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| **AGENDA ITEM 5** |

**Title of report: Schools Block Strategy 2021-22**

**Author of the paper: Kay Goodacre**

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

**Details on who has been consulted with on this paper to date:**

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| **Executive Summary.**This is a follow up report to the report presented at the October meeting and addresses issues that required further consideration.1. Schools block modelling
2. Use of potential headroom
3. The de-delegation of:
	1. LA services provided on behalf of maintained schools.
	2. Former Education Services Grant (ESG) general duties elements.
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| **Recommendations.**Forum is asked to:1. Confirm that the national Funding Formula continues to be used from 2021 to 2022 funding allocations.
2. Agree to include in the School funding formula an allocation of funding to meet the additional costs of rent at Oaklands school.
3. Agree to a targeted high needs block transfer form headroom
4. Primary school representatives are asked to agree to include in the formula modelling the proposed de-delegation of services, rates and values set out at the previous forum meeting
5. Secondary school representatives are asked to agree to include in the formula modelling the proposed de-delegation of services rates and values set out at the previous forum meeting
6. School representatives are asked to agree to include in the funding formula modelling the current contribution of former ESG funded services at the same rate as in 2020/21 adjusted by inflation.
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**Background.**

**Papers presented to previous forum have considered the background of Schools funding and the settlement made through the national funding formula. Information was presented in the October meeting that gave a comprehensive breakdown of the different blocks and the indicative settlement. This paper will address the issues raised at the last meeting that require further discussion on agreement.**

1. **Tower Hamlets Schools Funding Formula 2021-22.**
	1. Forum recommended the use of the National Funding Formula (NFF) to the Council in the 2019-20 and 2020-21 financial years. This was agreed and the NFF factors and values used in Tower Hamlets’ Schools Funding Formula. Continuation of the national funding formula will be modelled and presented to forum in the January meeting and forum are asked to confirm their agreement to this.
	2. The subject of the rental payment to Oaklands was considered in the October meeting and concern was raised about how this would affect overall funding. As with all premises factors in the NFF these are funded by the DfE as additional funding over the standard NFF allocation so whilst this would be funded from the overall allocation of funding to all schools in 2021/22, this would be received as additional funding going forward. Concern was made at the previous forum that Oaklands School had a higher base of funding than other equivalent schools which analysis showed not to be the case. Currently there is one other allocation of rent for a school within the formula and therefore introducing a rent payment for Oaklands would be on a consistent basis with previous decisions. Forum are as asked to confirm that any additional rent payable would be funded to Oaklands School.

* 1. In 2020-21 the Schools Block was greater than the sum of formula funded allocations, the maximum MFG and the Growth Fund. This ‘headroom’ amounted to £1.031m and Forum agreed this could be transferred into the HNB to help offset pressures in that block. Forum is asked to agree to the principle that any such headroom in 2021-22, up to the limit of 0.5% of the block (excluded funding for the former grants) be transferred in 2021-22. However, we would recommend that rather than going into general high needs funding that this funding is specifically targeted at those schools that have exceptional levels of EHCPs over and above equivalent schools that are not addressed through their levels of notional SEN. If Forum agree this in principle we will bring forward a future paper with an allocation methodology.
1. **De-Delegation.**

We have represented the tables that were given at the last forum for re- consideration. Whilst concerns were made to the de delegation of the behaviour service, we would ask that forum agree these rates be modelled for the current financial year and that in turn the LA agree to bring forward detailed reporting on the use of funding bi-annually. As the contribution to these services supports staff costs any reduction in contribution would need significant planning time. The proposal is to increase the rate on the same basis as the increase in the schools block so representing no real increase to schools.

* 1. **De-Delegation of Delegated Services.**

**Table 1: Agreed De-Delegation 2020-21.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Component** | **£/Pupil Pri** | **£/Pupil Sec** | **Pri** | **Sec** | **Total** |
| a | b | c | d | e | f |
| Pupil Numbers – October 2019 |  |  | 19,380 | 9,586 | 28,966 |
|  |  |  | £000 | £000 | £000 |
| Contingencies (not growth). | 15.20 | 15.20 | 294.6 | 145.7 | 440.3 |
| Free school meal eligibility | 3.93 | 3.93 | 76.2 | 37.7 | 113.9 |
| Licences/subscriptions |  |  |  |  |  |
| Trade Union Facilities | 5.00 | 5.00 | 96.9 | 47.9 | 144.8 |
| Behaviour Support /anti-bullying. | 4.21 | 7.24 | 81.6 | 69.4 | 151.0 |
| **Total** | 28.34 | 31.37 | 549.3 | 300.7 | 850.0 |

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

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| --- | --- | --- | --- | --- | --- |
| **Component** | **£/Pupil Pri** | **£/Pupil Sec** | **Pri** | **Sec** | **Total** |
| a | b | c | d | e | f |
| Pupil Numbers – October 2019 |  |  | 19,380 | 9,586 | 28,966 |
|  |  |  | £000 | £000 | £000 |
| Contingencies (not growth). | 15.50 | 15.50 | 300.4 | 148.6 | 449.0 |
| Free school meal eligibility | 4.00 | 4.00 | 77.5 | 38.3 | 115.8 |
| Licences/subscriptions |  |  |  |  |  |
| Trade Union Facilities | 5.10 | 5.10 | 98.8 | 48.9 | 147.7 |
| Behaviour Support /anti-bullying. | 4.29 | 7.38 | 83.1 | 70.7 | 153.8 |
| **Total** | 28.89 | 31.98 | 559.8 | 306.5 | 866.3 |

* + 1. We ask that maintained primary representative and maintained secondary representative agree these rates are agreed for the school funding models to be bought back to the January meeting
	1. **Former Education Services Grant (ESG) Services.**
		1. In 2020-21 Forum agreed to de-delegate £27.50 per pupil from mainstream schools (total £796.6k) and £80 per place from special schools (total £69.2k). The LA is seeking Forum’s approval to de-delegate the same amount adjusted for inflation for 2021-22. The rates would therefore be £28.05 for a maintained school and £81.60 for a special school. These rates represent a contribution only to costs and do not fully represent the full cost to the LA of providing statutory services. These are services that Academies would be required to fund from their equivalent grant allocation. Services include finance monitoring and support, external and internal audit, legal and HR support. The equivalent funding that was transferred from LAs to Schools in the NFF rebasing in 2017/18 was £66 per pupil so this represents less that half of the funding previously directly allocated directly to LAs, as a proportion of the total maintained schools block it represents 0.4%. Forum are asked to agree these rates in the modelling being bought back to the Forum in January.