

11 – Local funding formula for 2020/21

- 1.1. During October/November 2017, schools were consulted on the introduction of the National Funding Formula and local Barnet proposals. In line with the majority view expressed by schools, the Schools Forum agreed in December 2017 to adopt option 2, which stated that the National Funding Formula factors should be used from 2018/19 but with additional protection (a phased introduction of the NFF in 2018/19 using the MFG in order to make the formula affordable).
- 1.2. This was implemented for 2018/19 and again for 2019/20. It is proposed to consult schools again on a proposal to continue with this approach, and to set the Minimum Funding Guarantee at +1.85% (the uplift in schools block funding indicated by the DfE) or better if the DSG allocation and growth requirements mean this is affordable.
- 1.3. It will not be possible to estimate the level of MFG that can be afforded or the level of capping that will be necessary until the council has received details of its National Funding Formula allocations from the ESFA later this month. However, once those details are available it is hoped that illustrative allocations to schools, using the formula and the level of MFG that is affordable, can be circulated to schools as part of the consultation.

vi) Recommendation – Members are recommended to approve consultation on the proposed approach to the local funding formula described above.

2020/21 Funding Formula – announcements

Announcement:

- Pledge to ensure every secondary school will receive a minimum of £5,000 per pupil in 2020/21, primary schools will get a minimum of £4,000 per pupil from 2021/22 (£3,750 in 2020/21)
- Per pupil funding for all schools can rise at least in line with inflation
- The government intends to progress the implementation of the National Funding Formula (NFF) delivering gains for areas which have been historically under-funded
- £66m increase in national Early Years funding
- Funding announcement is in addition to the £1.5bn per year in the Teachers' Pension Grant.
- R – Y11 funding in 2020/21 will increase by £2.6bn, but this includes the £700m for SEND pupils, so net increase £1.9bn through the funding formula

1.4. Impact – cash/real terms

In Barnet, all except 1 Secondary school received more than £5,000 per pupil in 2019/20, so gains under this proposal are not expected. It is expected that the calculation for this will be the minimum funding level per pupil, **not the AWPU**.

For 2021/22, primary schools are due to receive a minimum of £4,000 per pupil (£3,750 per pupil in 2020/21).

Once again, the clear majority of Barnet primary schools received in excess of this amount in 2019/20, so there will be a limited number of gainers, and those that do will not be significant.

1.5. Average impact per school

As a result of the comments above, we expect to only receive an increase in school-level funding in line with inflation. Whether this is RPI or CPI has not been confirmed, nor the date at which the inflation measure will be applied.

Local authority Primary Units of Funding (PUF) and Secondary Units of Funding (SUF) are due to be published in October. These are used to calculate the Schools Block element of the Dedicated Schools Grant.

1.6. Impact on the HN block

£700m increase in 2020/21 is higher than the increased allocation received in Barnet in 2018/19 and 2019/20. As the HN block is formula based, we do not know how this will be distributed. We await further details.

1.7. Impact on EY funding

Currently a national formula and expected to continue. If £66m is the increase solely for 2020/21, this is an increase of 1.83% over the national EY block total. This may result in an increase to £6.03 per hour received by the authority (from existing £5.93). Details of whether all the increase must be passed onto providers is not confirmed – it will depend on the level of the pass-through rate is confirmed. We await further details.