

Agenda Item



Report Status

For information/note
For consultation & views
For decision

Report to Haringey Schools Forum – 14th January 2021

Report Title: Dedicated Schools Budget Modelling for 2021-22 / Projected Out-turn for 2020-21 DSG.

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Purpose:

1. To provide analysis and conclusion of the consultation sent to all Haringey primary and secondary schools on the 2021-22 schools funding formula.
2. Update on 2020-21 Financial position at period 8.
3. Update of Deficit Recovery Plan as detailed in appendix c.

Recommendations:

- 1) School forum to decide the preferable model for 2021-22 DSG allocation. The funding share based on the consultation survey results is the LA recommended option. The recommendations are listed in 3.4 of the report but the LA recommendations are detailed below
 - Growth fund to be set at £1.1M for the financial year 2021-22.
 - Maintain a 0% transfer to the High Needs Block.
 - The Minimum Funding Guarantee (MFG) remains between +0.5% and +2.0% per pupil and is set at +1.98%.

- Block transfer of £122,000 Education Welfare Services budget to Central block.
- £60K to be provided for the Split Site for the single Nursery School in the borough with a split site.
- De-delegation of £132K for Trade Union Representation.

2) But, School's forum may propose alternative options.

1 Introduction.

- 1.1 In July 2017, DfE announced the introduction of the national funding formula (NFF) which was supported by additional investment in 2018-19 and 2019-20. The additional funding over the last two years, has enabled the council to maintain per-pupil spending on the schools and high needs blocks.
- 1.2 The 'soft' formula was originally planned for 2018-19 and 2019-20 only, with a 'hard' formula, without local input, to be implemented in 2020-21. However, the DfE announced that there will be no changes for 2021-22. The "hardening" of the formulas is still being reviewed by central government and will be reported back when the DfE confirm implementation.
- 1.3 In light of above each local authority will continue to set a local school's formula, in consultation with local schools.
- 1.4 The final DSG block allocation for 2021-22 was published on 15th December 2020. The Teachers Pay Grant and Teacher Pension Grants have been rolled into the main DSG for 2021-22. The modelling figures used in the consultation have adjusted for this so Schools can make comparisons a "like for like" basis.
- 1.5 This paper sets out a summary of DSG's four blocks' financial position for the financial year 2021-22 and the strategy for DSG formula for Schools Budget Share allocations for the financial year 2021-22..
- 1.6 The policy document which sets out the background and principles of the new National Funding Formula for schools can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648532/national_funding_formula_for_schools_and_high_needs-Policy_document.pdf
- 1.7 The DSG is continues to be divided into four notional blocks:
 - Schools, High Needs, Early Years, and Central School Services Block.
- 1.8 The DfE has not committed to the future arrangements, but the expectation is that a 'hard' NFF will be introduced – i.e. without a local formula applied - from 2023-24.

- 1.9 The ESFA have published the allocations tables and supporting documents which show how much funding each local authority will receive, and how that funding has been calculated can be found at:

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2021-to-2022>

Further breakdown of the funding blocks for Haringey can be found:

<https://skillsfunding.service.gov.uk/view-latest-funding/local-authority/statement/309>

- 1.10 The conditions of grant have also been updated on the 17th December 2020. This includes changes to treatment of deficits and reporting, and can be found:

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2021-to-2022/dsg-conditions-of-grant-2021-to-2022>

2 School Funding Formula 2021-22

- 2.1 Following the Schools Forum on 3rd December 2020, all schools in Haringey were consulted on the local funding factors to the Haringey 2021-21 Schools Funding Formula. Primary and Secondary Schools were to vote for the most appropriate principles to be followed in distributing the 2021-22 Schools Block funding, including:

- (a) Growth Fund budget to be set different to the indicative budget allocation.
- (b) The transfer 0.0% out of the Schools Block into the High Needs Block
- (c) Set the Minimum Funding Guarantee (MFG) between +0.5% and +2.0% per pupil
- (d) Education Welfare top slice.
- (e) Split Sites for Nursery Schools.
- (f) Continuing historic de-delegation arrangements.

- 2.2 The final APT was not published until 15th December 2020 for Local Authority to calculate schools funding using October 2020 Census. The conditions of grant were also updated on December 17th 2020. The consultation was factored on the premises of a like for like comparison. So the final APT may differ from any modelled costing provided during the consultation period.

- 2.3 The LA's position is to devolve maximum funding to schools and adhere to a closely as possible to the "hard" NFF, as agreed with Schools Forum in previous years.

- 2.4 The LA can choose not to agree with School Forum decision relating to Block Transfers and make a case with the Secretary of State. But this is not being considered in this instance.

- 2.5 Revised calculations for 2021-22 have been circulated prior to Schools Forum and are attached with different models for comparison purposes as attached on appendix A

3 Consultation Response

- 3.1 Following consultation with the Schools Forum on 3rd December 2020, all schools in Haringey were consulted on the proposed changes for 2021-22 to the Council's Schools Funding Formula.

- 3.2 The consultation started on 7th December, with a deadline of 17th December 2020 for responses from Head teachers and Chairs of Governors.
- 3.3 The breakdown results of the consultation survey are supplied in Appendix A. It should be noted that there has been a steady increase in the last 3 years of Schools engagement in the consultation process. The process for 2019-20 saw a collective response of 11, The response for 2020-21 totalled 37, and the total responses for the 2021-22 consultation is 55. The move to using e-forms should have helped ease administrative burdens and encouraged engagement.
- 3.4 The following table A. shows the leading choices and total responses received for all options – based on modelling of the Schools Block with the Indicative APT and October 2019 census figures – which were available at the time of consultation. There is a column that detail the decisions and how it effects the APT funding:

Table A: Consultation Results.

Consultation Question	Results (Highest total votes)	Affect to 2021-22 APT (Schools)
Growth: To set Growth Funding Budget at £1.100m (Indicative Budget is £1.199m)* as stated in December School Forum. £99k will be put back through the formula to protect Tiverton School uptake due to the closure of Stamford Hill	Growth Budget to be set at £1.100M.	Through the APT tool the Growth Budget is set at £1.100M with any difference being routed through the main APT. All primary and secondary schools have access to the growth fund. Any remaining balances at Year End – will be presented to School Forum to decide distribution.
High Needs Block Transfer: To set a %age of High Needs Block transfer from DSG Allocation.	There will be a 0% transfer of Schools Block Funding into the High Needs Block.	The Schools Block will not be contributing to the High Needs Block for 2021-22.
Education Welfare: Block transfer of £122,000 for Education Welfare Service budget to Central Block to ensure all schools and academies have contributed a fair amount to fund the services for the financial year 2021-22	£122k will be top sliced from the Schools Block to support the Education Welfare Service.	The arrangement for top slicing a contribution from Schools Block to support the Education Welfare Service will continue for 2021-22.
Nursery Split Sites: Nursery Split Site funding of £60k for one Nursery School to be continued for 2021-22	£60k has been agreed to support the split site Nursery.	This will be top sliced from Schools Block to support the Nursery in question to ensure parity across the Borough.
De-Delegated Factors: De-delegated factors within the APT remain the same as 2020-21 APT: including A: Schools in Financial Difficulty £179,000: LA Maintained Primary and Secondary Schools contributing £7.70 per AWPU and B:Trade Union Representation £135,739: LA Maintained Primary and Secondary Schools contributing £5.80 per AWPU.	No to A (Schools in Financial Difficulty) , Yes to B (Trade Union Representation).	There is no Schools in Financial Difficulty Fund for 2021-22. The de-delegation pot has reduced when compared to 2020-21. There is a larger share to be distributed directly to Schools through the main formula funding route. The Trade Union funding has been agreed for 2021-22. The rates will continue at the same amount as previous years.

Finance Recommendations for 2021-22

3.5 Based on the consultation the following recommendation are made:

3.5.1 Growth fund to be set at £1.1M for the financial year 2021-22. To protect the amalgamation of Stamford Hill pupils moving to Tiverton.

3.5.2 Maintain a 0% transfer to the High Needs Block. The maximum allowable without making a disapplication would have been £xx or 0.25% of Schools Block total budget.

3.5.3 The Minimum Funding Guarantee (MFG) remains between +0.5% and +2.0% per pupil. Setting capping outside these parameters will require DfE approval. The recommended model has the MFG set at 1.98%

3.5.4 Block transfer of £122,000 Education Welfare Services budget to Central block, because it provides a maximum increase in school budget.

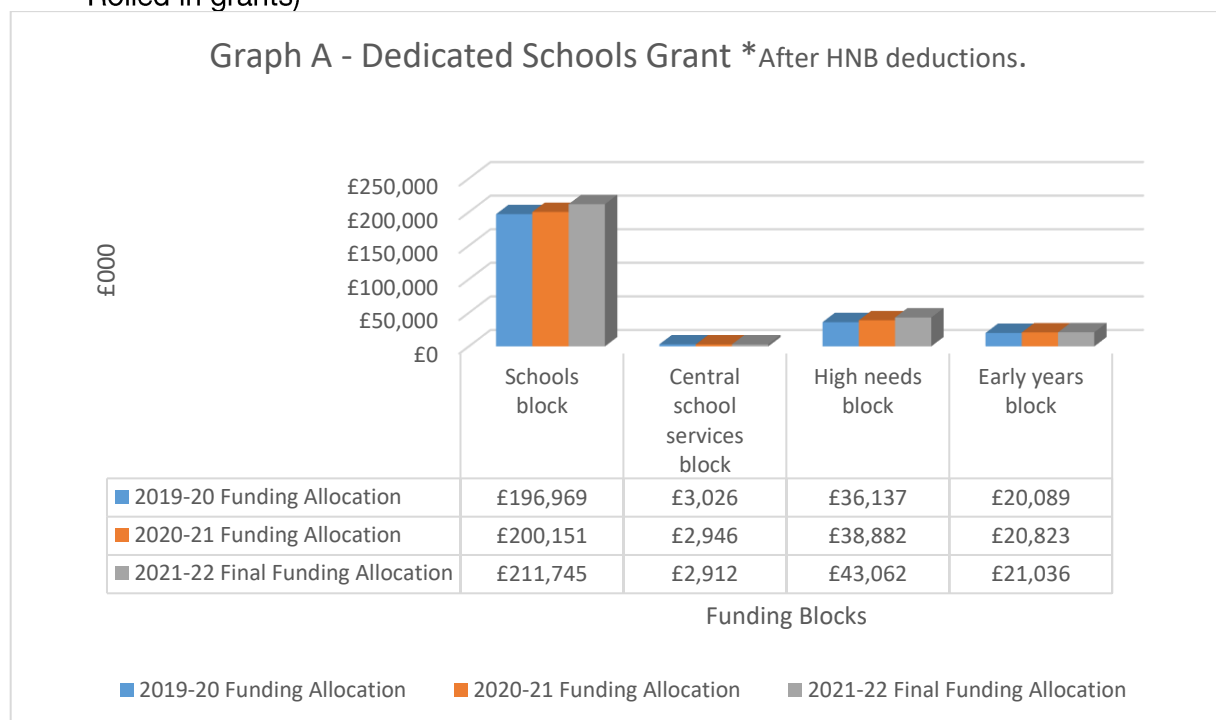
3.5.5 £60K to be provided for the Split Site for the single Nursery School in the borough with a split site.

3.5.6 De-delegation of £132K for Trade Union Representation.

3.6 However Schools Forum can choose propose alternatives. All the different modelling scenarios are attached on Appendix B – and this has been circulated to all schools prior to School Forum.

4 Dedicated Schools Grant Allocation 2021-22

4.1 Graph A represents funding allocation compared year on year for each block. (Included Rolled in grants)



- 4.2 Dedicated schools grant (DSG) allocation for financial year 2021 to 2022, prior to academy recoupment and after high needs deductions is presented in Table B below. *It is inclusive of rolled in Teacher's Pay Grant and Teachers Pension Employers Contribution Grant (TPECG) in the Schools Block.

Table B: DSG Funding Breakdown	2021-22 Final Funding Allocation
Schools block	£211,745
Central school services block	£2,912
High needs block	£43,062
Early years block	£21,036
DSG Total Allocation	£278,755

- 4.3 Budget Setting for Early Years and High Needs Block is set with the respective council services. The detailed information is shared with the relevant working groups in the first instance.

5 Projected Outturn of Dedicated Schools Grant 2020-21

- 5.1 The predicted DSG forecast financial position for the financial year 2010-21 at period 8 is a £5.335m in year deficit. The HNB continues the main material pressure to the DSG.
- 5.2 A detailed reporting on HNB and EYB will be presented by the services and are discussed in detail at these working groups.

Table B: 2020-21 Haringey DSG Out-turn.

2020-21 DSG Budget Forecast @ P8	Schools Block (£000)	Central (£000)	High Needs (£000)	Early years (£000)	Total (£000)
Schools Block DSG funding settlement	130,166.44	2,945.89	38,942.50	20,823.13	192,877.96
Schools Block to High Needs Block (0.25%)	0.00	0.00	0.00	0.00	0.00
Growth Fund	0.00	0.00	0.00	0.00	0.00
Additional SEN funding	0.00	0.00	0.00	0.00	0.00
Total funding Allocation	130,166.44	2,945.89	38,942.50	20,823.13	192,877.96
Projected Expenditure	130,166.44	2,953.88	44,220.84	20,871.99	198,213.15
In year Position	0.00	-7.99	-5,278.34	-48.86	-5,335.19
B/fwd Balances	0.00	-10.26	-10,066.96	-107.53	-10,184.75
Net Position	0.00	-18.25	-15,345.30	-156.39	-15,519.94

- 5.3 Period 9 out-turn will be presented in February 2021 to Schools Forum.

6 Dedicated Schools Grants (DSG) Deficit recovery Plans Update

- 6.1 The conditions of grant update as referenced in 1.10 – detail guidance on further conditions relating to DSG overspends and deficits. Essentially if the Department requests details and plans of recovery, the LA must engage and be able to provide any information that is requested. The guidance concludes with the following statement:

“The Secretary of State reserves the right to impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where he believes that they are not taking sufficient action to address the situation.”

- 6.2 The Head of Service for SEND provided the overarching strategy for the Deficit Recovery Plan at the December forum. The current status is the need to draw together the different LA working groups that are engaged with High Needs as these individual projects all dove tail into reducing the deficit. This includes Haringey’s SEND Review and Alternative Provision work

- 6.3 The template from the DfE will be used to record and report back the progress to Schools Forum. Please refer to the link see an example and lay out of the workbook.

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-management-plan>

- 6.4 A progress report taking extracts from this template will be presented at future School Forums.

- 6.5 The current plans for any underspends in specific school funding segments i.e. Growth Fund – is to highlight these variances to Schools Forum and agree a treatment. Some underspends may be required to meet the deficit recovery.

- 6.6 Recovery plans should be discussed with Schools’ Forums and be signed off by the local authority’s chief financial officer (CFO) before the plans are submitted to the DfE. Therefore, we plan to provide Schools Forum with recovery plan updates throughout the academic year.

- 6.7 Updates from the DfE regarding DRPs will be provided to Schools Forum when they are received.

End of Report