

Schools Forum

16 January 2020

Schools National Funding Formula 2020/21

This report relates to both academy and maintained mainstream schools and is for decision by all school and PVI members of Schools Forum.

Recommendations

1. Schools Forum agree a consensus on its advice to Cabinet regarding the continuation of moving to the 'hard' National Funding Formula in 2020/21.
2. Schools Forum approve in principle a consultation process with Mainstream Schools on allocating additional schools block funding in 2020/21. A proposed timetable for this will be produced once the 0.5% disapplication outcome is known. A report will then be brought back to Schools Forum in March 2020 to approve the consultation timetable.

1. Purpose of the Report

- 1.1. Inform Schools Forum of the Schools Block DSG Allocation for 2020/21 and how it will be allocated to schools using the 'hard' National Funding Formula (NFF).
- 1.2. The report also considers options for allocating additional funding available once the 'hard' NFF has been implemented for 2020/21.

2. National Funding Formula 2020/21

- 2.1. The schools block DSG allocation for 2020/21 is £349.7 million and is an increase of £22.3 million (6.81%) from the 2019/20 allocation and is due to two main reasons.

2.2. Firstly, total Number on Roll for 2020/21 has increased by 1,276 pupils (1.70%) above 2019/20 pupil numbers. Table 1 shows the Number on Roll changes by phase.

	Total
Primary	181
Secondary	1,018
All-through	77
Total	1,276

Table 1: Distribution of increased NOR 2020/21

2.3. Secondly, Minimum pupil funding for Primary Schools has increased to £3,750 in 2020/21 from £3,500 in 2019/20 and Secondary Schools has increased to £5,000 from £4,800 over the same period. Furthermore, all funding formula factors were increased by 4% above 2019/20 funding levels. For example, the lump sum factor has increased from £110,000 in 2019/20 to £114,400 for 2020/21.

2.4. The DSG allocation for 2020/21 has allowed the Local Authority to continue to apply the ‘hard’ NFF in 2020/21 as follows:

- Set the Age Weighted Pupil Unit (AWPU) rate in line with the ‘hard’ NFF.
- Use all Deprivation rates (Free Schools Meals and Income Deprivation Affecting Children Index) in line with the ‘hard’ NFF.
- Allocate funding for English as an additional language in line with the ‘hard’ NFF. But for the first time the allocation has been for the maximum 3 eligible years rather than the minimum of 1 year.
- Prior attainment set at 100% in line with the ‘hard’ NFF.
- All schools are allocated a lump sum of £114,400 in line with the ‘hard’ NFF.
- Split sites allocated £38,500 per site and this is a local factor.
- Business Rates are fully funded and this is mandatory.
- Funding to meet minimum per pupil funding (£3,750 for primary school pupils and £5,000 for secondary school pupils) in line with the ‘hard’ NFF.
- Set the Minimum Funding Guarantee at +1.84% in line with the ‘hard’ NFF.
- Allocate £1.914 million to the Growth Fund as agreed by Schools Forum in December 2019.

2.5. Once all funding is allocated in line with the ‘hard’ NFF this leaves £2.698 million unallocated. A breakdown of funding by factors together with a comparison with 2019/20 funding is included in the Appendix.

3. Options for Allocating the Additional Funding

- 3.1. The overriding priority for Councillors, Schools and Schools Forum has been to move to the 'hard' NFF and in January 2018, Schools Forum recommended to Council that the NFF should be implemented as soon as possible. For 2020/21 this has now been fully achieved.
- 3.2. Therefore, several options can now be considered on how to allocate the remaining unallocated funding.

Transfer 0.5% to the High Needs Block

- 3.3. School Forum members are aware of the consultation with schools on this proposal and that this is being considered elsewhere on the agenda. A transfer of 0.5% from the schools block DSG represents £1.748 million of the £2.698 million.
- 3.4. Implementing this transfer would still leave £0.950 million available to directly distribute to schools.

Other Options

- 3.5. There are number of options that could be considered on how the additional £0.950 million is distributed to schools. All options require consultation with schools. For example, the lump sum for all schools in 2020/21 could increase to £121,000 and this would directly benefit 154 out of 230 schools.
- 3.6. Within the modelling guidance the lump sum can be set at a maximum of £175,000 per school as a local factor.
- 3.7. In any event any changes away from the 'hard' NFF must be consulted with all schools and Schools Forum. It is therefore proposed that if Council continue with the disapplication, and this is approved by the Secretary of State, schools would be consulted on possible options. This will not delay the budget allocations to schools beyond the statutory deadline of the end of February but could potentially give some schools an additional allocation within year.
- 3.8. If the 0.5% (£1.748 million) is not transferred to the High Needs Block, this could result in the lump sum for all schools in 2020/21 increasing to £132,000 and this would directly benefit 166 out of 230 schools.

3.9. Other options to allocate the funding are:

- Increase the Age Weighted Pupil unit values
- Increasing Deprivation amounts

3.10. Once the outcome of the proposed 0.5% application is known a report will be brought back to Schools Forum in March 2020 on the consultation timetable for allocating additional schools block grant funding for approval.

Neill Butler

Schools Funding & Strategy Manager

Author Contact Details

Email: neillbutler@warwickshire.gov.uk

Tel: 01926 412240

Comparison of NFF allocations 2019/20 and 2020/21

Factor	2019/20 £m	2020/21 £m	Difference £m	Difference %	Reason for Change
Age Weighted Pupil Unit (AWPU)	246.3	261.4	+15.1	+6.13	Pupil led factor + 4% Increase
Deprivation	18.6	20.4	+1.8	+9.68	Pupil led factor + 4% Increase
English as an Additional Language	0.8	2.4	1.6	+200.00	Eligible children receive funding for 3 years rather than 1 + 4% Increase
Prior Attainment	24.2	24.0	-0.2	-0.83	Pupil led factor + 4% Increase
Lump Sum	25.2	26.3	+1.1	+4.36	4% Increase (with roundings)
Split Sites	0.2	0.2	0.0	0.00	No change
Rates	3.4	3.6	+0.2	+5.88	Actual costs of rate bills are fully funded
Minimum Pupil Funding	4.2	5.8	+1.6	+38.09	Changes in allocations for 2020/21. £250 increase in primary and £200 in secondary)
Minimum Funding Guarantee	3.1	1.0	-2.1	-67.74	All schools get +1.84% increase so fewer schools receive MFG
Growth Fund	1.3	1.9	+0.6	+46.15	More growing schools
Unallocated	0.0	2.7	+2.7		
Total (subject to roundings)	327.4	349.7	+22.4	+6.81	