**Report to Hartlepool Schools’ Forum 05 February 2020**

**From Amanda Whitehead – Assistant Director Education**

**Item 8: School Block Budget Update 2020/21**

1. **Introduction**
   1. Schools’ Forum received information on indicative school block budgets for 2020/21 at their meeting on 8 November 2019.

* 1. ESFA published updated allocations on 19 December 2019 to reflect changes in the October 2019 census.
  2. Funding for the schools block in 2020/21 was also dependent upon the outcomes of two disapplication requests submitted to the Secretary of State – firstly, a request to transfer £0.550m to the high needs block and secondly, to allow the council to levy the £60 per pupil charge to maintained schools to cover former Education Services Grant (ESG) activities.
  3. The Secretary of State has responded to both disapplication requests. The levy of the £60 per pupil ESG charge has been approved. The high needs block transfer amount has not been approved, although a reduced transfer of 0.5% has been proposed as an amendment (subject to a vote by Schools’ Forum in a separate report item at this meeting).
  4. This report provides an updated school block allocation to reflect the updated allocations published by ESFA, along with the outcome of the two disapplication requests.

1. **Background**
   1. The indicative allocations from ESFA are updated each year to reflect the latest October census data and pupil characteristics. The updates were published in December 2019. The December updates also confirmed growth funding for 2020/21 (excluded from the indicative allocations published in October 2019).
   2. Schools’ Forum agreed to transfer the residual funding (after meeting approved financial commitments) from the Central School Services Block (CSSB) to the schools block in 2020/21 at their meeting of 8 November 2019.
   3. At their meeting on 26 November 2019, Schools’ Forum agreed to set a local MFG at the maximum allowed of +1.84%.
   4. The local authority submitted a disapplication request to levy a £60 per pupil charge for ESG to maintained schools. Schools’ Forum did not support the request. The Secretary of State approved the disapplication request on 14 January 2020.
   5. The local authority submitted a disapplication request to transfer £0.550m to the high needs block. Schools’ Forum supported the request. The Secretary of State responded on 15 January 2020. The transfer of £0.550m was not approved. However, a reduced transfer of 0.5%, or £0.329m was suggested by the Secretary of State as an amendment.
2. **Updated School Budget Share Funding 2020/21**
   1. The following table outlines the change in available funding for the schools block in 2020/21 taking into account both the updated figures published in December 2019 and the disapplication request outcomes. The figures assume that Schools’ Forum approved the reduced transfer of £0.329m under a separate agenda item at this meeting.

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| --- | --- | --- | --- | --- |
| **Funding Stream** | **Forum**  **08 Nov**  **£m** | **Change**  **£m** | **Revised Funding**  **£m** | **Reason for change** |
| DSG Schools Block Allocation (before recoupment) | 65.287 | 0.248 | 65.535 | Updated for Oct-19 census |
| Transfer in from CSSB | 0.267 | 0.011 | 0.278 | Licence cost confirmed |
| Transfer out to HNB | (0.550) | 0.221 | (0.329) | Disapplication outcome / proposal |
| **Total School Block Funding 2020/21 (excluding growth fund)** | **65.004** | **0.480** | **65.484** |  |
| DSG Growth Fund | 0.000 | 0.343 | 0.343 | Not notified until Dec |
| **Total Schools Block Funding 2020/21 (including growth fund)** | **65.004** | **0.381** | **65.827** |  |

* 1. Using the revised schools block allocation of £65.484m, individual School Budget Shares have been calculated and submitted to ESFA for approval.
  2. The agreed local MFG of +1.84% has been applied to School Budget Shares. Owing to the increased funding of £0.480m, a cap was not required to fund any of the maximum MFG. Therefore, any schools gaining under the 2020/21 National Funding Formula (NFF) receive the full benefit of increases without the limit of a cap.
  3. Schools will be notified of the individual budget shares by mid-February, pending approval from ESFA.

**4.** **Recommendations**

4.1 Forum is asked to note the changes to schools block funding outlined in this report.