

In accordance with the transition to the National Funding Formula (NFF), as outlined within Item 8 of Schools' Forum 20 October 2020, the recommendation for distributing the Dedicated Schools Grant (DSG) Schools Block in respect to mainstream schools and academies is required as follows:

a) Formula Funding Unit Values:

Factor	Sub-level	2020/21 £	2021/22 £	Variance to 2020/21	% Variance	Teachers Pay & Pensions	Uplift	% Excluding Pay & Pensions
Basic Entitlement - Age Weighted Pupil Unit (AWPU)	Primary	2,857	3,123	266	9%	180	86	3.0%
	Key Stage 3	4,018	4,404	386	10%	265	121	3.0%
	Key Stage 4	4,561	4,963	402	9%	265	137	3.0%
Deprivation								
Free School Meals - Ever 6	Primary FSM	560	575	15	3%			3%
	Secondary FSM	815	840	25	3%			3%
Free School Meals	Primary FSM	450	460	10	2%			2%
	Secondary FSM	450	460	10	2%			2%
Income Deprivation Affecting Children Indices (IDACI) Primary	IDACI F	210	215	5	2%			2%
	IDACI E	250	260	10	4%			4%
	IDACI D	375	410	35	9%			9%
	IDACI C	405	445	40	10%			10%
	IDACI B	435	475	40	9%			9%
	IDACI A	600	620	20	3%			3%
Income Deprivation Affecting Children Indices (IDACI) Secondary	IDACI F	300	310	10	3%			3%
	IDACI E	405	415	10	2%			2%
	IDACI D	535	580	45	8%			8%
	IDACI C	580	630	50	9%			9%
	IDACI B	625	680	55	9%			9%
	IDACI A	840	865	25	3%			3%
Additional Education Needs Factors								
Low cost, high incidence SEN – Low Prior Attainment	Primary	1,065	1095	30	3%			3%
	Secondary	1,610	1660	50	3%			3%
English as an Additional Language (EAL)	Primary	535	550	15	3%			3%
	Secondary	1,440	1485	45	3%			3%
Mobility	Primary	875	900	25	3%			3%
	Secondary	1,250	1290	40	3%			3%
School-Led Factors								
Lump Sum - 2021/22 is the final year of the agreed phased transition for the Primary Lump Sum to mirror the NFF Lump Sum.	Primary	120,000	117,800	-2,200	-1.8%			-1.8%
	Secondary	114,400	117,800	3,400	3%			3%

The financial impact of the 2021/22 recommended formula unit values is shown below:

Local Authority Funding Reform Proforma

LA Name:	Bury
LA Number:	351

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level
£4,180	£5,215.00	£5,715.00	£5,415.00

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units		22.00		Total	pre MFG funding (%)
	Description	Amount per pupil		Pupil Units		Sub Total		
	Primary (Years R-6)	£3,123.00		16,608.00		£51,866,784	£103,831,680	37.21%
	Key Stage 3 (Years 7-9)	£4,404.00		6,850.00		£30,167,400		21.64%
	Key Stage 4 (Years 10-11)	£4,963.00		4,392.00		£21,797,496		15.64%
2) Deprivation	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion Primary	Eligible proportion Secondary	Sub Total	Total	pre MFG funding (%)
	FSM	£460.00	£460.00	2,941.69	1,906.00	£2,229,938	£12,592,708	9.03%
	FSM6	£575.00	£840.00	3,652.42	3,060.96	£4,671,343		
	IDACI Band F	£215.00	£310.00	1,427.51	980.73	£610,943		
	IDACI Band E	£260.00	£415.00	2,824.31	1,926.85	£1,533,965		
	IDACI Band D	£410.00	£580.00	1,074.90	680.52	£835,410		
	IDACI Band C	£445.00	£630.00	1,821.15	1,159.38	£1,540,821		
	IDACI Band B	£475.00	£680.00	611.80	423.77	£578,773		
IDACI Band A	£620.00	£865.00	485.34	335.96	£591,515			
3) Looked After Children (LAC)	LAC March 19	£0.00		205.12		£0	£1,470,624	0.00%
4) English as an Additional Language (EAL)	EAL 3 Primary	£550.00		1,726.82		£949,750		0.97%
	EAL 3 Secondary		£1,485.00		273.44	£406,055		0.08%
5) Mobility	Pupils starting school outside normal entry dates	£900.00	£1,290.00	112.88	10.25	£114,820	£9,831,666	7.05%
6) Low prior attainment	Primary low prior attainment		£1,095.00	32.57%	5,409.26	£5,923,144		
	Secondary low prior attainment (year 7)	64.53%	£1,660.00	23.03%	2,354.53	£3,908,522		
	Secondary low prior attainment (year 8)	63.59%		22.59%				
	Secondary low prior attainment (year 9)	58.05%		20.73%				
	Secondary low prior attainment (year 10)	48.02%		20.97%				
Secondary low prior attainment (year 11)		17.13%						

Other Factors

Factor	Lump Sum Primary (£)	Lump Sum Secondary (£)	Lump Sum Middle (£)	Lump Sum All-through (£)	Total (£)	pre MFG funding (%)
7) Lump Sum	£117,800.00	£117,800.00			£9,070,600	6.51%
11) Rates					£1,311,091	0.94%

Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)	£138,108,369	99.09%
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14) Additional funding to meet minimum per pupil funding level	£1,273,009	0.91%
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Total Funding for Schools Block Formula (excluding MFG Funding Total)	£139,381,378	100.00%
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15) Minimum Funding Guarantee	2.00%	£142,842
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Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)	No
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	Total (£)	Total funding (%)
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MFG Net Total Funding (MFG + deduction from capping and scaling)	£142,842	0.10%
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Total Funding for Schools Block Formula	£139,524,219
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% Distributed through Basic Entitlement	74.49%
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% Pupil Led Funding	91.64%
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Primary: Secondary Ratio	1 :	1.29
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The indicative analysis by sector indicates the following:

Sector	2021/22	2020/21	Variance	% Variance
Primary	74,527,920	69,212,313	5,315,607	7.68%
Secondary	64,996,299	60,324,990	4,671,309	7.74%
Total	139,524,219	129,537,304	9,986,916	7.71%

The figures presented in this paper are subject to change in line with the validated October 2020 pupil census and other updates e.g. Business Rates

Primary Lump Sum

Forum members will be aware of the phased transition for Primary schools to reflect the National Funding Formula (NFF) and where specifically the phased reduction of the Lump Sum has been applied. 2021/22 is the final year of transition and the lump sum will reduce by £2,200 to mirror the NFF Lump Sum for all sectors.

Forum should note that the reduction is lower than anticipated last year (£120,000 down to £115,000 = -£5,000) as the unit value has now increased to £117,800. The reduction is more than offset for all Primary schools given the increases to all other factors. The increased Minimum Funding Level (MFL) also protects all schools where any reduction to the Lump Sum may have impacted on them achieving the MFL in 2021/22.

RECOMMENDATION 1:

Schools' Forum recommend all the formula unit values for 2021/22 as per the tables above.

Minimum Funding Guarantee (MFG)

The statutory guidance allows for Schools' Forum to consider applying an MFG to protect pupil level school funding at a rate between 0.5% and 2.00%. The rate was set for 2020/21 at 1.84% in line with recommended DfE inflationary protections. The DfE have recommended the MFG is set at 2.00% for 2021/22 .

RECOMMENDATION 2:

Schools' Forum recommend the MFG protection is increased from 1.84% and set at 2.00% in line with DfE guidance.

b) De-Delegation

For Maintained Schools only, the formula mechanism contains options for schools to choose to de-delegate an amount from their formula allocation to contribute to Local Authority services that work to support them. Academies are able to buy back into any services directly.

The De-delegated options for consideration are shown below:

2021/22 (for Recommendation)	Schools of Concern / Contingencies		FSM Benefits checking		Trade Union Facilities Time		EAL (CLAS)		Total Primary	Total Secondary
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary		
	£70,824	£28,716	£9,812	£4,230	£47,216	£19,144	£0.00	£0.00	£127,852	£52,090
	£99,540		£14,042		£66,360		£0.00		£179,942	
Unit Values	£6.00	£6.00	£5.00	£5.00	£4.00	£4.00	£0.00	£0.00		
2020/21 for Information	£70,824	£48,612	£9,812	£5,870	£47,216	£32,408	£243,627	£0.00	£371,479	£86,890
	£119,436		£15,682		£79,624		£243,627		£458,369	
Unit Values	£6.00	£6.00	£5.00	£5.00	£4.00	£4.00	£0.00	£0.00		

The introduction of the full (Hard) National Funding Formula (NFF) included the proposal to cease de-delegation and ensure all schools budgets are allocated in full to provide them with the autonomy to determine which services they may choose to buy back into. The hard NFF has now been delayed from 2021/22 until (expected) 2023/24. This means that Local Authorities and their Schools' Forum retain some freedoms to recommend which services may still be included in the de-delegation options.

The table provided is based on previous Schools' Forum considerations.

RECOMMENDATION 3:

Schools' Forum recommend the De-delegated values for 2021/22 as per the table above.

c) Headroom

After all formula factors have been updated as per the above recommendations and in accordance to the National Funding Formula unit values, there is a balance of DSG Schools Block that remains un-allocated. This balance is required to cover any outstanding updates to budget determinations as follows:

- **October 2020 census variations** – Pupil numbers will be adjusted for in the final Schools Block determination, however any increases in funding required due to variances in pupil cohort characteristics need to be covered from any available headroom monies, for example if increased Deprivation funding is required once all up to date pupils have been mapped into their respective deprivation Super Output Areas.
- **Growth** – where increased pupil intakes require additional classes to meet infant class size regulations, or to meet Basic Need requirements, funding needs to be either retained to fund in-year growth or estimated upfront within schools budget allocations where data is known about planned growth prior to the final budgets being determined and published.
- **Falling Rolls Fund** – funding may be set aside from the Schools Block to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.
- **Business Rates** – actual estimates for Business Rates are subject to change each year in line with rateable value reviews, revaluations of premises and inflation. These increases are not notified until January / February each year.
- **Minimum funding Level (MFL) and Minimum Funding Guarantee (MFG) protections** – once all final data has been input there may be increased protections required on individual schools budgets to ensure their actual budget allocations comply with the MFL and MFG funding per-pupil levels and protections.

Schools Block transfer – if when all items above have been updated to reflect the actual individual schools budget determinations, and any amounts to support growth and falling rolls have been agreed, there remains a balance of unallocated Schools Block funding, the Local Authority respectfully requests Schools' Forum consideration to transfer this balance by way of supporting the deficit recovery on the High Needs Block.

Schools' Forum may recommend up to 0.5% transfer of Schools' Block without any disapplication process being required to be approved by the Secretary of State for Education. For information, 0.5% of Burys' 2021/22 Schools Block is £700,434. Currently there is around £560,000 unallocated on the indicative 2021/22 budget determinations but this will be significantly lower once all updated figures from the headings above are included.

RECOMMENDATION 4:

Schools' Forum recommends, in principle, a transfer of unallocated Schools Block Headroom to the High Needs Block. The amount to be agreed and confirmed at the meeting of Schools' Forum in January 2021.