

BARKING AND DAGENHAM SCHOOLS FORUM
19 October 2021

Title: Schools' Forum Report	
Open	For Decision / For Information
Wards Affected: All	Key Decision: No
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Summary: The purpose of this report is to update the Barking and Dagenham Schools Forum on: <ol style="list-style-type: none"> 1 Update on Schools, Central and EY DSG Blocks 2 2021/22 Projected DSG Out-turn 3 Update on NFF Consultation 4 Schools Block Funding Formula for 2022/23 5 Growth Fund for 2022/23 6 2022/23 Falling Rolls 7 Central Schools Services Block 8 Update on High Needs 9 Update on Trewern delivery and financial modelling. 10 Ratify Schools Financial Regulations. 11 Covid-19 Funding for Schools 12 AOB 	

Recommendation(s)

The Schools' Forum is requested to:

1. (a) Note the updated 2021/22 DSG funding.
2. (a) Note the projected DSG out-turn position for 2021/22.
(b) Note the projected growth fund out-turn position for 2021/22.
(c) Approve release of growth fund reserves over the £500k balance.
(d) Note the projected falling rolls fund position for 2021/22.
(e) Ratify the additional £52k falling rolls fund for Valance.
(f) Approve £53k of funding in respect of amalgamation costs for Rose Lane Primary from de-delegated contingency.
(g) Approve the proposed falling rolls and growth fund for Ripple Primary.
4. (a) Note changes to the allocation formula and provisional funding for 2022/23.
(b) Note and comment on the funding models.
(c) Approve Model C (Primary secondary ratio of 1:1.35) as the basis for 2022/23.
(d) Agree not to apply any capping and scaling to claw back gains..
5. (a) Note the provisional growth fund grant estimate for 2022/23.
(b) Note the provisional growth fund requirement for 2022/23.
6. (a) Note the provisional pupil numbers for September 21 based on school admissions, and the funding impact on schools.

(b) Decide how the £505k released from the Growth reserve should be used. This could be either to increase MFG for all schools or to create another year's Falling Rolls Fund.

7. (a) Note the 2022/23 CSSB allocations for on-going and historic responsibilities.
(b) Note the reduction for historic responsibilities and impact on services provided to schools.
8. (a) Note and comment on the 2020/21 High Needs Outturn position.
(b) Note the High Needs working group discussions from the meeting of 7th October.
9. Note the update on Trewern.
10. Ratify the Schools Financial Regulations for maintained schools.
11. Note the update on Covid19 funding for Schools.
12. Note the revised timescale for implementation of E5.

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. Update on Schools, Central and EY DSG Blocks

- 1.1. The 2021/22 DSG allocations were first published in December 2020. With the exception of minor adjustment on High Needs block, there are no further changes to the DSG allocations. However, the High Needs recoupment is subject to further on-going updates relating to direct funding of places at academies and import and export adjustments during the course of the year. The July 2021 updates are set out on the table below.

	2021/22 DSG allocation as at Dece.20			2021/22 Updated DSG allocations as at July 21			
	Before recoup't £000s (a)	Less: Recoup't £000s (b)	Net £000s (c) = (a) - (b)	Before recoupment £000s (d)	Less: recoup't £000s (e)	Net £000s (f) = (d) - (e)	Move't £000s (g) = (f) - (c)
Schools Bloc	244,281	60,939	183,342	244,281	60,939	183,342	(0)
Central Block	2,360		2,360	2,360		2,360	(0)
High Needs	42,598	3,620	38,978	42,557	4,001	38,556	(422)
Early Years	23,205		23,205	23,205		23,205	0
Total:	312,444	64,559	247,885	312,403	64,940	247,463	(422)

Updated DSG Grant Allocation for 2021/22 (in £000s)

- 1.2. The difference of £422k on High Needs is the net effect of import / export adjustments, additional funding for special schools, and recoupment relating to Special Free Schools SEN place numbers, and Further Education and Independent Learning Provider deductions.
- 1.3. The Early Years allocations are provisional until these are finalised in the summer following the financial year-end. In respect of 2020-21, we reported an underspend of £2,367k on early years at the last meeting. The amount to be clawed back is yet to be published by the DfE and has been delayed until November.
- 1.4. The normal process for determining funding allocations for local authorities for the early years entitlements is to take an annual census count of the number of hours taken up by children on the basis of the January census. The ongoing impact of the coronavirus (COVID-19) on childcare attendance levels means that the January 2021 census data may be lower than normal. Therefore, local authorities are being funded the basis of termly actual attendance counts in 2021 to 2022. In 2022/23, funding will revert to the Spring census.

Recommendation (i): Schools forum are requested to:

- (a) note the updated 2021/22 DSG funding.

2. 2021/22 Projected DSG Out-turn

2.1. The table below sets out the projected DSG outturn for 2021-22. Schools block is reporting an underspend of £323k. This is the net effect of £364k projected underspend on growth and £41k overspend on falling rolls. Please see below under section 2 of this report, on growth fund and falling rolls, for details. Central block is reporting a breakeven position. High Needs is reporting an overspend of £1,351k. Please refer to section 8 for details.

	2021/22 Funding £'000s	2021/22 Projected Out-turn £'000s	(Surplus) / +Deficit March 22 £'000s
Schools Block – ISB	183,342	182,978	(323)
Central Block	2,360	2,360	0
High Needs Block	38,566	39,917	1,351
Early Years Block	23,205	23,205	0
Total	247,473	247,500	1,028
DSG reserves b/f			(9,828)
Of which:			
Projected Early Years clawback			2,367
Growth Fund balance b/f			641
SFFD retained centrally			699
DSG Reserves Balance (Projection)			5,093

Table - 2020/21 DSG funding and expenditure outturn

Recommendation (ii): Schools forum are requested to:

(a) note the projected DSG out-turn position for 2021/22.

2021/22 Projected Growth Funding Out-turn

2.2. The growth fund can only be used to:

- support growth in pre-16 pupil numbers to meet basic need.
- support additional classes needed to meet the infant class size regulation.
- meet the costs of new schools.

- 2.3. The actual September 21 growth is yet to be confirmed. However, it is expected that growth fund provisions set aside in respect of Eastbrook and Gascoigne will no longer be required due to lower than expected September 2021 pupil numbers. In contrast, Ripple is reporting growth of an additional class. As a result, the growth fund is expected to be reporting an underspend of £364k. Please see table below.
- 2.4. There is no provision in the regulations for re-distributing underspends to schools in-year as budgets cannot be re-determined. The balance of £364k can only be rolled forward to the next financial year.
- 2.5. The 2021/22 brought forward growth fund balance is £641k. This will mean 2022/23 will have an opening balance of £1,005k. These have been accumulated by top slicing the schools block in current and previous years.
- 2.6. As growth in pupil numbers now beginning to ease, managing growth is less unpredictable. Therefore, it may be reasonable to reduce this reserve to £500k in 2022/23 and release £505k for other purposes. Options for the use of this fund are discussed under sections 4 and 6 of this report.

School	Pri. Sep21 Growth (pupil nos)	Sec. Sep21 Growth (pupil nos)	Pupil Led £000s	AWPU Led £000s	Total Growth Fund £000s
Centrally Retained Growth Fund	255	561	384	2,212	2,596
Adjustments:					
Eastbrook School		(90)		(364)	(364)
Gascoigne	(30)			(67)	(67)
Ripple^	30			67	67
Revised Growth Fund Requirement	255	471		(431)	2,232
Provisional underspend					(364)

^Please see paragraph 2.15 for details

Table – Projected underspend on growth fund.

Recommendation (ii): Schools forum are requested to:

(b) Note the projected growth fund out-turn position for 2021/22.

(c) Approve release of growth fund reserves over the £500k balance.

2021/22 Projected Falling Rolls Out-turn

- 2.7. Schools Forum previously agreed to set aside £750k for falling rolls, £495k from schools block and £255k from DSG reserves. This was intended to provide limited short-term financial support for schools to deal with temporary drop in pupil numbers and where appropriate allow lead time to make the necessary organisational changes.
- 2.8. We are awaiting confirmation of closing reserves from Dorothy Barley Infants, John Perry and St Joseph before falling rolls fund allocations are released.
- 2.9. Pupil numbers at Valence had fallen by 58 between October 2019 and 2020 census, and 29 of this related a bulge class dropping out. Therefore, falling rolls funding had only been approved for the other 29 unrelated to the bulge class. However, the school had requested funding for the drop in bulge class in view of the financial impact on the school. That decision was deferred to the Financial Monitoring Group (FMG).
- 2.10. Valence was invited to the July FMG where the falling rolls fund was reviewed. The school has been experiencing fluctuating pupil number over a period as a result of which managing the loss of the bulge class had become unpredictable and difficult to plan with any degree of certainty. In contrast, school with stable pupil numbers can better plan and prepare for reductions in the bulge classes. FMG therefore approved £52k falling rolls fund in respect of the bulge class as an exception. Schools forum is asked to ratify the bulge class funding. The total falling rolls allocations for Valence will now be £105k. It is proposed that the overspend of £20k on falling rolls (after adjusting for Ripple Primary, discussed below) is funded from centrally retained DSG reserves.

School	Falling Rolls Approved	Awaiting supporting papers	Bulge Class Adjustment
Dorothy Barley Jun.	26,901	26,901	
Northbury	52,009		
Ripple Primary	55,595		
Valence Primary	52,308		52,308
John Perry	59,182	59,182	
Gascoigne	123,745		
Thames View Inf.	39,455		
Parsloes Primary	60,976		
St Josephs (Dag)	24,830	24,830	
(A) Total:	495,000	110,913	52,308
Add: Bulge class	52,308		
Less: Ripple - adjustment	(32,430)		
(B) Adjusted Total funding requirement	514,878		
(C)=(A) - (B) Overspend	19,878		

Table – Revised falling rolls fund allocations

Recommendation (ii): Schools forum are requested to:

(d) note the projected falling rolls fund position for 2021/22.

(e) ratify the additional 52k falling rolls fund for Valance,

Amalgamating School – Rose Lane Primary

- 2.11. Marks Gate Infant and Junior Schools amalgamated into one primary school with effect from 1 September 2019, and is now known as Rose Lane Primary. In the year of merger (2019/20 financial year), the school is allowed two lump sums amounts. (£248k). The year after amalgamation (2020/21), the new school was entitled to 85% of the combined lumpsum for the previous two schools ($£248 \times 85\% = £211K$).
- 2.12. Second year after amalgamation (2021/22) the local authority can choose to continue to apply protection not exceeding 70% of the combined lump sum or £186k ($£133k \times 2 \times 0.7$). Instead, in 2021/22 the school received a single lump sum of £133k.
- 2.13. The three-year plan for the school had been based on the assumption that the protection would be in place for two years following amalgamation. Costs that have been incurred in implementing savings were partly expected to be offset by the second year of protection funding.
- 2.14. The maintained schools forum sector is asked to approve £53k funding in respect of amalgamation costs, being the difference between the single lump sum of £133 and 70% of the combined lump sum of £186k. The de-delegated contingency (£73k for primary and £36k for secondary phase) can be used to increase a school's budget where it subsequently becomes apparent that a governing body has incurred expenditure which it would be unreasonable to expect it to meet from the school's budget share, which may include expenditure in relation to cost including amalgamating costs.

Recommendation (ii): Schools forum are requested to

(f) Approve £53k of funding in respect of amalgamation costs for Rose Lane Primary from de-delegated contingency.

Ripple – Falling Rolls and Growth Fund

- 2.15. Schools forum previously agreed a falling rolls fund of £56k for Ripple based on retrospective data. This was based on movement in pupil numbers between October 2019 and October 2020 census. The school is reporting a growth of an additional class in September 2021, as class numbers are over limit. It is therefore proposed that the schools is only funded for falling rolls, for 5 months covering April 21 to August 21, of £23k ($£56k/12*5$) and be funded for growth for the remaining period covering September 21 to March 22 of £67K so that there is no overlap in funding. The proposed total funding for the school is £90k.

Recommendation (ii): Schools forum are requested to:

(g) Approve the proposed falling rolls and growth fund for Ripple Primary.

3. Update on NFF Fair Funding for All Consultation

- 3.1. The consultation document Fair Funding for All set out proposals on moving towards a hard NFF which is fair, simple and transparent, and efficient and predictable according to the document. Consultation closed on 30 September 2021. There is as yet no fixed date for hard NFF to be in place, which will see formularisation of all factors including split sites, growth fund and falling rolls. Local authorities will continue to have local flexibility until 2022/23, but DfE will tighten the rules for local formula from 2023/24 so that they gradually align with NFF allocations over time.
- 3.2. Convergence towards the NFF formula means that local discretions are being gradually phased out. In LBBD, the main impact of this transition to NFF would be to gradually shift funding from primaries to secondaries as the ratio starts to move from 1:1.35 towards 1:1.42 as the primary AWPU reduces. Formularisation of split sites, timing of which is not yet known, is also likely to result in marked reductions in funding for a number of schools (LBBD rates are currently £160k for primary and £200k for secondary). The schools impacted by this change will need to plan and prepare for the corresponding funding pressures. Control of growth and falling rolls would also be taken out local authority hands with funding being allocated to schools via the formula.
- 3.3. The ultimate aim of hard NFF is for all funding to be distributed by the NFF without further adjustment by the local authority. Schools would be protected from per pupil funding losses during the transition period.
- 3.4. Schools forum will only retain local discretionary powers over central school services block, central spend on high needs and early years funding. Changes to the funding arrangements will be consulted at a later stage in light of the proposal in the SEND review.
- 3.5. The DfE has made it clear that their ambition is for all schools to be part of a multi-academy trust. (Please see **Appendix 1** for the local authority response to the NFF

consultation which was circulated to maintained schools prior to submission to DfE)

3.6. Many of the LBBB schools currently are on the plus 2% funding floor, the lowest national increase. These LBBB schools are failing to attract gains under the NFF and so are having to be supported through the protection measure (or funding floor). This 2% uplift represents real terms cuts at a time when schools are facing cost increases on many fronts. In broad terms, as the formula does not work in favour of LBBB schools, many will continue to see minimal increases for the foreseeable future.

3.7 In general terms the full implementation of the formula will result in a shift of funding away from London over time. In 2022/23, London boroughs will see the:

- lowest percentage increase in DSG funding of 2.9% compared with 4% nationally.
- lowest percentage increase in Schools Block funding of 1.7% compared with 2.9% nationally.
- lowest percentage increase in High Needs Block funding of 8.2% compared with 8.8% nationally although LBBB will receive 10.1% increase.

4. School Block Funding Formula for 2022/23

4.1. The provisional DSG allocations for 2022/23 were published by DfE in July 2021. The NFF calculations for 2022-23 are based on school and pupil characteristics data from previous years. Core NFF funding factors include the basic per-pupil amount, deprivation, low prior attainment (LPA), English as an additional language (EAL), mobility, and lump sum factors. The area cost adjustment (ACA) is then applied to NFF rates to take account of the differences in local labour market costs between different geographical areas.

4.2. The main formula for 2022-23 is similar to 2021-22. Changes in respect of 2022/23 NFF calculations affecting Barking and Dagenham schools are as follows:

- In broad terms, the 2022/23 units of funding have been calculated based on October 2020, or earlier data where it is missing due to the pandemic.
- FSM E6 is now based on October 2020 census rather than the preceding January census (reducing lag by 9 months).
- Data used for Low Prior Attainment is based on the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) tests as a proxy because of cancellation of 2020 tests due to the pandemic.
- Mobility is now based on date of entry between the January and May census rather than the May census (which was cancelled)

4.3. The following NFF cash uplift (before ACA) have been applied:

- 3% increase to basic entitlement, free school meals ever 6 (FSM6), income deprivation affecting children index (IDACI), lower prior attainment (LPA), English as an additional language (EAL) and the lump sum.
- 2% to the floor, the minimum per pupil levels and free school meals (FSM).
- 0% on the premises factors, except for PFI which has increased by RPIX.

4.4. The NFF allocations have been calculated with 2 levels of protection.

- (a) Minimum Per Pupil Levels (MPPL) is per pupil threshold based on pupil and school led factors, and shortfalls are topped up to £4,265, £5,321 and £5,831 for primary, KS3 and KS4 respectively. These have no impact on LBBB schools because these rates do not take into account Area Cost Adjustment and the high levels of deprivation funding. All LBBB funding is therefore above this level.
- (b) Funding floor provides a minimum gain of 2% per pupil above their 2021-22 baseline pupil-led funding. The formula is failing to work in favour of LBBB schools, and as a result almost all primary schools are on the funding floor i.e. schools have failed to attract gains in excess of 2% through the formula. These schools have therefore received the minimum 2% uplift. The effect on secondary phase is also broadly the same.

4.5. The NFF factors are used by the DFE to calculate the notional school level allocations using pupil characteristics from prior years, and then aggregated to determine the School Block allocations and the relevant Primary (£5,314) and Secondary (£7,012) unit of funding. These unit rates are then applied to the October 2021 census to determine the final allocations for 2022/23. The final allocations are to be published in December 2021.

	2021-22	2022-23	Cash Move't	% Move't
Primary Unit of Funding (PUF)	5,212	5,314	102	1.96%
Secondary Unit of Funding (SUF)	6,851	7,012	161	2.35%

Table - Primary and Secondary Unit of Funding for 2022/23

- 4.6. The final December 2021 allocations are only updated for changes in pupil numbers and there will not be any changes to PUF and SUF. Any inherent funding pressures arising from this mismatch in pupil factor profiles between the October 2020 data used to calculate the School Block funding, and the October 2021 data used in the formula modelling to distribute the funding to schools will have to be contained with the overall Schools Block grant allocations.
- 4.7. The notional school level allocations have also been published on the DfE website. The final allocations to schools would be different because:

- (a) notional allocations are based on October 2020 pupil profile data whereas actual allocations are to be based on October 2021 pupil profile data.
- (b) actual rates applied locally may differ in order to meet local priorities, such as achieving the required primary secondary ratio.
- (c) of movement of funding to support growth and falling rolls.

4.8. The provisional funding allocations for 2022/23 are set out in table below. There are no changes to the overall structure of the formula used to calculate funding distribution.

	2021/22 Alloc.	2022/23 Alloc.	Movement +Fav / (Unfav.)	Mov't
	£000s	£000s	£000s	%
	(b)	(c)	(d)=(c)-(b)	(e)
Pupil No	39,847	39,847		
Schools Block	232,350	237,305	4,955	2.1
Premises (lagged)	9,992	9,461	(531)	(5.3)
Growth Fund	1,939	^ 2,000	61	3.2
High Needs	42,557	46,861	4,304	10.1
CSSB - On-going	1,619	1,630	11	0.7
CSSB - Historic	741	592	(149)	(20.1)
Early Years (Provis)	^ 23,205	^ 23,205	0	0.0
Total Funding	312,403	321,054	8,651	-

^ estimated allocations, subject to confirmation by ESFA

Table – Dedicated Schools Grant allocations for 2022/23.

Recommendation (iv): Schools forum are requested to:

- (a) note changes to the allocation formula and provisional funding for 2022/23

Provisional Funding Model for 2022/23

4.9. As explained in a later section there is no requirement to top up the growth allocation from the Schools Formula funding for 2022/3. For the local formula for 2021/22, we have applied the NFF rates for all factors with the exception of AWPU and mobility. In the 2021/22 and earlier funding models, we have adjusted AWPU rates locally to achieve the required primary secondary ratios. For 2022-23 we intend to apply the NFF rates to mobility, and currently only 0.1% of the funding passes through this factor.

- 4.10. We have used the same pupil numbers and profiles as in the 2021/22 funding model to isolate the impact of other changes in the funding model in order to highlight the effect of changes in factor rates and protections. The final 2022/23 allocations will be based on October 2021 census that may have different pupil numbers and profiles.
- 4.11. We have produced three models of the local funding formula for consideration.
- (a) Model A – we have replicated the NFF using the full rates for all factors
 - (b) Model B - mirroring at 10% i.e., removing 10% of the existing differences between local and NFF rates for AWPU. (All other rates are already at NFF levels.)
 - (b) Model C – adjusting AWPU rates so that the existing primary secondary ratio of 1:1.35 is maintained (i.e., the formula is flexed locally)
- 4.12. In all three models, we have applied plus 2% Minimum Funding Guarantee (MFG). This mirrors the 2% funding floor applied by the DfE. This protection ensures that year-on-year per pupil funding, calculated after removing lump sum and business rates, does not fall below 2%. Plus 2% is the maximum permitted under the regulations unless a disapplication is allowed by the Secretary of State.
- 4.13. Upper limits on gains (in excess of 2%) can be restricted if needed either by capping at a set threshold, say 6%, or a proportion of the gains can be scaled back (known as capping and scaling). This is a matter for local decision making. In the 2021/22 funding model, schools have been allowed to retain all the gains without restrictions as no limits are applied under the NFF. There are very few LBBB schools that would see increases in excess of 2% funding floor. It is proposed that no limits are applied to gains in the local model.
- 4.14. In the funding model options we have kept business rates and PFI cash allocations the same as in previous years. In the DSG allocations this, along with split sites, is included under premises funding. This funding operates on a lagged basis. Initial estimates for business rates and PFI indicate that DfE allocations are sufficient to meet 2022/23 requirements and have not made any provisions in the models presented. In the final model, any cash surpluses or shortfalls to fund premises would be adjustment against the funding available for formula.
- 4.15. Variations in funding between 2021/22 and other models presented for 22/23 are entirely driven by changes in unit rates. Numbers on Roll (NOR) and pupil profile are the same in the 21/22 model. However, movement in funding in the final model will be determined by changes in NOR, unit rates, and changes in pupil profile data.
- 4.16. The over-view of the three funding models is set out in **Appendix 2** to this report.
- 4.17. The key points in relation to Model A (full NFF) are as follows:
- Primary AWPU is less than 2021/22 rate
 -
 - Secondary AWPU are higher.

- As a result, the primary secondary ratio is 1:1.42 (compared to 1:1.35 for 2021/22) with significant movement in funding from primary to secondary phase.
- A significant number of primary schools are therefore below the 2% funding floor, and hence supported through MFG to bring these up to the funding floor.
- After applying the full NFF rates, there is a surplus cash of £386k which could be put back into the formula but would mean diverging from the NFF. Other option would be to use the funding to support falling rolls. This surplus cash is the effect of lagged funding on premises and rolling in of other grants into the DSG.
- The MFG requirement is £7,683k (compared to £1,931k in 2021/22).

4.18. Model B is based moving 10% towards the NFF rates. Under this model the local rates cannot diverge more than 90% of the difference between local and NFF rates for the preceding year. The 10% mirroring is not yet a requirement although it was a proposal that was included in the Fair Funding for All consultation document for implementation in 2023/24. Key points relating to Model B are as follows:

- The AWPU rates are higher than 2021/22 rates as the 90% variance is measured against the uplifted NFF AWPU for 2022/23 (by 3%).
- The higher AWPU means, only few schools are having to be supported through MFG. Therefore, MGF requirement is £1,585k.
- This funding model is not affordable as the funding required exceeds grant allocations by £671k.
- An affordable model will require a mirroring percentage greater than 10%, therefore convergence towards the NFF at a faster rate.

4.19. Model C is based on the primary secondary ratio of 1:1.35; secondaries are funded 35% more than primaries. If the NFF is implemented in full, that ratio would be 1:1.42. Under this model:

- Primary, KS3 and KS4 AWPU's would increase by £76, £115 and £137 respectively compared to 2021/22.
- The difference between NFF and local primary, KS3 and KS4 AWPU's are 7%, 0.09% and 0.06% respectively. The corresponding figures for 2021/22 are 8%, 1% and 0.8%. The convergence is at a faster rate than the 10%.
- With the exception of AWPU, all other local factors are funded at NFF rates.
- MFG is £1,717k, so that pupil led factors are largely continuing to drive funding allocations.

4.20. Under all three models, the only remaining differences between NFF and local rates relate to AWPUs. Local rates are higher than NFF, and these variations are set out in the table below.

	2021/22	Model A MFF Rates	Model B 10% Mirroring	Model C P:S 1:1.35
Primary	8.26%	0.00%	7.20%	6.96%
Key Stage 3	0.99%	0.00%	0.86%	0.09%
Key Stage 4	0.83%	0.00%	0.72%	0.06%

Table – % difference between NFF and local AWPUs

4.21. The provisional school levels allocations under each of the models are set out in **Appendix 3** to this report. All options illustrate cash increases. As the table shows because of the large number of schools receiving MFG/floor protection the final differences between the models are relatively small at the individual school level. However, NOR will have the largest impact on determining the final allocations. The provisional data shows a large number of primary schools would be seeing significant drop in pupil number, and this will translate into marked reductions in delegated budgets, and may impact on other funding allocations such as Pupil Premium. Changes in pupil profile data (e.g. number of FSMs) is also key driver of funding allocations, and the impact of the pandemic could be to increase the levels of deprivation. This may only have limited impact on mitigating the impact of reductions in pupils. Therefore, schools should have clear plans in place to manage this period of funding turbulence.

4.22. Table below sets out the cost and affordability of each of the models. Model B is not viable the total cost exceeds DSG cash envelope.

	Funding Model Cost	Growth Fund Cost	Total	DSG Grant	Surplus /(Shortfall)
	£000s	£000s	£000s	£000s	£000s
Model A – Full NFF	245,867	2,165	248,032	248,419	387
Model B – 10% mirroring	246,925	2,165	249,090	248,419	(671)
Model C – 1:1.35 P:S ratio	246,254	2,165	248,419	248,419	0

Table – Cost of model options vs DSG grant

4.23. There is a potential to release £505k growth fund balances (please see section 2 of this report). One option would be to deploy this balance to support schools that are on or just above the 2% funding floor by applying an MFG greater than 2% in the funding model. This would support schools that are seeing minimal increases in their 2022/23 Individual School Budget (ISB) allocations. Application of MFG in excess of 2% to the funding model is subject to approval being granted by the Secretary of State. The impact on school budgets of passing the funding through the formula is set out on Appendix 2. Alternative options for the use of this growth fund balance is discussed under section 6 of this report.

4.24. We will shortly be consulting all maintained and academy schools regarding the funding models and options. This will run for a period of 2 weeks. We will then provide a summary of the responses to the next schools forum and take into account comments and concerns in deciding on final options. The Finance team are recommending option C as it is affordable, distributes the total amount of funding and maintains the previous policy of providing a small amount of support to the primary sector.

Recommendation (iv): Schools forum are requested:

(b) Note and comment on the funding models

(c) Approve Model C (Primary secondary ratio of 1:1.35) as the basis for 2022/23.

(d) Approve not to apply any capping and scaling to claw back gains.

5. Growth Funding for 2022/23

- 5.1. Growth funding allocations are based on differences between the primary and secondary numbers on roll in each LA between the October 2020 and October 2021 school censuses. The methodology captures growth at the level of Middle Layer Super Output Areas (MSOAs). 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 from funding calculations.
- 5.2. Growth funding operates on a lagged basis, but that is likely to change when it is formalised and calculated on the basis of spring academic year census. These proposals were set out in the recent NFF consultation document Fair Funding for All.
- 5.3. Current lagged funding arrangement means in times of accelerating growth, there is a shortfall that has to be met from elsewhere in the schools block. Conversely, in time of decelerating growth that pressure is expected to ease when allocations may outstrip funding requirements.
- 5.4. Pupil numbers across London are expected to drop due to outward migration driven by a number of factors including the pandemic and Brexit. This is reflected in the provisional numbers for primary, and therefore pressure on growth fund is expected to ease in the short term.
- 5.5. The provisional September 2022 expansions are set out in table below. Most of the planned growth is in the secondary phase. The cost of proposed growth is £2,000k, including a contingency of £130k.

- 5.6. Estimated DSG growth allocation for the year is £2,000k. This is based on provisional admission numbers. However, the final growth fund allocations are based on October 2021 census and funding is only confirmed in December 2021.
- 5.7. DfE funds primary and secondary growths at £1,681 and £2,5,13 per pupil. In contrast, under the local growth policy LBB schools are funded at £2,124 and £2,995 plus 40% pupil led funding where appropriate. The costings of growth fund requirement below are based on NFF rates but actuals would be based on the prevailing local AWPU rates.

School	Primary Expansion	Secondary Expansion	Primary (at NFF AWPU £3,642)	Key Stage 3 (at NFF AWPU £5,135)	40% Uplift for significant growth (more than 4 classes)	Total Growth Fund Requirement
Dagenham Park		30		89,863		89,863
Goresbrook	30		63,735			63,735
Greatfields		60		179,725		179,725
Riverside Primary	30		63,735			63,735
Riverside Sec.		150		449,313	179,725	629,038
Robert Clack	30	180	63,735	539,175	241,164	844,074
Contingency				130,194		130,194
Total Cost	90	420	191,205	1,388,269	420,889	2,000,363
Estimated DSG Grant						2,000,363

Table – Growth fund requirement vs estimated DSG growth fund grant income

Recommendation (vi): Schools forum are requested to note the provisional:

(a) Growth fund estimate for 2022/23.

(b) Growth fund requirement for 2022/23

6. 2022/23 Falling Rolls

- 6.1. The provisional October 21 census is not expected to be available until a few weeks after the census date because of the collection and data cleansing involved. We have therefore estimated the October 2021 numbers on the basis of details held on the School Admission Team system. The actual census figure would be different but should provide an indication of the direction of travel regarding pupil numbers.
- 6.2. The school level estimates are set out in **Appendix 4** to this report. The table below sets out the summary position by phase. There are 29 primary schools with possible aggregate reductions of 612 pupils, and 18 schools with primary phases reporting increases in pupil numbers of 408 representing net overall reduction of 204. In contrast,

secondary schools and all-through schools with secondary phase is reporting a net growth with the exception of two all-throughs. The net growth for this sector is 574.

	Number of schools with reductions in NOR	Reductions in NOR	Number of schools with increases in NOR	Increases in NOR	Net Movement in NOR
Primary - Phase	29	(612)	13	206	(406)
All-through – Primary Phase	0	0	5	202	202
Secondary - Phase	0	0	7	377	377
All-through – Secondary Phase	2	(60)	3	257	197
Total	31	(672)	28	1,042	370

Table - Estimated pupil number movement between October 20 census and September 21

- 6.3. Pupil numbers are the main driver of formula funding allocations. Therefore, reductions in numbers on roll would have a corresponding impact on Individual School Budget (ISB) allocations. A number of these schools would be experiencing significant reductions in funding. Falling numbers are also likely to impact on other funding streams, such as Pupil Premium, and so adding to the financial stress.
- 6.4 At a time when school finances are under pressure because of failing to attract adequate funding through the NFF, rising costs and falling numbers, it may be prudent to set aside a falling rolls fund to provide focused support to schools. Although we have not made any provisions in the funding model, an option would be use the brought forward growth fund balances of £505k. (please see section 2 of this report)

Recommendation (vii): School Forum are requested to:

- (a) note the provisional pupil numbers based on school admissions, and the funding impact on schools.
- (b) decide how the £505k released from the Growth reserve should be used. This could be either to increase MFG for all schools or to create another year's Falling Rolls Fund

7. Central Schools Services Block

- 7.1. The Central School Services Block allocates funding to LAs for ongoing and historic responsibilities.

- 7.2. Funding for on-going responsibilities is based on a pupil-led formula. The formula uses two factors: a basic per-pupil factor for all pupils (£32.74), and a deprivation per-pupil factor based on FSM E6 count (£14.54) uplifted by General Labour Market Area Cost Adjustment of 10.813%.
- 7.3. The CSSB on-going budget in 2021/22 is funding responsibilities held for all schools; administration of school admission service (£636k), servicing of schools forum (£60k), DfE copy right licences agreement (£180k) and statutory and regulatory duties (£743k) performed under School and Early Years Finance (England) Regulations 2021.

	2020/21	2021/22	2022/23	Movt
On-going resp.	1,439	1,620	1,630	10
Historic	925	740	592	(148)
Total	2,364	2,360	2,222	(138)

Table - 2022/23 CSSB Allocations

- 7.4. In 2022-23, CSSB historic commitments funding is being reduced 20% year-on-year. The annual reductions, set out in the table below will impact on services available to schools.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	a	b	c	d	e	f
School improvement	108b	86	69	55	44	35.2
Schools estates	150	120	96	77	61.6	49.28
School games organiser	50	40	32	26	20.8	16.64
Trewern outdoor education	209	167	133	106	84.8	67.84
Community music service	310	248	198	158	126.4	101.12
Advisory teachers	330	264	212	170	136	108.8
Total (historic)	1,157	925	740	592	474	379

Table – Impact of CSSB Historic grant income reductions on services

- 7.5. In 2021/22 total budget requirement for these historic duties is £740k. By 2022/23, these services will need to make aggregate savings of £565k compared to 2019/20.
- 7.6. The following is a summary of how the services funded from the CSSB historical grant are being remodelled:
- School improvement – this is being offset by School Improvement contingency and reserves.
 - Advisory Teachers – this is part of BDSIP contract and the savings has been passed on through a reduction to the contract price.
 - Community Music Service – the service has remodelled the delivery by entering into a service level agreement with schools.
 - Trewern outdoor education – please see section 9 of this report (and Appendix 5).

- School Games Organiser – the reduction in DSG funding is being replaced by other grants such as the Young Londoners Fund, Inspiring Futures etc.
- Schools Estates – the reduction is being mitigated by capitalisation of eligible staffing costs of the team.

7.7. Detailed budget breakdown for on-going and historic responsibilities will be presented at the next meeting for line-by-line review and approval at the next schools forum meeting.

Recommendation (vi): Schools forum are requested to note:

- (a) Note the 2022/23 CSSB allocations for on-going and historic responsibilities
- (d) Note the reduction for historic responsibilities and impact on services provided to schools

8. Update on High Needs

8.1. The budget for 2021/22 is £38.556m (after recoupment) and including The Teacher Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG). The 2020/21 end of year outturn position for the high needs budget was £1,636,435 surplus. As a reflection of the historic underfunding and the high levels of demand in previous years, LBBB received the maximum funding increase of 11.6% in 2021/22. The 2020/21 HN funding was £34m as compared with £38.5m in 2021/22. The Table below shows the detailed position for High Needs for 2021/22.

8.2. The HN working group have developed a model for both primary and secondary school notional budgets of suggested expenditure earmarked from the notional budget in support of Low Cost High Incident (LCHI) Children. This is to ensure that schools have the understanding and able to identify eligible costs relating to notional SEN funding.

	2020/21 Outturn	2021/22 Budget	2021/22 Outturn Forecast	Variance +Deficit / (Surplus)
Alternative Provision	3,399,759	3,475,830	3,184,510	(291,320)
ARP Funding	6,093,890	8,259,360	8,094,873	(164,487)
DSG – HN Education Inclusion.	1,494,256	1,542,659	1,448,776	(93,875)
Top-ups (inc. OB & NMSS)	6,264,504	7,863,410	7,441,379	(422,031)
High Needs Top Ups – Post 16	1,801,210	1,755,760	2,063,771	308,011
SEN Panel Top Ups	1,522,596	1,350,000	2,000,000	650,000
LACHES, Language Support	360,490	344,210	341,581	(2,629)
Initiatives	147,608	676,750	676,750	0
Special School Funding	10,951,784	12,279,360	12,360,800	81,440
Early Years & Integrated Youth	342,143	568,410	568,410	0
Total	32,378,240	38,115,749	38,180,850	65,101
Surplus & Gatekeeping / Contingency	1,636,435	440,365	1,725,924	1,285,559
Total Budget	34,014,675	38,556,114	39,651,774	1,350,660

Table – 2021/22 Projected High Needs Outturn

8.3. The Table above reports the projected High needs block outturn for 2021/22:

- Alternative Provision underspend of £291k relates to funding earmarked for EAL students. We await confirmation from Admissions service on the disbursement of this allocation.
- Additional Resourced Provision (ARPs) forecast underspend of £164k will be utilised to alleviate the financial pressures schools are facing due to ongoing demand and complex cases. Provision has been made to disburse circa £1,305,000 as a one-off payment to schools with HN pupils with band F/G/H that exceeds 1% of the total school population. An amount of £5,000 per pupil will be paid to each school with SEN pupils exceeding 1% of the total school population. (Refer to Appendix 7 for details)
- Post16 top up payments in support of continued growth and additional funding in support of 16-25 cohort reported an overspend of £308k.
- Headteacher SEN Panel top ups budget is forecasted to overspend by £650k due to SEN children requiring additional support and recognition of early years SEN in schools.

8.4 The High Needs working group met on 7th October and work areas discussed were:

- SEN Consultant audit reviewed and proposed to earmark £1.3m SEN allocation distribution to pupils on school census.
- Heat map of SEN pupils in schools planned work within the borough.
- 2021/22 HNB forecast outturn including demand pressures.
- Inclusion offer to secondary schools.

Recommendation (iii): Schools forum are requested to:

- (a) Note and comment on the 2021/22 High Needs Outturn Forecast.
- (b) Note the High Needs working group discussions from the meeting 7th October.

9. Update on Trewern delivery and financial modelling.

- 9.1 Trewern Outdoor Centre offers outdoor activity and field study courses to Primary and Secondary schools from the Borough. The facilities are also available to other groups throughout the year. It is located in beautiful countryside on the border between England and Wales, near the small market town of Hay-on-Wye and on the edge of the Brecon Beacons National Park with access to all the natural resources this has to offer, including mountains, wild rivers and some of the most impressive caves in the country. Additionally, Trewern has extensive grounds which offer potential for a broad range of on-site activities. The Centre has been owned and operated by the Council since the late 1960s.
- 9.2 The finances of Trewern has been impacted by the phased 20% annual reductions to the historical commitment to the Central Schools Services Block of the DSG which began in 2020/21. Trewern receives £209k per annum from the CSSB, this amount is being reduced by 20% annually for the next 4 years.
- 9.3 To mitigate the impact of the reductions, Trewern has been working on various service delivery options including remodelling of staff deployment, increase income and build up financial reserves through carrying forward end of year underspend balances.
- 9.4 Please refer to **Appendix 5** for a full report of the service delivery options to be implemented at Trewern to make the centre financially sustainable following the withdrawal of the DSG contribution.

Recommendation (ix): Schools forum are requested to note:

- (a) the update on Trewern Outdoor Education Centre

10. Ratify Schools Financial Regulations.

10.1. The draft financial regulations is ready to be ratified by schools forum.

10.2. The table below shows the document history and timelines for consultation and approval by Schools Forum. The dates for the one-month consultation was: 22nd June to 21st July 2021. The document was circulated to schools on 22 June 2021. Please refer to **Appendix 6** for the final version to be ratified by Schools forum.

Version	Date	Author	Description
1.0	15/10/2020	School Business Managers	Document released to a Panel of School Business managers for review, update and comments
1.1	24/05/2021	LA Schools Finance Team	Updated document issued for review and assurance by Internal Audit, Procurement, Treasury etc
1.2	18/06/2021	All	Deadline for feedback and comments
1.3	22/06/2021	All	Final document circulated to schools' forum and schools for consultation
1.4	21/07/2021	LA Schools Finance Team	End of Consultation
1.5	Oct 2021	LA Schools Finance Team	Approval by School Forum
1.5	Oct 2021	LA Schools Finance Team	For release & publication on LBBB website

Recommendation (ix): Schools forum are requested to:

(a) Ratify the Schools Financial Regulations for maintained schools.

11. Covid-19 Funding for Schools

School Led Tutoring

11.1. School-led tutoring is 1 of 3 subsidised tutoring options that are available through the national tutoring programme. From September 2021, Randstad are delivering routes 1 and 2 of the NTP. All eligible state-funded schools and academy will receive funding for

route 3 School-Led Tutoring.

11.2. Funding is allocated for around 60% of pupils eligible for pupil premium per school. Supported is tapered with 75% of the cost being subsidised in academic year 2021/22. Schools and academy trusts will need to fund the remaining 25% through other budgets, for example from recovery premium or pupil premium. The subsidy rate for 2022/23 will be 60% and for 2023/24 will be 25%.

11.3 Schools are funded for a 15-hour package of tuition to cost £270 per pupil which is an average of £18 per hour. In academic year 2021/22, the grant has been calculated to cover 75% of the cost of tuition, based on the average cost of £18 per hour, which is £202.50 per 15-hour package of tutoring. Schools and academy trusts are expected to cover the remaining £67.50 from other budgets such as the recovery premium or pupil premium. The September allocations have been published by the DfE. Further details can be found here: <https://www.gov.uk/government/publications/school-led-tutoring-conditions-of-grant>

Recovery Premium Funding

11.4. In addition, schools will also receive a separate funding called Recovery Premium Funding. Click the link below for details: [Coronavirus \(COVID-19\) recovery premium funding: allocations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/coronavirus-covid-19-recovery-premium-funding-allocations-gov-uk)

11.5. The recovery premium will be allocated using the same data as the pupil premium.

This means the following pupils will attract recovery premium funding to schools:

- pupils who are eligible for free school meals (FSM)
- School allocations will be calculated on a per pupil basis.

Mainstream schools will get:

- £145 for each eligible pupil in mainstream education
- £290 for each eligible pupil in a special unit

50% of the allocations are being paid to schools in this financial year, and the balance in the next.

Recommendation (x): Schools forum are requested to note:

(a) the update on Covid19 funding for Schools

12. AOB - E5

12.1. 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. The implementation project to replace Oracle started some time ago with the aiming going live in December 2021.

- 12.2. There are 6 maintained schools that manage their finances on Oracle that are impacted by the replacement. The Schools Finance Subgroup meets with the project team on a monthly basis for updates and to consider school specific systems and implementation issues.
- 12.3. The initial timescale for corporate implementation has now been extended to April 2022. This may mean closing accounts on the old system and opening on the new among other options being discussed with auditors. These details are currently being worked through by the implementation team, and the Subgroup would continue to be updated on progress.

Recommendation (xi): Schools forum are requested to note the:

(a) Revised timescale for implementation of the Councils E5 system.

13. Financial implications

13.1. As presented in this document.

14. 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.

15. 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) – The local authority response to the NFF consultation

Appendix (2) – Overview of funding models.

Appendix (3) – Impact of funding options on ISB.

Appendix (4) – Provisional September 2021 pupil numbers

Appendix (5) - Trewern Service Delivery Model

Appendix (6) – Draft Financial Regulations

Appendix (7) – One-off Exceptional payment HN