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| **AGENDA ITEM** |

**Title of report: Dedicated Schools Grant and Schools Block 2020-21**

**Author of the paper: Steve Worth**

**Officer to present the paper to Schools Forum: Steve Worth**

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

**Executive Summary**

**This report:**

**Sets out the value of the Dedicated Schools Grant for 2020-21 and updates proposals for the allocation of the Central Schools Services Block.**

**Sets out proposals for the distribution of the Schools Block between Individual School Budget (ISB) shares, the Growth Fund and a transfer to the High Needs Block.**

**The report also proposes de-delegation not already agreed by Forum at its meeting of 4th December 2019.**

**Details of recommendations and timescales for decisions:**

**Recommendations:**

**1. Agree the changes to the allocation of the Central School Services Block as set out in Section 2.1**

**2. Agree £1.1m for the Growth Fund for 2020-21.**

**2. Agree the transfer of £1.031m to the High Needs Block for 2020-21 only.**

**4. Primary school representatives are asked to agree the de-delegation of services, rates and values set out in columns a, b and d of Table 4.**

**5. Secondary school representatives are asked to agree the de-delegation rates and values set out in columns a, c and e of Tables 4.**

**6. Agree to establish a sub-group to review centrally retained services requiring Forum permission.**

# Dedicated Schools Grant (DSG) 2020-21

## This was received on Friday 20th December. The DSG for 2020-21 is set out in the following table together with a comparison with 2019-20.

**Table 1: DSG Comparison 2020-21 and 2019-20**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Schools Block Pupil Numbers | Schools Block | Central School Services Block | High Needs | Early Years | DSG Total |
|  |  | £ | £ | £ | £ | £ |
| 2020-21 | 37,797 | 264,818,668 | 4,199,738 | 58,523,705 | 29,658,304 | 357,200,415 |
| 2019-20 | 37,871 | 260,645,710 | 4,810,723 | 50,777,373 | 29,616,909 | 345,850,715 |
| Change | -74 | 4,172,958 | -610,985 | 7,746,332 | 41,395 | 11,349,700 |
|  | -0.19% | 1.60% | -12.70% | 15.26% | 0.14% | 3.28% |

Note: The Early Years Block is based on January 2019 figures and will be updated once the January 2020 census figures are available.

# Central School Services Block

## The final allocation is £4k less than the provisional figure reported in December. The proposed allocations were agreed by Forum at that time and the following adjustments are recommended:

* A reduction of £17k in the allocation for copyright licences. The charge for these is negotiated nationally and is lower than anticipated.
* An increase in the allocation for redundancy costs of £13k.

# Schools Block

## A breakdown of the block is shown in Table 2. The table illustrates that the protection funding (in italics) ensures that funding per pupil is brought up to the ‘Funding Floor’ of 1.84% (in bold).

**Table 2: Schools Block Calculations 2020-21 and 2019-20.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2020-21** | **2019-20** | **Change** |  |
|  |  |  |  | **%** |
| Primary Funding £ | 6,027.70 | 5,922.81 | 104.89 | 1.77 |
| Primary Pupils | 23,217 | 23,446.50 | -229.5 | -0.98 |
| Secondary Funding £ | 7,999.76 | 7,861.06 | 138.7 | 1.76 |
| Secondary Pupils | 14,580 | 14,424 | 156 | 1.08 |
| Premises Factor £ | 6,373,949 | 6,892,146 | -518,197 | -7.52 |
| *Protection Funding £* | *449,916* | *0* | *449,916* |  |
| Funding excl. Growth | 263,405,477 | 259,149,240 | 4,256,237 | 1.64 |
| Total Pupils | 37,797.00 | 37,870.50 | -73.5 | -0.19 |
| **Funding per Pupil** | **6,968.95** | **6,843.04** | **125.91** | **1.84** |
| Growth Funding | 1,413,191 | 1,496,470 | -83,279 | -5.57 |
| Total Schools Block | 264,818,668 | 260,645,710 | 4,172,958 | 1.6 |

## We reported to the last Forum that growth is now a formula allocation calculated by the ESFA. The allocation for 2020-21 is £1.413. This is in excess of what is required and can prudently be reduced to £1.1m to cover commitments for 2020-21. A report on the Growth Fund will be brought to Forum in March.

## As reported to Forum in December the National Funding Formula, adopted by Tower Hamlets in 2019-20, was increasing factor values for 2020-21 by 4% (with the exception of free school meals which increased by inflation). Applying this to Tower Hamlets using the latest DSG figures and the maximum Minimum Funding Guarantee (MFG) gives the position shown in Table 3.

**Table 3: Comparison of Individual School Budget Allocations (ISB) 2020-21 and 2019-20.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Element** | **2020-21** | **2019-20** | **Change** |
|  | £m | £m | £m |
| ISB | 264.819 | 259.921 | 4.898 |
| Growth Fund | 1.100 | 1.496 | -0.396 |
| Falling Rolls | 0 | 0.600 | -0.600 |
| Funding Formula | 236.026 | 228.160 | 7.866 |
| MFG | 26.662 | 29.665 | -3.003 |
| Headroom | 1.031 | 0 | 1.031 |

## The funding available for the ISB leaves a headroom of £1.031m after applying the 4% uplift and the maximum MFG.

## Forum at its meeting of 4th December agreed in principle that the headroom should be transferred to the High Needs Block. Regulations require that the LA consult with all schools on transfers and this is taking place between 18th December 2019 and 14th January 2020. An update on responses will be given at the meeting, but as of 9th January five responses have been received, all in favour of the proposal.

## Forum is asked to ratify the decision to transfer £1.031m to the High Needs Block.

# De-Delegation.

## At the meeting of 4th December 2019, Forum agreed the de-delegation of funding for former Education Services Grant (ESG) funding but deferred decisions on other items pending further information on Free School Meals, Licences, Trade Union Facilities and Behaviour Support. Additional information on these was considered at the Heads Consultative meeting on 8th January 2020.

## The services for which de-delegation is recommended are set out in Table 4.

**Table 4: Recommended De-Delegation for 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 | 549.2 | 300.7 | 850.0 |

## De-delegation for Licences has been removed from the proposals. This was due to duplication on one licence with THEP and a lack of clarity on the scope and procedures for the others. These will be reviewed during the course of the year. De-delegation for licences was small and any costs arising in 2020-21 will be met from de-delegated ESG. Please note this decision does not impact on licences negotiated nationally, which are set out in Appendix 1.

## Headteachers had questioned the need to continue with a central free school meals eligibility checking service when schools are able to do their own checking. This was explored with the Benefits Service. The Service would have no objection to schools taking this on, particularly as the Service does not administer all aspects of Universal Credit. However, the service was concerned to ensure that there are robust procedures in place for schools to follow, which satisfy audit requirements. It is therefore recommended that de-delegation continues for 2020-21 whilst the Service works with schools on policies and procedures to ensure effective administration is in place.

## Additional information was requested on Trade Union Facilities, unfortunately due to changes in personnel and other commitments this was not forthcoming. It is recommended that Forum agree to continue to fund this service at £5 per head with the service reviewed during the coming year (see 4.7).

## The Head of Behaviour and Attendance Support Service made a presentation to headteachers on 8th January and will attend Forum on the 15th to support the recommended de-delegation. Supporting information can be found in Appendix 2.

## Forum approval of non-HNB centrally retained budgets is an annual undertaking. To facilitate informed decision making we recommend Forum establishes a sub-group for a rolling review of these services. This should involve presentations by service managers and ensure a greater understanding of each service and reduce the pressure on headteachers, officers and Forum members in the lead up to budget setting.

# Historical Central Retention.

## A comparison over the period 2017-18 to 2020-21 (proposed) is set out in Appendix 3.

# High Needs Block.

## Officers are meeting representatives of the Department for Education on the 20th February to discuss the High Needs Block (HNB) recovery plan. A report will be brought to the next meeting of the Forum sharing proposals for the 2020-21 HNB.

**Appendix 1: Licences Provided Through National Agreements.**

* 1. o Christian Copyright Licensing International (CCLI)
  2. o Copyright Licensing Agency (CLA)
  3. o Education Recording Agency (ERA)
  4. o Filmbank Distributors Ltd. (for the PVSL)
  5. o Mechanical Copyright Protection Society (MCPS)
  6. o Motion Picture Licensing Company (MPLC)
  7. o Newspaper Licensing Authority (NLA)
  8. o Performing Rights Society (PRS)
  9. o Phonographic Performance Limited (PPL)

o Schools Printed Music Licence (SPML)

**Appendix 3: Year on Year Comparison of Centrally Schools Block Budgets**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Notes | Schools Block | Growth Fund | Falling Rolls Fund | De-delegation Non-ESG | De-delegation ESG | School Budget Shares |  |
| 2020-21 |  | £263.719m | 0.54% | 0.00% | 0.32% | 0.30% | 98.83% |  |
| 2019-20 |  | £259.921m | 0.58% | 0.23% | 0.31% | 0.31% | 98.57% |  |
| 2018-19 |  | £258.911m | 0.95% | 0.00% | 0.34% | 0.32% | 98.38% |  |
| 2017-18 | 1 | £253.994m | 0.97% | 0.00% | 0.31% | 0.35% | 98.36% |  |
|  |  |  |  |  |  |  |  |  |
| Notes: |  |  |  |  |  |  |  |  |

Until 2017-18 the Schools Block included funding now in the Central School Services Block that is excluded in this analysis.