

Schools Forum – 25 January 2021

Title of paper:	SCHOOLS BUDGET 2021/22
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Summary	
<p>This report presents the proposed Schools Budget for the financial year (FY) 2021/22. The Schools Budget has been prepared in line with the parameters agreed at Schools Forum (SF) and with the financial regulations issued by the Department for Education (DfE). Final individual school budgets will be issued as well as the indicative early years, high needs funding allocations and guidance notes by 28 February 2021.</p> <p>Where applicable, the Local Authority's Medium Term Financial Plan (MTFP) incorporates the impact from the Dedicated Schools Grant (DSG).</p>	
Recommendation(s):	
1 DSG	<p>a) To note the overall indicative 2021/22 Schools Budget to be spent incorporating the Schools, Central Schools Services (CSS), Early Years (EY) and High Needs (HN) blocks is £310.745m – as per Table 6 (i).</p> <p>b) To note this is funded by the provisional 2021/22 DSG allocation of £310.287m and the reimbursement of £0.458m funding paid to academies for pupil growth April to August 2021.</p> <p>c) To note that the budget will be updated in year to reflect subsequent adjustments made by the ESFA to our 2021/22 DSG allocation as described in the report.</p> <p>d) Any balance remaining will be allocated to the Statutory School reserve (SSR).</p> <p>e) To note the impact to schools budgets of the indicative allocation is set out in Table 5.</p>
2 Early Years Central expenditure	<p>a) To approve £0.011m additional early years central expenditure over and above the £0.997m already approved at Schools Forum on 1 December 2020.</p>
3 PUPIL PREMIUM	<p>a) To note the allocation of Pupil Premium funding will be allocated to schools in accordance with the grant conditions.</p>

1 Reasons for recommendations

- 1.1 To ensure an understanding of how and on what basis different DfE grants are allocated to the Local Authority (LA) and how they are then allocated to individual schools forming their annual budget allocations.
- 1.2 To provide SF with a summary budget position based on the approvals gained in accordance with the Schools and Early Years Finance (England) Regulations 2020.
- 1.3 To update SF on the impact of any new legislation on the Schools budgets and the financial implications of those changes.

2 Background (including outcomes of consultation)

2.1 Construction of the 2021/22 budget

2021/22 is the fourth year of the National Funding Formula (NFF) for Schools, HN's and CSS used to calculate the block values allocated to LA's.

In addition to this the Early Year's NFF (EYNFF) was introduced in 2017/18.

For 2021/22 a summary of the budget allocation methodology for Nottingham schools is as follows:

- The rates for each funding factor are aligned to the NFF.
- Minimum Funding Guarantee (MFG) of 2% has been applied to the allocation of funding given to LA's for schools not fully on the NFF.

Within the regulations LA's can set the MFG between plus 0.5% and plus 2% per pupil. The maximum level has been set for maintained schools and academies to ensure as much of the funding is allocated as possible and to mitigate any significant budget variations that may arise as budgets move towards the NFF.

- Minimum per pupil funding levels have increased in the FY 2021/22 as shown in **Table 1**:

Table 1: Minimum Per Pupil Funding		
	2020/21	2021/22
Primary	£3,750	£4,180*
Key Stage 3	£4,800	£5,215**
Key Stage 4	£5,300	£5,715**
Secondary with all 5 year groups	£5,000	£5,415**

* Includes £180 per primary pupil see below;

** Includes £265 per secondary pupil see below.

- Funding previously received through the Teachers' Pay Grant (TPG), Teachers' Pension Employer Contribution Grants (TPECG) and the Supplementary fund, to mainstream schools for pupils from reception to year 11 will be allocated through the NFF from 2021/22, by adding funding to

schools baselines, increasing the basic per pupil funding and increasing the minimum per pupil funding (MPPL's).

Primary schools will receive £180 per primary pupil and secondary schools will receive £265 per pupil for KS3 and KS4 pupils.

Rolling these grants into schools and academies budgets will affect the core budgets that maintained schools will receive from April 2021, and academies will receive from September 2021. To avoid an unfair gap in the support provided the ESFA will continue to give academies separate grant payments up until the end of August 2021.

- The 2021/22 NFF uses income deprivation affecting children index (IDACI) 2019 ranks to group each lower super output area (LSOAs, an area with typically 1500 residents) into one of six bands of decreasing deprivation. In the past IDACI bands have been defined on the basis of scores. The 2021/22 NFF uses ranks instead of scores to define bands.
- Schools attracting their core NFF allocations will see an increase of 3% to the formula's core factors. The only exception to this is the free school meals factor which has increased by 2%, this factor value is based on an estimate of the actual cost of providing school meals.
- Following the cancellation of assessments in summer 2020 due to COVID-19, LA's have not be able to use this data as part of setting a low prior attainment factor in the local funding formulae. Instead we have **used the 2019 assessment data as a proxy for the 2020 reception and year 6 cohort**, which is the data we received from the DfE.
- Premises funding has been allocated based on actual spend in 2020/21, with an RPIX increase for the PFI factor only of 1.56%.
- **The gains cap was removed in the financial year 2020/21**. Therefore LA's will continue to receive all the funding that schools attract under the NFF. LA's will continue to be able to use a cap if they wish to do so. In line with the NFF the LA will continue not to apply a gains cap.

2.2 The purpose of this report is to provide a 2021/22 summary budget position for Schools; this report is a continuation of budget reports presented to SF during the budget setting process in accordance with the Schools and Early Years Finance (England) Regulations 2020.

These approvals are set out in **Table 2** below:

TABLE 2: ANALYSIS OF APPROVALS		
	Status	Date
De-delegated budgets		
Trade union representative cover	Approved	1 Dec 2020
Central budgets		
Schools	Approved	1 Dec 2020
SEN Transport	Approved	1 Dec 2020
Early Years	Approved	1 Dec 2020
Copyright licensing Agreement/Music Publishing Association licences	Education Skills Funding Agency	
Pupil Growth Contingency Fund	Approved	1 Dec 2020

2.3 2021/22 DSG Funding Allocation Basis

Table 3 sets out the allocations by block, the detail of each block is set out in **Table 6 (i)** with annual comparisons in **Table 6 (ii)**. Further detail behind each block is set out in subsequent sections as indicated.

Table 3: 2021/22 DSG Allocations		
		£m
1	Schools Block – section 2.3.1	237.015
2	Central Schools Services Block (CSSB) – section 2.4.2	5.218
3	Early Years Block – section 2.4.3	23.149
4	High Needs Block	44.905
TOTAL DSG		310.287

2.3.1 Schools Block DSG Allocation

The school block allocation is based on 3 elements:

a) **Pupil-led and School-led funding**

This is based on a Primary unit of funding (PUF) and secondary unit of funding (SUF).

In 2021/22 this equates to £4,878.35 per primary pupil and £6,466.61 per secondary pupil. These rates are calculated on the level of funding the LA would receive through the 2021/22 NFF based on the October 2019 census data.

In 2021/22 these rates also include funding for the Teachers Pay Grant (TPG) and Teachers Pension Employers Contribution Grant (TPECG) as the DfE have introduced a formulaic approach to allocating funding for these grants instead of allocating them as separate grants, see 2.1. This makes year on year comparisons meaningless.

The actual Schools Block allocation for 2021/22 is based on:

- The number of primary pupils in Reception to Year 6 on the October 2020 school census plus
- Pupils aged 4 to 10 not assigned to a year group on the October 2020 school census multiplied by the PUF plus

- The number of secondary pupils in Year 7 to Year 11 on the October 2020 school census plus
- Pupils aged 11 to 15, not assigned to a year group on the October 2020 school census multiplied by the SUF.

Pupils in special units and resource provisions are included in the pupil counts above. Reception pupils are counted as one full time equivalent (FTE) irrespective of the hours they attend. No reception uplift has been applied to pupils numbers.

The total funding allocated based on the primary and secondary units of funding totalled £231.221m.

b) **Premises**

This funding is allocated to LA's based on historic costs in 2020/21 with the exception of Private Finance Initiatives (PFI) funding which has been uplifted by the RPIX from April 2019 to April 2020 (1.56%).

Total funding allocated for premises totalled £4.211m.

c) **Growth funding**

In 2019/20 the DfE introduced a formulaic approach to funding pupil growth. The total funding received for growth in 2020/21 was £1.737m.

Actual pupil growth allocations have been based on the movement in pupils between the October 2019 and October 2020 school census data in Middle Super Output Areas (MSOA).

In the financial year 2021/22 the DfE have increased the rates applied to the growth in primary and secondary pupils by 2%. The primary rate in 2020/21 was £1,425 and is £1,455 in 2021/22. The secondary rate in 2020/21 was £2,130 and is £2,175 in 2021/22.

There is no longer a gains cap so LA's will receive their full entitlement. LA's seeing a reduction in their growth funding compared to the financial year 2020/21 will receive protection so that they lose no more than 0.5% of their 2019/20 Schools Block. Nottingham City does not receive any protection and will see a reduction of -£0.154m in pupil growth funding in 2021/22.

This methodology for allocating funding for pupil growth has only been confirmed for the financial year 2021/22. Currently awaiting further guidance from the DfE as to how pupil growth is to be funded from 2022/23 onwards.

Total funding allocated for growth totalled £1.583m.

2.3.2 Central Schools Services DSG Allocation

The Central School Services Block (CSSB) is made up of two categories of funding:

- Historic commitments and
- Ongoing commitments

Table 4 below shows the categorisation of budgets within the CSSB.

Table 4: CSSB Funding		
Commitment	Classification	2021/22 Allocation approved by SF £m
CERA	Historic commitment	0.173
Prudential borrowing	Historic commitment	0.238
Termination of employment costs	Historic commitment	1.609
Contribution to combined budgets	Historic commitment	1.612
Admissions	Ongoing commitment	0.585
Copyright licences	Ongoing commitment	0.215
Schools Forum	Ongoing commitment	0.035
Retained duties	Ongoing commitment	0.655
TPG and TPECG for centrally employed teachers	Ongoing commitment	0.096
Total CSSB		5.218

As stated in the LA's report to SF on 1 December 2020 in the Central Expenditure Budget 2021/22 – Historic Commitments report on 21 July 2020, the ESFA published each LA's 2021/22 illustrative DSG allocations, including those for the CSSB.

In keeping with the DfE's commitment to reduce historic commitment funding, Nottingham City's funding has been cut by a further 20% in 2021/22 in addition to the reductions applied in 2020/21 of £1.060m.

The 2021/22 reduction is a further £0.908m taking the **total funding reduction to date to £1.968m.**

The ESFA have stated that this funding will be cut year on year until LA's only have the value of the termination of employment and prudential borrowing remaining budgets, for those LA's who have commitments for these costs. This will create a budget pressure for Nottingham City Council.

In the DfE Policy document on the NFF for schools and HN 2021 to 2022 they have stated:

“We will provide further detail in due course on how we will continue to reduce this funding in future years. Our expectation remains that commitments will also continue to unwind over time as contracts reach their end points.”

Nationally funding for historic commitments in the FY 2021/22 has been cut by £35.807m.

In 2020/21 the LA received £4.539m for historic commitments.

Total allocation for historic commitments in 2021/22 £3.631m.

LA's are funded for ongoing commitments based a national formula which distributes 90% of funding according to a per-pupil factor and 10% of funding according to a deprivation factor.

Both elements have been adjusted for area costs. LA's due to receive reductions in their per-pupil funding for ongoing functions compared to their 2020/21 baseline will be protected against large losses year on year. **The maximum per-pupil reduction in funding is -2.5%**. This has been afforded by placing a gains cap on the amount that LA's can gain under the formula. In 2021/22 LAs will be able to gain a maximum of 6.45%. Nationally **the funding for ongoing commitments that LA's have for all schools has been increased by 4% in 2021/22.**

In 2020/21 the CSSB unit of funding for Nottingham City for ongoing commitments was £35.14 per pupil. In 2021/22 this has increased to £37.53 per pupil.

The final rate for 2021/22 includes £2.28 per pupil for centrally employed teachers TPG and TPECG. Therefore, by removing the £2.28 Nottingham City has seen an increase of 11p per pupil. This equates to a rise of 0.31% per pupil, this is the first time the LA has seen an increase in the rate year on year since the introduction of the NFF.

In 2021/22 NCC has been allocated £1.587m for ongoing commitments.

The DfE have stated that they will be reviewing the CSSB unit of funding for each LA on an annual basis. The total amount of funding in the CSSB is based on the current duties held by LA's.

Any changes to legal obligations will be reflected in future funding.

2.3.3 Early Years Block DSG Allocation

The LA's EY block allocation is based on the EYNFF which was introduced in April 2017.

The EYNFF dictates the hourly rate that each LA receives for 3 & 4 year olds. The rate for 2021/22 **£5.06 per hour.**

The LA is funded at a separate rate for 2 year olds. The rate for 2021/22 is **£5.39 per hour.**

The LA's provisional EY block allocation as published on 17 December 2020 is £23.149m.

Within this provisional allocation there is funding for:

- a) 3 & 4 year old universal entitlement (£14.623m)
- b) 3 & 4 year old extended entitlement (£4.241m)

- c) 2 year old funding (£3.840m) and
- d) EY Pupil Premium (EYPP) (£0.230)
- e) Early Years disability access fund (£0.097m)
- f) Maintained Nursery Supplementary (MNS) funding (£0.119m)

Provisional allocations are based on January 2020 pupil numbers.

Final allocations will be based on 5/12ths x January 2021 pupil numbers and 7/12ths x January 2022 pupil numbers.

In the context of COVID-19, the ESFA are planning to implement protection arrangements for LA's that experience a very low January 2021 count (<85% of the January 2020 level) and then can provide evidence of increased take up prior to the end of the Spring term. Full details of these arrangements have not yet been published at the time of writing.

2.3.4 High Needs Block DSG Allocation

The LA's HN's block allocation is based on the HN National Funding Formula (NFF) which was implemented in April 2018.

As one of the LA's due to gain most significantly under the HN NFF, Nottingham City has received a 12% increase per head of 2-18 population which is the maximum allowable gain. In 2021/22 LA's can receive between 8% to 12% per head of population.

The 2021/22 allocation is based upon the latest mid-2021 ONS population estimate for Nottingham City of 67,156. This is 1.0% higher than last year's mid-2020 (66,493) population estimate. Our provisional 2021/22 HN block allocation is reduced by £4.7m due to the 12% national cap on gains.

The LA's provisional 2021/22 HN block allocation before recoupment is £44.905m.

This represents a **£5.389m increase compared to the latest published 2020/21 allocation of £39.470m.**

The ESFA will make a recoupment deduction from this allocation for direct funding of HN's places.

- 2.4 Overall DSG funding has **increased since 2020/21 indicative budgets by £22.511m** (£310.287 - £287.776m). This increase is due to the reasons set out in **Table 5** below:

Table 5: 2021/22 Budget Increase Analysis	
2020/21	£m
EY – 3 & 4 year olds universal allocation updated to reflect the January 2020 census.	0.217
EY – 3 & 4 year olds additional 15 hours allocation updated to reflect the January 2020 census.	0.269
EY – 2 year olds allocation updated to reflect the January 2020 census.	(0.056)
EYPP – 3 & 4 year olds allocation updated to reflect January 2020 census.	0.009
EY – Adjustment to supplementary funding allocation for maintained nursery schools	(0.011)
HN – Import/export adjustment correction by ESFA	(0.012)
2021/22	
Schools – Increased pupil numbers and the impact of the changes to the NFF in 2021/22 (41,784 in 2020/21 to 42,283 in 2021/22)	17.316
Pupil growth contingency fund	(0.154)
Historic commitments allocation	(0.908)
Ongoing commitments allocation – effect of increase in rate and increase in pupil numbers	0.022
Ongoing commitments allocation TPG and TPECG funding for centrally retained teachers	0.096
EY – Impact of the EYNFF 6p/hour increase on 3 & 4 YO funding	0.223
EY – Impact of the EYNFF 8p/hour increase on 2 YO funding	0.057
EY – Increase in Disability Access Fund	0.007
HN –TPG and TPECG funding for High needs settings	0.648
HN – Basic entitlement factor for special school pupils (excluding TPG/TPECG element shown above)	0.035
HN – 8% Hospital education funding uplift	0.151
HN – NFF 12% per head funding increase per head of population	4.601
TOTAL ALLOCATION INCREASE	22.511

2.5 Overview of DSG Funding Distribution

2.5.1 **Table 6 (i)** below provides a breakdown of the Schools budget for 2021/22 by block and category of spend and **Table 6 (ii)** shows the 2021/22 allocations compared to preceding years.

TABLE 6 (i) Schools budget for the financial year 2021/22 by block and category of spend

Elements	Schools Block £m	Central Schools Services Block £m	Early Years Block £m	High Needs Block £m	Total DSG £m
Educational settings	236.029	-	22.141	40.332	298.502
Pupil Growth	1.383	-	-	-	1.383
Central Expenditure	-	5.218	1.008	4.573	10.799
De-delegated	0.061	-	-	-	0.061
BLOCK TOTAL	237.473	5.218	23.149	44.905	310.745
2021/22 DSG Settlement	237.015	5.218	23.149	44.905	310.287
Reimbursement from ESFA 2021/22	0.458	-	-	-	0.458
TOTAL FUNDING	237.473	5.218	23.149	44.905	310.745
VARIANCE	0	0	0	0	0

TABLE 6 (ii) Comparison of DSG allocations 2019/20 to 2021/22

Elements	Schools Block £m	Central Schools Services Block £m	Early Years Block £m	High Needs Block £m	Total DSG £m
2021/22 Indicative	237.015	5.218	23.149	44.905	310.287
2020/21 as at Nov 20	219.853	6.008	22.861	39.470	288.192
2019/20	211.924	7.079	22.331	34.040	275.375

2.6 Distribution of DSG Funding To Settings

The following paragraphs outline in detail how funding is distributed in each block.

2.6.1 Distribution of Schools Block Funding

The schools block budget currently totals £237.473m. This is funded by:

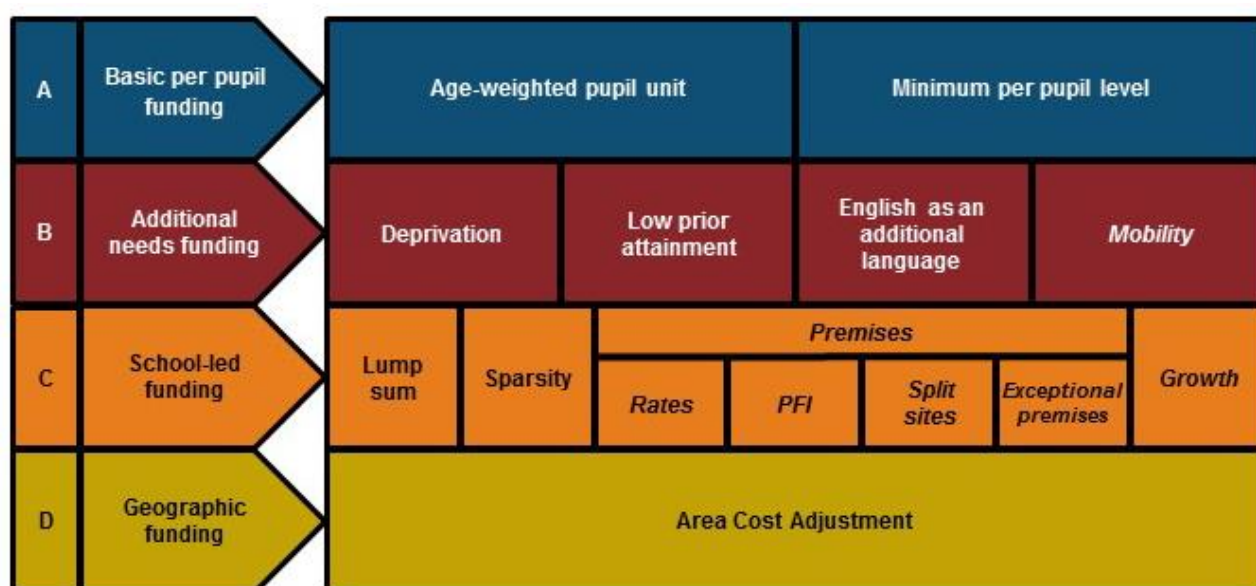
- DSG £237.015m (as per **Table 3, 6 (i) & (ii)**);
- Reimbursement of costs from academies of £0.458m

In 2021/22 the LA has funded through the local funding formula (which mirrors the schools national funding formula) the new free school Bluecoat Trent Academy which is due to open in September 2021. This is in line with the guidance set by the ESFA. This funding will be recouped from the LA the same as any other academy or free school. The funding for the new academy has been based upon six forms of entry (180 pupils from September 2021).

From September 2022 the free school are going to be admitting eight forms of entry. The ratios used for each of the pupil led factors have been based upon the average ratio of secondary schools in the North, Central and West areas of Nottingham City.

After applying the +2% MFG per pupil within the local funding formula (this is the maximum MFG that can be applied within the formula in 2021/22), this has created expenditure of £237.372m in the schools block. This **leaves £0.101m unallocated**. As agreed at Schools Forum on the 1 December 2020 in the Pupil Growth Contingency Fund 2021/22 report, any surplus balance will be allocated to the pupil growth fund for 2021/22.

Figure 2 below illustrates the factors that have been included when calculating schools budgets for 2021/22 based on the NFF.



In 2021/22 the age weighted pupil units (AWPU) have increased by 3% compared to 2020/21 as set out in **Table 7** below:

Table 7: AWPUR Rates And MFG Protection Comparisons

	2017/18	2018/19 & 2019/20	2020/21	2021/22	Increase/ (Decrease) 2020/21 to 2021/22
Primary	£3,123.25	£2,754.43	£2,864.88	£3,131.62*	£266.74*
Key Stage 3	£4,298.40	£3,873.12	£4,029.09	£4,416.16**	£387.07**
Key Stage 4	£5,012.24	£4,397.70	£4,573.59	£4,976.70**	£403.11**
Total MFG protection	£0.740m	£9,546m – 2018/19 £11.233m 2019/20	£7.815m	£7.645m	£1.687m – 2019/20 (£3.418m) – 2020/21 (£0.170m) 2021/22

* Includes £180 per primary pupil for the TPG and TPECG;

** Includes £265 per secondary pupil for the TPG and TPECG.

The level of MFG protection has fallen from £7.815m in 2020/21 to £7.645m in 2021/22. This is mainly due to the increase in the core factor rates and the increase in the minimum funding per pupil.

No consultation on the local funding formulae for mainstream schools was undertaken for the FY 2021/22. This was due to the LA's intention to continue to follow the principle that, as agreed in previous years consultations, to pass onto schools as much funding as possible through the local funding formula to prevent budget destabilisation.

Should there be a surplus balance once this funding had been passed on the remaining balance would be allocated to the pupil growth contingency fund or, if there were insufficient funds to balance the schools block then the MFG rate would be adjusted to ensure that the schools block could be balanced.

In "The national funding formulae for schools and high needs 2021-22 –July 2020" the government announced that they shortly intend to put forward proposals to move to a 'hard' NFF in the future, which will determine schools budgets directly, rather than through local funding formulae. They intend to do this to level up the school funding system so that all schools across the country are funded on a comparable basis. They will consult with LA's, schools and others to make this transition carefully.

2.6.2 Distribution of CSSB Funding

The CSSB Funding has been allocated as per **Table 4**.

The only revision that has been made to the CSSB allocations since they were approved by Schools Forum 1 December 2020 is to the Retained Duties funding, which has been increased by £0.020m. This funding has been increased due to updating the allocation to take account of the updated pupils in primary and

secondary schools and adjusting the copyright licences budget down by £0.004m. This principle was approved by Schools Forum.

Since Schools Forum approved the allocation of £0.219m for copyright licences on 1 December 2020 the LA has received confirmation from the DfE that the charge for 2021/22 will be £0.215m.

The retained duties funded to the LA are to support the statutory duties and equate to £14.62 per pupil for all pupils. Historically this was £15 and the reduction is impacting on the LA's budget and will need to be captured in the budget setting process.

The 2021/22 budget has been updated accordingly.

2.6.3 Distribution of Early Years Block Funding

Table 8 provides an indicative breakdown of the 2021/22 EY block budget:

Table 8: EY Indicative Budget Breakdown (£m)					
Element	3 & 4 YO	2 YO	DLA	EYPP	TOTAL £m
<i>Base rate/hour</i>	<i>£4.59</i>	<i>£5.24</i>		<i>£0.53</i>	
Base rate total	16.633	3.733		0.230	20.595
<i>Supplements</i>					
<i>-Deprivation/hour</i>	<i>£1.00</i>		<i>£615</i>		
<i>-Flexibility/hour</i>	<i>£0.10</i>				
<i>DLA/annum</i>					
Supplements total	0.682		0.097		0.779
MNS lump sum & business rates	0.303				0.303
SEN inclusion fund	0.135	0.035			0.170
Contingency	0.286	0.007			0.293
Total Providers	17.376	3.775	0.097	0.230	21.460
Central Expenditure	0.943	0.065			1.008
Grand Total	18.982	3.840	0.097	0.230	23.149
Pass-through %	95.0%	98.3%			

Central expenditure funds the team that deliver this service and the value aligns to the 95% pass through requirement for 3 & 4 year old funding.

The hourly base rates in the EY funding formula are being increased by £6p/hour from April 2021, pass-porting the full EY funding increase from ESFA on to schools and providers.

2.6.4 Distribution of High Needs Block Funding

Table 9 provides a provisional breakdown of the 2021/22 HN budget, with latest comparative budget figures for 2020/21 fully funded by DSG.

Table 9: Provisional HN Budget Breakdown

Budget	2020/21 £m	2021/22 £m	Change £m
Mainstream High Level Needs (HLN) including Additional Inclusion Allowance	5.837	8.052	2.215
Special Education Needs (SEN) resource unit top-up funding	0.627	0.670	0.042
Additional SEN units	-	0.067	0.067
SEN resource unit places (via recoupment)	0.344	0.336	-0.008
Special School top-up & maintained places	9.948	10.474	0.526
Special academy places (via recoupment)	3.012	3.263	0.252
Net cross border top-ups	0.452	0.357	-0.095
Post-16 HLN funding	1.100	1.300	0.200
Further Education places (via recoupment)	0.834	0.771	-0.063
Independent/Non Maintained Special School (INMSS)	0.790	1.582	0.792
Hospital & Home Education (HHE) Pupil Referral Units (PRU)	1.893	2.044	0.151
Behaviour PRUs/Devolved Alternative Provisions (AP)	7.064	7.064	0.000
PRU academy places (via recoupment)	1.520	1.520	0.000
AP free schools (via recoupment)	0.020	0.020	0.000
Fair access - allocations for schools	0.250	0.300	0.050
Joint IDEAL/NEST asylum seeker provision	0.152	0.179	0.027
Outreach services delivered from Westbury/Oakfield	0.159	0.180	0.021
Contribution to residential placements	1.390	1.554	0.164
High Needs settings TPG/TPECG		0.648	0.648
Total Provision	35.393	40.331	4.938
SEN team	0.360	0.368	0.007
SEN specialist equipment	0.063	0.065	0.001
SEN transport contribution	1.000	1.000	0.000
Disability access	0.200	0.200	0.000
Inclusive education services – Sensory, Learning Support & Autism teams	1.827	1.863	0.037
Intensive Support Team (IST)	0.100	0.461	0.361
Other LA staff supporting inclusion including fair access & teenage parents	0.526	0.537	0.011
Sensory Occupational Therapy services	-	0.080	0.080
Total Central Services	4.076	4.573	0.497
Grand Total	39.470	44.905	5.436

The figures in **Table 9** are provisional and there may be amendments resulting from the detailed calculation of indicative budgets for settings and the finalisation of 2021/22 service budgets.

At this stage, the provisional budget figures incorporate the following:

- Planned place increases and associated top-up funding for special schools and special resource units as presented to Schools Forum at the 13 October 2020 meeting.

- A contingency for 4 new places and associated top-up funding at new SEN units from September 2020 plus an estimated £0.012m required for one-off fit out costs for the new unit at Fernwood Primary.
- A 2% increase in special school funding levels in line with the level of increase applied to mainstream schools through the MFG, with the exception of Westbury Special Academy where top-up rates are maintained at the 2020/21 level linked to the findings of the 2018 Special School Review.
- Changes to the Westbury top-up funding requirement and inter-authority recoupment budget that are neutral overall and reflect direct commissioning deals moving back under the umbrella of the inter-authority recoupment process.
- The passporting of the full £0.151m hospital funding increase received to the Home Education and Hospital Learning Centre. A bottom up review of HHE's funding will be conducted prior to confirmation of school budgets at the end of February to evaluate if this is fully required.
- The passporting in full to HN settings of funding for TPG/TPECG previously separate grants and now merged into HN's.
- £2.215m set aside to support rising HLN pupil numbers and the implementation of the revised HLN system. A presentation on the projected financial implications of primary implementation from April 2021 will be delivered at the meeting.
- Increases to provision budgets that are subject to demand led pressures and are projecting over-spends in 2020/21; education costs of residential placements, post-16 provision, secondary Fair Access and independent/Non maintained provision.
- The doubling of INMSS budget requirement has 3 key drivers:
 1. A number of children requiring specialist autism places have moved into the City during the year. As Rosehill Special School is currently full to capacity and the children have complex needs, they have had to be placed in independent settings at a combined cost of around £0.200m.
 2. A number of tribunal decisions resulted in placements in INMSS settings. In 4 cases, these tribunal outcomes hinged on sensory occupational therapy services which would be provided at the named INMSS settings but are not currently available at our local special schools. The INMSS placement costs required as a result of these 4 tribunal decisions alone were around £0.400m/year. £0.080m has been set aside for Sensory Occupational Therapy (OT) services for the 2021/22 year, with a view to looking internally at the viability of commissioning two full-time Sensory Occupational Therapists to link in with our special schools supporting their pupils. This should help not only increase support available to our high needs pupils locally but mitigate the risks of future similar tribunal decisions determining in favour of costly INMSS placements.
 3. Fee increases from the INMSS providers. One provider gained regional agreement for a 12% price rise.
- No increase in the annual funding requirement for PRUs/devolved AP for the first time. This is underpinned by assumptions on the number of permanent exclusions totalling 126 for the 2020/21 academic year, falling to 100 in the 2021/22 academic year with funding for a further 17 potential permanent exclusions linked to devolved AP model allowances set aside in an AP contingency budget. The assumed reduction in exclusions in the 2021/22 academic year compared to 2020/21 is associated with the end of

the transitional exclusion allowances under the latest devolved AP funding agreements. Funding for internal provision at the PRUs has been uplifted by 2%, in line with funding for most mainstream and special provision.

- A 2% increase on central budgets.
- Full funding for the expanded IST from April 2021 from the in-year HN's budget. This was partially supported by funding from DSG reserves in 2020/21.

2.7 Pupil Premium Grant (PP)

The total PP allocated to schools is made up of 3 of elements, funding for free school meal pupils (Ever6), service children and post looked after children. Each element has a different pupil criteria.

- **Pupil Premium** – In 2021/22 funding will be allocated to schools based on the October 2020 school census data. This is a change to previous financial years as the funding was previously based on the previous January school census to the financial year in question. The only exceptions to this include alternative provision and pupil referral units where eligibility will continue to be based on the January census. Further guidance on this is yet to be provided by the ESFA. Once we receive the guidance we will let maintained schools and academies know.

The ESFA have confirmed to LA's that the PP rates for 2021/22 will remain the same as those in the financial year 2020/21.

Table 10 shows the rates attributable to each element of the PP Grant.

Table 10: Pupil Premium Comparison				
	FSM Ever6			
	Primary	Secondary	Service	Post Looked
	£	£	Child	after Child*
			£	£
2020/21 & 2021/22	1,345	955	310	2,345
2018/19, 2019/20	1,320	935	300	2,300
2015/16, 2016/17 & 2017/18	1,320	935	300	1,900

*Looked after Children and eligible pupils who have been adopted from care or leaving care under a special guardianship or a child arrangements order (previously known as a residence order).

2.8 Pupil Premium Plus Grant – As per 2.7 the rate for pupil premium plus for looked after children will remain the same in 2021/22 at £2,345 in the financial year 2021/22.

2.9 Other Grants

The ESFA have stated that information about other grants for 2021/22 will be issued during 2021.

Once the LA has been given further guidance we will update schools and academies.

2.10 Free School Meal Supplementary Grant 2020 to 2021

The Free School Meal (FSM) Supplementary Grant will be extended for one additional year to 2020/21 for increases in FSM pupil numbers between October 2019 and October 2020, at a per pupil rate of £450.

3 Other options considered in making recommendations

- 3.1 No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG and pupil premium.

4 Outcomes/deliverables

- 4.1 To allocate budgets to schools on a fair and transparent basis before 31 March 2021 in accordance with The Schools and Early Years Finance (England) Regulations 2020.

5 Finance colleague comments (including implications and value for money/VAT)

- 5.1 Financial implications are contained throughout this report.

6 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 6.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2020, SI 2020 No. 83, which came into force on 21 February 2020 and apply in relation to the financial year beginning on 1 April 2020. The Education & Skills Funding Agency (EFSA) have also published guidance to help local authorities, and their schools forums, to plan the local implementation of the funding system for the 2021 to 2022 financial year: the Schools revenue funding 2021 to 2022 Operational guide (updated December 2020). This report seeks to address the requirements of those Regulations and the EFSA guidance.

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22 December 2020

7 HR colleague comments

- 7.1 There appears to be no direct workforce or employment implications as a result of this report. However, it should be noted that where funding is time limited, it may result in potential implications for the staffing establishment. In the event this happens, it is therefore recommended that schools take appropriate expert HR advice from their service provider on employment matters, particularly where this might mean a reduction in staffing establishment, and the ending of employment contracts, with associated transparent and meaningful consultation processes.

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18 December 2020

8 Equality Impact Assessment

8.1 Has the equality impact of the proposals in this report been assessed?

No
An EIA is not required because the report does not contain new proposals or strategies.

Yes
Attached as Appendix x, and due regard will be given to any implications identified in it.

9 List of background papers other than published works or those disclosing confidential or exempt information

9.1 None

10 Published documents referred to in compiling this report

- 10.1 Schools Forum – Central Expenditure Budget 2021/22 – Historic Commitments – 1 December 2020
- 10.2 Schools Forum – Central Expenditure Budget 2021/22 – Ongoing Commitments – 1 December 2020
- 10.3 Schools Forum - De-delegation of funding for trade union time off for senior representatives – 1 December 2020
- 10.4 Schools Forum - Early Years Central Expenditure 2021/22 – 1 December 2020
- 10.5 DfE – The Schools and Early Years Finance (England) Regulations 2020
- 10.6 DfE – The national funding formulae for schools and high needs – 2021 – 2022 - Policy document – July 2020
- 10.7 DfE – Schools block national funding formula: technical note – July 2020
- 10.8 DfE – Central school services block national funding formula: technical note – July 2020
- 10.9 DfE – High needs block national funding formula: technical note – July 2020
- 10.10 ESFA – Schools revenue funding 2021 to 2022 – Operational guide – July 2020
- 10.11 ESFA – High needs funding 2021 to 2022 – Operational guide September 2020
- 10.12 DfE – Dedicated schools grant – Conditions of grant 2021 to 2022 – 17 December 2020

10.13 DfE – Dedicated schools grant – Technical note 2021 to 2022 – 17 December 2020