



Schools Forum

Report title: Dedicated Schools Grant 2021/22 - Schools Block

Date: 19th January 2021

Key decision: No.

Item number: 6

Outline and recommendations

Following the December schools forum meeting and the Dedicated Schools Grant (DSG) settlement of the 17th December 2020.

Appendix A provides a school by school funding schedule based on the National Funding Formula (NFF) including the maximum 2% minimum funding guarantee (MFG) uplift.

After accounting for the above maximum amounts, there remains an overall balance of £2.312m

This is largely because of the rebates related to national non-domestic rates return (NNDR) including a transfer of school to academy (thus changing status to charitable). Additionally, the need for planned growth is lower than in previous years as most schools have now completed their expansions.

Following discussions with the Department for Education (DfE) –it is not permissible to extend the MFG above the 2% maximum threshold. Equally, it is not recommended to increase the NFF rates as this could have unintended consequences in the future as we head towards a hard formula. As explained above the residual funding level is for 2021/22 and not guaranteed in future years.

Schools Forums is asked to support the following application

- *0.5% transfer to High Needs Block (£1.068m)*
- *£1.243m to be split between falling rolls and growth fund. It should be noted that the proposal is for falling rolls to be a pilot for one year only.*

Schools Forum will need to approve the criteria for the falling rolls fund, it should be noted that one of the criteria element is reserve balances, as such allocation can only be made post closure of accounts.

Schools Forum to note that a further report would be submitted should any funds remain unused.

Timeline of engagement and decision-making

Following the December schools forum meeting and the subsequent funding settlement Schools Forum to approve the submission of the APT as detailed in this report and exemplified (appendix A) to the DfE for the 21st January 2021.

Approve the growth fund and the falling rolls fund as detailed in this report.

Summary

- 1 This report provides an exemplification of the schools funding formula, based on the NFF values incorporating the 2% uplift. This forms the basis of the APT for Schools Forum to approve for submission to the DfE on 21st January 2021.
- 2 The report also seeks forum's guidance on the application of the remaining settlement after the maximum distribution from the funding formula.

Schools Funding Formula

- 3 **Schools forum is asked to note and approve the APT, based on the National Funding Formula and 2% uplift (see Appendix A for exemplification) for submission to the DfE on the 21st January 2021. Please note that the DfE will undertake any appropriate validation and sense checks; for this reason, schools can consider this figure as a guide but not assume this to be the final allocation until sign off from the DfE**
- 4 The funding formula is based on the NFF unit values including the maximum 2% uplift. The NFF values have been enhanced by the DfE to take into consideration the streamlining of the Teachers Pension and Pay Grants (TPPG). As with any streamlining and redistribution the comparison cannot be taken like for like. Table 1 below shows the unit values applied for the 2021/22 funding formula.

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Table1 – Funding formula/ unit rate

**2021/22 Lewisham Local Schools
Funding Formula**

	ACA	1.18381		
Factors	NFF	revised for ACA	Unit Value	revised for ACA
Primary (Years R-6)	3123	£3,697.04		
Key Stage 3 (Years 7-9)	4404	£5,213.50		
Key Stage 4 (Years 10-11)	4963	£5,875.25		
	Primary		Secondary	
FSM	460	£544.55	460	£544.55
FSM6	575	£680.69	840	£994.40
IDACI Band F	215	£254.52	310	£366.98
IDACI Band E	260	£307.79	415	£491.28
IDACI Band D	410	£485.36	580	£686.61
IDACI Band C	445	£526.80	630	£745.80
IDACI Band B	475	£562.31	680	£804.99
IDACI Band A	620	£733.96	865	£1,024.00
EAL 3 Primary	550	£651.10	1485	£1,757.96
5) Mobility	900	£1,065.43	1290	£1,527.11
6) Low prior attainment	1095	£1,296.27	1660	£1,965.12
7) Lump Sum	117800	£139,452.82	117800	£139,452.82

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Table 2 –Deployment of the schools block

	APT 2021/22				
	Primary		Secondary		Total
	Units	£	Units	£	
Factors				Units	£
Primary (Years R-6)	24,049	£88,909,158			£88,909,158
Key Stage 3 (Years 7-9)			6,888	£35,908,410	£35,908,410
Key Stage 4 (Years 10-11)			4,486	£26,356,367	£26,356,367
FSM	5,034.75	£2,741,689	2,848.76	£1,551,300.08	£4,292,989
FSM6	6,267.36	£4,266,135	4,489.44	£4,464,305.12	£8,730,440
IDACI Band F	5,170.88	£1,316,088	2,240.64	£822,271.03	£2,138,359
IDACI Band E	5,662.91	£1,742,990	2,789.33	£1,370,344.62	£3,113,335
IDACI Band D	3,328.54	£1,615,547	1,696.93	£1,165,129.61	£2,780,677
IDACI Band C	2,113.64	£1,113,458	1,228.92	£916,529.81	£2,029,988
IDACI Band B	1,869.87	£1,051,448	1,146.64	£923,036.35	£1,974,484
IDACI Band A	10.05	£7,380	11.06	£11,322.56	£18,702
EAL 3 Primary	4,786.90	£3,116,729	471.25	£828,429.74	£3,945,159
5) Mobility	97.28	£103,648	0.78	£1,191.15	£104,839
6) Low prior attainment	5,326.30	£6,904,330	2,664.87	£5,236,793.60	£12,141,123
7) Lump Sum					£11,016,773
10) Split Sites					£181,600
11) Rates					£3,282,149
Exceptional Circumstances					£184,021
MFG					£10,858,105
12) PFI funding					£2,490,199.00

Total Value of Factors at 2% MFG uplift

£220,456,878

Schools Block Funding

£222,768,952

Unallocated Funding

£2,312,074

	APT 2020/21					
	Primary		Total	Secondary		Total
	Units	£		Units	£	
						£
	24,776	£3,382	£83,796,029			£83,796,029
				6,768	£4,757	£32,190,338.89
				4,577	£5,399	£24,712,858.87
	4,150.43	£533	£2,210,995	2,470.39	£532.71	£1,316,015
	6,942.83	£663	£4,602,633	4,784.39	£964.81	£4,616,005
	3,869.56	£249	£961,972	1,596.98	£355.14	£567,157
	4,856.82	£296	£1,437,388	2,054.30	£479.44	£984,921
	3,336.19	£444	£1,481,030	1,583.63	£633.34	£1,002,971
	3,976.16	£479	£1,906,340	2,160.00	£686.61	£1,483,075
	3,999.48	£515	£2,059,560	2,215.63	£739.88	£1,639,299
	210.46	£710	£149,485	137.09	£994.40	£136,318
	4,732.86	£633	£2,997,502	508.14	£1,704.69	£866,224
	321.21	£1,036	£332,723	30.71	£1,479.76	£45,450
	5,498.89	£1,261	£6,932,769	2,491.80	£1,905.93	£4,749,215
						£10,698,801
						£181,600
						£4,119,386
						£182,257
						£10,348,138
						£2,741,851

Total Value of Factors at 2% MFG uplift

£211,450,306

Schools Block Funding

£212,134,697

Unallocated Funding

£684,391

- 5 The Authority Proforma Tool (APT) is a complex tool, with inter-relationship to the funding a school is eligible for based on Free School Meals (FSM), the Income Deprivation Affecting Children Index (IDACI) etc. compared with the level of transitional support funding needed to support an uplift.
- 6 As in previous years, the data used is per the DfE data sets and not adjusted by officers.
- 7 **Schools forum should note that it is not permissible to increase the MFG above the 2% level. Equally, it is not recommended to increase unit values above the NFF especially as this remaining funding is “one off” and should not be committed in the base for this reason.**

High Needs Block

- 8 Report elsewhere on the agenda discusses the detail around the pressures facing the High Needs Block and the requirements placed on Local Authorities to remain within the overall DSG. **Schools Forum is asked to support the transfer to the High Needs Block for 2021/22 up to the 0.5% allowable by the DfE (£1.068m).**

Growth Fund

- 9 The calculated requirement for the 2021/22 growth fund is £150k . This would allow the ongoing support of £2k for existing bulge classes plus provide a provision should as part of the place planning process a need be identified for september 2021 for up to 2 classes.
- 10 There is on-going work with regards place planning coupled with the current uncertain times that may require additional planned growth in the medium term.
- 11 The proposal is also to incorporate support for those schools who receive significant increase (late admissions) between the October count date to the January count date. At the time of writing the census for January has not taken place so it is not appropriate to determine the number of schools that could be supported. A 2% threshold is proposed as such a school would be expected to manage movement of 2%. This would also take into consideration potential pressure arising from pupils electing home education who subsequently decide to return back to school. Funding would support any numbers above this. Following census, detailed work can be undertaken for discussion at the meeting of the forum in the summer. This is a pilot proposal for 2021/22 only. Depending on affordability it may be necessary to adjust the 2% figure.
- 12 Schools forum is asked to support the provisional value of the Growth fund at £643.548K in line with the current wording agreed with schools forum (this has been previously agreed with the forum)

*“The Schools Forum will manage the Growth Fund on a mutual basis and allocations are limited to expansions required on the basis of basic needs. All bulge classes will be agreed with the Local Authority before they are set up and will only be funded where there is an increase in the number of places at the school relative to the number at the time of the October census used for funding the financial year concerned. The funding will be based on a standard tariff of funding rates reviewed annually by the Schools Forum. The tariff for next year is a £55,000 lump sum in the first year of a 30 place bulge class and an on-going lump sum for resources each year of £2,000 (pro rata for other class sizes). This tariff will also apply for permanent intake expansions. Where the tariff is applied to a bulge class or permanent expansion at an academy, a further £39,286 (£55,000/7*5) will be paid for the summer term (and then applied to reduce the DSG recoupment amount.”*

Falling Rolls Fund

- 13** Lewisham currently does not operate a falling rolls fund. The DfE enables Local Authorities to provide a falling rolls fund to support those schools who have had a reduction in their numbers. The DfE requirement further adds that schools must have an Ofsted categorisation of good or outstanding to qualify. The DfE further states that the Local Authority would reasonably expect there to be a need for those places in the medium to long term.
- 14** It is proposed that the protection is offered to schools on the basis of Age Weighted Pupil Funding (AWPU) x reduction (for all-through schools this would be the mid point of primary and secondary AWPU). Table below offers three options and affordability. Schools will be expected to manage reductions of up to Agreed % (e.g. 3%) between the current and the previous census. For 2021/22, this would be comparison between October 2019 and October 2020.

Table 3

% Threshold	Cost	Schools supported	Comment
3%	-£750k	23	Would require more holdback then proposed
4%	-£510k	14	Can be supported within holdback
5%	-£360k	9	Can be supported within holdback

De-delegation

- 15** Table below shows the de-delegation levels applied as discussed at the December schools forum
- 16** Schools forum is asked to note this information has it has been previously agreed.

				Unit Rates	
	Primary	Secondary	Total	Primary	Secondary
Schools contingency	£401,724	£155,880	£557,604	£18.68	£19.50
Free school meals eligibility	£38,396	£21,735	£60,131	£7.13	£7.22
Licences/ subscriptions	£132,577	£49,287	£181,863	£6.16	£6.16
Staff costs supply cover	£812,304	£315,196	£1,127,500	£37.77	£39.43
Lewisham Learning	£216,134	£83,866	£300,000	£10.05	£10.49
Totals	£1,601,134	£625,963	£2,227,098		

Pressures on the Central Schools Services Block /General Fund

- 17** Schools forum agreed to receive a detailed paper on the funding implications for the Local Authority, both as a consequence of the cessation of the Education Services Grant and now the continuation of reduction on the Central School Services Block (CSSB). A further report discusses this in more detail.
- 18** Schools forum should note that currently no assumptions have been made in the above costings of supporting the resultant pressure/shortfall.

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Financial Implications

- 19** There are no direct financial implications arising from the proposed APT submission as it conforms to the NFF and provides the maximum 2% uplift.
- 20** A balance of £2m remains for schools forum to consider the options between supporting, the high needs block, growth fund and falling rolls
- 21** It should be further noted that the funding is not being requested to support central services but directly for schools.

Equalities Impact

- 22** The DfE has undertaken Equalities Impact Assessment in respect of the NFF.

Legal Implications

- 23** Legal implications are set out in the the main settlement report.

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