

2020/21 School Funding Consultation

Schools Forum
6 November 2019

1

Agenda Item 3

- 2019/20 Budget Report 12 February 2019 set out a transfer between blocks may be required in future years if high needs costs continued to increase
- Initial meeting with school representatives 18 September
- Schools Forum notified of the intention to consult on 30 September, draft consultation document shared
- Consultation opened 23 October and closed 31 October,
- DfE recognise that their late release of data has limited timescales for consultation
- Consultation on three aspects of funding;
 - The inclusion of the Sparsity factor in the funding formula
 - The inclusion of the Mobility factor in the funding transfer
 - The intention to transfer 0.5% of the Schools Block Dedicated Schools Grant (DSG) to High Needs

2

- 103 Responses
- 19 responses declared not to be a schools official response
- 77% from headteacher
- Some duplication of responses
- Some responses from people outside schools
- Some evidence of misunderstanding of the objectives of the National Funding Formula
- An error identified in the consultation document – 0.5% AWPU reduction, not 0.05%, formula model correct
- Full text circulated to Schools Forum Members

ω

- The principle of the National Funding Formula (NFF) is that pupils with the same characteristics will be funded at the same rate irrespective of the local authority in which they are educated
- The NFF **will not** fund every pupil at the same rate
- Pupils will attract basic funding and where eligible one or more additional factors i.e. FSM, IDACI etc
- There **are not** funding disparities between authorities, a pupil from another authority in a Leicestershire school attracts the same funding as they would in a school in their home authority →
- Under the NFF average funding at individual schools **will not** be the same
- Urban schools **can be expected to** have higher average funding as proportionally more pupils will trigger additional factors

- High Needs financial pressures are due to growth in EHCP's and increase in pupil costs, exceeding growth in funding
- Leicestershire is low funded but also low need
- Pure formula based on current national resource allocates £2.3m less than current funding, Leicestershire therefore currently over funded compared to formula
- DfE High Needs Benchmarking shows against comparator authorities;
 - Additionality as measured through the High Needs Formula factors is low
 - EHCP's numbers are in line
 - Expenditure is high

67

- Balances **cannot** be removed from sections of schools to fund the deficit
- Local authority funding cannot be used to address the overspend
- It is proposed that authorities **will not** be able to contribute to DSG without Secretary of State approval
- The fundamental issue is that demand and cost is increasing above the level of grant
- Need to build a sustainable model – local authority is providing the capital to do this
- Nationally reports are concluding that additional funding isn't the answer to the problem

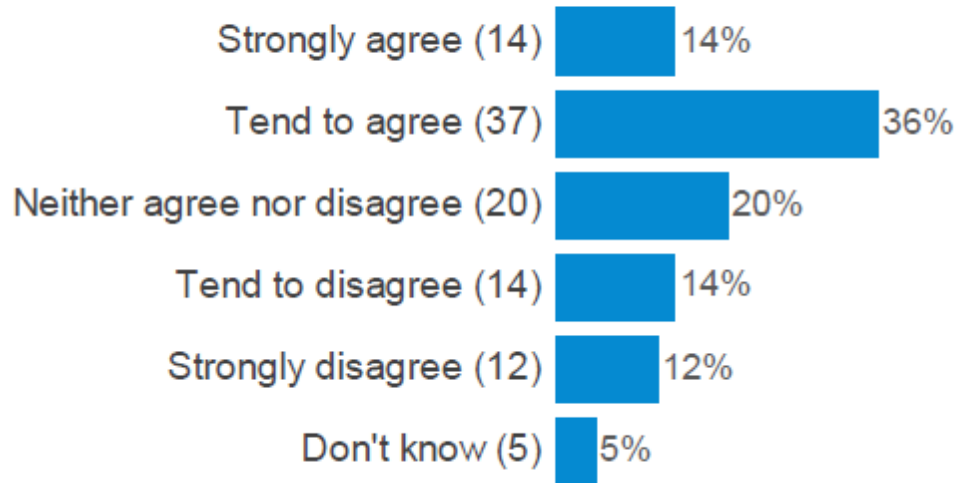
- The school funding formula funds academies and maintained schools exactly the same and is required to do so
- Schools meet the first £6,000 of provision – national requirement
- Schools are not in deficit because of the Leicestershire formula, the Leicestershire formula delivers the NFF
- The proposals follow the same pattern as that for the NFF in the past two years – schools set to gain the most have that increase capped

7

- Optional factor – defined by Department for Education (DFE)
- Eligible schools are those with small year groups with pupils that would have to travel a distance to an alternative school
- Previously unused but created problems with the calculation of baseline budgets
- Funding within NFF, does not take money from other factors
- Inclusion keeps alignment between Leicestershire formula and NFF

∞

To what extent do you agree or disagree with the inclusion of the Sparsity factor in the Leicestershire formula?

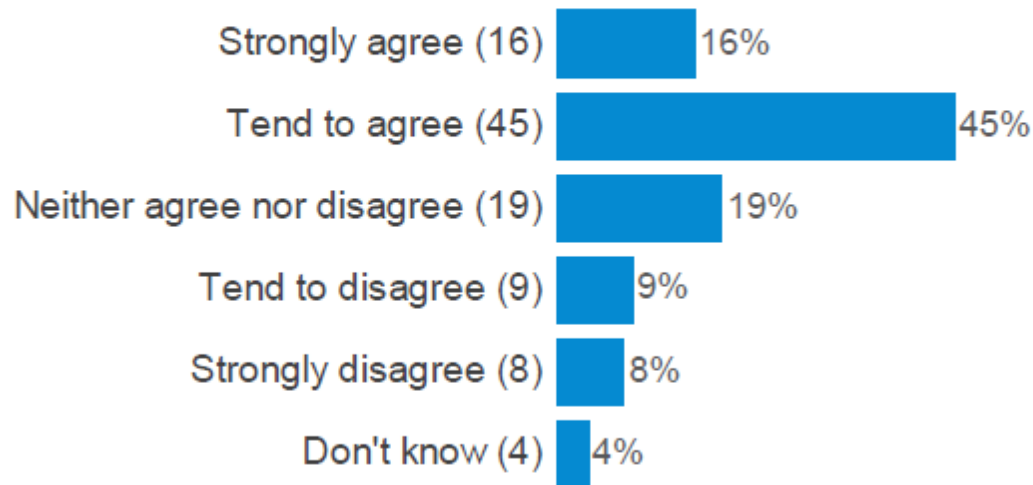


Recommendation

Include in 2020/21 School Funding Formula

- Optional factor – defined by Department for Education (DFE)
- DfE defined threshold of 6%
- Local authorities who did not use this factor prior to 2018 previously received no funding for this
- Leicestershire has received funding for 2020 because of DfE change
- Funding within NFF, does not take money from other factors
- Inclusion keeps alignment of Leicestershire formula between NFF

To what extent do you agree or disagree with the inclusion of the Pupil Mobility factor in the Leicestershire formula?



Recommendation

Include in 2020/21 School Funding Formula

- No information on whether transfers would be possible for 2020/21 until September
- Local authorities can only seek approval on a transfer annually, approval does not carry forward
- The DfE set out what information should be included in the consultation
- Schools Forum can approve up to 0.5%
- Local authorities can seek transfers in excess of 0.5%, approval from Secretary of State taking into account the view of Schools Forum
- No information on whether transfers will be allowable in 2021/22

- The NFF introduced more funding to additional factors, schools gaining the most have been subject to capping
- Additional factors largely relate to deprivation, NFF over last two years has therefore not delivered the additional funding
- DfE made Minimum Per Pupil Funding levels mandatory
- Impact of scenario's differ depending on whether school is on the funding floor or in receipt of full gain
- Removing funding from formula factors for schools at the floor triggers more protection
- The proposals reflect the NFF as it has been delivered since 2018/19

The NFF and the proposal for 2020/21;

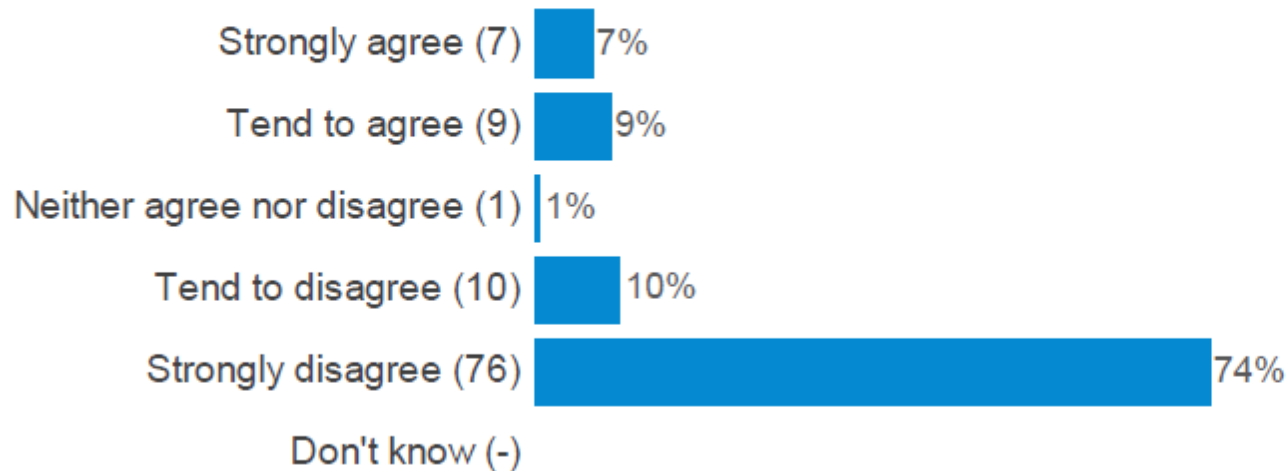
Year	Minimum Per Pupil Funding Levels	Minimum per pupil Increase	Capping level
2018/19	Optional – fully delivered	National - 0.5%	National - 3.0%
2019/20	Optional – fully delivered	National - 0.5%	National - 3.0%
2020/21 – With proposed transfer	Mandatory – fully delivered	National -1.84%	Local – proposal 3.5%

- Modelling based on October 2018/19 Census but final budgets based on October 2019 Census
- No school loses funding from proposal, schools do not get full gains
- Will need adjusting factor if data changes and formula unaffordable
- No request to disapply Minimum per Pupil Funding levels if affordability issues, cap to be adjusted

- High Needs Development Plan
 - develops local lower cost provision
 - Increased capacity for inclusion
- New 50 Place SEMH School – development escalated
- SENA capacity increased
- But still £13.4m projected deficit
- Schools Block transfer to reduce deficit to £11.4m

- DSG deficit is here and cannot be avoided
- Funding has to be found, if not from Schools Block Transfer then where else?
- If transfer not made for 2020/21 and financial position worsens then a transfer for 2021/22 **will be** required and likely to be in excess of 0.5%
- If transfer is not made, what further actions can be taken to achieve the £2million?

To what extent do you agree or disagree with the proposed transfer of £2m from the Schools Block to the High Needs Block for 2020/21?



Recommendation

Schools Forum approve the transfer of 0.5% from the Schools Block to High Needs

That Schools Forum;

- Support the inclusion of the sparsity factor within the school funding formula for 2020/21 onwards
- Support the inclusion of the mobility factor within the school funding formula for 2020/21 onwards
- Approve the Transfer of 0.5% (£2m) from the Schools Block to High Needs for 2020/21

→

- 22 November Cabinet report on 2020/21 school funding;
 - Potential changes to the Leicestershire Schools Funding Formula – inclusion of Sparsity and / or Mobility Factors
 - Position on requesting decision from the Secretary of State on Schools Block transfer should Schools Forum not approve.

This page is intentionally left blank