

School Funding 2020/21

Schools' Forum Date	19 th September 2019
Type of Decision	For decision
Background Documents	30 th August 2019 Prime Minister announcement about £14billion extra funding Link DfE announcement on £30,000 starting salaries for teachers Link Chancellor announcement about £400million for 16-19 education. Link
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Purpose of Report	To seek agreement from the Forum on the 2020/21 growth fund and de-delegation amounts and on the basis to use for applying the 2020/21 formula for Gloucestershire mainstream schools and academies
Key Recommendations	<p>Recommendation 1 That a top-slice for growth of £1.429m is agreed for 2020/21 subject to being updated for any change in the basic need AWPU rates for 2020/21.</p> <p>Recommendation 2 That de-delegation is agreed at the per pupil rates shown for:</p> <ul style="list-style-type: none"> • targeted intervention (primary) • union facilities (primary) • In-year increase in pupil numbers (primary) • local authority statutory duties (primary and secondary)
Resource Implications	Funding announcements relate to increases in DSG funding and teachers pension grant. Exact amounts for Gloucestershire have not yet been announced.

1 Introduction

You will be aware that there has been a recent announcement from the government regarding the investment of over £14 billion in school funding. This has been received very positively by the sector and should go a long way to reversing some of the real-terms cuts schools have seen over recent years.

However, the announcement and the associated changes to school funding that are required, have meant that the Education Skills Funding Agency (ESFA) have not been able to provide us with indicative DSG budgets; changes to the National Funding Formula rates; or changes to the Authority Pro-Forma Tool (APT) rules that

LAs have to follow when submitting their school budget formulas. It is anticipated that further information on these will be received in October 2019 in time for an update to be presented at the 14th November 2019 schools forum meeting.

Final DSG figures and actual data for 2020/21 should then be received by the authority in December 2019 in time for the schools forum to agree the final formula at its 9th January 2020 meeting.

However, we are able to make decisions on the amount of the growth funding that we wish to allocate and the de-delegations for 2020/21.

2 Government Announcements

On the 30th August 2019 the DfE announced that the Prime Minister will invest over £14 billion in primary and secondary education between now and 2022/23. The funding package for 5-16 schools includes £2.6 billion for 2020/21, £4.8 billion for 2021/22, and £7.1 billion for 2022/23 compared to 2019/20.

The Institute of Fiscal Studies (IFS) has said this should be sufficient to reverse cuts to schools of 8% over the past decade.

The announcement outlined a number of commitments:

- To increase the minimum funding level for secondary school pupils £5,000 per pupil in 2020/21
- To increase the minimum funding levels for primary school pupils to £4,000 per in 2021/22
- In addition to this package, schools will receive £4.4billion over three years to cover rising pension costs and ensure they can focus their resources on the front line
- The investment of £700 million extra for children with SEND in 2020/21
- Salaries for new teachers can rise to £30,000 by 2022-23
- An additional £400 million of funding for 16-19 education providers such as further education and sixth form colleges.
- £66m for early years, targeted at increasing the hourly rate paid in nurseries.

Subsequently and just prior to publication of the papers, we have received further details from the ESFA. This includes:

- Confirmation of the government's intention to work closely with LAs, schools and others on a move to a 'hard' National Funding Formula (NFF) for schools where budgets will be set on the basis of a single national formula.
- In 2020-21 LAs in consultation with schools and the schools forum will continue to have discretion over the allocations in their schools funding formulae with the exception of the minimum funding levels (MFL) for schools

which the government have announced as a partial move to a hard formula must be set at the NFF levels.

- The previous announcement confirmed the MFLs would be £5,000 (an increase of £200) for secondary schools in 2020-21 and £4,000 (an increase of £500) a year later for primary schools in 2021-22. The latest announcement now states that the primary MFL will also increase next year and be set at £3,750 (an increase of £250) in 2020-21. These rates will be compulsory for LAs to use.
- Teachers Pay Grant and teachers pension employer contributions grant will continue to be paid separate from the NFF in 2020-21 with rates that determine the allocations due to be published shortly.

The NFF will also change as follows:

- There will be no gains CAP so schools attract their full core allocations in the formulae.
- Minimum Funding Guarantee (MFG) must be set between +0.5% and 1.84% (in 2019-20 this was between -1.5% and +0.5%)
- The funding floor will be set at 1.84% per pupil when 2020-21 allocations are compared to individual school's 2019/20 allocations.
- The core NFF factors will increase by 4%.
- The free school meal factor will increase at inflation.
- Premises funding will increase based on actual spend.
- The mobility factor will be based on a formula rather than on the basis of historic spend

The provisional Dedicated Schools Grant which will identify the funding pot available to Gloucestershire and individual NFF values needed to calculate indicative individual school budgets, will not be issued by the DfE until October 2019 and Final values issued in December 2019.

3 Growth

The growth fund is used to provide age weighted pupil unit (AWPU) funding for new classes required as a result of a shortage of basic need places, along with start up costs for any new schools opening in the year. On current information and using the 2019/20 Basic Need AWPU rates, the growth fund needed for 2020/21 is £1.429m, an increase of £0.367m from 2019/20.

The growth fund is topsliced from the schools block DSG and the rest of the schools block is then delegated to schools through the schools funding formula.

Recommendation 1: That a top-slice for growth of £1.429m is agreed for 2020/21 subject to being updated for any change in the basic need AWPU rates for 2020/21.

4 De-delegations

Decision-making on de-delegations rests with maintained school representatives of the forum only and decisions need to be made separately for each phase.

Deductions are made from the formula allocations for maintained schools only. The aggregate total for each de-delegated budget changes each year to reflect both changes in maintained pupil numbers and reductions due to further academy conversions.

4.1 In-year increases in pupil numbers at primary schools

The Forum has reviewed the policy and threshold levels in each of the last three years and agreed to allocate additional funding to primary schools where the following conditions are met:

Where the increase in October School Census numbers exceeds the higher of 5% or 10 pupils (the 5% threshold is subject to a ceiling of 15 pupils) then 7/12 of the Basic Entitlement (Age Weighted Pupil Unit) pupil allocation will be triggered for each pupil above this threshold.

The rate per pupil for this has remained unchanged at £10.53 for a number of years now and despite the budget overspending in 2015/16 it was underspent in the 3 years 2016/17 to 2018/19. The average underspend across the last 4 years was 21% and it is therefore proposed that the rate charged to primary maintained schools is reduced by this same percentage which will reduce the rate to £8.32 for 2020/21.

4.2 Union Facilities-Primary

A report summarising the use of facilities time funding in 2018/19 is attached at **Annex A**.

4.3 LA statutory duties-Primary and Secondary

The regulations continue to provide for LAs to retain some of their maintained schools' DSG in an arrangement akin to de-delegation to cover statutory duties (primarily budgeting, accounting and internal audit, administration of pensions and a range of other HR duties and landlord responsibilities on buildings) that relate to maintained schools only.

4.4 The de-delegation rates to apply in 2020/21

In summary the relevant phase maintained school representatives on the Forum are asked to consider agreeing deductions, from the budgets of maintained schools only, for the functions listed in the table below.

Items 1 to 3 cover the primary maintained sector only and item 4 covers both the primary and secondary maintained sectors. Those eligible to vote are shown against each de-delegation proposal.

	De-delegation proposal	Eligible to vote	Estimated Budgets based on current maintained schools and October 2018 census numbers. <i>(Will be updated for October 2019 census)</i> Primary 35,421 Secondary 3,881	
			Per pupil Rate £	Total £000
1	In-year increases in pupil numbers – primary	Lisa Jones David Metcalf Dan Johnson Brian Bartlett Sara Byrne Matthew Bishop	8.32	295
2	Targeted intervention - primary	Lisa Jones David Metcalf Dan Johnson Brian Bartlett Sara Byrne Matthew Bishop	9.27	328
3	Union facilities - primary	Lisa Jones David Metcalf Dan Johnson Brian Bartlett	3.05	108

		Sara Byrne		
		Matthew Bishop		
4	Local authority statutory duties -primary and secondary	Lisa Jones	5.00	197
		David Metcalf		
		Dan Johnson		
		Brian Bartlett		
		Sara Byrne		
		Matthew Bishop		
		Colin Belford		
		Adam White		

Recommendation 2

That de-delegation is agreed at the per pupil rates shown for:

- in-year increases in pupil numbers (primary)
- targeted intervention (primary)
- union facilities (primary)
- local authority statutory duties (primary and secondary)