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Agenda Item No:

DERBYSHIRE COUNTY COUNCIL

CABINET

11 March 2021

Report of the Executive Director for Children's Services

**CENTRAL SCHOOL SERVICES BLOCK AND
PUPIL GROWTH FUND SETTLEMENT 2021-22
(YOUNG PEOPLE)**

1. Purpose of the Report

To inform Cabinet of the Central School Services Block (CSSB) and Pupil Growth settlements for 2021-22 and the decisions of Schools Forum regarding their allocation.

2. Information and Analysis

2.1 Central School Services Block (CSSB)

Details of local authorities' (LA) 2021-22 CSSB allocations were published on 17th December 2020.

This block of the Dedicated Schools Grant (DSG) was introduced in 2018-19 to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together funding:

- (i) previously allocated through the retained duties element of the former Education Services Grant for defined services;
- (ii) for ongoing central functions for schools and academies; and
- (iii) for historic commitments previously held within the Schools Block.

Funding for ongoing responsibilities - items (i) and (ii) above - is based on a per-pupil allocation whilst funding for historic commitments reflects previous LA spend.

The determination of budgets funded by the CSSB is a matter for the School Forum rather than the County Council. The Schools Forum considered the allocation of funding for 2021-22 at its meetings in December 2020 and January 2021.

The additional consideration in January was necessary as a result of the DfE allocating funding in respect of employers' pension contributions in respect of centrally employed teaching staff. From September 2019 employers' pension contribution for teachers rose from 16.48% to 23.68% of gross pay. In 2020-21 LAs received a specific grant to cover these costs but for 2021-22 funding has now been included in the CSSB instead.

Table 1 – CSSB Grant 2021-22

	2021-22	2020-21
NFF multiplier (per pupil)	£31.72	£29.80
Pensions addition (per pupil) multiplier -	£6.73	-
October 2020/2019 pupil counts	98,603.50	97,700.00
Ongoing responsibilities including pensions	£3,127,703	£2,911,072
Historic commitments	£1,111,680	£1,389,600
Total CSSB funding	£4,902,985	£4,300,672

Other than the pension change, the key points to note are a 6.44% increase in the per-pupil funding rate for ongoing responsibilities and a 20% reduction in the historic commitments element. The reduction in LAs' historic allocations had been expected and this trend is expected to be reflected in future years' settlements.

As a result of the decisions by Schools Forum CSSB funding has been allocated as follows for 2021-22.

Table 2 – Agreed Central Schools Services Block Allocations 2021-22

Item	Approved
	£
<u>Ongoing responsibilities</u>	
Admissions Service	559,000
Schools Forum	41,000
Former Education Services Grant Retained Duties	1,680,000
Copyright Licences for schools and academies	617,738
Pensions for centrally funded teachers	169,000
<u>Historic Commitments</u>	
Contribution to LA's Early Help Offer	1,111,680
Total allocations	4,178,418
Balance	724,567

The balance will remain unallocated in order to provide a contribution to the Authority's DSG reserves during 2021-22. Cabinet is asked to note the decisions of the Schools Forum in respect of the CSSB for 2021-22.

2.2 Pupil Growth Fund

Local authorities' DSG allocations now include pupil growth funding as an element of the Schools Block. The distribution of this funding is also a matter for the Schools Forum rather than the County Council. The fund is used to support schools with in-year increases in pupils, including new free schools, as well as contributing to the extra costs of meeting national Key Stage 1 class size requirements.

Allocations for 2021-22 were announced on 17th December 2020 and are based on a formula which looks at increases in pupil numbers as measured at Middle Super Output Area (MSOA) level: net reductions at MSOA level would be ignored. The allocations for 2021-22 have been based on the increases between October 2020 and 2019 pupil census data with each additional primary pupil attracting £1,455 and each secondary pupil £2,175. In addition, LAs receive £68,700 for each new institution registered for the first time on the October 2020 census. Derbyshire has one such qualifying academy, Highfield Farm, and the £68,700 reflects the part year lump sum (7/12^{ths} of £117,800) which is payable from September 2021.

Derbyshire's Pupil Growth funding for 2020-21 is shown in Table 3 below:

Table 3 – Pupil Growth allocation 2021-22

	Pupil Increase	2021-22 Rate	Pupil growth funding
Primary	421.0	£1,455	£612,555
Secondary	834.0	£2,175	£1,813,950
Sub total			£2,426,505
New Institutions – Highfield Farm			£68,700
Total allocation			£2,495,205

The allocation of this grant was considered by the Schools Forum at its meeting on 28th January 2021 and the following sums approved.

Table 4 – Pupil Growth Budgets 2021-22

<u>Item</u>	£m
Mainstream formula budgets	0.615
Infant Class Sizes	1.128
In year pupil growth	0.250
Free Schools	0.500
Total budgets	2.493
Balance	0.002

Mainstream formula budgets (£0.615m) – Cabinet considered the allocation of Schools Block funding at its meeting on 21st January 2021. The report identified a shortfall between the schools block quantum for 2021-22 and the total cost of schools’ budgets, based on the national funding formula. This contribution from the pupil growth fund, agreed by the Schools Forum following a special briefing on 8th January 2021, was one of the measures that closed the shortfall.

Key Stage 1 Class size (£1.128m) – this supports infant and primary schools to meet national infant (Key Stage 1) class size requirements. The current (2020-21) budget for this purpose is £1.128m and this sum has been retained in 2021-22.

In year pupil increases (£0.250m) - the need for support arises from the lagged nature of schools and academies’ funding. For example, children admitted in September 2020 would not generate additional funding until the start of the 2021-22 financial year (LA maintained schools) or 2021/22 academic year (academies). This leaves the school and academy having to support any in-year additional costs for seven and twelve months respectively. N.B. The Department for Education (DfE) publication “Schools revenue funding 2020 to 2021 Operational guide” only allows support to be provided where in-year increases in numbers arise as a direct consequence of a basic need issue i.e. where the Authority requires the school or academy to admit a significant number of children. The guidance specifically prohibits supporting general growth due to popularity as this should be managed through lagged funding.

The 2020-21 budget for this purpose is £0.250m and the Schools Forum agreed to approve the same allocation for 2021-22.

New Free Schools (£0.500m) - Two new primary free schools, The Mease at Hilton and Chellaston Fields, opened in September 2019, Highfields Farm opened in September 2020 and Clover Leys at Boulton Moor is planned to open in September 2021. A further 4 primary schools (Drakelow, Clowne North, Staveley and Radbourne Primary) are planned under the DfE’s Free School Presumption process for September 2023 & 2024.

There are three further schools which are currently under consideration for direct funding from the DfE, namely: New House Farm, Mickleover, The Avenue, Wingerworth and Infinity Park, a secondary school near Chellaston. If approved, these three schools would not have a claim on DSG funding.

Under the Education Act 2011 and the national academy framework, LAs are responsible for funding the pre and post opening set up costs and formula support of free schools agreed under the Presumptive process. Pre-opening support provides funding for a free school to meet some initial

costs in advance of the school opening e.g. employing key staff. The amount of support ranges from £0.172m to £0.212m, the lower figure is more usual where a single Trust opens more than one school in the same local authority in the same academic year and reflects an expectation that there will be some economies of scale in the planning stages.

Post-opening support recognises that in the initial years after opening, the mainstream formula allocation is unlikely to provide sufficient resources to run a school. Post opening support comes in two forms:

- (i) Leadership - provides an average of £13,500 per empty cohort per annum, the maximum a school could claim would be £0.283m during the first six years.
- (ii) Resources - helps provide additional resources and is a flat rate £250 per additional pupil, a total cost of £0.053 for a 210 pupil school.

The maximum total cost of support for each primary school is therefore £0.548m excluding any support under the National Funding Formula for in year pupil increases.

In terms of in-year formula support, children starting a free school for the first time in September would only trigger DSG resources from the following April. In the interim the Authority is required to fund the formula budget of the school relating to these children for the period September to March from the pupil growth fund.

The precise level of any support will depend upon the schools' admission profiles, the pupils' characteristics i.e. the levels of deprivation and prior attainment and the formula multipliers used by the local authority to fund its schools and academies.

In order to ensure resources are in place to contribute to the various types of costs the Authority holds a reserve within the DSG. The balance of this reserve at 31st March 2021 is forecast to be £2.261m and the agreed £0.500m contribution for 2021-22 will increase this to £2.761m. Further contributions from the DSG will be required from future years' settlements to fund fully the pre and post opening support costs for all the new free schools and, if possible, the in-year formula support as well. The objective is to avoid, or at least minimise, any future impact of these support costs on other schools and academies' budgets.

3. Other Considerations

In preparing this report, the relevance of the following factors has been considered: - prevention of crime & disorder, equality of opportunity, and

environmental, health, social value, human rights, human resources, property and transport considerations.

4. Background Papers

Files held within Children's Services Finance.

5. Key Decision

Yes.

6. Call-in

Is it required that the call-in period be waived in respect of the decisions being proposed within this report? No

7. Officer's Recommendations That Cabinet considers this report and:

- (i) Notes the Central School Services Block and Pupil Growth settlements for 2021-22;
- (ii) Notes the decisions of Schools Forum regarding the allocation of these grants; and
- (iii) Notes the contribution that the CSSB is expected to make towards DSG reserves in 2021-22.

Jane Parfremment
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