

	Schools Forum 21 January 2021
	Report from the Strategic Director of Children and Young People
Dedicated Schools Grant Schools Budget 2021/22	
Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	N/A
No. of Appendices:	Appendix A - Funding Factor Rates Appendix B - School Level Allocations 2021-22
Background Papers:	Prior financial reports to Schools Forum.
Contact Officer(s): (Name, Title, Contact Details)	Olufunke Adediran Head of Finance – CYP 0208 937 1196 Email: Olufunke.adediran@brent.gov.uk Dena Aly Senior Finance Analyst – CYP 0208 937 2179 Email: Dena.aly@brent.gov.uk

1. Purpose of the Report

- 1.1. This report sets out the proposed DSG Schools Budget for consultation and decision by Schools Forum ahead of the Council budget being set and approved by full Council.

2. Recommendations

- 2.1. Maintained school members of the Schools Forum are requested to approve the proposed de-delegation arrangements set out within this report.
- 2.2. Schools Forum is asked to approve the transfer of £1.2m (0.5%) from the Schools Block to support the High Needs Block. DfE regulations permit up to 0.5% of the Schools Block to be transferred with Forum approval.
- 2.3. Schools Forum is asked to recommend the budget for the DSG blocks, including the mainstream funding formula, to the Council.

3. Summary- 2021/22 DSG Funding Announcements

- 3.1. In November 2020, Schools Forum were presented with the provisional DSG allocations, which were published in July 2020. The final DSG block funding allocations were announced on 17 December 2020. This report gives an update of the final Schools Block allocations to include the growth funding allocation.

DSG Blocks	2020/21 Funding	2021/22 Funding	Change	Change
	£000	£000	£000	%
Schools Block*	£244,470	£247,702	£3,232	1.3%
High Needs Block	£60,386	£66,432	£6,046	10.0%
Early years block	£22,900	£23,374	£474	2.1%
Central Block	£2,204	£2,284	£80	3.6%
Total	£329,960	£339,792	£9,832	

* 2020/21 Includes the teachers' pay and pensions grant which have now been included as core funding.

- 3.2. For 2021/22, the growth funding allocation was reduced from £3.2m in 2020/21 to £2.1m in 2021/22. The allocation is based on the difference between the number on roll in each school between the October 2019 and October 2020 school censuses.
- 3.3. The final High Needs Block allocation has been announced at £66.4m, a slight increase on the provisional allocation of £66.2m announced in July 2020. This is £6m more than the allocation for 2020/21, and represents a funding increase of 10%. However, the 2020/21 High Needs Block expenditure budget is currently forecast to spend £66m, with a further £1m recoupment for Brent pupils placed in other local authorities. The number of children with Education, Health and Care plans (EHCPs) is continuing to increase, therefore in addition to a number of measures outlined in the DSG deficit recovery plan, it is recommended that there is a transfer of 0.5% from the schools block to the high needs block to mitigate the growing demand. This equates to a transfer of £1.2m, which would bring the high needs block budget to £67.4m. A detailed breakdown of the high needs block budget will be presented to Schools Forum in February 2021.
- 3.4. The Early Years Block allocations were also published in December 2020, which included an increase in the NEG 2 rate from £6.00 to £6.08, and an increase in the NEG 3 & 4 rate from £5.45 to £5.51. The detailed early years block budgets will be presented in a separate paper to this Schools Forum.
- 3.5. The Central School Services Block income was confirmed at £2.3m, an increase of £80k compared to 2020/21. This includes a small reduction of funding for historic commitments, and an increase in funding for ongoing commitments, including pension costs for centrally employed teachers.

- 3.6. Announcements were made by DfE in November 2020, to assist schools in dealing with further pressures arising from the impact of Covid-19 around staffing between 1st November to 31st December 2020. It is yet to be confirmed in light of the current third national lockdown (January 2021) whether there will be another opportunity to claim for exceptional costs incurred by schools. The Local Authority Covid related pressures were reported to Brent Council Cabinet in January 2021, in the Quarter 3 Financial Report 2020/21. This report confirms that Brent Council is experiencing £37.1m of pressures, which at this stage does not reflect the implications of the current lockdown. Applying the grant funding received of £28.9m, a gap still remains to be mitigated.

4. Schools Block Expenditure – Mainstream Funding Formula

- 4.1. The mainstream funding formula for 2020/21 excluding the growth fund totals £244.016m. This includes £0.485m de-delegated funds and £0.360m retained by the council as a contribution towards fulfilling the education services leaving £243.171m to be transferred to schools.
- 4.2. The DSG contribution to central services to fund education functions is £0.6m made up of the £0.25m contribution from all schools and the £0.36m from maintained schools. This was agreed at previous Forums, and comparative London benchmarking information was presented at Forum in November 2019.

5. De-Delegations

- 5.1. The de-delegated items from maintained schools includes expenditure on staff supply cover costs shown in **table 2** below. This has been calculated at the previous per pupil rates as in 2020/21 for all items except for the staff costs line. This budget includes funding for supply cover for teachers on parental leave.

5.2. Table 2 – Expenditure on Staff Supply Cover Costs

	£'000		
	Budget	Outturn	Variance
2018/19	214	274	60
2019/20	182	287	105
2020/21 (projected)	169	290	121

- 5.3. In line with previous and projected expenditure levels on this budget, shown in table 2 above, is proposed that the budget is increased to £0.28m to meet current spending levels. This would require an increase in the de-delegation rate from £10.74 to £13.24, a £2.50 increase as shown in **Table 3** below.
- 5.4. **Table 3 – Increase in de-delegation rate for staff costs supply cover:**

	Rate £	Eligible pupil numbers	Total de-delegation (£'000)
Current De-delegation rate	10.74	21,156	227
Additional £50k funding required	2.50	21,156	53
Total de-delegation for staff costs	13.24	21,156	280

5.5. As in previous years, approval to de-delegate is sought on the basis that centralised budgets provide better value, and that maintained schools have open access to the services listed in the table below.

5.6. Table 2 – De-delegated items

	Rate per pupil £	2020/21	2020/21
Primary Pupil Numbers		19,831	19,109
			2,04
Secondary Pupil Numbers		2,019	7
Total Maintained pupils		21,850	21,156
Contingencies- Schools in Financial Difficulty	8.29	181,133	175,383
Free School Meals eligibility service	1.15	25,127	24,329
			5,28
Licenses/ Subscriptions	0.25	5,462	9
Staff costs	10.74/13.24	234,664	280,105
Total De-delegated items		446,387	485,107

6. Funding Formula Rates

6.1. Appendix A provides information on the funding factor rates used in the proposed funding formula, with a minimum funding guarantee set at 0.5%. In order to balance to the available funding, the per pupil funding factor rates have been increased by 10.7%.

6.2. Appendix B contains an analysis of the funding formula by individual school, giving both the total formula funding and per pupil funding against the previous year. It should be noted that changes in individual school funding are also caused by changes to the pupil cohort data for that school, e.g. the number of pupils attracting the low prior attainment funding factor will change from year to year, so changes in funding are not solely driven by changes to pupil numbers and to the funding factor rates in appendix A.

- 6.3. The funding formula is subject to a positive Minimum Funding Guarantee of 0.5% which ensures that per pupil funding increase by this proportion. Under these proposals 50 of the 87 schools require an MFG allocation, and this totals £1.36m.

7. Growth Fund

- 7.1. The Growth budget funds increases in pupil numbers, and well as the CAFAI provision for children new to the country. The growth budget in 2020-21 is £2.25m, and is expected to spend to budget in order to continue to fund the projected growth in the secondary phase.

8. Financial Implications

- 8.1. The financial implications have been detailed in the body of this paper.

9. Legal Implications

- 9.1. There are no legal implications for this report.

10. Equality Implications

- 10.1. Not applicable.

11. Consultation with Ward Members and Stakeholders

- 11.1. Not applicable.

12. Human Resources/Property Implications (if appropriate)

- 12.1. Not applicable.

Report sign off:

Gail Tolley

Strategic Director of Children and Young People