



London Borough of Hammersmith & Fulham

SCHOOLS FORUM

Tuesday, 12th October 2021

2022/23 Provisional Schools Block Budget Share Options

Open

Classification - For Scrutiny Review & Comment

Key Decision: No

Agenda Item 5

Wards Affected: (All Wards); All

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Purpose of the report

The report provides a briefing on the decisions required for the 2022/23 budget setting process for the provisional Schools Block allocation of the Dedicated Schools Grant, following the receipt of provisional funding allocations in Summer 2021 and the Authority Proforma Tool in August 2021.

These decisions are requested from Schools Forum representatives in advance of formal consultation with schools which will take place following this meeting for a period of 4 weeks ending on Monday 15th November 2021. The consultation is limited to the principles of the Schools Block Budget Share model.

Schools Forum are asked to record any preferences with respect to the options available for the distribution of Schools Block funding in Hammersmith and Fulham and prior to consultation with the wider schools community.

Introduction

- 1.1. The provisional allocation of the Schools Block of the Dedicated Schools Grant has been received from the ESFA at £111,977,259 based on October 2020 census numbers.
- 1.2. This allocation excludes growth which will be announced in December in the final allocation. Therefore, the Schools Block final allocation for 2022/23 may increase or decrease dependent on the October 2021 census returns.
- 1.3. Table 1 below details the change in the provisional allocation for 2022/23 (before growth) notified in August 2021 compared with the final 2021/22 Schools Block allocation. The allocation before growth has increased by £1.916m or 1.74%.

Table 1 Schools Block Funding Allocation Year on Year

	2021/22 Final Allocation £m	2022/23 Provisional Allocation £m	Change £m	Change %
Funding	110.061	111.977	1.916	1.74%

1.4. Individual schools can anticipate the final budget shares modelled in Appendix 2 & 3 based on October 2020 census count and before taking into account any expected changes in rolls as at October 2021 using the funding value per pupil. In particular, the two growing schools with expanding forms of entry in September 2021 should expect final allocations to reflect the additional cohort following the October 2021 census.

2. 2022/23 Initial Modelling

2.1. The initial modelling uses the ESFA's Authority Proforma Tool (APT) and operational guidance to model two affordable models for 2022/23 based on the initial allocation which excludes growth and is based on the October 2020 census. These two models are:

- Model 1 (M5) – National Funding Formula rates with Inner London area cost adjustment and allowance for:
 - £0.200m Falling Rolls Provision
 - £0.56m 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 NFF.
 - 7.67% premium on NFF ACA rates, which is slightly lower than the final factor rates for 2021/22. – see Appendix 1 for details.
 - Continuation of the local LAC factor allowance at a cost of £30,000 per annum.

- Model 2 (M4) – National Funding Formula rates with Inner London area cost adjustment and allowance for:
 - £0.200m allowance for Falling Rolls Provision
 - £0.56m Transfer of 0.5% from Schools Block to support the High Needs Block
 - Minimum Funding Guarantee (MFG) on pupil led funding of 2.0% year on year - the maximum increase within the NFF.

- 7.06% premium on NFF ACA rates
 - Continuation of the local LAC factor allowance at a cost of £30,000 per annum
- 2.2. Note modelling of NFF ACA rates (rather than uplifted local LBHF rates) with both 0.5% and 2% MFG results in an under allocation of circa £2m and £0.5m respectively with other items remaining equal. Therefore we must set local factor rates above NFF rates to allocate all the funding to schools.
- 2.3. The updated APT will be issued in December populated with the October 2021 census and including growth. The growth funding and final census may enable greater flexibility in the model to increase the factor rates further above the NFF ACA level or to confirm a falling rolls fund at an appropriate level.
- 2.4. Key elements of both models for maintained primary schools only:
- De-delegated budget provision of £0.666m of maintained schools budgets – see section 4 for details
 - Education functions fund of £0.258m of maintained schools budgets – see section 5 for details
- 2.5. The full list of factor rates can be found in Appendix 1 – Factor rates current and NFF values with area cost adjustment.
- 2.6. Appendix 2 shows how total funding is allocated across the factors in each model.
- 2.7. Appendix 3 shows the impact of Model 1 and Model 2 at school level, with a comparison to 2021/22 final budget shares. The pupil numbers used for this modelling is from October 2020 and final school budget shares will be based on October 2021 pupil numbers.

3. Falling rolls fund

- 3.1. There is a provisional proposed fund of £0.200m from the 2022/23 budget included within both models with respect to roll falls between October 2020 and 2021 census dates.
- 3.2. 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.

3.3. 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.

3.4. It is proposed to invite expressions of interest from schools with respect to available funding where:

- Key trigger point is reached for falling rolls support. The fall in roll is more than 3% year on year.
- An Ofsted category of Good or Outstanding (Mandatory per the regulations)

Plus any of the following where the school can evidence the impact on the School and the actions taken to adjust to a lower role or clear plan to recover the role based on clear planning data agreed by the LA:

- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

3.5. It is proposed that the subgroup (representing all mainstream schools) consider applications from schools with a year on year fall in roll to be allocated of more than 3% in line with the eligible applications in paragraph 5.5. This assumes that schools with modest falls in roll are able to mitigate the impact within existing budgets. More than 3% would represent a fall in roll of more than 1 pupil per form of entry of 30 pupils across the school.

3.6. Funding would be awarded for roll falls over 3% year on year on the basis of the AWPU rate for the relevant phase, or a proportion thereof if the available budget would otherwise be exceeded by demand.

3.7. Schools will be asked for applications for falling rolls funding as part of the schools budget consultation. Falling rolls funding allocations can be made:

- In 2022/23 up to the available resource agreed by Schools Forum in January 2022.

4. De-delegated Services (Maintained Schools Only) (PROVISIONAL)

- 4.1. 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 5 sets out the proposed allocations for 2021/22. De-delegation is made from individual school budgets on the basis of pupil headcount.

Table 5 – Maintained Mainstream Schools De-delegated Budgets Proposed 2022/23

Area of Expenditure	2021/22 Final Maintained Mainstream Primary De- delegation	2022/23 Proposed Maintained Mainstream Primary De- delegation	Change from 2021/22	Note
	£	£		
Schools in Financial Difficulty/Contingency	191,700	175,000	(16,700)	Propose to maintain de-delegation at 2021/22 level
Maintained Schools Trade Union Facilities Cover	30,000	25,200	(4,800)	Maintained Mainstream Contribution to Trade union Facilities
Maintained Schools Maternity Cover Fund	134,200	130,000	(4,200)	Propose to maintain de-delegation at 2021/22 level
Maintained Schools Licence Fees	32,000	32,000	0	Covers Capita licence costs based on pupil numbers. Query Paul Triantis – who will this be dealt with in 2022/23
Behavioural Support to mainstream (SEND)	52,000	52,000	0	Propose to maintain at 2021/22 levels
Free School Meals Eligibility	30,700	31,000	300	Contribution to benefits team for assessing FSM eligibility
Subscription for Professional Development Centre & Learning Partnership	0	46,200	46,200	Additional contribution proposed to continue support with the ongoing reduction of Central Services Schools Block DSG.
School Improvement	225,200	174,500	(50,700)	Contribution to School Improvement and supplements School Improvement Grant
Total	695,800	665,900	(29,900)	

- 4.2. De-delegated budgets proposed for 2022/23 reflect the allocations in 2021/22 and total £665,900, a reduction of £29,900 on 2021/22. The consultation process will allow maintained schools to feedback on the proposed de-delegations.
- 4.3. The dedelegation for 2022/23 includes a subscription to support the Professional Development Centre and Learning Partnership from 2022/23. This service will also be supported by a reduced level of CSSB DSG funding in 2022/23 in addition to a contribution from Local Authority resources.
- 4.4. Maintained Special Schools, maintained Nursery schools and maintained 6th Forms will be consulted with respect to proposals relating to de-delegated services from April 2022. The aim being to regularise and ensure parity and fairness across all maintained schools for the following areas:
- Trade Union Facilities cover

- Maintained Schools Licence Fees
- Professional Development Centre and Learning Partnership Subscription
- School Improvement

5. Education Functions (Maintained Schools Only) (PROVISIONAL)

- 5.1. The top-slice for Education Functions was added to the National Funding Formula In 2016/17 to reflect the withdrawal of the Education Services Grant paid to Local Authorities from 2017/18.
- 5.2. Statutory functions retained by Local Authorities were to be funded as follows:
- Responsibilities for all schools – to be funded from Central Services DSG
 - Responsibilities for mainstream maintained schools – to be funded from maintained schools budget shares
- 5.3. Education functions were not funded within the Schools Block in the period from 2017/18 to 2019/20. Maintained schools education functions were funded by central services DSG.
- 5.4. Following the announcement that the DfE/ESFA will start clawing back the CSSB from 2020/21, it was agreed for the 2020/21 schools block budget that the functions detailed in Table 6 are funded from mainstream maintained schools budgets.
- 5.5. Table 6 below details the proposed Education Functions top-slice for maintained mainstream primaries in 2022/23.
- 5.6. Maintained Special Schools, maintained Nursery schools and maintained 6th Forms will be consulted with respect to proposed Education Functions top-slice of their respective block funding from April 2022 to regularise and ensure parity and fairness across all maintained schools for the following areas:
- Schools Finance Team
 - Asset Management Support
 - Asbestos and Risk Management

Table 6 – Education Functions for Maintained Mainstream Schools (PROVISIONAL)

Area of Expenditure	2021/22 Final Maintained Mainstream Primary	2022/23 Proposed Maintained Mainstream Primary	Change from 2021/22	Note

	Education Functions	Education Functions		
	£	£		
Finance	96,000	88,100	(7,900)	Local Authority statutory duties, advice and support for maintained schools
Asset Management	91,700	74,300	(17,400)	Local Authority statutory duties, advice and support for maintained schools
Asbestos Risk Management and Surveys	47,900	73,000	25,100	Risk management, surveys and re-inspections, advice and support for maintained schools.
SIMS support	15,000	0	(15,000)	SIMS Support
Business Intelligence	22,800	22,800	0	To support Termly Census and workforce census
Total	273,400	258,200	(15,200)	

6. Recommendations and Decisions Required

- 6.1. Recommendation 1: Model 1 is recommended because it ensures that funding is allocated to schools through the factor rates and according to the census and the characteristics and needs of pupils as defined by the national funding formula. Together with an MFG at 0.5% this ensures the most even distribution of the 1.74% funding increase between schools.
- 6.2. 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 2022/23. This equates to £0.56m based on the provisional allocation.
- 6.3. Recommendation 3: It is recommended that Schools Forum agree a provisional top-slice the 2022/23 Schools Block to the value of £0.200m or 0.18% of the total funding for the Falling Rolls protection fund in 2022/23. The need for a fund will be assessed following the October 2021 census and consultation responses with respect to accessing potential funding.
- 6.4. Recommendation 4: It is recommended that Schools Forum approve the request to adjust the amount funded through the Minimum Funding Guarantee (MFG) for Ark Burlington Danes Academy (BDA). This adjustment is required as BDA has converted to an all-through school resulting in the MFG being weighted towards the higher per pupil value for secondary phase pupils. This estimated £41,212 adjustment requires the local authority to submit a disapplication request to the ESFA.
- 6.5. Recommendation 5: It is recommended that Schools Forum consider the approach to maintained school de-delegation and education functions top-slice to extend to all maintained schools on a consistent basis in line with school funding regulations.
- 6.6. Recommendation 6: It is recommended that Schools Forum agree for the LA to consult schools on the basis of the above recommendations 1 to 6.

7. Key dates

7.1. Table 11 – key dates and next steps

Date	Activity
12 th October 2021	Schools Forum consider initial modelling and agree basis for schools block budget consultation
2x late October/Early Nov	Schools Block 2022/23 budget consultation and workshop via Teams
15 th November 2021	Consultation feedback deadlines
Late December 2021	DfE release final Authority Proforma Tool with October 2021 census data and final allocation released by ESFA
Week Commencing 4 th January 2022	TBA School Budget Briefings via Teams
18 th January 2022	Schools Forum receive consultation feedback and final school budget recommendations
21 st January 2022	Deadline for submission of the final 2022 to 2023 APT to the ESFA
January/February 2022	Urgent Committee Decision for Council's approval of the 2022/23 Schools budget.
28 February 2022	Deadline for confirmation of school budget shares to maintained schools.

Report ends