadly funded on similar basis.
- 16.4. In terms of expenditure, salaries make up the largest of expenditure accounting for approximately 70-80% of expenditure in schools. Annual review of establishment lists for changes in headcounts (starters and leavers) and progression thresholds are an important aspect of budget setting.
- 16.5. Guidance has been provided for schools to assist them in setting the three year budget as set out at **Appendix 5** to this report.

Recommendation (xvi): Schools forum are requested to:  
(a) note the guidance on setting rolling three-year budget.

## **17. Replacement of Council's Oracle General Ledger and HR/Payroll System**

- 17.1. The Council's Oracle Enterprise Resource Planning (ERP) solution manages and reports upon HR, Payroll, Finance, Purchasing, Expenses and Debtors activities. The Oracle system was procured 20 years ago and the current release will not be supported after December 2021. At the same time, Council's requirements and ambitions have changed significantly during that period.
- 17.2. The authority has now entered into a contract for the replacement of Oracle; an integrated hybrid solution consisting of E5 finance and Midland HR and Payroll modules. Currently, there are 6 schools that uses the councils Oracle system to manage the finances. These schools will have the option either to remain with the local authority and migrate onto E5 or alternatively switch to a standalone bespoke school's finance system. This is entirely a decision for the individual school. The local authority would be working closely with these schools to provide information, support and guidance with the changeover and migration whichever systems they decide to opt into.
- 17.3. Most of the non-oracle schools (ie schools that operate off councils Oracle system) buy into HR and Payroll SLA services. The switch to Midlands could see some of the processes and procedure changes in terms of how these schools / system users interact with the new system. These details are being worked through and schools would be consulted / updated in due course.

**Recommendation (xvii)** Schools forum are requested to:  
  
note the update on replacement for Oracle and HR/Payroll systems



## **18 Financial implications**

As presented in this document.

## **19 Legal implications**

The schools forums (England) regulations 2012 govern the constitution and conduct of meetings of the forum. The schools finance (England) regulations 2012 determine those matters on which the local authority must or may consult the schools forum and those in respect of which the schools forum can make decisions. These regulations make provision for the financial arrangements of local authorities in relation to the funding of maintained schools and providers of prescribed Early Years provision in England.

## **20 Other implications**

- a. **Risk management** - None
- b. **Contractual issues** - None
- c. **Staffing issues** – None
- d. **Customer impact** – None
- e. **Safeguarding children** - None
- f. **Health Issues** - None
- g. **Crime and Disorder Issues** – None
- h. **Property / Asset Issues** – None

### **Background papers used in the preparation of the report:**

None.

### **List of appendices:**

- Appendix (1) - 2021/22 ISB vs 2020/21 ISB; Movement in Numbers on Roll
- Appendix (2) - 2021/22 Unit Rates and Quantum
- Appendix (3) - 2021/22 Draft High Needs Budget Analysis
- Appendix (4) - 2021/22 ARP Proposals
- Appendix (5) - Guidance on 3 Year Budget Setting