

Date of meeting:	Thursday 26 September 2019
Title of report:	School Funding Update
Type of report: Delete as required	For information/ decision
Executive summary: Including reason for submission	This report provides an update on school funding and describes the detail of recent announcements on central government education funding policy and high-level implications for 2020-21. The paper outlines proposals for de-delegation in 2020-21. The paper describes the intention to consult schools and academies.
Budget / Risk implications:	Implications for services and resources for schools funded by the DSG from April 2020
Recommendations:	That the Schools Forum notes the contents of this report
Voting requirements:	De-delegation: LA maintained primary and secondary schools only (in relevant phase)
Appendices:	
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Presenting officer: If not the originator	

1.0 PURPOSE OF THE REPORT

- 1.1 This report sets out some information regarding school funding issues. 2020-21 will be the third year of the implementation of the national funding formula for schools, high needs and central school services. The report provides analysis of the implications on schools in North Yorkshire.
- 1.2 The Schools Forum is asked to consider the report noting the proposal on funding for next year including consultation with schools. Relevant phases of LA-maintained schools are also asked to vote on recommendations around de-delegation.

2.0 BACKGROUND

- 2.1 In Autumn 2017 the Department for Education (DfE) announced national changes to the school funding formula which will eventually see all school budgets set using a new national funding formula. However, for 2018-19 and 2019-20 financial years a 'soft' approach has been undertaken where the funding which local authorities receive is based on the new formula but with transitional arrangements. The Schools Forum has adopted an approach of calculating school budgets using these principles for the 2018-19 and 2019-20 financial years.
- 2.2 DfE had not yet stated when the national funding formula will be fully implemented and the transitional arrangements will cease. The transitional funding arrangements to date have guaranteed a minimum level of funding for schools but they have also capped the level of funding gain which a school can experience.
- 2.3 The local authority has continued to lobby DfE and MPs on the issue of the overall quantum of funding and sparsity. Written and oral evidence has been provided to the Education Select Committee in calls for evidence from two inquiries: school and college funding, and high needs. The local authority has written to local MPs, ministers in MHCLG, DfE and HM Treasury and we will continue to advocate for a better funding deal for children and young people in all North Yorkshire education settings (including maintained schools and academies).
- 2.4 In July 2017, the Secretary of State announced that the Government would provide an additional £1.3bn nationally for school funding in 2018-19 and 2019-20. The formula in 2019-20 provides minimum per pupil level of funding of at least £4,800 per pupil for every secondary school and £3,500 per pupil for every primary school.
- 2.5 In 2019-20, North Yorkshire successfully applied for a disapplication request to the Secretary of State for Education to transfer 1% of the Schools Block to the High Needs Block in recognition of the significant financial pressure (in the context of a 61% rise in the number of children and young people assessed as requiring Education, Health and Care Plans (EHCPs)). This equated to approximately £3.3m.
- 2.6 North Yorkshire also moved towards the national funding formula, where possible, in anticipation of the implementation of a 'hard' national funding formula. However, a principle was also agreed with Schools Forum to ensure that each school received at least the minimum per pupil level (MPPL) of funding. In order to achieve this funding commitment, a minimum funding guarantee (MFG) of -1.5% was agreed. In effect, this enabled every school below the MPPL to achieve the minimum stated per pupil level

of funding although some schools above that threshold may have seen a small reduction (but limited to a maximum loss of 1.5% in per pupil funding).

3.0 EDUCATION FUNDING POLICY: SCHOOLS BLOCK

- 3.1 Following the formation of a new Government, a new education funding policy was triggered by the announcement from Boris Johnson MP in his first speech as Prime Minister on 24 July 2019:

“My job is to make sure your kids get a superb education wherever they are in the country and that’s why we have already announced that we are going to level up per pupil funding in primary and secondary schools and that is the work that begins immediately behind that black door and though I am today building a great team of men and women I will take personal responsibility for the change I want to see. Never mind the backstop – the buck stops here.”

- 3.2 In September 2019, Gavin Williamson MP, Secretary of State for Education, made an education funding announcement to the House of Commons that in excess of £14m additional funding over three years would be made available, “...ensuring that funding for all schools can rise at least in line with inflation next year.” The announcement of £14m is unusual as funding announcements are usually made with regard to their incremental impact on the overall funding quantum. The table below describes how the £14m has been arrived at:

Year	Additional Annual Amount	Cumulative Annual Amount	Cumulative Cash Amount
2020-21	£2.6bn	£2.6bn	£2.6bn
2021-22	£2.2bn	£4.8bn	£7.4bn
2022-23	£2.3bn	£7.1bn	£14.5bn

- 3.3 For clarity, therefore, the Government is seeking to raise the overall education funding quantum by £7.1bn by 2022-23. The additional investment includes £700m to support children with SEND. An additional £400m was also announced for 16-19 education.
- 3.4 The Government also confirmed that £1.5bn per annum would be available to continue additional pension costs for teachers as a result of the recent revaluation and determination of employer contributions.
- 3.5 The impact for individual schools will see the minimum level of per pupil funding for secondary schools rise to £5,000 per pupil from 2020-21 (currently £4,800 per pupil in 2019-20). For primary schools, the minimum level of per pupil funding will rise to £3,750 from 2020-21 (currently £3,500 per pupil) and subsequently to £4,000 per pupil from 2021-22.
- 3.6 Initial analysis indicates that 42 primary schools and 19 secondary schools will potentially benefit from the proposed increase in the minimum per pupil level of funding in 2020-21. Other schools will benefit from the minimum 1.84% increase in funding in line with inflation. A further 58 primary schools are currently below the £4,000 threshold

that applies in 2021-22. **Appendix A** provides further details by constituency area and the indicative funding gain that might be expected by increasing school funding for those schools below the thresholds (the actual overall gain will include this figure plus inflation plus changes arising from pupil numbers and other data changes).

3.7 The Government also indicated their intention to move to a national funding formula “as soon as possible”.

3.8 In the education funding statement to the House of Commons on 3 September 2019, Gavin Williamson stated:

“We are allocating funding so that every school’s per pupil funding can rise at least in line with inflation and to accelerate gains for areas of the country which have been historically underfunded, with most areas seeing significant gains above inflation. We will ensure that all schools are allocated their gains under the formula in full next year by removing the cap on gains that underfunded schools have seen over the past two years. This underpins our historic reforms to the overall schools funding system, so that a child with the same needs benefits from the same funding, wherever they live in the country.”

3.9 The statement also refers to the removal of the cap on gains and ensuring that each school will have a minimum increase in funding. The proposals will ensure that no mainstream school will receive less than inflation (assessed by DfE as being 1.84%).

3.10 Overall, the additional funding announcement is enormously welcome and reflects the level and intensity of lobbying of individual authorities, including North Yorkshire, as well as campaign groups like f40 who have made a detailed and evidence-based argument for an improved funding settlement for the education sector. Three-year announcements are also welcome and will, to a certain extent, support financial planning for the medium-term.

3.11 Within the £2.6bn funding announcement for 2020-21, £700m is earmarked for High Needs. It is estimated that £300m is required for national pupil number growth and c.£1bn will be required to fund the inflation commitment of 1.84%.

3.12 On 9 September 2019, Nick Gibb MP (Minister of State for School Standards) in a statement to the House of Commons confirmed that provisional NFF allocations, at local authority and school level would be published in October 2019. This will include local authorities’ final primary and secondary units of funding (PUF and SUF) for the Schools Block.

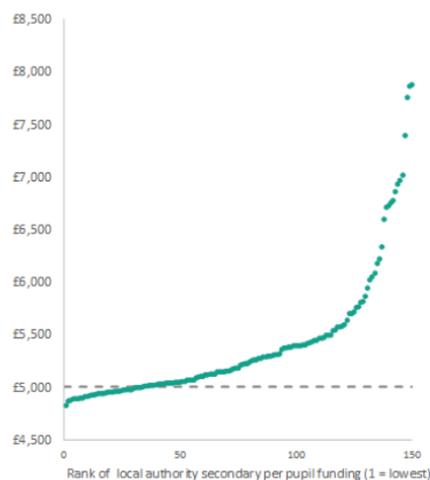
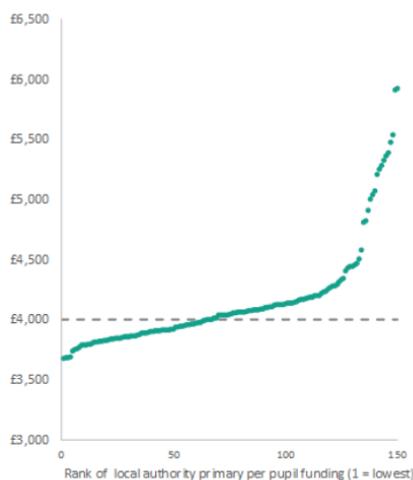
3.13 The announcement also confirmed in relation to funding allocations at local authority level:

- The funding floor will be set at 1.84% per pupil, in line with the forecast GDP deflator, to protect per pupil allocations for all schools in real terms. The minimum increase in 2020-21 allocations will be based on the individual school’s NFF allocation in 2019-20;
- Schools that are attracting their core NFF allocations will benefit from an increase of 4% to the formula’s core factors;
- There will be no gains cap in the NFF, unlike the previous two years, so that all schools attract their full core allocations under the formula;
- There will be a technical change to the mobility factor so that it allocates this funding using a formulaic approach, rather than on the basis of historic spend;

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- Growth funding will be based on the same methodology as 2019-20, with the same transitional protection ensuring that no authority whose growth funding is unwinding will lose more than 0.5% of its 2019-20 schools block allocation;
- Teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21.

- 3.14 Local authorities, in consultation with Schools Forum, will continue to have some discretion over their schools funding formulae for 2020-21 and will ultimately determine allocations in their area. However, the government have confirmed that, as a step towards the implementation of a 'hard' formula, the use of the national minimum per pupil funding level, at the values in the school NFF, will be mandatory.
- 3.15 A Minimum Funding Guarantee (MFG) will continue to be a feature of the formula for 2020-21 but must be set between +0.5% and +1.84%. The MFG is normally applied to pupils in reception through to Year 11. Early years pupils, and post-16 pupils are excluded from the calculation. High needs funding is also excluded from the MFG calculation for maintained schools and academies. This funding protection will sit alongside Minimum Per Pupil Levels (MPPL). The local authority will consult all schools and academies in North Yorkshire on the principles of the local formula in due course, following publication of NFF allocations and technical guidance.
- 3.16 It has also been confirmed that local authorities can transfer up to 0.5% of their Schools Block to other blocks of the DSG, with schools forum approval. To transfer more than this, or any amount with schools forum approval, they will have to make a request to the Department for Education, even if the same amount was agreed in the past two years. High Needs is dealt with in more detail in section 4, but without any firm detail of the actual High Needs cash allocation for 2020-21, it is not possible at this stage to determine whether a block transfer will be requested.
- 3.17 A report by the Education Policy Institute in August 2019 reveals, however, that although the policy will bring a number of schools up to a new minimum threshold, there will likely continue to be a number of local authority areas, typically in London and the South East, which continue to receive significantly higher per pupil levels of funding. The following graph illustrates the current distribution of per pupil funding at local authority level:



- 3.18 The Education Policy Institute also highlights that “...*the schools that would benefit the most from this policy would be those that do not have the characteristics associated with additional funding under the NFF.*” This is likely to the schools with low numbers of disadvantaged pupils, low numbers of pupils with low results and low numbers of pupils for whom English is not their first language. We remain concerned that small schools – at both primary and secondary level – will, perversely, not benefit from this policy approach due to the disproportionate impact of the lump sum on the calculation of the minimum per pupil level of funding.
- 3.19 Other measures included in the package of reform alongside the education funding policy announcement included:
- The DfE will consult on lifting the inspection exemption for outstanding schools;
 - There will be additional funding for strong academy trusts to expand;
 - A new specialist academy trust will also be set up specifically to take in and turn round the most challenging schools struggling with long term underperformance. The trust will be piloted in the North of England and offer direct support from school leaders with a proven track record in improving education.
 - The DfE will increase the level of support to schools that Require Improvement (where they have not been judged ‘Good’ by Ofsted in the previous ten years);
 - Continue to expand the school resource management programme;
 - Working with Ofsted, the DfE will ensure that parents have the information they need about how schools are utilising funding;
 - Pay will be increased for *all* teachers with starting salaries to be increased by £6,000, up to £30,000 by 2022-23;
 - There will be a £10m investment in a new national behaviour hub;
 - The DfE will consult on revised behaviour and exclusions guidance;
 - The Government will also work with Ofsted to ensure all inspection reports also include a ‘rating for financial management and oversight’ with the school, academy or academy trust.
- 3.20 The Government have released a consultation on the implementation of mandatory minimum per pupil levels of funding and this is covered elsewhere on the agenda.

4.0 EDUCATION FUNDING POLICY: HIGH NEEDS

- 4.1 As stated at section 3.3, the Government has announced extra funding of £700m for SEND services. Although falling short of the Local Government Association and f40 estimate of the funding gap of £1.2bn, this funding is welcomed and again reflects significant lobbying efforts. The funding announcement – which appears to be for one year only – is a significant step towards a better funding deal for North Yorkshire. We will continue to lobby to close the funding gap, the cross-subsidisation of the DfE funding shortfall from North Yorkshire council taxpayers, and a fairer distribution of the national pot to recognise the actual cost drivers of delivering SEND services in large and rural counties like North Yorkshire.

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- 4.2 Our understanding is that this will be paid directly to local authorities and will ensure that every local authority will receive an increase of at least 8% per head of 2 to 18 population through the funding floor. The minimum increase in 2020-21 allocations will be based on local authorities' high needs allocations in 2019-20, including the additional £125m announced in December 2018.
- 4.3 Above this minimum increase, the formula will allow local authorities to see increases of up to 17%.
- 4.4 At this stage, it is not clear which distribution methodology will be used by the DfE. The high needs national funding formula sees North Yorkshire on the 'funding floor' – the amount of funding allocated to North Yorkshire is 'topped up' to a minimum amount. The funding formula locks in historic spending patterns and unfairly penalises North Yorkshire in the context of significant and rapid growth in the number of children and young people assessed as requiring financial support for special education needs and disabilities. However, the £125m funding announced in December 2018 was not allocated on this basis which saw North Yorkshire receive approximately 1% of the overall national total.
- 4.5 Depending on the distribution methodology – and indeed whether DfE will even consult on this – means that the early estimate of the likely allocations is somewhere between £4m and £7m.
- 4.6 In any event, any additional allocation must first be used to repay the £3.3m in-year deficit from 2018-19 which is currently being cash-flowed by the local authority. Furthermore, the local authority has invested £3.7m net funding in High Needs in 2019-20 and there is projected in-year financial pressure on top of this of c.£1.5m. This is currently being managed with the 1% transfer from Schools Block. However, this takes the effective in-year financial pressure to £9.1m. With costs expected to rise in 2020-21 by c.£2m, at least £11.1m will be required – in this context, even the upper estimate of additional funding is unlikely to fully resolve the mounting financial pressure.
- 4.7 We are also uncertain of the treatment of special schools and academies and Pupil Referral Schools and academies. Whilst mainstream schools will get funding protection through the Minimum Funding Guarantee and/ or Mandatory Minimum Per Pupil Level of Funding, it is not clear how special schools will receive a share of the funding increase as a very different funding formula applies. It is possible (if not likely) that DfE will require local authorities to apply the same funding protection to special schools and PRS establishments to ensure that on a per pupil level, schools would receive at least a 0.5% increase in funding (the lower end of the stated range of the Minimum Funding Guarantee). Alternatively, the DfE may seek other measures to increase special school and PRS funding (for example, base funding has not increased from the £10k limit for a number of years). Whilst we remain concerned about the financial standing of special schools in particular, additional funding protections, or increased funding, for special schools and PRS/ AP establishments will utilise some of the additional funding (i.e. we do not expect to be able to close the funding gap by as much as the totality of the funding increase awarded). In addition, increases in teachers' pay and increases in starting salaries for teachers will equally apply to special schools and PRS/ AP settings.

5.0 Other Issues

- 5.1 It should be noted that the NFF allocations to be released in October 2019 will be based on the October 2018 census and the final allocation, updated to the October 2019 census pupil number and other data changes, will only be available in December 2019.
- 5.2 Most of the announcements have been about Schools Funding and to a lesser extent about High Needs. However, the DSG comprises four main blocks (Schools Block, Central School Services Block, High Needs Block and Early Years Block). Elsewhere in the funding announcements, the Government indicated that there would be an additional £66m for Early Years although it is not clear how this will be distributed.
- 5.3 In addition, there has been no further announcement of the Central School Services Block (CSSB). Further detail is provided in section 10.
- 5.4 Following the release of the Schools Revenue Operational Guidance, we expect the de-delegation of services to continue to be allowed for 2020-21. Schools Forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally; the decision will apply to all mainstream schools in that phase and will be voted on by the relevant maintained school members of the Forum only. Section 6 of this report deals with the de-delegation approach for 2020-21.

6.0 DE-DELEGATION APPROACH FOR 2020-21

- 6.1 De-delegation applies only to LA-maintained schools. Where services are able to be de-delegated, the budget is technically initially delegated to all schools and academies. Services for de-delegation then have to be approved by Schools Forum and, if approved, the funding will be removed from maintained schools budgets before final school budgets are issued.
- 6.2 The amount that can be de-delegated will depend on the number of academy conversions; if there are more conversions of schools to academies (as expected), it will reduce the total sum de-delegated for a service, if the per pupil deduction remains the same.
- 6.3 The services and amounts de-delegated in 2019-20, total £948k, and include:

	£k	£/pupil
Schools in Financial Difficulty	755	£16.01
Unreasonable School Expenditure	66	£1.39
Trade Union Costs	127	£2.70
TOTAL	948	

- 6.4 Our proposal to schools for 2020-21 is to continue with current levels of de-delegation for Schools in Financial Difficulty and Unreasonable School Expenditure only at the same per pupil level as 2019-20. These are contingencies which are available to support financially vulnerable schools. Only a small number of schools access the funds in a particular financial year so the majority of schools may not feel that they have benefitted from the de-delegation. However, the continued financial challenges being faced by schools, demonstrated by the increasing number of actual and

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projected deficits – and addressed elsewhere in the agenda – may result in an increasing demand from maintained schools for support from these budgets.

6.5 The Schools in Financial Difficulty Fund is available to support schools that have failed an Ofsted Inspection, are at risk of failing an Ofsted Inspection or have other serious issues that would impact on the education of the children and young people attending the school, and will cause pressures on school budgets and financial difficulties. Support is not available to schools facing budget and structural difficulties that would not ordinarily impact on standards. There are 2 specific elements to the Fund:

- Schools in Financial Difficulty
- Schools Causing Concern

6.6 Schools in Financial Difficulty provides actual cash allocations to support schools who meet the criteria of the Fund. In order to be considered for financial support the school needs to have prepared a budget recovery plan which demonstrates a move back into a balanced budget position and how an allocation from the Fund would contribute to the achievement of this.

6.7 The Schools Causing Concern element is used primarily by the School Improvement Service, to support schools that are in danger of falling into an Ofsted category of concern at the next inspection. The majority of the funding goes to schools that are risk assessed as Priority 1. It is increasingly the case that many of these schools have budgetary issues, and have actual or forecast deficits which hamper the schools' capacity for rapid improvement. If an intervention is needed to support the school in the short term in order to increase the capacity for rapid improvement, and the school's budget is one of its issues, the Schools Causing Concern fund may be used to fund part or all of the intervention/s. All support for schools from the LA is detailed in a support plan, drawn up by School Improvement in collaboration with the school, and reviewed at regular intervals. Costings for support, and where the funding will come from is detailed and agreed as part of the support plan.

6.8 The Unreasonable School Expenditure budget is available to support schools with exceptional items where it would not be reasonable to expect funding to be provided from the school budget. In recent years the budget has been used to help fund:

- Council tax charges and adjustments for redundant school houses/ bungalows
- Support for exceptional premises costs (e.g. introduction of split site premises part way through a financial year)
- Support for additional expenditure resulting from premises limitations (e.g. a school has to introduce an additional class due to the physical size of the classroom accommodation)
- Exceptional one-off legal costs
- Exceptional one-off staffing costs
- Support for pupil number increases which do not meet the pupil growth criteria

6.9 Trade Union Costs – a separate report elsewhere on the agenda deals with the specific approach to de-delegation for Trade Union duties.

7.0 EXCEPTIONS TO THE FORMULA

7.1 Local authorities are able to submit a request to the Secretary of State for exceptional circumstances where the 'normal' operation of the formula would not be appropriate or

does not recognise a particular scenario. Requests for exceptions to the formula for 2020-21 need to be submitted to the DfE by either the 11th October 2019 (first submission round) or 20th November 2019 (second submission round). Members of the Schools Forum are asked to agree to continue with our current exceptions in relation to exceptional rent costs as detailed in 7.2 below.

- 7.2 A number of exceptions are already in place for schools where their rent costs are in excess of 1% of their delegated budget. This exception can only be requested where the number of schools affected equates to fewer than 5% of the schools and academies in the authority. In order to comply with the “fewer than 5%” criteria in the previous two financial years, it has been necessary to apply additional criteria to reduce the number of schools which are eligible to receive exceptional rent funding through the formula. The criteria introduced to scale back the number of schools was an impact level of over £10,000 or an impact level of greater than 1.5% of budget and greater than £4,500. The criteria will need to be applied again in 2020/21. Analysis has been undertaken as to whether exceptions need to be requested for any additional schools for 2020-21. No further schools have been identified.

8.0 OTHER FUNDING FORMULA CONSIDERATIONS

Minimum Per Pupil Funding Level Calculation

- 8.1 Local authorities have had discretion to exclude specific formula funding elements related to rates, PFI, split sites and exceptional rents from the funding base calculation for the Minimum Per Pupil Funding Level i.e. for 2019-20, £3,500 for primary schools and £4,800 for secondary school. In 2019/20 two schools who receive funding at the Minimum Per Pupil Funding Level and also receive exceptional rents funding specifically requested that consideration was given to excluding exceptional rents funding from the calculation. The exceptional rents funding reflects the actual expenditure incurred by an individual school which is difficult for the school to influence and, as such, is very similar to the rates, PFI and split site factors. It is intended to continue to exclude exceptional rents funding from the funding base calculation for the Minimum Per Pupil Funding Level for 2020/21. However, the detailed calculation methodology for the Minimum Per Pupil Funding Level for 2020/21 needs to be received from the DfE before this position can be fully confirmed.

9.0 INTENTION TO CONSULT

- 9.1 When seeking to transfer any funding out of the Schools Block, the local authority must demonstrate to their Schools Forum that they consulted locally with all maintained schools and academies. When considering transfers above the 0.5% limit, and for transfers opposed by the Schools Forum, there is an exceptions process, which requires Secretary of State approval.
- 9.2 It is our intention to consult on proposals following the publication of the NFF allocations and technical operational guidance. At the moment, DfE have indicated that this will be October. The timing and duration of the proposed consultation will depend on a number of factors:
- the amount allocated to North Yorkshire for High Needs will determine whether a block transfer will be requested;

- the precise release date of individual LA allocations (any consultation must include indicative financial modelling of the impact on individual schools);
- the DfE deadlines and requirement to adhere to political process and approvals.

9.3 If a block transfer is requested, it is likely that any consultation will need to be concluded by half-term to enable reports to come back to Schools Forum on 13 November and gain subsequent political approval. This is likely to mean that there is short consultation period – DfE have recognised that a shorter consultation period may be necessary.

9.4 If a block transfer is not requested, the local authority will be able to hold a longer consultation period and will be able to determine whether the consultation comes back to Schools Forum in November or December 2019.

9.5 Any consultation will refer to:

- The level of the MFG for 2020-21
- The proposed transfer of funding, if any, from the Schools Block to High Needs Block in 2020-21

10.0 CENTRAL SCHOOL SERVICES BLOCK (CSSB)

10.1 The Central School Services Block was introduced in April 2018 and covers a range of services which are not delegated school responsibilities. These services support LA-maintained schools and academies alike and have previously been funded from council (non-DSG) budgets, which have been top-sliced and allocated back to each authority in this new DSG block.

10.2 The following services are funded from CSSB:

- Strategic Management Costs, including planning for the education service as a whole
- Revenue budget preparation, monitoring, internal and external audit, funding to schools
- Consultation costs
- Plans involving other LA services
- SACRE
- Schools attendance and exclusion issues
- Employment of children
- Capital programme
- Landlord responsibilities
- School Admissions
- Places in independent schools (non-SEN)
- Servicing of Schools Forum
- Back-pay for equal pay claims
- Contribution to combined budgets

10.3 The CSSB currently relates to both ongoing responsibilities and historic commitments. Under the CSSB NFF North Yorkshire will see a reduction in the level of funding received for ongoing responsibilities. The CSSB related to ongoing responsibilities includes a protection to ensure no LA sees losses of greater than 2.5% per pupil, year-on-year, for 2019-20. The DfE have stated that from 2020-21, they expect to start reducing the historic commitment element of the CSSB where local authorities'

expenditure has not reduced. They state that *“We do not believe it is fair to maintain indefinitely significant differences in funding between local authorities which reflect historic decisions.”*

- 10.4 For North Yorkshire, the level of historic commitments totals £1.788m and relates to services provided by the Early Help service. The local authority will need to look at how to deal with the funding reductions. As with previous years, we are not proposing, at this stage, to top-slice school budgets to fund any central services for schools in 2020-21.

11.0 TEACHERS' PAY

- 11.1 In July 2019 the DfE announced that the upper and lower boundaries of all teachers pay ranges would rise by 2.75% from 1st September 2019. The DfE also announced that an additional teachers' pay grant will be made available to fund the 0.75% element of the pay award over 2%. The DfE have assessed a 2% pay rise as being affordable for schools. The budget planning software provided for North Yorkshire maintained schools included provision for a 2% teachers' pay award for September 2019 so, when combined with the additional pay grant funding, there should be no impact on schools' planned budgets. At this stage, no detail has been received on the allocation methodology for the new teachers' pay grant, which is in addition to the grant already provided to cover the ongoing impact of the September 2018 teacher's pay award.
- 11.2 The conditions of teachers' pay grant states that the allocation and payment to high needs settings (special schools/academies and PRS/AP settings) is to be determined by the LA after consultation with each high needs setting. The LA is currently consulting with these settings with regard to the allocation of the grant for the 2019/20 financial year. The results from this consultation will be reported to the November meeting of the Schools Forum.
- 11.3 The DfE have confirmed that the teachers' pay grant will continue to be paid separately from the National Funding Formula in 2020/21. The funding rates for 2020/21 have not yet been confirmed. No information has been provided by the DfE in relation to teachers' pay funding post 2020/21.

12.0 TEACHERS' PENSION CONTRIBUTIONS

- 12.1 The employers' contribution in relation to teachers' pensions has risen from 16.48% to approx. 23.6% from September 2019. In the 2019/20 financial year the DfE are providing additional funding through a teachers' pension grant to fund the increased costs. The grant covers the 7 months of financial year 2019-20 from September 2019 for all schools. The grant funding is allocated using a per pupil formula for mainstream schools and academies and a per place formula for specialist schools and academies. Mainstream institutions with less than 100 pupils will be funded as if they had 100 pupils and Specialist institutions with less than 40 places will be funded as if they had 40 places. 2019/20 funding rates are as follows:

School Phase	£ / Pupil
Primary	77.50
Secondary	114.08
Special Schools & Alternative Provision	282.89

12.2 The DfE are accompanying the main grant with a Supplementary Fund. Schools will be able to apply to the fund if their grant allocation falls short of their actual pension cost increase between September 2019 and March 2020 by more than 0.05% of their overall budget for this period, and they will be reimbursed for costs above that threshold. More details of how schools will be able to apply will be provided in October. The DfE have provided this additional fund in recognition of the substantial cost increase caused by the changes to the TPS employer contribution rate.

12.3 As part of recent funding announcements, the DfE have confirmed that nationally £1.5bn per annum will be available for the period 2020/21 to 2022/23 to continue to fund the additional pension costs for teachers. Again, no detailed information is available as yet as to how this funding will be allocated.

13.0 SCHEME FOR FINANCING SCHOOLS

13.1 The NYCC Scheme for Financing Schools has been reviewed and updated over the summer period to reflect the statutory guidance received from the DfE in February 2019 in relation to local authority Schemes for Financing Schools. A verbal summary of the key proposed changes to the Scheme will be provided at the meeting of the Schools Forum. Maintained schools within North Yorkshire will be consulted on the proposed changes to the Scheme in October 2019. The results from this consultation will be reported to the November 2019 meeting of the Schools Forum.

14.0 FUTURE SCHOOLS FORUM DATES

14.1 Existing planned Schools Forum Dates are as follows:

- 26 September 2019
- 13 November 2019
- 12 December 2019
- 23 January 2020
- 12 March 2020

14.2 Further provisional dates for 2020 are suggested below:

- Thursday 21 May 2020
- Thursday 17 September 2020
- Thursday 12 November 2020
- Thursday 10 December 2020

15.0 RECOMMENDATIONS

15.1 The Schools Forum is asked:

- To note the update on school funding;
- To note the intention to consult schools and academies on the potential formula implications for 2020-21 including MFG and any proposed transfer from Schools Block to High Needs Block; results will be reported back to the Schools Forum at the November meeting.

15.2 LA-maintained primary phase Schools Forum members are asked to vote on the de-delegation of:

- Schools in Financial Difficulty
- Unreasonable School Expenditure

15.3 LA-maintained secondary phase Schools Forum members are asked to vote on the de-delegation of:

- Schools in Financial Difficulty
- Unreasonable School Expenditure

15.4 The Schools Forum are asked to note:

- The proposed treatment of exceptions to the formula outlined in section 7
- The position on Central School Services Block outlined in section 10
- The information provided on teacher's pay grant outlined in section 11 and teachers pension contributions outlined in section 12

STUART CARLTON

Corporate Director – Children and Young People's Service

APPENDIX A: ANALYSIS OF EDUCATION POLICY ANNOUNCEMENT (3 SEPTEMBER 2019) ON SCHOOLS IN NORTH YORKSHIRE

	Primary Schools		Primary Schools	
	2020/21	2021/22	2020/21	2021/22
	Funding less than £3750 per pupil	Funding less than £4000 per pupil	Funding less than £3750 per pupil	Funding less than £4000 per pupil
	No of schools	No of schools	Indicative funding gain based on 2019/20 pupil numbers (£)	Indicative funding gain based on 2019/20 pupil numbers (£)
Harrogate & Knaresborough	15	20	816,130	2,160,259
Richmond	6	20	205,095	987,181
Scarborough & Whitby	4	9	118,197	558,668
Selby & Ainsty	9	20	253,401	1,101,990
Skipton & Ripon	4	16	132,968	574,364
Thirsk & Malton	4	15	111,975	734,326
Total	42	100	1,637,766	6,116,788
	Secondary Schools		Secondary	
	2020/21	2021/22	2020/21	2021/22
	Funding less than £5000 per pupil	Funding less than £5000 per pupil	Funding less than £5000 per pupil	Funding less than £5000 per pupil
	No of schools	No of schools	Indicative funding gain based on 2019/20 pupil numbers (£)	Indicative funding gain based on 2019/20 pupil numbers (£)
Harrogate & Knaresborough	5	5	1,065,020	1,065,020
Richmond	4	4	504,914	504,914
Scarborough & Whitby	1	1	50,648	50,648
Selby & Ainsty	2	2	156,874	156,874
Skipton & Ripon	4	4	380,174	380,174
Thirsk & Malton	3	3	176,788	176,788
Total	19	19	2,334,418	2,334,418