

**LANCASHIRE SCHOOLS FORUM**  
**Date of meeting 17 October 2019**

**Item No 6**

**Title: Recommendations of the Schools Block Working Group**

**Supplementary Paper**

**The national funding formulae for schools and high needs 2020-21 – October announcements**

The Government made further school funding announcements on 11 October 2019.

This included provisional Schools Block, High Needs Block and Central Schools Services Block (CSSB) allocations for 2020/21. The Schools Block data was accompanied by 'notional' individual school level allocations for 2020/21 for primary and secondary schools.

All these allocations must be treated with caution as they are based on October 2018 pupil data.

The school level data is available from the link below (contains all primary and secondary schools nationally)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/838453/Impact\\_of\\_the\\_schools\\_NFF\\_2020-21.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/838453/Impact_of_the_schools_NFF_2020-21.xlsx)

It should be noted that individual schools can still receive a reduced allocation in 2020/21 if pupil numbers fall, even if schools are guaranteed a positive per pupil increase. The level of MFG protection has still to be determined by the Forum locally.

**Lancashire Position**

For Lancashire, comparisons with the 2019/20 DSG budget allocations are provided below. There is no EY data at this point, so the allocation for this block has been carried forward from 2019/20, although we expect to receive a share of the additional £66m announced nationally:

<b>Forecast DSG Income</b>	<b>2019/20 £m's</b>	<b>DfE notional 2020/21 allocation (using Oct 18 data) £m's</b>	<b>Difference £m's</b>	<b>%</b>
Schools Block	745.748	769.614	23.866	3.2
High Needs Block	117.735	134.551	16.816	14.3
Early Years Block	77.858	77.858	0.000	0.0
Central Schools Services Block	6.592	6.347	-0.245	-3.7
Gross Total forecast DSG Income	947.933	988.370	40.437	4.3

DfE announcements included regional level data, which indicate that the North West is receiving a 4.1% funding increase per pupil in 2020/21.

This compares to the largest increases of a 5% per pupil rise in the East Midlands and the South West of England Regions and 4.8% per pupil rise in the South East. London will receive the lowest increase, up 3.2% per pupil.

Within the North West Region, increases range from a 6.1% per pupil in Knowsley to a 2.1% per pupil in Manchester.

The Lancashire per pupil increase is ranked 75<sup>th</sup> out of 149 LAs nationally.

From the individual school primary and secondary school data, 185 schools are forecast to receive the minimum NFF increase available at 1.84%. The highest per pupil increase for a Lancashire School is 12.6%.

It must be remembered that actual DSG allocations in Lancashire, to be published in December 2019, could be lower than those in the provisional notification from the DfE, dependant on pupil data from the October 2019 school census.

The accompanying guidance did confirm some final National Funding Formula (NFF) figures for 2020/21, including actual units of funding:

- Actual primary unit of funding (PUF) £4,233
- Actual secondary unit of funding (SUF) £5,276

The DfE have also confirmed the actual NFF values for 2020/21. An extract from the guidance providing this information is provided at Appendix A.

### **Mobility Factor**

We have also received information on the formulaic methodology that will be used from 2020/21 to allocate mobility funding. This formula will be applied to Lancashire school data and it is estimated that it will generate allocations to circa 158 schools.

The new methodology involves tracking individual pupils using their UPN through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are classified as a mobile pupil. (Excluding reception pupils who start in January)

For each LA, the mobility factor will allocate funding for schools whose proportion of mobile pupils in each phase is above a threshold of 6%. All mobile pupils above that threshold will be allocated a per pupil amount at a rate of:

- £875 for each primary mobile pupil above the threshold; and
- £1,250 for each secondary mobile pupil above the threshold.

## **Consultation on areas of local discretion**

Modelling will need to be undertaken to assess the impact of the changes around the Lancashire Schools Block allocations for 2020/21, based on the NFF methodology and the additional HNB allocations factoring in the increased cost and demand led pressures.

However, initial analysis suggests that we may be able to issue a formula consultation shortly after half term. This will include:

### *MFG*

The Minimum Funding Guarantee (MFG) level in the local formula must be between +0.5% and +1.84%. Our intention is to set a value at 1.84% as this is the level operating in the NFF model.

### *Possible transfer from the Schools Block*

Initial estimates suggest that Lancashire will be able to implement the NFF methodology, including the new minimum pupil funding (MPF) levels, no cap on funding gains and the maximum allowable MFG level of + 1.84% in 2020/21.

This may also generate a small amount of Schools Block headroom.

Provisional allocations also provide a significant increase in the level of High Needs Block funding in 2020/21. However, this may only cover the forecast increase in the cost and demand led pressures facing this block.

It is possible that a transfer of headroom only from Schools Block to HNB may allow a funding increase to be provided to special schools and PRUs. The aim of this transfer would be to increase top up funding for these school, by at least 1.84% using the school specific factors in each formulae. This would offer a level of equity with mainstream schools.

### *Notional SEN calculation*

The consultation on the notional SEN calculation previously agreed with Forum will take place as part of the formula consultation.

Responses would be shared with the Forum through the next cycle of budget setting meetings.

It must be emphasised that a conclusive position can only be modelled after receipt of final DSG allocations in mid December 2019. If the final modelling outcomes were vastly different from those based on provisional data it may be necessary for an additional consultation to take place during a short window in early January 2020.

## **Central School Services Block**

The Lancashire central school services block (CSSB) allocation will reduce in 2020/21. There is an increase, up to 1.94%, in the formulaic 'Ongoing responsibilities' element of the budget, but the DfE are reducing the funding level for 'historic commitments' by 20%.

DfE indicate that they will continue to unwind this historic commitments funding in future years.

Lancashire has been reducing the level of funding attributable to historic commitments, but will need to consider further reductions going forward.

### **Consultation on changing the dedicated schools grant**

The government funding announcements also included a consultation about DSG conditions of grant.

The DfE proposals are that from the end of the 2019/20 financial year, LAs will no longer be able to fund DSG deficits from general funding. This is because the Government are concerned that LAs may make further spending cuts on already pressured LA services to cover DSG overspends. Therefore, in future DSG overspends will be expected to be carried forward and repaid over time through the recovery arrangements recently introduced by DfE for larger DSG deficits.

The LA is considering a possible response.

### **The Forum is asked to:**

- a) Note the report:**
- b) Express any views on the October 2019 school funding announcements for 2020/21;**
- c) Express any views about the proposed formula consultation issues.**

## Appendix A

	Unit Values	Total Funding (including ACA)	Proportion of core total
<b>Basic per pupil Funding</b>		<b>£25,922m</b>	<b>73.5%</b>
<b>AWPU</b>		<b>£25,656m</b>	<b>72.8%</b>
Primary AWPU	£2,857	£13,263m	37.6%
KS3 AWPU	£4,018	£7,268m	20.6%
KS4 AWPU	£4,561	£5,125m	14.5%
<b>Minimum per pupil</b>		<b>£266m</b>	<b>0.8%</b>
Primary Minimum Per Pupil funding	£3,750	£123m	0.3%
Secondary Minimum Per Pupil funding	£5,000	£143m	0.4%
<b>Additional Needs Funding</b>		<b>£6,307m</b>	<b>17.9%</b>
<b>Deprivation</b>		<b>£3,188m</b>	<b>9.0%</b>
Primary FSM	£450	£322m	0.9%
Secondary FSM	£450	£193m	0.5%
Primary FSM6	£560	£613m	1.7%
Secondary FSM6	£815	£677m	1.9%
Primary IDACI A	£600	£93m	0.3%
Primary IDACI B	£435	£173m	0.5%
Primary IDACI C	£405	£128m	0.4%
Primary IDACI D	£375	£136m	0.4%
Primary IDACI E	£250	£107m	0.3%
Primary IDACI F	£210	£100m	0.3%
Secondary IDACI A	£840	£76m	0.2%
Secondary IDACI B	£625	£149m	0.4%
Secondary IDACI C	£580	£111m	0.3%
Secondary IDACI D	£535	£118m	0.3%
Secondary IDACI E	£405	£105m	0.3%
Secondary IDACI F	£300	£88m	0.2%
<b>Low Prior Attainment</b>		<b>£2,653m</b>	<b>7.5%</b>
Primary LPA	£1,065	£1,680m	4.8%
Secondary LPA	£1,610	£973m	2.8%
<b>English as an Additional Language</b>		<b>£415m</b>	<b>1.2%</b>
Primary EAL	£535	£308m	0.9%
Secondary EAL	£1,440	£107m	0.3%
<b>Mobility</b>		<b>£51m</b>	<b>0.1%</b>
Primary mobility	£875	£41m	0.1%
Secondary mobility	£1,250	£10m	0.0%
<b>School Led Funding</b>		<b>£3,026m</b>	<b>8.6%</b>
<b>Lump Sum</b>		<b>£2,359m</b>	<b>6.7%</b>
Primary lump sum	£114,400	£1,973m	5.6%
Secondary lump sum	£114,400	£386m	1.1%
<b>Sparsity</b>		<b>£26m</b>	<b>0.1%</b>
Primary sparsity	£26,000	£22m	0.1%
Secondary sparsity	£67,600	£4m	0.0%
<b>Premises</b>		<b>£641m</b>	<b>1.8%</b>
<i>Area Cost Adjustment: A multiplier that is applied to basic per pupil, additional needs and school led funding (ACA is already included in each of the factor subtotals)</i>		<b>£883m</b>	
<b>Core total (excluding funding floor)</b>		<b>£35,255m</b>	
<b>Protections</b>			
<b>Floor</b>		<b>£464m</b>	
Primary floor funding		£277m	
Secondary floor funding		£187m	
<b>Total</b>		<b>£35,719m</b>	