

Wiltshire Council

Schools Forum

10 October 2019

Government. Consultation – Implementing Mandatory Minimum per Pupil Funding Levels

Purpose of report

1. To outline the content of the Department for Education's (DfE) consultation on Implementing Mandatory Minimum per Pupil Funding Levels.

Background

2. The Minister of State for School Standards, the Rt Hon Nick Gibb, set out in his statement on 9 September 2019, the key aspects of next year's funding arrangements for schools. The full statement is included as Appendix 1 to this report.
3. The Department for Education (DfE) will publish provisional funding details in October 2019 (based upon 2018 census details) and full and final details of the funding allocations, as normal, in December 2019.
4. As part of the proposals, the DfE have released a consultation focussing on how best to implement the minimum per pupil funding levels. The consultation raises questions on both technical and operational arrangements and provides an opportunity for respondents to raise wider issues and concerns.
5. Primarily the consultation is aimed at local authorities, maintained schools and academies and anyone with an interest in school funding.

Proposals

6. The key proposals set out by the Secretary of State are;
 - Primary - minimum per pupil level of funding increases from £3,500 to £3,750 (mandatory from 2020-21)
 - Secondary - minimum per pupil level of funding increases from £4,800 to £5,000 (mandatory from 2020-21)
 - Other funding factors increased by 4% except;
 - FSM factor (increased by inflation)
 - Premises factors (split site, PFI, rents)
 - Schools Forum to still have discretion over the funding formula in 2020-21
 - Continue to move to a 'hard' NFF in future years
 - Setting a positive MFG of between +0.5% and +1.84%
 - Teachers Pay Grant and Pension Grant to continue in 2020-21

Calculation of the proposed minimum per pupil funding level

7. The minimum per pupil funding factor refers to the level of per pupil funding that schools receive and differs from the minimum funding guarantee (MFG) which provides for minimum increase over current funding.
8. To determine whether a school attracts additional funding as a result of the minimum per pupil factor and will be 'topped up', a comparison between the schools current funding per pupil and the minimum funding level needs to be made.
9. The proposed calculation is set out below using a Primary School and a Secondary School funding for the example, using the 2019-20 funding rates;

	Primary	Secondary
Number on Roll	220	1100
Pupil-led Funding		
- AWPU	2,747	4,072
- Deprivation / Prior Attainment / EAL	498	520
School-led Funding*		
- Lump Sum (£110,000 / NOR)	500	100
Total per Pupil funding	3,745	4,692
Minimum per Pupil Funding Level	3,750	5,000
Over / (Under) Funding per pupil	(5)	(308)
Extra funding through the Minimum per pupil Factor	1,100	338,800

* - excludes the other Premises Factors

10. The calculation is set out below using a Primary School and a Secondary School funding for the example, using the proposed uplifted 2020-21 funding rates

	Primary	Secondary
Number on Roll	220	1100
Pupil-led Funding		
- AWPU	2,857	4,235
- Deprivation / Prior Attainment / EAL	518	540
School-led Funding*		
- Lump Sum (£114,400 / NOR)	520	104
Total per Pupil funding	3,895	4,879
Minimum per Pupil Funding Level	3,750	5,000
Over / (Under) Funding per pupil	145	(121)
Extra funding through the Minimum per pupil Factor	0	133,100

* - excludes the other Premises Factors

11. The table below sets out details of the number of schools which would gain in funding through the introduction of the minimum funding level factor. This is based upon the 2019-20 core funding, after the application of the 4% uplift to all Pupil and School led factors, using the October 2018 census data.

Primary & Secondary Schools gaining through the Minimum per Pupil Funding Level, after uplifting Pupil & School Led factors by 4% using October 2018 census data

	<u>Primary</u>	<u>Secondary</u>
Total No. of schools	202	30
No. of Schools gaining through Minimum Funding Level	18	15
% of schools to receive funding through the MFL	9%	50%
Smallest School to Gain (NOR)	187	696
Largest School to Gain (NOR)	626	1,433
Average size of Gaining School	388	1,034
Range of Gains through the MFL		
Smallest gain	£1,218	£70
Largest Gain	£111,833	£411,335
Average Gain of those schools gaining	£41,175	£209,319
Highest Uplift of MFL per pupil	£257.68	£551.39
Lowest Uplift MFL per pupil	£6.52	£0.06
Average Uplift of MFL per pupil	£100.04	£213.04
Projected Total Value of MFL funding in 2020-21	£741,145	£3,139,779

Consultation

12. The Department are keen to seek views from local authorities and other stakeholders and have launched a short consultation, which closes on 22 October 2019. Full details of the consultation are available at Appendix 2.

13. The questions forming the consultation are detailed below;

Question 1

- Do you agree that, in order to calculate the mandatory minimum per pupil funding levels, all local authorities should follow the NFF methodology? If not, please explain your reasons.

Question 2

- Do you agree that any requests from local authorities to disapply the use of the mandatory minimum per pupil levels should only be considered on an exceptional basis and in the context of the grounds above? If not, please explain your reasons.

Question 3

- Please provide any additional comments you wish to make on the implementation of mandatory minimum per pupil levels.

Question 4a

Do you think that any of our proposals could have a disproportionate impact, positive or negative, on specific pupils, in particular those who share a protected characteristic? Please provide evidence to support your response.

Question 4b

How could any adverse consequences be reduced and are there any ways we could better advance equality of opportunity between those pupils who share a relevant protected characteristic and those who do not? Please provide evidence to support your response

14. Schools Forum to note the content of the report and give consideration to both the distribution of, and responses to the consultation.


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Appendix 1

School Funding Update :Written statement - HCWS1828

WS Department for Education Made on: 09 September 2019

Made by: **Nick Gibb** (The Minister of State for School Standards)

 HCWS1828

School Funding Update

Today I am confirming detailed aspects of schools and high needs funding arrangements for 2020-21. This follows a statement by the Secretary of State for Education on 3 September, which confirmed to Parliament that the funding for schools and high needs will, compared to 2019-20, rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23.

In 2020-21, this funding will be distributed using the Schools and High Needs National Funding Formulae (NFF). We will be publishing provisional NFF allocations at local authority and school level in October, including local authorities' final primary and secondary units of funding for the Schools Block. Alongside this, in the usual way, we will publish technical documents setting out the detail underpinning the formulae. We will then publish final schools and high needs allocations for local authorities in the Dedicated Schools Grant (DSG) in December.

The Schools NFF for 2020-21 will continue to have the same factors as at present, and we will continue to implement the formula to address historic underfunding and move to a system where funding is based on need. The key aspects of the formula for 2020-21 are:

- The minimum per pupil funding levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The following year, in 2021-22, the primary minimum level will rise to £4,000.
- 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. This 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.
- As previously set out, we will make 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.
- Growth funding will be based on the same methodology as this year, 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.

The Secretary of State confirmed on 3 September the government's intention to move to a 'hard' NFF for schools – where budgets will be set on the basis of a single, national formula. We recognise that this will represent a significant change and we will work closely with local authorities, schools and others to make this transition as smoothly as possible.

In 2020-21 local authorities will continue to have discretion over their schools funding formulae and, in consultation with schools, will ultimately determine allocations in their area. However, as a first step towards hardening the formula, from 2020-21 the government will make the use of the national minimum per pupil funding levels, at the values in the school NFF, compulsory for local authorities to use in their own funding formulae.

In addition, two important restrictions will continue:

- Local authorities will continue to set a Minimum Funding Guarantee in local formulae, which in 2020-21 must be between +0.5% and +1.84%. This allows them to mirror the real terms protection in the NFF, which is the Government's expectation.
- Local authorities can only transfer up to 0.5% of their School Block to other blocks of the DSG, with schools forum approval. To transfer more than this, or any amount without 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.

The High Needs NFF for 2020-21 will also have the same factors as at present. With over £700 million of additional funding, the formula 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. This minimum increase in 2020-21 allocations will be based on local authorities' high needs allocations in 2019-20, including the additional £125 million announced in December 2018.
- Above this minimum increase, the formula will allow local authorities to see increases of up to 17%, again calculated on the basis of per head of population.

The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21. We will publish the rates that determine the 2020-21 allocations in due course.

This statement has also been made in the House of Lords: [HLWS1791](#)