**SCHOOLS FORUM MEETING – 11TH MARCH 2020**

**FUNDING FORMULA FOR SCHOOLS 2020-21 UPDATE**

1. **Introduction**

On the 19th December 2019 the Department for Education (DfE) issued the final funding allocations for the 2020-21 financial year together with a revised APT updated for the October 2019 School census data.

The purpose of this report is to update Schools Forum members on the discussions with the Working Party held on the 10th January 2020 on the effect of the updated data, the re-modelling undertaken and the final proposed funding formula for 2020-21.

1. **Impact of the Changes**

The updated School Census data shows an increase in pupil numbers of 357. This is split as follows:

|  |  |
| --- | --- |
| **Sector** | **Pupil Numbers** |
|  |  |
| Primary | 92 |
| Secondary | 265 |
|  |  |
| **Total** | **357** |

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase** | **2020-21** | **2019-20** | **Change** |
| Primary | 13,668 | 13,576 | 92 |
| Secondary | 8,467 | 8,202 | 265 |
| Total | 22,135 | 21,778 | 357 |

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

**Primary**

|  |  |
| --- | --- |
| **Pupil number changes Oct 2018 – Oct 2019** | **No of primary schools impacted** |
| 0 - 10 | 27 |
| 11 - 20 | 3 |
| 21 - 30 | 1 |
| 30 +  | 1 |
| (1) – (10) | 9 |
| (11) – (20) | 5 |
| (21) – (30) | 1 |
| **Total** | **47** |

**Secondary**

|  |  |
| --- | --- |
| **Pupil number changes Oct 2018 – Oct 2019** | **No of secondary schools impacted** |
| 0 - 25 | 2 |
| 26 – 50 | 2 |
| 51 – 75 | 1 |
| 76 – 100 | 1 |
| 100 + | 1 |
| (1) – (25) | 1 |
| (26) – (50) | 2 |
| **Total** | **10** |

The impact of the pupil number increases and the other updated data plus the confirmation of the growth factor gives a final allocation for the Schools Block of £106.862m. When the initial modelling work was undertaken the indicative allocation was £104.000m but modelling was undertaken on £104.400m which assumed an unchanged NFF growth factor allocation from 2019-20. There is therefore an additional amount of £2.462m to allocate although some of this amount is as a result of additional pupil numbers.

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 1:1.28.

1. **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:

|  |  |  |  |
| --- | --- | --- | --- |
| **Factor** | **NFF unit value £** | **NELC 2020-21 initially proposed unit value £** | **Variance £** |
|  |  |  |  |
| Primary | 2,857 | 3,077 | 220 |
| Secondary – KS3 | 4,018 | 4,018 | 0 |
| Secondary – KS4 | 4,561 | 4,700 | 139 |

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:

|  |  |  |  |
| --- | --- | --- | --- |
| **Factor** | **NFF unit value £** | **NELC 2020-21 final proposed unit value £** | **Variance £** |
|  |  |  |  |
| Primary | 2,857 | 3,125 | 268 |
| Secondary – KS3 | 4,018 | 4,130 | 112 |
| Secondary – KS4 | 4,561 | 4,825 | 264 |

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.

1. **Submitted Final Funding Formula 2020-21**

If the changes highlighted above are accepted then the 2020-21 Schools funding formula will:

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Factor** | **NFF unit value £** | **NELC 2020-21 final proposed unit value £** | **Variance £** |
|  |  |  |  |
| Primary | 2,857 | 3,125 | 268 |
| Secondary – KS3 | 4,018 | 4,130 | 112 |
| Secondary – KS4 | 4,561 | 4,825 | 264 |

* Increase the previous year’s 2019-20 AWPU values
* Maintains the current Primary:Secondary ratio of 1:1.28 which DfE expect.
* Has additional funding for 2 primary schools and 2 secondary schools in order to meet the minimum funding levels.
* MFG + 1.84% compared to + 0.20% in 2019-20. As a result schools that gain will be allowed to keep all of these.
* Puts 75.00% of the funding through Basic pupil factors – Age Weighted Pupil Factors (AWPU). This was 75.52% in 2019-20.
* Puts 93.16% of the funding through Pupil led factors – Age Weighted Pupil Factors (AWPU), deprivation, prior attainment etc. This was 92.80% in 2019-20.
* Allocates 100% of the schools block. See below:

|  |  |
| --- | --- |
| **Sector** | **£’000** |
|  |  |
| 2020-21 final allocation | 106.862 |
|  |  |
| 2020-21 proposed allocation to schools ( excluding business rates rates) | 106.204 |
| Assumed business rates (increase of 2.5%) | 0.658 |
| Total allocation 2020-21 | 106.862 |
|  |  |
| **Under / over allocated** | **0** |

The rates position for 2020-21 is still to be finalised so a working assumption of a 2.5% increase on financial year 2019-20 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 was forwarded to the DfE by their deadline (21st January 2020) and notification received from them on the February 2020 that it appeared to comply with the regulations.

1. **Recommendation**

It is requested that Schools Forum ratify the working party decisions in respect of the final schools funding formula proposed for 2020-21.

Contact Officer: David Kirven, Strategic Lead – Business Partnering

27th February 2020

**National Funding Formula Values & NELC Values 2020-21**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **National Funding Formula Factor** | **NFF 2020-21 Values** | **NFF 2019-20 Values** | **% change** | **NELC Value used 2020-21** | **NELC Value used 2019-20** | **% change** |
|  | **£** | **£** |  | **£** | **£** |  |
|  |  |  |  |  |  |  |
| AWPU – Primary | 2,857 | 2,747 | 4.0 | 3,125 | 3,050 | 2.5 |
| AWPU Secondary KS3 | 4,018 | 3,863 | 4.0 | 4,130 | 3,880 | 6.4 |
| AWPU Secondary KS4 | 4,561 | 4,386 | 4.0 | 4,825 | 4,600 | 4.9 |
| Primary Minimum per pupil funding | 3,750 | 3,500 | 7.1 | 3,750 | 3,500 | 7.1 |
| Secondary Minimum per pupil funding | 5,000 | 4,800 | 4.1 | 5,000 | 4,800 | 4.1 |
| Current FSM top up – primary & secondary | 450 | 440 | 2.2 | 0 | 0 | 0 |
| FMS6 FSM top up – primary  | 560 | 540 | 3.7 | 560 | 540 | 3.7 |
| FMS6 FSM top up – secondary | 815 | 785 | 3.8 | 815 | 785 | 3.8 |
| IDACI Band A - Primary | 600 | 575 | 4.3 | 600 | 575 | 4.3 |
| IDACI Band B - Primary | 435 | 420 | 3.6 | 435 | 420 | 3.6 |
| IDACI Band C - Primary | 405 | 390 | 3.8 | 405 | 390 | 3.8 |
| IDACI Band D - Primary | 375 | 360 | 4.2 | 375 | 360 | 4.2 |
| IDACI Band E - Primary | 250 | 240 | 4.2 | 250 | 240 | 4.2 |
| IDACI Band F - Primary | 210 | 200 | 5.0 | 210 | 200 | 5.0 |
| IDACI Band A - Secondary | 840 | 810 | 3.7 | 840 | 810 | 3.7 |
| IDACI Band B - Secondary | 625 | 600 | 4.2 | 625 | 600 | 4.2 |
| IDACI Band C - Secondary | 580 | 560 | 3.6 | 580 | 560 | 3.6 |
| IDACI Band D - Secondary | 535 | 515 | 3.9 | 535 | 515 | 3.9 |
| IDACI Band E - Secondary | 405 | 390 | 3.8 | 405 | 390 | 3.8 |
| IDACI Band F - Secondary | 300 | 290 | 3.4 | 300 | 290 | 3.4 |
| Low prior attainment - primary | 1,065 | 1,022 | 4.2 | 1,065 | 700 | 4.2 |
| Low prior attainment – secondary | 1,610 | 1,550 | 3.9 | 1,610 | 1,550 | 3.9 |
| EAL – primary | 535 | 515 | 3.9 | 535 | 515 | 3.9 |
| EAL - secondary | 1,440 | 1,385 | 4.0 | 1,440 | 1,385 | 4.0 |
| Primary Mobility | 875 | No value |  | 0 | 0 |  |
| Secondary mobility | 1,250 | No value |  | 0 | 0 |  |
| Lump sum – primary & secondary | 114,400 | 110,000 | 4.0 | 114,400 | 110,000 | 4.0 |
| Sparsity - primary | 26,000 | 25,000 | 4.0 | 26,000 | 25,000 | 4.0 |
| Sparsity - secondary | 67,600 | 65,000 | 4.0 | 67,600 | 65,000 | 4.0 |
| Primary: Secondary ratio DfE expectation |  |  |  | 1:1.27 | 1:1.28 |  |