

CITY OF WESTMINSTER**SCHOOLS' FORUM – 13TH JANUARY 2020****REPORT BY THE LEAD STRATEGIC FINANCE MANAGER – CHILDREN'S SERVICES****DEDICATED SCHOOLS GRANT (DSG) FUNDING SETTLEMENT AND FUNDING ALLOCATIONS TO SCHOOLS 2020/21**

This report informs Schools' Forum of the 2020/21 DSG funding settlement; schools block funding. It also covers the individual school budgets calculated via the Authority Proforma Tool (APT) which is submitted to the Education & Skills Funding Agency (ESFA).

FOR DECISION

1. INTRODUCTION

- 1.1 The ESFA provides pre-16 funding for schools to local authorities via the DSG. Funding is distributed to schools in the City of Westminster through a locally agreed funding formula.
- 1.2 In October 2019 the ESFA published provisional local authority level allocations for 2020/21 for the schools, central school services and high needs blocks of the DSG. Authority Proforma Tools (APT) were issued to all Local Authorities (LAs) with their individual schools data sets on 17th December 2019. The DSG settlement, allocation tables and technical notes were issued on 19th December 2019. Some further papers will be issued by the ESFA in January 2020.
- 1.3 The Schools' Forum at the meeting on 2nd December 2019 considered the provisional 2020/21 DSG figures and school funding options for 2020/21 and agreed that the Westminster Formula for allocating funds to individual schools would remain unchanged from 2019/20
- 1.4 The ESFA require local authorities to submit APTs by 21st January 2020. The APT will be submitted on the basis of information within this report and to take account of decisions being made at this schools' forum and political ratification.

2. DSG FUNDING ALLOCATIONS 2020/21

2.1 The DSG allocations for 2020/21 are comprised of the following four blocks:

DSG Block	Funding Basis
schools block	primary units of funding (PUF), and secondary units of funding (SUF) published in October 2019
central school services block (CSSB);	units of funding and historic commitments updated in December 2019
high needs	Provisional allocations announced in October 2019, with the basic entitlement element updated for the number of pupils in the October 2019 school census.
early years	based on the funding rates published in December 2019, and comprising of funding for: <ul style="list-style-type: none">• universal 15 hour entitlement for all three- and four-year-olds• additional 15 hours for three- and four-year old children of eligible working parents• 15 hours entitlement for disadvantaged two-year-old• early years pupil premium (EYPP)• disability access fund (DAF)• supplementary funding for maintained nursery schools.

2.2 Table 1 shows the published 2020/21 allocations of Schools Block funding, Central Schools Services block funding, and High Needs block funding for WCC, which were published on 19th December 2019, including estimates for deductions for recoupment and deductions for direct funding of high needs places. The provisional 2020/21 DSG has increased by £7.249m since 2019/20 to £160.410m.

Table 1 – Comparison of 2019/20 and 2020/21 DSG block allocations

Block	2019/20	2020/21	Change	% Change
Schools *	£112.171m	£115.665m	+£3.494m	+3.1%
High Needs	£26.413m	£29.062m	+£2.649m	+10.0%
Central School Services	£1.086m	£1.026m	-£0.060m	-5.5%
Early Years**	£13.491m	£14.658m	+£1.167m	+8.6%
Total	£153.161m	£160.410m	£7.249m	+4.7%
Allocations are before deduction for academies including for High Needs Places				
*Growth funding is now included in 2020/21				
** Early years 2020/21 allocation is the initial allocation				

Schools block

- 2.3 The schools block allocation for 2020/21 is £115.665m and has increased by £3.494m (3.1%) from 2019/20. There is a reduction in the pupil headcount (based on the October 2019 Census) of 61 pupils (minus 272 primary pupils and plus 211 secondary pupils). Once the pupil number reduction is taken account of there is a 3.5% per pupil increase.
- 2.4 Schools with falling rolls will need to consider how to set balanced budgets and the education finance team will support them.

Central Schools Services Block (CSSB)

- 2.5 The CSSB provides funding for central services ongoing responsibilities, including a cash sum for historic commitments. The total amount is £1.026m which is a reduction of £0.060m since 2019/20.

High Needs Block

- 2.6 The high needs block allocation for 2020/21 has increased by £2.649m (+10.0%) to £29.062m as set out in Table 1.
- 2.7 High needs block funding will be updated in Spring 2020 following agreements between providers and the ESFA, agreement of numbers on January 2019 census, and the LA that is responsible for the individual pupil (February Individual Learner records for 6th form). Deductions will then be made to fund academies, free school and college places directly before the high needs block allocations are finalised. High needs budgets are detailed in the separate high needs paper to this Forum.

Early years block

- 2.8 The early years initial funding allocation is based on the January 2019 census, and will be updated for the January 2020 census in July 2020. The amount in the Early Years Single Funding Formula (EYSFF) is subject to passporting at 95%. Other early years funding is dependent on uptake of services and a full report on early years funding are included in a separate report to this Forum.
- 2.9 Based on January 2019 numbers the early years block initial allocation for 2020/21 has increased by 1.167m (+8.6%).

3. 2020/21 OTHER RELEVANT SCHOOLS REVENUE FUNDING

Post-16 funding

- 3.1 Further information for settings should be available directly from ESFA in March 2020. On the 6th form national funding formula the ESFA had proposed no significant changes including no change to the base rate of funding and individual settings may have some transition relief reductions. There is a one year's lag in funding in relation to the number of pupils and their outcomes. The announcement will have a 2020/21 academic year funding agreement.

Pupil premium

- 3.2 ESFA are expected to publish and make available for LAs and schools their individual allocations (and supporting data) in July 2020. The settlement announcement did not include any values for the pupil premium. The basis of allocation will be the January 2020 census.

Universal Infant Free School Meals

- 3.3 2020/21 Information for LAs and settings is awaited from the ESFA.

4. SCHOOLS BLOCK AND DRAFT AUTHORITY PROFORMA TOOLS (APT)

- 4.1 As a first step towards hardening the National Funding Formula (NFF), from 2020/21 the government have made the use of the national minimum per pupil funding levels, at the values in the school NFF (£3,750 for primary pupils and £5,000 for secondary pupils), compulsory for local authorities to use in their own funding formulae. All Westminster schools are funded above the minimum per pupil funding levels (including the area cost adjustment of 18%) in 2020/21.

- 4.2 LAs continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2020/21 must be between +0.5% and +1.84% per pupil compared to per pupil funding in 2019/20.
- 4.3 Schools' Forum can agree to transfer out of the schools block to a maximum of 0.5%. As per the separate paper, the pressures within the High Needs block can currently be covered within the available resources although the growth in numbers of EHCPs and some placement costs is likely to lead to a pressure in future years.
- 4.4 The total funds to be delegated and allocated through the formula is calculated in the table below. These figures and the final Central Schools Services Block (CSSB) requirements are shown in Appendix A.

Schools Block Funding	£ 115.665m	
0.5 % transfer to High Needs Block	-£ 0m	No proposed transfer
Funds for schools with falling rolls	-£ 0.170m	To be agreed by Schools' Forum
Deduction for Copyright Licenses	-£ 0.114m	
Total for distribution in formula.	£ 115.381m	2019/20 was £111.824m

- 4.5 Appendix A shows changes between the final APT budget for 2019/20 and for the 2020/21 APT school budgets reflecting the agreed formula. The total numbers on roll and funded are shown. Each school's total budget after the application of the MFG is shown and the formula distributes an additional £3.557m compared to 2019/20.
- 4.6 The pupil numbers on roll are taken account of in the per pupil MFG, which exclude high needs places and reception uplift, but include the planned growth for Pimlico Primary (45 Reception), St George's Catholic School (30 year 7) and Ark King Solomon Academy (30 year 7), in accordance with operational guidance requiring the schools block to meet agreed recoupment academy and free school growth based upon a 7/12th's estimate of October 2020 school's census. The overall figures compared in Appendix A.
- 4.7 Two deductions are made, the first for copyright licences of £114,220 as notified in December 2019 and secondly for falling rolls which have been assessed at 80% of the revised AWPUs.
- 4.8 The amount to be distributed is £115.381m, and includes the amount taken up by MFG of £0.903m. The MFG is the per pupil protection which has been set to ensure that all schools will gain at least +1.84% per pupil.
- 4.9 Appendix B shows the summary school factor budget changes as shown on the local authority 'proforma' within the APT for 2020/21 compared to 2019/20.

The data sets have changed because of individual pupil changes at each school level.

- 4.10 Appendix C shows the numbers on roll for each school and overall there is a reduction of 61 pupils made up of growth in secondary schools of 211 pupils and reductions in primary schools of 211 pupils. The amount attributable to the advance pupils funded in recoupment academies growth equates to 61 pupils.
- 4.11 Appendix C also highlights the schools with growth and falling falls of more than 5% and potential falling rolls fund allocations subject to Business Cases and Schools Forum agreement.
- 4.12 In accordance with previously agree criteria falling rolls funding would be provided where schools NOR has fallen by more than 5% since 2019/20, have not been previously supported via falling rolls and are not requiring improvement. Any remaining reductions above 5% would be supported and the funding provided will be on the basis of 80% of AWPU. Schools requiring falling rolls funding are required to produce a business case, and quantify structural changes to be made. School's forum will make decisions on individual allocations at the March 2020 meeting. It is estimated that the falling rolls criteria would result in allocations of £170,000 and this is the amount held for the falling rolls fund.
- 4.13 In accordance with the statutory funding regulations in order to fund cover for a trade union post, currently employed at Essendine Primary School, maintained schools on the schools forum have to agree to have funding deducted (de-delegated) from their budgets. The proposed de-delegation totals £65,542 and is £8.23 per primary pupil and £10.17 per secondary pupil.
- 4.14 Schools' revenue funding is cash limited rather than an allowance made for inflation. For 2020/21 pay costs have inflationary pressures above the increased costs funded by the Teachers Pay Grant and grant for Teachers Employment Pension Contributions (details not yet finalised for 2020/21). Other employee costs for 2020/21 are expected to rise by +2% from 2020/21. Consumer price indices are showing 1.5% increases. All schools should be aware of this for their budget setting purposes.

5. RECOMMENDATIONS

- 5.1 Schools' Forum are recommended to:
 - 5.1.1 agree the local funding formula distributes £115.381m funding;
 - 5.1.2 note that there is no transfer from the Schools Block to the High Needs Block for 2020/21.
 - 5.1.3 agree the continuation of the previously agreed methodology (estimated to cost £0.170m) for falling rolls subject to individual schools submitting a falling rolls business case for approval by the March Schools Forum.

5.1.4 agree the de-delegation to fund cover for trade union support at £65,542. This decision is for maintained schools only.

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Background papers:

ESFA – Dedicated Schools Grant (DSG) 2020-21 – 19 December 2019

WCC input to LA and 213

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2020-to-2021>

EFSA – APT2020-21

ESFA – Pre-16 Schools Funding Guidance 2020-21 – September 2019

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021>

ESFA – DSG technical note 2020-21

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2020-to-2021/dsg-technical-note-2020-to-2021>

ESFA - National Funding For Schools and High Needs

<https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>

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