

Committee:	Schools Forum
Meeting Date:	26 November 2020
Title:	Schools Block Funding Formula: 2021-22
Author:	Michael Quinton
Decision making / consultative / information:	Decision Making
Who can vote?	Maintained and Academy Schools Forum members

What is the Forum being asked to decide?

1. The paper provides an update to the National Funding Formula (NFF) for 2021-22. All factors used in 2021-22 will be the same as used in 2020-21. There are no proposals for any changes and for Forum to agree that Suffolk continues to follow the NFF.

Reason for recommendation

2. The recommendation is for Suffolk to continue to follow the NFF (as previously agreed by forum) to determine schools' budgets in 2021-22.

Alternative options

3. There are no alternative options in respect of the NFF and Forum have agreed to follow the NFF over the past 3 years.

Who will be affected by this decision?

4. The funding formula used to calculate school budgets for 2021-22 will affect all LA maintained schools, free schools, and academies.

Main body of the Report

NFF Update

5. Suffolk continue to see welcome increases to the overall Dedicated Schools Grant (DSG) allocation. Suffolk will see approximately a 3.4% increase in funding per pupil to total £466.7m for allocating through the NFF. Updated and figures can be seen below in table 1:

Table 1

October published 2020 allocations

Dedicated schools grant: 2021-22 allocations local authority summary	2021-22 schools block (£million)	2021-22 central school services block allocation (£million) + Growth & De- Delegation	2021-22 high needs block allocation (£million)	*2021-22 early years block (£million)	2021-22 total DSG allocation (£million)
DfE allocation	£465,621,955	£6,657,549	£84,907,284	£37,687,508	£594,874,296
DFE Growth allocation (20-21 amount)	£2,883,415	£0	£0	£0	£2,883,415
Growth Fund	-£1,780,000	£1,780,000	£0	£0	£0
Total to allocate	£466,725,370	£8,437,549	£84,907,284	£37,687,508	£597,757,711
Estimated de-delegation	-£667,149	£667,149	£0	£0	£0
Total LA DSG Income	£466,058,221	£9,104,698	£84,907,284	£37,687,508	£597,757,711

6. Schools Forum agreed (as previously mentioned) that Suffolk should adopt the NFF with effect from 2018-19 and this approach is continuing when setting the budget for 2021-22. This will ensure that the funding at school level remains consistent year on year which will be received by individual schools when the NFF is finally fully implemented. At this stage there is still no set date when the 'hard' formula will be introduced, especially under the current circumstances and Covid-19.

Key Changes in 2021-22:

7. **Teacher Pension and Teacher Pay** 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 (to calculate any year on year increases)
 - Increasing the basic per pupil funding
 - Increasing the minimum per pupil funding.

The increases can be seen in table 2 below:

Table 2

Region	Primary TPG	Primary TPECG	Total
Rest of England	£47.02	£132.86	£179.88
Region	Secondary TPG	Secondary TPECG	Total
Rest of England	£69.21	£195.57	£264.78

8. **Income Deprivation Affecting Children Index (IDACI)** has been updated to use 2019 data in place of 2015 data. The IDACI element of the deprivation factor is published by the Ministry for Housing, Communities and Local Government (MHCLG).

9. To recap, IDACI is a relative measure of socio-economic deprivation: an IDACI 'score' is calculated for a lower super output area (LSOA, an area with typically about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing relative socio-economic deprivation. LSOAs are ranked by score, from the most deprived LSOA, with the highest score, to the least deprived LSOA.
10. The Department for Education then match IDACI data to pupils' home postcode data recorded in the October 2019 school census in order to find their LSOA, and hence the IDACI band for each pupil in a school.
11. More funding is being diverted through the **Sparsity factor**. The sparsity factor targets extra funding to schools in Suffolk that are both small and remote. There are no changes to how this is calculated in the NFF.
12. The NFF includes a **minimum per pupil funding factor (MPPF)**, which sets a minimum per pupil funding that each school attracts through the NFF. This minimum refers to the level in £ of per-pupil funding schools attract through the NFF.
13. These values have been calculated by first increasing the minimum per pupil funding levels to £4,000 for primary (up from £3,750 in 20-21), £4,950 for KS3 (£4,800 20-21) and £5,450 for KS4 (£5,300 20-21). A further £180 has then been added to the primary amount and £265 has been added to each of the KS3 and KS4 amounts, representing the teachers' pay and pension grants. The 2021-22 minimum per pupil funding levels for different year groups are set out in the table 3 below:

Table 3

Year groups	2021-22 minimum per pupil funding level
Primary	£4,180
KS3	£5,215
KS4	£5,715

14. MPPF means that every school receives the same per pupil levels of funding. Within Suffolk, based on current data, 73 schools would require an adjustment to ensure that they reach these per pupil funding levels. In cash terms based on the current information, £4.661m is needed from the formula to 'boost' these schools. As stated last year it was suggested that the number of schools on MPPF may increase in 2021-22 (after the further investment of £2.2 billion to the formula) and this looks to be the case on initial calculations.

Authority Proforma and Movements from the schools block

15. The Authority Proforma Tool (APT) is used to submit the schools block budget to the DfE. The deadline this year is 21st January 2021. Updated data based on the October 20 census should be with the LA during December. When this is received the APT can be updated to reflect the October 20 pupil numbers.
16. **Annex A** APT takes into account increases to the schools block including NFF unit values uplifts and referring to the total allocation taken from Table 1 above.
17. The schools block is ring-fenced in 2021-22, but LAs can transfer up to 0.5% of their schools' block into another block, with the approval of schools forum.
18. Based on **Annex B**, and linking to Paper E, if the forum were to agree a 0.5% transfer to support the overall DSG deficit, approximately £2.3m would be transferred out. This would reduce the total allocation for schools to approximately £464.4m, from £466.7m. The per pupil reduction would work out at £24.63.

Annex A

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units		0.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£3,168.00		55,757.00		£176,638,176	£352,206,242	37.89%		
	Key Stage 3 (Years 7-9)	£4,449.00		22,930.00		£102,015,570		21.88%		
	Key Stage 4 (Years 10-11)	£5,008.00		14,687.00		£73,552,496		15.78%		
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM	£460.00	£460.00	8,625.00	5,248.00	£6,381,580	£31,132,384	6.68%		
	FSM6	£575.00	£840.00	11,096.69	9,051.00	£13,983,431				
	IDACI Band F	£215.00	£310.00	5,727.80	3,519.77	£2,322,607				
	IDACI Band E	£260.00	£415.00	4,593.28	2,860.33	£2,381,291				
	IDACI Band D	£410.00	£580.00	2,161.66	1,371.63	£1,681,826				
	IDACI Band C	£445.00	£630.00	3,181.57	2,026.07	£2,692,223				
	IDACI Band B	£475.00	£680.00	865.09	497.24	£749,044				
	IDACI Band A	£620.00	£865.00	826.11	495.02	£940,382				
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)	LAC March 19			477.40		£0	£3,307,402	0.00%		
4) English as an Additional Language (EAL)	EAL 3 Primary	£550.00		3,230.27		£1,776,651		0.54%		
	EAL 3 Secondary		£1,485.00		505.25	£750,300				
5) Mobility	Pupils starting school outside of normal entry dates	£900.00	£1,290.00	735.78	91.67	£780,451		0.17%		
	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Low prior attainment	Primary low prior attainment		£1,095.00	30.55%	17,033.90	£18,652,116	£33,617,074	7.21%		
	Secondary low prior attainment (year 7)	64.53%	£1,660.00	24.41%	9,015.04	£14,964,958				
	Secondary low prior attainment (year 8)	63.59%		24.87%						
	Secondary low prior attainment (year 9)	58.05%		24.62%						
	Secondary low prior attainment (year 10)	48.02%		24.20%						
	Secondary low prior attainment (year 11)			21.63%						

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£117,800.00	£117,800.00			£35,222,200	7.56%		
8) Sparsity factor	£45,000.00	£70,000.00	£70,000.00		£1,593,544	0.34%		

Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum or the NFF weighting for any of the phases.

Distance threshold (miles)	Value	Pupil number average year group threshold	Value	Fixed, tapered or NFF sparsity lump sum?	NFF	Notional SEN (%)	
Primary distance threshold	2.00	Primary pupil number average year group threshold	21.40	Fixed, tapered or NFF sparsity primary lump sum?	NFF		
Secondary distance threshold	3.00	Secondary pupil number average year group threshold	120.00	Fixed, tapered or NFF sparsity secondary lump sum?	NFF		
Middle schools distance threshold	2.00	Middle school pupil number average year group threshold	69.20	Fixed, tapered or NFF sparsity middle school lump sum?	NFF		
All-through schools distance threshold	2.00	All-through pupil number average year group threshold	62.50	Fixed, tapered or NFF sparsity all-through lump sum?	NFF		

9) Fringe Payments					£0	0.00%		
10) Split Sites					£222,000	0.05%		
11) Rates					£4,226,546	0.91%		
12) PFI funding					£0	0.00%		

13) Exceptional circumstances (can only be used with prior agreement of ESFA)

Circumstance	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY20-21	£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools	£0	0.00%		
Exceptional Circumstance3	£0	0.00%		
Exceptional Circumstance4	£0	0.00%		
Exceptional Circumstance5	£0	0.00%		
Exceptional Circumstance6	£0	0.00%		
Exceptional Circumstance7	£0	0.00%		

Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)		£461,527,392	99.00%	
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14) Additional funding to meet minimum per pupil funding level		£4,661,159	1.00%	
Total Funding for Schools Block Formula (excluding MFG Funding Total)		£466,188,551	100.00%	

15) Minimum Funding Guarantee	2.00%	£537,423		
Where a value less than 0.5% or greater than 2% has been entered please provide the disapplication reference number authorising the value				
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)				
No				
Capping Factor (%)		Scaling Factor (%)		
Total deduction if capping and scaling factors are applied				
£0				
		Total (£)	Proportion of Total funding(%)	Notional SEN (%)
MFG Net Total Funding (MFG + deduction from capping and scaling)		£537,423	0.12%	
Total Funding for Schools Block Formula		£466,725,974		£0

Annex B

Pupil Led Factors

	Reception uplift	No	Pupil Units		0.00								
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)		Notional SEN (%)			
	Primary (Years R-6)	£3,123.00		55,757.00		£174,129,111	£348,004,412	37.56%					
	Key Stage 3 (Years 7-9)	£4,404.00		22,930.00		£100,983,720		21.78%					
	Key Stage 4 (Years 10-11)	£4,963.00		14,687.00		£72,891,581		15.72%					
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)		Primary Notional SEN (%)	Secondary Notional SEN (%)		
2) Deprivation	FSM	£460.00	£460.00	8,625.00	5,248.00	£6,381,580	£31,132,384	6.71%					
	FSM6	£575.00	£840.00	11,096.69	9,051.00	£13,983,431							
	IDACI Band F	£215.00	£310.00	5,727.80	3,519.77	£2,322,607							
	IDACI Band E	£260.00	£415.00	4,593.28	2,860.33	£2,381,291							
	IDACI Band D	£410.00	£580.00	2,161.66	1,371.63	£1,681,826							
	IDACI Band C	£445.00	£630.00	3,181.57	2,026.07	£2,692,223							
	IDACI Band B	£475.00	£680.00	865.09	497.24	£749,044							
	IDACI Band A	£620.00	£865.00	826.11	495.02	£940,382							
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)		Primary Notional SEN (%)	Secondary Notional SEN (%)		
3) Looked After Children (LAC)	LAC March 19			477.40		£0	£3,307,402	0.00%					
4) English as an Additional Language (EAL)	EAL 3 Primary	£550.00		3,230.27		£1,776,651		0.55%					
	EAL 3 Secondary		£1,485.00		505.25	£750,300							
5) Mobility	Pupils starting school outside of normal entry dates	£900.00	£1,290.00	735.78	91.67	£780,451	0.17%						
	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)		Primary Notional SEN (%)	Secondary Notional SEN (%)		
6) Low prior attainment	Primary low prior attainment		£1,095.00	30.55%	17,033.90	£18,652,116	£33,617,074	7.25%					
	Secondary low prior attainment (year 7)	64.53%	£1,660.00	24.41%	9,015.04	£14,964,958							
	Secondary low prior attainment (year 8)	63.59%		24.87%									
	Secondary low prior attainment (year 9)	58.05%		24.62%									
	Secondary low prior attainment (year 10)	48.02%		24.20%									
	Secondary low prior attainment (year 11)			21.63%									

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£117,800.00	£117,800.00			£35,222,200	7.60%		
8) Sparsity factor	£45,000.00	£70,000.00	£70,000.00		£1,593,544	0.34%		

Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum or the NFF weighting for any of the phases.

Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Fixed, tapered or NFF sparsity primary lump sum?	NFF		
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Fixed, tapered or NFF sparsity secondary lump sum?	NFF		
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Fixed, tapered or NFF sparsity middle school lump sum?	NFF		
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Fixed, tapered or NFF sparsity all-through lump sum?	NFF		
9) Fringe Payments					£0	0.00%	
10) Split Sites					£222,000	0.05%	
11) Rates					£4,226,546	0.91%	
12) PFI funding					£0	0.00%	

13) Exceptional circumstances (can only be used with prior agreement of ESFA)

Circumstance	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY20-21	£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools	£0	0.00%		
Exceptional Circumstance3	£0	0.00%		
Exceptional Circumstance4	£0	0.00%		
Exceptional Circumstance5	£0	0.00%		
Exceptional Circumstance6	£0	0.00%		
Exceptional Circumstance7	£0	0.00%		

Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)	£457,325,561	98.63%	
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14) Additional funding to meet minimum per pupil funding level	£6,332,893	1.37%	
Total Funding for Schools Block Formula (excluding MFG Funding Total)	£463,658,455	100.00%	

15) Minimum Funding Guarantee	2.00%	£760,891	
Where a value less than 0.5% or greater than 2% has been entered please provide the disapplication reference number authorising the value			
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)			
No			
Capping Factor (%)		Scaling Factor (%)	
Total deduction if capping and scaling factors are applied			£0
	Total (£)	Proportion of Total funding(%)	Notional SEN (%)
MFG Net Total Funding (MFG + deduction from capping and scaling)	£760,891	0.16%	
Total Funding for Schools Block Formula	£464,419,346		£0