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NOTICE OF MEETING

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SCHOOLS FORUM

will meet on

THURSDAY, 21ST JANUARY, 2021

At 2.00 pm

in the

VIRTUAL MEETING - ONLINE ACCESS, [YOUTUBE](#)

TO: MEMBERS OF THE SCHOOLS FORUM

SCHOOL REPRESENTATIVES: MAGGIE CALLAGHAN, ISABEL COOKE, SARAH COTTLE, JOHN FLETCHER, AMANDA HOUGH, ANDREW MORRISON, JOOLZ SCARLETT, CATHRIN THOMAS, MARTIN TINSLEY (CHAIRMAN), CHRIS TOMES (VICE-CHAIRMAN) AND MIKE WALLACE.

GOVERNORS: STEPHEN MCCORMAC

NON-SCHOOL REPRESENTATIVES: AMANDA DEAN

Karen Shepherd – Head of Governance - Issued: 12.01.21

Members of the Press and Public are welcome to attend Part I of this meeting. The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the Panel Administrator **Fatima Rehman 01628 796251**

The Part I (public) section of this virtual meeting will be streamed live and recorded via Zoom. By participating in the meeting by audio and/or video you are giving consent to being recorded and acknowledge that the recording will be in the public domain.

AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES</u> To receive apologies for absence.	-
2.	<u>DECLARATIONS OF INTEREST</u> To receive any Declarations of Interest.	3 - 4
3.	<u>MINUTES</u> To confirm the minutes from the previous meeting.	5 - 10
4.	<u>BUDGET MONITORING AND FORECAST 2020/21</u> To receive the above report.	11 - 18
5.	<u>DEDICATED SCHOOLS GRANT BUDGET ALLOCATION 2021/22 AND DEFICIT MANAGEMENT PLAN</u> To receive the above report.	To Follow
6.	<u>SCHOOL BUDGET FUNDING 2021/22</u> To receive the above report.	19 - 56

MEMBERS' GUIDE TO DECLARING INTERESTS IN MEETINGS

Disclosure at Meetings

If a Member has not disclosed an interest in their Register of Interests, they **must make** the declaration of interest at the beginning of the meeting, or as soon as they are aware that they have a DPI or Prejudicial Interest. If a Member has already disclosed the interest in their Register of Interests they are still required to disclose this in the meeting if it relates to the matter being discussed.

A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in the discussion or vote at a meeting.** The speaking time allocated for Members to make representations is at the discretion of the Chairman of the meeting. In order to avoid any accusations of taking part in the discussion or vote, after speaking, Members should move away from the panel table to a public area or, if they wish, leave the room. If the interest declared has not been entered on to a Members' Register of Interests, they must notify the Monitoring Officer in writing within the next 28 days following the meeting.

Disclosable Pecuniary Interests (DPIs) (relating to the Member or their partner) include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any licence to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where:
 - a) that body has a piece of business or land in the area of the relevant authority, and
 - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

Any Member who is unsure if their interest falls within any of the above legal definitions should seek advice from the Monitoring Officer in advance of the meeting.

A Member with a DPI should state in the meeting: ***'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations on the item: ***'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Prejudicial Interests

Any interest which a reasonable, fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs the Member's ability to judge the public interest in the item, i.e. a Member's decision making is influenced by their interest so that they are not able to impartially consider relevant issues.

A Member with a Prejudicial interest should state in the meeting: ***'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations in the item: ***'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Personal interests

Any other connection or association which a member of the public may reasonably think may influence a Member when making a decision on council matters.

Members with a Personal Interest should state at the meeting: ***'I wish to declare a Personal Interest in item x because xxx'. As this is a Personal Interest only, I will take part in the discussion and vote on the matter.***

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Agenda Item 3

SCHOOLS FORUM

THURSDAY, 19 NOVEMBER 2020

Members: Maggie Callaghan, Isabel Cooke, John Fletcher, Andrew Morrison, Joolz Scarlett and Chris Tomes.

Also in attendance: Councillors John Baldwin and Maureen Hunt.

Officers: Fatima Rehman, James Norris, Kevin McDaniel, Sarah Ward, Tracey Anne Nevitt and David Cook.

APOLOGIES

Apologies for absence were received from Mike Wallace and Sarah Cottle. Martin Tinsley, Chairman, sent his apologies, and the Vice Chairman was in the Chair for the meeting.

DECLARATIONS OF INTEREST

None.

MINUTES

RESOLVED UNANIMOUSLY: That the minutes of the meeting held on 22 September 2020 be approved.

BUDGET MONITORING AND FORECAST 2020/21

James Norris, Head of Finance, introduced the report to Members, which provided a financial update for the financial year 2020/21. There were variances within the Dedicated Schools Grant (DSG) and the projected deficit position.

Progress had been made on the Deficit Recovery Plan (DRP), to be submitted to the Department for Education (DfE). This was because of the deficit balance at the end of last year and projected forward for the end of this financial year. Regular monitoring was being undertaken, with unchanged variances within the Schools Block. There was an underspend of £450,000 due to lower commitments against the Growth Fund than initially planned. There was an underspend of £52,000 in the Central Schools Block due to staffing vacancies and reformation of teams. There was a forecast underspend of £100,000 in the Early Years Block due to the clawback mechanism from the last financial year. It was projected that underspend could be completely dissolved, with an update in the next Schools Forum. There was an overspend of £810,000 in the High Needs Block (HNB) due to Pupil Top Up and direct support packages, and the forecast was largely based on the 2019/20 outturn. An update would be given in future monitoring reports.

The DSG budget showed an overall overspend of £208,000 at the end of March 2021. Previous years showed additional costs from the HNB in the second half of the year, estimated to be £70,000. The overspend position would therefore be £278,000, should the additional costs materialise. There was a cumulative carried forward deficit between £1.233 – £1.303 million, which represented just over 1% of the overall budget allocation. Authorities with a deficit, regardless of the percentage, had to submit a

DRP to the DfE, which was being drafted by officers. All options were being explored to address the deficit and bring it back to a balanced position. Some options included, but were not limited to:

- Improving the commissioning arrangement by ensuring annual reviews were undertaken at schools, with a focus of financial impact.
- Increase the funding contribution from partners.
- Reviewing the local Special Educational Needs and Disabilities (SEND) Sufficiency strategy.
- Hold inflation to a minimum.
- Continue to promote the independence and use of the local offer to young people.
- Seek approval for a block transfer, by moving funding from the Schools Block to the HNB as a last resort.

Kevin McDaniel, Director of Children's Services, said the situation of the HNB was a national phenomenon around the education system due to the pressure on the funding mechanisms for children with additional needs. The borough was working around the inclusion agenda over the last few years, with the adoption of an inclusion charter and peer-led process of inclusion to ensure schools were providing good services to young people with needs. The challenge was ensuring funding was in the right area. Whilst an increase in money was due to come into the budget next year, this would not solve the problem alone. Systemic changes needed to be addressed and Members were encouraged to partake in conversations to find ways to transform the way support was delivered.

Councillor Hunt asked if the number of children with needs to join primary schools in the authority was taken into account, and the Members were informed that the modelling approach for the number of SEND in the system was being explored and would be updated in a future meeting. Kevin McDaniel said developmental needs were not easy to identify at the early ages as they developed overtime. Approximately 1.6% of children in schools in the borough had an Educational Health and Care Plan (EHCP), which attracted funding. The national number for children with additional needs who didn't meet the EHCP threshold was 19%, with some schools in the borough being just below this number and many over. Judgements made by headteachers of their pupils showed that a third of the pupils had additional needs. It was therefore imperative to get early interventions and support to stop children as it was harder for schools to deal with children with additional needs in upper schools.

Joolz Scarlett asked if there was a timescale for the DRP to recover. James Norris stated there was no definitive timescale, however the team was working towards a timescale of 3-5 years.

The Panel noted the item.

PROVISIONAL DEDICATED SCHOOLS GRANT & AND SCHOOLS FORMULA 2021/22

James Norris introduced the report to Members, sharing the provisional settlement for 2021/22 and proposed changes to the Schools Formula, with a view to receive input to the proposed models through a consultation. Previous consultations had a response rate of just over 30% and the Local Authority was keen to increase participation. A

presentation was shown that explained the terminology used in the report and was to be shared with all schools to increase consultation response rates. The presentation stated the following:

In July 2020 all local authorities received the provisional grant allocations for the DSG, including the Schools, High Needs and Central School Services Blocks. The Early Years Block's indicative grant was to be sent to authorities later in 2020 and reviewed in 2021 to reflect the January census.

The table presented compared the current year DSG allocations to the provisional allocations for 2021/22. The funding to be allocated to schools had increased due to the grants rolled into the Schools Block for teachers pay and pension. These were previously outside the formula and were paid to schools in-year. The grants of over £4 million would be delegated in primary and secondary schools by the borough's Schools Formula. In January and April 2021, further budget reports would be circulated to the Forum, detailing budget allocations of the HNB, Central Services and Early Years Block.

Provisional DSG notifications allowed local authorities time to consider changes to the Schools Formula and the distribution of the rolling grants. The current school funding available totalled £97.9 million, based on October 2019's census. The funding would be allocated to all primary and secondary schools, maintained and academies. For 2021/22, the borough produced two financial models for consideration.

The Schools Formula included two guarantees, including the Minimum Funding Guarantee (MFG) and Minimum Per Pupil Level (MPPL). These protected per pupil funding per school from significant changes year on year (YOY). These could override the local Schools Formula and top-up the individual school's budget. The operational guidance detailed ranges that could be applied for the MFG from 2021/22, which ranged from 0.5% up to 2%. The MPPL was set for primary Key Stage 3 and 4 pupils.

Local authorities were required to set a pre-16 MFG to protect schools from excessive YOY changes. The authority was able to set the MFG up to 2%, known as an MFG top-up, which was not a cash guarantee between years, but rather pupil protection. Business rates and lump sum were excluded from the MFG calculation. In the current year, the borough had set the MFG at 0.5%. The proposed models showed an increase in the MFG as 1.3% in Model 1 and 1.25% in Model 2.

The MPPL was a compulsory matter and the factors that made the MPPL were pupil led, therefore premises costs and the growth fund were not part of the formula. For primary schools, the MPPL would ensure that each pupil's funding would be £4,180. The lump sum was taken together and divided by the number of pupils enrolled. If the figure was smaller than the MPPL level, the top-up fund was given to that individual school. Both models met the MPPL in full.

For the 2021/22 consultation, two financial models had been created for consideration. Both models allocated all the additional funding for the Schools Block (including grants) and met the guarantees in full. Model 1 continued to target funding at local priorities and Model 2 moved closer to the NFF values. Both models were based on the October 2019 pupil numbers, but final allocations to schools would be updated with data to reflect the October 2020 pupil numbers.

Deprivation is a compulsory factor and the local borough uses three indicators being Free School Meals, Free School Meals Ever 6 and the Income Deprivation Index. The 2019 update from Income Deprivation Affecting Children Index (IDACI) would impact on the formula shares. The 2019 data changed the banding structure to reflect the new data, which was defined by rank rather than by score and impacted the data set change. For the current year, £921,000 allocated schools by IDACI decreased to £454,000 in Model 1, and £392,000 in Model 2.

The presentation illustrated which formula factors in the models were at the NFF rate or at an agreed local unit rate, which were either above or below the NFF rate. Headroom funding for both models was included in the school lump sum, bringing the lump sum above the NFF value for 2021-22. Both models ensured that 80% of the delegated Schools Block funding was via pupil led factors.

For most schools, percentage increase per pupil varied little between the two models when the two formula guarantees were included. Schools with the highest level of deprivation showed a larger per pupil percentage increase in Model 1 than in Model 2. Schools that showed the same percentage increase across both models qualified for the MPPL top-up.

The consultation document was due to be sent out to schools on 30 November 2020 and was to close on 13 December 2020. The document included the following questions:

- Question 1: What level of increase in the Minimum Funding Guarantee increase would you recommend?
- Question 2: Do you support targeting funding at local priorities, such as deprivation funding?
- Question 3: Do you agree that any headroom should be targeted at the school lump sum per school? If not, do you have any other suggestions?
- Question 4: Of the models provided which is your preferred model? Why is this your preferred model?

The responses from the consultation would be shared with the Forum in the next meeting.

Andrew Morrison asked why question 1 asked if the MFG should remain at 0.5%, when the both models raised this percentage to either 1.2% or 1.3%. The Panel was informed that the MFG range was 0.5% to 2% and the decision was made to reach the midpoint of the range to guarantee a higher level of protection. It was suggested to reword the question, and this was to be considered. Kevin McDaniel said if a low MFG was used, the other elements in the Schools Formula would be distorted, whilst the proposed MFG ensured the overall variation for more schools was a stable range.

Isabel Cooke said there were schools that would be at a loss from either model, therefore it was important to have them aware of the models and receive a high response rate to the consultation. The Chairman said many Members were in other Forums with headteachers and were encouraged to raise awareness of the consultation.

Kevin McDaniel said the Schools Formula was a local authority decision and it was important to hear the views from the forum from a system point of view. Model 1

proposed the continued investment in the local priority of targeting deprivation whilst model 2 focused on moving more towards the NFF.

The Chairman said if schools agreed that deprivation funding was important in response to question 2, one model would be seen more favourably than the other. He said it was important to understand the difference in funding within the models and the impact of the two models.

James Norris welcomed any further questions to be added to the consultation and recommendations via email.

The Panel noted the item.

FUTURE MEETINGS

All future meetings to be held on the following dates (at 2pm):

- 21 January 2021
- 22 April 2021

The meeting, which began at 2.05 pm, finished at 2.47 pm

CHAIRMAN.....

DATE.....

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Report Title:	Budget Monitoring and Forecast 2020/21
Contains Confidential or Exempt Information?	No – Part I
Lead Member:	Councillor Stuart Carroll - Deputy Chairman of Cabinet, Adult Social Care, Children’s Services, Health and Mental Health
Meeting and Date:	Schools Forum 21 January 2021
Responsible Officer(s):	Kevin McDaniel - Director of Children’s Services James Norris - Head of Finance Achieving for Children (RBWM)
Wards affected:	All

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REPORT SUMMARY

1. The purpose of this report is to provide the Schools Forum with the projected financial position for 2020/21 along with a summary of associated Risks & Opportunities; the projected reserve deficit balance as at 31 March 2021 and an understanding of the financial pressures faced in respect of the Dedicated Schools Grant. Details are set out in sections 2 and 3.
2. The Dedicated Schools Grant has a cumulative deficit position, therefore, it must work to mitigate this pressure including submitting a recovery plan to the Department for Education. The future action is set out in section 4.

1. DETAILS OF RECOMMENDATION

- 1.1 **RECOMMENDATION:** That Schools Forum notes the report including the reported variance, schedule of Risks & Opportunities and the projected deficit balance carried forward as at 31 March 2021.

2. REASONS FOR RECOMMENDATION AND OPTIONS CONSIDERED

2.1 FINANCIAL SUMMARY

- 2.2 The total Dedicated Schools Grant (DSG) Budget allocation for 2020/21 is £123,911,000 including the proportion of the allocation that will be recouped by the Department for Education (DfE) for academies, non-maintained independent special schools and further education colleges which totals £59,162,000.
- 2.3 There has been an in-year budget allocation from the DfE of £409,000 in respect of the Early Years £244,000 and High Needs Block £165,000 relating to changes in pupil numbers.
- 2.4 The DfE Early Years Block initial allocation for 2020/21 was challenged by Achieving for Children. This resulted in agreement for an additional allocation to be received relating to the current financial year estimated at £691,000.

Resulting in a net in-year grant change of £244,000 for the Early Years block. This updated allocation has been taken into account within the monitoring.

- 2.5 The element of the current budget allocation that will be administered by the Local Authority is £64,993,000. There is a projected net in-year deficit of £388,000 against this allocation, representing 0.6%. This forecast has adversely moved by £180,000 compared to the position reported to Schools Forum 19th November 2020.
- 2.6 The material forecast movements are as follows:
- High Needs Block – increased Independent Special School provision £300,000; reduced pupils placed within Resource Units (£56,000) and Alternative Provision during the summer and autumn terms (£100,000); other variances £29,000
- 2.7 The material forecast variances are as follows:
- Schools Block - Growth Fund underspend (£450,000)
 - Central Block - release of vacancies following restructure (£52,000)
 - Early Years Block - Private, Voluntary & Independent Nurseries 2019-20 underspend carried forward at (£93,000) subject to final block recalculation.
 - High Needs Block - £983,000 including Pupil Top Up funding, other direct support packages based on the 2019-20 outturn and indicative Independent Special School costs based on initial autumn pupil data, uplifted to reflect known increases £1,100,000; partly offset reduced pupils placed within Resource Units (£56,000) and Alternative Provision during the summer and autumn terms (£100,000); other variances £29,000
- 2.8 The summarised financial position for 2020/21 is set out in table 1.

Table 1 Summarised Financial Position

Schools Budget	S251 Budget Allocation	Less Academy Recoupment & Direct Funding	DfE Budget Changes 2020	Current Budget updated	Forecast Variance	Current Forecast	Note
	£000	£000	£000	£000	£000	£000	
<u>Expenditure</u>							
Schools Block	91,762	(56,899)	0	34,863	(450)	34,413	1
Central Block	1,073	0	0	1,073	(52)	1,021	2
Indicative Early Years Block	8,918	0	244	9,163	(93)	9,070	3
High Needs Block	21,992	(2,263)	165	19,894	983	20,877	4
TOTAL EXPENDITURE	123,745	(59,162)	409	64,993	388	65,381	
<u>Funding</u>							
Dedicated Schools Grant	(123,745)	59,162	(409)	(64,993)	0	(64,993)	
TOTAL FUNDING	(123,745)	59,162	(409)	(64,993)	0	(64,993)	
NET EXPENDITURE	0	0	0	0	388	388	5
Summary					£000		
Total in year (surplus) / deficit					388		
Balance brought forward DSG general reserve (surplus) / deficit					1,025		
Net Projected (surplus) /deficit					1,413		
The current allocation of £123,911,000 (2.2) reflects the original allocation of £123,745,000 plus the in-year High Needs Block allocation of £165,000. It excludes the Early Years in-year allocation of £244,000 which related to the 2019/20 recalculation.							

2.9 The reported material forecast variances are set out below in table 2.

Table 2 Material forecast variances

Note	Comments
1	Schools Block (£450,000) - Schools Pupil Growth Fund allocation through the national funding formula (NFF) exceeded local demand and historic commitments (£450,000)
2	Central Block (£52,000) - release of vacancies following restructure (£52,000)
3	Early Years Block (£93,000) - Private, Voluntary & Independent Nurseries clawback provision from 2019-20 (£93,000).
4	High Needs Block £983,000 – including Pupil Top Up funding, other direct support packages based on the 2019-20 outturn and indicative autumn pupil data, uplifted to reflect known increases £1,100,000; partly offset reduced pupils placed within Resource Units (£56,000) and Alternative Provision during the summer and autumn terms (£100,000); other variances £29,000
5	Projected net deficit charge to the DSG General Reserves for 2020/21 is £388,000 (excluding the Risks & Opportunities listed in table 3).

2.10 The summarised material Risks & Opportunities for the current financial year are set out in table 3. These potential material changes to the forecast are not being reported as there is a degree of uncertainty around them or there are plans to mitigate.

Table 3 Summarised Risks & Opportunities

	Variance to Current Forecast	Note
	£000	
Expenditure		
High Needs Block	300	1
Total Expenditure Risks & Opportunities	300	

2.11 The details of the material forecast risks & opportunities are set out below in table 4.

Table 4 Details of Risks & Opportunities

Note	Comments
1	High Needs Block – potential risk of further high cost pressures estimated at £300,000. Pressures relate to the increased costs and volume of pupils attending Independent Special Schools and Further Education establishments. Financial projections based on the latest autumn term and projected spring term pupil data are indicating further cost pressures. These pressures will be reflected in the next monitoring report.

3. PROJECTED RESERVE BALANCE

- 3.1 The dedicated schools grant general reserve as at 31 March 2020 was a deficit of £1,025,000; the revised projected deficit as at 31 March 2021 has increased by £388,000 to £1,413,000 (1.1% of the current total DSG funding allocation for 2020/21).
- 3.2 The projected reserve balance as at 31 March 2021 of £1,413,000 excludes the Risk & Opportunities Register of £300,000, therefore the projected reserve balance as at 31 March 2021 is likely to increase up to around £1,713,000 (1.4% of the total DSG funding allocation for 2020/21).

4. FUTURE ACTION

- 4.1 RBWM has a cumulative deficit on its DSG reserve, therefore, it must co-operate with the DfE in handling that situation. In particular, the local authority must:
- Provide information as and when requested by the department about its plans for managing its DSG account
 - Provide information as and when requested by the department about pressures and potential savings on its high needs budget
 - Meet with officials of the department as and when they request to discuss the local authority's plans and financial situation
- 4.2 Achieving for Children have been in discussions with the DfE and a deficit recovery plan will be presented as a separate budget report to this Schools Forum.
- 4.3 In addition, the level of overspend in the High Needs services remains unaffordable, therefore, it is important that all local partners continue to work to bring the cost of high needs services back in line with the Government grant allocation.
- 4.4 Following the final High Needs Block allocation for 2020/21, there will be a detailed review of budgets and historic expenditure undertaken winter 2020/21 and shared at the appropriate Schools Forum. This review will provide Schools Forum with a more in-depth knowledge of the budget, pressures and risks to enable greater transparency and understanding leading to more informed decision making.
- 4.5 The 2020/21 budget relies on promoting independence and use of the local education offer, managing increasing demand for services through increased early intervention, working with partners to ensure that everyone involved in a child's education is confident in supporting children with additional needs and increasing the amount of local provision as well as ensuring that provision is aligned to need.

- 4.6 The financial trajectory will continue to be carefully monitored in 2020/21 to ensure that the level of spending on education services is affordable. Schools Forum and schools will have a clear role in monitoring the position and in implementing the plans in partnership with AfC and the Council.

5. FINANCIAL DETAILS / VALUE FOR MONEY

- 5.1 The financial implications are set out in sections 2 and 3. The overall impact is a projected carried forward deficit on the Dedicated Schools Grant as at 31 March 2021 of £1,413,000.
- 5.2 Local authorities are required to carry forward overspends to their schools budget either in the immediately following year or the year after.

6. LEGAL IMPLICATIONS

- 6.1 There are no legal implications arising from this report.

7. RISK MANAGMENT

- 7.1 There are no potential risks arising from this report, however, the requirement from the DfE is RBWM/AfC will agree a Deficit Management Plan to address the cumulative deficit position in the short to medium term.

8. POTENTIAL IMPACTS

- 8.1 Equalities. Equality Impact Assessments are published on the [council's website](#). The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. It has been assessed that there are no Equality Impact risks arising from this report. Link to Equality Impact Assessments. <https://www.rbwm.gov.uk/home/council-and-democracy/equalities-and-diversity/equality-impact-assessments>
- 8.2 Climate change/sustainability. There are no climate change/ sustainability risks arising from this report.
- 8.3 Data Protection/GDPR. There are no data protection/ GDPR risks arising from this report.

9. BACKGROUND DOCUMENTS

- 9.1 This report is supported by the following background documents:
- Schools revenue funding 2020 to 2021 Operational guide (updated February 2020) <https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021>

10. CONSULTATION

10.1 There is no requirement for stakeholder consultation arising from this report.

11. TIMETABLE FOR IMPLEMENTATION

11.1 There is no timetable for implementation of any actions arising from this report.

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Stuart Carroll	Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health	16-12-20	
Duncan Sharkey	Managing Director	16-12-20	21-12-20
Vacant	Director of Place	16-12-20	
Adele Taylor	Director of Resources/S151 Officer	16-12-20	11-01-21
Kevin McDaniel	Director of Children's Services	16-12-20	16-12-20
Hilary Hall	Director Adults, Commissioning and Health	16-12-20	16-12-20
Andrew Vallance	Head of Finance	16-12-20	
Elaine Browne	Head of Law	16-12-20	21-12-20
Mary Severin	Monitoring Officer	16-12-20	16-12-20
Nikki Craig	Head of HR, Corporate Projects and IT	16-12-20	21-12-20
Louisa Dean	Communications	16-12-20	
Karen Shepherd	Head of Governance	16-12-20	16/12/20

REPORT HISTORY

Decision type: Schools Forum For information	Urgency item? No	To Follow item? No
Report Author: James Norris - Head of Finance Achieving for Children (RBWM)		

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Report Title:	School Budget Funding 2021/22 Consultation Review
Contains Confidential or Exempt Information?	No – Part I
Lead Member:	Councillor Stuart Carroll - Deputy Chairman of Cabinet, Adult Social Care, Children’s Services, Health and Mental Health
Meeting and Date:	Schools Forum 21 January 2021
Responsible Officer(s):	Kevin McDaniel - Director of Children’s Services James Norris - Head of Finance Achieving for Children (RBWM)
Wards affected:	All

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REPORT SUMMARY

Following the Schools Forum report dated 19th November 2020 and the consultation undertaken with schools in respect of the proposed school budget formula for 2021/22 the purpose of this report is to provide the Schools Forum with:

- a summary and brief analysis of the results of the consultation
- details from the consultation to enable a decision on which budget model should be implemented.
- an update on the Growth Fund allocation 2021/22
- an update on the proposed de-delegation rates for 2021/22 (maintained schools only)

1. DETAILS OF RECOMMENDATION

1.1 **RECOMMENDATION:** That Schools Forum notes the contents of the report and:

- Agrees to adopt model 1 as set out in paragraph 2.4
- Agrees de-delegation rates for 2020/21 as set out in table 1(maintained schools only)
- Notes the planned Early Years formula consultation.

2. BACKGROUND

2.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local authority.

- Schools Block – funds mainstream primary and secondary schools through the school formula, and growth funding for new growing schools/bulge classes

- High Needs Block – funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings including non-maintained, independent, and further education colleges
- Early Years Block – funds nursery schools, nursery classes in mainstream schools, and early year’s settings in the private, voluntary and independent (PVI) sector through the free entitlement for 2, 3 & 4 year olds
- Central Schools Services Block – funds services provided by the local authority centrally for all schools, such as the admissions service

2.2 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance (England) Regulations. Detailed guidance is contained within various operational guidance documents issued by the Education Funding & Skills Agency (EFSA). The latest Operational guidance can be found at the following link:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>

2.3 At the Schools Forum on 19th November 2020 it was agreed that a consultation would be undertaken on the principles relating to a number of formula factors impacting on the Schools Budget allocation, funding formula for 2021/22 and migration towards the National Funding Formula (NFF).

2.4 At the request of Schools Forum (November 2020) it was agreed three models would be consulted on. A summary of the proposed formula changes are reflected in the models 1, 2 and 3 as listed below:

Model 1 – local priority focus with Minimum Funding Guarantee (MFG) at 0.5%

- Deprivation funding – increased allocation in Income Deprivation Affecting Children Index (IDACI) and Free School Meals (FSM) ever 6 (which relates to pupils who have qualified for FSM at any point in the last 6 years) unit rates to remain at higher level than NFF,
- Optional Factor of funding Looked After Children (LAC) to remain at 2020-21 unit rate.
- Increase in English as an additional language (EAL) to NFF unit rates including Area cost adjustment (ACA).
- Minimum Per Pupil (funding) Level (MPPL) met in full.
- MFG retained at 0.5%.
- Balance of funding to be distributed via school lump sum.

Model 2 – local priority focus with MFG at 1.3%

- Deprivation funding – increased allocation in IDACI and Free School Meals (FSM) ever 6 unit rates to remain at higher level than NFF,
- Optional Factor of funding Looked After Children (LAC) to remain at 2020-21 unit rate.

- Increase in English as an additional language (EAL) to NFF unit rates including Area cost adjustment (ACA).
- MPPL met in full.
- MFG increased from 0.5% to 1.3%.
- Balance of funding to be distributed via school lump sum.

Model 3 – NFF matching

- Deprivation funding – IDACI and FSM ever 6 unit rates reduced to match 2021-22 NFF & ACA.
- Optional factor of funding Looked After Children (LAC) reduced from £475.00 to £237.50 per eligible child.
- Increase in English as an additional language (EAL) to NFF unit rates including ACA.
- MPPL met in full.
- MFG increased from 0.5% to 1.25%.
- Balance of funding to be distributed via school lump sum.

3. RESPONSES TO THE SCHOOLS CONSULTATION

- 3.1 For each question included in the consultation a summary and brief analysis of the results with schools feedback is set out in appendix A.
- 3.2 An extract of the original consultation document is attached as appendix B.

4. ANALYSIS OF CONSULTATION RESULTS

- 4.1 The results of the consultation is shown in detail in appendix A. Consultation was on an individual school basis therefore weighted pupil percentages are for information only.
- 4.2 A total of 23 schools (39%) responded to the consultation representing 8,660 pupils (40%). This was an increase on previous response rates. The percentages set out in 4.3 to 4.7 are based on those schools that responded to the consultation, therefore, reflect the view of 39% of all schools.

- 4.3 The support for retaining MFG at 0.5% was supported by 65% (75%) of schools. Models 2 and 3 which were proposing a move to MFG at 1.3% and 1.25% received 17% (12%) and 13% (9%) support respectively.
- 4.4 Targeting funding at local priorities, such as deprivation funding, was supported by 87% (74%) of schools. There were two secondary schools who did not support this approach.
- 4.5 The Looked After Children factor to remain at the current rate was supported by 91% (87%) of schools. Responses reflected on the COVID pandemic expressing this cohort of pupils needed continued additional support. One secondary school did not support this approach.
- 4.6 The proposal to target headroom at lump sum allowance was supported by 78% (72%) of schools. One primary and one secondary school were opposed to this approach, with three schools being unsure. Those schools opposed to this proposed use of headroom suggested an alternative methodology based on number on roll or further funding towards the deprivation factors would be more appropriate.
- 4.7 The responses demonstrated that model 1 with 74% (81%) of responses was favoured. This was consistent across all sectors.
- 4.8 One school commented that any funding model would not take into account the local needs of their school.

5. GROWTH FUNDING

- 5.1 The growth fund for 2020/21 is £954,000 with a forecasted expenditure of £504,000, the reported underspend is reflected in the latest monitoring report. The level of funding advised by the ESFA for 2021/22 in December 2020 is £679,635 this represents a 30% year on year reduction reflecting the reduced future demand on school places within the Borough.

6. DE-DELEGATION RATES

- 6.1 In accordance with the Schools Revenue Funding 2021 to 2022 Operational Guidance de-delegated services are for maintained schools only; funding for de-delegated services must be allocated through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval.
- 6.2 Schools Forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally; the decision will apply to all maintained mainstream schools in that phase. They must decide on fixed contributions for these services so that funding can then be removed from the formula before school budgets are issued. There may be different decisions for each phase.

- 6.3 Any underspend on the de-delegated budgets will be retained within the Dedicated Schools Grant (Schools Block) and will be carried forward into the next financial year or repaid to the contributing schools.
- 6.4 The proposal is to keep the maintained schools de-delegated unit rates at 2019/20 unit rates. The largest fund within the de-delegation is the Maternity Pay costs. Although salaries and on-costs have increased, the overall charges to this account have decreased in the last three years. The proposed de-delegation rates for 2021/22 are shown in table 1.

Table 1 Proposed de-delegation unit rates 2021/2022

	Data	Unit Rate	Total Budget
Primary		£	£000
Contingency	Per Pupil	15	115
Behaviour Support	Per IDACI	50	53
Staff Costs (maternity and divisional reps)	Per Pupil	25	192
Secondary			
Contingency	Per Pupil	N/A	N/A
Behaviour Support	Per IDACI	N/A	N/A
Staff Costs (maternity and divisional reps)	Per Pupil	25	14

7. EARLY YEARS NATIONAL FUNDING FORMULA

- 7.1 The 2021/22 initial allocations for the early years block were announced in December 2020. Funding rates have increased by 8p per hour for two year olds and 6p per hour for three and four year olds.
- 7.2 Local authorities are required to consult providers on annual changes to their local formula. Schools forums must also be consulted on changes to local early years funding formulas, including agreeing central spend, although the final decision rests with the local authority.
- 7.3 It is not expected there will be any significant changes to the local formula for 2021/22, therefore, a short consultation is planned to be undertaken during the spring term 2021. Only one submission will be accepted per setting and school, responses will be collated and anonymised before being considered by the Schools Forum in April 2021.
- 7.4 As part of the consultation period a document providing guidance, context and the process for submission will be distributed to all settings and schools.

8. FINANCIAL DETAILS / VALUE FOR MONEY

- 8.1 The financial implications are set out in sections 2 to 7.

9. LEGAL IMPLICATIONS

9.1 There are no legal implications arising from this report.

10. RISK MANAGEMENT

10.1 There are no potential risks arising from this report.

11. POTENTIAL IMPACTS

11.1 Equalities. Equality Impact Assessments are published on the [council's website](#). The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. There are no Equality Impact risks arising from this report.

11.2 Climate change/sustainability. There are no climate change/ sustainability risks arising from this report.

11.3 Data Protection/GDPR. There are no data protection/ GDPR risks arising from this report.

12. BACKGROUND DOCUMENTS

- 12.1 This report is supported by the following background documents:
- Schools revenue funding 2021 to 2022 Operational guide <https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>
 - DSG Conditions of grant 2021 to 2022 <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2021-to-2022/dsg-conditions-of-grant-2021-to-2022>

13. CONSULTATION

13.1 There is no requirement for stakeholder consultation arising from this report.

14. TIMETABLE FOR IMPLEMENTATION

14.1 There is no timetable for implementation of any actions arising from this report.

15. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Stuart Carroll	Deputy Chairman of Cabinet, Adult Social Care, Children's	19-12-20	

Name of consultee	Post held	Date sent	Date returned
	Services, Health and Mental Health		
Duncan Sharkey	Managing Director	19-12-20	21-12-20
Vacant	Director of Place		
Adele Taylor	Director of Resources/S151 Officer	19-12-20	11-01-21
Kevin McDaniel	Director of Children's Services	19-12-20	21-12-20
Hilary Hall	Director Adults, Commissioning and Health	19-12-20	20-12-20
Andrew Vallance	Head of Finance	19-12-20	
Elaine Browne	Head of Law	19-12-20	21-12-20
Mary Severin	Monitoring Officer	19-12-20	21-12-20
Nikki Craig	Head of HR, Corporate Projects and IT	19-12-20	21-12-20
Louisa Dean	Communications	19-12-20	
Karen Shepherd	Head of Governance	19-12-20	21-12-20

REPORT HISTORY

Decision type: Schools Forum For Decision	Urgency item? No	To Follow item? No
Report Author: James Norris - Head of Finance Achieving for Children (RBWM)		

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Consultation Document Schools Funding Formula 2021-22

Questions for Consultation

Minimum Funding Guarantee

All models have been calculated using MFG at different rates in order to demonstrate the potential impact at 0.5%, 1.30% & 1.25%.

Q1 Local authorities are required to set a Minimum Funding Guarantee, which in 2020-21 must be between +0.5% and +2.0%. The level set by RBWM in 2020-21 is currently 0.5%.

What level of increase in the Minimum Funding Guarantee increase would you recommend?

- a) Remaining at +0.50%*
- b) 0.80% increase per pupil from 0.50% to +1.30%*
- c) 0.75% Increase per pupil from 0.50% to +1.25%*
- d) Not sure*

	A	B	C	Not sure	Total
Number of Responses	15	4	3	1	23
All schools equally weighted %	65	17	13	5	100
Weighted by pupil numbers %	75	12	9	4	100

Summary of comments:

There was a 2% increase in MFG from 2019/20 to 2020/21, therefore, other factors should be prioritised this year.

There was some confusion between the initial models and the final models where an additional model was included with the lower MFG rate.

Moving to 1.3% protects more schools.

Deprivation funding

The IDACI technical adjustments by the DfE to update data set changes are reflected in the 2021-22 consultation models and have impacted on the total pupils numbers in the deprivation data, resulting in lower overall allocations when compared to 2020-21.

All three models reflect the change in the IDACI data set and result in reduced funding for this deprivation factor when compared to 2020-21. Models 1 and 2 retain the 2020-21 local unit value. Model 3 migrates to NFF unit values, reducing further the deprivation funding allocated by this factor. Table 3 illustrates the overall impact of the data set and unit value changes.

Q2. Models 1 and 2 retain the 2020-21 local unit value. Model 3 migrates to NFF unit values, reducing further the deprivation funding allocated by this factor.

Do you support targeting funding at local priorities, such as deprivation funding?

- a) Yes
- b) No
- c) Not sure

	A	B	Not sure	Total
Number of Responses	20	2	1	23
All schools equally weighted %	87	9	4	100
Weighted by pupil numbers %	74	23	3	100

Summary of comments:

There was a consistent message of support to target local priorities.

Concern over the drop in funding due to the revised IDACI data set especially faced with the impact of the COVID pandemic.

Looked After Children deprivation factor

In 2020-21 the LA retained a formula factor for looked after children but reduced its value from £950 to £475 per eligible pupil. This recognised the increase in Pupil Premium Plus for looked after children and the DfE's decision that the hard NFF will not include a factor for looked after children. In order to help protect deprivation funding, which has reduced significantly in the IDACI factor, Models 1 and 2 retained RBWM 2020-21 values for LAC. Model 3 shows a reduction in the unit rate value to £237.50.

Q3. The deprivation factor for looked after children is a local factor reflecting local priorities.

Do you agree that the deprivation factor for looked after children should remain at 2020-21 levels?

- a) Yes
- b) No
- c) Not sure

	A	B	Not sure	Total
Number of Responses	21	1	1	23
All schools equally weighted %	91	4	4	100
Weighted by pupil numbers %	87	11	2	100

Summary of comments:

Looked after children should continue to receive a unit of funding.

Looked After Children need targeted support although not sure if the amounts allocated helps with this.

The educational attainment of Looked After Children and young people is below that of the general population. There are a number of explanations for this lower level of attainment: instability of care and school placements; inadequate levels of targeted support, low

expectations and aspirations; lower starting levels because of earlier adversities etc etc. It is crucial that the deprivation factor should continue to receive unit rate of funding at 2020-21 levels at the very minimum.
There are other groups of deprivation that do not receive additional funding.

Headroom

Available headroom for 2021-22 budget is defined as the sum unallocated within the DSG after accounting for pupil number changes, other demography changes and cost pressures.

RBWM's lump sum proposed for all three models is above the NFF rate, partly to help protect smaller schools and for the allocation of headroom funding to all schools.

Q4. The proposed methodology for allocating any headroom is through increasing the lump sum allowance.

Do you agree that any headroom should be targeted at the lump sum factor? If not, what would you propose?

- a) Yes
- b) No
- c) Not sure

	A	B	Not sure	Total
Number of Responses	18	2	3	23
All schools equally weighted %	78	9	13	100
Weighted by pupil numbers %	72	17	11	100

Summary of comments:

Number on roll would be fairer.

It has been an unprecedented year for out of the ordinary expenses relating to COVID and many of these are ongoing and will become the new norm. With no additional help to fund these and a reduction in school generated income it would be helpful that any headroom is added to the lump sum for schools to supplement their budgets. Without additional help more schools will be submitting in year deficits.

There is concern that deprivation funding has been reduced so sharply and at a time when demand for FSM is rising and experience in school suggests deprivation is growing.

Consequently any headroom should be perhaps targeted on helping in this area rather than on a more general lump sum payment to all.

Small school need protection and welcome any increase in the lump sum.

Model Preference

Three models have been proposed for consideration.

Q5. Schools are asked to indicate their preferred model for consideration.

Have you a preferred model, if so which is it?

- a) Model 1
- b) Model 2

c) Model 3
d) Not sure

	A	B	C	Not sure	Total
Number of Responses	17	4	1	1	23
All schools equally weighted %	74	17	4	4	100
Weighted by pupil numbers %	81	14	1	4	100

Summary of comments:

Model 1 keeps with the borough's priority for deprivation support.

Model 1 appears to be the fairest and most equitable model in the current circumstances.

Model 2 provides the best outcome for the majority of schools.

Model 3 mainly because of the amount of lump sum.

General comments:

Standardising any formula is not fair on a school with boarding provision. There are specific costs due to the provision including higher levels of staffing and having an extended day; also having a higher proportion of Looked After Children that need additional support impacts on budget pressures.

School Consultation Response 2021-22

School Name	
Federation / Multi-Academy Trust Name	
Full Name	
Signature	
Position	
Have Governors been consulted? (Date)	
Date	

Q1 Minimum Funding Guarantee

What level of increase in the Minimum Funding Guarantee increase would you recommend? MFG can range from 0.50% up to 2.00%; RBWM current rate is 0.50%

- a) Remaining at +0.50%*
- b) 0.80% increase per pupil from 0.50% to +1.30%*
- c) 0.75% Increase per pupil from 0.50% to +1.25%*
- d) Not sure*

A	B	C	Not sure
Comments			

Q2 Targeting Funding at local priorities

Do you support targeting funding at local priorities, such as deprivation funding?

Yes	No	Not sure

Comments

Q3 Looked After Children deprivation factor

Do you agree that the deprivation factor for looked after children should continue to receive unit rate of funding at 2020-21 levels? If not, what level of reduction would you propose?

Yes	No	Not sure
Comments		

Q4 Headroom

Do you agree that any headroom should be targeted at increasing the lump sum funding to all schools? If not, do you have any other suggestions?

Yes	No	Not sure

Comments		

Q5 Model Preference

Have you a preferred model, if so which is it?

Model 1	Model 2	Model 3	Not sure
Comments			

ACA – Area Cost Adjustment. The provisional Schools Block allocations to each local authority the funding for the schools block includes the Area Cost Adjustment (ACA) to reflect differences in cost between different parts of the country. For RBWM the **ACA is 1.05613**

AWPU or Basic Entitlement The “basic entitlement” is the sum allocated to a school for any pupil at a specific key stage. This was formerly known as the Age Weighted Pupil Unit (AWPU).

Dedicated Schools Grant (DSG) The funding source for the total Schools Budget from July 2020.

DfE The Government’s Department for Education, which prescribes on schools funding issues

Delegated budget Budget which a school’s governors may spend as they determine, for the benefit of the school. It may also be spent, in limited circumstances, for the benefit of pupils at other schools.

EAL English as a second language

ESFA The Education and Skills Funding Agency is the body currently responsible to the DfE for maintaining the policy framework for funding LAs and academies, co-ordinating the funding of post 16s in school sixth forms and colleges and for maintaining the post 16 funding formula. (These roles were previously undertaken by the Education Funding Agency (EFA) for schools and 16-19 education providers.

FSM6 (or “ever 6 FSM”). Children who have been eligible for free school meals on a termly school Census date within the last six years, even if they are not currently eligible. This is an indicator of deprivation increasingly used by the DfE for school funding and accountability purposes.

HNB High Needs Block within the Dedicated Schools Grant, intended to fund services for pupils with special educational needs and disabilities.

IDACI Income Deprivation Affecting Children Index, government index often used as a proxy indicator of deprivation

LA The Local Authority

LAC Looked After Pupils

LPA Low Prior attainment

MFG Minimum Funding Guarantee – a rate set by the Government each year, which represents the maximum percentage reduction per pupil which each school should receive in its new budget

MPPL (Minimum per pupil funding level) This is a minimum average funding level per pupil which each school will receive under the National Funding Formula if the individual formula factors would otherwise generate less than this

NFF The National Funding Formula, introduced by the DfE at LA level in 2018/19. From April 2018 RBWM's schools funding formula will be expected to migrate towards the NFF.

Useful information regarding other budget factors

Lump Sum Funding

This is an optional factor used by most local authorities. RBWM set a flat rate lump sum for all schools.

Business Rates

The Schools Block funding to local authorities includes the lag funding for the individual school business rates. Therefore the total premises funding to be allocated to RBWM for next year will not reflect latest cost of the school rates, due to 2020-21 in year reassessments and inflationary increases for 2021-22.

Area Cost Adjustment (ACA)

In the provisional Schools Block allocations to each local authority the funding for the schools block includes the Area Cost Adjustment (ACA) to reflect differences in cost between different parts of the country. For RBWM the ACA is 1.056

Appendix H

Schools Forum Representatives

School / Non School	Sector	Type Of Member	Representative
School	Academy	Headteacher	Martin Tinsley (Chair)
School	Academy	Headteacher	Maggie Callaghan
School	Academy	Headteacher	Amanda Hough
School	Academy	Headteacher	Isabel Cooke
School	Academy	Headteacher	Cathrin Thomas
School	Academy	Headteacher	Andrew Morrison
School	Academy	Headteacher	John Fletcher
School	Academy	Governor	Vacant
School	Academy (Free School)	Governor	Stephen McCormac
School	Maintained Nursery	Headteacher	Sarah Cottle
School	Maintained Primary	Headteacher	Mike Wallace
School	Maintained Secondary	Headteacher	Chris Tomes (Vice chair)
School	Maintained Special	Headteacher	Joolz Scarlett
Non School	Non Schools 16-19	Non Schools	Amanda Dean

Consultation Document Schools Funding Formula 2021-22

Purpose of the Consultation

At the meeting of 19th November 2020, the RBWM School Forum agreed to inform and consult all schools on the following:

- The Minimum Funding Guarantee
- Technical data set changes for deprivation
- Targeting of funding to local priorities and the migration to National formula funding
- Use of headroom funding

Your Schools Forum representatives will use your consultation responses to inform how they vote on the 2021-22 funding distribution methodology at the next Schools Forum on 21st January 2021.

The consultation responses will be anonymised and published as part of the Schools Forum papers.

To help inform your response to the consultation a glossary and brief explanation of each question has been provided. It is important that you consider your consultation response carefully as the responses will be used to inform decisions about how money will be allocated to schools next year.

To demonstrate the changes proposed in this paper, schools have been provided with anonymised illustrations showing the estimated funding which they would receive in 2021-22 on the basis of the formula funding proposals in this report, if pupil numbers and premises costs were unchanged from 2020-21. These are based on DfE data taken from the October 2019 Census. Schools are reminded that actual funding for 2021-22 will be based on the October 2020 pupil Census and year on year changes in data may have a significant impact. Therefore, in responding to this consultation, schools are advised to concentrate on the principles rather than simply on the illustrative per pupil percentages.

If you would like to discuss the consultation further please contact your Schools Forum representative. Details of Schools Forum representatives are shown in appendix H.

Schools are asked to complete and return the consultation document by **6pm on the 13th December 2020**. As in previous years only one submission per school can be accepted.

- **Appendix A** provides a template for your response and a full listing of all questions
- **Appendix B** glossary of terms

- **Appendix C** provides NFF, Current Local Formula rates and Models 1, 2 and 3 with indicative formula factor rates.
- **Appendix D** provides indicative percentage increases of how the various models could affect schools
- **Appendix E** primary school graphs
- **Appendix F** secondary school graphs
- **Appendix G** provides some useful information regarding other budget factors
- **Appendix H** School Forum Representatives

Please send your completed consultation response to:

Bursar.support@achievingforchildren.org.uk

Context

There is a significant amount of information published on the DfE’s website (2021-22 operational guidance) which can be found at:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>

In July 2020 local authorities were notified of the provisional Dedicated Schools Grant (DSG) funding allocations for the Schools block, High needs and Central School services. The funding rate has increased for the teachers’ pay and pension grants which will be added to the DSG and will no longer be paid as a separate grant to schools. The increase for the rolled in grants will be allocated in full via the local Schools Formula.

The 2021-22 guidance sent to local authorities includes technical and compulsory changes, two of which relate to schools formula guarantees as set out below:

- The pre 16 Minimum funding guarantee (MFG) range set by a local authority must be between +0.50% to 2.00%. For 2020-21 the maximum is 1.84%.
- The Minimum Per Pupil Level (MPPL) Guarantee is a compulsory formula factor. The MPPL is a guarantee that for every pupil on roll the school receives a minimum amount via the pupil led factors within the formula. For 2021-22 the minimum amounts have increased to reflect the rolled in grants.
- The main technical change relates to the “Income Deprivation Affecting Children Index” (IDACI) data has been updated to reflect the 2019 data set. Resulting in significant changes to the bandings and funding allocations

This consultation paper does not repeat much of the background to the NFF which can be found via the links above, however, it is worth reiterating that the notional allocations published by Government are not what individual schools will receive in 2021-22. School allocations depend on the local formula which will be reflective of this consultation and the October 2020 pupil number changes.

Schools Forum members and RBWM are seeking schools view on the changes to the local schools formula for 2021-22 financial year. This consultation will inform decisions on the local formula for 2021-22. Academies and Free Schools are reminded that although their funding comes directly from the Education Skills & Funding Agency (ESFA) it is based upon the local formula and so these changes will impact on all school's funding.

If you would like to discuss the consultation further please email the Bursar Support Team at the following address and they will direct your enquiry to the appropriate officer to respond.

Bursar.support@achievingforchildren.org.uk

Consultation Focus

The Minimum Funding Guarantee

Local authorities are required to set a pre-16 Minimum Funding Guarantee each year. For 2021-22 the percentage set by each local authority must be between +0.50% and +2.00%. For 2020-21 financial year the RBWM MFG rate was increased from -1.50% to 0.50%, a 2.00% movement in the rate, giving an inflationary increase between years.

For 2021-22 the models included in the consultation give three options for MFG. Ranging from no change in MFG rate at 0.5%, an increase to 1.25% or 1.30%. The increases in MFG for models 2 and 3 gives those schools on MFG top up towards the 2021-22 inflation.

The MFG protects between 2 and 6 schools, depending on the level of MFG percentage in the financial models. The cost of MFG has decreased from in excess of £74,000 in 2020-21 to between £49,130 - £62,322, in the models 1-3. Increased funding within the schools block for delegation to schools has had the impact of decreasing the total cost of meeting the minimum funding guarantee.

Minimum per pupil funding is not allocated to schools in receipt of MFG.

Table 1 Minimum Funding Guarantee Funding Allocation Estimates

MFG	%	No of schools	£
Model 1	0.5%	2	49,130
Model 2	1.30%	5	62,322
Model 3	1.25%	6	61,333

The Minimum Funding Per Pupil

The Minimum per pupil level funding (MPPL) is a guarantee that for every pupil on roll the school receives a minimum amount via the pupil led factors within the formula.

For the financial year 2021-22 the primary minimum per pupil funding level will increase to £4,000 from £3,750. In addition, a further £180 has been added for the Teacher’s Pay and Pension Grants resulting in a minimum per pupil funding of £4,180. The secondary minimum per pupil funding level has been increased by 3%, as per the other core NFF factors, as well as an additional £265 for the Teachers’ Pay and Pension Grants resulting in a minimum per pupil funding of £5,415 in the secondary sector.

The MPPL is compulsory and the table below is for information. As these are compulsory rates there is no consultation on this factor.

Table 2: DSG Minimum Per Pupil Funding Levels

Year Groups	Minimum Per Pupil Funding Levels £
Primary	4,180
KS3	5,215
KS4	5,715

The factors that make up the MPPL are:

- Age Weighted Pupil Unit (AWPU)
- Free School meals (FSM)
- Income Deprivation Affecting Children Index (IDACI)
- English as additional Language (EAL)
- Mobility
- Looked After Children (LAC)
- Low Prior Attainment (LPA)
- Lump Sum

Income Deprivation Affecting Children Index (IDACI)

The technical adjustments by the DfE to update data set changes are reflected in the 2021-22 consultation models and have impacted on the total pupils numbers in the deprivation data, resulting in lower overall allocations when compared to 2020-21.

IDACI is an area based index measuring the relative deprivation of different geographical areas. The 2019 update provided an updated snapshot of the measure of deprivation of different areas. This position was pre Covid which is expected will result nationally in increased deprivation. There is no agreement from the DfE to review the 2019 updated results which will lead to a disconnect between need and allocation, however the impact is limited as historically this factor represents around 1.0% of the total schools budget allocation.

The number of RBWM pupils triggering IDACI funding has reduced from 13% to 7% (2,649 pupils to 1,379 pupils). Table 3 below details the total IDACI funding allocated from 2020-21 to the 2021-22.

Table 3 Income Deprivation Affecting Children Index Allocation

IDACI	IDACI Allocation 2020-2021 Budget	IDACI Allocation Models 1 & 2	% change to 2020-21 allocation	IDACI Allocation Model 3	% change to 2020-21 allocation
	£	£	£	£	£
All Schools	920,543	453,944	(49%)	391,854	(43%)
Primary	410,204	200,712	(49%)	164,816	(40%)
Secondary	510,339	253,232	(50%)	227,038	(44%)

Models 1 and 2 targets additional funding with the unit rate remaining at a higher level than NFF, therefore targeting additional funding at local priorities.

Financial models migration towards NFF

Taking into consideration previous Schools Forum discussions and decision making, it is proposed that consultation with schools will focus on formula changes with the minimum volatility. All three models show some level of migration towards NFF, distribute the increased schools block funding and meet both guarantees in full.

Appendix C details the rates used in 2020-21 and the highlighted changes for 2021-22.

Models 1 and 2 target funding at local priorities for deprivation and a number of pupils led factors at NFF levels, whereas model 3 migrates the majority of formula factor values to NFF levels and reflects the full impact on the reduction in deprivation funding.

For all models business rates are included at the current 2020-21 values and will be updated to reflect inflationary increases to schools in the final allocations.

The schools block is to be allocated to schools via the Schools funding formula, after allowing for growth in year groups for new schools and the estimated increase in business rates for 2020-21. The proposals for allocation are detailed in the appendices. In 2021-22 RBWM does not propose to make any block movements between the Schools Block and High Needs.

Looked After Children deprivation factor – targeting local priorities

The Looked after children (LAC) factor is an optional factor. The DfE no longer uses a LAC factor in the NFF.

RBWM has over the last few years reduced the level of funding distributed via LAC to reflect the Pupil Premium plus grants paid to schools in year. Taking into consideration the

reduction in deprivation funding distributed to schools via the IDACI factor in 2021-22, the consultation includes models 1 and 2 which maintain the LAC funding at the current rate. Model 3 reduces the unit rate from £475.00 to £237.50 per LAC pupil, continuing with the migration towards National Funding Formula.

Increase in the lump sum allowance

An increase in the lump sum allowance is included in all three models to reflect the allocation of the remaining 'headroom'. The headroom estimate is based on the provisional grant and October 2019 Census. The final funding will depend on the headroom balance available after the updated data from the October 2020 Census is included in the RBWM block funding and revised formula allocations.

Consultation Questions

There are three models and a number of in principle questions on which we would like schools responses to.

To assist schools in responding to this consultation, appendix D contains an anonymised by sector schedule of how the adoption of the above three models will impact on individual schools' net funding. These are based on October 2019 pupil data.

Appendix C list the Schools Formula by factor detailing the following:

- The RBWM local formula unit rates for 2020-21
- NFF unit rates including the area cost adjustment (ACA) for 2021-22
- The three financial models for consultation for 2021-22

The financial models allocate out the provisional 2021-22 funding allocation published to the local authority in July 2020. Changes to the local formula unit rates from 2020-21 to the models are highlighted in the appendices to emphasis the targeted funding.

Models 1 and 2 – target local priority focus

- Deprivation funding –allocation in IDACI and Free School Meals (FSM) ever 6 unit rates to remain at higher level than NFF
- Optional factor of funding Looked After Children (LAC) to remain at 2020-21 unit rate
- Increase in English as an additional language (EAL) to NFF unit rates including area cost adjustment (ACA)
- MPPL met in full
- Model 1 MFG remains at 0.5%
- Model 2 MFG increased from 0.5% to 1.3%
- Balance of funding to be distributed via school lump sum

Model 3 – NFF focus

- Deprivation funding – IDACI and FSM ever 6 unit rates reduced to match 2021-22 NFF & ACA
- Optional factor of funding Looked After Children (LAC) reduced from £475.00 to £237.50 per eligible child
- Increase in English as an additional language (EAL) to NFF unit rates including ACA
- MPPL met in full
- MFG increased from 0.5% to 1.25%
- Balance of funding to be distributed via school lump sum

Use of headroom funding

Any headroom resulting from the October 2019 Census updated data and the final block funding is to be added to the schools lump sum.

Impact on School Budgets

Appendix D reflects the indicative estimated % increases per school per model. This comparison to the 2020-21 funding excludes business rates and lump sums in both years.

A number of schools in receipt of the MFG protection and will show increases of 0.5% up to 1.30% and no other inflation increase. MFG ensures that the school funding allocations excluding business rates and lump sum, divided by the school NOR are not lower than minimum levels specified by the government.

Schools listed with potential increases of over 4% are schools in receipt of Minimum per pupil level funding (MPPL) protection allocations. This ensures that the school funding allocations excluding business rates, divided by the school NOR are at the minimum levels specified by the government.

Questions for Consultation

Minimum Funding Guarantee

All models have been calculated using MFG at different rates in order to demonstrate the potential impact at 0.5%, 1.30% & 1.25%.

Q1 Local authorities are required to set a Minimum Funding Guarantee, which in 2020-21 must be between +0.5% and +2.0%. The level set by RBWM in 2020-21 is currently 0.5%.

What level of increase in the Minimum Funding Guarantee increase would you recommend?

- a) Remaining at +0.50%*
- b) 0.80% increase per pupil from 0.50% to +1.30%*
- c) 0.75% Increase per pupil from 0.50% to +1.25%*
- d) Not sure*

Deprivation funding

The IDACI technical adjustments by the DfE to update data set changes are reflected in the 2021-22 consultation models and have impacted on the total pupils numbers in the deprivation data, resulting in lower overall allocations when compared to 2020-21.

All three models reflect the change in the IDACI data set and result in reduced funding for this deprivation factor when compared to 2020-21. Models 1 and 2 retain the 2020-21 local unit value. Model 3 migrates to NFF unit values, reducing further the deprivation funding allocated by this factor. Table 3 illustrates the overall impact of the data set and unit value changes.

Q2. Models 1 and 2 retain the 2020-21 local unit value. Model 3 migrates to NFF unit values, reducing further the deprivation funding allocated by this factor.

Do you support targeting funding at local priorities, such as deprivation funding?

- a) Yes*
- b) No*
- c) Not sure*

Looked After Children deprivation factor

In 2020-21 the LA retained a formula factor for looked after children but reduced its value from £950 to £475 per eligible pupil. This recognised the increase in Pupil Premium Plus for looked after children and the DfE's decision that the hard NFF will not include a factor for looked after children. In order to help protect deprivation funding, which has reduced significantly in the IDACI factor, Models 1 and 2 retained RBWM 2020-21 values for LAC. Model 3 shows a reduction in the unit rate value to £237.50.

Q3. The deprivation factor for looked after children is a local factor reflecting local priorities.

Do you agree that the deprivation factor for looked after children should remain at 2020-21 levels?

- a) Yes
- b) No
- c) Not sure

Headroom

Available headroom for 2021-22 budget is defined as the sum unallocated within the DSG after accounting for pupil number changes, other demography changes and cost pressures.

RBWM's lump sum proposed for all three models is above the NFF rate, partly to help protect smaller schools and for the allocation of headroom funding to all schools.

Q4. The proposed methodology for allocating any headroom is through increasing the lump sum allowance.

Do you agree that any headroom should be targeted at the lump sum factor? If not, what would you propose?

- a) Yes
- b) No
- c) Not sure

Model Preference

Three models have been proposed for consideration.

Q5. Schools are asked to indicate their preferred model for consideration.

Have you a preferred model, if so which is it?

- a) Model 1
- b) Model 2
- c) Model 3
- d) Not sure

School Consultation Response 2021-22

School Name	
Federation / Multi-Academy Trust Name	
Full Name	
Signature	
Position	
Have Governors been consulted? (Date)	
Date	

Q1 Minimum Funding Guarantee

What level of increase in the Minimum Funding Guarantee increase would you recommend? MFG can range from 0.50% up to 2.00%; RBWM current rate is 0.50%

- a) Remaining at +0.50%
- b) 0.80% increase per pupil from 0.50% to +1.30%
- c) 0.75% Increase per pupil from 0.50% to +1.25%
- d) Not sure

A	B	C	Not sure
Comments			

Q2 Targeting Funding at local priorities

Do you support targeting funding at local priorities, such as deprivation funding?

Yes	No	Not sure

Comments

Q3 Looked After Children deprivation factor

Do you agree that the deprivation factor for looked after children should continue to receive unit rate of funding at 2020-21 levels? If not, what level of reduction would you propose?

Yes	No	Not sure
Comments		

Q4 Headroom

Do you agree that any headroom should be targeted at increasing the lump sum funding to all schools? If not, do you have any other suggestions?

Yes	No	Not sure

Comments		

Q5 Model Preference

Have you a preferred model, if so which is it?

Model 1	Model 2	Model 3	Not sure
Comments			

ACA – Area Cost Adjustment. The provisional Schools Block allocations to each local authority the funding for the schools block includes the Area Cost Adjustment (ACA) to reflect differences in cost between different parts of the country. For RBWM the **ACA is 1.05613**

AWPU or Basic Entitlement The “basic entitlement” is the sum allocated to a school for any pupil at a specific key stage. This was formerly known as the Age Weighted Pupil Unit (AWPU).

Dedicated Schools Grant (DSG) The funding source for the total Schools Budget from July 2020.

DfE The Government’s Department for Education, which prescribes on schools funding issues

Delegated budget Budget which a school’s governors may spend as they determine, for the benefit of the school. It may also be spent, in limited circumstances, for the benefit of pupils at other schools.

EAL English as a second language

ESFA The Education and Skills Funding Agency is the body currently responsible to the DfE for maintaining the policy framework for funding LAs and academies, co-ordinating the funding of post 16s in school sixth forms and colleges and for maintaining the post 16 funding formula. (These roles were previously undertaken by the Education Funding Agency (EFA) for schools and 16-19 education providers.

FSM6 (or “ever 6 FSM”). Children who have been eligible for free school meals on a termly school Census date within the last six years, even if they are not currently eligible. This is an indicator of deprivation increasingly used by the DfE for school funding and accountability purposes.

HNB High Needs Block within the Dedicated Schools Grant, intended to fund services for pupils with special educational needs and disabilities.

IDACI Income Deprivation Affecting Children Index, government index often used as a proxy indicator of deprivation

LA The Local Authority

LAC Looked After Pupils

LPA Low Prior attainment

MFG Minimum Funding Guarantee – a rate set by the Government each year, which represents the maximum percentage reduction per pupil which each school should receive in its new budget

MPPL (Minimum per pupil funding level) This is a minimum average funding level per pupil which each school will receive under the National Funding Formula if the individual formula factors would otherwise generate less than this

NFF The National Funding Formula, introduced by the DfE at LA level in 2018/19. From April 2018 RBWM's schools funding formula will be expected to migrate towards the NFF.

Useful information regarding other budget factors

Lump Sum Funding

This is an optional factor used by most local authorities. RBWM set a flat rate lump sum for all schools.

Business Rates

The Schools Block funding to local authorities includes the lag funding for the individual school business rates. Therefore the total premises funding to be allocated to RBWM for next year will not reflect latest cost of the school rates, due to 2020-21 in year reassessments and inflationary increases for 2021-22.

Area Cost Adjustment (ACA)

In the provisional Schools Block allocations to each local authority the funding for the schools block includes the Area Cost Adjustment (ACA) to reflect differences in cost between different parts of the country. For RBWM the ACA is 1.056

Appendix H

Schools Forum Representatives

School / Non School	Sector	Type Of Member	Representative
School	Academy	Headteacher	Martin Tinsley (Chair)
School	Academy	Headteacher	Maggie Callaghan
School	Academy	Headteacher	Amanda Hough
School	Academy	Headteacher	Isabel Cooke
School	Academy	Headteacher	Cathrin Thomas
School	Academy	Headteacher	Andrew Morrison
School	Academy	Headteacher	John Fletcher
School	Academy	Governor	Vacant
School	Academy (Free School)	Governor	Stephen McCormac
School	Maintained Nursery	Headteacher	Sarah Cottle
School	Maintained Primary	Headteacher	Mike Wallace
School	Maintained Secondary	Headteacher	Chris Tomes (Vice chair)
School	Maintained Special	Headteacher	Joolz Scarlett
Non School	Non Schools 16-19	Non Schools	Amanda Dean

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