

City of Wolverhampton Council

SCHOOLS' FORUM

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Report title	Dedicated Schools Grant and School Funding 2021-2022
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Summary

This report considers the anticipated Dedicated Schools Grant (DSG) settlement for 2021-2022 and the proposed local funding formula for the Schools Block in Wolverhampton.

Decision

Members of the Schools' Forum are asked to:

1. Note the anticipated DSG settlement for 2021-2022.
2. Endorse and recommend to Cabinet the proposed national funding formula (NFF) and note the resulting growth fund and budget allocations to schools in Wolverhampton.
3. Agree the proposed rates for de-delegation from maintained schools for 2021-2022.
4. Agree the proposed rates for maintained schools' contribution to Education Functions for 2021-2022.
5. Note that Schools' Forum will receive further reports in February 2021 detailing the breakdown of High Needs, Early Years and Central Services Blocks budgets along with a Schools Block report detailing final school budget shares.

1.0 Background

- 1.1 The Government initially announced its intention to introduce a national funding formula (NFF) for schools (reception to Year 11) from 2017-2018 but following a period of consultation, introduced a phased implementation of the NFF from April 2018. The National funding formulae for schools and high needs policy document published in October 2019 confirms the government's intention to move to a 'hard' National Funding formula set on the basis of a single, national formula however the date for this is yet to be finalised.
- 1.2 In 2021-2022 Local authorities still have the option to set a local funding formula and, at its meeting on 3 December 2020, Schools' Forum voted for its preferred methodology to adopt the National Funding Formula as detailed in Section 4.0 of the 2021 -2022 National Funding Formula Provisional Allocations and Authority Proforma Tool report. On 17 December 2020, the Department for Education made annual announcements regarding the allocations for Dedicated Schools Grant for the financial year 2021-2022 as detailed in Section 2.
- 1.3 As part of the annual process for determining school budget shares the Council is required to enter the agreed local funding arrangements into the Authority Proforma Tool (APT) and submit this to the Education and Skills Funding Agency (ESFA). The Council is also required to have the local funding arrangements agreed by Cabinet in February, enabling it to notify Schools of their final budget share by the 25 February 2021 Schools' Forum meeting.

2.0 DSG allocation 2021-2022

- 2.1 On 17 December 2020, the Department for Education announced the Local Authority's DSG allocation for 2021-2022. The City of Wolverhampton's initial allocation was announced as £291.74 million as set out in the following blocks.

2021-2022 Settlement	Indicative DSG	2020-2021 £m	2021-2022 £m
Schools Block		206.21	223.89
High Needs Block		41.71	46.92
Central Services Block		1.94	2.09
Initial Early Years Block		18.60	18.83
TOTAL		268.46	291.73

- 2.2 Schools' Forum will receive reports at the meeting of 25 February 2021 detailing the budgets for High Needs, Central Services and Early Years Blocks as well as the approved Schools Block budget.

3.0 Schools Block Funding

- 3.1 The Schools Block Funding of £223.89 million is made up of the following elements:

Area of Funding	Total (£m)
Primary and secondary per pupil funding	217.06
Premises Factors (Rates and PFI)	5.16
Growth Factor	1.67
TOTAL ALLOCATION	223.89

Primary and Secondary per pupil funding – 217.06 million

- 3.2 This funding is calculated on a per pupil basis for primary and secondary pupils.

Growth Factors - £1.67 million

- 3.3 The 2021-2022 growth factor is based on the increase in pupil numbers between October 2019 and October 2020 census data. The level of required growth fund and method of distribution to schools remains at the discretion of the Local Authority. Schools forum received a report at its December meeting indicating the required growth fund for 2021-2022 would be £2.0 million.

Premises Factors - £5.16 million

- 3.4 The premises baseline is the total funding allocated through premises factors:
- a) PFI
 - b) Split-sites
 - c) Rates
 - d) Exceptional Circumstances (such as merging schools)

4.0 Preparation of Individual Schools' Budgets for 2021-2022

2021-2022 Funding Formula

- 4.1 At its meeting of 5 December 2019, Schools' Forum voted to adopt all NFF rates as part of its local formula for 2020-2021. Schools' Forum also voted to set the Minimum funding guarantee (MFG) at the maximum allowable and introduce a cap to reduce gains if required to make the formula affordable within funding allocated. Schools' Forum then received a paper in December 2020 advising that indicative calculations suggested that it would again be possible to implement full NFF factors, using the maximum MGF for 2021-2022 of 2%, and no cap on maximum gains.
- 4.2 Following the government's release of the final Authority Proforma Tool (APT) and final Schools Block DSG allocation in mid-December, modelling shows that to implement the National Funding formula rates with an MFG of 2.0% and no gains cap would result in a budget requirement of £223.13 million, which means utilising an element of the funding earmarked for growth, and leaving a an allocation to the Growth Fund from 2021-2022 Schools' Block of £0.77 million.
- 4.3 The Growth Fund forecast for 2020-2021 projects a carried forward balance of £1.23 million, thus providing a Growth Fund total allocation of £2.00 million for 2021-2022 when added to the APT allocation of £0.77 million.
- 4.4 The growth fund will be monitored closely and Schools forum will be kept informed of forecasts, as if a growth fund is required in excess of the level set in this budget it would have to be borrowed forward from the DSG in 2022-2023.
- 4.5 Appendix 1 shows the funding factors included in the proposed 2021-2022 local factors and 2020-2021 rates for comparison. A list of schools and their forecast budget share under the proposed local funding formula is shown in Appendix 2.

5.0 De-delegation 2021-2022

- 5.1 The Local Authority continue to offer a de-delegation option for the provision of services to maintained primary and secondary schools. As in previous years, Special schools, Nursery

schools, pupil referral units (PRUs) and Academies will need to enter into service level agreement (SLA) arrangements to secure these services.

- 5.2 The only currently de-delegated service is for Under-performing Ethnic Minority groups. Wolverhampton Citizenship, Language and Learning Service supports schools/academies in Wolverhampton before, during, and after the admittance of a newly arrived pupil, for whom English is an additional language and also supports pupils from traditionally under achieving ethnic groups.
- 5.3 The cost of providing the service in 2021-2022 will be £194,250 and the de-delegation funding is topped up by Academy SLAs and Maintained school upgrades. Due to increased costs related to corporate salary increases it is proposed that the cost per pupil is increased by the Consumer Price Index Inflation Rate of 0.6% to £9.28 as shown in the table below.

Financial year	Cost per head £	Number pupils	of	Income £
2019-2021	8.78	13,653		119,873
2020-2021	9.22	13,218		121,854
2021-2022	9.28	12,850		119,189

6.0 Education Functions

- 6.1 In September 2017, the Education Services Grant (ESG) was removed by the Department for Education (DfE) and was replaced under the National Funding Formula framework by the Central Schools Services Block (CSSB).
- 6.2 The CSSB was fully introduced in 2018-2019, to fund local authorities for the statutory duties they hold for both maintained and academy schools.
- 6.3 Where local authorities continue to provide additional services for maintained schools, which were formerly funded through the ESG, these services are now expected to be funded from school budget shares, with the agreement of maintained school members of the Schools' Forum.
- 6.4 In 2020-2021, the rate of funding received through the CSSB was £33.09 per pupil and maintained primary and secondary schools made an additional contribution at a proposed rate of £30.00 per pupil.
- 6.5 For 2021-2022, the rate of funding received through the CSSB is £35.17 per pupil and maintained primary and secondary schools are asked to make an additional contribution of £30.83 per pupil, an increase of 2.75% when comparing to 2020-2021.
- 6.6 Differential rates have historically been applied for special schools and PRUs and are calculated on a per place basis. The proposed rates for these establishments will be brought to Schools' Forum within the High Needs paper for consideration. However, it is worth noting that the multipliers previously used were 3.75 for PRUs and 4.25 for special schools

City of Wolverhampton National Funding Formula factors for 2021-2022

Funding Factor			National Funding Formula 2021-2022	CWC recommended rates 2021-2022 (with Area Cost Adjustments)	National Funding Formula 2020-2021	CWC recommended rates 2020-2021 (with Area Cost Adjustment)
Basic entitlement	Age-Weighted Pupil Unit (AWPU)	Primary	3,123.00	3,133.52	2,857.00	2,866.63
		Secondary: KS3	4,404.00	4,418.84	4,018.00	4,031.54
		Secondary: KS4	4,963.00	4,979.73	4,561.00	4,576.37
Needs Led Factors						
Deprivation Through a combination of FSM and IDACI Bands	Free School Meals	Primary FSM	460.00	461.55	450.00	451.52
		Secondary FSM	460.00	461.55		
		Ever6 FSM: Primary	575.00	576.94	560.00	561.89
		Ever6 FSM: Secondary	840.00	842.83	815.00	817.75
	IDACI Band F	Primary	215.00	215.72	210.00	210.71
		Secondary	310.00	311.04	300.00	301.01
	IDACI Band E	Primary	260.00	260.88	250.00	250.84
		Secondary	415.00	416.40	405.00	406.36
	IDACI Band D	Primary	410.00	411.38	375.00	376.26
		Secondary	580.00	581.95	535.00	536.80
	IDACI Band C	Primary	445.00	446.50	405.00	406.36
		Secondary	630.00	632.12	580.00	581.95
	IDACI Band B	Primary	475.00	476.60	435.00	436.47
		Secondary	680.00	682.29	625.00	627.11
	IDACI Band A	Primary	620.00	622.09	600.00	602.02
		Secondary	865.00	867.92	840.00	842.83

Funding Factor		National Funding Formula 2021-2022	CWC recommended rates 2021-2022 (with Area Cost Adjustments)	National Funding Formula 2020-2021	CWC recommended rates 2020-2021 (with Area Cost Adjustment)	
Low Prior Attainment		Primary	1,095.00	1,098.69	1,065.00	1,068.59
		Secondary	1,660.00	1,665.59	1,610.00	1,615.43
English As an Additional Language (EAL)	Pupils with a first language other than English attract funding for up to 3 years	Primary	550.00	551.85	535.00	536.80
		Secondary	1,485.00	1,490.00	1,440.00	1,444.85
Pupil Mobility	Counts pupils entering a school during the last 3 academic years but did not start in August or September)	Primary	900.00	903.03	875.00	877.95
		Secondary	1,290.00	1,294.35	1,250.00	1,254.21
School/ Premises Led Factors						
Sparsity	Schools located in areas where pupils have to travel; or small schools	Primary		-		
		Secondary		-		
Lump Sum		Primary	117,800.00	118,196.99	114,400.00	114,785.53
		Secondary	117,800.00	118,196.99		