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|   | <p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>SCHOOLS FORUM</b></p> <p><b>Tuesday, 12<sup>th</sup> January 2021</b></p> |
| <p><b>2021/22 Final Schools Block Budget Shares</b></p>  |  |
| <p><b>Open</b></p>   |  |
| <p><b>Classification - For Scrutiny Review &amp; Comment</b></p> <p><b>Key Decision: No</b></p>  |  |
| <p><b>Wards Affected: (All Wards); All</b></p>   |  |
| <p><b>Accountable Director:</b> Jacqui McShannon, Director of Children's Services</p>  |  |
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### **Purpose of the report**

The report provides a briefing on the final Schools Block allocation of the Dedicated Schools Grant for 2021/22, following the receipt of final funding allocations and Authority Proforma Tool on 18 December 2020.

Schools Forum agreed on 10<sup>th</sup> November 2020 to proceed with modelling allocations described as Model 1. This paper updates Model 1 modelling in light of the notified allocation.

The paper also contains the feedback from the consultation with schools which took place after the November Schools Forum.

## Introduction

- 1.1. The final allocation of the Schools Block of the Dedicated Schools Grant (DSG) has been received from the ESFA at £110.061m based on October 2020 census numbers and includes an allowance of £0.354m for growth. The growth figure taken with the reduction in pupil numbers between October 2019 and October 2020 represents a reduced total allocation versus the modelling undertaken on the provisional allocation in November 2020.
- 1.2. The Teachers Pay Grant and The Teachers Pensions Employers Contributions Grant which were paid separately to schools has now been incorporated into the Schools Block Allocation. The ESFA has made a baseline adjustment to the 2020/21 allocation to ensure schools are not disadvantaged. The value of the adjustment is £4.411m and this will be allocated to schools via the basic per pupil funding entitlement.
- 1.3. Table 1 below details the change in the final allocation for 2021/22 (after growth) notified in December 2020 compared with the final 2020/21 Schools Block allocation adjusted for Teachers Pay and Pensions Grant as described in paragraph 1.2. The allocation after growth has increased by £0.494m or 0.45%. This net increase is made up from there factors
  - An increase in per pupil funding of £1.46m (1.32%) above 2020/21 levels including the protected pay and pensions grants.
  - A decrease in pupil numbers between October 2019 and October 2020 of 198.5 which equates to a loss in funding of £1.32m (-1.19%) between years.
  - The growth allocation of £0.354m (0.32%)

**Table 1 Schools Block Funding Allocation Year on Year**

|         | 2020/21<br>Final plus Teachers<br>Pay & Pensions Grant<br><br>£m | 2021/22<br>Final including Teachers<br>Pay & Pensions Grant in<br>baseline<br><br>£m | Change<br><br>£m | Change<br><br>% |
|---------|--|--|------------------|-----------------|
| Funding | 109.567  | 110.061  | 0.494            | 0.45%           |

## 2. Schools Block 2021/22 Budget Consultation Feedback

- 2.1. A four-week consultation period ran from Schools Forum held on 10<sup>th</sup> November 2020 to 8<sup>th</sup> December 2020. During this time two budget consultation workshops were held on the 18<sup>th</sup> and 23<sup>rd</sup> November, which were attended by 45 school leaders and governors.

- 2.2. Feedback forms were received from 18 schools with 16 schools expressing support for the falling rolls fund available in the 2020/21 budget and proposed 2021/22 budget.
- 2.3. Schools are supportive of the move to offer transitional support for falling rolls.
- 2.4. Schools have either made no comment on other specific proposals or have expressed support.

### **3. 2021/22 Final Modelling**

- 3.1. The final modelling uses the ESFA's Authority Proforma Tool (APT) and operational guidance to update the model agreed by Schools Forum in November 2020. Pupil numbers have now been amended for the October 2020 census.
- 3.2. Model 1 – National Funding Formula rates with Inner London area cost adjustment and allowance for:
  - £0.200m Falling Rolls Provision
  - £0.528m Transfer of 0.5% from Schools Block to support the High Needs Block
  - Minimum Funding Guarantee (MFG) on pupil led funding of 0.5% year on year - the minimum increase within the National Funding Formula (NFF)
  - 8.42% premium on NFF ACA rates – see Appendix 2 for details.
  - Continuation of the local LAC factor allowance at a cost of £30,318 per annum.
- 3.3. Key elements of the model for maintained primary schools only:
  - De-delegated budget provision of £0.696m of maintained schools' budgets – see section 6 for details
  - Education functions fund of £0.273m of maintained schools' budgets – see section 7 for details
- 3.4. The full list of factor rates can be found in Appendix 1 – Factor rates current and NFF values with area cost adjustment.
- 3.5. Appendix 2 shows how total funding is allocated across the factors in each model.
- 3.6. Appendix 3 shows the impact of the recommended model at school level, with a comparison to 2020/21 final budget shares adjusted for the inclusion of pay and

pensions grants. The pupil numbers used for this modelling is from October 2020 pupil numbers adjusted for growing and expanding schools.

- 3.7. Appendix 4 shows a comparison of budgets by school including the change in pupil numbers between October 2019 and October 2020 and the financial effect of this has on the 2021/22 final budget allocation both in total and on a per pupil basis

#### **4. Growing and Expanding Schools**

- 4.1. The pupil numbers within the APT are adjusted for growing and expanding schools to ensure that these schools are funded for the additional in-take of pupils in September 2021.
- 4.2. The requirement to adjust the pupil numbers (for eligible growing and expanding schools) is within the School Funding regulations.
- 4.3. The adjustments made in the APT are shown in Table 2. These adjustments are based on prior year's decisions where school expansion was required at that time.

**Table 2 – increase in number on roll for growing and expanding schools**

| <b>School Name</b>           | <b>Expected pupil number increase at September 2021</b> | <b>Number applied in 2021/22 funding formula (7/12)</b> | <b>Adjustment required 2021/22 budget</b> | <b>Date of final intake</b> |
|------------------------------|---|---|---|-----------------------------|
| Ark Burlington Danes Academy | 30  | 17.5  | Yes                                       | September 2021              |
| St John XXIII Primary School | 30  | 17.5  | Yes                                       | September 2021              |

#### **5. Falling Rolls Fund**

- 5.1. There is a remaining Falling Rolls Fund of £0.223m from the 2020/21 budget and with respect to roll falls between October 2018 and 2019 census dates.
- 5.2. There is a proposed fund of £0.200m from the 2021/22 budget with respect to roll falls between October 2019 and 2020 census dates.

- 5.3. ESFA guidance states that the local authority may set aside schools block funding to create a small fund to support good schools with falling rolls where local planning data shows that surplus places will be needed within the next three years.
- 5.4. The ESFA advise that the allocation of falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations.
- 5.5. Schools were asked for applications for falling rolls funding as part of the November schools budget consultation. Falling rolls funding allocations can be made:
- Up to the budget available of £0.223m in 2020/21
  - In 2021/22 up to the available resource agreed by Schools Forum in January 2021.
- 5.6. Applications will be considered by a sub-group of Schools Forum early in Spring Term 2021.

## 6. De-delegated Services (Maintained Schools Only)

- 6.1. De-delegated services are for maintained schools only. The funding is allocated through the schools funding formula but can be passed back for maintained schools with Schools Forum approval. Table 3 sets out the allocations for 2021/22. De-delegation is made from individual school budgets on the basis of pupil headcount.

**Table 3 – Maintained Mainstream Schools De-delegated Budgets 2021/22**

| Area of Expenditure                                  | 2020/21<br>Final<br>Maintained<br>Mainstream<br>Primary De-<br>delegation | 2021/22<br>Proposed<br>Maintained<br>Mainstream<br>Primary De-<br>delegation | Change<br>from<br>2020/21 | Note  |
|--|---|--|---------------------------|---|
|  | £   | £  |                           |   |
| Schools in Financial Difficulty/Contingency          | 200,000   | 191,700  | (8,300)                   | Propose to maintain de-delegation at 2020/21 level  |
| Maintained Schools Trade Union Facilities Cover      | 30,000  | 30,000   | 0                         | Propose to retain £30,000 budget for maintained mainstream contribution to Trade Union Facilities   |
| Maintained Schools Maternity Cover Fund              | 140,000   | 134,200  | (5,800)                   | Propose to maintain de-delegation at 2020/21 level  |
| Maintained Schools Licence Fees                      | 40,000  | 32,000   | (8,000)                   | Covers Capita licence costs based on pupil numbers at revised cost  |
| Behavioural Support to mainstream (SEND)             | 32,000  | 52,000   | 20,000                    | Proposed increase to actual cost  |
| Free School Meals Eligibility                        | 32,000  | 30,700   | (1,300)                   | Contribution to benefits team for assessing FSM eligibility   |
| Additional School Improvement and Support to EAL and | 235,000   | 225,200  | (9,800)                   | Support to schools around key groups. Change in proposed 2021/22 to reflect planned spend and increased support through School Effectiveness Lead Advisors. Supplements |

|                               |                |                |                 |   |
|-------------------------------|----------------|----------------|-----------------|---|
| Underperforming Ethnic Groups |                |                |                 | funding from the School Improvement Grant for school effectiveness. |
| <b>Total</b>                  | <b>709,000</b> | <b>695,800</b> | <b>(13,200)</b> |   |

- 6.2. De-delegated budgets for 2021/22 reflect the allocations in 2020/21 and prior years and total £695,800. The consultation process will allow maintained schools to feedback on the proposed de-delegations.
- 6.3. There have been reductions on the following items due to the reduction in numbers on roll in maintained primaries year on year.

## 7. Education Functions (Maintained Schools Only)

- 7.1. Table 4 below details the Education Functions top-slice for maintained mainstream primaries in 2021/22.

**Table 4 – Education Functions for Maintained Mainstream Schools**

| Area of Expenditure          | 2020/21<br>Final<br>Maintained<br>Mainstream<br>Primary<br>Education<br>Functions | 2021/22<br>Proposed<br>Maintained<br>Mainstream<br>Primary<br>Education<br>Functions | Change<br>from<br>2020/21 | Note   |
|------------------------------|---|--|---------------------------|--|
|                              | £   | £  |                           |  |
| Finance                      | 95,000  | 96,000   | 1,000                     | Local Authority statutory duties, advice and support for maintained schools          |
| Asset Management             | 95,000  | 91,700   | (3,300)                   | Local Authority statutory duties, advice and support for maintained schools          |
| Asbestos Management and Risk | 50,000  | 47,900   | (2,100)                   | Local Authority statutory duties, surveys, advice and support for maintained schools |
| SIMS support                 | 32,100  | 15,000   | (17,100)                  | SIMS Support from 3BM TBC  |
| Clothing Grants              | 50,900  | 0  | (50,900)                  | Included in 2020/21 in error   |
| Business Intelligence        | 0   | 22,800   | 22,800                    | Added – to support Termly Census and workforce census                                |
| <b>Total</b>                 | <b>323,000</b>  | <b>273,400</b>   | <b>(49,600)</b>           |  |

## 8. Central Services Schools Block Budget 2021/22 Proposed

- 8.1. Schools Forum is asked to confirm agreement with the proposed 2020/21 deployment of the Central Services Schools Block (CSSB) of the Dedicated Schools Grant (DSG) in line with the regulations of grant. CSSB funding in 2021/22 is £3.313m.
- 8.2. In 2021/22 there is no change to the arrangements for Central Schools Services Block (CSSB) of the DSG. The CSSB allocation for 2020/21 provides funding for:
- The retained duties element of the Education Services Grant (ESG) for all schools
  - Ongoing central statutory functions – for example Admissions - for maintained schools
  - Ongoing historic commitments.

- 8.3. For historic commitments there will be a further reduction to this element of funding for all local authorities receiving it. For Hammersmith & Fulham this equates to a further reduction in grant of circa £0.57m in 2021/22 versus 2020/21 (£1.1m since 2019/20).
- 8.4. Since 2018/19 financial year significant savings have been achieved against CSSB to allow a transfer to support High Needs Block funding pressures. The cumulative value of those savings is circa £1m per annum. However, as a result of the DfE reduction on the CSSB from 2021/22 the transfer to the High Needs block is no longer possible.
- 8.5. It is unknown at this time the value of any further reduction proposed in CSSB from 2022/23 and beyond and Hammersmith & Fulham await further information from the Department of Education.
- 8.6. The application of CSSB in 2020/21 is detailed in table 5 below and Schools Forum are asked to review and approve this budget.

**Table 5 – CSSB Budget 2018/19 to 2021/22**

| <b>Area of Expenditure</b>   | <b>2020/21<br/>Original</b> | <b>2020/21<br/>Revised</b> | <b>2021/22<br/>Proposed</b> | <b>Change<br/>20/21<br/>to<br/>21/22</b> | <b>Comments</b>                                    |
|--|-----------------------------|----------------------------|-----------------------------|--|--|
|  | <b>£m</b>                   | <b>£m</b>                  | <b>£m</b>                   | <b>£m</b>                                |  |
| Copyright Licensing  | 0.107                       | 0.107                      | 0.129                       | 0.022                                    | As advised by the ESFA                             |
| Asset Management, Place Planning and Strategic Operations              | 0.123                       | 0.184                      | 0.156                       | (0.028)                                  | Increase due to restructure                        |
| Asset Management – CERA Commitment                                     | 1.435                       | 1.435                      | 1.435                       | 0  | No change – Capital & Maintenance                  |
| Management, Support functions, Finance/Business Intelligence and SACRE | 0.731                       | 0.625                      | 0.545                       | (0.080)                                  | Yr on Yr Efficiencies                              |
| Virtual School   | 0.282                       | 0.282                      | 0.282                       | 0  | No change  |
| Lilla Huset Professional Development Centre                            | 0.172                       | 0.119                      | 0.119                       | 0  | Change due to Business Rates budget held centrally |
| Admissions and ACE   | 0.567                       | 0.594                      | 0.606                       | 0.012                                    | To reflect cost of service                         |
| Transfer to High Needs   | 0.461                       | 0.532                      | 0                           | (0.532)                                  | Transfer from CSSB to support High Needs           |
| Centrally Employed Teachers  | 0                           | 0                          | 0.041                       | 0.041                                    | Pay Grant into DSG from 2021/22                    |
| <b>Total Spend/Funding</b>   | <b>3.878</b>                | <b>3.878</b>               | <b>3.313</b>                | <b>(0.565)</b>                           | <b>Grant reduction</b>                             |

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|  |  |  |  |  | <b>advised</b> |
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## 9. Recommendations and Decisions Required

- 9.1. Recommendation 1: It is recommended that the APT for the January 2021 recommended model is submitted to ESFA for 2021/22 school budget shares, with revised NFF rates for local factors in appendix 1 and with an MFG value of 0.5% per pupil positive.
- 9.2. Recommendation 2: It is recommended that Schools Forum agree a proposal to continue to transfer 0.5% of the total Schools Block to the High Needs Block in 2021/22. This equates to £0.528m based on the final allocation.
- 9.3. Recommendation 3: It is recommended that Schools Forum agree a proposal to top-slice the 2021/22 Schools Block to the value of £0.200m or 0.18% of the total for the Falling Rolls protection fund in 2021/22.
- 9.4. Recommendation 4: It is recommended that maintained school representatives at Schools Forum agree to the proposed de-delegated budgets proposed for 2021/22 in Table 3 totalling £695,800.
- 9.5. Recommendation 5: It is recommended that maintained school representatives at Schools Forum agree to the proposed Education Functions budgets proposed for 2021/22 in Table 4 totalling £273,400.
- 9.6. Recommendation 6: It is recommended that Schools Forum agree the proposed 2021/22 allocation of the Central Services Schools Block totalling £3.313m per table 5.

## 10. Key dates

**Table 6 – key dates and next steps**

| <b>Date</b>                   | <b>Activity</b>  |
|-------------------------------|--|
| 21 <sup>st</sup> January 2021 | Deadline for submission of the final 2020 to 2021 APT to the ESFA  |
| 1 <sup>st</sup> February 2021 | Council approval of the 2021/22 Schools budget by Cabinet Decision planned 1 <sup>st</sup> February 2020 |



|                  |  |
|------------------|--|
| 28 February 2021 | Deadline for confirmation of school budget shares to maintained schools. |
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**Report ends**