

## **Schools Budget Update 2019-20**

### **Purpose of report**

1. To outline the key changes resulting from implementing the schools funding formula for 2019-20. The report is for information only.

### **Background**

2. The Department for Education (DfE) published the 2019-20 financial settlement for schools on 20<sup>th</sup> December 2018. The settlement included details of the Dedicated Schools Grant (DSG) and its individual component blocks of funding.
3. The funding allocated through the Schools Block of the DSG is then modelled through the Funding Formula to ensure that the schools budget is affordable. This incorporates decisions taken by Schools Forum regarding any additional funding and any pupil and premises, funding-factor rates.
4. The 2018-19 year saw the introduction of the National Funding Formula (NFF). The NFF was initially proposed as a 'soft' formula for the 2018-19 year before becoming a 'hard' formula in 2019-20. Subsequently the DfE confirmed that 2019-20 would also remain as a 'soft' year, enabling Schools Forum to make school funding decisions at a local level.
5. The schools block of funding was set at £275.215 million which is an increase of £7.3m on the 2018-19 funding level. The increase is accounted for by the growth in pupil numbers, the remainder of the additional £1.3billion promised for school funding as part of the introduction of the NFF and a change in methodology for calculating growth funding, introduced for the 2019-20 year.
6. The High Needs Block of funding has seen an increase for 2019-20 to £47.1m, which is a growth of £2m and includes £1.128m which was announced as additional funding in December 2018.
7. The Early Years Block has been provisionally set at £26.7m, which will be subject to change during the year, based upon take-up rates. This represents a small reduction of £0.278m compared to 2018-19.

## Main Changes for Information

### Pupil Numbers

8. There has been an overall increase in the pupil numbers funded within Wiltshire in 2019-20. The increase has been across all Key Stages and is detailed in the table below;

Key Stage	2015-16	Increase	2016-17	Increase	2017-18	Increase	2018-19	Increase	2019-20
KS1 & KS2	36,013	<b>958</b>	36,971	<b>944</b>	37,915	<b>456</b>	38,371	<b>160</b>	38,531
KS3	13,928	<b>139</b>	14,067	<b>485</b>	14,522	<b>509</b>	15,031	<b>129</b>	15,160
KS4	9,833	<b>-262</b>	9,571	<b>-299</b>	9,272	<b>186</b>	9,458	<b>288</b>	9,746
TOTALS	59,774	<b>835</b>	60,609	<b>1,130</b>	61,739	<b>1,151</b>	62,860	<b>577</b>	63,437

## Per Pupil Funding and Other Funding Rates

9. Following the introduction of the NFF, Wiltshire's Schools Forum agreed to align its funding rates as closely as possible to the national rates. In 2018-19 this was achieved in all instances except for the Deprivation FSM6 rate which was funded at 75% of the national rate. It was confirmed at the January Schools Forum meeting that funding rates would continue at the national rates. Any adjustment for funding would be applied to the Deprivation FSM6 rate.
10. The funding rates for the 2019-20 year are detailed in the table below.

<b>Funding Factor</b>	<b>Value 2019-20</b>	<b>Value 2018-19</b>
AWPU – Primary	£2,747	£2,747
AWPU – Key Stage 3	£3,863	£3,863
AWPU - Key Stage 4	£4,386	£4,386
Deprivation – FSM Primary & Secondary	£440	£440
Deprivation – FSM6 - Primary	<b>£435</b>	<b>£406</b>
Deprivation – FSM6 - Secondary	<b>£632</b>	<b>£590</b>
IDACI – Band F - P/S	£200 / £290	£200 / £290
IDACI – Band E - P/S	£240 / £390	£240 / £390
IDACI – Band D - P/S	£360 / £515	£360 / £515
IDACI – Band C - P/S	£390 / £560	£390 / £560
IDACI – Band B - P/S	£420 / £600	£420 / £600
IDACI – Band A - P/S	£575 / £810	£575 / £810
Low Attainment – Primary	<b>£1,022</b>	<b>£1,050</b>
Low Attainment – Secondary	£1,550	£1,550
EAL – Primary	£515	£515
EAL – Secondary	£1,385	£1,385
Lump Sum	£110,000	£110,000
Sparsity – Primary - Maximum	£25,000	£25,000
Sparsity – Secondary - Maximum	£65,000	£65,000

11. The only two values to have changed between 2018-19 and 2019-20 are for;
- Low Attainment – Primary
  - Deprivation FSM6 – Primary
  - Deprivation FSM6 – Secondary

### **Low Attainment – Primary**

The primary low prior attainment (LPA) value has been reduced from £1,050 to £1,022. The LPA cohort in primary schools that is measured for school funding purposes has been increasing over the past 6 years, due to changes made in the EYFSP in 2013.

The increase comes from changes to the assessment, rather than changes in the underlying level of need. Therefore, the DfE are maintaining the overall quantum of funding on LPA through the formula by balancing the increase in the eligible cohort with a reduction in the funding factor value.

### **Deprivation FSM6 – Primary and Secondary**

Funding for schools using the Deprivation FSM6 indicator is twofold, through both the funding formula factor and the Pupil Premium Grant. In calculating the school budgets for both 2018-19 and 2019-20, to fund schools at 100% of this factor would have made the overall funding formula unaffordable. Schools Forum agreed that any balancing required would be achieved through varying the funding available through this factor.

The NFF values for FSM6 would be £540 and £785 respectively for primary and secondary schools. In 2018-19, Wiltshire funded the factor at 75% of the NFF value. For 2019-20, the factor will be funded at 80% of the NFF value.

### **Minimum Funding Guarantee**

12. The Minimum Funding Guarantee ensures that schools are either protected from a drop in their overall per pupil funding or are guaranteed an increase in their per pupil funding. When the NFF was introduced, the DfE committed an additional £1.3billion of funding which should ensure a 0.5% increase in funding per pupil for both 2018-19 and 2019-20.
13. Schools Forum agreed that Wiltshire would mirror the national increases and set a positive MFG figure which would ensure that all schools are guaranteed a 0.5% increase in their MFG per pupil funding.
14. For 2019-20 all schools will have received an increase in their MFG per pupil funding of 0.5%. In order to fund the MFG, schools seeing a gain in their level of per pupil funding are capped. For 2019-20, this cap is set at 0.0%, which means that all schools benefitted from a gain of 0.5%.

	<b>No. of Schools</b>	<b>Highest</b>	<b>Lowest</b>	<b>Average</b>
MFG Adjustment	100	£90,752	£27	£11,658
No MFG / Cap	19	n/a	n/a	n/a
Capped Adjustment	114	-£116,604	-£192	-£10,688

## **Growth Funding**

15. The DfE introduced a new methodology for calculating Growth funding. Until the 2019-20 year, there had been no national formulaic approach for calculating growth funding using Middle Layer Super Output Area data. The new approach for the growth factor allocates:
- £1,370 for each Primary 'growth' pupil
  - £2,050 for each Secondary 'growth' pupil
  - £65,000 for each brand new school that opened in the previous year.
16. The total allocated to Wiltshire for growth in the 2019-20 was £2.217m.

## **Transfer to High Needs**

17. Schools Forum agreed to transfer funding from the Schools Block into the High Needs Block as a one-off non-recurrent transfer. The funding regulations allow for a transfer of 0.5% between the blocks, as long as it has been agreed by members of Schools Forum. A transfer for an amount of greater than 0.5% required the express approval from the Secretary of State. Following an application from Wiltshire to dis-apply the funding regulations, a transfer of 0.8% was agreed and notified to the local authority on the 25<sup>th</sup> January 2019.
18. Schools Forum agreed to a transfer of £2.2m from the Schools Block to the High Needs Block, which equates to the 0.8% of the total Schools Block for 2019-20. The pressures within the High Needs Block will continue to be monitored and reported to Schools Forum during the 2019-20 year.

## **High Needs Funding – Top Up Rates**

19. At the Schools Forum meeting in January 2019 it was agreed that the funding rates for top ups in Resource Bases, Enhanced Learning Provisions and Named Pupil Allowances would be retained at the prevailing 2018-19 rates and that there would be no reduction in the rates.

## **High Needs – Place Change Request Outcomes**

20. The results of the High Needs Place Change Request have been announced by the EFA. All of the requests submitted by Wiltshire were approved, which included the following;
- Additional 47 places at Springfields Academy (including 32 places at Springfields South at the Sarum Academy site), increasing the place numbers to 152
  - An additional 13 places at Exeter House, increasing the places to 134
  - Increase of 50 additional post-16 places at Wiltshire College, bringing the total places to 350

## Summary of Main Points

21. The main points to note from the Wiltshire funding formula for 2019-20 are summarised below;
- The formula was only affordable for the 2019-20 year by making concessions to the NFF rates
  - A non-recurrent transfer of £2.2m from the Schools Block to the High Needs Block was agreed
  - Secretary of State approval was confirmed for a transfer of 0.8%
  - All schools received an increase in their MFG per pupil funding rate of 0.5%
  - NFF factors were implemented in full apart from for FSM6
  - FSM6 was funded at 80% of the NFF values (75% in 2018-19)
  - The Growth Fund was set at a value of £0.827m
  - 2 new primary schools will be funded in the County from September 2019
  - 1 primary school will be closing at the end of August 2019
  - High needs funding rates unchanged for 2019-20
  - School budgets were issued by the 14<sup>th</sup> February 2019

## Proposal

22. Schools Forum is asked to note the content of this report.

---

Report Author:  
Grant Davis, Schools Strategic Financial Support Manager  
Tel: 01225 718587  
e-mail: [grant.davis@wiltshire.gov.uk](mailto:grant.davis@wiltshire.gov.uk)