



## SCHOOLS FUNDING FORUM AGENDA

8.30 am

Thursday  
16 January 2020

Room 234, CEME

**Members 18: Quorum: 7**

### **MEMBERSHIP:**

#### **Representative Groups**

#### **LA Maintained School Representatives:**

**Head Teachers (6):** Emma Allen, Special  
Margy Bushell, Primary  
Kirsten Cooper, Primary  
Georgina Delmonte, Primary  
Hayley Durrant, Primary  
David Unwin-Bailey, Primary

**Governors (2):** Bernard Gilley, Primary  
Dave Waters, Primary

#### **Academy Representatives:**

**Primary (2):** David Denchfield  
Kate Ridley-Moy

**Secondary (3)** Simon London  
Keith Williams  
Denise Broom  
Vacancy x3

**Special (1)** Gary Pocock

**AP Academy (1)** Ray Lawrence

**Schools Funding Forum, 16 January 2020**

**Non-School  
Representatives:**

**Early Years PVI Sector** Mark Halls  
(1)

**Post 16** Vacancy

**Decision Board** Vacancy

**Trade Unions (2):** John Delaney/John McGill, Teachers  
Peter Liddle, UNISON

**For information about the meeting please contact:  
David Allen  
david.allen@haverling.gov.uk**

**AGENDA ITEMS**

**1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

**2 TO AGREE THE NOTES OF THE MEETING HELD ON 19 NOVEMBER 2019 (Pages 1 - 5)**

Minutes attached.

**3 MATTERS ARISING**

**4 SCHOOLS FUNDING 2020-21 (Pages 6 - 20)**

Report and appendices attached.

**5 EARLY YEARS FUNDING 2020-21 (Pages 21 - 31)**

Report and appendices attached.

**6 NEXT MEETINGS**

The next meetings have been arranged as follows:

19<sup>th</sup> March 2020

18<sup>th</sup> June 2020

All meetings to be held at 8.30am at CEME.

**7 ANY OTHER BUSINESS**

**Andrew Beesley  
Head of Democratic Services**

**MINUTES OF A MEETING OF THE  
SCHOOLS FUNDING FORUM  
CEME  
7 November 2019 (8.30 - 10.25 am)**

**Present:**

**Representative Groups**

**Head Teachers:** Emma Allen, Special  
Margy Bushell, Primary  
Kirsten Cooper, Primary (Vice-Chair)  
Georgina Delmonte, Primary  
David Unwin-Bailey, Primary

**Governors:** Dave Waters, Primary

**Primary:** David Denchfield  
Kate Ridley-Moy

**Secondary:** Denise Broom  
Simon London  
Keith Williams (Chair)

**Early Years PVI Sector:** Mark Halls

**Trade Unions:** Peter Liddle, Support Staff

**LA Officers:** Trevor Cook  
Caroline Penfold  
David Allen

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**14 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

Apologies were received from Hayley Durrant (primary head teacher) Bernard Gilley (primary governor) Vicki Fackler (special schools) and John Delaney (Trade Union- NEU).

**15 TO AGREE THE NOTES OF THE MEETING HELD ON 25TH SEPTMBER 2019**

The minutes of the meeting of the Forum held on 25 September 2019 were agreed as a correct record and signed by the Chairman.

**16 MATTERS ARISING**

The following matters arose from the minutes of the previous meeting:

Minute 5, Government Announcements on Additional School Funding – The deadline for submission to the DfE of the LA's formula to allocate funding to schools was 21 January. Final ratification by the Schools Funding Forum of the formula and local political approval would take place following consultation with schools.

Minute 6 – DfE Consultations Relating to 2020-21 Funding – It was confirmed that the response to the consultation on the Risk Protection Arrangements for schools insurance had been submitted.

Minute 8 – De-delegation of Funding from Maintained Schools 2020-21 – A decision was still to be made on attendance & behaviour de-delegation. David Allen conveyed clarification from Penny Denny, Attendance & Behaviour Support Manager, of the entitlement to support and on the basis that the service's offer was re-worded, de-delegation was agreed by the Forum for maintained schools.

Minute 10 – Elective Home Education Transfer of Funding between Schools – Noted that the reduction of Olive Academy's places from 64 to 40 was correct in relation to its capacity for permanently excluded pupils. To retain the expertise at Olive and avoid redundancies, other strategies would be developed in support of schools and as an interim measure places be reduced from 64 to 50.

Minute 11 – DfE Consultation – Financial Transparency of Local Authority Maintained Schools and Academy Trusts – It was confirmed that a response to the consultation had been submitted.

## 17 **SCHOOLS FUNDING 2020-21**

The Forum was asked to consider proposals for allocating Schools Block funding. Havering had adopted the national funding formula rates and the Forum would therefore need to decide the level of minimum funding guarantee and the level of cap applied to schools that would receive more funding under the formula.

Verified data from the October 2019 census would be available in December for calculation of final funding for 2020-21 and until then, all figures were based on October 2018 data. Rates (NNDR) funding had increased slightly whilst growth and falling rolls funding had reduced by £868k. The overall schools block had increased by £5.9m but until the level of additional needs to be funded in schools was available from the final data, the affordability of the overall formula would remain uncertain.

School funding options took into account that the minimum level of protection was 0.5% per pupil more than the current allocation for schools. The maximum protection level permitted by the DfE was 1.84%.

Due to the new DfE formula, the pupil growth and falling rolls fund would reduce next year from £2.5m to £1.6m. £2.5m was still needed, however, for this fund in Havering. Schools with bulge classes were protected up to 28 pupils if the bulge class did not fill. Four new primary expansions were expected in September 2020 and there were also eight expansions to be funded from previous years, seven new bulge classes and eight unfilled bulge classes from previous years. There was also one new secondary expansion expected and eight expansions from previous years.

Pressure on primary schools would be kept under review as officers wished to avoid putting in unnecessary bulge classes. Expansions could also depend on new housing developments going to schedule. Some schools were also under number and it was hoped to make further efforts to fill these. Some £254k was currently spent to assist schools with falling rolls as well as £500k support for schools with consistently low numbers in some year groups.

Other boroughs used similar formulas but there was no standard method of making these calculations. If falling rolls continued at a school, discussions would take place about capping their PAN at a lower number. Only two redundancies had been required due to falling rolls and these costs would be covered by the Local Authority.

A series of options for different levels of cap and minimum funding guarantee were presented to the Forum. A total of £178m was available to be distributed to schools and each option showed the number of capped schools and the number of schools receiving the minimum funding guarantee. The extra funding retained under each option for next year was also shown. The Forum was also asked to agree any top up of the pupil growth/falling rolls funding and any transfer from the schools block to the high needs block.

The impact on individual (anonymised) schools was also presented and it was noted that some schools received more funding per pupil due to embedded grants or being in areas of high deprivation. The Local Authority had previously applied for the disapplication of the Minimum Funding Guarantee in order to reduce the level of embedded grants but this had been refused. A new disapplication could however still be applied for by 28 November. It was noted that information on the levels of academy reserves could not be accessed as academy accounts were published at Trust level. The Forum agreed to apply for the disapplication of funding for 'secondary school 18' and the two other schools with continued protection on the tabled papers with funding per pupil to be reduced over a three-year period.

The Local Authority was required to consult with schools on the options for allocation of funding. The Forum therefore agreed to consult with schools on funding options B and E as presented. Options C and D were discounted as they did not leave sufficient funds to support the falling rolls and high needs

shortfalls. It was noted that Option F was to move to the 2021-22 minimum pupil level for primary of £4,000 but would require approval by the DfE.

The Forum also agreed unanimously to transfer £500k to the high needs fund and up to £800k to the pupil growth and falling rolls fund. It was noted based on projections £0.5m would still be required for the falling rolls fund in 2020-21.

It was further agreed that a consultation with schools on the two proposed options should commence as soon as possible with responses to be considered at the Forum's next meeting on 17 December with final ratification at the 16 January 2020 meeting. The consultation would therefore close on 9 December.

#### **18 HIGH NEEDS FUNDING 2020-21**

Havering had been allocated an extra £4m of additional national funding for the high needs block. This was the second highest percentage rise in London but Havering still had the lowest funding per pupil in London. The high needs funding formula was to be reviewed by the DfE.

A high needs overspend of £2.3m had been forecast for Havering for 2019-20. This included an underspend of £1.1m carried forward from the Dedicated Schools Grant so there was in fact a total overspend of £3.5m against the high needs allocation. Pupil numbers in Additionally Resourced Provision were expected to increase next year and the overspend would continue to be monitored. Updates on the position would be brought to future meetings of the forum. The new Special School would help the situation but this would not open until September 2021 due to delays in the planning process.

The Forum noted the additional high needs funding for financial year 2020-21 and noted the year forecast of expenditure for financial year 2019-20.

#### **19 CENTRAL SCHOOL SERVICES BLOCK 2020-21**

Indicative funding for the Central Schools Services Block (CSSB) was set out for the Forum. Final figures would be available once the new pupil numbers had been received.

The Forum noted the allocation of CSSB funding for 2020-21.

#### **20 EARLY YEARS FUNDING 2020-21**

It was noted that hourly rates for the Early Years funding block had increased by £0.08 per hour. This would be discussed with the Early Years

Provider Reference Group and the outcome brought to the next meeting of the Forum.

The Forum noted the allocation of Early Years funding for 2020-21.

21 **NEXT MEETINGS**

The next meetings of the Sub-Committee had been arranged as follows:

17 December 2019

16 January 2020

19 March 2020

18 June 2020

All meetings to start at 8.30 am at CEME.

22 **ANY OTHER BUSINESS**

There was no other business raised.



# Agenda Item 4



## Schools Funding Forum 16<sup>th</sup> January 2020

## ITEM 4

**Subject Heading:**

**Schools Funding Formula 2020-21**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All school and academy  
representatives**

### SUMMARY

This report is for the Schools Funding Forum to consider the Local Authority's recommendations on the funding of Havering's schools and academies in the financial year 2020-21 following consultation with schools on the proposals and the subsequent release of October 2019 census data by the DfE.

### RECOMMENDATIONS

That the Schools Funding Forum agrees that:

- (i) the Local Authority adopts the national funding formula rates for the funding of schools and academies in financial year 2020-21 and also ensures that all schools receive a minimum funding guarantee of 0.5% per pupil with gains capped at 4% per pupil
- (ii) that £800,000 of the DSG Schools Block is used to support the Pupil Growth/Falling Rolls Fund
- (iii) that £500,000 of the DSG Schools Block is transferred to the High Needs Block to meet the growing pressures in funding high needs provision

## REPORT DETAIL

At the meeting held on 7<sup>th</sup> November 2019 the Schools Funding Forum received a report on the Local Authority's estimate of the Schools Block DSG funding that was to be received for financial year 2020-21 for distribution to schools and academies.

On this basis, a range of options were presented all of which were modelled using the DfE's national funding formula rates. Consideration was then given to the level of minimum funding guarantee (mfg) and the gains cap to be applied.

It was decided that schools be consulted on two options and the consultation is attached at Appendix A. A summary of the responses is attached at Appendix B.

Although the response rate is low, this provides a clear steer for the LA to calculate final figures on the following basis:

- a 0.5% minimum funding guarantee
- a 4% gains cap
- transfer of £800k to the Pupil Growth Fund
- transfer of £500k to the High Needs Block

In consulting with the Schools Funding Forum and with schools, the LA emphasised that the initial proposals were based on the provisional DSG Schools Block allocation from the DfE which was based on the October 2018 census and the LA also used October 2018 data in its modelling.

On 17<sup>th</sup> December the DfE issued the revised Schools Block allocation to local authorities and the data from the October 2019 census for LAs to use in calculating their final proposals for funding schools.

There has been an increase in pupil numbers between October 2019 and October 2018 which has increased the LA's allocation of DSG Schools Block for 2020-21 as follows:

	Primary unit of funding (PUF) £	Secondary unit of funding (SUF) £	Primary pupil numbers	Secondary pupil numbers	Rates (NNDR)	School Block Funding for formula distribution £
Final	4,252	5,654	22,309	14,558	2,306,789	179,478,371
Provisional	4,252	5,654	22,118	14,447	2,306,789	178,038,488
Difference	0	0	191	111	0	1,439,883

The pupil growth funding has not changed from the provisional allocation and remains at £1,630,363.

Including the £868,580 reduction in the funding for pupil growth, Havering's total Schools Block allocation for 2020-21 has increased by £7.4m (4.2%) compared to 2019-20. This will include funding for an increase in pupil numbers of 302 (0.8%).

The funding that schools will receive in 2020-21 has now been re-calculated using the data from the October 2019 census and because of changes in the data since provisional funding options were modelled there are some differences in the level of funding increases that schools will receive. For example, some schools that, using October 2018 data, would have received a higher funding increase capped at 4% are now within the 4% and a greater number of schools have % increases that require neither mfg protection nor capping.

A table showing the change in the number of schools subject to the mfg or gains cap is shown below.

	No. of schools protected on 0.5% mfg		Cost of protection £		No. of schools capped at a 4% increase		Funding not allocated above 4% £		No. of schools to receive between 0.5% and 3.9%	
	Prov	Final	Prov	Final	Prov	Final	Prov	Final	Prov	Final
Infant	0	1	0	1,914	7	4	54,721	93,354	5	7
Junior	0	0	0	0	11	8	427,297	299,002	1	4
Primary	3	1	10,418	5,191	26	18	747,662	513,168	8	18
Secondary	4	3	888,347	840,438	5	5	27,370	166,252	9	10
Total	7	5	898,765	847,543	49	35	1,257,050	1,071,776	23	39

The local authority must submit to the ESFA the formula on which it will fund schools in 2020-21 by 21<sup>st</sup> January and has therefore completed the final modelling on the basis of the NFF formula and funding factors, a 0.5% mfg, a 4% gains cap, use of £800k to support the pupil growth fund and a £500k transfer to high needs.

Appendix C attached shows the increase or decrease in funding for each school based on the October 2019 data and includes the effect of changes in pupil numbers and business rates.

# Consultation on Schools and High Needs Funding 2020-21





## Schools Funding 2020-21

### 1. Dedicated Schools Grant (DSG)

Shortly before the start of the new academic year the Government announced a £14 billion cash boost for schools. This will allocate an additional £2.6 billion in 2020/21, a further £2.2 billion in 2021/22 and a further £2.3 billion in 2022/23. This is shown in the table below

	£bn	£bn	£bn	£bn
2020-21	2.6	-	-	2.6
2021-22	2.6	2.2	-	4.8
2022-23	2.6	2.2	2.3	7.1
Cumulative	7.8	4.4	2.3	14.5

Since then, local authorities have received their indicative allocations of schools and high needs blocks of the DSG.

### 2. Havering's Schools Block funding 2020-21

Local authority allocations are based on primary and secondary units of funding (PUFs and SUFs). The indicative allocations are calculated on October 2018 data and will be updated in December for October 2019 pupil numbers.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £	Primary pupil numbers (October 2018)	Secondary pupil numbers (October 2018)	Rates (NNDR)	Mobility £	School Block Funding for formula distribution £
2020-21	4,252	5,654	22,118	14,447	2,304,163	0	178,035,863
2019-20	4,054	5,495	22,118	14,447	2,098,445	63,051	171,217,145
Diff	198	159	0	0	208,344	-63,051	6,818,718

Note: For 2020-21 funding for pupil mobility has been included in the (PUFs and SUFs) rather than allocated as a separate sum as in 2019-20.

The total Schools Block funding also includes funding for pupil growth and falling rolls as below.

	Growth & falling rolls funding £	Total Schools Block funding £
2020-21	1,630,363	179,666,226
2019-20	2,498,943	173,716,088
Diff	-868,580	5,950,178

The intention of Central Government is, in a future year, to allocate funding to schools according to the National Funding Formula (NFF) with no opportunity for local decision making. However, it is not yet clear when that will start so, as with 2018-19 and 2019-20, local authorities can, in consultation with their Schools Forums, decide on how much is allocated to schools through each formula factor.

Havering decided from the first year to adopt as closely as possible the NFF funding factors and the funding rates for each factor. This approach limits the local decisions that need to be made to the level of the minimum funding guarantee and gains cap to be applied and to consider if any of the additional funding available should be used to support other areas.

### 3. The Minimum Funding Guarantee (mfg)

The mfg ensures that schools that would otherwise receive a lower level of funding per pupil than in the previous year are protected up to a minimum % increase per pupil.

The DfE requires the mfg to be set at between 0.5% and 1.84% in 2020-21.

Example based on a 0.5% mfg

School's per pupil funding in 2019-20	£4,000
Formula funding for 2020-21	£3,990 (0.25% less than 19-20)
School to be funded at 2019-20 + 0.5%	£4,020

The higher the mfg, the greater the amount of the Schools Block that is allocated to those schools as they are guaranteed to receive an increase per pupil at whatever level the mfg is set.

### 4. Gains cap

The gains cap is applied to schools that would otherwise have received a higher amount per pupil when compared to their funding in 2019-20.

Example based on a 4% gains cap

School's per pupil funding in 2019-20	£4,000
Formula funding for 2020-21	£4,200 (5% more than 19-20)
School to be funded at 2019-20 + 4%	£4,160

### 5. Pupil Growth and Falling Rolls Funding

Havering's allocation has been reduced because the funding is now allocated by the DfE based on a formula that multiplies the difference between the pupil numbers from the latest October census and those from the previous year by per pupil amounts of £1,370 for primary and £2,050 for secondary. These arrangements based on lagged data do not, therefore support Havering's forecast increase in pupil numbers and have reduced the amount that is allocated.

Havering's growth and falling rolls funds supports school expansions, bulge classes and those schools with falling rolls. The allocations to be made for expected expansions and bulge classes in September 2020, previous year expansions moving through year groups and for falling rolls has been set out for the Schools Funding Forum and will require a budget of approximately £2.5m, the same level as in the current financial year.

The Schools Funding Forum agreed that pupil growth and falling rolls funding to schools needs to be protected at current levels or to the level of affordability once other funding decisions have been made.

This will require the use of approximately £800k of the Schools Block funding that would otherwise be used as a contingency or to raise the level of the gains cap from the proposed 4% per pupil so that the 49 schools whose increases are capped at that level would receive a little more funding. This use of approximately £800k of the Schools Block funding would have no impact on any school that is funded up to level of the minimum funding guarantee or those that are not subject to the gains cap.

#### 6. Havering's High Needs Block funding 2020-21

Indicative funding for 2020-21 is as shown in the table below with comparable data from 2019-20. The DfE's High Needs formula uses 11 different factors but only the pupil population factor is shown below as, along with historic spend, this distributes the largest proportion of funding to local authorities.

	Aged 2 – 18 Pupil Population Estimate	£
2020-21	56,908	29,404,318
2019-20	55,566	25,332,390
Difference	1,342	4,071,928

Although this additional funding is welcome, it is insufficient to fund new initiatives or developments and will only cover committed expenditure on the placement and provision of support for pupils with high needs including alternative provision. At their last meeting the Schools Funding Forum received a report on the forecast overspend of £2.3 million for 2019-20. Were it not for one-off funds of £1.2 million, the overspend would be £3.5 million.

Schools Forums can agree block transfers of up to 0.5% and as a contribution towards this overspend which will carry forward into 2020-21, a transfer from the Schools Block of £500,000 was agreed. The Local Authority will continue to monitor the position on High Needs expenditure during the rest of this financial year.

If this transfer of £500k of the Schools Block funding was not required it would otherwise be used as a contingency or to raise the level of the gains cap from the proposed 4% per pupil so that the 49 schools whose increases are capped at that level would receive a little more funding. This transfer of £500k of the Schools Block



funding would have no impact on any school that is funded up to level of the minimum funding guarantee or those that are not subject to the gains cap.

## 7. The Schools National Funding Formula 2020-21

As part of the Government's national increase in funding for schools, the NFF funding rates have, in general, increased by 4% so on a like for like basis all schools will see an increase in their funding in 2020-21. The differences between the current formula factor rates and those to be used in 2020-21 are attached at Appendix A.

As well as setting an mfg of between 0.5% and 1.84% LAs also need to ensure that primary schools receive a minimum level of per pupil funding of £3,750 and £5,000 for secondary. This calculation is different to the minimum funding guarantee as it includes the lump sum whereas the mfg calculation does not.

In 2019-20 these minimum levels were £3,500 and £4,800 respectively. Only one Havering (secondary) school required protecting at this level in 2019-20 and in 2020-21 there will be two primary schools and one secondary school. In the following financial year of 2021-22 the primary minimum will increase to £4,000 with secondary remaining unchanged at £5,000.

## 8. Havering's funding formula for 2020-21

The amount of additional funding available for distribution to schools is demonstrated in the table below. This shows that if the current year's funding to schools was recalculated using the increased NFF funding rates of around 4% there would still be £3.5m available for allocation.

	£
Funding available for allocation through the formula in 2020-21	178,035,863
Funding in 2019-20 updated for increased NFF rates	174,506,849
Additional funding available	3,529,014

The funding required to bring the pupil growth and falling rolls fund back up to the level of the current year's allocation (£800k) and the transfer to the High Needs Block (£500k) should be deducted from this amount.

The Schools Funding Forum considered a range of options on how this additional funding could be allocated. This consultation asks for responses on two options.

As stated above, having agreed to use the NFF factor rates, the decisions to be made are on the level of mfg and gains cap to apply.

Both options below are modelled on a 4% gains cap as the cost of any increase above this would overspend the DSG Schools Block. Once Havering's Schools Block allocation has been revised based on October 2019 data, the Schools Funding Forum will review the affordability of the 4% gains cap and the possibility of applying a higher cap.

The two options are:

Option A Mfg 0.5% Gains cap 4%

Option B Mfg 1.84% Gains cap 4%

The number of schools subject to mfg protection, the 4% gains cap and the number whose formula allocations require neither protection nor capping are as follows:

<b>Option A</b>	No. of schools protected on 0.5% mfg	Cost of protection £	No. of schools capped at a 4% increase	Funding not allocated above 4% £	No. of schools to receive between 0.5% and 3.9%
Infant	0	0	7	54,721	5
Junior	0	0	11	427,297	1
Primary	3	10,418	26	747,662	8
Secondary	4	888,347	5	27,370	9
<b>Total</b>	<b>7</b>	<b>898,765</b>	<b>49</b>	<b>1,257,050</b>	<b>23</b>

Funding remaining	£1,479,119
Less Pupil Growth/Falling Rolls (indicative)	(£800,000)
Less transfer to High Needs Block	(£500,000)
Balance available (subject to final figures)	£179,119

<b>Option B</b>	No. of schools protected on 1.84% mfg	Cost of protection £	No. of schools capped at a 4% increase	Funding not allocated above 4% £	No. of schools to receive between 0.5% and 3.9%
Infant	3	20,591	7	54,721	2
Junior	0	0	11	427,297	1
Primary	3	31,037	26	747,662	8
Secondary	6	1,161,348	5	27,370	7
<b>Total</b>	<b>12</b>	<b>1,212,976</b>	<b>49</b>	<b>1,257,050</b>	<b>18</b>

Funding remaining	£1,161,909
Less Pupil Growth/Falling Rolls (indicative)	(£800,000)
Less transfer to High Needs Block	(£500,000)
Balance available (subject to final figures)	(£138,091)

Option B therefore, allocates an additional £314,210 to 12 schools, the seven that are already protected in Option A and another five because of the higher level of mfg (1.84% per pupil rather than 0.5%).

An analysis of the additional funding that schools should receive next year prior to changes in pupil numbers and other data from the October 2019 census is attached.

## 9. De-delegation (LA maintained primary schools only)

On behalf of all LA maintained primary schools, the Schools Funding Forum is asked to consider the de-delegation of funding for a limited number of central support services. Agreement has been given for the following services to continue in 2020-21.

Attendance & Behaviour Service

EAL Service

Free School Meals Eligibility Checking Service

General Insurance

Maternity Insurance

Contingency to Support Schools in Financial Difficulty

Trade Union Facility Time

Central Education Services for LA Maintained School Only

## 10. Consultation

It is hoped that this paper and the accompanying figures explain the additional funding that will be allocated to schools next year, the options on a minimum funding guarantee and the affordability of a gains cap which is set at 4% per pupil. It also explains the pressures on the pupil growth and falling rolls fund and high needs funding.

As explained at the start, these allocations are indicative and final calculations will be made once the validated data from the October 2019 census has been received from the DfE. These allocations will therefore change for each school and will increase or decrease depending on increases or reductions in schools' pupil numbers and additional needs data.

The consultation questions are attached.

Issued on 14/11/19 by David Allen

**SCHOOLS FUNDING 2020-21 - CONSULTATION WITH SCHOOLS****SUMMARY OF RESPONSES**

No. of schools responding:		
Primary	13	21%
Secondary	<u>1</u>	<u>5%</u>
Total	14	18%

	YES	NO
Q1. To keep to within the funding available, the maximum increase to schools per pupil is capped at 4%.	Pri. 10	Pri. 2
	Sec. 1	
Comments:		
1. As a school we would lose money.		

Q.2.(a) That the minimum funding guarantee should be set at 0.5% per pupil; or	Pri. 12	Pri. 1
		Sec. 1
Q.2 (b) If affordable in the final figures, the minimum funding guarantee should be increased to 1.84% to the benefit of 12 schools; or		Pri. 10
		Sec. 1
Comments:		
1. We would have liked a middle ground option modelled before committing; we felt that the models represented two fairly diverse options.		
2. Because as a school in financial difficulty it is not right that we are capped, whilst other schools who have increased reserves, continue to receive large increases.		

Q.3 To use approx. £800k of the additional funding available within the DSG Schools Block to maintain the Pupil Growth and Falling Rolls Fund at the current level.	Pri. 11	Pri. 1
	Sec. 1	
Comments:		

The grant should be increased to support schools in financial difficulty, particularly those who have been poorly funded. It is only the children in those schools who will miss out otherwise.

Q.4 To use £500k of the additional funding available within the DSG Schools Block to support the current deficit in the High Needs Block given that the additional funding in 2020-21 for High Needs will only meet current commitments.	Pri. 12	
	Sec. 1	

General comments:

1. We lose £9,952 as a result of the 4% cap but are willing to accept this to support other colleagues. We support the mfg being set at 0.5% on the assumption that any surplus be redistributed evenly.
2. As a leader of a school which has been historically poorly funded and is therefore now in financial difficulty, it is incredibly disheartening to know that our funding which is much needed is now going to be capped and the school is going to lose out on money as a result.

It will just result in more schools going into deficit and having to be bailed out by Schools Forum in the end anyway. I know there are schools with large and increasing reserves who are going to be given even more funding in the next year. There should be a mechanism to ensure that the money is distributed to the schools that need it most so that it does not result in schools having to be "bailed out".

3. Thank you for the opportunity for some genuine consultation.

**FINAL FUNDING TO SCHOOLS IN 2020-21**

Impact of a gains cap of 4% per pupil and a minimum funding guarantee (mfg) of 0.5% per pupil

Provisional - based on October 2018 data										Final - based on October 2019 data															
School Type Name	Current year per pupil funding (baseline for mfg) £	Minimum per-pupil protection Primary - £3,750 / Secondary - £5,000		Increase before mfg or cap adjustment		4% Gains Cap Calculation		0.5% mfg		Additional funding schools to receive £	Pupil number change	Pupil number funding change £	Minimum per-pupil protection Primary - £3,750 / Secondary - £5,000		Increase BEFORE mfg or cap adjustment		4% Gains Cap Calculation		0.5% mfg		Funding £	Increase/dec rease in school funding compared to 2019-20 exc rates £	Rates difference £	Increase/dec rease in school funding compared to 2019-20 inc rates £	Difference between provisional and final before pupil number changes £
		Additional funding to meet the minimum funding level £	Per pupil %	Funding £	% Adjustment to 4% cap	Adjustment to funding required to be within 4% cap £	Adjustment required to reach 0.5% MFG %	Adjustment to funding required to reach 0.5% MFG £	Additional funding to meet the minimum funding level £				Per pupil %	Funding £	% Adjustment to 4% cap	Adjustment to funding required to be within 4% cap £	Adjustment required to reach 0.5% MFG %	Adjustment to funding required to reach 0.5% MFG £							
Infant School 10	4,382	0	2.90%	22,852	0	0	0	22,852	-8	-35,052	0	3.40%	25,621	0	3.40%	25,621	0	0	0	0	25,621	-9,431	33	-9,398	2,769
Infant School 8	3,979	0	1.49%	10,231	0	0	0	10,231	-1	-3,979	0	0.75%	5,139	0	0.75%	5,139	0	0	0	0	5,139	1,161	-1,315	-155	-5,092
Infant School 4	3,806	0	5.50%	62,829	-1.50%	-17,154	0	45,675	15	57,093	0	3.90%	46,814	0	3.90%	46,814	0	0	0	0	46,814	103,907	3,071	106,978	1,140
Infant School 9	3,796	0	4.61%	42,883	-0.61%	-5,683	0	37,200	-13	-49,347	0	2.77%	24,430	0	2.77%	24,430	0	0	0	0	24,430	-24,917	2,772	-22,144	-12,770
Infant School 3	3,720	0	4.51%	36,566	-0.51%	-4,132	0	32,434	19	70,671	0	3.48%	30,669	0	3.48%	30,669	0	0	0	0	30,669	101,340	107	101,447	-1,765
Infant School 5	3,678	0	4.46%	56,719	-0.46%	-5,813	0	50,906	-3	-11,034	0	6.18%	77,946	0	-2.18%	-27,482	0	0	0	0	50,464	39,430	459	39,889	-441
Infant School 6	3,623	0	4.12%	37,131	-0.12%	-1,042	0	36,088	-6	-21,740	0	6.91%	60,839	0	-2.91%	-25,620	0	0	0	0	35,219	13,479	276	13,755	-870
Infant School 11	3,606	0	3.86%	36,081	0	0	0	36,081	4	14,423	0	3.91%	37,051	0	0	0	0	0	0	0	37,051	51,474	379	51,853	970
Infant School 2	3,582	0	6.69%	37,837	-2.69%	-15,200	0	22,637	-15	-53,726	0	8.31%	42,567	0	-4.31%	-22,080	0	0	0	0	20,487	-33,238	300	-32,938	-2,149
Infant School 7	3,452	0	0.70%	6,415	0	0	0	6,415	-1	-3,452	0	1.38%	12,653	0	0	0	0	0	0	0	12,653	9,200	2,776	11,977	6,238
Infant School 1	3,449	0	4.61%	42,941	-0.61%	-5,697	0	37,244	-1	-3,449	0	5.96%	55,278	0	-1.96%	-18,172	0	0	0	0	37,106	33,658	404	34,062	-138
Infant School 12	3,362	0	0.99%	9,028	0	0	0	9,028	-1	-3,362	0	0.29%	2,608	0	0	0	0	0	0	0	4,522	1,160	-734	425	-4,506
<b>Average</b>	<b>3,703</b>	<b>0</b>	<b>3.70%</b>	<b>33,459</b>	<b>-54,721</b>	<b>0</b>	<b>0</b>	<b>28,899</b>	<b>-11</b>	<b>-42,955</b>	<b>0</b>	<b>3.94%</b>	<b>35,135</b>	<b>0</b>	<b>-93,354</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,515</b>	<b>23,935</b>	<b>711</b>	<b>24,646</b>	<b>-1,384</b>
<b>Median</b>	<b>3,651</b>	<b>0</b>	<b>4.29%</b>	<b>36,848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,258</b>	<b>8</b>	<b>35,373</b>	<b>0</b>	<b>3.69%</b>	<b>33,860</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,145</b>	<b>11,340</b>	<b>339</b>	<b>12,866</b>	<b>-655</b>
<b>Highest</b>	<b>4,382</b>	<b>0</b>	<b>6.69%</b>	<b>62,829</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,906</b>	<b>7</b>	<b>25,251</b>	<b>0</b>	<b>8.31%</b>	<b>77,946</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,464</b>	<b>103,907</b>	<b>3,071</b>	<b>106,978</b>	<b>6,238</b>
<b>Lowest</b>	<b>3,362</b>	<b>0</b>	<b>0.70%</b>	<b>6,415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,415</b>	<b>4</b>	<b>13,164</b>	<b>0</b>	<b>0.29%</b>	<b>2,608</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,522</b>	<b>-33,238</b>	<b>-1,315</b>	<b>-32,938</b>	<b>-12,770</b>
Junior School 8	4,422	0	5.48%	56,421	-1.48%	-15,211	0	41,210	8	35,373	0	4.36%	46,430	0	-0.36%	-3,805	0	0	0	0	42,625	77,998	35	78,033	1,415
Junior School 6	3,862	0	5.29%	48,845	-1.29%	-11,920	0	36,925	-7	-27,037	0	3.59%	32,191	0	0	0	0	0	0	0	32,191	5,154	-1,315	3,839	-4,734
Junior School 2	3,679	0	6.52%	80,640	-2.52%	-31,196	0	49,445	0	0	0	5.92%	73,239	0	-1.92%	-23,794	0	0	0	0	49,445	49,445	-2,941	46,503	0
Junior School 3	3,641	0	7.91%	139,305	-3.91%	-68,825	0	70,481	1	3,641	0	5.31%	93,732	0	-1.31%	-23,105	0	0	0	0	70,626	74,267	459	74,726	146
Junior School 9	3,611	0	4.49%	52,740	-0.49%	-5,795	0	46,945	9	32,501	0	4.40%	53,120	0	-0.40%	-4,874	0	0	0	0	48,245	80,746	379	81,125	1,300
Junior School 11	3,607	0	9.41%	86,204	-5.41%	-49,554	0	36,650	7	25,251	0	8.24%	77,621	0	-4.24%	-39,961	0	0	0	0	37,660	62,911	27	62,938	1,010
Junior School 10	3,588	0	12.53%	142,492	-8.53%	-96,993	0	45,499	10	35,883	0	13.39%	157,073	0	-9.39%	-110,138	0	0	0	0	46,935	82,818	2,772	85,590	1,435
Junior School 4	3,564	0	7.96%	101,851	-3.96%	-50,672	0	51,179	-2	-7,128	0	6.43%	81,842	0	-2.43%	-30,948	0	0	0	0	50,894	43,766	276	44,042	-285
Junior School 5	3,475	0	3.47%	43,115	0	0	0	43,115	4	13,898	0	1.89%	23,758	0	0	0	0	0	0	0	23,758	37,656	-40,908	-3,253	-19,357
Junior School 1	3,449	0	4.48%	55,577	-0.48%	-5,918	0	49,659	-3	-10,346	0	2.77%	34,047	0	0	0	0	0	0	0	34,047	23,701	404	24,105	-15,612
Junior School 7	3,398	0	12.90%	123,628	-8.90%	-85,298	0	38,329	-23	-78,154	0	11.09%	97,580	0	-7.09%	-62,376	0	0	0	0	35,203	-42,951	92	-42,859	-3,126
Junior School 12	3,291	0	4.50%	52,913	-0.50%	-5,917	0	46,996	4	13,164	0	3.52%	41,825	0	0	0	0	0	0	0	41,825	54,989	-734	54,255	-5,171
<b>Average</b>	<b>3,632</b>	<b>0</b>	<b>7.08%</b>	<b>81,978</b>	<b>-427,297</b>	<b>0</b>	<b>0</b>	<b>46,369</b>	<b>8</b>	<b>37,046</b>	<b>2,528</b>	<b>5.91%</b>	<b>67,705</b>	<b>0</b>	<b>-299,002</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,788</b>	<b>45,875</b>	<b>-3,455</b>	<b>42,420</b>	<b>-3,582</b>
<b>Median</b>	<b>3,598</b>	<b>0</b>	<b>6.00%</b>	<b>68,530</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,222</b>	<b>8</b>	<b>37,046</b>	<b>2,528</b>	<b>4.86%</b>	<b>63,179</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,225</b>	<b>52,217</b>	<b>63</b>	<b>50,379</b>	<b>-143</b>
<b>Highest</b>	<b>4,422</b>	<b>0</b>	<b>12.90%</b>	<b>142,492</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,481</b>	<b>7</b>	<b>25,251</b>	<b>0</b>	<b>13.39%</b>	<b>157,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,481</b>	<b>70,481</b>	<b>70,481</b>	<b>70,481</b>	<b>70,481</b>
<b>Lowest</b>	<b>3,291</b>	<b>0</b>	<b>3.47%</b>	<b>43,115</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,650</b>	<b>4</b>	<b>13,164</b>	<b>0</b>	<b>1.89%</b>	<b>23,758</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,650</b>	<b>36,650</b>	<b>36,650</b>	<b>36,650</b>	<b>36,650</b>

School Type Name	Current year per pupil funding (baseline for mfg) £	Minimum per-pupil protection Primary - £3,750 / Secondary - £5,000		Increase before mfg or cap adjustment		4% Gains Cap Calculation		0.5% mfg		Additional funding schools to receive £	Pupil number change	Pupil number funding change £	Minimum per-pupil protection Primary - £3,750 / Secondary - £5,000		Increase BEFORE mfg or cap adjustment		4% Gains Cap Calculation		0.5% mfg		Increase AFTER mfg or cap adjustment	Increase/dec rease in school funding compared to 2019-20 exc rates £	Rates difference £	Increase/dec rease in school funding compared to 2019-20 inc rates £	Difference between provisional and final before pupil number changes £
		Additional funding to meet the minimum funding level £	Per pupil %	Funding £	% Adjustment to 4% cap	Adjustment to funding required to be within 4% cap £	Adjustment required to reach 0.5% MFG %	Adjustment to funding required to reach 0.5% MFG £	Additional funding to meet the minimum funding level £				Per pupil %	Funding £	% Adjustment to 4% cap	Adjustment to funding required to be within 4% cap £	Adjustment required to reach 0.5% MFG %	Adjustment to funding required to reach 0.5% MFG £	Funding £						
Primary School 12	4,249	0	2.88%	65,026	0	0	0	65,026	-4	-16,996	0	2,69%	60,359	0	2,69%	60,359	-0.46%	-6,232	0	0	60,359	43,363	3,228	46,591	-4,667
Primary School 13	4,238	0	6.15%	88,626	-2.15%	-30,995	0	57,630	-20	-84,750	0	4.46%	60,473	0	4.46%	60,473	-0.46%	-6,232	0	0	54,240	-30,510	-58,259	-88,769	-3,390
Primary School 15	4,228	0	4.90%	127,074	-0.90%	-23,400	0	103,674	-4	-16,913	0	3.87%	99,595	0	3.87%	99,595	0	0	0	99,595	82,683	-1,982	80,701	-4,078	
Primary School 34	4,209	0	-1.02%	-3,328	0	0	1,52%	4,987	116	487,518	0	1.25%	10,172	0	1.25%	10,172	0	0	0	10,172	497,690	15,229	512,920	8,513	
Primary School 17	4,118	0	4.72%	119,319	-0.72%	-18,172	0	101,147	8	32,947	0	4.39%	112,455	0	4.39%	112,455	-0.39%	-9,991	0	0	102,465	135,412	1,237	136,648	1,318
Primary School 36	4,101	0	8.58%	164,717	-4.58%	-87,939	0	76,778	-33	-135,346	0	6.10%	108,751	0	6.10%	108,751	-2.10%	-37,387	0	0	71,364	-63,982	-1,328	-65,310	-5,414
Primary School 33	4,095	0	0.05%	442	0	0	0.45%	3,717	132	542,218	0	0.12%	1,693	0	0.12%	1,693	0	0	0	6,884	549,102	-13,586	535,516	2,725	
Primary School 30	4,063	0	5.68%	64,173	-1.68%	-18,995	0	45,179	-8	-32,503	0	5.16%	56,652	0	5.16%	56,652	-1.16%	-12,774	0	0.38%	5,191	43,879	11,376	38	11,414
Primary School 16	4,029	0	7.98%	135,084	-3.98%	-67,404	0	67,680	-6	-24,172	0	6.01%	100,319	0	6.01%	100,319	-2.01%	-33,606	0	0	66,713	42,542	-8,645	33,897	-967
Primary School 18	3,979	0	6.81%	127,178	-2.81%	-52,528	0	74,651	13	51,730	0	5.91%	113,376	0	5.91%	113,376	-1.91%	-36,656	0	0	76,720	128,450	-4,255	124,195	2,069
Primary School 7	3,886	0	5.18%	126,028	-1.18%	-28,720	0	97,308	-5	-19,431	0	3.68%	88,887	0	3.68%	88,887	0	0	0	88,887	69,456	-2,232	67,224	-8,421	
Primary School 21	3,879	0	8.96%	208,897	-4.96%	-115,645	0	93,253	-7	-27,153	0	8.14%	187,575	0	8.14%	187,575	-4.14%	-95,408	0	0	92,167	65,013	620	65,633	-1,086
Primary School 19	3,842	0	4.46%	55,348	-0.46%	-5,711	0	49,637	33	126,782	0	5.34%	72,998	0	5.34%	72,998	-1.34%	-18,290	0	0	54,708	181,490	1,238	182,728	5,071
Primary School 3	3,837	0	4.87%	73,180	-0.87%	-13,018	0	60,163	17	65,227	0	4.32%	67,823	0	4.32%	67,823	-0.32%	-5,051	0	0	62,772	127,999	15,411	143,410	2,609
Primary School 5	3,794	0	3.64%	56,070	0	0	0	56,070	3	11,383	0	1.94%	30,153	0	1.94%	30,153	0	0	0	30,153	41,536	608	42,144	-25,917	
Primary School 35	3,750	0	5.49%	87,028	-1.49%	-23,578	0	63,449	-27	-101,249	0	3.87%	57,513	0	3.87%	57,513	0	0	0	57,513	-43,736	-1,289	-45,025	-5,937	
Primary School 4	3,725	0	6.79%	126,288	-2.79%	-51,936	0	74,351	8	29,800	0	5.08%	95,925	0	5.08%	95,925	-1.08%	-20,381	0	0	75,543	105,344	4,091	109,434	1,192
Primary School 37	3,714	0	0.04%	162	0	0	0.46%	1,713	2	7,428	0	3.38%	12,945	0	3.38%	12,945	0	0	0	12,945	20,373	19	20,391	11,069	
Primary School 24	3,708	0	14.13%	106,385	-10.13%	-76,279	0	30,106	5	18,538	0	12.27%	94,660	0	12.27%	94,660	-8.27%	-63,813	0	0	30,847	49,386	125	49,511	741
Primary School 10	3,678	0	3.55%	26,875	0	0	0	26,875	1	3,678	0	3.95%	30,093	0	3.95%	30,093	0	0	0	30,093	33,771	146	33,917	3,218	
Primary School 25	3,645	0	4.44%	60,533	-0.44%	-6,000	0	54,533	5	18,226	0	3.56%	49,215	0	3.56%	49,215	0	0	0	49,215	67,441	-7,038	60,403	-5,318	
Primary School 28	3,643	0	4.63%	34,435	-0.63%	-4,712	0	29,723	1	3,643	0	4.15%	30,980	0	4.15%	30,980	-0.15%	-1,111	0	0	29,869	33,511	37	33,548	146
Primary School 9	3,635	0	4.48%	96,805	-0.48%	-10,288	0	86,517	-20	-72,703	0	2.65%	55,385	0	2.65%	55,385	0	0	0	55,385	-17,318	-16,329	-33,647	-31,132	
Primary School 6	3,628	0	4.37%	50,885	-0.37%	-4,300	0	46,585	9	32,653	0	2.40%	28,686	0	2.40%	28,686	0	0	0	28,686	61,339	1,168	62,507	-17,899	
Primary School 22	3,595	0	6.12%	130,358	-2.12%	-45,089	0	85,269	-52	-186,930	0	7.02%	136,520	0	7.02%	136,520	-3.02%	-58,729	0	0	77,791	-109,138	-3,283	-112,421	-7,477
Primary School 2	3,591	0	4.30%	87,155	-0.30%	-6,135	0	81,020	33	118,514	0	5.08%	108,998	0	5.08%	108,998	-1.08%	-23,237	0	0	85,761	204,274	760	205,034	4,740
Primary School 31	3,582	0	5.46%	79,623	-1.46%	-21,316	0	58,307	9	32,234	0	5.55%	82,665	0	5.55%	82,665	-1.55%	-23,069	0	0	59,596	91,830	-6,099	85,730	1,289
Primary School 32	3,557	0	3.49%	56,516	0	0	0	56,516	37	131,621	0	2.29%	40,156	0	2.29%	40,156	0	0	0	40,156	171,777	-1,051	170,726	-16,359	
Primary School 1	3,537	0	5.48%	66,047	-1.48%	-17,798	0	48,249	10	35,374	0	4.64%	57,607	0	4.64%	57,607	-0.64%	-7,942	0	0	49,664	85,038	824	85,862	1,415
Primary School 27	3,505	0	4.24%	48,748	-0.24%	-2,764	0	45,984	26	91,127	0	3.69%	45,787	0	3.69%	45,787	0	0	0	45,787	136,914	1,929	138,843	-197	
Primary School 23	3,488	0	2.78%	40,868	0	0	0	40,868	-3	-10,464	0	2.17%	31,670	0	2.17%	31,670	0	0	0	31,670	21,207	-203	21,004	-9,198	
Primary School 20	3,484	0	4.32%	94,048	-0.32%	-6,952	0	87,096	4	13,935	0	3.57%	78,227	0	3.57%	78,227	0	0	0	78,227	92,162	716	92,878	-8,870	
Primary School 8	3,438	0	4.12%	65,748	-0.12%	-1,945	0	63,803	-11	-37,814	0	6.81%	105,994	0	6.81%	105,994	-2.81%	-43,704	0	0	62,290	24,476	520	24,996	-1,513
Primary School 11	3,426	0	3.32%	41,042	0	0	0	41,042	29	99,349	0	2.63%	35,103	0	2.63%	35,103	0	0	0	35,103	134,452	-45,387	89,065	-5,938	
Primary School 14	3,418	0	4.39%	67,304	-0.39%	-6,045	0	61,259	3	10,255	0	5.02%	77,456	0	5.02%	77,456	-1.02%	-15,787	0	0	61,669	71,924	297	72,221	410
Primary School 29	3,354	15,832	5.39%	104,080	-1.39%	-13,900	0	104,080	9	30,188	0	5.49%	107,642	0	5.49%	107,642	0	0	0	107,642	137,830	1,183	139,014	3,562	
Primary School 26	3,290	27,965	5.05%	69,985	-1.05%	-7,477	0	69,985	-2	-6,579	0	33,078	0	33,078	0	33,078	0	0	0	69,064	62,485	93	62,578	-921	
<b>Average</b>	3,755		4.87%	79,696				59,770				4.42%	70,367		4.42%	70,367				56,638	89,648	-3,282	86,365	-3,133	
<b>Median</b>	3,708		4.63%	69,985				60,163				4.32%	67,823		4.32%	67,823				57,513	67,441	93	65,633	-967	
<b>Highest</b>	4,249		14.13%	208,897				104,080				12.27%	187,575		12.27%	187,575				107,642	549,102	15,411	535,516	11,069	
<b>Lowest</b>	3,290		-1.02%	-3,328				1,659				0.12%	1,693		0.12%	1,693				6,884	-109,138	-58,259	-112,421	-31,132	
Secondary School 18	6,546	0	-8.69%	-539,558	0	0	9.19%	570,618	37	242,197	0	-7.88%	-508,561	0	-7.88%	-508,561	0	0	8.38%	540,832	32,271	274,468	11,493	285,961	1,211
Secondary School 3	5,714	0	3.56%	146,959	0	0	0	146,959	-34	-194,275	0	3.32%	130,874	0	3.32%	130,874	0	0	0	0	130,874	-63,401	-3,355	-66,756	-16,084
Secondary School 12	5,693	0	2.62%	116,824	0	0	0	116,824	65	370,024	0	2.41%	116,635	0	2.41%	116,635	0	0	0	0	116,635	486,659	-3,341	483,319	-1,888
Secondary School 10	5,661	0	-1.91%	-64,757	0	0	2.41%	81,712	34	192,469	0	-1.01%	-36,363	0	-1.01%	-36,363	0	0	1.51%	54,280	17,917	210,386	-2,477	207,909	962
Secondary School 2	5,497	0	-4.79%	-212,216	0	0	5.29%	234,369	60	329,812	0	-4.65%	-221,524	0	-4.65%	-221,524	0	0	5.15%	245,326	23,802	353,613	-2,851	350,763	1,649
Secondary School 6	5,477	0	4.04%	164,056	-0.04%	-1,488	0	162,568	-14	-76,683	0	4.70%	187,375	0	4.70%	187,375	-0.70%	-27,874	0	0	159,501	82,818	-2,298	80,519	-3,067
Secondary School 7	5,456	0	4.22%	156,735	-0.22%	-8,119	0	148,616	-94	-512,844	0	4.82%	154,457	0	4.82%	154,457	-0.82%	-26,355	0	0	128,102	-384,742	-4,273	-389,015	-20,514
Secondary School 9	5,386	0	1.49%	53,915	0	0	0	53,915	18	96,952	0	3.44%	127,957	0	3.44%	127,957	0	0	0	127,957	224,909	-3,168	221,741	74,042	
Secondary School 5	5,370	0	4.06%	205,205	-0.06%	-3,078	0	202,126	-7	-37,590	0	4.51%	226,202	0	4.51%	226,202	-0.51%	-25,579	0	0	200,622	163,033	15,025	178,058	-1,504
Secondary School 14	5,248	0	2.63%	158,854	0	0	0	158,854	10	52,481	0	2.47%	150,801	0	2.47%	150,801	0	0							



## Schools Funding Forum 16<sup>th</sup> January 2020

## ITEM 5

**Subject Heading:**

**Early Years Funding 2020-21**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All members**

### SUMMARY

This report is for the Schools Funding Forum to note the process that is underway for the Local Authority to determine the funding arrangements for early years provision for the financial year 2020-21.

### RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the LA's proposals for the funding of early years provision in 2020-21
- (ii) notes the timeline and arrangements for approving proposals following consultation with providers



## REPORT DETAIL

### Background

Early years education is funded through the Early Years Block of the DSG. For financial year 20120-21 local authorities have received indicative allocations of funding which include a share of the additional £66m increase allocated by central Government. This additional funding has been allocated through an 8p increase in the hourly rates used to fund all local authorities.

Havering's increase is as follows:

	2 year olds	3 & 4 year olds
2019-20	£5.66	£5.28
2020-21	£5.74	£5.36
Increase	£0.08	£0.08

These hourly rates are applied to the January 2019 census data to advise LAs of their indicative allocations. Havering's allocation is shown in the table below.

2 Year Olds			3 & 4 Year Olds			Total Funding for distribution to providers
Cohort (PTE)	Unit of funding	Allocation	Cohort (PTE)	Unit of funding	Allocation	
526.95	£5.74	£1,724,064	5,695.98	£5.36	£17,402,373	£19,126,437

Note: for all provision the PTE numbers are multiplied by 15 hours per week x 38 weeks per year x the hourly rate.

LAs' funding allocations are revised during the year (June or July) based on the January 2020 census.

The LA, in consultation with providers and the Schools Funding Forum needs to determine the hourly rate that will be used to fund early years provision having taken into account the use and cost of supplementary factors, contingencies, central retention of up to 5% for LA responsibilities and an SEN Inclusion Fund.

The cost of the LA's initial proposals is attached at Appendix A.

### Consultation

The consultation document on LA proposals is attached at Appendix B. The consultation was launched on 7<sup>th</sup> January with a deadline for responses of 24<sup>th</sup>

January. Responses will be considered by the Early Years Provider Reference Group on 28<sup>th</sup> January.

Final decisions need to be made by mid-February to be included in the funding statements to be sent to schools with nursery provision before the 29<sup>th</sup> February. The next meeting of the Schools Funding Forum is not until 19<sup>th</sup> March and it is therefore proposed to email Forum members with final proposals following the EYPRG meeting and delegate approval to the Chair and Vice Chair. Final decisions will be reported at the meeting on 19<sup>th</sup> March.

**Proposed Early Years Funding Rates 2020-21**

**Item 5**

**Appendix A**

	2 year old Cohort			3/4 year old Cohort			2 year olds	3/4 year olds	
			Total funding			Total funding	% of overall funding/direct to provider	% of overall funding	% of direct to provider
Funding Rate 2019-20	£5.66	526.95	1,700,035	£5.28	5,695.98	17,142,636			
Funding Rate 2020-21	£5.74	526.95	1,724,064	£5.36	5,695.98	17,402,373			
<b>Funding Change</b>	<b>£0.08</b>	<b>0</b>	<b>24,029</b>	<b>£0.08</b>	<b>0</b>	<b>259,737</b>			
<b>Central Services (maximum 5 % of 3/4 year old allocation)</b>			<b>0</b>			<b>820,000</b>	<b>0.0%</b>	<b>4.7%</b>	<b>n/a</b>
<b>Inclusion Fund (part of 95% pass-through to providers)</b>			<b>0</b>			<b>200,000</b>	<b>0.0%</b>	<b>1.1%</b>	<b>1.2%</b>
<b>Balance to fund Base Rate &amp; Supplements (IDACI) &amp; Contingency</b>			<b>1,724,064</b>			<b>16,382,373</b>			
<b>IDACI Supplement</b>			<b>0</b>			<b>468,390</b>	<b>0.0%</b>	<b>2.7%</b>	<b>2.8%</b>
<b>2019-20 Base Rate</b>	<b>£5.60</b>	526.95	<b>1,682,014</b>	<b>£4.80</b>	<b>5,695.98</b>	<b>15,584,215</b>	<b>97.6%</b>	<b>89.6%</b>	<b>94.0%</b>
Balance remaining for Contingency / Base Rate increase			42,050			329,769			
<b>Contingency for 1.0% &amp; 0% increase</b>		<b>5.27</b>	<b>16,820</b>			<b>0</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Expected cohort to fund		532.22	25,230.21		5,695.98	329,769			
<b>Funding increase</b>	<b>£0.08</b>		<b>25,230.21</b>	<b>£0.10</b>		<b>329,769</b>	<b>1.5%</b>	<b>1.9%</b>	<b>2.0%</b>
<b>Revised Base Rate 2020-21</b>	<b>£5.68</b>			<b>£4.90</b>					



# **Consultation with Early Years Providers on Funding for Financial Year 2020-21**

## **Introduction**

This consultation document proposes options for the allocation of funding to early years providers for the financial year 2020-21. Providers are asked to consider the proposals and respond back to the Local Authority for further consideration by the Early Years Provider Reference Group (EYPRG) and Schools Funding Forum.

## **Process**

The consultation period will run until 24<sup>th</sup> January 2020.

A summary of responses to the consultation will be reported to the meeting of the EYPRG on 28<sup>th</sup> January and final decisions taken by the Local Authority before funding statements are issued for the 2020-21 financial year.

## **Responding to the Consultation**

This consultation paper is sent to all private, voluntary and independent early years providers and head teachers of schools with nurseries.

Any responses should be sent to:

Schools Finance Team  
Education Services  
London Borough of Havering  
Mercury House  
Mercury Gardens  
Romford  
RM1 3DW

E-mail: [education.finance@haverling.gov.uk](mailto:education.finance@haverling.gov.uk)

All responses should be returned by 24<sup>th</sup> January 2020.

If you require clarification on any point please email:

Education Finance at: [education.finance@haverling.gov.uk](mailto:education.finance@haverling.gov.uk)

## Early Years Funding 2020-21

### 1. Additional Funding for Early Years 2020-21

Included in the Government's announcements of additional funding for schools in 2020-21 was an extra £66 million for Early Years. This has been applied as an increase of 8p to the hourly rate for every local authority.

	2 year olds	3 & 4 year olds
2019-20	£5.66	£5.28
2020-21	£5.74	£5.36
Increase	£0.08	£0.08

### 2. Havering's Early Years Block funding 2020-21

Local authorities receive an initial allocation of Early Years funding for financial year 2020-21 based on the latest data available which was January 2019. This will be updated from the January 2020 Early Years census although the funding that a local authority's grant allocation based on that census is not adjusted until June or July.

Local authorities must therefore estimate the funding that is likely to be received based on projections of children accessing their free entitlement. A local authority's initial allocation could therefore either increase for higher numbers of participation or reduce if lower.

Based on January 2019 data, Havering's allocation for 2020-21 is as below.

2 Year Olds			3 & 4 Year Olds			Total Funding for distribution to providers
Cohort (PTE)	Unit of funding	Allocation	Cohort (PTE)	Unit of funding	Allocation	
526.95	£5.74	£1,724,064	5,695.98	£5.36	£17,402,373	£19,126,437

### 3. Distribution to Providers

#### 3.1 **2 Year Olds Funding**

The funding arrangements are straightforward as, unlike with 3 & 4 year olds, the grant is passed on fully to providers after the setting of a small contingency.

#### 3.2 **3 & 4 Year Olds Funding**

Local authorities are required to allocate at least 95% of the grant to providers, up to 5% being retained centrally for support services and administration costs.

Local authorities are also required to set an SEN Inclusion Fund to meet low level or emerging special needs.

The remaining grant is to be allocated to providers through a formula. At least 90% of the funding must be distributed through a basic hourly rate and up to 10% through supplementary factors which can be as follows:

- deprivation (mandatory supplement); local authorities must use this supplement to recognise deprivation in their areas
- rurality or sparsity (discretionary supplement); to support providers serving rural areas less likely to benefit from economies of scale
- flexibility (discretionary supplement); to support providers in offering flexible provision for parents; this could, for example, childcare wraparound care, out-of-hours provision, or to encourage a particular type of provider in an area (such as to meet a need for childminders in an area)
- quality (discretionary supplement); to support workforce qualifications, or system leadership (supporting high quality providers leading other providers in the local area)
- English as an additional language (EAL) (discretionary supplement)

In Havering, following consultation with providers, only the mandatory deprivation supplement is used as the quality of the data required for other supplements cannot yet be confirmed as sufficiently reliable.

#### **4. Proposals for 2020-21**

##### **4.1 2 Year Olds Funding**

- (i) It is proposed to increase the base rate by 8p per hour from £5.60 to £5.68.
- (ii) It is proposed to set a contingency of £17,000 for a 1% growth in provision to be funded.

Q.1	<p><i>Do you agree that for 2 year olds:</i></p> <ul style="list-style-type: none"><li>(i) <i>the hourly rate is increased from £5.60 to £5.68</i></li><li>(ii) <i>a contingency is set at 1% of the number of places on which the LA is funded</i></li></ul>
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## 4.2 3 & 4 Year Olds Funding

### (i) Central Retention

As explained at 3.2 above, LAs may retain up to 5% of the total funding for central services and administration including quality assurance, business support, data management, ICT systems and finance and accounting.

It is proposed to increase the amount retained centrally by £20,000 from £800,000 to £820,000, a 2.5% increase. This equates to approximately 4.6% of the total allocation from the DfE.

Q.2	<i>Do you agree to an increase of £20,000 to the amount that is centrally retained?</i>
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### (ii) SEN Inclusion Fund

From the 95% to be allocated to providers, the LA must set an SEN Inclusion Fund. The LA has recognised that some EHCP plans do not commence quickly enough for support to be in place prior to children starting in Reception and have amended current practice so that, once approved, EHCPs are issued while the children are still attending the setting that made the application and the additional funding is allocated without delay.

The hourly rate for SEN support following application to the Panel is £3.50 per hour. This is on top of the basic hourly rate that is allocated for all provision. Once the EHCP has been issued, a further £3.20 per hour (increased from £2.61) is allocated to the provider. The SEN Inclusion Fund also meets the costs of training and some equipment.

The LA considers that the higher level funding of £3.20 per hour is more appropriate to be met from a separate High Needs budget rather than the SEN Inclusion Fund. In view of this, the current SEN Inclusion Fund of £200,000 will be separated back into its component parts with cost charged appropriately i.e. the £3.50 per hour to Early Years and the £3.20 per hour to the High Needs budget.

This provides an opportunity to earmark a higher amount from the Early Years funding to increase the hourly rate for those settings with children requiring additional support. An increase in the SEN Inclusion Fund could mean an increase to the hourly rate of £3.50 which would increase the funding available to providers to support the children's additional needs.

The higher the amount of Early Years funding that is added to the current SEN Inclusion Fund of £150,000, the lower the amount that can be funded through the base rate. Following consultation with the Early Years Provider Reference Group (EYPRG) the LA considers that the starting point should be £200,000 which maintains the SEN Inclusion Fund at the current level once the £50,000 contribution from the High Needs budget has been removed (along with the costs of the £3.20 per hour for EHCPs).



The options are set out at 3 (iv) below.

(iii) Supplementary factors

As explained in 3.2 above, as well as the basic hourly rate, local authorities can also allocate funding through a limited range of supplementary factors. Following past consultations, in Havering only the mandatory deprivation is used with funding allocated through the income deprivation affecting children index (IDACI). It has also been agreed previously that the funding rates align with those of schools. School IDACI rates have changed for 2020-21 which will change the rates for early years as follows:

IDACI Bands	2019-20 Hourly rate	2020-21 Hourly rate	Change
IDACI Band G (0.00-0.20)	£0.00	£0.00	£0.00
IDACI Band F (0.20-0.25)	£0.23	£0.24	£0.01
IDACI Band E (0.25-0.30)	£0.27	£0.28	£0.01
IDACI Band D (0.30-0.35)	£0.41	£0.43	£0.02
IDACI Band C (0.35-0.40)	£0.44	£0.46	£0.02
IDACI Band B (0.40-0.50)	£0.48	£0.50	£0.02
IDACI Band A (0.50-1.00)	£0.65	£0.68	£0.03

Additionally, there has been an increase in the number of children in the Census of 2019, in comparison to the previous year's Census of 2018, with an additional 289 children extra. The increase is predominately in the lower funded IDACI bands of E and F.

IDACI Bands	2019-20 data	PTE equivalent (570 hrs)	2020-21 data	PTE equivalent (570 hrs)	PTE Change
Band G (0.00-0.20)	1,297,416	2,276	1,261,068	2,212	-64
Band F (0.20-0.25)	280,686	492	391,380	687	194
Band E (0.25-0.30)	294,055	515	353,674	620	105
Band D (0.30-0.35)	223,038	391	235,809	414	23
Band C (0.35-0.40)	202,684	356	213,663	375	19
Band B (0.40-0.50)	142,698	250	149,589	262	12
Band A (0.50-1.00)	1,140	2	1,401	2	0
	<b>2,441,717</b>	<b>4,284</b>	<b>2,606,584</b>	<b>4,573</b>	<b>289</b>

There will therefore be an increase of approximately £75,000 in the cost of deprivation.

Q.3	<i>Do you agree that deprivation remains the only supplementary factor used in Havering's formula and the rates of funding continue to be aligned with the rates used in the schools national funding formula?</i>
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(iv) 3 & 4 Year Olds Base Rate

The LA's financial modelling calculates that the maximum increase on hourly base rates that is affordable is 10p. This would increase the hourly rate from £4.80 to £4.90.

This has been calculated on January 2019 census data but the LA is confident that it the increased rate can be sustained once the funding is revised for January 2020 census.

It is also on the basis that the Early Years SEN Inclusion Fund is £200,000 and there is no contingency. The LA has calculated that a contingency of approximately £82,000 could be set on the basis of an increase of 300 children, an amount that would be adjusted proportionately depending on the actual increase in numbers.

An increase of 10p per hour would reduce by approximately 1p for every £50,000 that is added to the SEN Inclusion Fund. Targeting of the resources available to support inclusion is likely to be supported by providers who consider that a greater level of funding should be allocated to those settings that support children with SEN even if those children are not in their own provision. The LA would like every provider to be inclusive and recognises that the costs are higher and would not wish inclusion to be a financial disincentive.

Options are as follows:

**Option A**

Increase in base rate	SEN Inclusion Fund	Hourly rate for SEN support	Increase to hourly rate
10p	£200,000	£3.50	no change

**Option B**

Increase in base rate	SEN Inclusion Fund	Hourly rate for SEN support	Increase to hourly rate
9p	£250,000	£4.20	70p

**Option C**

Increase in base rate	SEN Inclusion Fund	Hourly rate for SEN support	Increase to hourly rate
8p	£275,000	£4.90	£1.40

Q.4	<i>Do you agree that the SEN Inclusion Fund should be increased to target funding to the providers who support children with special educational needs? If yes, this would affect the amount of increase to hourly base rates so which option do you favour?</i>
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