

Report to Solihull Schools Forum – 7 October 2020

DfE Announcements made on 20 July 2020 and 10 August 2020

Extracts from key documents - Steve Fenton

Funding for 2021 to 2022

For 2021 to 2022, every school will attract at least 2% more funding per pupil for their pupil-led funding in the NFF. Many schools will attract significantly more.

However, a school may see a decrease in their total funding if they have fewer pupils than before. This is because most funding is allocated on a per pupil basis.

The NFF allocations for 2021 to 2022 published by the DfE are calculated using pupil numbers from the October 2019 census (or agreed pupil numbers from last year). This was the most recent data available when the provisional allocations were calculated. Schools' final allocations for 2021 to 2022 as determined by their local authority will be based on pupil numbers from the October 2020 school census.

The government announcement:

Today, we published provisional funding allocations for 2021 to 2022 through the schools, high needs and central school services national funding formulae (NFF).

The allocations and accompanying technical notes are available [here](#).

The funding factors used in the 2021 to 2022 national formulae remain the same, but we have made two technical changes:

- Funding from the teachers' pay grant and the teachers' pension employer contribution grant, including the supplementary fund, has been added to the formulae from 2021 to 2022.
- The 2019 update to the Income Deprivation Affecting Children Index has been incorporated so that deprivation funding allocated through the formulae is based on the latest data.

The allocations also reflect further increases to the funding blocks in 2021 to 2022:

- School funding is increasing by 4% overall, compared to this year, with the funding floor allocating at least 2% more in pupil-led funding per pupil, and higher minimum per pupil funding levels directing further increases to the lowest funded schools. We have also increased total funding through the sparsity factor from £26m to £42m, as a first step towards expanding the support the NFF provides for small and remote schools from 2022 to 2023.

- High needs funding is increasing by a further £730m, or 10%, in 2021 to 2022, bringing the total high needs budget to over £8bn. The NFF will ensure that every local authority receives an increase of at least 8% per head of population, compared to this year, and up to 12%.
- Central schools services funding in 2021 to 2022 will increase by 4% for the ongoing responsibilities that local authorities continue to have for all schools, while funding for historic commitments within this block will decrease by a further 20% for those local authorities in receipt of this funding.

In light of the need to focus efforts on meeting the challenges of Coronavirus (COVID-19), we are not changing local authorities' role in the distribution of school funding in 2021 to 2022. The Government will, later this year, put forward its proposals to move to a 'hard' NFF in future, which will determine schools' budgets directly rather than through local formulae set independently by each local authority.

The 2021 to 2022 NFF policy document provides further information about changes to the national formulae [here](#). These changes, and detail about local funding arrangements in 2021 to 2022, are also outlined in the schools funding operational guide [here](#).

Key documents Published 20 July 2020:

Schools revenue funding operational guide: 2021 to 2022

Local authorities and schools forums should use this guidance to plan the local implementation of the funding system for the 2021 to 2022 financial year.

Disapplication proformas

Local authorities should use these forms to make formal requests to the Secretary of State to disapply any part of The School and Early Years Finance (England) Regulations:

- use the 'Schools block movement' form for requests about moving funding from the schools block to any other block
- use the 'General' form for everything else

Further information

You can read the [national funding formula for schools and high needs](#) for further details of the NFF funding system for 2021 to 2022.

Policy paper: National funding formula for schools and high needs: Details of the funding system for schools and high needs <https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>

Guidance: **National funding formula tables for schools and high needs: 2021 to 2022:**
Tables showing provisional allocations for the schools, high needs and central school services blocks from 2021 to 2022.

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2021-to-2022>

Guidance: Pre-16 schools funding: local authority guidance for 2021 to 2022: Operational guidance for planning the local implementation of the funding system for the 2021 to 2022 financial year.

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>

Central school services block national funding formula: technical note July 2020

20. The maximum per-pupil reduction in funding for ongoing responsibilities each LA will receive is -2.5%. Permitted gains in per-pupil funding are set at the highest level possible that ensures the total CSSB funding does not exceed the available budget. In 2021-22 LAs will be able to gain a maximum of 6.45%.

Additional funding for centrally employed teachers pension costs:

21. Additional pension funding that local authorities have claimed for centrally employed teachers will be rolled into the ongoing responsibilities element of the CSSB. This funding will be added as a per-pupil amount to the relevant local authority's per-pupil rate. As this funding is based on local authority claims received in May and June, we will make this adjustment in DSG allocations later in the year, rather than in provisional NFF allocations.

Funding for historic commitments

22. In 2021-22, for LAs that receive it, their historic commitments **funding will be reduced by 20% compared to their 2020-21 baseline.**

23. The small protection against the NFF school's block allocation, implemented in 2020-21, has been removed.

24. **Historic commitments funding will be protected from dropping below the total value of ongoing prudential borrowing** or termination of employment costs, based on evidence received by the department. This protection will be applied in the DSG, and so will not be shown in NFF allocations.

SF Note – so LA will lose remaining £27,800 for ExCom and £15,800 for LSCB, will have to ask for £1.1m for prudential borrowing. This will leave £0 for any other combined service.

High needs national funding formula: technical note July 2020

1.9 We have published provisional allocations for 2021-22.

1.10 The following updates will be made to the provisional 2021-22 allocations to ensure that pupil led and hospital education factors and adjustments are as up to date as possible;

a. December 2020 update to the basic entitlement factor, based on January 2020 AP census and October 2020 school census data.

b. May/June 2021 update to the import/export adjustment, based on January 2021 school census data and February 2021 R06 Individualised Learner Record (ILR) data.

c. May/June 2021 update to the additional funding for new and growing 8 special free schools, alongside the import/export adjustment, based on January 2021 school census data.

d. Any adjustments to hospital education funding as a result of the information collected by the ESFA from local authorities in autumn 2020. This update will also be made in 2021.

e. June 2021 update of the hospital education and alternative provision teachers pay/pension funding factor to include the 2020-21 pay and pensions allocations for alternative provision, and the addition of the pensions supplementary fund allocation for 2020-21.

1.11 There are no plans for later updates to the remaining elements of the provisional allocations (the funding through the historic spend factor, other proxy factors and funding floor factor, and any gains under the formula). For these elements, therefore, the amounts in the final formula allocations will be the same as published in July 2020.

(K) Hospital education, AP teachers pay/pension and supplementary funding factor

3.32 The provisional alternative provision (including hospital education) teacher pay and pension funding is calculated as being equal to the annual equivalent (14) of the 2019-20 grant funding. The pay and pension funding will be updated to use 2020-21 grant funding as per paragraph 1.10. The 2020-21 pensions supplementary fund allocations will also be included as per paragraph 1.10 and local authorities will be funded with an equal amount in 2021-22.

(14 The actual 2019-20 pay and pension allocation in relation to alternative provision for the period September 2019 to March 2020 has been divided by 7 and multiplied by 12 to give a (provisional) figure representative of a full year allocation.)

3.33 The total hospital education, AP teachers pay and pension and supplementary factor funding is calculated as a sum of the hospital education funding, alternative provision pay and pensions, and pensions supplementary funding. The pay, pensions and pensions supplementary funding will be updated in 2021 when the 2020-21 grant funding amounts have been finalised.

3.34 There will continue to be a process in 2021-22 for local authorities to notify the department of changes to their hospital provision, as explained in the high needs funding operational guide and other information published by the ESFA15.

4.2 The funding floor factor ensures that every local authority receives an 8% increase in 2021-22, compared to their 2020-21 baseline, calculated on a per head of population basis. In addition, a limit is applied to the per head gains that each local authority will see over their 2020-21 funding baseline, in order to manage the gains from the available resource. This limit will be 12% in 2021-22.

4.4 The total provisional allocation for 2021-22 is then calculated by adding back the funding for the basic entitlement factor (A), hospital education, AP teachers pay/pensions and supplementary funding factor (K) and import/export adjustments (L). The basic entitlement factor funding (A) and import/export adjustments (L) are provisional until more recent data is available to calculate the final allocations. The

hospital education, AP teachers pay/pensions and supplementary funding is also subject to later adjustments.

Import/export adjustment data sources

C.6 Data from the school census is used for the import/export adjustments: special schools' (maintained special schools, special academies and NMSSs) pupil numbers and the numbers of pupils for whom mainstream schools receive top-up funding. For the provisional 2021-22 allocations we have used January 2020 school census data.

C.7 Data from the ILR is also used for these adjustments: the numbers of students in SPIs and the numbers of students for whom other non-school post-16 further education (FE) institutions receive top-up funding. For the published 2021-22 allocations we have used ILR data R06 cut taken in February of the 2019/20 academic year.

C.8 We have made available to local authorities, via Document Exchange (a secure data exchange portal), the detailed data at institution level used in the provisional allocations, and will also make available the data used in the final adjustments and allocations.

C.9 In 2021 the import/export adjustment will be updated with January 2021 school census data and data from the February R06 ILR for 2020/21.

Schools block national funding formula: technical note July 2020

Differences between the 2020-21 NFF and the 2021-22 NFF

1.5. The main formula in 2021-22 is similar to the formula in 2020-21. However, we have introduced some changes: (set out in the policy document 2021-22 NFF)

- a. Unit values have been increased as set out in Chapter 3 (see below)
- b. The NFF calculations for 2021-22 are based on school and pupil characteristics data from the 2020-21 authority proforma tool (APT) data, rather than 2019-20 APT data which drove the 2020-21 calculations (we have also used the 2020/21 General Annual Grant data in place of 2019/20 GAG data).
- c. We have used 2019 data from the Income Deprivation Affecting Children Index (IDACI) in place of 2015 data. We have changed the basis on which we assign pupils to the seven IDACI bands: they are now assigned based on rank rather than score. For example, Band A now consists of pupils in the most deprived 2.5% of lower super output areas (LSOAs), instead of consisting of pupils in LSOAs with an IDACI score greater than 0.5. More details are given in Chapter 3. *(SF note – when the DfE have changed the IDACI banding s before it has led to big budget changes for schools)*
- d. From 2021-22, funding previously received through the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grants (TPECG) to mainstream schools for pupils from reception to year 11 will be allocated through the schools block NFF by adding to the baseline (Chapter 2), by increasing the basic per pupil funding (Chapter 3) and by increasing the minimum per pupil funding (Chapter 3). *(SF Note – need to understand what this equates to)*

- e. The LA-level protection has not been continued after being introduced in 2020-21.

1.9. Schools' actual allocations for 2021-22 will be based on more up-to-date pupil data as well as being the result of LAs' local funding formula arrangements, so these notional allocations should not be taken as firm and actual allocations.

1.10. As we have used data from the 2020-21 APT for maintained schools and from the 2020/21 GAG for academies and free schools to illustrate the school-level impact of the NFF, the total of the notional impact across all schools (from the 'Impact of the schools NFF' table) will not match the total of the provisional LA allocations (from the NFF summary table).

Other information (From technical guide)

NFF Values:

Basic per-pupil funding factors have been increased by 3% since the 2020-21 NFF. A further £180 has been added to the primary amount and £265 to each of the KS3 and KS4 amounts per pupil, representing the Rest of England teachers' pay and pension grants. While not compulsory, the department would also expect local authorities to add these amounts to the basic per pupil funding value they would otherwise have used in local funding formulae, to ensure that they mirror the rolling in of grants for local schools.

Schools' baselines for the funding floor are from the notional 2020-21 core NFF allocations, with the addition of the teachers' pay and pension grant baseline (Chapter 2). For schools that do not have a 2020-21 baseline, Annex B describes how a baseline is derived. The NFF's funding floor ensures all schools' NFF allocations in 2021-22 see a minimum gain per pupil of 2% above their 2020-21 baseline pupil-led funding.

The technical changes to the NFF to roll in the TPG and TPECG will be reflected in local funding formulae, as far as possible. This is reflected in sections below on the basic per pupil entitlement, MPPLs, (minimum per pupil levels) and the minimum funding guarantee (MFG).

MPPLs are mandatory – exceptional circumstance only to seek a disapplication

The incorporation of the 2019 IDACI data will also be used in local funding formulae, which is reflected in the deprivation section below.

The MPPLs will remain mandatory, at the new NFF values, including additional funding the department has rolled in from the TPG and TPECG.

Local authorities have the freedom to set the MFG in local formulae between +0.5% and +2% per pupil, and should add total funding from the TPG and TPECG to schools' baselines, as has been done in the NFF.

Following the cancellation of assessments in summer 2020 due to COVID-19, local authorities will use 2019 assessment data as a proxy in funding formulae for the 2020 reception and year 6 cohort, which will be reflected in the data they receive from the department in the APT.

2021-22 actual premises funding

4.5. Our approach for allocating premises funding at LA level under the NFF for 2021-22 is to use the levels of funding given on LAs' 2020-21 APTs. For the PFI factor, we have uprated all positive amounts on the 2020-21 APTs in line with inflation, using RPIX data

(retail prices index for all items excluding mortgage interest) for the year to April 2020 that has been published by the Office for National Statistics. For each LA we:

a. Take the 2020-21 PFI premises factor baseline as given on the 2020-21 APT and uplift it in line with RPIX growth from April 2019 to April 2020 (1.56% Source: Office for National Statistics RPIX)

The exception to this is if the PFI figure on the 2020-21 APT for a school is negative. In this case it is rolled over and not uplifted by RPIX.

b. Take the premises factor 2020-21 APT spend for all other factors for split sites and rates

c. Take the 2020-21 exceptional circumstances spend excluding certain non-premises items¹³

d. Add the totals from these three steps together to give the 2021-22 NFF actual funding through the premises factors.

This calculation is final, and will not be updated at any later point.

2021-22 funding through the growth factor

We have not published provisional growth allocations because, as they are determined by October 2020 pupil numbers, it would not provide meaningful information at this stage.

MFG:

The following elements of funding need to be added to schools' budget shares before the MFG calculation:

- Funding deducted through the negative factor for schools entered into the risk protection arrangement under regulation 19
- Funding for de-delegated services that have been agreed with the schools forum under regulations 11(5) and 11(6)
- Negative adjustments for excluded pupils during the year under regulation 29.
- Pay and pensions grant to the school during 2020-21: this is added to the baseline only.

The following elements of funding are automatically excluded from the MFG calculation, as not doing so would result in excessive protection, or would be inconsistent with other policies:

- The 2021 to 2022 lump sum; this is excluded from both the baseline and 2021 to 2022 funding so that schools are protected against significant change in the lump sum between years
- Any higher lump sum paid under the regulations in 2020 to 2021 for amalgamated schools; this is excluded from the baseline only.
- Any higher lump sum to be paid under the regulations in 2021 to 2022 for amalgamating schools; this is excluded from the 2021 to 2022 funding only.
- The 2021 to 2022 sparsity factor; this is excluded from both the baseline and 2021 to 2022 funding so that schools are protected against significant change in the sparsity value between years
- Rates: these are excluded from both the baseline and 2021 to 2022 funding, at their respective values for each year
- Any positive adjustments for excluded pupils during the year under regulation 29

NFF Factors comparison:

| | DfE NFF Values 2020-21 | | DfE NFF Values 2021-22 | | % Change | |
|--|---------------------------|---------|---------------------------|---------|----------|------|
| | Pri | Sec | Pri | Sec | Pri | Sec |
| AWPU - age weighted pupil unit - per pupil funding | 2,857 | 4,018 | 3,123 | 4,404 | 9.3% | 9.6% |
| AWPU - age weighted pupil unit - KS4 | | 4,561 | | 4,963 | | 8.8% |
| Current Free School Meal Eligibility | 450 | 450 | 460 | 460 | 2.2% | 2.2% |
| FSM Ever 6 | 560 | 815 | 575 | 840 | 2.7% | 3.1% |
| IDACI F - $0.2 \leq x < 0.25$ | 210 | 300 | 215 | 310 | 2.4% | 3.3% |
| IDACI E - $0.25 \leq x < 0.3$ | 250 | 405 | 260 | 415 | 4.0% | 2.5% |
| IDACI D - $0.3 \leq x < 0.35$ | 375 | 535 | 410 | 580 | 9.3% | 8.4% |
| IDACI C - $0.35 \leq x < 0.4$ | 405 | 580 | 445 | 630 | 9.9% | 8.6% |
| IDACI B - $0.4 \leq x < 0.5$ | 435 | 625 | 475 | 680 | 9.2% | 8.8% |
| IDACI A - (Highest) $0.5 \leq x \leq 1$ | 600 | 840 | 620 | 865 | 3.3% | 3.0% |
| Low prior attainment - 78 point measure | 1,065 | 1,610 | 1,095 | 1,660 | 2.8% | 3.1% |
| English as Additional Language (3 Year measure) | 535 | 1,440 | 550 | 1,485 | 2.8% | 3.1% |
| Lump Sum | 114,400 | 114,400 | 117,800 | 117,800 | 3.0% | 3.0% |
| Sparsity Lump Sum | 26,000 | 67,600 | 45,000 | 70,000 | 73.1% | 3.6% |
| Mobility - per pupil | 875 | 1,250 | 900 | 1,290 | 2.9% | 3.2% |
| Area Cost Adjustment | 1 | 1 | 1 | 1 | 0.0% | 0.0% |
| Minimum per pupil | 3,750 | 5,000 | 4,180 | 5,415 | 11.5% | 8.3% |
| Minimum per pupil - KS3 Only | | 4,800 | | 5,215 | | 8.6% |
| Minimum per pupil - KS4 Only | | 5,300 | | 5,715 | | 7.8% |

Reviewing and consulting on the pre-16 formula

The department appreciates that there will be limitations in the way local authorities are currently able to work due to the COVID-19 situation.

However, local authorities must do their best, within the circumstances, to engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula, including the principles adopted and any movement of funds between blocks.

The DfE does not intend that changes to incorporate 2019 IDACI data or to roll in TPG and TPECG funding, which mirror technical changes in the NFF, should require consultation with schools on their own, and the department plans to reflect this in the school funding regulations.

Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.

We will issue an early modelling version of the authority proforma tool (APT) to help decision making in the autumn.

Local authorities should communicate proposed formula changes to all bodies affected by the changes.

The local authority is responsible for making the final decisions on the formula; however, each local authority's process should have ensured that there was sufficient time to gain political approval before the APT deadline in January 2021.

Political approval means approval in line with the local authority's local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council; the schools forum does not decide on the formula.

Local authorities should, as much as is possible, ensure that they allow sufficient time for wider consultation with schools, agreement by their schools forum, and political approval if they wish to transfer funding out of the schools block, or submit a disapplication request.

Schools forums can meet remotely, until 31 March 2021, while they are unable to meet physically in a room during the outbreak of COVID-19. This includes, but is not limited to, telephone conferencing, video conferencing, live webcast and live interactive streaming.

Timetable

The provisional timetable for the data checking and calculation of the blocks is shown below:

Local authority activity

01 October

- School census day.

11 October 2020

- Deadline for submitting disapplication requests (for response by December) for:
 - MFG exclusions
 - exceptional circumstances
 - sparsity factors
 - lump sum variations for amalgamating schools
 - pupil number reductions

Mid-November 2020

- Closing date for submission of the 2021 to 2022 high needs place change workbooks.

20 November 2020

- Deadline for submitting disapplication requests (for response by the APT deadline) for:
 - MFG exclusions
 - exceptional circumstances
 - sparsity factors
 - lump sum variations for amalgamating schools
 - pupil number reductions
- Deadline for submitting disapplication requests if the local authority wishes to move more than 0.5% of the schools block.
- A request must also be submitted if the schools forum has turned down a proposal from the local authority to move funding out of the schools block, but the local authority wishes to proceed with the transfer. The department aims to issue decisions before the APT deadline.

November 2020

- School census database closed.
- Check and validate school census.

Mid-January 2021

- Schools forum consultation and political approval required for final 2021 to 2022 funding formula.
- 16 January schools block disapplication submission amendment date.

21 January 2021

- Deadline for submission of final 2021 to 2022 APT to ESFA.

28 February 2021

- Deadline for confirmation of schools budget shares to mainstream maintained schools.

DfE or ESFA activity

July to September 2020

- NFF arrangements for 2021 to 2022 for schools, central school services and high needs published (illustrative allocations, PUFs, SUFs, policy document, technical notes).
- Operational guidance published setting out arrangements for 5 to 16 mainstream schools implementation for 2021 to 2022.
- High needs funding operational guide for 2021 to 2022 issued to local authorities.
- Further information to illustrate 2021 to 2022 growth funding allocations will be provided to local authorities.

October to November 2020

- Publish 2021 to 2022 high needs place change notification: technical note.
- Check and validate school census.
- We will issue an early modelling version of the APT to help decision making in the autumn.

December 2020

- Final APT issued to local authorities, containing October 2020 census-based pupil data and factors.
- Publication of 2021 to 2022 DSG schools block (prior to academies recoupment), central school services block, initial early years block allocations and initial high needs block allocations for 2021 to 2022.

By 31 March 2021

- Confirmation of 2021 to 2022 general annual grant for academies open by 9 January 2021.
- 2021 to 2022 allocation statements issued to post-16 institutions, academies, and NMSS.
- Publication of 2021 to 2022 high needs place numbers at institution level.

April 2021

- First DSG payments to local authorities based on 2021 to 2022 allocations, including academies recoupment (DSG allocations updated termly for in-year academy conversions), FE high needs place funding deductions, and other adjustments.

Summer 2021

- Early years block updated for January 2021 early years pupil numbers.

Summer 2022

- Early years block updated for January 2022 early years pupil numbers (pro rata seven twelfths, as this relates only to the period September 2020 to March 2021).