

Schools Management Forum

Report of: Dianne Nielsen

Subject: 2020/21 DSG Schools Block

Date: 15th January 2020

1.0 Purpose of the report

1.1 The purpose of this report is to provide an update to the forum on unit rates for 2020/21.

2.0 Background

2.1 The DSG is a ring fenced grant of which the school block is part of. The schools block is funding for schools. The only other elements that are allowed to be funded from the schools block is the growth fund and any transfer of funds from the schools block to another block (High Needs, Early Years or CSSB). The growth fund and any transfer from the schools block has to be agreed by the Schools Forum.

3.0 Schools Block National Funding Formula changes for 2020-21

3.1 The ESFA have confirmed the following key elements for the schools National Funding Formula (NFF) in 2020-2021:-

- The minimum per-pupil levels will be set at £3,750 for primary and £5,000 for secondary.
- Funding floor is set at 1.84%
- Core NFF allocations have had an increase of 4%, except for school meals factor which has been increased by inflation. Premises allocated at local authority level on the basis of actual spend in the 2019 to 2020 APT.
- There is no NFF gains cap. As a local authority, we are still able to use a cap in the local formulae.
- New formulaic approach to mobility factor, rather than on the basis of historic spend
- Growth factor is based on the same methodology as last year.
- Teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-2021.

3.2 Government have confirmed its intention to move to a single hard national funding formula. In 2020-21 this is to be set by the local authority in consultation with schools.

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3.3 Other changes to local authority formulae arrangements for 2020-2021:-

- The funding floor factor that local authorities were able to use as an option in 2019-2020 has been removed in order to protect baselines.
- Can set a minimum funding guarantee (MFG) in local formulae between +0.5% and +1.84% per pupil, as well as use a gains cap.

4.0 Middlesbrough's Schools Block 2019-20 and 2020-2021

4.1 The following table below summarises the NFF unit rates for 2019/20 and 2020-2021.

Factor	NFF 19/20 £	NFF 20/21 £	% Change
PRIMARY			
Basic per pupil funding	2,746.97	2,857.00	4%
FSM	440.00	450.00	2.3%
FMS6	540.00	560.00	3.7%
IDAC A	575.00	600.00	4.3%
IDAC B	420.00	435.00	3.6%
IDAC C	390.00	405.00	3.8%
IDAC D	360.00	375.00	4.2%
IDAC E	240.00	250.00	4.2%
IDAC F	200.00	210.00	5%
EAL	515.00	535.00	3.9%
Mobility		875.00	
Prior Attainment	1,022.00	1,065.00	4.2%
Lump Sum	110,000.00	114,400.00	4%
SECONDARY			
Basic per pupil funding	KS3 3,862.65 KS4 4,385.81	4,018.00 4,561.00	4% 4%
FSM	440.00	450.00	2.3%
FSM6	785.00	815.00	3.8%
IDAC A	810.00	840.00	3.7%
IDAC B	600.00	625.00	4.2%
IDAC C	560.00	580.00	3.6%
IDAC D	515.00	535.00	3.9%
IDAC E	390.00	405.00	3.8%
IDAC F	290.00	300.00	3.4%
EAL	1,385.00	1,440.00	4.0%
Mobility		1,250.00	
Prior Attainment	1,550.00	1,610.00	3.9%
Lump Sum	110,000.00	114,400.00	4%

5.0 Budget Allocations

- 5.1. The following DSG allocations for schools block were received from ESFA on 19th December 2019:

Block	Total Schools Block (Excluding Growth) £'000	Premises £'000	Growth Funding £'000	Total Schools Block £'000
Schools*	107,539.1		846.0	108,385.0

6.0 APT Submission

- 6.1 The revised dataset and modelling tool (APT) was received on the 19th December to enable local authorities to submit their funding formula in line with the 21st January deadline. Once submitted no changes can be made.
- 6.2 The final funding formula used the datasets provided by the ESFA, collected at the October 19 census. The regulations stipulate that these datasets must be used in completed the funding formula.

7.0 Growth Fund

- 7.1 As advised at the School Management Forum on 13th November there is a requirement to create a growth fund. Since presenting the paper, the final autumn 19 census has been received, 71, year 7 places were required from September 2019 which need to be supported from April 2020 until August 2020, it is proposed that a further 70, year 7 places will be required from September 2020. The budget required for 2020-2021 is £337,400. This allows for a contingency budget of £50k. This will be funded from the growth fund allocation announced in table 5.1. The remaining £508.6k Growth Fund has been utilised for the new secondary school.

8.0 Middlesbrough's Schools Block Formula 2020-21

- 8.1 It is proposed to implement the National Funding Formula in full. The MFG has been set at 1.84% within Middlesbrough's School formula. This is the maximum the formula allows. No capping or scaling has been applied within the formula, in line with the NFF. Due to SUFs and PUFs this has resulted in a one off unallocated budget of £389.1k. In order to distribute the unallocated budget, please refer to appendix A for options. The NFF Only column shows each schools allocation if the NFF with 1.84% MFG had only been applied, this is your base data. Option 1, AWPU column has in increase in the basic entitlement NFF rate of £35.95. Option 2, lump sum column has an increase of £12,470 above NFF rate.

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- 8.2 It is the case that due to the complexities of how the formula is calculated and schools individual characteristic it is not possible to 100% compare previous years formula's with proposals for 2020/21. An increase in one unit value will mean a school receives more/less funding, however due to how this affects the MFG any gain a school may receive from one unit may be offset by the change in MFG. Therefore when reviewing changes in individual schools budgets consideration needs to be given to the overall formula changes.
- 8.3 Option 1, all 35 schools who would receive and increase in funding and 14 would remain the same as NFF, if this options was applied. Option 2 has 37 schools who would receive and increase in funding, six would remain the same as NFF and six schools will have a reduced budget against NFF column. This is due to the MFG and NFF. Due to option 2 not benefiting all schools, I therefore recommend that option 1 is the preferred option to progress with the funding formula.
- 8.4 Once the formula is agreed it will be submitted to ESFA by the 21st January deadline. There may be the requirement from ESFA to make some minor adjustments on submission, after which this will become the budget allocations for schools in 2020/21.

10.0 Recommendations

- 10.1 Recommend that option 1 is the preferred option to progress as the funding formula for 2020-21.
- 10.2 SMF members to approve the 2020-21 School Formula and submission of the final proforma to the ESFA.
- 10.3 SMF members agree the 2020-21 Growth Fund budget.
- 10.4 SMF note the one off unallocated budget, is a one off gain in 2020-21. When setting the budget for 2021-22 the NFF rates for 2021-22 will be applied and the benefit of the unallocated budget for 2020-21 may not be carried in to 2021-22.