

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

SCHOOL FUNDING FORMULA 2021-22

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 Local Authorities are required to inform Education & Skills Funding Agency (ESFA) by 21st January 2021 of their school funding formula details following consultation with all schools.

2. BACKGROUND INFORMATION

- 2.1 On 17th December 2020 the ESFA published the 2021-22 Dedicated Schools Grant (DSG) Allocations, based on October 2020 School Census data. The allocation for North Lincolnshire is £152.810m (£142.236m in 2020/21) after deductions for direct funding of high needs places by ESFA.
- 2.2 The element of DSG available for the Individual Schools Budget (ISB), for all mainstream schools is £121.080m (£112.670m in 2020/21). The Operational guide sets out how individual school budget (ISB) shares can be calculated.
- 2.3 To continue the introduction of the National Funding Formula (NFF) the DfE intends to consult on forward plans to move to a 'hard' NFF in the future so that resources are distributed based on the individual needs and characteristics of every school in the country.
- 2.4 North Lincolnshire Council's local formula now reflects the NFF for all factors with the variation to use pupils travel distance to school measured by road or footpath rather than 'as the crow flies' when applying the criteria for sparsity. The DfE is continuing to work on a more suitable formula to allocate sparsity funding. The factor values are detailed in appendix 1.
- 2.5 This report sets out the final proposals for the North Lincolnshire schools funding formula.

3. OPTIONS FOR CONSIDERATION

- 3.1 On 1st October 2020 Schools Forum endorsed the application of MFG at the maximum level which could be afforded including use of DSG earmarked reserves as appropriate. Two MFG options have been modelled.
- 3.2 Option 1 – Allocation of the maximum permitted MFG of 2%
- 3.3 Option 2 – Allocation of the minimum MFG of 0.5%
- 3.4 The Schools Forum also needs to consider the contribution towards the costs of Educational Functions from maintained schools.

4. ANALYSIS OF OPTIONS

- 4.1 The total cost of the funding formula including a MFG of 2% is £121.262m. This would require a contribution for the DSG earmarked reserve of £183k. Sixteen schools would receive protection. See appendix 3 for further information.
- 4.2 The total cost of the funding formula including a MFG of 0.5% is £121.136M and would require a contribution from the earmarked reserve of £56k. Seven schools would receive protection. See appendix 4 for further information.
- 4.3 There is sufficient funding within the DSG Schools Block earmarked reserve to fund either option.
- 4.4 As in previous years, the local authority is proposing to set a single rate of £7.80 per pupil to contribute 50% towards the cost of providing statutory duties for Educational Functions that it carries out for maintained schools. This puts maintained schools on an equivalent arrangement to that of academies. Appendix 2 gives further details of the duties covered by this funding.
- 4.5 The amount retained to cover Education Functions will need to be agreed by the maintained members of the schools forum.

5 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 A Growth Fund of £200,000 and a Falling Rolls Fund of £100,000 continue to be available.

6 OUTCOMES OF CONSULTATION

- 6.1 All schools have been consulted on the funding formula. Ten responses were received.

- 6.2 Local authorities were directed to set a Minimum Funding Guarantee (MFG) be between +0.5% and +2.0%; the consultation therefore gave two options
- a) To allocate the maximum affordable MFG between the range +0.5% and +2.0%
 - b) To set the MFG at +2.0% and scale back gains if required
- 6.3 Nine respondents gave preference to option a); one respondent gave preference for option b).
- 6.4 Schools were also consulted on the allocation of any additional funding if available after application of the funding formula. There is no additional funding available this financial year.

7 RECOMMENDATIONS

- 7.1 Schools Forum endorse the distribution of the schools block funding to all schools using option 1.
- 7.2 Maintained schools representatives of the forum approve the contribution of £7.80 per pupil toward the costs of Education Functions that the LA provides on behalf of maintained schools.

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Background Papers used in the preparation of this report –
Schools Revenue Funding 2021-22: Operational Guide
National Funding Formula for Schools and High Needs Policy Document 2021-22

Appendix 1

Funding Formula Factor Values				
Pupil-Led Factors	2020-21		2021-22	
	Primary	Secondary	Primary	Secondary
AWPU - Primary	£2,890		£3,123	
AWPU - Secondary KS3		£4,040		£4,404
AWPU - Secondary KS4		£4,590		£4,963
Deprivation				
FSM	£450	£450	£460	£460
FSM Ever 6	£560	£815	£575	£840
IDACI Band F	£210	£300	£215	£310
IDACI Band E	£250	£405	£260	£415
IDACI Band D	£375	£535	£410	£580
IDACI Band C	£405	£580	£445	£630
IDACI Band B	£435	£625	£475	£680
IDACI Band A	£600	£840	£620	£865
Looked After Children				
English as an Additional Language	£535	£1,440	£550	£1,485
Mobility - children starting school outside of normal entry dates	£875	£1,250	£900	£1,290
Prior Attainment	£1,065	£1,610	£1,095	£1,660
Other Factors				
Lump Sum	£114,400	£114,400	£117,800	£117,800
Sparsity	£26,000	£67,600	£45,000	£70,000
Minimum Per Pupil Funding Level (MPPL)	£3,750	£5,000	£4,180	£5,415

2020 - 2021 Education Functions

Ongoing functions and responsibilities the local authority holds for maintained schools	
General Duties grant ends 2017/18. Contribution proposed from DSG Maintained Schools	2020 - 2021 full year estimate (£):
Statutory and Regulatory duties:	
<p><i>Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services</i></p> <p><i>Budgeting and accounting functions relating to maintained schools</i></p> <p><i>Functions relating to the financing of maintained schools</i></p> <p><i>Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration</i></p> <p><i>Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies</i></p> <p><i>Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools</i></p> <p><i>Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting)</i></p> <p><i>Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body</i></p> <p><i>Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body</i></p> <p><i>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost</i></p> <p><i>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff; determination of conditions of service for non-teaching staff; appointment or dismissal of employee functions</i></p> <p><i>Consultation costs relating to staffing</i></p> <p><i>Compliance with duties under Health and Safety at Work Act</i></p> <p><i>Investigation and resolution of complaints relating to maintained schools</i></p> <p><i>Provision of information to or at the request of the Crown relating to schools</i></p> <p><i>School companies</i></p> <p><i>Functions under the Equality Act 2010</i></p> <p><i>Establish and maintaining computer systems, including data storage</i></p> <p><i>Appointment of governors and payment of governor expenses</i></p>	25,000
	£25,000

Education Welfare:	
<i>Inspection of attendance registers</i>	0
	£0

Asset management:	
<i>General landlord duties for all maintained schools (Sch 1, 10a (section 542(2) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</i>	82,000
<ul style="list-style-type: none"> • <i>appropriate facilities for pupils and staff (including medical and accommodation)</i> • <i>the ability to sustain appropriate loads</i> • <i>reasonable weather resistance</i> • <i>safe escape routes</i> • <i>appropriate acoustic levels</i> • <i>lighting, heating and ventilation which meets the required standards</i> • <i>adequate water supplies and drainage</i> • <i>playing fields of the appropriate standards</i> 	
<i>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc Act 1974).</i>	2,000
<i>Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012).</i>	
	£84,000

Central support services:	
<i>Clothing grants</i>	18,000
<i>Provision of tuition in music, or on other music-related activities</i>	
<i>Visual, creative and performing arts)</i>	
<i>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics)</i>	14,000
	£32,000

Premature retirement and redundancy:	
<i>Dismissal or premature retirement when costs cannot be charged to maintained schools</i>	0
	£0

Monitoring national curriculum assessment:	
<i>Monitoring of National Curriculum assessments</i>	59,000
	£59,000