

27 September 2018

Item 4

TITLE OF REPORT: School Funding Update

Purpose of the Report

The purpose of this report is to update Schools Forum on the information the Department for Education (DfE) published in July and September 2018 providing details on the Schools Block (SB), Central Schools Services Block (CSSB) and High Needs Block (HNB) of the Dedicated Schools Grant (DSG). The DfE have also published the Teachers pay grant methodology. School level allocations will be published later in the autumn.

Background

On 25 July and 5 September 2018 the Department for Education (DfE) issued a number of documents:-

National Funding Formula for Schools and High Needs – Policy Document
<https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>

National Funding Formula for Schools and High Needs – Operational Guidance
https://assets.publishing.service.gov.uk/.../Operational_guide_2019_to_2020.docx

National Funding Formula Technical Notes and summary illustrative allocation tables
<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020>

Teachers pay grant methodology
<https://www.gov.uk/government/publications/teachers-pay-grant-methodology>

Summary of the main DSG Announcements

- Local Authorities (LA's) will still have a role in setting local formulas in 2020/21
- Most of the funding factors will remain the same as 2018/19
- The primary low prior attainment factor has been slightly reduced from £1,050 to £1,022 to retain the overall proportion of funding allocated due to the changes in the Early Years Foundation Stage Profile (EYFSP).
- The secondary low prior attainment factor will have specific weighting applied for year's 7, 8 and 9 due to the new Key Stage 2 standards
- The minimum per pupil levels of funding have been increased from £3,300 to £3,500 for primary schools and from £4,600 to £4,800 for secondary schools

- The gains cap on funding to local authorities will remain at 3%
- LA's will continue to manage their own growth funding locally using a DfE approved process. It is not yet known how much growth funding each LA will receive. It will be at least the amount shown on the 2018/19 authority proforma tool (APT) (£35,000) and could be more based on pupil growth based on middle super output areas. Each additional primary pupil will attract £1,370, secondary pupil £2,050 and each new basic need school will attract £65,000. The actual allocations will be based on the October census and will be provided as part of the DSG announcements in December 2019
- Premises factors (rates and Private Finance Initiative (PFI) will use 2018/19 values in the APT, with the PFI factor uplifted by Retail Price Index (RPI) excluding mortgage interest payments (RPIX))
- Mobility factor will be funded using LA spend via the APT for 2018/19

Illustrative Gateshead Funding

The DfE issued indicative illustrative allocations for 2019/20 for the Schools Block, High Needs Block and the Central Schools Services Block.

Below is a high level comparison of the updated units of funding and the illustrative amounts in the three blocks.

Schools Block Units of Funding	2018/19	2019/20	Difference	Percentage Change
Primary	£4,036.39	£4,073.76	£37.37	0.93%
Secondary	£5,023.26	£5,066.09	£42.83	0.85%

2018 -19 DSG allocations by block		Indicative Allocations 2019/20	Difference	Percentage Change
Schools Block	£108,908,779	£109,939,179	£1,030,400	0.95%
Central Schools Services Block	£1,730,788	£1,729,347	-£1,441	-0.08%
High needs block	£22,146,180	£22,334,671	£188,492	0.85%

Not all details or calculations have been released and the information above is based on 2017/18 data apart from updated premises and growth factors using 2018/19 APT. The actual allocations for the SB and CSSB will not be known until December 2019, and there will be further updates to the early years block (EYB) and HNB issued in December during spring/summer 2019.

The above table details the total amounts and percentage funding that will be allocated under the national funding formula (NFF), together with values and cash allocations for Gateshead for mobility, premises factors and growth funding.

Indicative individual school allocations can be found on the above link. The amounts on the table are indicative, are based on the NFF without any local formula review and will change with the final allocation of funding in December.

Teachers Pay Grant

Details of the DfE's methodology for the grant were published 14 September 2018.

The DfE will allocate funding to schools based on an amount per pupil weighted for the different sectors. Pupil numbers will include pupils aged 2 to 19 in schools, but it is not clear which pupil count the funding will be based on. All mainstream schools will be funded as if they had at least 100 pupils, and special and alternative provision schools as if they had at least 40 pupils. The rates are listed below and the DfE will issue school and authority level allocations and make payments later this term.

Rates for primary schools		
Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	19.51	33.65
Outer London	18.05	31.13
London fringe	16.9	29.14
Rest of England	16.4	28.29
Rates for secondary schools (with same rate for all 11-19 year olds)		
Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	31.57	54.2
Outer London	29.2	50.15
London fringe	27.34	46.94
Rest of England	26.54	45.56
Rates for special and alternative provision schools		
Region	Rate in 2018 to 2019 (£)	Rate in 2019 to 2020 (£)
Inner London	78.1	134.97
Outer London	72.25	124.87
London fringe	67.64	116.89
Rest of England	65.65	113.46

Proposal

That Schools Forum notes the contents of this report and the information that can be reached from the above links. The DSG information will be used by the Mainstream School Funding Subgroup (MSFS) to inform discussions and modelling of the local formula which will be reviewed and agreed by Schools Forum prior to consultation with all mainstream schools.

Recommendations

It is recommended that Schools Forum notes the contents of the report and that work will be undertaken by the MSFS on Gateshead's transition to the NFF.

For the following reasons:

- To maintain funding stability for Gateshead's mainstream schools
- To comply with the Schools Revenue Funding Operational Guidance
- To comply with DfE timescales
- To Comply with Schools and Early Years (England) Regulations 2018 when they are published

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