



Havering
LONDON BOROUGH

Schools Funding Forum 16th January 2020

ITEM 4

Subject Heading:

Schools Funding Formula 2020-21

Report Author:

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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 7th 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 17th 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 21st 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.