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| <b>Meeting:</b>         | <b>Schools Forum</b>                                    |
| <b>Meeting date:</b>    | <b>15 January 2021</b>                                  |
| <b>Title of report:</b> | <b>Supplementary Report of the Budget Working Group</b> |
| <b>Report by:</b>       | <b>Strategic Finance Manager</b>                        |

1. The report to the Schools Forum on the Schools Budget 2021/22 includes details of the final DSG settlement as published by government on 17 December 2020 and recommendations on allocations from the Local Authority. It does not include any comment from the Budget Working Group (BWG) referring only to the submission of this supplementary report from the Group.
2. The BWG met on 8 January 2021 and considered the proposals set out in the report to the forum. The working group supported the proposals that had previously been consulted upon and the recommendations as set out in the published paper.
3. At the time of the meeting the Secretary of State had not approved the use of the additional factor for those small schools impacted by the absorption of the teachers' pension employer contribution grant and teachers pay grant. While it is the stated preference of the BWG that the additional factor be used, the BWG discussed options for distribution of the £27k allocated for this factor in the event that approval was not given. The two main options were an additional transfer to the high needs block or distribution to all schools by an increase in the per pupil rate.
4. The BWG highlighted the principle that funds should remain within their allocated blocks. In the event that the additional factor is not approved by the Secretary of State the recommendation of the BWG is that £27k should be distributed across all schools by increasing the per pupil rate.
5. Following the recommendation by the BWG it has been confirmed that this options would result in an additional £2 per pupil allocation to primary and secondary schools and that the total allocation to the growth fund would be reduced to the actual cost of £234k in order to fully fund the additional distribution.

**The Budget Working Group recommend that:**

- a) **Subject to approval from the Secretary of State, an exceptional factor be included in the funding formula for those schools impacted by the absorption of the teachers' pension employer contribution grant and teachers pay grant at a cost of £27k as set out in recommendation (a) in the report to the forum; and**
- b) **In the event that approval is not received the basic entitlement per primary and secondary pupil be increased by £2 a pupil and the growth fund allocation in recommendation (b) in the report to the forum be reduced to £234k.**