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| **AGENDA ITEM** |

**Title of report: Schools Block Budget 2021 to 2022**

**Author of the paper: Kay Goodacre**

**Officer to present the paper to Schools Forum: Kay Goodacre**

**Details on who has been consulted on this paper to date:** Previous Schools Forum discussions October 2020 and December 2020

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| **Executive Summary**  The report:   1. Sets out the funding settlement for 2021 to 2022 2. Confirms the Funding Factors used for the Schools budget allocation and the minimum funding guarantee. 3. Sets out the changes and adjustments that have been made to individual school budget calculations 4. Confirms recommended De-delegation rates. |

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| **Details of recommendations and timescales for decisions:**  **Schools Forum is asked to:**  **Review and comment on the Formula and modelling of the Schools budgets for 2021/22.**  **Approve de-delegation rates.** |

1. **Schools Block Headlines**
   1. The Schools Block allocation for 2021/22 was finalised on December 17 2020 giving a gross allocation to Tower Hamlets of £278,633,467

**Table 1: Schools Block Allocation**

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| **Service.** | **2020-21**  **£000** |
| Base Schools Block | 268,869,705 |
| Of which growth is: | *972,981* |
| Pay and Pension funding (previously separate grants) | 9,763,762 |
| Total | 278,633,467 |

* 1. Schools Forum have previously agreed that Budgets should be run using the National Funding Formula. Therefore all the rates used are those based on the National funding Formula, adjusted for the area cost adjustment for Tower Hamlets.

These rates were presented at the October 2020 Forum meeting and are included as an Annex to this report.

* 1. The DfE guidance for the minimum per pupil funding guarantee allows local authorities to run this at a level between +0.5% and +2%. We have run the budgets with the maximum MFG of 2%, meaning every school would see a 2% increase per pupil on the rate that was received in 2020-21
  2. The Schools Block DSG now includes an allocation of £9,763,762 which is the equivalent amount schools received in 2020-21 as separate grant payments for teachers pay and pensions.

1. **Formula amendments**
   1. Change in the Split Site funding- In previous years split site funding was allocated based on a per pupil rate for the number of pupils based on the second site. This methodology meant that in some cases a school could get an allocation that was greater than a single school lump sum. We have therefore adjusted the methodology for this, to be an allocation equivalent of an additional lump sum. The cash allocation has remained similar and the criteria of being two distinctive sites separated by a main thoroughfare and at least 200 metres apart has remained.
   2. We have made an application to the Department for Education to make an adjustment in the number of students for 8 schools, where those schools received 5 or more pupils after the census date and where those pupils had previously been out of school. Whilst we have not had final confirmation that this will be agreed, we have met with a DfE representative who felt the application was likely to be successful if Schools Forum were in support.
   3. A further disapplication was made to the DfE to consider an additional allocation of funding to support exceptional costs for the filtration system at Bow school. We have been informed that this is unlikely to be approved.
   4. On inspection of the budget modelling tool output it was found that this was producing an error in the calculation for Mulberry UTC which gave a higher budget than the school were receiving because of a historic baseline problem. This has been corrected with no cost to the school, however it has returned £260k to the school’s block for redistribution and supported our ability to maximise MFG and retain some headroom.
   5. We have included an additional prorated allocation of 60 (equivalent 35 pupils) pupils for Oaklands where they have increased their PAN to accommodate pupils that would have previously been attending Raines. This is line with the growth policy discussed at December’s forum meeting
   6. Where we have been notified of changes to NNDR rates this year, allocations have been made to reimburse those schools. Rates costs have also been reviewed in year and revised allocations made.
   7. Growth Fund has been set at £1m which is in line with the allocation made through the formula (rounded up). Use of this funding will be reported to Forum over the Financial year.
   8. Available Headroom has not yet been finalised as adjustments will continue to be made before the final submission to the DfE due by the 21st January. Current estimates are that this will be in the region of 0.4% and within the parameters that are agreed to be transferred to support exceptional high needs at Decembers Schools Forum. The final amount will be presented at the March meeting along with allocation proposals.
2. **De-delegations**
   1. Delegations were discussed in detail at previous forum meetings. Budgets have been modelled based on the rates adjusted for inflation discussed at the December meeting and are detailed in the table below. Included are all the allocations with a total and an average percentage that this represents for an individual Schools budget. For all schools the percentage would be less than 1% with an average percentage of 0.86% for a Primary School and 0.71% for a Secondary school.

**Table 2: Proposed Indicative De-Delegation 2021-22.**

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| **Component** | **£/Pupil Primary** | **£/Pupil Secondary** |
| Contingencies (not growth). | 15.50 | 15.50 |
| Free school meal eligibility | 4.00 | 4.00 |
| Trade Union Facilities | 5.10 | 5.10 |
| Behaviour Support /anti-bullying | 4.29 | 7.38 |
| Statutory Duties for maintained Schools | 28.05 | 28.05 |
| **Total** | 56.94 | 60.03 |
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| **Average % of budget** | 0.86% | 0.71% |

## Contact Details

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact:

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