



**Oldham**  
Council

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## Report to CABINET

# Schools National Funding Formula

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Green

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### Reason for Decision

Following the Government announcement in July 2020 regarding the resources available for School Funding for 2021/22, it is necessary to consider how the funding for Schools and Academies should be distributed in 2021/22.

### Executive Summary

This report advises of the level of Dedicated Schools Grant (DSG) for 2021/22 together with its allocation across the three funding blocks for which information is currently available. It is important to note that this funding is based on October 2019 pupil numbers and will be subject to change once calculations have been updated to reflect October 2020 pupil numbers.

The report also provides information about the National Funding Formula (NFF) for Schools, the High Needs Blocks for Oldham and also presents a recommended approach for the distribution of the Schools Funding Block of the DSG to Schools and Academies for 2021/22.

In addition, the report presents the proposed option (Model 1 as detailed in Appendix 1) to move to the 2021/22 NFF cash values in full except for the Area Cost Adjustment (ACA) where it is proposed that the factor applied in Oldham is initially reduced from 1.00545 to 1.00000. However, Members are advised that if there are any resources available once funding allocations based on updated pupil numbers are received, then this additional funding will be allocated through an increase to the ACA.

It is also proposed that there is a 0.5% movement of funding from the Schools Block to the High Needs Block in order to manage the DSG (which is currently in a deficit position) so that the DSG is brought back into a balanced position as soon as possible. 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 remains essential given the current financial position of the DSG. At its meeting on 18 November 2020, Schools Forum agreed to the 0.5% movement and approved the proposed distribution of the Schools Funding Block (Model 1).

## **Recommendation**

That Cabinet approves:

- 1) The model outlined in the report which is a move to the 2021/22 NFF cash values in full except for the Area Cost Adjustment factor, which is reduced to 1.00000 but with the opportunity to adjust the ACA if there are any resources available once actual 2021/22 funding allocations are received: and
- 2) The 0.5% transfer of funding between the Schools and the High Needs Blocks

## Schools National Funding Formula

### Background

1.1 The Dedicated Schools Grant (DSG) is a ringfenced 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 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:

- a) 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 statements in mainstream schools.
- b) 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.

1.3 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.

- 1.4 There has been little change in the national funding arrangements between 2020/21 and 2021/22 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. It remains the role of the Local Authority in 2021/22 to determine the funding for Schools and Academies via their Local Funding Formula for the Schools Block. 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 for the forthcoming financial year (2021/22). Oldham is, once again proposing to retain the NFF values in full except for the Area Cost Adjustment (ACA).
- 1.5 Consultation on the 2021/22 Oldham DSG funding methodology ran from 20 October to 16 November 2020 (extended from the original deadline of 13 November). The outcome of the consultation was presented to the Schools Forum at its meeting of 18 November 2020 and is shown in sections 2.28 to 2.30 below.

## 2 Current Position

### Funding Announcements

- 2.1 On 20 July 2020, the Department for Education, via the Education and Skills Funding Agency published provisional DSG funding allocations for 2021/22.
- 2.2 The 2021/22 indicative DSG for Oldham is £261.701m. As illustrated in the table below, this excludes funding for both the Early Years Block for 2021/22 and the Schools Block Growth, both of which are expected to be notified in December 2020 / January 2021. Excluding these two allocations, there has been an overall increase in funding of £19.471m between 2020/21 and 2021/22. The initial allocations as notified, are based on October 2019 pupil numbers. The final allocations for 2021/22 will be calculated using the October 2020 census which will be announced in December 2020 / January 2021. The 2021/22 provisional allocation for the Schools Block includes an estimated £8.706m for Teachers pay and pension grant for funding previously received through the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grants (TPECG). This will streamline the way in which the funding through the grants is delivered, as well as recognise the fact that these grants are part of schools' core funding.

**Table 1 2020/21 DSG and Indicative Allocation from 2021/22**

	2020/21 £000	2021/22 £000	Increase / (Decrease) £000
<b>Dedicated Schools Grant (DSG)</b>			
Schools Block	200,352	215,187	14,835
Schools Block - Growth	1,523	0	(1,523)
Early Years Block	18,967	0	(18,967)
High Needs Block	39,189	44,052	4,863
Central Schools Block	2,689	2,462	(227)
<b>Total</b>	<b>262,720</b>	<b>261,701</b>	<b>(1,019)</b>

- 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 2021/22, historic commitments have been reduced by a further 20%. The DfE will continue to unwind this funding in future years. As a result of this, the allocation for Oldham for 2021/22 has reduced by £266k, but this has been partly offset by an

increase for ongoing responsibilities of £39k. The impact of this reduction will be managed as part of the Council's 2021/22 Budget Setting process. As in previous years, the Schools Block Growth (dependant on updated pupil numbers) and the allocation of the Early Years Block will be notified in December 2020

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 2021/22. These illustrative allocations are based on 2019 pupil data and characteristics. Each school can view the calculation of its budget via the DfE COLLECT Portal

2.5 In 2021/22 the DfE will provide funding in the school's block as follows:

- a) An increase of around 3.00% on 2020/21 NFF cash values (not locally set cash values) for pupil led factors, excluding Free School Meals (FSM) and the Minimum Funding Guarantee (MFG). See Appendix 1 for 2021/22 schools NFF cash values and the relevant % increases.
- b) An increase of 2.22% in line with inflation for Free School Meals
- c) The 2021/22 provisional school's allocation incorporates the 2019 Income Deprivation Affecting Children Index (IDACI) data and these will be used in Oldham's local funding formulae for 2021/22.
- d) Area Cost Adjustment (ACA) – once the NFF cash values have been set for those factors at point (a) and (b) above, an area cost adjustment 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 1.00545, however a factor of 1.00000 is proposed for the 2021/22 funding formula. Any resources available once actual allocations are received (based on October 2020 pupil numbers) will be allocated through an increase to the area cost adjustment. Adjusting the ACA i.e. increasing cash values is considered to be the most equitable way to allocate any remaining funding as this will impact on all cash values equally. If there was to be an adjustment to just one of the factors, the increase would not be seen fairly by all schools.
- e) An increase of 2.97% on 2020/21 NFF cash values (not locally set cash values) for lump sum allocations.
- f) A Minimum Funding Level per pupil of £4,180 in primary and £5,415 in secondary.
- g) A Minimum Funding Guarantee of 2.00% and no capping for any gainers.

2.6 The indicative High Needs block allocation of £44.052m has increased by £4.863m between 2020/21 and 2021/22. The actual allocation for High Needs will change further having regard to changes in pupil and student numbers and their movement between Local Authorities through the basic entitlement factor and the import/export adjustment. The High Needs Block of the DSG has been in a deficit position for several years and even with this increase in resources, is forecast to remain in a cumulative deficit position. The funding pressure that this High Needs position has caused, has resulted in the whole DSG being in a deficit position. Over the past five years, the Council and Schools Forum have agreed a movement of funding from the Schools to the High Needs Block as a means of managing this deficit.

2.7 The table below shows the approved movements from the School's Block by financial year and as a percentage movement. This has been an extremely important, indeed a

vital, means of managing the DSG financial position and highlights the collaborative way in which the Schools Forum has worked to support the Oldham Schools family.

**Table 2- Approved Movements from the Schools Block to High Needs Block**

Financial Year	£000	% Movement Between Blocks
<b>2016/17</b>	385	0.21
<b>2017/18</b>	2,380	1.29
<b>2018/19</b>	1,878	1.00
<b>2019/20</b>	1,594	0.84
<b>2020/21</b>	1,009	0.50

2.8 The 2021/22 consultation process set out the proposal for a further movement of funding between the Schools and High Needs Block. Therefore, the LA sought Schools Forum agreement to the transfer of 0.5 % to the High Needs block. In this regard it is important to note that the 2021/22 High Needs funding is expected to be sufficient to cover estimated in-year spending demands in the High Needs Block, but this does not address the cumulative deficit position.

### **The DSG Recovery Plan**

2.9 Members will recall that due to the size of the DSG deficit, during 2018/19, the Council was required to submit a DSG Recovery Plan to the DfE to advise of the approach to bringing the DSG back to at least a balanced position. Whilst the format of engagement with the DfE has changed, the Council is required and continues to use the Recovery Plan approach as a means of monitoring the financial position of the DSG.

2.10 Regardless of the need to submit the recovery plan, it is obviously an important element of the financial management of the Authority that the DSG is not in a deficit position and there has been action to address this. However, the current deficit has resulted from the increase in DSG resources being more than offset by the increasing numbers of children with special needs entering the education system, predominantly resulting in increased expenditure in the High Needs Block. Action taken so far to try to reduce the deficit include:

- The revision of Council processes to ensure that Education Health and Care Plans (EHCP) are issued in a timelier manner and reviewed more frequently with regard to the needs of the child
- Changes to the process for the placement of children out of borough
- As advised above and very importantly, the transfers of funding between the Schools and High Needs blocks

2.11 Work will continue during the remainder of 2020/21 and throughout the next few years to address the DSG deficit position, building on the work already in train, with the continued monitoring of the detailed DSG recovery plan. However, it is evident, that progress has been hindered by the impact of COVID-19 and the widespread disruption to the education system during 2020.

2.12 The DfE expects Local Authorities to take the significant increase in high needs funding in 2021/22 on top of increases in the previous year, into consideration when making decisions on block movements, and for these to have been appropriately discussed at Schools Forum meetings. It is important to note that the Department is still allowing transfers of up to 0.5% from the Schools Block to the High Needs Block in 2021/22 with the approval of the Schools Forum.

- 2.13 When the DSG budget was set for 2020/21 Schools Forum agreed to a 0.5% movement between the Schools and High Needs Blocks for 2020/21 and (subject to confirmation at 2021/22 budget setting) an additional 1% transfer in 2021/22. Taking into account all known factors including the approvals process and the expectations of the DfE, the proposed transfer between the Schools and High Needs Blocks was reduced to 0.5% for 2021/22 and this formed the basis of the consultation with schools.
- 2.14 Members will recall the previous iteration of the recovery plan, as reported to Cabinet on 30 November as part of the Month 6 Financial Monitoring Report was a forecast 2020/21 cumulative DSG deficit of £5.785m, reducing to £3.999m at the end of 2021/22. The recovery plan has now been revisited and this highlights that the DSG deficit forecast for 2020/21 has increased still further to £6.186m. In order to set a realistic timeframe for the removal of the cumulative DSG deficit the plan has been extended by an additional two years to 2023/24. The table below summarises the revised DSG Recovery Plan firstly without and then with a movement between the Schools and High Needs Block in 2021/22.

**Table 3- The DSG Recovery Plan (Updated)**

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
<b>Opening Balance - (Deficit)</b>	<b>(4,916)</b>	<b>(6,186)</b>	<b>(4,745)</b>	<b>(3,076)</b>
Movements per original plan	1,048	5,081		
<b>Original Forecast Variance</b>	<b>(3,868)</b>	<b>(1,105)</b>	<b>(4,745)</b>	<b>(3,076)</b>
Estimated Adjustments including <b>(Pressures)</b> and Savings	<b>(2,318)</b>	<b>(8,987)</b>	185	123
Estimated Savings Out of Borough	0	286	286	928
Additional High Needs Funding	0	4,863	1,000	1,000
Estimated adjustment re imports/exports	0	198	198	198
<b>Revised Net Forecast (Deficit) Without a 0.5% transfer between blocks</b>	<b>(6,186)</b>	<b>(4,745)</b>	<b>(3,076)</b>	<b>(827)</b>
Proposed 0.5% movement		1,083		
<b>Revised Net Forecast (Deficit)/Surplus if a 0.5% transfer is agreed</b>	<b>(6,186)</b>	<b>(3,662)</b>	<b>(1,993)</b>	<b>256</b>

- 2.15 As can be seen, additional pressures of £2.318m in 2020/21 not anticipated in the initial recovery plan create an increased adverse variance of £6.186m in 2020/21. However, further anticipated, additional pressures in 2021/22 are offset by the increased funding from Government, estimated savings from Out of Borough placements and favourable adjustments for imports/exports to deliver a potential in-year surplus of £1.441m, despite which there remains a forecast deficit of £4.745m. This would reduce to £3.662m with a transfer between Schools and High Needs Blocks.
- 2.16 As previously mentioned the indicative High Needs block allocation of £44.052m has increased by £4.863m between 2020/21 and 2021/22, with a working assumption that there will be additional funding of £1m in 2022/23 and 2023/24.

## The Requirement for Consultation

- 2.17 The timescale for agreeing a revised local funding formula for schools for 2021/22 is shown in the table below. A meeting was held with the Fair Funding Group, on 14 October 2020 to consider the local approach to the funding allocation methodology. Further meetings were held with the Primary Heads Group on 2 November and with a small number of headteachers, representing all areas of the sector on 12 November 2020. The Consultation Document setting out the issues on which schools were being consulted was issued on 20 October is available to view in the Schools Forum section of the Council’s website; accessible via the link in Section 19 (Background Papers) of this report. The consultation period was initially scheduled to end on 13 November but was extended to run to 16 November.

**Table 4- Consultation Timetable**

Consultation Stage	Date
Fair Funding Group	14 October 2020
Consult schools	20 October to 16 November 2020
Schools Forum Meeting	18 November 2020
Cabinet Meeting	14 December 2020
Schools Forum	13 January 2021
Schools Block Formula to DfE	21 January 2021

- 2.18 The consultation paper was issued to 104 individual schools and Academies. It outlined the proposed funding model 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% from the growth fund in the Schools Block in 2021/22?’**

All Consultation responses and comments were collated and presented to the Schools Forum on 18 November as set out in section 2.28 to 2.30 below.

## Consultation on the approach to the NFF

- 2.19 The currently available National Funding Formula has 14 factors which influence funds allocation levels, and these have been used to calculate the funding allocated to the Authority. However, for 2021/22 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.
- 2.20 For 2021/22 for Oldham, the proposed funding formula is based on that initially agreed for 2018/19. However, it reflects the NFF cash values except for the ACA by providing a minimum per pupil funding level of £4,180 per primary pupil and £5,415 per secondary pupil with an MFG of 2 per cent and no cap on any gainers (as outlined at section 2.5).
- 2.21 Growth funding is within Local Authorities’ schools block DSG allocation. The growth fund is to support pupil growth relating to LA planned basic need 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. As there is an estimated closing balance on the growth fund of £1.523m for 2020/21, it is proposed to move £1.083m (0.5%) from the growth fund in the Schools Block to the High Needs

Block to help address the DSG deficit Funding the transfer in this way means that individual schools' allocations are not negatively impacted with Schools' allocations substantially mirroring the NFF approach.

- 2.22 Only one option for Oldham's funding formula for 2021/22 was modelled and issued to schools for consultation. This model reflects schools funding allocations as if Oldham had moved to the NFF cash values in full and there was an adjustment to the ACA element of the formula. This is therefore the proposed model for 2021/22
- 2.23 This option is based on current characteristics as outlined at 2.5 and is subject to change when the actual numbers of pupils on the October 2020 census is notified to the Council. This data is expected to be released in December 2020 / January 2021 and the allocations will then be revised.
- 2.24 The option has been 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 the prevailing pressures and issues
  - To ensure 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
- 2.25 It is important to note that the key components of the financial strategy to bring the DSG towards a balanced position are as follows;
- a) A proposed move to the 2021/22 NFF cash values in full except for the Area Cost adjustment where it is proposed that the factor applied in Oldham is reduced from 1.00545 to 1.00000. Any resources available once actual allocations are received will be allocated through an increase to the area cost adjustment. It is considered that by adjusting the ACA i.e. increasing cash values, this is the most equitable way to allocate any remaining funding. This will impact on all cash values equally. If there was to be an adjustment to just one of the factors, the increase would not be seen fairly by all schools.
  - b) A 0.5% transfer of funding between the Schools and the High Needs Blocks in 2021/22;
- 2.26 A summary of the model follows and detailed calculations are attached at Appendix 1. In reviewing the model, 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 option table in section 2.27 shows the funding available to schools at £218.082m which includes an estimated £1.372m for growth funding after incorporating estimated growth funding brought forward of £1.523m.
  - 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 2 details the current growth funding for Oldham schools.

## Proposed Funding Model

- 2.27 The model proposes a 0.5% movement to the High Needs Block at an estimated value of £1.083m utilising resources from the growth fund within the Schools Block. The model uses the cash values based on moving to the National Fair Funding values in full except for the ACA, which, at this stage assumes an ACA of 1.00000 (i.e. no further uplift to those eligible factors). The model shows funding remaining of £1.125m after the proposed transfer to High Needs Block. The figures used are provisional estimates and will be revisited once final allocations are received. If there is a balance remaining when actual funding is received this will be transferred to the Area Cost Adjustment first and any funds remaining will be added to the growth fund for 2021/22.

**Table 5 – Proposed Allocation of the 2021/22 DSG**

Model	£000	£000
Schools Block		215,187
Estimated additional Schools Block for growth		1,372
Estimated growth b/fwd.		1,523
<b>Funding Available to allocate to schools</b>		<b>218,082</b>
Formula Allocation to Schools based on October 2019 Pupils	214,546	
Unallocated Balance to be added to the Formula Allocation (ACA) and growth fund	1,125	
<b>Current funding allocated through school's block</b>		<b>215,671</b>
Estimated explicit growth 2020/21 for planned expansions		1,328
Proposed Transfer to Schools Block		1,083
<b>Funding Allocated</b>		<b>218,082</b>

## Outcome of the Consultation with Schools

- 2.28 The consultation with 104 Schools and Academies closed on 16 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 12%, with responses varying between sectors.

**Table 6 Consultation Responses in Total**

Type	Number of Responses	Number of Consulted	Response Rate
Primary	9	86	10%
Secondary	3	13	23%
Special	0	5	0%
<b>Total</b>	<b>12</b>	<b>104</b>	<b>12%</b>

- 2.29 The response to the consultation question is shown in the table below and highlights that although there was a low response, that 58% of respondents agreed with the proposal for the 0.5% movement.

**Table 7 Consultation Responses in Detail**

Question	ANSWER YES	ANSWER NO	TOTAL
Do you support the Local Authority proposal of a transfer to the high needs block of 0.5% from the growth fund in the Schools Block in 2021/22?’	7	5	12
	58%	42%	100%

- 2.30 After consideration of the consultation responses and the reports presented for discussion, Schools Forum, at its meeting on 18 November 2020 resolved unanimously to approve the funding formula proposed for 2021/22 with a 0.5% movement between Schools and High Needs blocks.  
(Votes: 8 for and 0 against – 100% in favour, a unanimous decision).

### Updated DSG Recovery Plan

- 2.31 Following Schools Forums unanimous approval of the proposed movement between the Schools and High Needs Blocks,(subject to Cabinet approval), the updated and revised Recovery Plan is, presented in detail at Table 3 and explained in sections 2.14 to 2.16 above. This illustrates that with the increased funding anticipated and the planned actions to address new operating arrangements to generate efficiencies, the DSG should be brought into a position where there is a small surplus in 2023/24.

**Table 8- The DSG Recovery Plan – Updated**

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
<b>Opening Balance - (Deficit)</b>	<b>(4,916)</b>	<b>(6,186)</b>	<b>(3,662)</b>	<b>(1,993)</b>
Revisions to Estimates	(1,270)	1,441	1,669	2,249
Balance after Revisions to Estimates	<b>(6,186)</b>	<b>(4,745)</b>	<b>(1,993)</b>	<b>256</b>
0.5% Movement Agreed by Schools Forum		1,083		
<b>Revised Net Forecast (Deficit)/Surplus</b>	<b>(6,186)</b>	<b>(3,662)</b>	<b>(1,993)</b>	<b>256</b>

- 2.32 It remains important that the DSG position is carefully monitored to ensure that the DSG deficit reduces as expected. Each Schools Forum meeting receives financial updates and Members receive information on the DSG in the Financial Monitoring reports considered at Cabinet. This will continue during 2021/22. Officers from the Children’s Services Portfolio are engaged in taking forward the actions planned to support DSG efficiencies, supported by the Finance Team as appropriate.

### 3 Options/Alternatives

- 3.1 There is a requirement for the 2021/22 funding formula to be agreed by Schools Forum. The report sets out the funding formula agreed unanimously by Schools Forum members at their meeting on 18 November. Members are not therefore presented with an alternative approach.

## **4 Preferred Option**

- 4.1 In view of the School Forum decision, the preferred option is that Members agree to accept Oldham's funding formula for 2021/22 as set out in this report. The formula is presented is to move to NFF cash values except for the Area Cost adjustment where the factor is 1.00000 is used but with an opportunity, if there are any resources available once actual allocations are received, to allocate these through an increase to the area cost adjustment. The formula also includes a movement of 0.5% between the Schools and High Needs Block.

## **5 Consultation**

- 5.1 The report sets out the consultation that took place with Schools and Schools Forum during October and November 2020 which has informed the recommendations of this this report.
- 5.2 There has also been consultation with officers of the Council together with detailed consultation with the Cabinet Members for Education and Finance and Green.

## **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 2021/22 allocation of resources is that the DSG is already in a deficit position and this will continue to increase unless steps are taken 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 developing 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 regards to "Wednesbury Reasonableness" and the results of the consultation with the Schools Forum should also be taken into account in formulating the decision. (Colin Britain)

## **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 risk to the proposed allocation arrangement would have been 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 had not been agreed by Schools Forum. A revised approach would have been required in this event.

## **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 FG-28-20

## **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 and 2 together with the Schools Funding Consultation 2021/22 and Schools Forum Meeting Papers 18 November 2020 (links below)

[https://www.oldham.gov.uk/downloads/file/5855/school\\_funding\\_consultation\\_202021](https://www.oldham.gov.uk/downloads/file/5855/school_funding_consultation_202021)

[https://www.oldham.gov.uk/downloads/file/6656/schools\\_forum\\_18112020](https://www.oldham.gov.uk/downloads/file/6656/schools_forum_18112020)

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## **20 Appendices**

20.1 Appendix 1 – 2021/22 Schools Block Formula Modelling  
Appendix 2 – Growth Funding 2021/22

