

Schools Forum

8TH October 2019

Schools Funding Arrangements 2020/21 and Other Updates

Introduction

1. This paper is intended to inform the Schools Forum of the latest information regarding the national funding settlement for schools and the potential implications for Stockton.
2. The position on High Needs is considered in a separate paper on today's agenda.

National Increases

3. The Government have announced that nationally schools budget will rise by £2.6 billion in 2020/21, £4.8 billion in 2021-22 and £7.1 billion in 2022/23, compared to 2019/20 funding levels. This includes:-
 - a. An increase of £700 million more in 2020/21 for High Needs.
 - b. An additional £66m for early years providers
4. They also announced an extra £400m for 16-19 provision.
5. The DfE will publish final dedicated schools grant allocations for LA's in December 2019.
6. The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020/21. Rates for 2020 to 2021 will be published in due course.
7. Separate to this, the Government will continue to provide teacher pay grant and teachers employer contributions grant to schools.

Schools Budget

8. The DfE have confirmed the following key elements of the schools National Funding Formula (NFF) in 2020/21:
 - a. The government's intention to move to a 'hard' NFF for schools – where budgets will be set on the basis of a single, national formula. They recognise this represents a significant change and will work closely with local authorities, schools and others to make this transition as smoothly as possible.

- b. In 2020/21 local authorities will continue to have discretion over their schools funding formulae. However, as a first step towards hardening the formula, from 2020-21 the government will make the use of the national minimum per pupil funding (MPPF) levels, at the values in the school NFF, compulsory for local authorities to use in their own funding formulae.
- c. The minimum per pupil funding (MPPF) amount for 2020/21 will increase to £3,750 (from £3,500) for primary schools and £5,000 (from £4,800) for secondary schools, with the primary schools minimum then rising to £4,000 in 2021/22.
- d. The DFE are running a Minimum per pupil funding (MPPF) consultation which closes on 22 October on the best way to implement the change in which they are proposing to exclude premises factors from the MPPF (please see link to consultation below).

[Implementing mandatory minimum per pupil funding levels - GOV.UK](#)

- e. The funding floor will be set at 1.84% per pupil, in line with the forecast GDP deflator, to protect per pupil allocations for all schools in real terms. This minimum increase in 2020-21 allocations will be based on the individual school's NFF allocation in 2019-20;
- f. Schools that are attracting their core NFF allocations will benefit from an increase of 4% to the formula's core (i.e. pupil led) factors;
- g. Pupil mobility funding will be allocated via a formulaic approach rather than on an historic basis;
- h. LAs will have the freedom to set the Minimum Funding Guarantee (MFG) in local formulae between +0.5% and +1.84% per pupil; as well as to use a gains cap.
- i. Growth funding will be based on the same methodology as this year, with the same transitional protection ensuring that no authority whose growth funding is unwinding will lose more than 0.5% of its 2019-20 schools block allocation;
- j. Local authorities will continue to be able to transfer up to 0.5% of their schools block to the high needs block of the DSG, with schools forum approval. A disapplication will be required to the SoS for transfers above 0.5%, or any amount without schools forum approval.
- k. LA Primary and Secondary Units of Funding (PUF/SUF) rates will be published in October.

9. The headline figure of 4% increases in formula factors and the minimum funding per pupil increase needs to be treated with caution, as these may be offset by MFG changes.
10. The increase in funding is to be welcomed, however, until the DfE publishes much more detailed information it is difficult to gauge precisely the implications locally.

Early Years

11. There will be an increase to early years spending of £66m to increase the hourly rate paid to childcare providers through the government's free hours offers.
12. The DfE have not supplied any information on LA level allocations or how they will increase the rates.

Central Schools Services Block

13. There have been no announcements on changes to the funding of the CSSB.

Timeframes

14. An extract of the DfE's timetable as published in the Schools revenue funding 2020/21 operational guide is attached as an Appendix.

Other Update

15. The Department is considering extending the risk protection arrangement (RPA) currently operational for academy trusts (ATs) to the local authority maintained school (LAMS). The DfE has launched a public consultation on 9 September 2019 to allow those with comments, views or concerns to express them. The consultation is open for comments until 4 November via an online survey at www.education.gov.uk/consultations

Recommendation

16. That the Schools Forum note the report.

David New
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Appendix

Local Authority Activity - Timetable

03 October

- School census day.

11 October 2019

- Deadline for submitting disapplication requests (for response by December) for MFG exclusions, exceptional premises factors, sparsity factors, lump sum variations for amalgamating schools and pupil number reductions.

Mid-November 2019

- Closing date for submission of the 2020 to 2021 high needs place change workbooks.

20 November 2019

- Deadline for submitting disapplication requests (for response by the APT deadline) for MFG exclusions, exceptional premises factors, sparsity factors, lump sum variations for amalgamating schools and pupil number reductions

28 November 2019

- Deadline for submitting disapplication requests if the local authority wishes to move more than 0.5% of the schools block.
- A request must also be submitted if the schools forum has turned down a proposal from the authority to move funding out of the schools block, but the authority wishes to proceed with the transfer. We aim to issue decisions before the APT deadline.

November 2019

- School census database closed.
- Check and validate school census.

Mid-January 2020

- Schools forum consultation and political approval required for final 2020 to 2021 funding formula.
- 16 January schools block disapplication submission amendment date.

21 January 2020

- Deadline for submission of final 2020 to 2021 APT to ESFA.

29 February 2020

- Deadline for confirmation of schools budget shares to mainstream maintained schools.