

(BARKING AND DAGENHAM SCHOOLS FORUM)
21 January 2020

Title: Schools' Forum Report	
Open	For Decision / For Information
Wards Affected: All	Key Decision: No
Report Author(s): Katherine Heffernan - Group Manager for Service Finance Kofi Adu – Group Finance Manager	Contact Details: Tel: 0208 227 3262 E-mail: katherine.heffernan@lbbd.gov.uk
Accountable Operational Director: Jane Hargreaves – Commissioning Director for Education Youth and Childcare	
Accountable Strategic Director: Elaine Allegretti – Director for People and Resilience	
<p>Summary: The purpose of this report is to update the Barking and Dagenham Schools Forum on:</p> <ul style="list-style-type: none"> • Schools Forum Constitution • Update on DSG funding for 2019/20 • Final DSG block allocations for 2020/21 • Growth Fund • Falling Rolls Fund • National Schools Block Funding Formula • Proposals for the Local Funding Formula for 2020/21 • De-delegation • Central Block • Early Years Funding • HNB Outturn Forecast for 2019/20 • AOB 	
<p>Recommendation(s)</p> <p>The schools forum are asked:</p> <ul style="list-style-type: none"> (i) (a) note the updated constitution, based on October 2019 census (b) approve consultation with key members for the election of representatives. (ii) note 2019/20 DSG out-turn forecast. DSG block allocations for 2020/21 (iii) to note the pre-recoupment DSG funding allocations for 2020/21 	

- (iv) (a) note the shortfall in growth fund allocations for 2020/21
 (b) **agree** the policy for allocating growth funding
 (c) **agree** the centrally retained growth fund of £1,894k
- (v) (a) **agree** the falling rolls fund of £500k for 2020/21
 (b) note, comment on and **agree** the policy for falling rolls
- (vi) (a) note the principles applied to the funding model
 (b) **agree** the MFG of plus 1.84%
 (c) **agree** the target Primary Secondary ratios of 1:1.35 as the basis for the funding model.
 (d) **agree** the £823k cash advance to fund the formula in 2020/21 contingent on repayment with first call against the premises allocations in 2021/22
- (vii) **agree**, by phase, the delegation rates and amounts.
- (viii) note the academy charges for Safeguarding and Trade Union duties.
- (ix) (a) note the reduction in historic funding element of CSSB and impact of this reduction
 (b) **agree** the proposed central spend
- (x) (a) **agree** the central early years allocations
 (b) note the revised rates for both 3&4 year olds and 2 year olds
- (xi) (a) note the projected High Needs out-turn forecast,
 (b) note the continued pressure on the High Needs Block and
 (c) note risks associated with the management actions to achieve in-year savings of £855k
 (d) note the feedback from the HNB sub working group meeting 16th January 2020

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. Introduction and background

1.1 The schools forum is a decision making and consultative body in relation to matters concerning schools' budgets as defined in the school finance (England) regulations 2012 and the schools forums (England) Regulations 2012. The forum is required to meet at least four times a year.

2. Constitution

2.1 The schools forum is largely made up of representatives from the maintained and academy sectors, along with those from governors, early years, diocese, 14-19 year old sector and trade unions.

2.2 The number of representatives from the maintained and academy sectors should be, in broad terms, proportionate to the total number of pupils on roll. However, these proportions can change as a result of changes in pupil intake and academy conversions. Therefore, number of representatives from each of these sectors requires review from time to time.

2.3 The October 2019 pupil census data is set out below in table 1.

Sector	KS1&2	KS3&4	Total	Percentage
Maintained:				
Primary	19,937		19,937	51
Secondary		7,263	7,263	18
All-through	433	2,471	2,904	7
Recoupment Academy:				
Primary	3,664		3,664	9
Secondary		2,603	2,603	7
All-through	822	2,189	3,011	8
Total:	24,856	14,526	39,382	100

Table 1 – Analysis of October 2019 pupil census school type and phase

2.4 The existing and proposed number of representatives from the schools sector are set out in table 2 below. Whilst there have been some movement in pupil numbers, between phases and between local authority maintained and academy sector, these changes are rather marginal to impact on the relative number of representatives. Therefore, no changes are being proposed in respect of number of representatives from the different sectors. The updated number of representatives (see unshaded rows below) are based on October 2019 census.

Representing	Existing Share of Reps	Proposed Share of Reps	Elected by:	Pupil Rep. Ratio
Maintained Primary	7	7	Primary Heads Forum	2,848
Maintained Secondary	2	2	Secondary Heads Forum	3,632
Maintained All-through (A/T)	1	1	Formal election process with sector.	2,904
Academies & Free Primary	1	1	Formal election process with sector	3,664
Academies & Free Secondary	1	1	Formal election process with sector	2,603
Academies & Free Schools (A/T)	1	1	Formal election process with sector	3,011
Maintained Special Schools	1	1	Maintained Special School	
Maintained PRU	1	1	Automatic	
Academy Special Schools	1	1	Formal election process with sector	
Governors - 1 Pri., 1 Sec.)	2	2	Governor Ser. to administer process	
Early Years Representative	1	1	Local Authority	
Church of England Rep	1	1	Formal process with Diocese	
Catholic Representation	1	1	Formal process with Diocese	
14-19 Representative	1	1	Automatic	
Trade Union Representative	1	1	Formal process with Trade Unions	
Total	23	23		

Table 2 – Proposed ratios of Schools Forum representatives

Recommendation (i): Schools forum are requested to
(a) note the updated constitution, based on October 2019 census and
(b) approve consultation with key members for the election of representatives on Schools Forum.

3. Update on DSG funding for 2019/20

- 3.1 The DSG funding and expenditure forecasts are set out in table 3 below. The total DSG allocations for the year, after recoupment, is £223,749k. This includes High needs budget of £28,714k after high needs recoupment for academy schools. The HN budget with the transfer of £1,039k from Schools Block equates to £29,753k. The projected forecast for the year, with in-year savings of £855k, is £31,954k.
- 3.2 The projected in-year outturn position based on current expenditure and commitments on the Dedicated Schools Grant is an overspend of £2,201k. This mainly relates to High Needs Block overspend. The available DSG reserves are expected to reduce to £1,001k after offsetting the in-year over-spend.

	Funding Pre-recoupment	Recoupment Adjustment	Funding Forecast £'000	Block Transfers	Revised Funding Forecast	Expenditure Forecast August 2019	Variance over/(under) £'000
Schools Block - ISB	216,640	(46,410)	170,230	(1,039)	169,191	169,191	0
Early Years Block	22,230	0	22,230		22,230	22,230	0
High Needs Block	31,678	(2,964)	28,714	1,039	29,753	31,954	2,201
Central Block	2,575	0	2,575		2,575	2,575	0
Total	273,123	(49,374)	223,749		223,749	225,950	2,201
B/f DSG balances							(3,202)
DSG reserves (surplus)							(1,001)

Table 3 – 2019/20 DSG funding and expenditure forecast

- 3.3 The overspend on DSG relates to pressures on the High Needs block, details of which are set-out under section 12 of this report. There are approximately £4m of pressures that will need to be offset through a combination of actions including demand management and efficiency savings. The level of overspends on the demand/needs driven areas suggest that the pressures will continue into the next financial year.

Recommendation (ii): Schools forum are requested to note 2019/20 DSG out-turn forecast.

4 Final 2020/21 Dedicated Schools Grant Allocations

- 4.1 The final pre-recoupment DSG allocations for 2020/21, published in December 2019, are set out in the table 4 below. The schools block allocations have been updated for October 2019 census.

Block	2019/20 Allocations	2020/21 Final Allocations	Movement +Favourable / (Unfavourable)	% movement
Pupil Nos	38,661	39,376	715	2%
Schools Block	213,657	223,643	9,986	5%
Growth Fund	2,983	2,398	(585)	-20%
High Needs	31,678	37,334	5,656	18%
CSSN - Ongoing	1,418	1,439	21	1%
CSSB - Historic	1,157	926	(231)	-20%
EY (20/21 Provisional)	22,230	22,542	312	1%
Total Funding	273,123	288,282	15,159	6%

Table 4 – Pre-recoupment DSG allocations for 2020/21

- 4.2 The NFF calculations for 2020-21 are based on school and pupil characteristics data from October 2018. This is used to calculate the notional school level allocations, which is then aggregated to determine the School Block allocations and the relevant Primary and Secondary Units of Funding (PUF and SUF). The relevant unit rates are then applied to the October 2019 census to determine the final allocations for 2020/21. The

final December 2019 allocations are adjusted for change in pupil numbers. Any inherent funding pressures arising from this mis-match in pupil profiles between the October 2018 data, used to calculate the School Block funding, and the October 2019 pupil profile, used in the formula to distribute the funding, will have to be contained with the overall Schools Block grant allocations.

- 4.3 The schools block is increasing by £9,986k. However, approximately half the increase are in respect of pupil number increases between October 2018 and October 2019 census, and therefore reflect costs / pressures that are already in the system. Cost pressure arising from the difference in pupil profile between the October 2018 pupil profile (used to calculate grant) and October 2019 pupil profile (used to distribute funding to schools) also have to be met from the allocations. There is also a significant mismatch between growth funding received and required to fund new classes opening in September 2020. These are discussed in detail in section 5 below. Across several primary schools, the pupil numbers on roll are significantly down. These equate to large funding reductions, and it is recommended that a falling rolls fund is established to enable schools to deal with unexpected funding turbulence. Please see section 6 for further details.
- 4.4 The other major funding changes are the increase in funding of £5,656k for High Needs (which goes some way to redress the historic chronic underfunding), and £231k reduction in Historic Central Schools Service Block (CSSB). The 2020/21 allocations for EY are provisional and only finalised in June 2021 when updated for January 2020 and January 2021 censuses.

Recommendation (iii): Schools forum are requested to note the pre-recoupment DSG funding allocations for 2020/21

5 Growth Fund

- 5.1 Growth funding allocations are based on observed differences between the primary and secondary number on roll in each LA between the October 2018 and October 2019 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 census. Negative growth is disregarded for the purpose of calculating funding. The fundamental weakness with this approach is that it does not take into account the number of additional classes required at the local level. In areas with high housing development, for example, a locality-based approach to growth is needed. Neither does the approach take into account schools that are operating at near full capacity where marginal increases in pupil numbers result in having to open additional classes.
- 5.2 Since 2019/20, growth funding has been allocated based on a formula and not on lagged actual costs, which has resulted in a reduction in the growth funding available to the borough. Under this approach, the authority has seen significant reduction in funding. The movement in growth fund allocations are set out in table 5 below.

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

Table 5: Growth Fund Allocations

- 5.3 There is some limited protection for reductions in growth fund allocations, which is capped at 0.5% of the schools block. As the protection floor is set very low, the local authority is continuing to see significant drop in funding under the new methodology, a reduction of £1,061k in 2019/20 and a further £585k in 2020/21. The growth fund allocation of £2,398k for 2020/21 is significantly short of the requirement of £3,484k. The growth fund requirements are set out in table 6 below. The shortfall of £1,086 will have to be funded from the top-slicing the Schools Block allocation, thus reducing the amount available for distribution through the formula. The growth numbers are the additional new classes opening in September 2020, based on information supplied by School Place Planning. These pupils are not on the October 2019 census, and would only be captured in the following year Autumn census so will have to be funded for 7/12th covering September 2020 to March 2021.

	Projected Sept 2020 Pupil No Growth	Unit of Funding (7/12th AWPU)	Total Growth Fund Requirement (000s)
Primary - New and Growing Sch. (7/12th AWPU plus pupil led factors)	150	2362.5	354,375
Secondary - New and Growing Sch. (7/12th AWPU plus pupil led factors)	360	3055.5	1,099,980
(a) Total - New and Growing	510		1,454,355
Primary - Centrally held (at 7/12th AWPU)	225	1968.75	442,969
Secondary - Centrally held (at 7/12th AWPU)	570	2546.25	1,451,363
(b) Total - Centrally Held	795		1,894,331
(c) Contingency (1 primary and 1 secondary)			135,450
(d) Total Growth Fund requirement (a) + (b) + (c)	1,035		3,484,136
2020 Growth Fund Allocation			2,398,056
Shortfall			(1,086,080)

Table 6: Growth Fund Requirement

- 5.4 The detailed confirmed growth classes are set out in Table 7 below. The primary growth are permanent expansions that were previously agreed that are feeding through the school, and are not new additional reception classes. Regulations require that new and growing schools (that have opened in the last seven years and not all the year groups have been filled) to be funded through the formula so that growth attracts AWPU plus other pupil led funding factors (estimated cost £1,454k). It is not affordable to fund growth at established schools on the same basis, and instead at pro rata AWPU rate. There are 7.5 primary and 19 secondary classes that would need to be funded on this basis, at a cost of £1,894k by top slicing the school block and retaining it centrally. Please see [Appendix A](#) for the previously agreed Growth Fund Policy. No changes have been proposed to the existing policy.

	R	Y7	Total	Notes
Barking Abbey		3	3	Y11 270 replaced by 360 in Year 7
Dagenham Park		1	1	Y11 240 replaced by 270 in Y7
Eastbrook	1.5	5	6.5	Y6 15 replaced by 60 in Reception; 210 Y11 replaced by 360 in Y7
Eastbury Community	2		2	Permanent expansion feeding through the primary phase
Gascoigne Primary	2		2	Y6 150 being replaced by 210 in Reception
Goresbrook (Free School)	3	4	7	Growing School, new year group being filled
Greatfields (Free School)		8	8	Growing School, new year group being filled
Riverside Primary (Free School)	2		2	Growing School, new year group being filled
Riverside Secondary (Free Sch.)		6	6	Y11 120 replaced by 300 in Y7
Robert Clack		4	4	Y11 360 replaced by 480 in Y7
The Sydney Russell School	2		2	Y6 30 replaced by 90 in Reception
Total	12.5	31	43.5	

Table 7: Planned Additional New Classes for September 2020

Recommendation (v): Schools forum are requested to:

- (a) note the shortfall in growth fund allocations for 2020/21
- (b) agree the policy for allocating growth funding.
- (c) agree the centrally retained growth fund of £1,894k.

6 Falling Rolls Fund

6.1 Table 8 below sets out the movement in numbers on roll (NOR). There is an increase of 763 pupil on the October 2019 census compared to the year before. The reduction in NOR is predominantly a primary phase issue, 26 are reporting fall in numbers totalling 581 and 17 are reporting increases in numbers totalling 278. Many these schools with falling NOR would be seeing large drops in funding allocations, and are likely to face major challenges in terms of balancing their budgets. In contrast, the secondary phase is reporting growth of 619 across 8 schools, and 1 reporting negative growth, and 4 All-through schools are reporting growth of 409 across both phases. The MFG protection does not protect schools from falling numbers as this is calculated on a per pupil basis.

Phase		Negative Growth	Positive Growth	Net
Primary		(581)	278	(303)
All-through	Primary	0	221	221
Secondary		(42)	699	657
All-through	Secondary	0	188	188
Total		(623)	1,386	763

Table 8 : Movement in pupil numbers between Oct 2018 and Oct 2019 census.

6.2 Whilst the drop in numbers is expected to be temporary, schools would require some lead-in time to make the necessary adjustments. It is therefore proposed to hold back £500k to support primary schools that would see large reductions in funding as a result of falling rolls.

6.3 Please see [Appendix B](#) for the proposed falling rolls fund criteria.

Recommendation (v): Schools forum are requested to

- (a) approve the falling rolls fund of £500k for 2020/21
- (b) note, comment on and agree the policy for falling rolls

7 National Schools Block Funding Formula

7.1 2020/21 is the third and, expected to be, the final transitional year before the implementation of the 'hard' National Funding Formula (NFF) in 2020/21. However, that timescale appears to be less certain in the recent announcements by the DfE because of the unresolved issues relating to local intelligence / duties for the operation of the local formula. Fundamentally, the 2020/21 NFF remains largely unchanged with some limited modifications set out below.

- The mandatory use of Minimum Per-Pupil Funding (MPPF) levels to ensure that primary and secondary schools attract at least £3,750 and £5,000 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 of our schools attract funding significantly above these levels.
- Funding floor is set at 1.84% baselined 2019/20 NFF allocations before block transfers are applied. This means that every school will attract an increase in their pupil-led funding of at least 1.84% per pupil, compared to the previous year.
- The gains by schools under the formula are not capped. However, the requirement to fund falling rolls and shortfalls in growth fund means that gaining schools will not see the full benefits.
- Introduction of a formulaic approach to the mobility factor rather than on the basis of historic spend basis, and the local schools gain marginally as a result of this switch.
- The protection for growth funding, allocated on a formulaic basis from 2019/20 onwards, will continue at 0.5% of the Schools Block. Protection is only triggered if reductions in growth funding exceeds 0.55 of the Schools Block. This means growth fund reduction are capped at £1,130k.
- in 2020 to 2021, the school block allocations will be based on the individual school's NFF allocations baselined to 2019 to 2020.

8 Local Schools Block Funding Formula

- 8.1 As part of the consultation on school funding model, documents were circulated to headteachers and business managers giving a two week window to respond. Main areas consulted on were whether schools agree in principle with the setting up of falling rolls fund, the size of the fund, design of the qualifying criteria, what the MFG level should be, capping of gains, primary secondary ratio, and view on growth funding. There was only one response to the consultation.
- 8.2 The proposed local funding formula for 2020/21 is based on the following principles (as reported at the last Schools Forum and no changes).
- Funding should be set aside to support premises factors, the full growth fund requirement and a fund to support schools with falling rolls
 - The national funding formula factors should be used for all the additional needs
 - The AWPU factors should be adjusted in order to meet the funding available.
 - All schools should receive the minimum funding per pupil amounts set out in the national formula
 - All schools should receive a minimum uplift of 1.84% uplift (or close to it in the final funding formula as is possible within the total funding available.)
 - Additional funding above this level should be allocated to secondary schools so long as it does not move the ratio above 1:1.35 (midway between the current formula and the impact of the NFF.)
- 8.3 For business rates purposes, schools like other premises are revalued on a five year cycle unless there are changes to the assets in terms of new builds and addition of extensions. The impact of business rates increase on 2020/21 budgets is £933k. This is the result of £524k of revaluation increases from 2019/20 relating to one secondary school, £278k allocation for a new secondary block, inflation uplifts and other residual corrections between estimates and actuals. However, the DfE funds local authorities for premises costs, which includes business rates, on a lagged basis. The 2020/21 premises increase should be reflected in the DSG allocations for 2020/21 unless the existing methodology for allocations are revised.
- 8.4 The funding allocations and distributions are set out in table 9 below. The final Schools Block allocation for 2020/21 is £226,041k. The funding model for 2020/21 includes the requirement to fund the additional 298 places at new and growing schools through the formula. These places would be attracting the pupil led funding factors as well as AWPU.

	NOR	Total (000s)
Schools Block Budgeted Grant Income		
ISB Allocation	39,382	223,643
Growth Fund		2,398
Total Funding Available for Formula and Growth		226,041
Schools Block Budgeted Expenditure		
Formula Model (APT)	39,680	224,470
Growth centrally held		1,894
Falling Rolls		500
Total Budgeted Expenditure		226,864
Net Cost		(823)

Table 9: Budgeted Income and Budgeted Expenditure

- 8.5 The cost of funding the formula is £224,470k. In addition, £1,894k to fund growth outside the formula in respect of new additional classes that are opening in September 2020 is also required. A falling rolls fund of £500k has also been set aside to address the adverse impact of reductions in numbers on rolls. This means that total planned expenditure exceeds available resources by £823k.
- 8.6 It is proposed that the cash advance is made available from the £500k growth fund (in the DSG reserves) and the balance of £323k is released from contingencies, set against DSG reserves, that are no longer required.
- 8.7 As the business rates is funded by DfE on a lagged basis, this is expected to be received as in 2021/22 as part of the premises allocation. Therefore, it is proposed that the £823k should be the first call on premises allocation in 2021/22 reversing the cash advance, of which £500k is in respect of growth fund carry forward.
- 8.8 For a number of years, it has been a local principle that the overall funding ratio between the two sectors should be 1:1.30 (or as near as technically possible.) The operation of the national funding formula however results in a ratio of 1:1.40.
- 8.9 In the previous two years it was agreed that the local formula would be adjusted in order to bring the funding balance approximately one third of the way towards the national formula i.e. to a ratio of 1:1.34. This would allow a gentler transition towards the eventual funding balance and would offer some protection to primary schools. In practice this was further dampened down by the requirement to offer funding floor protection so in practice the final ratio was in the region of 1:1.31.
- 8.10 The impact of the funding formula model based on these principles are set out in [Appendix C](#). Under the proposed model, there are 16 primary schools that will see reductions in formula allocations year, these reductions range from £10k to £226k. In the secondary phase, only Elutec is showing a cash reduction (£282k). These reductions in funding allocations are driven by fall in numbers on roll. The gaining

schools are seeing cash increases ranging from £2k to £1,423k. Increase in pupil numbers is the primary reason for the more significant gains.

- 8.11 The formula offers Minimum Funding Guarantee (MFG) protection. This measures the percentage increase per pupil between 2019/20 and 2020/21 formula budget after stripping out lump sum and rates allocations. There are 35 (out of the 43) primary schools, 5 out of the 9 secondary schools, and 1 out of 4 all throughs that are on the on plus 1.84% MFG funding floor. These school are seeing an increase of 1.84% per pupil allocation compared to 2019/20. There are 15 schools that are above the MFG funding floor. This is the effect of a combination of change in pupil profile data and change in AWPU rates.
- 8.12 The unit rates for 2019/20, NFF rates for 2020/21 along with actual local rates applied are set out in Appendix D. The NFF rates have been applied in full to the funding model with the exception of AWPU's. These have been flexed to achieve the primary secondary target ratio of 1:1.35.
- 8.13 The funding allocations through the different formula factors are set out Appendix E to this report.
- 8.14 The movement in Pupil Factor is set out in Appendix F. Both the primary and secondary phases are reporting modest increases in FSM. However, the FSM Ever 6 is down marginally for both phases, and this is likely to impact on Pupil Premium allocations for 2020/21. Both the English as an Additional Language and Low Prior Attainments are down for the primary sector. School should undertake detailed reviews to understand the reasons for these movements at local levels.

Recommendation (vi): Schools forum are requested to

Note and comment on:

- (a) the principles applied to the funding model
- (b) the MFG of plus 1.84%
- (c) the target Primary Secondary ratios of 1:1.35 as the basis for the funding model.

Agree the:

- (d) The £823k cash advance to fund the formula in 2020/21 contingent on this being the first call against the premises allocations in 2021/22

9 De-delegation

- 9.1 The existing and revised de-delegation rates, for primary and secondary phases, are set out in the tables 9 and 10 below respectively. The updated figures are based on October 2019 census. De-delegated amount is top sliced from LA maintained individual school budget share to provide the respective services. There is no change to the total amount being de-delegated. Funding for trade union duties is distributed back to designated schools that require staff who are on official trade union duties. The de-delegation quantum

has been maintained at 2019/20 level. As result of change in pupil numbers, the per pupil unit rates have changed.

	2019/20 De-delegation rates			2020/21 Proposed de-delegation rates			Movement
	Pupil Nos	De-delegation Unit Rate (£s)	Total Amount	Pupil Nos	De-delegation Unit Rate	Total Amount	
Contingencies	21,154	3.56	75,224	20,370	3.61	73,485	- 1,739
Local SafeG.Board	21,154	1.36	28,769	20,370	1.38	28,066	- 704
Trade Union Duties	21,154	8.16	172,617	20,370	8.28	168,609	- 4,008
FSM Eligibility	21,154	0.82	17,330	20,370	0.83	16,925	- 404
Primary Total			293,939			287,084	- 6,855

Table 10: Primary phase de-delegation rates

	2019/20 De-delegation rates			2020/21 Proposed de-delegation rates			Movt
	Pupil Nos	De-delegation Unit Rate (£s)	Total Amount	Pupil Nos	De-delegation Unit Rate	Total Amount	
Secondary							
Contingencies	9,379	3.56	33,352	9,734	3.61	35,115	1,764
Local SafeG.Board	9,379	1.36	12,755	9,734	1.38	13,411	656
Trade Union Duties	9,379	8.16	76,542	9,734	8.28	80,571	4,029
FSM Eligibility	9,379	0.82	7,683	9,734	0.83	8,088	404
Secondary Total			130,333			137,186	6,853

Table 11 – Secondary phase de-delegation rates

Recommendation (vii): Schools forum are requested to agree, by phase, the delegation rates and amounts.

9.2 Both academies and local authority maintained schools benefit from the arrangements in respect of trade unions and local safeguarding board. Academies will be invoiced as there is no provision to de-delegate academies budgets. Table 12 presents the revised rates chargeable to academies.

	2019/20 Total (£s)	2020/21 Academies Charges						Movt
		Primary NOR	Unit Rate	Primary Total (£s) 2020/21	Secondary NOR	Unit Rate	Sec. Total (£s) 2020/21	
Local Safe. Board	11,051	4,574	1.38	6,302	5,002	1.38	6,892	13,194
Trade Union Duties	66,390	4,574	8.28	37,860	5,002	8.28	41,403	79,263
Total	77,441	4,574	-	44,162	5,002	-	48,295	92,457

Table 12 – Trade Union and Safeguarding charges to academies

Recommendation (viii): Schools forum is requested to note the academy charges for Safeguarding and Trade Union duties.

10 Central Block

- 10.1 The Central Schools Services Block (CSSB) has been created in 2018/19 by combining the residual Education Services Grant of £0.6m and £1.9m of funding allocations for central services previously agreed by Schools Forum. CSSB is split into two; 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 £36.54 for the local authority. Whilst, there has been an £21k increase to the On-going element of CCSB, the copyright licences which is met from this is increasing by 30k. This is paid by DfE on behalf of local authorities and then deducted from the DfE cash allocations.

Element	Rate	Pupil Numbers	Total Funding
On-going Responsibilities.	36.54	39,376	1,438,800
Historic			925,559
Total			2,364,359

Table 13 – Central Schools Services Block allocations for 2020/21

- 10.2 The element of funding within CSSB that some local authorities receive for historic commitments made prior to 2013-14 are being reduced by 20% in 2020/21. This is in line with the previously announced taper strategy. For illustrative purposes, the services impacted by this reduction are set out table 14 below. However, the actual distribution of cuts is being worked through with the individual budget holders and the final distribution would be reported to schools forum at a later meeting. Budget reduction will require the services funded from these allocations to either reduce their costs or to increase income through increased trading or charging, and are likely to impact on schools. The DfE have made it their intention to unwind the remaining historic costs going forward.

	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21	2019/20 to 2020/21 movt +over /under	Notes
Admissions	536,800	536,800	536,800	536,800	0	a
Service of schools forum	60,000	60,000	60,000	60,000	0	b
Licences / subscriptions	157,400	185,340	185,340	215,554	30,214	c
Statutory / regulatory duties	607,100	614,300	635,559	626,446	(9,113)	d
Ongoing:	1,361,300	1,396,440	1,417,699	1,438,800	(21,101)	
School improvement	113,800	113,800	107,948	86,358	(21,590)	e

Schools estates	150,000	150,000	150,000	120,000	(30,000)	f
School games organiser funding	50,000	50,000	50,000	40,000	(10,000)	g
Trewern outdoor education centre	209,000	209,000	209,000	167,200	(41,800)	h
Community music service	310,000	310,000	310,000	248,000	(62,000)	i
Advisory teachers	330,000	330,000	330,000	264,000	(66,000)	j
Historic:	1,162,800	1,162,800	1,156,948	925,559	(230,000)	
TOTAL	2,524,100	2,559,240	2,574,647	2,364,359		

Table 14 – CSSB budget allocations

Notes:

- (a) Expenditure incurred in connection with the LA's functions including administration of the system of admissions
- (b) Expenditure incurred in connection with the LA's functions of running the schools forum meetings
- (c) DfE managed licences means that these no longer need to be procured separately but recharged to schools through the central licences by DfE as charged to LA
- (d) The Education Services Grant ceased in September 2017. From 2018/19 onwards this now becomes part of the CSSB.
- (e) Funding for core school commissioner role within the LA with the set up of BDSIP.
- (f) For capital investment team to support and project manage builds. Due to the level of expansion and inward investment required in future years, schools forum on 10/10/11 agreed to support this on an ongoing basis
- (g) Funding for a previously agreed post (sports co-ordinator). Schools forum agreed on 21/02/12 to fund this on an ongoing basis
- (h) & (i) Schools forum approved on 20/01/11
- (j) The cost of funding Barking & Dagenham in support of School Improvement Partnership priorities.

Recommendation (ix): Schools forum are requested to:

- (a)** note the reduction in historic funding element of CCSB and impact of this reduction
- (b)** agree the proposed central spend

11 Early Years

- 11.1 The provisional EY allocations for 2020/21 is £22,542k. The detailed provisional budget allocations are set out in table 15 below. The indicative 2020/21 allocations, would not be finalised until June 2021 based on January 2020 and January 2021 census results. The hourly rates for both 3&4 year olds and 2 year olds have increased by 8p to £5.58 and £5.74 respectively.

	PTE (Jan 2019 5/12th)	Annual Entitlement (Hrs)	Funded Hours	Rates	Total Funding
Universal Entitlement 3&4 Year Olds	4,509	570	2,570,090	5.58	14,341,103
Plus 15 PTE 3& 4 YO from Sept 17	1,023	570	583,127	5.58	3,253,849
Total 3&4 YO EY Block					17,594,952
EY Pupil Premium	417	570	237,411	0.53	125,828
Disability Access Fund				615	74,415
2 Year Old Allocation	1,451	570	827,002	5.74	4,746,989
TOTAL EY BLOCK					22,542,184

Table 15 – Provisional Early Years DSG

- 11.2 There are no significant changes to the regulations governing the distribution of Early funding to providers. These are:
- set a single funding for universal and additional hours.
 - plan to pass on a minimum of 95% of their three and four year old funding to providers.
 - use a universal base rate for all types of providers.
 - use a deprivation supplement.
 - not to channel more than 10% of their funding supplements
 - provide a Special Educational Needs Inclusion Fund (SENIF)
 - pass on Early Years Pupil Premium (EYPP) in full to providers for eligible 3 and 4 year olds
 - pass on the Disability Access Fund (DAF)
- 11.3 The planned distribution of Early Years DSG budget is set out in table 16 below. It is proposed to passport through the full hourly rate increase through to providers. The new provider rates are £4.78 and £5.43 for 3&4 Year Olds and 2 Years Olds respectively.

	PTE	Annual Entitlement (Hrs)	Funded Hours	Rates	Total Funding
Central					879,748
Universal Entitlement 3&4 Year Olds	4,509	570	2,570,090	4.78	12,285,031
Plus 15 PTE 3& 4 YO from Sept 17		570	583,127	4.78	2,787,348
Deprivation (estimate)			3,284,823	(30p-22p)	914,737
Flexibility (estimate)			977,579	0.21	204,494
SEN Inclusion					447,615
Contingency for growth / deprivations /					75,980
Total 3&4 YO EY Block					17,594,952
EY Pupil Premium					125,828
Disability Access Fund					74,415
2 Year Old Allocation 2017-18					
Entitlement 2 Yos	1,451	570	827,002	5.43	4,490,619
Commissioning Costs					160,000
Balance (contingency for growth)					96,370
TOTAL EY BLOCK					22,542,184

Table 16 – Planned distribution of Early Years DSG

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

	EY central Costs (2019/20)	EY central Costs (2020/21)
Childminding development Officers	65,751	69,345
Early Years Commissioning Costs	-	-
Early Years Teachers Service	495,400	522,480
Home Portage Scheme	170,000	179,293
Targeted Support Central Costs DSG	103,000	108,630
Total	834,151	879,748

Table 17 – proposed centrally retained Early Years costs

Recommendation (x): Schools forum are requested to agree

(a) agree the central early years allocations

(b) Note the revised rates for both 3&4 year olds and 2 year olds

12 High Needs Block

12.1 The High Needs block is increasing by £5,656k to £37,334k. 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 17%. However, a growing population and other demographic changes mean increased demand for services.

12.2 As a reflection of the historic underfunding and the high levels of demand in previous years there have been severe financial pressures on the High Needs Block which have required the transfer of £1.1m (or 0.5%) from the Schools Block to the HNB. This is not required in 2020/21 due to the increased funding allocation in that year, so allowing this to be passed through to school through the formula. However, there will still be a requirement for HNB expenditure to be strictly controlled and reduced.

	2019/20 Revised Budget	Forecast	Variance +over / (under)
Alternative Provision	3,544,000	3,592,629	48,629
ARP Funding	6,032,800	5,891,403	-141,397
DSG - High Needs Education Inclusion	1,666,000	1,546,436	-119,564
Top-ups (inc. OB and NMSS)	6,662,200	9,187,708	2,525,508
High Needs Top Ups - Post 16	969,000	967,390	-1,610
SEN Panel Top Ups	1,418,000	806,643	-611,357
LACHES, Language Support	331,000	234,518	-96,482
Initiatives	200,000	0	-200,000
Special School Funding	7,493,000	9,479,928	1,986,928
Early Years & Integrated Youth Services	398,000	1,102,441	704,441
Total	28,714,000	32,809,095	4,095,095
Schools Block transfer			(1,039,000)
Less: Management Actions & Savings			(855,000)
Position after successful management action			2,201,095
DSG Reserve available			(3,202,000)
Projected Net DSG Reserve Position after funding HNB overspend (surplus)/+deficit			(1,000,905)

Table 18 - High Needs projected Outturn

12.3 The High Needs block (HNB) sub working group met on 16th January 2020 and an update will be provided. Reported strategies from high needs sub working group will be discussed at the meeting, and the short-term in-year management reduction in some budget areas forecasting savings of approximately £855k is forecasting achievable in-year.

- 12.4 There is a risk if demand continues to outpace savings delivered through management action, or if there are hurdles or delays in implementing actions given the very short timescale to year-end. Therefore, close monitoring and timely mitigation actions are required to ensure that these risks are managed. The projected DSG reserve position of £1,001k is contingent on these savings being delivered.
- 12.5 Although additional HNB funding has been announced for 2020/21 it is still likely that there will still be some level of pressure on the block in that year. For this reason, further options for controlling and reducing spend in the next financial year should continue to be explored.

Recommendation (xi): School Forum is asked to note:

- (a) the projected High Needs out-turn forecast,
- (b) the continued pressure on the High Needs Block and
- (c) risks associated with the management actions to achieve in-year savings of £855k
- (d) the feedback from the HNB sub working group meeting 16th January 2020

13 Financial implications

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 A - Growth Fund Policy

Appendix B - Falling Rolls Fund Policy

Appendix C - 2019/20 ISB vs 2020/21 ISB (Post MFG before De-delegation)

Appendix D - National Funding Formula Rates vs Rates Applied to Local Formula

Appendix E - Funding passing through formula funding factors 2020/21 vs 2019/20

Appendix F - Pupil Profile 2020/21 vs 2019/20