

SCHOOLS FORUM MEETING – 13TH JANUARY 2021
FUNDING FORMULA FOR SCHOOLS 2021-22 UPDATE

1. Introduction

On the 17th December 2020 the Department for Education (DfE) issued the final funding allocations for the 2021-22 financial year together with a revised APT updated for the October 2020 School census data.

The purpose of this report is to update Schools Forum members on the effect of the updated data, the re-modelling undertaken and the final proposed funding formula for 2021-22 prior to submission of the proforma to the DfE.

2. Impact of the Changes

The updated School Census data shows a net increase in pupil numbers of 155. This is split as follows:

<u>Sector</u>	<u>Pupil Numbers</u>
Primary	(204)
Secondary	359
Total	155

The total number of pupils across each phase over the last two years is as follows:

<u>Phase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Change</u>
Primary	13,464	13,668	(204)
Secondary	8,826	8,467	359
Total	22,290	22,135	155

Within individual schools however there have been significant movements. These are detailed below for each phase:

Primary

<u>Pupil number changes Oct 2019 – Oct 2020</u>	<u>No of primary schools impacted</u>
0 - 10	18
11 - 20	2
(1) – (10)	15
(11) – (20)	9
(21) – (30)	1

(30+)	2
Total	47

Secondary

<u>Pupil number changes Oct 2019 – Oct 2020</u>	<u>No of secondary schools impacted</u>
0 - 25	5
26 – 50	3
51 – 75	1
76 – 100	0
100 +	1
Total	10

The impact of the net pupil number increases and the other updated data plus the confirmation of the growth factor gives a final allocation for the Schools Block of £115.954m. When the initial modelling work was undertaken this was based on £112.414m. This didn't include a calculation for growth. There is therefore an additional amount of £3,540m to allocate predominantly as a result of the updated October 2020 census data and growth.

As a consequence of the above it has been necessary to refine the funding formula to ensure full allocation of the Schools Block. Such refinement needed to be aware of the National Funding formula (NFF) values and changes to these and the DfE views around the Primary: Secondary ratio of it being around the parameters of 1:1.28.

3. Modelling changes proposed

In the initial modelling shared with the Schools Forum and the schools during the consultation process all NFF values had been used with the exception of the following:

<u>Factor</u>	<u>NFF unit value £</u>	<u>NELC 2021-22 initially proposed unit value £</u>	<u>Variance £</u>
Primary	3,123	3,305	182
Secondary – KS3	4,404	4,404	0
Secondary – KS4	4,963	5,090	127

No specific feedback was received in respect of the consultation and these comments received were more of a general nature.

On receipt of the final schools block allocation and updated proforma then further refinement is necessary. Given that other than the above all other factor values are at the NFF then the proposal is to amend the AWPU's as follows:

<u>Factor</u>	<u>NFF unit value £</u>	<u>NELC 2021-22 final proposed unit value £</u>	<u>Variance £</u>
Primary	3,123	3,390	267
Secondary – KS3	4,404	4,475	71
Secondary – KS4	4,963	5,173	210

Whilst the above moves the KS3 factor away from the NFF value this is considered necessary to prevent the other two factors values becoming significantly different from the NFF values.

4. Submitted Final Funding Formula 2021-22

If the changes highlighted above are accepted, then the 2021-22 Schools funding formula will:

- Adopt the NFF and its unit values except for the below:

<u>Factor</u>	<u>NFF unit value £</u>	<u>NELC 2021-22 final proposed unit value £</u>	<u>Variance £</u>
Primary	3,123	3,390	267
Secondary – KS3	4,404	4,475	71
Secondary – KS4	4,963	5,173	210

- Increase the previous year's 2020-21 AWPU values
- Slightly increases the Primary:Secondary ratio to 1:1.29 (2020-21 was 1:1.28) which DfE expect the figure to be around.
- Has additional funding for 6 primary schools and 2 secondary schools in order to meet the minimum funding levels (£305k).
- MFG + 2.00% compared to + 1.84% in 2020-21. As a result schools that gain will be allowed to keep all of these.
- Has a MFG cost of £367k protecting 14 primary schools and 4 secondary schools.
- 5 primary schools will be worse off in cash terms compared to 2020-21. All of these schools have lost pupil numbers. The largest reduction is £12k

- Puts 75.68% of the funding through Basic pupil factors – Age Weighted Pupil Factors (AWPU). This was 75.00% in 2020-21.
- Puts 93.32% of the funding through Pupil led factors – Age Weighted Pupil Factors (AWPU), deprivation, prior attainment etc. This was 93.16% in 2020-21.
- Allocates 100% of the schools block. See below:

Sector	£'000
2021-22 final allocation	115.954
2021.22 proposed allocation to schools (excluding business rates rates)	115.277
Assumed business rates (increase of 3%)	0.677
Total allocation 2020-21	115.954
Under / over allocated	0

The rates position for 2021-22 is still to be finalised so a working assumption of a 3% increase on financial year 2020-21 actuals has been factored into the above. All schools however are funded based upon actual cost, in the case of academies an on line application to the ESFA is required.

The formula submission needs to be forwarded to the DfE by their deadline of 21st January 2021.

5. Recommendation

It is requested that Schools Forum ratify the report and the decisions taken by officers in respect of the final schools funding formula proposed for 2021-22.

Contact Officer: David Kirven, Strategic Lead – Business Partnering

13th January 2021

National Funding Formula Values & NELC Values 2021-22

<u>National Funding Formula Factor</u>	<u>NFF 2021-22 Values</u>	<u>NFF 2020-21 Values</u>	<u>% change</u>	<u>Final NELC Value used 2021-22</u>	<u>NELC Final Value used 2020-21</u>	<u>% change</u>
	<u>£</u>	<u>£</u>		<u>£</u>	<u>£</u>	
AWPU – Primary	3,123	2,857	9.3	3,390	3,125	8.5
AWPU Secondary KS3	4,404	4,018	9.6	4,475	4,130	8.4
AWPU Secondary KS4	4,963	4,561	8.8	5,173	4,825	7.2
Primary Minimum per pupil funding	4,180	3,750	11.5	4,180	3,750	11.5
Secondary Minimum per pupil funding - KS3	5,215	5,000	4.3	5,215	5,000	4.3
Secondary Minimum per pupil funding - KS4	5,715	5,000	14.3	5,715	5,000	14.3
Current FSM – primary & secondary	460	450	2.2	0	0	0
FMS6 FSM – primary	575	560	2.7	575	560	2.7
FMS6 FSM – secondary	840	815	3.1	840	815	3.1
IDACI Band A - Primary	620	600	3.3	620	600	3.3
IDACI Band B - Primary	475	435	6.3	475	435	6.3
IDACI Band C - Primary	445	405	9.0	445	405	9.0
IDACI Band D - Primary	410	375	9.3	410	375	9.3
IDACI Band E - Primary	260	250	4.0	260	250	4.0

IDACI Band F - Primary	215	210	2.4	215	210	2.4
IDACI Band A - Secondary	865	840	3.0	865	840	3.0
IDACI Band B - Secondary	680	625	8.8	680	625	8.8
IDACI Band C - Secondary	630	580	8.6	630	580	8.6
IDACI Band D - Secondary	580	535	7.5	580	535	7.5
IDACI Band E - Secondary	415	405	2.5	415	405	2.5
IDACI Band F - Secondary	310	300	3.3	310	300	3.3
Low prior attainment - primary	1,095	1,065	2.8	1,095	1,065	2.8
Low prior attainment – secondary	1,660	1,610	3.1	1,660	1,610	3.1
EAL3 – primary	550	535	2.8	550	535	2.8
EAL3 - secondary	1,485	1,440	3.1	1,485	1,440	3.1
Primary Mobility	900	875	2.9	0	0	0
Secondary mobility	1,290	1,250	3.2	0	0	0
Lump sum – primary & secondary	117,800	114,400	3.0	117,800	114,400	3.0
Sparsity - primary	0- 45,000	26,000	N/A	26,000	26,000	0
Sparsity - secondary	0-70,000	67,600	N/A	N/A	67,600	N/A
Primary: Secondary ratio DfE expectation				1:1.29	1:1.28	