

art 1: Open to the Public – Item No.

**REPORT OF THE LEAD MEMBER FOR CHILDREN’S AND YOUNG
PEOPLE’S SERVICES**

TO CABINET

ON TUESDAY 23 FEBRUARY 2021

TITLE:

**APPROVAL OF SCHOOLS BUDGETS 2021-22 (Schools Block local
Formula Funding)**

RECOMMENDATIONS:

It is recommended that Cabinet approves the school’s budgets for the school’s block local formula funding for 2021-22.

EXECUTIVE SUMMARY:

This report outlines the Salford City Council’s school’s local formula funding budgets for 2021-22.

BACKGROUND DOCUMENTS:

Available for inspection:

Salford’s funding formula

Department for Education dedicated schools grant funding allocations for 2021-22 (available on-line)

The following documents contain exempt or confidential information and are not available for public inspection:

Appendix A - Salford Schools Budgets (schools block funding formula) 2021-22

KEY DECISION:

No

DETAILS:

See the report.

KEY COUNCIL POLICIES:

N/A

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

All Salford schools and academies were consulted on the Salford local funding formula for 2021-22. Salford school's forum approved the proposals for the funding formula for 2021-22.

ASSESSMENT OF RISK:

Low

All Salford schools and academies were consulted on the Salford local funding formula for 2021-22. Salford school's forum approved the proposals for the funding formula for 2021-22.

LEGAL IMPLICATIONS Supplied by:

N/A

FINANCIAL IMPLICATIONS Supplied by:

Chris Mee – Strategic Finance Manager, People
Debbie Fulton – Finance Officer, People

PROCUREMENT IMPLICATIONS Supplied by:

N/A

HR IMPLICATIONS Supplied by:

N/A

CLIMATE CHANGE IMPLICATIONS Supplied by:

N/A

OTHER DIRECTORATES CONSULTED:

N/A

CONTACT OFFICER:

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WARDS TO WHICH REPORT RELATES:

All wards

REPORT DETAIL

1. Introduction

- 1.1 The dedicated schools grant (DSG) is the funding allocated for the school's local funding formula. The DSG allocation is split into four funding blocks: schools block, central schools services block, early years block and high needs block. The funding blocks are ring-fenced, but local authorities retain limited flexibility to transfer up to 0.5% of their school's block funding into one of the other funding blocks, with the approval of school's forum. To make such a transfer, local authorities need to consult with schools and academies, and the school's forum should consider the views of the schools/academies responses before giving their approval.

The DSG funding for 2021-22 is allocated using per pupil unit rates for primary and secondary pupils per local authority.

The introduction of the schools hard national funding formula (NFF) has been delayed until April 2022. Local authorities have been encouraged to implement the NFF locally as soon as possible. Salford has been transitioning to the NFF over the last 3 years and the local formula is now fully calculated at the NFF unit rates for 2021-22.

- 1.2 This report does not apply to special schools and pupil referral units because they are funded from the high needs block using a different methodology.

2. Dedicated schools grant 2021-22

- 2.1 The initial DSG allocation for 2021-22 has been provided by the Department for Education (DfE). Salford's total allocation for the four funding blocks is £250m before recoupment for the academies funding and the deductions for high needs places funded directly by the DfE.

The schools block funding available within the total DSG allocation for allocating to individual school's budgets is £185.1m. This is an increase of £13.7m compared to the allocation for 2020-21 (£171.4m). The increase is £2.0m for pupil number growth, £4.7m for the schools funding uplift and £7m for the transfer of the Teacher's Pay and Pension's Grant funding into the DSG school's block funding allocation (these were previously separate grants).

- 2.2 The total DSG allocation is provisional at this stage and is subject to changes for early year's final pupil numbers following the January 2021 census.
Note: This will not change the schools block funding amount.

3. Schools budget allocations

- 3.1 The funding for schools and academies is allocated through Salford's locally determined funding formula, as approved by Cabinet, after consultation with schools, academies, and school's forum.

The individual school's pupil data released with the DSG allocation for 2021-22 enables the funding formula to be updated with pupil numbers and characteristics from the October 2020 school census.

- 3.2 Based on the consultation responses from the previous 3 years, the LA did not consult with schools, academies, and school's forum regarding the transfer of 0.5% funding from the school's block for 2021-22.
- 3.3 There have been some amendments to the local funding formula to enable the final move to mirror the national funding formula. Salford's local formula is now at the NFF formula factor unit rates and has a minimum funding guarantee set at +2% (the maximum allowed by the DfE). The minimum funding guarantee is protection for schools against significant year-on-year changes in pupil-led funding.
- 3.4 An analysis of the individual school budget allocations, comparing 2021-22 allocations with 2020-21, has been prepared. This part 2 information is presented separately at Appendix A.

There are 2 primary and 1 secondary schools/academies with a budget decrease in 2021-22 compared to 2020-21. For all these schools/academies, this is due to a decrease in the pupil numbers.

4 Conclusions

- 4.1 The Department for Education has allocated DSG for 2021-22.
- 4.2 The Salford schools local funding formula has been applied to each school and academy.

5 Recommendations

- 5.1 It is recommended that Cabinet approves the school's budgets for the school's block local funding formula funding for 2021-22.