



Oldham
Council

Report to Cabinet

Schools National Funding Formula

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Corporate Services

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Reason for Decision

Following the Government announcement in October 2019 regarding School Funding for 2020/21, it is necessary to consider how the funding for Schools and Academies should be distributed in 2020/21.

Executive Summary

This report provides a breakdown of the Dedicated Schools Grant (DSG) for 2020/21 and provides information about the National Funding Formula (NFF) for the Schools and High Needs Blocks for Oldham. It also presents a recommended approach for the distribution of the Schools Funding Block of the DSG to Schools and Academies for 2020/21.

The report presents a preferred option (Model B) to move to the 2020/21 NFF cash values in full except for the Area Cost adjustment where it is proposed that the factor applied in Oldham is reduced from 1.00535 to 1.00000. It also proposes that there is a 0.5% movement of funding from the Schools Block to the High Needs Block in order to ensure that the DSG (which is currently in a deficit position) can be managed so that there is a balanced position over a three year timeframe (in accordance with the requirements of the Recovery Plan submitted to the Department for Education (DfE)).

As highlighted in the report, the continued agreement of the Schools Forum to the proposed 0.5% movement of funds between the Schools and High Needs Blocks is essential. At its meeting of 27 November 2019, the Schools Forum voted to support the 0.5% transfer between blocks, in recognition of the challenging financial position in relation to the High Needs Block and to show a positive movement towards delivering a DSG Recovery Plan.

Recommendation

That Cabinet approves Model B outlined in the report which is a move to the 2020/21 NFF cash values in full except for the Area Cost Adjustment factor which is reduced to 1.00000, together with a 0.5% transfer of DSG funding between the Schools and the High Needs Funding Blocks.

Schools National Funding Formula

1 Background

- 1.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant payable to Local Authorities by Government for the funding of schools and academies. Over a number of years, the Government is changing the way it funds schools via the DSG from locally agreed arrangements towards a standard means of allocating resources. This is known as the National Funding Formula (NFF).
- 1.2 There has been little change in the national funding arrangements between 2019/20 and 2020/21 and therefore as will be explained later, there is no requirement for Authorities to move further to the funding allocation methodology that was initially introduced by the NFF in 2018/19. However, there is a requirement for the Local Authority (LA) to consult with schools and academies on the DSG allocation methodology that will be applied. Oldham is proposing to move to the NFF values in full except for the Area Cost Adjustment (ACA). Consultation with schools on the 2020/21 Oldham DSG funding methodology ran from 12 November to 22 November 2019, followed by a meeting of the School's Forum on 27 November 2019. The report outlines the outcome of the Consultation and the Council's response (Section 4).
- 1.3 The DSG is made up of 4 blocks of funding
- Schools
 - High Needs
 - Early Years
 - Central Schools Services

The **Schools Block** covers funding for:

- a) Individual mainstream schools and academies
- b) Growth funding for planned growth by the LA in schools.

The **High Needs Block** supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25 in a range of provision including Special Schools, the Pupil Referral Unit, Post 16, Out of Borough and Independent in Borough placements, and the additional number of children with Education, Health and Care Plans (EHCP's) in mainstream schools. In addition, it also funds Council centrally retained expenditure for High Needs.

The **Early Years Block** covers:

- a) Two Year old Funding
- b) Early Years Funding in Schools and Private, Voluntary and Independent provision (PVI's)
- c) Centrally retained expenditure for under 5's.

The **Central Schools Services Block** covers:

- a) Funding previously allocated through the retained duties element of the Education Services Grant (ESG) which was discontinued from 2018/19

- b) Central School Services which includes the expenditure related to Schools Forum, Premature Retirements, Admissions service, and School Improvement
- c) School Licenses
- d) Statutory and Regulatory duties.

1.4 Each of the 4 Blocks is determined by a separate National Funding Formula which calculates the funding due to Local Authorities. The Department for Education (DfE) has calculated the funding the Local Authority will receive for the Schools Block as if the National Funding Formula had been applied to Schools. However, as advised above, for 2020/21 it will remain the role of the Local Authority to determine the funding for Schools and Academies via their Local Funding Formula for the Schools Block and to agree this via a consultation process.

2 Current Position

Funding Announcements

2.1 On 4 September 2019, the Chancellor of the Exchequer presented the 2019 Spending Round to Parliament. This included notification that nationally, Schools funding would increase by £2.6bn in 2020/21, £4.8bn by 2021/22 and £7.1bn by 2022/23. Within this funding announcement the Government advised that in 2020/21, High Needs funding for Schools was set to increase by more than £700m.

2.2 The 2020/21 indicative DSG for Oldham is £238.203m; being £13.038m more than 2019/20. As illustrated in the table below, this excludes funding for the Early Years Block which is due to be announced at a later date. The initial allocations, as notified are based on October 2018 pupil numbers. The final allocations for 2020/21 will be calculated using the October 2019 census which will be announced in December 2019 or in January 2020.

Table 1 DSG for 2019/20 and the Indicative Allocation for 2020/21

Dedicated Schools Grant (DSG)	2019/20 £000	2020/21 £000	Movement £000
Schools Block	189,123	197,283	8,160
High Needs Block	33,043	38,250	5,207
Central Schools Services Block	2,999	2,670	(329)
Total	225,165	238,203	13,038

2.3 The Central School Services Block (CSSB) provides funding for Local Authorities to carry out central functions on behalf of maintained schools and academies. The Block comprises two distinct elements: ongoing responsibilities and historic commitments. For 2020/21, historic commitments funding has been reduced by 20% nationally by the DfE. The DfE will continue to unwind this funding in future years and further detail will be provided in due course. As a result, the allocation for Oldham for 2020/21 has reduced by £329k, although the costs will still be incurred. The impact of this reduction will be managed as part of the Council's 2020/21 revenue budget setting process.

2.4 The DfE has also issued financial information on the funding that individual schools would receive if the Local Authority moved in full to the NFF for 2020/21. These illustrative allocations are based on 2018 pupil data and characteristics. Each school can view the calculation of its budget via the DfE COLLECT Portal.

2.5 In 2020/21 the DfE will provide funding in the School's Block as follows:

- (a) An increase of 4% on 2019/20 NFF cash values (not locally set cash values) for pupil led factors, excluding Free School Meals (FSM), Minimum Funding Guarantee (MFG) and Minimum Funding Levels (MFL's). See Appendix 1 for 2020/21 NFF cash values
- (b) An increase of 1.84% in line with inflation for Free School Meals
- (c) Area Cost Adjustment (ACA) – once the NFF cash values have been set for those factors at point (a) and (b) above, an ACA then inflates the allocation using a weighted multiplier. The ACA is a nationally determined weighting which is calculated based on differences in salary costs throughout the country and general labour market costs. The ACA will therefore be different in each Local Authority. In Oldham the ACA is 1.00535
- (d) An increase of 4% on 2019/20 NFF cash values (not locally set cash values) for the lump sum allocation
- (e) A Minimum Funding Level per pupil of £3,750 in primary and £5,000 in secondary schools.
- (f) A Minimum Funding Guarantee of 1.84% and the removal of capping for any gainers.

The Approved DSG Recovery Plan

2.6 When the Council's accounts for 2018/19 were closed, the final outturn position showed that the DSG had a cumulative deficit balance of £2.723m. All Local Authorities that had a cumulative DSG deficit that was at a value of 1% or more of the DSG allocation for 2018/19 were required to submit a Recovery Plan to the DfE by 30 June 2019. This was to outline how the DSG deficit would be brought back into balance in a three-year time frame. Oldham was one of 32 Local Authorities required to produce a Recovery Plan and, in consultation with the Schools Forum, a DSG Financial Recovery Plan was submitted to the Department for Education in line with the deadline of 30 June 2019. The plan is summarised in the table below:

Table 2 Summary Recovery Plan – June 2019

	2019/20 £000	2020/21 £000	2021/22 £000
Opening Balance - Surplus/ (Deficit)	(2,723)	(3,710)	(2,259)
Net Savings/Additional Resources - Schools Block	-	4,751	-
Net Savings/ Additional Resources - High Needs Block	1,022	3,305	4,525
Anticipated Pressures - High Needs Block	(3,603)	(8,561)	(4,085)
Transfer from Schools Block (Approved by Schools Forum)	1,594	1,956	1,956
Net Forecast Variance Surplus/ (Deficit)	(3,710)	(2,259)	137

2.7 As per the recovery plan (summarised above) the Dedicated Schools Grant for 2019/20 is projecting a deficit of £3.710m at month 6. This is mainly due to additional costs which are impacting on the High Needs Block. The position improves in the next two

years as there is a movement towards the delivery of a balanced position over the lifetime of the recovery plan.

- 2.8 It should however be noted that the Plan relied upon the generation of some savings, linked to the initiatives recommended by an independent review and an assumption of additional DSG. Of particular importance in delivering a balanced position over the required 3-year timeframe is a transfer of resources from the Schools to the High Needs Block. The Schools Forum has previously agreed to a 0.84% movement between the Schools and High Needs Blocks for 2019/20 and an additional 1% transfer in both 2020/21 and 2021/22.
- 2.9 The Education and Skills Agency (ESFA) wrote to the Council on 30 October noting receipt of and providing comments on the Recovery Plan. A copy of the letter is attached as Appendix 2. The ESFA considered the Plan was realistic and achievable. However, it is evident that both the Recovery Plan and the ESFA comments were based on information that was right at a point in time but has since moved on. In addition, there have been two specific developments since the preparation and submission of the Recovery Plan:
- a) As advised in a Ministerial Statement on 9 September 2019 announcing high level funding allocations for 2020/21 to 2022/23, Schools Forum will no longer be able to agree to a transfer of more than 0.5% between Funding Blocks. Any transfer request above 0.5% with or without Schools Forum agreement, will now require the approval of the Secretary of State.
 - b) In view of the additional funding notified for 2020/21, the ESFA expressed an expectation in its letter of 30 October that there would not be a need to transfer funding from the Schools Block to the High Needs Block. However, as will be demonstrated at Table 4, this comment does not take into account the most up to date DSG financial position.

The Requirement for Consultation

- 2.10 The timescale for agreeing a revised local funding formula for schools for 2020/21 is highlighted in the table below. Meetings were held with the Fair Funding Group, on 11 and 18 October and again on 5 November to consider the local approach to the funding allocation methodology. The Consultation Document setting out the issues upon which schools were being consulted was issued to 104 individual schools and Academies on 12 November. The consultation period closed on 22 November. The outcome of the consultation and the Council's response are outlined in section 4.

Table 3 Consultation Timetable

Consultation Stage	Date
Fair Funding Group	11 & 18 October and 5 November 2019
Consult schools	12 & 22 November 2019
Schools Forum Meeting	27 November 2019
Cabinet Meeting	16 December 2019
Schools Forum	15 January 2020
Schools Block Formula to DfE	21 January 2020

- 2.11 The consultation paper outlined two potential funding models; Models A and B and requested a response to the following question (together with an opportunity to provide any further comments or observations):

‘Do you support the Local Authority proposal of a transfer to the High Needs Block of 0.5% in 2020/21?’

The DSG Recovery Plan - Updated

- 2.12 When considering the approach to consultation, key elements were the impact of the increased funding allocations on the Recovery Plan and the anticipated continuation of pressure on the High Needs Block of the DSG. The table below shows a revised Recovery Plan.

Table 4 Updated Summary Recovery Plan – November 2019

	2019/20 £000	2020/21 £000	2021/22 £000
Opening Balance - Surplus/ (Deficit)	(2,723)	(5,700)	(2,309)
Savings - Schools Block		4,751	
Savings - High Needs Block	1,022	3,305	4,525
Pressures - High Needs Block	(3,603)	(8,561)	(4,085)
Transfer from Schools Block	1,594	1,956	1,956
Initial Net Forecast Variance (in Recovery Plan)	(3,710)	(4,249)	87
Estimated additional pressures – October 2019	(1,990)	(2,060)	(1,819)
Additional High Needs Funding – October 2019		4,000	3,600
Revised Forecast Variance – Surplus/ (Deficit)	(5,700)	(2,309)	1,868

- 2.13 As can be seen, additional pressures of £1.990m not anticipated in the initial Recovery Plan (nor by the DfE) creates an increased adverse variance of £5.700m at the end of 2019/20. However, further anticipated pressures in 2020/21 are offset by the increased funding from Government, and this is perpetuated in 2021/22 to deliver an estimated surplus of £1.868m at the end of the 3 year timescale.
- 2.14 It is important to note that in presenting the figures in the table above, the indicative High Needs Block allocation of £38.250m has increased by £5.207m between 2019/20 and 2020/21 (which is £4.007m above the assumed £1.200 uplift included in the original DSG Recovery Plan). The working assumption is that an additional £3.600m will be available in 2021/22 (in addition to the £1.600m included in the original modelling).
- 2.15 The table above is based on retaining the original assumption of a 1% movement between the Schools and High Needs Blocks in both 2020/21 and 2021/22. In view of the increased funding and subsequent DfE guidance, this has now to be revisited using two scenarios (both of which assume that all the estimated savings in the original plan are achieved).
- Scenario 1 shows that the DSG will still have a (small) deficit of £0.088m by reducing the movement in funds by 0.5% (to 0.5%) in each of the two remaining years of the current recovery plan (assuming there are no other changes)
 - Scenario 2 shows that a 0.5% movement in 2020/21 and 1% in 2021/22 produces a position that delivers the required surplus (estimated at £0.890m) at the end of 2021/22.

Scenarios 1 and 2 are demonstrated in the table below. In both scenarios the net movement includes a 1% transfer from the Schools Block to the High Needs Block in both 2020/21 and 2021/22:

Table 5 Scenarios – Revised Recovery Plan

	2019/20 £000	2020/21 £000	2021/22 £000
Scenario 1			
Opening Balance - Surplus/(Deficit)	(2,723)	(5,700)	(3,287)
Net Movement	(2,977)	3,391	4,177
Reduce Movement by 0.5%		(978)	(978)
Closing Balance	(5,700)	(3,287)	(88)
Scenario 2			
Opening Balance - Surplus/(Deficit)	(2,723)	(5,700)	(3,287)
Net Movement	(2,977)	3,391	4,177
Reduce Movement by 0.5%		(978)	
Closing Balance Surplus/(Deficit)	(5,700)	(3,287)	890

- 2.16 Taking into account all known factors it is proposed that the transfer between the Schools and High Needs Blocks is reduced from the currently approved 1% to 0.5% in 2020/21 and this formed the basis of the consultation with schools (Scenario 2), a reduction of £0.978m p.a. based on an assumed transfer of £1.956m included in the original recovery plan. Based on the revised assumptions in relation to cost pressures and increased High Needs funding, the full transfer of 1% will need to be reinstated in 2021/22 in order to return an estimated surplus at the end of the financial year. This will obviously be reviewed for 2021/22 to take account of the most recent legislation and funding guidance.
- 2.17 An updated version of the recovery plan, together with the Authority's response to the issues raised in the ESFA correspondence (Appendix 2) will be submitted to the ESFA after Cabinet has considered this report.

3 Options / Alternatives

Consultation on the approach to the NFF

- 3.1 The currently available National Funding Formula values has 14 factors which influence funds allocation levels, and these have been used to calculate the funding allocated to the Authority. However, for 2020/21 the distribution of funding can still have an element of local determination, hence Oldham currently has the flexibility to set its own funding formula in order to distribute the School Block allocation.
- 3.2 In 2019/20 Oldham continued to substantially use Oldham's 2018/19 funding formula but moved further to the National Funding Formula by providing a minimum per pupil funding level of £3,500 per primary pupil and £4,800 per secondary pupil with an MFG of zero per cent and a cap on gains for Primary Schools and moved further to the NFF for secondary schools. For secondary schools, in relation to the Income Deprivation Affecting Children Index (IDACI), only bands E and F were included at 10% NFF values.

- 3.3 A full move to the NFF in 2020/21 would mean that Oldham would not be able to address the High Needs pressures which currently exist.
- 3.4 Two options for Oldham's funding formula for 2020/21 were therefore modelled and issued to schools for consultation. Model A reflected schools funding allocations if Oldham moved to the NFF cash values in full. Model B worked on the basis of a 0.5% movement between the Schools and High Needs Blocks and an adjustment to the ACA element of the formula and is the proposed model for 2020/21. Model B was presented as the preferred Model within the consultation document issued to schools.
- 3.5 The options were based on current characteristics as outlined at 2.4 and are subject to change when the actual numbers of pupils on the October 2019 census is notified to the Council. This data will be released in late December 2019/ January 2020 and the allocations will then be revised.
- 3.6 The options were based on 3 key principles:
- The presentation of what is considered to be the fairest allocation of resources for Oldham Schools and Academies having regard to prevailing pressures and issues
 - Ensuring that Oldham Schools are best placed for smooth implementation when the National Funding Formula for Schools is fully introduced
 - The positive management of the DSG deficit position.
- 3.7 It is important to note that the key components of the financial strategy to bring the DSG towards a balanced position (as set out in Model B) are as follows;
- a) A proposed move to the 2020/21 NFF cash values in full except for the Area Cost adjustment where it is proposed that the factor applied in Oldham is reduced from 1.00535 to 1.00000
 - b) A 0.5% transfer of funding between the Schools and the High Needs Blocks in 2020/21; representing a 0.5% reduction on the 1.0% transfer included in the original approved recovery plan
- 3.8 A summary of the two models follows, and detailed calculations are attached at Appendix 3. In reviewing the models, it may be useful to note the following;
- a) Local Authorities may top-slice the Schools Block of the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the Authority, including pre-opening, diseconomy of scale and reorganisation costs. In this regard the Schools Block predicted in the options tables in section 3.9 and 3.10 shows the funding available to schools at £202.8m which includes an estimated £1.655m for growth funding.
 - b) From 2019/20, there has been a new approach for allocating funding to Local Authorities to support schools with significant in-year growth in pupil numbers. Local Authorities will be funded according to actual levels of pupil number growth, rather than on the basis of historic spend. Appendix 4 details the current growth funding for Oldham schools.

Model A

- 3.9 Model A shows the impact on schools if there was a move to the National Fair Funding Formula allocations in full. It demonstrates that the funding is sufficient to meet the cost of the model, including growth, leaving an estimated balance of £0.216m, which, if it were to be realised would be transferred to the fund growth. As shown in the table below, whilst there is a balance, it is insufficient to fully provide for the proposed transfer between funding blocks:

Table 6 Model A

Model A	£000	£000
Schools Block		201,100
Estimated additional Schools Block for growth		1,655
Funding Available to allocate to schools		202,755
Formula Allocation to Schools based on estimated October 2019 Pupils	200,973	
Cost of Oasis Leesbrook growth September 2020 (150 pupils)	489	
Current funding allocated through School's Block		201,462
Estimated explicit growth 2019/20 for planned expansions		1,077
Balance Remaining		216

Model B

- 3.10 Model B presents a 0.5% movement to the High Needs Block at an estimated value of £1.014m (increased from the previous estimate of £0.978m to include a growth estimate for increased pupil numbers). The model uses the cash values based on the same principles as those used in Model A except for the ACA, which, in order to fund the 0.5% transfer assumes an ACA of 1.00000 (i.e. no further uplift to those eligible factors). This will impact on all cash values equally and in turn, all schools and is therefore the fairest method of financing a 0.5% movement to the High Needs Block.
- 3.11 Model B shows a balanced position after the proposed transfer to High Needs Block. The figures used are provisional estimates and will be revisited once final allocations are received.

Table 7 Model B

Model B	£000	£000
Schools Block		201,100
Estimated additional Schools Block for growth		1,655
Proposed movement of funding to High Needs Block		(1,014)
Funding Available to allocate to schools		201,741
Formula Allocation to Schools based on estimated October 2019 Pupils	200,175	
Cost of Oasis Leesbrook growth September 2020 (150 pupils)	489	
Current funding allocated through School's Block		200,664
Estimated explicit growth 2019/20 for planned expansions		1,077
Balance Remaining		0

4 Consultation

- 4.1 The consultation with 104 Schools and Academies closed on 22 November. The consultation document has not been included with this report but is available within the Schools Forum section of the Council's website, which is accessible via the link in Section 19 (Background Papers) of this report. The number of responses to the consultation is shown in the table below. As can be seen, the overall response rate was 26%, with responses varying between sectors.

Table 8 Number of Consultation Responses

Type	No of Responses	No Consulted	Response Rate
Primary	18	86	21%
Secondary	9	13	69%
Special	0	5	0%
Total	27	104	26%

- 4.2 The response to the consultation question is shown in the table below

Table 9 Response to the Consultation Question

Question	YES	NO	TOTAL
Do you support the Local Authority proposal of a transfer to the High Needs Block of 0.5% in 2020/21?	19	8	27
	70%	30%	100%

- 4.3 Based on the responses received, 70% (a clear majority) of schools voted in favour of the preferred option, the implementation of Model B with the transfer of 0.5% from the Schools to the High Needs Block.
- 4.4 After detailed consideration and discussion Schools Forum resolved on 27 November 2019 that Model B was approved. It therefore agreed to the movement to the 2020/21 NFF cash values in full except for the Area Cost Adjustment factor, which is reduced to 1.0, together with a 0.5% transfer of funding between the Schools and the High Needs Blocks in 2020/21. (Votes: 6 for and 2 against – 75% in favour, again, a clear majority).

5 Preferred Option

- 5.1 In view of the Schools Forum decision, the preferred option for Oldham's funding formula for 2020/21 is Model B – to move to NFF cash values except for the Area Cost adjustment of 1.00000 together with a 0.5% transfer of funding between the Schools and the High Needs Blocks.

6 Financial Implications

- 6.1 A key requirement of the Local Education Authority is to ensure the effective financial management of DSG resources. It is also important to ensure that those resources that are available for allocation to schools are distributed in a fair and equitable way. A particular concern in the context of the 2020/21 allocation of resources is that the DSG is already in a deficit position and this would have continued to increase without a proposal to manage spending within the resources available.

6.2 The allocation methodology agreed by Schools Forum aims to promote effective financial management, fairness and equity in funding allocations and the preparation of a revised Recovery Plan will determine the next steps in the process of reducing the DSG deficit.

7 Legal Services Comments

7.1 The proposed decision is intra vires. In making the decision the usual considerations should be had in regard to “Wednesbury Reasonableness” and the results of the consultation with the Schools Forum should also be taken into account in formulating the decision. (Colin Brittain)

8 Co-operative Agenda

8.1 The School Budget Allocations supports the Council’s cooperative ambition empowering school staff to deliver high quality education for the residents of Oldham.

9 Human Resources Comments

9.1 There are no specific comments.

10 Risk Assessments

10.1 The key risks to the proposed allocation arrangement are the failure of the Schools Forum to agree to the movement of funds to the Schools Block and the failure of the Secretary of State to agree the funding movement if it is not agreed by Schools Forum. Given the decision of the Schools Forum, this risk has now been mitigated.

11 IT Implications

11.1 There are no specific comments.

12 Property Implications

12.1 There are no specific comments.

13 Procurement Implications

13.1 There are no specific comments.

14 Environmental and Health & Safety Implications

14.1 None

15 Equality, community cohesion and crime implications

15.1 There are no specific comments.

16 Equality Impact Assessment Completed?

16.1 Not required

17 Key Decision

17.1 Yes

18 Key Decision Reference

18.1 FCS-21-19

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100 (1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background Papers are contained in Appendices 1 - 4
Officer Name: Liz Caygill
Contact No: 0161 770 1012

File Ref: School Funding Consultation 2020/21
Officer Name: Liz Caygill
Contact No: 0161 770 1012
Link:

https://www.oldham.gov.uk/info/200226/schools_and_colleges/1931/schools_forum

20 Appendices

20.1 Appendix 1 – NFF Cash Values
Appendix 2 – ESFA Letter re DSG Recovery Plan
Appendix 3 – Model A and Model B
Appendix 4 – Growth Funding

NFF Cash Values

Appendix 1

National Funding Factors		2019/20 Cash Values Oldham		2019/20 Cash Values NFF (Before ACA).		2020/2021 Cash Values NFF (Before ACA). These are the cash values used in the preferred model at Appendix A (model 2)		% change in values compared to 2019/20 Oldham Cash Values		% change in values compared to 2019/20 NFF Values	
		Primary £	Secondary £	Primary £	Secondary £	Primary £	Secondary £	Primary	Secondary	Primary	Secondary
Basic Per Pupil KS1 / KS2		2,787		2,747		2,857		2.50%		4.00%	
Basic Per Pupil KS3			3,916		3,863		4,018		2.60%		4.00%
Basic Per Pupil KS4			4,401		4,386		4,561		3.64%		4.00%
Attainment		983	1,437	1,022	1,550	1,065	1,610	8.34%	12.06%	4.00%	4.00%
Free School Meals		440	440	440	440	450	450	2.27%	2.27%	2.00%	2.00%
Free School Meals Ever6		540	785	540	785	560	815	3.70%	3.82%	4.00%	4.00%
English as Add'l Language		515	1,385	515	1,385	535	1,440	3.88%	3.97%	4.00%	4.00%
Mobility		65	104	N/A	N/A	875	1,250	1245.12%	1105.75%		
IDACI	F	0	29	200	290	210	300	100.00%	934.48%	5.00%	3.00%
	E	0	39	240	390	250	405	100.00%	938.46%	4.00%	4.00%
	D	360	515	360	515	375	535	4.17%	3.88%	4.00%	4.00%
	C	390	560	390	560	405	580	3.85%	3.57%	4.00%	4.00%
	B	420	600	420	600	435	625	3.57%	4.17%	4.00%	4.00%
	A	575	810	575	810	600	840	4.35%	3.70%	4.00%	4.00%
Lump Sum		108,864	108,864	110,000	110,000	114,400	114,400	5.09%	5.09%	4.00%	4.00%
Minimum Funding Levels		3,500	4,800	3,500	4,800	3,750	5,000	7.14%	4.17%	7.00%	4.00%



Education & Skills
Funding Agency

Education and Skills Funding Agency
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Tel: 0370 000 2288

www.gov.uk/esfa

30 October 2019

Sent via email: liz.caygill@oldham.gov.uk

Dear Liz

Thank you for submitting your Dedicated Schools Grant (DSG) Recovery Plan on 28 June 2019.

Due to the announcement at the end of August of additional funding for schools and high needs, we have delayed responding to authorities' plans until we were able to give more detail about funding for individual authorities in 2020-21. Provisional allocations have now been published on 11 October 2019. Your allocations can be found [here](#). We will let authorities know as soon as we can in 2020 about likely high needs allocations for 2021-22 and 2022-23. We appreciate you will need to review your plan in light of the additional funding.

We have provided comments on your submitted plan below. We expect you to address the points raised and provide feedback to your schools forum. We appreciate the additional funding may also have an impact on your plans which again we would expect to see discussed with your schools forum. We expect your plan will continue to develop over time and envisage that it will form a reference point for both ongoing discussions and further development with your schools forum. If you would like any support to develop your recovery plan further, please get in touch.

We are really pleased with the amount of detail you have provided for both savings and pressures. You have shown a very good understanding of the pressures your authority are facing and how you are addressing these. We note the plan does see an initial increase in the deficit position in 2019-20 followed by a reduction in 2020-21 and realises a surplus balance in 2021-22. We also noted that bringing your DSG budget back into balance was reliant on additional funding from the department and we have not revisited your plan subsequent to the announcement of additional high needs funding; however, we do consider that your plan is both realistic and achievable.

Your seventh pressure (P7) details a pressure of £350k across each year of your plan as a result of 'Schools Forum agreement to fund the Early Help Service for 2019-20'. We would

have liked to have seen more detail as to exactly what this pressure is and how you have arrived at the costings.

Due to the additional funding in high needs we expect that the need to transfer funding from the Schools Block to the High Needs Block will not be required. We have noted within your recovery plan you have provided assumed transfer amounts to the High Needs Block across 2019-20 to 2021-22. However, we believe that the additional funding you have been allocated will now meet your planning for more income without the requirement to move money away from schools and you will want to remodel your recovery plan accordingly.

If you have any queries about this letter or would like any further discussion or support with your recovery plan please get in touch with us at Financial.MANAGEMENT@education.gov.uk.

We appreciate this has been a new process – Oldham were one of thirty-two local authorities submitting a recovery plan this year and we are keen to ensure that the process is as clear as possible.

If you wish to provide feedback on the process, please contact us via the Financial Management mailbox as above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Owen Jenkins', with a stylized flourish at the end.

Owen Jenkins

**Deputy Director, Funding Directorate
Education and Skills Funding Agency**

Appendix 3- Model A and Model B

2020/21 SCHOOLS BLOCK FORMULA MODELLING BASED ON ESTIMATED PUPIL NUMBERS AT OCTOBER 19

DFE NO	SCHOOL	Estimated Pupil Numbers used for 2020/21 modelling	MODEL A		MODEL B	
			Impact of full NFF		Impact of moving 0.5% from Schools Block	
			Difference £ compared to using 19/20 cash values	Difference %	Difference £ compared to using 19/20 cash values	Difference %
2000	Alexandra Park Junior	360	133,976	8.28%	124,844	7.71%
2007	Richmond Primary	396	100,344	5.72%	90,514	5.16%
2002	Beever Primary	200	65,973	6.58%	60,376	6.02%
2008	Freehold Community	420	101,021	5.81%	91,283	5.25%
2010	Greenacres	214	60,244	6.27%	54,829	5.70%
2018	Lyndhurst Primary	420	48,925	2.90%	39,757	2.36%
2017	Limeside Primary	353	48,935	3.21%	40,593	2.67%
2022	Roundthorn Primary	211	43,465	4.53%	38,158	3.98%
2020	Woodlands	277	19,523	1.56%	19,552	1.56%
2033	Limehurst Primary	306	61,494	4.30%	53,774	3.76%
2034	Mayfield	212	32,738	3.42%	27,488	2.87%
2044	Littlemoor Primary	300	118,074	9.00%	110,589	8.43%
2047	Glodwick Infant and Nursery	267	75,315	5.96%	68,277	5.40%
2052	Mills Hill Primary	600	150,000	7.00%	150,000	7.00%
2054	Mather Street Primary	188	53,150	5.71%	48,072	5.17%
2058	Blackshaw Lane Primary	210	39,279	4.53%	34,625	3.99%
2062	South Failsworth Primary	405	85,769	5.88%	85,769	5.88%
2064	Whitegate End Primary	208	13,103	1.49%	13,108	1.49%
2065	Rushcroft Primary	191	12,669	1.46%	12,683	1.47%
2069	Fir Bank	210	12,934	1.48%	12,940	1.48%
2071	Propps Hall	201	37,034	4.19%	32,255	3.65%
2075	Diggle	183	10,009	1.40%	10,034	1.40%
2076	Friezland Primary	104	6,473	1.34%	6,461	1.34%
2077	Greenfield	222	12,711	1.47%	12,737	1.47%
2078	Springhead Infant	233	39,329	4.23%	34,268	3.68%
2079	Delph Primary	202	17,563	2.27%	13,443	1.74%
2080	Knowsley Junior	350	68,320	5.15%	61,038	4.60%
2085	Buckstones	206	17,677	2.24%	13,455	1.70%
2091	Beal Vale Primary	185	12,461	1.48%	12,450	1.48%
2093	Thorp	203	23,524	2.94%	19,241	2.41%
2023	Willowpark	203	15,597	1.52%	15,627	1.52%
2095	Broadfield	327	68,476	4.85%	60,633	4.29%
2097	Greenhill	434	51,469	2.75%	41,301	2.21%
2098	Horton Mill Primary	216	34,297	3.23%	28,615	2.70%
2099	Burnley Brow Community	422	132,157	7.08%	121,795	6.52%
2013	Alt Primary	310	60,193	4.25%	52,359	3.70%
2014	Westwood	200	49,096	5.23%	43,854	4.67%
2109	Stanley Road Primary	393	125,972	7.18%	116,183	6.62%
2110	Crompton Primary	208	45,663	5.45%	41,094	4.91%
2111	Medlock Valley Community	308	64,611	4.50%	56,820	3.95%
2025	Clarksfield Primary	416	125,617	7.29%	115,803	6.72%
2113	Yew Tree Community	612	146,545	5.84%	132,588	5.28%
3005	Woodhouses	134	26,028	4.65%	22,970	4.10%
3007	St Annes CE Lydgate	204	11,218	1.47%	11,227	1.47%
3008	St Chad's CE Saddleworth	290	67,913	6.63%	67,913	6.63%
3009	Holy Trinity Dobcross	209	14,270	1.76%	11,405	1.41%
3010	Thornham St James' CE	211	20,490	2.60%	20,490	2.60%
3011	Christ Church Denshaw	97	6,436	1.31%	6,453	1.31%
3012	Hey With Zion	276	16,226	1.52%	16,235	1.52%
3303	St. Thomas Moorside CE	201	29,645	3.08%	24,387	2.53%
3315	St Thomas CE Werneth	418	83,777	4.58%	73,633	4.02%
3325	St Hugh's CE Primary	201	46,544	4.71%	41,056	4.16%
3326	St Agnes CE	100	21,049	4.57%	18,491	4.01%
3328	Holy Rosary RC Primary	208	84,435	9.30%	79,176	8.72%
3329	St Hilda's CofE Primary	366	175,647	10.70%	166,009	10.11%
3330	St Martin's CE Primary	235	51,057	4.66%	44,987	4.11%
3333	St Margaret's C.E.	297	58,435	4.39%	51,079	3.84%

DFE NO	SCHOOL	Estimated Pupil Numbers used for 2020/21 modelling	Impact of full NFF		Impact of moving 0.5% from Schools Block	
			Difference £ compared to using 19/20 cash values	Difference %	Difference £ compared to using 19/20 cash values	Difference %
3341	Christ Church Primary Chadderton	284	76,873	6.98%	70,623	6.41%
3342	St Luke's CE Primary	196	65,191	7.39%	60,172	6.82%
3344	St Matthew's	406	80,813	5.40%	80,813	5.40%
3345	East Crompton St James CE	210	53,911	6.54%	49,258	5.98%
3346	St Mary's CE High Crompton	211	36,968	4.72%	32,617	4.16%
2024	St Johns Primary	268	60,589	5.61%	54,676	5.06%
3351	St Thomas CE Leesfield	210	34,949	3.96%	30,080	3.41%
3353	St. Anne's CE Primary	281	49,332	4.51%	43,270	3.96%
3355	East Crompton St Georges CE	220	14,246	1.55%	14,227	1.54%
3358	Corpus Christi RC Primary	298	69,463	5.67%	62,606	5.11%
3359	St Joseph's RC Primary	209	31,859	3.99%	27,460	3.44%
3362	St Edwards RC Primary	252	40,697	4.18%	35,329	3.63%
3363	SS Aidan & Oswald's RC Primary	361	53,309	3.71%	45,422	3.16%
3364	St Herbert's RC	303	46,029	3.99%	39,676	3.44%
3366	Greenfield St Mary's CE	209	18,517	2.41%	18,517	2.41%
3400	Holy Family RC	190	15,093	1.70%	13,461	1.52%
3401	St Anne's RC	210	51,094	5.35%	45,762	4.79%
3402	St Patrick's RC	201	59,908	6.47%	54,682	5.91%
3403	St Mary's RC Primary	412	68,131	4.48%	59,708	3.92%
3503	St Paul's CE Primary	214	45,851	5.28%	41,009	4.72%
3504	Higher Failsworth Primary	383	74,340	4.72%	65,685	4.17%
2009	Coppice Primary	489	147,683	7.43%	136,379	6.86%
3506	Bare Trees Primary	598	238,324	8.97%	223,234	8.40%
3507	Royton Hall Primary	309	33,648	2.63%	27,060	2.11%
3508	Werneth Primary	420	111,274	6.30%	101,339	5.74%
3393	Holy Cross C.E.V.A. Primary	416	134,836	7.00%	123,900	6.43%
3509	Hodge Clough Primary	415	39,597	2.35%	30,773	1.82%
2003	St Theresa's RC Primary	183	34,301	3.84%	29,656	3.32%
2016	Northmoor Academy	485	285,743	13.20%	272,788	12.60%
	TOTAL PRIMARY SCHOOLS	24,376	5,227,464		4,764,978	

4011	The Hathershaw College	1060	322,524	5.54%	289,964	4.98%
4010	Royton & Crompton	1090	347,081	6.05%	314,733	5.49%
4006	Failsworth	1459	494,017	5.78%	451,437	5.28%
4026	Saddleworth	1384	270,899	4.05%	270,899	4.05%
4027	North Chadderton	1337	275,058	4.16%	238,704	3.61%
4028	The Radclyffe	1500	560,897	6.31%	516,197	5.80%
4600	The Blue Coat	1308	257,727	4.08%	257,727	4.08%
4605	Crompton House	1238	247,600	4.15%	247,600	4.15%
4608	Blessed John Henry Newman College	1490	434,631	5.30%	391,283	4.77%
4004	Waterhead Academy	1351	457,321	6.00%	414,595	5.44%
6905	Oasis Academy Oldham	1477	454,224	5.38%	407,145	4.82%
6906	The Oldham Academy North	1212	126,720	1.69%	126,777	1.69%
4008	Oaslis Leesbrook Free School	449	114,432	4.47%	100,348	3.92%
	TOTAL SECONDARY SCHOOLS	16,355	4,363,131		4,027,409	

Balance Unallocated (See Model A- Table 6)		215,650		0	
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TOTAL ALL SCHOOLS	40,731	9,806,245		8,792,387	
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	Primary	Model A	Secondary	Model A	Primary	Model B	Secondary	Model B
	£	% increase on 20/21 budget using 19/20 values	£	% increase on 20/21 budget using 19/20 values	£	% increase on 20/21 budget using 19/20 values	£	% increase on 20/21 budget using 19/20 values
Minimum Gain	6,436	1.31%	114,432	4.47%	6,453	1.31%	100,348	3.92%
Maximum Gain	285,743	13.20%	560,897	6.31%	272,788	12.60%	516,197	5.80%

Appendix 4

Growth Funding

The total amount allocated to the Growth Fund within the Schools Block for 2020/21 is £1.077m. Of this amount, £0.826m is explicit growth for schools where it has been already been agreed with the LA that there will be an increase in the planned admission numbers (PAN) by means of the provision of a school extension. The remaining Growth Fund is available within the Schools Block for allocation to schools.

The table below details how the explicit growth will be allocated to schools from 2020/21 to 2022/23.

School	Additional Places	Cost 2020/21 (£)	Cost 2021/22 (£)	Cost 2022/23 (£)
East Crompton St Georges	30	48,778	0	0
Mills Hill	30	48,778	0	0
Propps Hall	10	16,259	0	0
Watersheddings	15	24,389	0	0
Oasis Academy Limeside	30	48,778	48,778	0
St Herberts	5	8,130	8,130	8,130
Holy Trinity Dob Cross	5	0	0	0
Blue Coat	47	0	0	0
Saddleworth School	10	22,845	22,845	0
Saddleworth School	20	0	45,690	45,690
Greenfield School	30	48,778	48,778	48,778
Crompton House	112	255,862	255,862	255,862
Oldham Academy North	60	137,069	137,069	137,069
North Chadderton	30	68,535	68,535	68,535
Clarksfield	30	48,778	48,778	48,778
Mayfield	30	48,778	48,778	48,778
Unallocated Growth		251,316	20,274	15,206
TOTAL Estimated Additional Place/Cost Already Allocated	494	1,077,073	753,517	676,826