

(BARKING AND DAGENHAM SCHOOLS FORUM)
20 October 2020

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) Revised Dedicated Schools Grant (DSG) funding for 2020/21, including HNB (2) DSG Outturn forecast for 2020/21 (3) High Needs Block (HNB) Outturn Forecast for 2020/21 (4) Update on Early Years (EY) 2019/20 funding. (5) Provisional DSG block allocations for 2021/22 (6) Growth Funding for 2021/22 (7) Falling Rolls (8) Proposals for the Local Funding Formula for 2021/22 (9) Update on BACS migration for schools (10) Update on Financial Regulations for schools (11) Music Service remodelling (12) Growth funding for schools facing Exceptional circumstances (13) LBBD SFFS in response to the Statutory Guidance published on 5 August (14) Covid19 Exceptional Costs and Catch-up Premium Guidance for Schools (15) Financial Transparency in Schools (16) AOB 	
Recommendation(s) The Schools' Forum is asked to: <ol style="list-style-type: none"> 1. Note the updated DSG allocations. 2. Note the projected 2020/21 DSG Outturn position. 	

3. Note and comment on the 2020/21 High Needs Outturn forecast position.
4. Note the updated 2019/20 Early Years funding adjustment.
- 5 (a) Note the provisional 2021/22 DSG allocations.
(b) Note the reduction in historic element of central Block, impact on service to schools.
6. (a) Note the expected shortfall in growth funding allocations for 2021/22.
(b) Note and agree the provisional growth fund requirement for 2021/22.
- 7 Note and agree the provisional falling rolls budget.
- 8 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 subject to no significant movement in the October 2020 pupil profile data between the two phases.
 - (b) to apply no capping and scaling unless necessary to allow the formula to operate in a reasonable, fair and stable manner.
 - (c) to apply the maximum MFG provided the formula cash envelope is not exceeded.
- 9 Note the update on BACS migration for schools
- 10 Note the update on Financial Regulations for schools.
- 11 Note the working plan of action by the CMS working group.
- 12 Note and approve:
 - (a) the allocation of £225k of additional growth fund allocations to Robert Clack in respect of the 4 new classes that opened in September 2020, to be funded from contingency and reserves.
 - (b) Note and approve to funding future exceptional growth through the formula.
- 13 Note the proposed consultation on and changes to the local authority SFFS.
- 14 Note the guidance for Covid-19 exceptional costs and Catch-up premium funding
- 15 The new financial transparency arrangements implemented by DfE.

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. Revised DSG funding for 2020/21, including HNB

1.1 The updated DSG funding allocations published in July 2020 are set out in the table 1 below. The direct funding adjustments are subject to further ongoing changes.

Block	Pre-recoupment June 20 £'000s	Post Recoupment June 20 £'000s	Funding Pre-recoupment July 20 £'000s	Recoupment / Direct Funding July 20 £'000s	Post Recoupment July 20 £'000s	Variance +favourable/(unfavourable) July 20 £'000s
	(a)	(b)	(c)	(d)	(e)=(c)-(d)	(f)=(e)-(b)
Schools Block	226,041	171,255	226,041	54,787	171,254	0
CSSB Block	2,364	2,364	2,364	0	2,364	0
High Needs Block	37,334	33,786	37,568	3,553	34,015	229
Early Years block	22,542	22,542	22,933	0	22,933	391
Total DSG	288,281	229,947	288,906	58,340	230,566	620

Table 1: Updated DSG Allocations

1.2 The variation in High Need post-direct funding primarily relates to adjustments in respect of Special Free Schools and import / export adjustments. The net effect of this is an increase of £229k. However, this is subject to further revisions especially in relations to import and export adjustments. Therefore, it is prudent to hold this in reserves.

1.3 The updated DSG allocations for early years are showing an increase of £391k. Local authority funding allocations for the Early Years entitlements is based on the annual census count of the number of hours taken up by children in each local authority in January. In light of the coronavirus (COVID-19) outbreak, exceptionally the final funding allocation to local authorities for the 2020 autumn term is to be based on January 2020 census (that would normally have been based on January 2021 census). The DfE believe that this should protect Local Authorities from disruption as a result of the pandemic. During the Covid-19 outbreak, the DfE is in turn expecting local authorities to fund providers that are open and offering the entitlements as far as providers are able and providers that are closed due to public health reasons at broadly the same level they would have expected to if coronavirus (COVID-19) had not happened. Where provisions that have closed, without public health reason, from the start of the autumn term these cannot be funded. The financial impact of protections offered to providers would not be known until later in the year.

Recommendation (i): Schools forum are requested to:

(a) Note the updated DSG allocations.

2. DSG Outturn forecast for 2020/21

- 2.1 The DSG funding and projected out-turns are set out in table 2 below. The total DSG allocation for the year, after recoupment, is £230,566k. The Schools Block includes £1,894 of centrally held growth fund, for 7½ primary and 19 secondary classes. Actual growth fund requirements would not be known until current academic year admissions numbers are finalised. The Central block is expected to breakeven.
- 2.2 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.
- 2.3 A minimum funding guarantee has been introduced for autumn 2020 for settings that are open. This means that that autumn 2020 funding will not be below the autumn 2019 funding received by the settings irrespective of the number of children. Setting will be funded on actual numbers where the autumn 2020 pupil numbers exceed autumn 2019. From January 2021, funding will revert to usual mechanisms and funding will be paid to open settings and for children that are attending.
- 2.4 Details of projected High Needs out-turns are set out in section 3 of this report.

	2020/21 Funding £'000	2020/21 Projected Out-turn	Deficit (surplus) at as March £'000
Schools Block – ISB	171,254	171,254	0
Central Block	2,364	2,364	0
High Needs Block	34,015	34,015	0
Early Years Block	22,933	22,993	0
Total	230,566	230,566	0
B/f DSG reserves (surplus)			(1,726)
DSG forecast			(1,726)

Table 2 – 2019/20 DSG funding and expenditure outturn

Recommendation (ii): Schools forum are requested to:

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

3. HNB Outturn Forecast for 2020/21

3.1 As a reflection of the historic underfunding and the high levels of demand in previous years, LBBB received the maximum funding increase of 17% in 2020/21 as compared to last financial year. The 2020/21 HN funding is £32.9m as compared with £28.7m in 2019/20. The table 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	3,480,827	(93,173)
ARP Funding	6,032,800	6,102,000	5,937,386	(164,614)
DSG – High Needs Education Inclusion	1,666,000	1,618,000	1,489,114	(128,886)
Top-ups (inc. OB and NMSS)	6,662,200	7,635,000	7,185,200	(449,800)
High Needs Top Ups – Post 16	969,000	1,291,000	1,720,666	429,666
SEN Panel Top Ups	1,418,000	1,148,000	1,148,000	0
LACHES, Language Support	331,000	335,000	372,483	37,483
Initiatives	200,000	150,000	150,000	0
Special School Funding	7,493,000	10,643,000	11,027,183	384,183
Early Years & Integrated Youth Services	398,000	356,000	341,140	(14,860)
Total	28,714,000	32,852,000	32,852,000	0.00
Gatekeeping for In-year Growth/import/export		1,162,500	1,162,500	0.00
Total Budget		34,014,500	34,014,500	0.00

Table 3 – High Needs Outturn

3.2 Table 3 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 revised HN allocation of £228k announced in July is subject to changes in import and exports over the course of the year. therefore, it is prudent to hold this in reserves, subject to any adjustments by the Department.
- An amount of £934,500 has been earmarked to respond to any additional in year growth that we may have to respond to in the course of the year. As schools have only recently returned to more normal operating the full picture of demand is not yet fully known.

- 3.3 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 (iii): Schools forum are requested to:

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

4. Final Early Years funding for 2019/20

- 4.1 In relation to 2019/20 Early Years block funding and pupil number adjustment for January 2020 census, there were backdated allocation of £224k. This is the net effect of £208k increase for 3 and 4 Year Olds, £290k reduction for Two Year Olds and other residual favourable corrections of £16k. The backdated allocation is to be added to the general DSG reserves.

Recommendation (iv): Schools forum are requested to:

(a) Note the updated 2019/20 Early Years funding adjustment.

5. Provisional DSG block allocations for 2021/22

- 5.1 The provisional DSG allocations for 2021/22 were announced in July 2020. The NFF calculations for 2020-21 are based on school and pupil characteristics data from October 2019. This is used to calculate the notional school level allocations, and then aggregated to determine the School Block allocations and the relevant Primary (£5,212) and Secondary (£6,851) Units of Funding (PUF and SUF). These unit rates are then applied to the October 2020 census to determine the final allocations for 2021/22. The final allocations are to be published in December 2020.
- 5.2 The final December 2020 allocations are only adjusted for changes in pupil numbers and there will be no changes to PUF and SUF. Any inherent funding pressures arising from this mis-match in pupil profiles between the October 2019 data, used to calculate the School Block funding, and the October 2020 data used in the formula modelling to distribute the funding to schools will have to be contained with the overall Schools Block grant allocations.
- 5.3 The provisional funding allocations for 2021/22 are set out in table 4 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 £180 and £265 respectively (at national rate). These are then uplifted by Area Cost Adjustment, which is 12.985% for the local authority.

(c) Use of 2019 use of Income Deprivation affecting Children Index in place of the 2015 data. There are no significant movement at a national level in terms of geographical distribution of deprivation.

5.4 The total Schools Block allocations (excluding premises related and growth fund), after removing the impact of rolling in TPG and TPECG, is £219,632. This is an increase of £5,042k or 2.35% compared to 2020/21.

5.5 The premise 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. Historically, there have been notable increases in business rates primarily due to expansions and new constructions. The additional funding only catches up the following year and any funding gaps have to be met from the overall DSG allocation for the year. The premises allocation for 2021/22 is £9,992, and increase of £939k largely reflects the previous year business rates increases.

5.6 The provisional growth fund allocation is based on estimated pupil numbers, and is showing a reduction of £535k. Any gaps between funding and budget requirements will have to be met from the overall Schools Block. The final growth allocations, based on October 20 census, would be published in December 2020. Please see section on Growth Funding.

Block	2020/21 Alloc.	2021/22 Alloc.	TPG and TPECG	2021/22 Adjusted Alloc.	Movement +Fav / (Unfav.)	% Mov't
	(a)	(b)	(c)	(d)=(b)-(c)	(e)=(a)-(d)	(e)/(a)
Pupil No	39,376	39,376				
Schools Block	214,590	229,035	9,403	219,632	5,042	2.35%
Premises (historic)	9,053	9,992		9,992	939	10.37%
Growth Fund	2,398	1,863		1,863	(535)	(22.31%)
High Needs	37,568	42,242		42,242	4,674	12.44%
CSSB - On-going	1,438	1,472		1,472	34	2.36%
CSSB - Historic	926	740		740	(186)	(20.04%)
Early Years (Provis)	22,933	22,933		22,933	-	0.00%
Total Funding	288,906	308,277	9,403	298,874	9,968	-

Table 4: Provisional 2021/22 DSG Allocations

5.7 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 £37.38 for the local authority. In accordance with previous DfE announcement, the historic element is seeing year on year reductions of 20%.

5.8 CSSB historic is funding the following services in 2020/21:

- Funding for core School Commissioner role within the LA with the setup of BDSIP - £108k.
- Capital Investment Team to support and project manage builds - £150k.
- Sports Co-ordinator - £50k.
- Trewern outdoor education centre - £209k
- Community Music Service - £310k
- Advisory Teachers to support School Improvement Partnership priorities - £330.

The 202/21 total budget requirement for these historic duties is £1,157k, however the corresponding budget allocation is only £926k. The difference of £231k would be met from anticipated savings on CSSB on-going responsibilities.

The services affected by the reductions in 2021/22 are using this year as transition period to re-design and remodel their services to absorb and mitigate the reduction in funding.

5.9 The High Needs block is increasing by £4,674k (compared to £5,656k the year before) The new allocation, now based on formula, goes some way to address gap created by funding allocated on a historic basis. LBBB had one of the largest existing funding gaps and is receiving maximum possible uplift of 12% (measured against rebased baseline). However, a growing population and other demographic changes mean continuing increase in demand for services.

Recommendation (v): School Forum are asked to note:

(a) the provisional 2021/22 DSG allocations

(b) reduction in historic element of central Block, impact on service to schools

Growth Funding

6.1 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 for the purpose of calculating funding.

6.2 The impact of formulaic approach to distributing growth fund has been to allocate it more thinly across more local authorities. This approach ignores the operational and

funding challenges arising from uneven pockets of growth and impact on capacity to provide places locally. It further disregards the impact on schools that are operating at near full capacity where marginal increases in pupil numbers result in having to open additional classes.

- 6.3 The provisional September 2021 expansions are set out in Table 5 below. This is subject to further updates by Pupil Place Planning. The primary and secondary phases are reporting growths of 285 and 561 respectively, and are part of the on-going permanent expansion. The comparative figures for September 2020, subject to confirmation following the academic year admission, are 375 and 930. Although the creation of additional places are continuing to increase but at a reduced rate.

School	Primary Sep21 Growth	Secondary Sep21 Growth	Comments
Barking Abbey School		81	Final year permanent to expansion to Y7
Dagenham Park CofE School		30	Permanent expansion of Y7
Eastbrook School	45	90	Permanent expansions to R and Y7
Eastbury Community School	60		Permanent expansions to R
Gascoigne Primary	30		Permanent expansions to R
Goresbrook (Free School)	30		Permanent expansions to R
Greatfields (Free School)		60	Permanent expansion of Y7
Riverside Primary	60		<i>New and growing school</i> ; R growth
Riverside Secondary		120	Permanent expansion of Y7
Robert Clack		180	Permanent expansion of Y7
The Sydney Russell School	60		Permanent expansions to R
Total Sept 2021 (provisional)	285	561	846
Total Sept 2020 (provisional)	375	930	1,305

Table 5: Provisional September 21 school expansions

- 6.4 The October 2020 census informs the funding allocations for 2021/22 financial year. That means, the September 21 expansions are not being captured in the census for allocation through the formula. Instead, these growth classes are only captured in the following year Autumn census so will have to be funded for 7/12th covering September 2021 to March 2022. The only exception to this are 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 in order that schools can attract the other pupil led funding factors to compensate for diseconomies of scale associated with new schools. However, this still represents a call on the growth fund budget.
- 6.5 The provisional growth fund requirement for 2021/22 is £2,248k (please see table 6) compared to £3,349 in 2020/21. The higher growth fund requirement for current year is due to a combination of reasons, new and growing schools being funded through the formula, increased pupil growth and higher level of growth in the secondary phase. The

growth fund requirement for 2021/22 includes 285 primary and 561 secondary places plus a contingency for 30 additional primary and 60 secondary places. These are funded at 7/12 of the AWPU with the exception of new and growing school funded through the formula. The estimated growth fund budget allocation is £1,863. This leaves a short fall of £386k to be top sliced from the Schools Block.

	Primary PAN Growth	Second. PAN Growth	Primary AWPU	Second. AWPU	Total GF Funding for Primary	Total GF Funding for Second.	Total
<u>Explicit Growth</u>							
Primary/Second.	30	471	3,375	4,365	59,063	1,199,284	1,258,347
All-through	195	90	3,375	4,365	383,906	229,163	613,069
<u>Implicit Growth</u>							
Primary (Riverside)	60		4,725*		165,375		165,375
Contingency	30	60	3,375	4,365	59,063	152,775	211,838
Total	315	621			667,407	1,581,222	2,248,629
Estimated Growth funding							1,863,058
Shortfall							385,570
Notes: shortfall relating to centrally retained growth is (£1,258k+£613k+£211k) - £1,863 = £219k Plus Riverside £165k being met from Schools Block; * includes expected 40% uplift for pupil led factors.							

Table 6: 2021/22 Growth Fund Requirement

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

- (a) the expected shortfall in growth funding allocations for 2021/22
- (b) and agree the provisional growth fund requirement for 2021/22

Falling Rolls

- 7.1 In previous years, pupil number growth has been uneven with some primaries seeing growth whilst others experiencing temporary falling numbers. The full impact of falling numbers would only be known sometime after the October 2020 census. However, in the provisional funding model for schools it is prudent to set aside a contingency to fund falling rolls, to be funded from the Schools Block. It is recommended that £256k is set aside, and if it this funding is no longer required when pupil numbers are known after the census, this can be added into the formula funding for schools.
- 7.2 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.

- (b) years on year reduction in delegated budgets of 2% or more.
- (c) school's reserves do not exceeding 2% of delegated budget.
- (d) a recovery plan is submitted as part of the application process.

Recommendation (vii): School Forum are asked to note and agree:

- (a) the provisional falling rolls budget

Proposals for the Local Funding Formula for 2021/22

- 8.1 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 will 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 with uplifts for area cost adjustment (12.985% for LBB) 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 above these thresholds. 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 is not expected to qualify as the bar has been set high.

2021/21 Schools Block Budget	£'000s
Provisional School Block Allocation 21/22	229,035
Premises	9,992
Growth Fund	1,863
2020/21 implicit growth via APT	£1,603
Provisional Schools Block Budget for 2021/22	242,493
Schools Block formula requirement	239,828
2020/21 cash advance reimbursement	160
Growth Fund	2,249
Falling Rolls	256
Provisional Schools Block Expenditure	242,493

Table 7: Budget Available for Formula Funding

- 8.2 The Individual School Budget modelled for 2021/22 are attached as Appendix 1 to this report. This is based on October 2019 pupil numbers and corresponding pupil profiles.
- 8.3 Actual allocations would be based on October 2020 pupil numbers and profiles, both of which would change the actual allocations. Other factors that impact on final allocations are actual rates, PFI and growth fund requirements as any additional funding gaps would have to be funded from the total cash available for the formula.
- 8.4 The funding model has been calculated on the following basis:
- (a) includes the effect of rolling in TPG and TPECG.
 - (b) Applied NFF rates for funding factors including area cost adjustment of 12.985% with the exception of AWPU.
 - (c) The DfE funding ratio, based on the existing data for the local authority, is 1:1.41. This ratio could change as pupil profiles change again when census is updated. 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 reduce funding turbulence and uncertainty until these issues are possibly resolved at a national level.
 - (d) In the provisional model, the AWPU rates have been adjusted to remain within the cash limit and to achieve 1:1.35 ratio. This means secondaries would be funded 35% more per pupil than a primary in recognition of their greater cost.
 - (e) The model also includes provisional rates adjustments and PFI uplifts, and are subject to change. Any increases in rates and PFI requirements would reduce the amount available through the pupil led funding factors.
 - (f) In line with calculation of schools NFF by the DfE, no capping and scaling have been applied. These allow overall gains for individual schools to be capped or to be scaled back. This means that schools will retain all of their gains under the formula. However, in the final model, it may be necessary to apply capping and scaling to ensure that the formula remains affordable.
 - (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. Because there insufficient funding, 23 primaries are on 2% MFG protection, that is funding increases at 2% per pupil. However, under the formula, all schools are seeing cash increases.

- 8.5 The local authority would formally consult all schools on the principles, being agreed by the Schools Forum, to be applied to the 2021/22 funding formula. All schools are encouraged to respond to the consultation so relevant issues are aired and can be given due regard. The outcome of this will be reported to the next Schools Forum.

Recommendation (viii): Schools forum are requested to 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 subject to no significant movement in the October 2020 pupil profile data between the two phases.
- (b) to apply no capping and scaling unless necessary to allow the formula to operate in a reasonable, fair and stable manner.
- (c) to apply the maximum MFG of 2% provided the formula cash envelope is not exceeded.

Update on BACS migration for schools

- 9.1 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
- 9.2 A meeting was held on June 30th with all interested schools to discuss the process map and how to get started.
- 9.3 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.
- 9.4 A meeting will be scheduled in November to review progress with schools and to undertake a trial run with schools that have completed the above steps.

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

- (a) update on BACS migration for schools

Update on Financial Regulations for schools

- 10.1 The panel to develop the financial regulations for schools had their first meeting on September 16th, 2020. Members have been assigned tasks to complete. The panel will meet again on November 11th to review progress. The timetable for the completion of the financial regulations are as follows:

Task	Dates and Deadline
Review of progress	November 2020
Consultation with LA specialist departments Legal, procurement, Audit Assurance, Treasury etc	December 2020
Consultation with schools and Schools Forum	Jan to March 2021
Approval and ratification	March/April 2021

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

- (a) The update on introduction of Schools Financial Regulations

Music Service remodelling

- 11.1 The subgroup to review the remodelling of the Community Music Service (CMS) met on Thursday 1st October. The following actions were agreed.

- Funding options to replace the DSG contribution of £310k is underway.
- The funding options will be discussed at the various headteacher groups for a consensus as it may involve agreement by all schools for a pooled contribution arrangement which will require general consensus.
- Schools Forum will be presented with the preferred funding option during the December 2020 or latest by spring term for approval and ratification.
- New funding model is to be implemented by April 2021.

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

- (a) the working plan of action by the CMS working group

Growth funding for schools facing Exceptional circumstances

- 12.1 In order to fund growth, regulations require local authorities to provide estimated numbers on the APT for “new and growing” schools. For a school to be classed as a new and growing, it has to have opened in the last seven years and not have all year groups present yet. Existing schools, which are extending their age range or becoming all-through are unlikely to be classed as growing, unless they also opened in the last seven years. By adjusting the pupil numbers on APT, these schools would attract all the relevant pupil led funding factors for September growth that equates to an additional 40% of AWPU.
- 12.2 DfE guidance also states that whilst the “growth fund is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should vary pupil numbers in situations where the scale of change in numbers is sufficiently great and permanent that it should be applied to all factors in the formula.” In the past, due to affordability issues, all growth with the exception of new and growing schools, have been funded from the centrally held growth fund and therefore have not attracted other pupil led funding.
- 12.3 Lymington site expansion to Robert Clack (not “new and growing school” under DfE definition) was completed this year, and started intake of pupils in September 2020. This is a purpose-built new block on a field adjacent to the existing sites, providing capacity for additional 6 forms of entry. As part of phased expansion, the school added 4 additional classes in September 2020.
- 12.4 When the 2020/21 school budgets were set, the intention had been to fund the September 2020 Robert Clack expansion through growth fund rather than formula. LBBDD adopted a restricted growth funding policy, which only provided a minimal level of funding (AWPU only and not pupil led funding factors) for new and bulge classes.
- 12.5 In reality, Lymington site is a sufficiently large expansion to have opened as a standalone new school, which if it did, would have been funded through the formula. In any case, the expansion is both “great” and “permanent.”
- 12.6 The amount awarded to Robert Clack on this basis for the seven months September 2020 to March 2021 (end of the financial year) was £305,550. This does not take into account diseconomies of costs associated with such largescale expansion on a separate site. There are often lead-in costs, for example to fund the appointment of staff and the purchase of goods or services necessary in order to admit pupils.
- 12.7 If it was a totally new school, then the budget for 120 pupils for seven months would be £530,300 This is a greater amount because it includes funding for the specific characteristics of the pupils attending (whereas new and bulge classes are only funded on a fixed per pupil rate) and a lump sum for fixed costs. The budget presented by the schools shows forecasted costs of £1,179k for the 7 months periods.
- 12.8 DfE guidance states that where expansion is funded through the growth fund, “exceptional funding may be available if the schools forum has agreed a de-delegated contingency.” There has been no call on this budget the de-delegated contingency of £150k this year.

- 12.9 In view of the budget gap, Schools Forum is requested to approve an additional allocation of £225k, being the difference between funding through growth fund and as a new school, from de-delegated contingency with the balance from DSG reserves.

Recommendation (xii): Schools forum are requested to note and approve the:

- (a) allocation of £225k of additional growth fund allocations to Robert Clack in respect of the 4 new classes that opened in September 2020, to be funded from contingency and reserves.
- (b) funding of future exceptional growth through the formula.

13 LBB Scheme For Financing Schools (SFFS)

- 13.1 In August, DfE issued published its updated statutory guidance on schemes for financing local authority maintained schools. The DfE guidance lists the provisions which a local authority's scheme must, should or may include in their local guidance issued to schools.

- 13.2 In making any changes to their schemes, other than "directed revisions", the local authority is required to consult all maintained schools in the area and receive the approval of the members of their Schools Forum representing maintained schools. Local authorities must take this guidance into account when they revise their schemes, in consultation with the Schools Forum.

- 13.3 The updated DfE guidance includes the following directed changes (the local authority is already compliant on the requirements):

- From the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year, at a date determined by the local authority between 1 May and 30 June.
- Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. Local authorities may set a lower threshold than 5% for the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2021.

- 13.4 Other important changes are as follows:

- Instead of taking out insurance, a school may join the Secretary of State's risk protection arrangement (RPA) for risks that are covered by the RPA.
- The scheme should also provide for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the Schools Forum to de-delegate funding.

- 13.5 Due to delays caused by Covid-19, the changes to Issue 12 of the scheme for financing local authority maintained schools will take practical effect from 1 April 2021.
- 13.6 The local authority will consult schools on RPA and any other non-directed changes if any, and would report back to the January 2021 Schools Forum.

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

the proposed consultation on and changes to the local authority SFFS.

14 Covid19 Exceptional Costs and Catch-up Premium Guidance for Schools

- 14.1 In April 2020, the government announced funding for schools to meet the costs associated with Covid-19 covering **premises costs**, **free school meals** and additional **cleaning** but also allowed schools to submit claims for “**extraordinary costs**”. Only costs incurred between March and July qualify.
- 14.2 Claims excluding “extraordinary costs” have been assessed and paid, and the Education and Schools Funding Agency is currently working through the remaining claims. (refer to Appendix 2 for Covid-19 approved claims).
- 14.3 It is likely that not all LBBB schools that qualify for funding have applied. However, there is now a second window due to open this autumn term, the exact date is yet to be confirmed by DfE, for schools to claim for costs relating to March to July where no claims were submitted in the first round or omitted from the claims submitted. Schools should carefully review the criteria, and expenditure incurred during this period and submit claims. This may entail making reasonable assumptions and estimates to apportion costs relating to Covid-19.
- 14.4 In July 2020, the government announced **£1bn** funding for Catch-Up Premium, of which **£650m** is to support schools to make up for lost teaching time for all pupils. Each school will receive £80 for each pupil in years reception to 11. Further details can be located here:
<https://www.gov.uk/guidance/coronavirus-covid-19-catch-up-premium>
- 14.5 **£350m** out of the £1b catch-up premium is earmarked as tutoring fund for disadvantaged pupils. Schools will be able to use their catch-up premium to cover the subsidised cost of the program (**funding is not paid to schools** but instead schools can register and access the service/s). Further details can be found here:
<https://www.gov.uk/guidance/coronavirus-covid-19-catch-up-premium>

Please refer to Appendix 3 for Catch-up premium allocations per school.

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

(a) The guidance for Covid-19 exceptional costs and Catch-up premium funding

15 Financial Transparency in Schools

15.1 In July 2020, government published the outcome of the consultation on financial transparency in schools in order to bring the local authority-maintained schools in line with arrangements for academies that are stronger. The proposals are to be implemented by the DfE on January 2021, and will directly impact on schools as follows:

- Publish names of LAs on gov.uk if they fail to comply with deadlines for returns to the Department.
- Collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the LA Chief Financial Officer (CFO) at the end of the financial year.
- Reporting on the amounts that LAs have recovered from investigating fraud.
- Make a directed revision to LAs' schemes for financing schools to make it a requirement for maintained schools to provide LAs with three-year budget forecasts.
- Make schools append a list of Related Party Transactions (RPTs) to their response to the question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs.
- A directed revision to LAs' schemes for financing schools, requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%.
- Collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.
- Sharing published data on the school balances in each LA. Using this data and evidence-based requests from LAs to ensure support is focused where it is needed.
- Requesting high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level.
- require all LA maintained schools to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings.

- Schools must also publish a link to the specific page on the Schools Financial Benchmarking dedicated to their school using the unique reference number allocated to the school by the Department for Education. For example: <https://schools-financial-benchmarking.service.gov.uk/school/detail?urn=234567>

After “urn=” schools will need to insert their school’s URN. You can find your URN here:

[Get information about schools \(GIAS\)](#)

- Further guidance relating to the information that schools must publish online can be found on the link below. This is also attached as an Appendix 4

<https://www.gov.uk/guidance/what-maintained-schools-must-publish-online>.

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

- (a) the new financial transparency arrangements implemented by DfE.

16 Financial implications

As presented in this document.

17 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.

18 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) Indicative 2021-22 Individual School Budget
- Appendix (2) Covid-19 Exceptional costs approved claims
- Appendix (3) Catch-up Premium Allocations
- Appendix (4) Information to be published on Schools website