

Wiltshire Council

Schools Forum

11th March 2021

Schools Budget Update 2021-22

Purpose of report

1. To outline the key changes resulting from implementing the schools funding formula for 2021-22. The report is for information only.

Background

2. The Department for Education (DfE) published the 2020-21 financial settlement for schools on 17th December 2020. 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, 2020-21 and 2021-22 would also remain as 'soft' years, enabling Schools Forum to make school funding decisions at a local level.
5. The Schools Block of funding was set at £317.724 million which is a 'real terms' increase of £10.4m on the 2020-21 funding level. The increase is accounted for by the increased funding committed by the Government, coupled with a small growth in pupil numbers. In addition, the Schools Block of funding was increased by a further £14.179m which represents the former Teachers Pay and Pension Grants which have been baselined into the core funding.
6. The High Needs Block of funding has seen an increase for 2021-22 to £57.0m, which is a growth of £5.0m from the national increase in funding of £730m committed by the Government, announced in the Autumn of 2020.
7. The Early Years Block has been provisionally set at £28.2m, which will be subject to change during the year, based upon take-up rates. This represents an increase in funding of £1.3m compared to 2020-21.
8. The Central Block allocated to fund centrally provided services and historical commitments has been reduced from £2.48m to £2.45m. The reduction represents a planned decrease in funding towards historic commitments.

9. The table below set out the year on year changes and the impact of incorporating the Teachers Pay and Pension Grants into the core funding.

	<u>2020-21</u>	<u>2021-22</u>	<u>Increase</u>	<u>Pay & Pens.</u>
Schools Block	293,142,767	303,545,131	10,402,364	14,179,214
Central Block	2,479,715	2,455,503	-24,212	109,619
High Needs Block	51,996,188	57,029,690	5,033,502	805,430
Early Years Block	26,884,359	28,217,273	1,332,914	0
TOTAL FUNDING	374,503,029	391,247,597	16,744,568	15,094,263

Main Changes for Information

Pupil Numbers

10. There has been an overall increase in the pupil numbers funded within Wiltshire in 2021-22. The increase has been across all Key Stages and is detailed in the table below;

Key Stage	15-16	Change	16-17	Change	17-18	Change	18-19
KS1 & KS2	36,013	958	36,971	944	37,915	456	38,371
KS3	13,928	139	14,067	485	14,522	509	15,031
KS4	9,833	-262	9,571	-299	9,272	186	9,458
TOTALS	59,774	835	60,609	1,130	61,739	1,151	62,860

Key Stage	18-19	Change	19-20	Change	20-21	Change	21-22
KS1 & KS2	38,371	160	38,531	166	38,697	(133)	38,564
KS3	15,031	129	15,160	396	15,556	153	15,709
KS4	9,458	288	9,746	91	9,837	64	9,901
TOTALS	62,860	577	63,437	653	64,090	84	64,174

Per Pupil Funding and Other Funding Rates

11. 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. Since this point, Wiltshire has been in a position to fund all factors at their NFF values. Apart from the Sparsity factor for 2021-22 where a local decision over the uplift was taken, all formula factors have been funded at full NFF rates.

12. The Wiltshire funding rates for the 2021-22 year are detailed in the table below.

Funding Factor	Value 2019-20	Value 2020-21	Value 2021-22
AWPU – Primary	£2,747	£2,857	£3,123*
AWPU – Key Stage 3	£3,863	£4,018	£4,404*
AWPU - Key Stage 4	£4,386	£4,561	£4,963*
Deprivation – FSM Primary & Secondary	£440	£450	£460
Deprivation – FSM6 - Primary	£406	£560	£575
Deprivation – FSM6 - Secondary	£590	£815	£840
IDACI – Band F - P/S	£200 / £290	£210 / £300	£215 / £310
IDACI – Band E - P/S	£240 / £390	£250 / £405	£260 / £415
IDACI – Band D - P/S	£360 / £515	£375 / £535	£410 / £580
IDACI – Band C - P/S	£390 / £560	£405 / £580	£445 / £630
IDACI – Band B - P/S	£420 / £600	£435 / £625	£475 / £680
IDACI – Band A - P/S	£575 / £810	£600 / £840	£620 / £865
Low Attainment – Primary	£1,022	£1,065	£1,095
Low Attainment – Secondary	£1,550	£1,610	£1,660
EAL – Primary	£515	£535	£550
EAL – Secondary	£1,385	£1,440	£1,485
Mobility – Primary (new from 2021-22)	£0	£0	£900
Mobility – Secondary (new from 2021-22)	£0	£0	£1,290
Lump Sum	£110,000	£114,400	£117,800
Sparsity – Primary - Maximum	£25,000	£26,000	£26,780**
Sparsity – Secondary - Maximum	£65,000	£67,000	£69,525**
Minimum per Pupil Funding Level - Primary	£3,500	£3,750	£4,180*
Minimum per Pupil Funding Level - Secondary	£4,800	£5,000	£5,415*

* - Includes the Teachers Pay and Pension Grants of £180 in primary and £265 in secondary

** - Sparsity NFF rates increased by 3%, NFF rates - maximum of £45,000 in Primary and £70,000 in Secondary

13. The DfE uplifted all of the funding factors as below, allowing for rounding's by;

- School-Lead Factors – Lump Sum and Sparsity 3%
- Pupil-Lead Factors – AWPU, EAL, Prior Attainment 3%
- Other Factors 0%

Minimum per Pupil Funding Level (MPPFL)

14. The DfE had previously introduced minimum per pupil funding levels, to ensure that all schools receive a minimum amount of funding per pupil. These thresholds had been set at £3,500 in Primary and £4,800 in Secondary schools in 2019-20. For 2020-21, these were increased to £3,750 in Primary and £5,000 in Secondary. These funding levels are mandatory funding factors.

15. The mandatory MPPFL is calculated by adding all of the Pupil and School Lead funding factors for a school and dividing by the Number of Pupils on Roll. Where a school is funded below the MPPFL threshold, it will receive additional funding. If the schools funding exceeds the MPPFL threshold, no additional funding will be awarded

16. For the 2021-22 year these thresholds have been increased to include the Teachers Pay and Pension grants, as below;

- Primary MPPFL - £4,180 (net of TP&P Grants £4,000)
- Secondary MPPFL - £5,415 (net of TP&P Grants £5,150)

17. The number of schools impacted by the setting of the MPPFL for 2021-22 are;

2021-22	Primary	Secondary	TOTAL
Total Schools	202	30	232
Total MPPFL Funding allocated	£3,833,014	£2,743,228	£6,576,242
Schools gaining through MPPFL	75	14	89
Range of Gains through the MPPFL	£422 - £308k	£5k - £450k	

For comparison purposes, it is useful to show the MPPFL information for the 2020-21 year to view the impact between the two years.

2020-21	Primary	Secondary	TOTAL
Total Schools	202	29	231
Total MPPFL Funding allocated	£1,486,074	£3,014,300	£4,500,373
Schools gaining through MPPFL	35	14	49
Range of Gains through the MPPFL	£2k - £180k	£22k - £436k	

18. For the 2022-23, the DfE have not confirmed any proposals about increasing the MPPFL rates.

Minimum Funding Guarantee

19. The Minimum Funding Guarantee (MFG) 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. The additional funding for 2021-22 has resulted in a significant and continued shift away from schools being funded through the MFG.
20. Schools Forum agreed that Wiltshire would mirror the national increases in funding and set a positive MFG figure which would ensure that all schools are guaranteed a 2.00% increase in their MFG per pupil funding.
21. For 2021-22 all schools will have received an increase in their MFG per pupil funding of at least 2.00%. In order to fund the MFG, schools seeing a gain in their level of per pupil funding are traditionally capped. However, since 2020-21, the additional funding made available through the formula enabled Schools Forum not to apply a cap, therefore fully funding all schools at the National Funding Formula values.
22. The removal of the Cap was a real milestone in ensuring all schools are fully funded using NFF values and this continues for 2021-22. The table below shows the number of schools impacted by the MFG.

	Schools 19-20	Schools 20-21	Schools 21-22
MFG Adjustment	100	15	37
No MFG / Cap	19	217	194
Capped Adjustment	114	0	0
MFG Funding	£1,169,111	£185,685	£226,799
Avg. MFG Adj. per School	£11,691	£12,379	£6,130

Growth Funding

23. The DfE introduced a new methodology for calculating Growth funding in the 2019-20 year. Previously, there had been no national formulaic approach for calculating growth. The new funding calculation uses Middle Layer Super Output Area data.

The approach for the growth factor allocates:

- £1,455 for each Primary 'growth' pupil
- £2,175 for each Secondary 'growth' pupil
- £68,700 for each brand new school that opened in the previous year.

24. The total allocated to Wiltshire for growth in the 2021-22 was £1.814m based upon;
- Primary Growth Numbers 502.5
 - Secondary Growth Numbers 492.0
 - New Schools 0

Transfer to High Needs

25. 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.
26. A transfer of 0.5% (£1.517m) will take place between the Schools Block and the High Needs Block. The pressures within the High Needs Block will continue to be monitored and reported to Schools Forum during the 2021-22 year.

High Needs Funding – Top Up Rates

27. At the Schools Forum meeting in January 2021 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 2020-21 rates and that there would be no reduction in the rates.
28. Funding rates for Special School would also remain unchanged from the 2020-21 year. A full funding review of High Needs is proposed by the DfE, to take effect in the 2022-23 year and is subject to a separate paper at the Schools Forum meeting.
29. The Teachers Pay and Pension Grants have been baselined into the core 'place' funding for Special Schools, in a similar fashion to the AWPU values in mainstream schools. This has the effect of moving the place funding from £10,000 to £10,660 per place.

Summary of Main Points

30. The main points to note from the Wiltshire funding formula for 2021-22 are summarised below;
 - The formula was fully affordable for the 2021-22 year at NFF rates
 - The Mobility factor has been introduced into the Wiltshire formula
 - The mandatory MPPFL funding was awarded to 89 schools, (£6.5m)
 - A non-recurrent transfer of 0.5% (£1.517m) from the Schools Block to the High Needs Block was agreed
 - All schools received an increase in their MFG per pupil funding rate of 2.00%
 - The Growth Fund was set at a value of £2.2m
 - High needs funding rates are unchanged for 2020-21
 - School budgets were issued by the 9th February 2021.

Proposal

31. Schools Funding Working Group is asked to note the content of this report.

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