



Northumberland County Council

Agenda Item 8

School Forum : 30 September 2020

National Funding Formula School Funding 21/22: Initial Briefing

1. Purpose of Briefing Note

To provide a briefing in relation to the initial School Funding announcement made on 20 July and the potential implications for Northumberland.

2. Recommendations

To note the report.

3. Background

In February 2020 Schools Forum asked for additional information in relation to the potential impact of the “£14 billion” headline funding announced for Education for the 3 year period from 2020/21 to 2022/23. It is impossible to provide definitive information at this stage on the 2021/22 and 2022/23 financial years, as ultimately 2021/22 funding will be based on October 2020 School census information, and there is still key information outstanding. However the headline increases were confirmed, providing a £4.8 billion increase in Education spending for 2021/22, broadly in line with the national figures below:

National Figures :	2019/20	2020/21	2021/22 #	2022/23 #
Schools Block	34,502,592,771	36,277,830,614	}	
HN Block	6,279,123,139	7,072,662,653	}	
EY Block	3,602,732,770	3,658,374,517	}	
Central Schools Service	467,514,756	428,780,086	}	
TOTAL	44,851,963,436	47,437,647,870	49,651,963,436	51,851,963,436
Increase on 2019/20		2,585,684,434	4,800,000,000	7,000,000,000
Year on Year Increase (%)		5.8%	4.7%	4.4%
"Headline Figure"		£2.6 billion	£4.8 billion	£7 billion
# 21/22 and 22/23 will include former Teachers Pay and Pension Grant figures				

4. New Information

Gavin Williamson’s announcement stated that the £1 billion covid catch up fund was separate and additional to the £14.4 billion. It was forecast by the DfE that “most” local authorities would see increases of over 3% per pupil, with protection ensuring a year on year increase of at least 2% in pupil funding. The announcement also stated that National Funding Formula (NFF) “key factors” are set to rise by 3%, though it is not clear exactly what is included in these “key factors” = it is likely to include the Age Weighted Pupil Units (AWPU) but it is unclear if this level of increase will be applicable to FSM factors given the significant rise in numbers as a result of Covid-19.

Minimum per pupil funding (MPPF) figures are rising, as shown below:

Phase	2020/21 MPPF level	2021/22 MPPF level	Increase
Primary	£3,750	£4,000	£250 (6.67%)
Secondary	£5,000	£5,150	£150 (3.0%)

The larger increases at primary are as a result of the Prime Minister's previous pledge to increase minimum levels to £4,000.

Using the headline figures a 2 to 3% increase in DSG would result in an extra £3.7 to £5.6 million, based on the 2020/21 DSG figure of £187.1 million.

One significant change is that the Teachers Pay and Pension Grants, previously paid separately to the DSG from 2021/22 will be included in the overall Dedicated Schools Grant (DSG) funding allocated to Schools. This will account for a large proportion of the funding increase, the Government statement estimated this may account for £2 billion (41.7%) of the headline £4.8 billion increase.

In relation to individual local authority figures indicative figures have been published at a local authority level, excluding early years funding which is not yet available. It has been confirmed that LAs will continue to set a local formula for 2021/22 but further information on the move to a "hard NFF will be published later this year.

In addition notional funding levels under the NFF have been published at an individual School level for 2021/22 however these are not directly comparable to the 20/21 figure as Teachers Pay and Pension Grant have been included in these figures. They are also based on the Oct 2019 data used in the 20/21 figures. Further investigation is required as to the validity of any comparisons using these figures.

5. High Needs

High Needs funding is reported to receive a 10% increase nationally. The Statement said that every local authority would receive an increase of 8%, with some authorities receiving up to 12%. Based on our 2020/21 total allocation of £37.2million this increase should be worth between £2.9 and £4.4 million, but again figures may include an element of Teachers Pay and Pension Grant within these figures for centrally employed SEN Teaching Staff, further details are awaited regarding this.

6. Central Schools Services Block

While there is a small 1.13% increase in element of the CSSB for ongoing responsibilities, there is a further 20% reduction in the funding for historic commitments, resulting in a 10.2% fall overall.

	2020/21	2021/22 (provisional)	Change	
			£	%
Ongoing Responsibilities	£1,269,556	£1,283,915	£14,360	1.1%
Historic Responsibilities	£1,463,200	£1,170,560	£-292,640	-20.0%
TOTAL CSSB	£ 2,732,756	£ 2,454,475	£-278,280	-10.2%

This will result in an additional budget pressure following the cut in 2020/21. We have approached the ESFA for additional support as our long term historic responsibilities arising from long term borrowing and termination of employment costs will be higher than the funding for historic responsibilities in 2021/22.

7. Timetable

The timetable for the process, spelling out both the LA and DfE's responsibilities is attached at Appendix A. A meeting of the Funding Formula Committee has been organised for 14 October 2020. Further information will be provided to November's School Forum meeting, at which formal consultation will take place, followed by a period of consultation with Schools before Christmas.

Bruce Parvin
Education and Skills Business Manager
24 September 2020.

Local authority activity

01 October 2020

- School census day.

11 October 2020

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

Mid-November 2020

- Closing date for submission of the 2021 to 2022 high needs place change workbooks.

20 November 2020

- Deadline for submitting disapplication requests (for response by the APT deadline) for:
 - MFG exclusions
 - exceptional circumstances
 - sparsity factors
 - lump sum variations for amalgamating schools
 - pupil number reductions
- 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 local authority to move funding out of the schools block, but the local authority wishes to proceed with the transfer. The department aims to issue decisions before the APT deadline.

November 2020

- School census database closed.
- Check and validate school census.
- **18 November : Formal Consultation at Schools Forum meeting, followed by consultation with schools**

Mid-January 2021

- Schools forum consultation and political approval required for final 2021 to 2022 funding formula.
- 16 January schools block disapplication submission amendment date.

21 January 2021

- Deadline for submission of final 2021 to 2022 APT to ESFA.

28 February 2021

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

DfE or ESFA activity

July to September 2020

- NFF arrangements for 2021 to 2022 for schools, central school services and high needs published (illustrative allocations, PUFs, SUFs, policy document, technical notes).
- Operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2021 to 2022.
- High needs funding operational guide for 2021 to 2022 issued to local authorities.
- Further information to illustrate 2021 to 2022 growth funding allocations will be provided to local authorities.

October to November 2020

- Publish 2021 to 2022 high needs place change notification: technical note.
- Check and validate school census.
- We will issue an early modelling version of the APT to help decision making in the autumn.

December 2020

- Final APT issued to local authorities, containing October 2020 census-based pupil data and factors.
- Publication of 2021 to 2022 DSG schools block (prior to academies recoupment), central school services block, initial early years block allocations and initial high needs block allocations for 2021 to 2022.

By 31 March 2021

- Confirmation of 2021 to 2022 general annual grant for academies open by 9 January 2021.
- 2021 to 2022 allocation statements issued to post-16 institutions, academies, and NMSS.
- Publication of 2021 to 2022 high needs place numbers at institution level.

April 2021

- First DSG payments to local authorities based on 2021 to 2022 allocations, including academies recoupment (DSG allocations updated termly for in-year academy conversions), FE high needs place funding deductions, and other adjustments.

Summer 2021

- Early years block updated for January 2021 early years pupil numbers.

Summer 2022

- Early years block updated for January 2022 early years pupil numbers (pro rata seven twelfths, as this relates only to the period September 2020 to March 2021).