

SLOUGH SCHOOLS' FORUM
2 October 2020

Directorate of Children Learning and Skills

2021-22 Funding Announcements and Implications

1 PURPOSE OF REPORT

- 1.1 To update Schools Forum on the recent funding announcements from the DfE regarding the National Funding Formula and their implications for Slough for the 2021-22 financial year.

1 RECOMMENDATIONS

- 2.1 That Forum members note the report and any implications for the funding of schools for 2021-22 and consider them when deciding upon items for consultation.

3 BACKGROUND

- 3.1 In 2018-19 the government started the move to implement a national funding formula

- 3.2 Since the original announcement of the roll out of the NFF there have been a number of extensions to its implementation with formula 'Soft' years being extended. During this period the number of local authorities moving their local formulae to match the NFF has continued to increase. Due jointly to the continuing move by LA's towards the NFF and also the need for Central Government to concentrate of the Covid-19 crisis the DfE have announced that 2021/22 will also be a "Soft" year.

- 3.3 On the 30th August 2019 a press release was issued titled "Prime Minister boosts schools with £14 billion package", the release was jointly from the office of the Prime Minister, the Chancellor of the Exchequer and the Secretary of State for Education. This announcement covered funding for the next three years and promised an increase of £14.5bn, split as £2.6bn in 2020/21, £4.8bn in 2021/22 and £7.1bn in 2022/23. The additional £4.8bn is due in 2021/22.

4 Schools Block update

- There were minimal changes to how LA's may set the local formulae in 2021-22

The main changes are detailed below:-

- Guaranteed increase of 1.84% introduced in 2020/21 as part of PM and SoS for Education statements on Schools funding has been removed in 2021/22
- Every school allocated at least 2% more pupil-led funding per pupil compared to 2020/21 NFF baseline. (This is likely to include the additional teachers pay and pension grant as part of the guaranteed 2% increase).
- MFG must be set between +0.5% and 2.0%
- No change to Area Cost Adjustment (ACA)
- The basic units of funding which are used to calculate the DSG / LA allocation
 - Primary Unit of Funding (PUF)
 - increased from £4,216 to £4,492 (+£276)
 - Secondary Unit of Funding (SUF)
 - increased from £5,706 to £6,117 (+£411)
- Teachers Pay and Pension grants will be incorporated into the DSG. £180 added to primary pupil rates and £265 added to secondary pupil rates at both the DSG unit of funding level and the local formula level. These funds will be baselined in the DSG from 2021/22. As such they will be subject to normal Capping and MFG functions. While the minimum per pupil rates will rise to account for the £180 & £265 Teachers funding, MFG and Capping will apply to the whole of the School budget.
- Minimum per pupil funding to be employed in local formula
 - Primary from £3,750 to £4,000 (+£250). Plus an additional £180 for teachers pay and pension grants, making it a total of £4,180
 - Secondary KS3 from £4,800 to £4,950 (+£150). Plus an additional £265 for teachers pay and pension grants, making it a total of £5,215
 - Secondary KS4 from £5,300 to £5,450 (+£150). Plus an additional £265 for teachers pay and pension grants, making it a total of £5,715
- LA's may continue to transfer up to 0.5% of their schools block (excluding the additional funding allocated to the schools block for the teacher pay and pensions grants) with the permission of Schools Forum, which in essence equates to 0.48%
- Income Deprivation Affecting Children Index (IDACI)
 - 2019 data is now used rather than the 2015 data previously employed within the NFF.
 - The basis on which pupils are assigned to the seven bands has changed; it is now assigned based on rank rather than score. E.g. Band A, now consists of pupils in the most deprived 2.5% of lower super output area (LSOAs), instead of consisting of pupils in the LSOAs with an IDACI score greater than 0.5.
- Initial analysis indicates that Slough will see a reduction in allocation through IDACI, however more details are required to perform an accurate analysis of the extent of the reduction. These details are not currently available.

Since there is a positive increase in per pupil rates guaranteed within the NFF any reduction via IDACI should be mitigated in the short term as LAs cannot see a reduction in school per pupil rates for 2021/22 when calculating the DSG schools block.

5 Universal Catch-up premium & National Tutoring Programme

- £1bn of funding announced split into two sections
 - **£650m Universal Catch-up Premium**
 - Only available for 2020/21
 - Excludes Nurseries
 - £80 per pupil (R to Yr11 - mainstream schools) / £240 per place for Special, AP & Hospital schools.
 - **Tranche 1** - Paid Autumn 2020
 - **Tranche 2** -
 - Mainstream schools - Paid early 2021 (based on October 2020 School Census pupil figures) - Takes account of Tranche 1 payments to reconcile funding at £46.67 per pupil over Tranches 1 & 2
 - Special, AP & Hospital schools - Paid early 2021 & takes account of Tranche 1 payments to reconcile funding at £140 per place over Tranches 1 & 2
 - **Tranche 3** -
 - £33.33 per pupil for mainstream schools
 - £100 per place for Special, AP & Hospital schools
 - School leader must account for how money is spent - Government guidelines available
 - **£350m National Tutoring Programme**
 - 5 to 16 Programme
 - For State funded Primary & Secondary Schools
 - From Second half of autumn term 2020
 - Portal opening to allow schools to register their interest to participate
 - Two parts
 - Tuition partners - access subsidised tuition form approved list of tuition partners
 - Schools in most disadvantaged areas supported to employ in-house academic mentors to provide small group tuition to their pupils.
 - There will be a 16 to 19 fund for school sixth forms, colleges & 16-19 providers

6 Central Schools Service Block

- 6.1 The CSSB will continue in two parts for 2021-22
- Historic Funding

- Continuation of reducing Historic spend. For 2021/22, a reduction of 20% on 2020/21 Allocation. (£62,400 to £49,920)
- On-going Funding
 - National increase in total funding of 3.8%.
 - Per pupil increased from £21.56 to £22.95 (+£1.39)
 - LA protection rates; loss capped at -2.5% per pupil and gains capped at 6.45% per pupil.
 - Any additional pension funding claimed by LA's for centrally employed teachers will be added as an additional per pupil rate adjustment to DSG later in year.
 - No change to Area Cost Adjustment rates for CSSB.

6 High Needs Block

6.1 High Needs Education Funding

- Local authorities will receive an increase of between 8% and 12% in their high need education funding allocation.
- Slough should expect to see an increase of £2,488,503 from £25,649,030 in 2020/21 to £28,137,533 in 2021/22
- The allocation includes an adjustment to account for the changes in the proportion of young people who are educated in/out of the borough - £480,000 (Slough is a net exporter of pupils), although this element will be change throughout the year.

7 Early Years Funding

- No updates have been made to the Early Years funding for 2021/22 at this time

8 **Appendix A** shows a comparative illustration for Slough based on changes from the 2020-21 financial year to the 2021-22 financial year.

9 ALTERNATIVE OPTIONS CONSIDERED

9.1 No alternative options were considered.

10 SUPPORTING INFORMATION

10.1 Not applicable

11 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

11.1 Monitoring Officer

The relevant legal provisions are contained within the main body of this report.

11.2 Section 151 Officer – Strategic Director of Resources

The financial implications of the report are outlined in the supporting information.

11.3 Access Implications

There are no access implications.

12 Consultation

A consultation will be held with schools during the Autumn term.

Contact for further information

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