

Date of meeting:	Thursday 12 November 2020
Title of report:	2021/22 School Funding Consultation Results
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	This report provides the results of the 2021/22 School Funding Consultation that ran from 23 rd September to 23 rd October 2020. The report requests the Schools Forum to consider which of the options consulted on should be endorsed in relation to the level of the Minimum Funding Guarantee and the methodology to be used for allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values
Budget / Risk implications:	Individual school budget levels for the 2021/22 financial year.
Recommendations:	As detailed in Section 4, in respect of the options endorsed by the Schools Forum in relation to the level of the Minimum Funding Guarantee, and the methodology to be used for allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values for the 2021/22 financial year.
Voting requirements:	All Schools Forum members
Appendices:	Appendix 1 – Additional comments provided in school / academy Consultation responses.
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1.0 PURPOSE OF THE REPORT

- 1.1 This report provides an overview of the results and responses received from schools and academies to the 2021/22 School Funding Consultation.
- 1.2 The Schools Forum is asked to consider:
- i. The results of the Consultation and the responses received.
 - ii. Which of the options consulted on should be endorsed in relation to the Minimum Funding Guarantee (MFG), and the methodology to be used for allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values.

2.0 BACKGROUND

- 2.1 At its meeting in September, the Forum considered the information provided by DfE in July 2020 in relation to National Funding Formula (NFF) developments for the 2021-22 financial year. The key NFF updates for the next financial year are as follows:
- The key factors in the NFF will increase by 3%,
 - The minimum per pupil funding levels will ensure that every primary school receives at least £4,000 per pupil, and every secondary school at least £5,150 per pupil. In addition, primary schools will receive an additional £180 per pupil and secondary schools £265 per pupil respectively to cover additional teachers' pay and pension costs previously funded through the separate grants. The minimum per pupil funding levels, at the levels provided in the NFF, are mandatory in 2021/2022.
 - Every school will be allocated at least 2% more pupil-led funding per pupil compared to its 2020-21 NFF baseline.
 - Local authorities are able to continue to set a Minimum Funding Guarantee in local formulae, which in 2021-22 must be between +0.5% and +2.0%. This allows the protection in the NFF to be matched, and the DfE expect local authorities to do this where possible.
 - Funding from the teachers' pay grant and the teachers' pension employer contribution grant, including the supplementary fund, has been added to schools' NFF allocations from 2021-22. The funding has been added to the basic per pupil entitlement, to the minimum per pupil funding levels, and to schools' baselines so that it is protected through the funding floor.
 - Additional funding for small and remote schools will increase in 2021-22, with an increase in the maximum sparsity value for primary schools from £26,000 to £45,000. However, the associated increase for secondary schools is much smaller with the maximum value increasing from £67,600 to £70,000. The DfE have identified these increases as "a first step towards expanding the support the NFF provides for such schools from 2022-23".
 - The 2019 update to the Income Deprivation Affecting Children Index has been incorporated so that deprivation funding allocated through the formulae is based on the latest data.
 - Following the cancellation of assessments in summer 2020 due to COVID-19, local authorities are unable to use this data as part of setting a low prior attainment factor in local funding formulae. Instead, the 2019 assessment data will be used as a proxy for the 2020 reception and year 6 cohort, and this will be reflected in the data received by local authorities from the DfE.

- Local authorities continue to be able to transfer up to 0.5% of their schools block to other blocks of the Dedicated Schools Grant (DSG), with school's forum approval. In 2021-22, the total schools block available for such transfers must exclude the additional funding local authorities have been allocated for the teachers' pay and pension grant, thereby guaranteeing that all of this funding remains with schools. A disapplication request is required for transfers above 0.5%, or for any amount without school's forum approval.
- 2.2 The DfE have stated that they remain committed to completing NFF reforms by moving to a 'hard' NFF in the future where schools will receive the funding generated through the national NFF rather than a local authority funding formula. They indicate that shortly they will put forward proposals to move to a 'hard' NFF in future and will be undertaking consultation in this respect.
- 2.3 North Yorkshire County Council is not requesting a transfer of funding from the Schools Block to the High Needs budget for the 2021/22 financial year.

3.0 RESULTS OF THE LOCAL CONSULTATION

- 3.1 49 responses have been received to the Consultation, as shown below.

LA Maintained Primary	27
LA Maintained Secondary	3
LA Federation - Primary	3
Primary Academy	6
Secondary Academy	5
Academy Trust	5
	49

(78 schools and academies are represented in the responses received providing an overall response rate of 22.83% (15.81% LA maintained schools, 37.50% academies). 267 schools / academies are not represented in the consultation responses.

- 3.2 The Consultation requested the views of schools and academies on 8 options related to the level of the Minimum Funding Guarantee and the methodology to be used for allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values. The consultation results are detailed in the table below:

Option	MFG %	Methodology for the Allocation of Any Surplus Funding	No. Responses Received Supporting Option	No. Schools Represented in Responses Supporting Option
1	0.5%	Age Weighted Pupil Unit (AWPU) values increased	5	10
3	0.5%	Pupil Led Formula Factor values increased	3	3
5	0.5%	Lump Sum Formula Factor value increased	8	25
7	0.5%	All Formula Factor values increased	1	1
			17	39
2	2%	Age Weighted Pupil Unit (AWPU) values increased	21	21
4	2%	Pupil Led Formula Factor values increased	5	8
6	2%	Lump Sum Formula Factor Value increased	3	6
8	2%	All Formula Factor values increased	2	4
			31	39

1 response stated no preference.

A number of schools and academies also provided additional comments to support their responses. These comments are detailed in **Appendix 1** to this report

- 3.3 The majority of the responses received to the Consultation indicated support for a MFG of 2%. However, the actual number of schools represented by the responses received supporting each MFG option is the same. In terms of the methodology to be used for the allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF value, AWPU was the preferred option under a 2% MFG; lump sum was the preferred option under a 0.5% MFG. The setting of the MFG level is the prime decision, with the surplus funding allocation methodology decision representing a secondary consideration.
- 3.4 In 2018/19, the decision was made by the North Yorkshire Education Partnership (now Schools Forum) to implement a funding formula that reflects the NFF principles and the associated transitional arrangements. Option 2 (2% MFG, any surplus funding allocated by AWPU) best reflects the DfE 'direction of travel' providing formula factor values closest to the national NFF values and provides a 2% guaranteed per pupil funding increase through the MFG.

4.0 RECOMMENDATIONS

- 4.1 Following the consultation with all schools and academies in North Yorkshire, the Forum is asked to consider which of the options consulted on should be endorsed by the Schools Forum.

STUART CARLTON
Corporate Director – Children and Young People’s Service

2021/22 School Funding Consultation – Additional Comments

School Type	Comment
Primary Academy	This model, as I understand, is the closest to the direction of travel within NFF
Academy Trust	Please accept this return for all 8 of our schools in North Yorkshire
Primary Academy	There's very little difference whether we said any of the 2% options for us.
Academy Trust	Early notification of the outcome would be appreciated so we can plan effectively.
LA Maintained Primary School	For our setting pupil led formulas seem to reflect our context more appropriately. This needs to be considered to enable us to meet the needs of our pupils.
LA Maintained Secondary School	Our second preferred option for XXXXXXXX would be No 3.
Secondary Academy	No preference
LA Maintained Primary School Federation	Although option 5 would have the most financial benefit for XXXXX I have looked at the options across all 3 schools I am Business Manager for as I don't feel I can say one for one school and a different option for another! Therefore I believe that option 6 is the best average for all 3 schools.
LA Maintained Secondary School	At time when a large school is spending an additional £15K+ per month on Covid related costs and trading profit will be down by £75K the proposal will have profound consequences on a sustainable education offer.
LA Maintained Primary School	We would like to seek some clarity over future approaches to teachers pay rises. We feel option 2 represents the highest value for the school and reflects what future funding arrangements set nationally are likely to be.
Academy Trust	I would also go with any of the 2% MFG models, but chose 8 because the use of all factors would appear to be the most fair to all schools given their different contexts.
Primary Academy x 3	This option provides the higher minimum funding guarantee and dispenses the remaining funding via the AWPU which is felt to be a fairer way the distribute funding across every school.