

Bolton Council

Report to: Schools Forum

Date: 13th November 2020

Report of: Director of Childrens Services
Borough Treasurer

**Report
No:**

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Report Title: **School Funding Consultation 2021-22**

**Confidential /
Non Confidential:**

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose:

To update the Schools Forum on the latest budget announcements and discuss the principles to be adopted in the school budget consultation for 2021-22.

Recommendations:

The Schools Forum is asked to note and comment on the proposed consultation to schools.

Decision:

1. PURPOSE OF THE REPORT

To update the Schools Forum on the latest budget announcements and discuss the principles to be adopted in the school budget consultation for 2021-22.

2. 2021- 22 Headlines

At the last meeting the Forum were informed of the key changes in 2021-22 :-

- The Teacher Pay Grant and Teachers Pensions Grant will cease and should be reflected in local funding formulae.
- The incorporation of the 2019 IDACI data will be used in local funding formulae
- The Minimum Per Pupil Levels (MPPLs) will remain mandatory. This provides per-pupil funding of at least £4,180 for each primary school, and £5,415 for each secondary school. The figures include additional funding from the Teacher Pay Grant and Teachers Pensions Grant.
- Local authorities have the freedom to set the Minimum Funding Guarantee (MFG) in local formulae between +0.5% and +2% per pupil, and should add total funding from the Teacher Pay Grant and Teachers Pensions Grant to schools' baselines, as has been done in the NFF
- Local authorities will continue to be able to transfer up to 0.5% of their Schools block to other blocks of the DSG, with schools forum approval. In 2021-22 the total schools block available for such transfers must exclude the additional funding local authorities have been allocated for the Teacher Pay Grant and Teachers Pensions Grant, guaranteeing that all this funding remains with schools.
- Following the cancellation of assessments in summer 2020 due to COVID-19, local authorities will use 2019 assessment data as a low prior attainment proxy in funding formulae for the 2020 reception and year 6 cohort.

The Group were also notified of the initial DSG settlement, prior to pupil number changes:-

Provisional DSG 2021-22	2020-21	2021-22	Change	Change
	£m	£m	£m	%
Schools Block	226.693	244.289	17.596	7.8%
Central School Services Block	1.804	1.776	- 0.028	-1.6%
High Needs Block	40.662	45.741	5.079	12.5%
Early Years Block	21.994	21.994	-	0.0%
Total Value of Changes	291.153	313.800	22.647	7.8%

3. INCREASES TO UNIT VALUES

The National Funding Formula values have increased in 2021-22 and are listed in Appendix 1.

Bolton currently uses the 2020-21 unit values in the local formula, apart from Primary low prior attainment which is £7 less.

4. TRANSFER OF GRANTS

The Teacher Pay Grant and Teachers Pensions Grant will cease and should be reflected in local funding formulae.

Bolton has received £10m into the DSG as a result of the grant transfer and this has been done by passing through through the national funding formula.

This can be replicated in Boltons Formula by:-

- adopting the increased unit values
- including the Grants in the minimum funding guarantee baseline (this will be mandatory)

Note – the grants transfer only relates to Reception – Year 11, the DfE are looking at how the grant relating to Nursery aged children and Post 16 will be passported.

5. IMPACT ON BOLTONS FORMULA

For modelling purposes the following amendments have been made to Bolton's Formula:-

- Teachers pay and Pensions Grant added into the MFG baseline
- Formula Factors Increased to the NFF levels
- Minimum Per Pupil Funding levels applied
- MFG of 2% applied

These estimated cost of each change is set out in the table below:-

Estimated Cost Impact of Changes	Primary	Secondary	Total
Grants Transfer	5,069,900	4,932,400	10,002,300
Increase in Factors by inflation	-	-	-
Basic Entitlement	2,154,600	1,510,700	3,665,300
FSM and ever 6	173,500	178,700	352,200
IDACI	371,200	274,900	646,100
Prior Attainment	495,800	184,700	680,500
EAL	71,500	34,300	105,800
Mobility Factor	7,800	3,700	11,500
Lump Sum	308,300	60,700	369,000
Minimum Funding Levels	1,033,700	104,200	1,137,900
Minimum Funding Guarantee 2%	-	422,900	422,900
Total Cost of Changes	9,686,300	7,707,200	17,393,500

The increase in DSG Schools Block is £17.6m which confirms that it is affordable to implement the national funding formula factors and to have an MFG at the maximum 2% to protect the schools that are not gaining as much as others.

It should be noted the figures above are only estimated as the impact of pupil numbers and new and growing schools need to be built in.

6. HIGH NEEDS BLOCK

As in previous years increasing demand and continuing pressures mean the budget is still in significant overspend.

The table below shows the current position for the high needs block:-

High Needs Block - Current Position		
	19-20	20-21
Current in Year Deficit		-4,120,600
Contribution from schools		1,133,500
Revised In Years Deficit		-2,987,100
Cumulative Deficit	-13,300,000	-16,287,100

In 2020-21 there is an in year overspend of £3.0m that would have been £4.1m without the contribution from the Schools Block.

Work is continuing to address the high needs pressure and Formula Review Group is leading the challenge and review on behalf of the Forum.

7. CONSULTATION

The consultation questions will cover the following 3 proposals:-

- adopt the NFF formula values
- apply a minimum funding guarantee of 2%
- transfer 0.5% of schools block to the high needs block

These 3 proposals are in line with the principles adopted in Bolton's formula in recent years.

8. DE-DELEGATION

Schools Forum is allowed to retain funding centrally for some services on behalf of all maintained primary and secondary schools where they believe this will be of benefit to the children within Bolton. The process is that funding is delegated to schools and then maintained schools buy back globally into the service. Academies can buy back into these services via a Service Level Agreement.

The services currently de-delegated are:-

- Maternity
- Schools Library Service
- Schools Museum Service
- Free School Meals Eligibility
- Partnerships
- CLEAPSS

The consultation will ask schools if they wish to continue.

9. TIMETABLE

The budget consultation will run for three weeks during November/December. Responses will be able to be submitted either online or at the budget briefings that will be held in December.

10. NEXT STEPS

At the next Schools Forum on 8th January the results of the consultation will be presented to inform Schools Forums recommendation for the formula, this will be submitted to the ESFA and taken to the Executive cabinet Member Meeting on 8th February for political ratification.

The budget report in January will also include the impact of the October 2020 census.

11. RECOMMENDATION

The Schools Forum is asked to note and comment on the proposed consultation to schools.

Appendix A – Unit Value Changes

		2020-21	2020-21 NFF	Increase	%	Comments
1. BASIC ENTITLEMENT						
	Primary	£ 2,857	£ 3,123	£ 266	9.31%	£86 (3%) Inflation £180 (6%) Grants
	Secondary					
	KS3	£ 4,018	£ 4,404	£ 386	9.61%	£121 (3%) Inflation £265 (6%) Grants
	KS4	£ 4,561	£ 4,963	£ 402	8.81%	£137 (3%) Inflation £265 (6%) Grants
2. DEPRIVATION						
FSM						
	Primary	£ 450	£ 460	£ 10	2.22%	
	Secondary	£ 450	£ 460	£ 10	2.22%	
EVER 6						
	Primary	£ 560	£ 575	£ 15	2.68%	
	Secondary	£ 815	£ 840	£ 25	3.07%	
IDACI						
	Primary					
	IDACI Band G	£ -	£ -	£ -		
	IDACI Band F	£ 210.00	£ 215	£ 5	2.38%	
	IDACI Band E	£ 250.00	£ 260	£ 10	4.00%	
	IDACI Band D	£ 375.00	£ 410	£ 35	9.33%	
	IDACI Band C	£ 405.00	£ 445	£ 40	9.88%	
	IDACI Band B	£ 435.00	£ 475	£ 40	9.20%	
	IDACI Band A	£ 600.00	£ 620	£ 20	3.33%	
	Secondary					
	IDACI Band G	£ -	£ -	£ -		
	IDACI Band F	£ 300	£ 310	£ 10	3.33%	
	IDACI Band E	£ 405	£ 415	£ 10	2.47%	
	IDACI Band D	£ 535	£ 580	£ 45	8.41%	
	IDACI Band C	£ 580	£ 630	£ 50	8.62%	
	IDACI Band B	£ 635	£ 680	£ 45	7.09%	
	IDACI Band A	£ 840	£ 865	£ 25	2.98%	
PRIOR ATTAINMENT						
	Primary	£ 1,044	£ 1,095	£ 51	4.93%	
	Secondary	£ 1,610	£ 1,660	£ 50	3.11%	
4. EAL						
	Primary	£ 535	£ 550	£ 15	2.80%	
	Secondary	£ 1,440	£ 1,485	£ 45	3.13%	
5. MOBILITY						
	Primary	£ 875	£ 900	£ 25	2.86%	
	Secondary	£ 1,250	£ 1,290	£ 40	3.20%	
6. LUMP SUM						
	Primary	£ 114,400	£ 117,800	£ 3,400	2.97%	
	Secondary	£ 114,400	£ 117,800	£ 3,400	2.97%	