

Item 8

TITLE OF REPORT: School Funding Announcements

Purpose of the Report

The purpose of this report is to provide Schools Forum an update on the recent school funding announcements and an estimate of impact for Gateshead schools in 2020/21.

Background

As part of the Spending review the Prime Minister announced that minimum funding levels for mainstream schools would increase. The Chancellor announced that “the government will ensure that per pupil funding for all schools can rise in line with inflation (1.84%)” and for schools already on their National Funding Formula allocations, the per pupil values in the formula will increase by 4% in cash terms”.

However, because the National Funding Formula (NFF) – which calculates preliminary (known as notional) funding allocations to schools – is still in a transitional stage (and is planned to remain so into 2020-21), local authorities are not currently required to pass these minimum amounts on to schools.

The DfE also intends to implement mandatory minimum per pupil allocations. This new mechanism is currently out for consultation, but it is anticipated that it will become mandatory. Prior to several details being announced over the last weeks (such as the time scales), the Prime Minister’s campaign team estimated this policy would cost an additional £306 million for primary schools, and the publication Schools Week, estimated an additional £49 million for secondary schools. However, there are other estimates that differ significantly from the Prime Ministers estimates.

The following information has been released: -

- The minimum per pupil funding for mainstream to increase to:
 - Primary schools current £3,500, 20/21 £3,750 21/22 £4,000
 - Secondary schools current £4,800, 20/21 £5,000, KS3 £4,800, KS4 £5,300
- All mainstream national funding formula pupil related funding factors to increase by 4%
- An increase for all schools of 1.84% in line with inflation
- The announcements will benefit schools in affluent areas
- Schools in deprived areas will not benefit as much by the announcements
- £700m has been announced for Special Educational Needs and Disabilities. No details have been released on the allocation method for the additional funding
- The teachers pay and teachers pension grants will still be outside of the DSG
- There is no gains cap – at LA level
- Mobility funding to the LA will continue to be on a formula basis, but the rates have not been announced

- The threshold for the mobility factor is reducing from 10% to 6%, therefore if a school 200 pupils and has 7% of the pupils classed as mobile the school will receive funding for 2 pupils.
- For 20/21 the MFG will be between +0.5% and +1.84%
- LA's can still transfer 0.5% of the school's block to another block
- HNB will increase by 8% per head for each 2 to 18 population through the funding floor, and will be based on 2019/20 funding allocations which includes the additional £420K announced December 2018
- Above the minimum increase the formula will allow LA's to receive increases of up to 17%
- There has been no announcements on early years funding.

The below estimates use the NFF 2019/20 notional funding allocations.

Proportion of schools below the proposed per pupil minimum funding levels		
	Primary schools	Secondary schools
South East	32%	51%
South West	28%	56%
East of England	24%	48%
East Midlands	26%	44%
North West	17%	30%
Yorkshire and the Humber	17%	27%
West Midlands	16%	38%
North East	16%	30%
London	2%	6%
England	21%	37%

It suggests there are 3,399 primary schools in England below £3,750 per pupil (21% of primary schools) and 1,146 secondary schools in England below £5,000 per pupil (37% of secondary schools) in 2019-20.

On a regional level, the South East and South West regions have the highest proportion of primary and secondary schools which stand to benefit from this policy in 2020-21. London has by far the lowest proportion of schools impacted.

Schools Block Funding values for 2019/20

LA Number	LA Name	Primary Unit of Funding (PUF)	Secondary Unit of Funding (SUF)
841	Darlington	£3,893	£5,120
840	Durham	£4,227	£5,253
390	Gateshead	£4,074	£5,066
805	Hartlepool	£4,267	£5,392
806	Middlesbrough	£4,279	£5,757
391	Newcastle upon Tyne	£4,124	£5,442
392	North Tyneside	£3,860	£5,305
929	Northumberland	£4,088	£5,042

807	Redcar and Cleveland	£4,088	£5,212
393	South Tyneside	£4,126	£5,258
808	Stockton-on-Tees	£3,991	£5,161
394	Sunderland	£4,103	£5,234

There is currently a two-stage process for allocating Schools Block funding in England.

1. The Department for Education uses the National Funding Formula (NFF) to produce notional allocations for individual schools. Each allocation is then checked against the minimum funding levels and increased if necessary. Following further adjustments, the final notional allocations are aggregated and passed to the school's local authority.

2. The local authority then decides how that money is shared out between schools, using its own funding formula.

The House of Commons Library provided a look up tool to show which schools in which constituency may benefit from the minimum funding level based on 2019/20 allocations.

School Name	Amount per Pupil
Primary Schools	
Kells Lane Primary School	£3,546
Emmaville Primary School	£3,569
St Mary's and St Thomas Aquinas Catholic Primary School	£3,608
Whickham Parochial Church of England School	£3,612
Oakfield Junior School	£3,619
Fellside Community Primary School	£3,636
St Peters Roman Catholic VA School	£3,676
St Agnes Catholic Primary School	£3,689
St Mary's Roman Catholic Primary School	£3,714
Clover Hill Community Primary School	£3,722
Oakfield Infants School	£3,740
Secondary Schools	
St. Thomas More Catholic School	£4,800
Whickham School	£4,800
Thorp Academy	£4,897
Cardinal Hume	£4,929

Further details are expected in October together with a number of workshops run by the DfE to help LA's plan for school funding for 20/21 and 21/22 and provide estimates for schools.

Modelling

In order to try and estimate what Gateshead's Schools Block DSG could be NNF pupil related factor values were inflated by 4%, Rates remained static, for Mobility funding last years allocation via the proforma has been used. This will be an under estimation, but as the rate and updated methodology has not yet been released this is a prudent approach. PFI and

lump sum have been inflated by 1.84%. The lump sum and rates were also removed for Thomas Hepburn.

Based on 2019/20 pupil numbers and data this would generate £113,941,159 an increase of £3,670,253 compared to 2019/20 allocation of £110,251,107.91.

A more conservative estimate has been calculated by uplifting last year's allocation by 1.84%. This simple calculation increased the allocation by £1,914,446 to £112,165,654.

Proposal

That Schools Forum notes the contents of the report and forms a mainstream schools funding review group to review Gateshead's fair funding formula to ensure that the additional funding is shared equitably and conforms with regulations.

Recommendations

That Schools Forum: -

- Notes the contents of the report
- Forms a sub group to consider formula changes due to the anticipated additional funding

For the following reasons:

- To distribute the additional funding on a fair and equitable basis
- To comply with the Schools and Early Years Finance Regulations

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