

# Item 4

## School Funding 2020-21

Schools' Funding Forum  
20 September

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Simon Pleace  
Ex Finance Business Partner for CYPE



# Background/Reminder

## School Budgets 2019-20

- Individual allocations for each school in the country were calculated and published by the ESFA for the period 2018-19, 2019-20 and when NFF fully implemented (date not stated)
- LA allocations for 2018-19 and 2019-20 were the aggregated value of the notional individual school budgets
- What this meant for Kent:

	Annual Increase		Cumulative Increase	
	£'m	%	£'m	%
2018-19	27.6	3.3	27.6	3.3
2019-20	22.3	2.6	49.9	5.9
When NFF is fully implemented	12.2	1.4	62.1	7.4

# Background/Reminder

## School Budgets 2019-20 (LFF)

- Kent at full National Funding Formula (NFF) rates except:
  - Factor 2 - Ever 6 Free School Meals (Primary 60% & Secondary 60%)
  - Factor 6 - Low Prior Attainment (Primary 71% & 77%)
  - Minimum Funding Level (Primary 97% & Secondary 98%)
  - Lump Sum (incl. Area Cost) – LFF £120,083, NFF £110,076 (109%)

# School Budgets 2020-21

## The National Picture

	Total Budget £'bn	Of which Pension Funding £'bn	Of which Spending Round £'bn	Increase from 2019-20 levels %
2019-20	44.4	0.9		
2020-21	47.6	1.5	2.6	5.8%
2021-22	49.8	1.5	4.8	10.8%
2022-23	52.2	1.5	7.1	15.9%
			14.5	

- A three year funding commitment for schools is very welcome
- 2020-21 includes £700m for High Needs – no news on years 2 or 3
- No clear detail yet of what additional cost pressures will need to be found from within this new funding i.e. inflation, rising secondary population, starting teachers salary = £30k
- A firm commitment to move towards a hard NFF but no news on when
- 2020-21 remains a Soft NFF year with “hardening” features

# School Budgets 2020-21

## Minimum Funding Levels (per pupil)

NATIONAL FF	Primary	Secondary
2018-19	£3,300	£4,600
2019-20	£3,500	£4,800
<b>2020-21</b>	<b>£3,750</b>	<b>£5,000</b>
<b>2021-22</b>	<b>£4,000</b>	<b>£5,000</b>

KENT FF	Primary	Secondary
2018-19	£3,200	£4,500
2019-20	£3,400	£4,700

DfE have launched a consultation on mandating MfL factor and value? into the Local Funding Formula – closing date for responses is 22 October

# School Budgets 2020-21

## Minimum Funding Levels (per pupil) Consultation Questions (**with LA initial thoughts in blue**)

Q 1 – Do you agree that, in order to calculate mandatory minimum per pupil funding levels, all local authorities should follow the NFF methodology? If not, please explain your reasons. – **seems reasonable**

Q2 – Do you agree that any requests from LA to disapply the use of the mandatory minimum per pupil levels should only be considered on an exceptional basis? If not, please explain your reasons. – **Rather than SofS, could this not be a Forum decision (subject to all school consultation) – local leaders making local decisions in the interests of local issues?**

Q3 - Please provide any additional comments you wish to make on the implementation of mandatory minimum per pupil levels.

**Impact of this proposal on certain groups of schools e.g. small rural**

# 2020-21 Spending Round Statement

Other key points from the announcement

- NFF core factor values to increase by 4%
- MFG can only be set between +0.5% and +1.84%
- Local Authorities can continue to transfer funding into the High Needs Block – normal rules apply
  - Up to 0.5% with Forum approval
  - Above 0.5% (or below without Forum approval) – requires SofS approval
- Confirmation that the additional costs associated with Teachers Pension will be separately funded at £1.5bn per annum, but silent on where Teachers Pay Grant will be funded
- Both Teachers Pension and Teachers Pay will continue to be paid as separate grants in 2020-21

# 2020-21 Spending Round Statement

Other key points from the announcement (post 16 specific)

- Post 16 National Funding Formula base rate for 16 & 17 year olds to increase by 4.7% from £4,000 per pupil to £4,188
- Other elements linked to the base rate also set to increase
- Post 16 increases apply from the start of the 2020-21 academic year
- £120m additional funding to support higher value courses (STEM) via the Programme Weighting Factor
- £35m for targeted interventions to support Level 3 students who secured grades below level 4 in GCSE English and maths



# High Needs

- Confirmed that our share of the £700m will be £16m (8% increase for floor funded authorities)
- Reminder of current year figures

Current in-year overspend	£16m
Add back 1% transfer	£9m
Add back share of £125m	£3.5m
<b>Underlying overspend</b>	<b>£28.5m</b>

A spooky coincidence,  
not the same £16m

- Still going to be a significant in year overspend, let alone the accumulated deficit which we estimate to be in the region of £22m at the end of this financial year (£6.5m brought forward plus £16m in year overspend)

# School Block 2020-21

## Kent's Share

- Indicative DSG funding to be confirmed next month
- Our estimate is an increase to our Schools Block of £52m (which equates to +5.7%), based on the following assumptions
  - Previous NFF rates increased by 4% except FSM which is to increase by 1.84%
  - Minimum Funding Levels of £3,750 for Primary and £5,000 for Secondary
  - **No cap**
  - Using 2019-20 school data from October 2018 census

2019-20 Schools Block	£918m
Estimated increase	£52m
Estimated 2020-21 Schools Block	£970m

# Cost of mirroring the NFF within our LFF

	Primary £'m	Secondary £'m	Total £'m
AWPU	13.9	13.5	27.4
FSM/E6FSM	6.0	6.3	12.3
IDACI	0.6	0.5	1.1
Low Prior Attainment	12.3	6.3	18.6
Lump Sum	-2.6	-0.5	-3.1
MfL	4.6	2.9	7.5
MfG	-1.2	-0.2	-1.4
Other	0.4	0.2	0.6
<b>Totals</b>	<b>34.0</b>	<b>29.0</b>	<b>63.0</b>

Funded by: £52m of new funding, plus return of £9m transfer to HNB and £2m Pupil Growth

# Analysis of increases by size/type of school

Count of Schools showing % increase in budget if we replicated the new NFF in 2020-21 (based on our assumptions)

	0% to 0.9%	1% to 1.9%	2% to 2.9%	3% to 3.9%	4% to 4.9%	5% to 5.9%	6% to 6.9%	7% to 7.9%	8% to 8.9%	9% to 9.9%	Above 10%	Grand Total
Primary Below 105		1	9	23	11	7	1					52
Primary 106 to 140	1	1		10	10	4	5					31
Primary 141 to 175		1		3	13	12	8	2	1			40
Primary 176 to 210	2			1	13	41	25	13	2			97
Primary 211 to 315	2				2	15	31	18	4	4	1	77
Primary 316 to 420	3	1		1			15	24	13	9	16	82
Primary 421 and above	1	1				1		1	22	14	6	31
Selective							32					32
Non-selective				1		7	23	23	8	2		64
All-through								2	2			4
<b>Grand Total</b>	<b>9</b>	<b>5</b>	<b>9</b>	<b>39</b>	<b>50</b>	<b>86</b>	<b>141</b>	<b>104</b>	<b>44</b>	<b>21</b>	<b>48</b>	<b>556</b>

Assumes no transfer to HNB, lump sum at NFF and no topping up of Growth budget

# Key Issues for Kent

- All school consultation required on any changes to the LFF . . . but the clock is ticking!
- List of possible issues to consult upon (in no particular order) . . .
  1. Minimum Funding Levels – should we set at NFF rates or something lower (we would need to justify and apply for a disapplication)?
  2. Lower the lump sum for secondary schools to NFF rate?
  3. Continue to protect small primary schools by keeping lump sum at £120k (before ACA) all the time we have the ability?
  4. Increase amounts we provide through the AEN factors (Ever 6FSM and Low Prior Attainment) which are not yet at 2019-20 NFF levels?

# Key Issues for Kent

- Brain dump of issues to consider . . .
  5. Replicate +4% increase to all LFF formula factors?
  6. Introduce mobility factor? (in line with NFF – new for 2020)
  7. What level should we set the MFG at? (between +0.5% and 1.84%)
  8. Whether we should transfer any funding into the High Needs block? – try and solve the problem locally or not?

If we proposed a transfer, what would our justification(s) be?

- a) To lower the deficit – would form part of our recovery plan?
- b) To improve rates e.g. Special Schools?
- c) To support initiatives which support inclusion/deliver longer term savings linked to our action plan?

# Timetable of key events

20 Sep	Today's Forum meeting
Oct	Provisional NFF allocations alongside PUFs and SUFs
? Oct	KCC launch consultation with schools
Mid Nov	Close consultation with schools
29 Nov	Forum meeting
Dec	DSG allocations confirmed
Jan & Feb	School budgets calculated