

7 The Barnet Schools Budget for 2020/21

1.1 The Schools Budget is mainly funded through the Dedicated Schools Grant (DSG). For 2019/20 this is made up of four main funding streams, also known as blocks, under the National Funding Formula (NFF) arrangements:

- Schools Block
- Early Years Block
- High Needs Block
- Central School Services Block

1.2 The Schools Block (SB) allocates funding for pupils in Reception to Year 11 in state-funded mainstream schools and academies.

1.3 The Early Years block (EYB) funds early education entitlements for 2-, 3- and 4-year-olds in private, voluntary and independent settings, maintained nursery schools and school nursery classes. The funding for 2-year olds is specifically for pupils from households with low incomes.

1.4 The High Needs Block (HNB) supports provision for vulnerable children and young people, mainly those with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and institutions to meet their statutory duties under the [Children and Families Act 2014](#).

1.5 The Department for Education (DfE) created a Central Schools Services Block (CSSB) in 2018/19, using the baseline of the schools block in 2017/18. The CSSB covers funding for historic commitments and funding for ongoing and statutory responsibilities.

1.6 The DfE announced allocations of the gross DSG to local authorities on 19th December 2019. The figures confirm the Schools Block and the Central School Services Block. However, the High Needs Block and the Early Years Block are indicative at this stage and will change during 2020.

1.7 The indicative DSG budget for 2020/21 by block is set out in Table 1 below.

Table 1 – DSG Allocations and the Indicative Schools Budget	Schools Block	High Needs Block	Early Years Block	Central Block	Total DSG
	£m	£m	£m	£m	£m
Budget Monitoring as at December 2019	143.407	45.169	28.928	2.183	219.687
Add: Academy Funding	111.457				111.457
Add: Funding for places at Academies		4.882			4.882
2019/20 Gross DSG as at December 2019	254.864	50.051	28.928	2.183	336.026
Movement from 2019/20					
*Growth Fund, premises and NNDR allocation	0.884				0.884
Additional pupil funding - unit of funding increase	6.505			0.033	6.538
Pupil growth	3.380			0.018	3.398
Additional Funding / (Reduction)		4.496	0.376	(0.093)	4.779
2020/21 Gross DSG Block as announced	265.633	54.548	29.304	2.141	351.626
Less: Academy Funding (Recoupment - confirmed in March 2020)	(116.078)				(116.078)
Less: Funding for HN places at Academies		(4.868)			(4.868)
2020/21 Net DSG Income	149.555	49.680	29.304	2.141	230.680

1.8 The allocation for the Schools Block is based on October 2019 school census data. A minimum Funding Guarantee of +1.84% means that every Primary or Secondary school will receive at least this percentage increase per pupil through the formula in 2020/21 than it did in 2019/20. In addition, each primary school is guaranteed a minimum of £3,750 per pupil and each secondary school is guaranteed to receive at least £5,000 per pupil.

Allocations by block

1.9 Schools Block - The 2020/21 SB Income is based on the following rates:

- £4,512.29 Primary unit of funding based on 29,947 primary pupils (October 2019 census)
- £5,869.37 Secondary unit of funding based on 21,305 secondary pupils (October 2019 census)
- £5.456m of funding for Pupil Growth (by formula) and Premises (historic spend/ not Area Cost Adjustment (ACA) adjusted).
- TOTAL = £265.633m

1.10 High Needs Block - The provisional HNB income for Barnet has been calculated as follows:

- £50.892m - Actual High Needs NFF allocation
- £3.098m - based on a £4,450.58 per pupil Area Cost Adjustment (ACA) weighted base rate * 696 (pupils in special schools/ academies based on the October 2019 census)
- £0.414m - Import/export adjustment £6,000 * 69 (net imported) pupils
- £0.144m – Additional High Needs Funding for Special Free School
- TOTAL = £54.548m

This represents a minimum 8.0 % increase per head of 2-18 population on baseline funding in 2019/20. The final import/ export adjustment (£4.868m net imported pupils in Barnet) data will be amended based on January 2020 school and FE providers' HN pupil census data.

1.11 **Early Years Block** – The EYB is estimated using early years numbers taken from the Early Years and Schools census in January 2019. An update to the 2019/20 EYB allocation will be made once the January 2020 Early Years and Schools census numbers are finalised. The Proposed funding rates for 3 to 4-year olds for 2020/21 increase to £5.23 base rate per hour, £1.60 IDACI rate, giving a notional overall rate of £5.51 per hour per provider. This is an 1.3% increase as compared to 2019/20, in line with the growth in overall funding for 3 to 4-year olds for 2020/21. The funding rate in 2020/21 for disadvantaged 2-year olds will be £6.00 in line with income rate. The LA will continue to retain 5% of funding for central early years expenditure in line with regulations.

1.12 **Central School Services Block** – The provisional 2020/21 CSSB for Barnet includes the following:

- £1.770m – allocation for ongoing responsibilities (includes retained duties, admissions, licensing and schools forum administration)
- £0.371m – Historic commitments allocation, 20% reduction. From 2019/20
- TOTAL = £2.141m

1.13 APT submission to the DfE - The council is required to submit a completed Authority Proforma Tool (APT) to the DfE annually, which shows all the detailed calculations and assumptions underpinning the proposals for allocating budgets to schools. For Academies and Free Schools, it captures the data required by the Education and Schools Funding Agency (ESFA) to calculate academy budgets and recoupment deductions to the gross DSG. Table 2 below shows the Schools' Block Funding Factor rates in the National Funding Formula(NFF). The DfE have increased these rates by 4% on core factors as compared to 2019/20, except for FSM, which was updated by inflation. This borough has previously opted to use NFF rates since 2018/19.

1.14 **Table 2 - Schools' Pupil led Factor rates (for the APT submission to the DfE)**

		2019/20 Barnet Formula		2020/21 NFF rates (Area Cost adjusted)	
<u>Pupil Led Factors</u>					
Description		Amount per pupil		Amount per pupil	
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£3,016.29		£3,139.90	
	Key Stage 3 (Years 7-9)	£4,241.69		£4,415.86	
	Key Stage 4 (Years 10-11)	£4,815.96		£5,012.63	
	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil
2) Deprivation	FSM	£483.13	£483.13	£494.56	£494.56
	FSM6	£592.94	£861.95	£615.45	£895.70
	IDACI Band F	£219.61	£318.43	£230.79	£329.71
	IDACI Band E	£263.53	£428.23	£274.76	£445.10
	IDACI Band D	£395.29	£565.49	£412.13	£587.98
	IDACI Band C	£428.23	£614.90	£445.10	£637.43
	IDACI Band B	£461.17	£658.82	£478.07	£686.89
	IDACI Band A	£631.37	£889.40	£659.41	£923.18
3) Looked After Children (LAC)	LAC	Not a Factor under NFF		Not a factor under NFF	

4) English as an Additional Language (EAL)	EAL 2 Primary	£565.49		£587.98	
	EAL 2 Secondary		£1,520.77		£1,582.59
5) Mobility	Pupils starting school outside of normal entry dates	£422.90	£618.53	£961.64	£1,373.78
6) Prior attainment	Low Attainment % old FSP 73	£1,152.93		£1,170.46	
	Secondary low attainment (year 7 - 9)		£1,701.95		£1,769.42
	Secondary low attainment (years 10 to 11)				

1.15 The proposed funding rates for 2020/21 financial year are shown in table 2 above, along with the current factors in the Barnet funding formula for 2019/20. Indicative Funding Schools Block allocations for 2020/21 are shown in Appendix 1.

1.16 The APT is due for submission on 21 January 2020. The main purpose of this tool is:

- to allow local authorities to model different options for their 2020 to 2021 schools block funding formulae and at the same time act as the proforma which local authorities will submit in January 2020; it is also the mechanism by which we provide the schools block dataset to local authorities
- to capture all the data required by Educations and Skills Funding Agency (ESFA) to calculate academy budgets, including information on the number of occupied high needs places at special units and resourced provision in mainstream academies to determine the place funding rate
- to enable ESFA to check that the formula has been applied reasonably and in compliance with regulations and conditions of grant, and that central budgets are being allocated in line with regulations
- to enable ESFA to check that at least 99.5% of funding allocated through the schools block element of the DSG is passed through the funding formula set by the local authority, or allocated to the growth fund or falling rolls fund.
- to collect data on maintained schools' schools block budgets for publication
- to use the notional allocations for academies for recoupment purposes; recoupment will continue to take place based on the budget, including the minimum funding guarantee, that the academy would have received as a maintained school
- to give ESFA information about which academies and future converters are judged by the local authority as meeting the criteria to qualify for exceptional factors or MFG exclusions so that these can be considered in their funding allocations.

1.17 In addition to the rates submitted in the APT as shown in Table 2, the authority also must clarify the funding criteria used when allocating growth and split site funding; the criteria for these factors is as previously agreed by Schools Forum and as described below:

1.18 **Growth Fund:**

The **Growth Fund** can only be used only to:

- Support growth in pre-16 pupil numbers to meet basic need
- Support additional classes to meet infant class size regulation
- Meet the costs of new schools

Local Authorities(LAs) are responsible for funding the growth needs of all their schools in their area, including new and existing maintained schools and academies. LAs must fund growth needs to all schools on the same criteria. Schools Forum is required to approve the Growth Fund criteria.

The costs of new schools will include the lead-in costs and will also include post start up and diseconomy of scale costs. Growth Fund support should be provided where academies are created to meet basic need.

From 2020/21, the DfE have announced new mandatory (subject to consultation) NFF factors for **minimum per pupil funding (MPPF)** amounts for primary schools at £3,750 rising to £4,000 in 2021/22 and for secondary schools at £5,000. In view of this likely change it is proposed to amend the existing Growth Fund criteria to reflect the **MPPF** values, where new classes start in September term of the financial year 2020/21. This will increase the amounts payable to **primary schools from £48,000 to £65,625** and for **secondary schools; from £61,000 to £87,500** for each new class of 30.

Schools Forum is also required to approve the size of the Growth Fund, which is estimated to be **£2.513m**.

Growth Criteria:

- *“Bulge classes opened at the request of the local authority - £10,000 one-off start-up grant plus **£65,625** (7/12x£3,750x30) for a primary class of 30 opening in September. **£87,500** (7/12x£5,000x30) for a secondary class of 30 opening in September.*
- *Permanent expansions approved by the local authority - **£65,625** (7/12x£3,750x30) for a primary class of 30 opening in September, **£87,500** (7/12x£5,000x30) for a secondary class of 30 opening in September.*
- *Temporary accommodation costs incurred as a direct result of LA approved expansions.*
- *Independent schools transferring to VA status - Allocation based on funding formula pro-rata for months open, based on previous actual pupils on roll, plus permanent expansion funding if appropriate.*
- *Newly established schools for which the LA is responsible to provide start-up up funding - Start-up funding of £220,000 primary/ £300,000 secondary in LA financial year of opening.*
- *New school phases (expansions to All-through status): New phase start-up funding of £50,000 primary/ £90,000 secondary in LA financial year of opening.*

- *Diseconomies of scale funding will be available to new basic needs academies and maintained schools opening new phases until there are pupils in every year group. No diseconomies of scale funding will be available to independent schools which become maintained. Diseconomies of scale per empty year group, paid from year after opening until pupils in all year groups. Academies are paid these rates in the current financial year with a further 5/12ths payment to cover the full academic year.”*

1.19 **Split site funding:**

The Local Authority intends to use the following criteria for qualifying settings in the APT for 2020/21.

“School buildings on split sites are funded as follows (excludes sports and play areas, premises used for nurseries and sixth forms only and all-through schools where each site is used solely for either primary or secondary phases):

- *The funding rate for a school on a split site is currently £29,958 (primary) or £99,412 (secondary).*
- *All through schools receive the primary split site allocation (£29,958) if they have primary year groups on more than one site, and £19,882.40 per secondary year group (£99,412/5) located across more than one site. This is increased by part year fractions as schools expand across sites.*
- *Secondary schools on split sites also receive an allowance for staff travel between sites, depending on how far apart the two sites are. The rate is £53,492. If the buildings are very close and simply separated by a public road this rate is multiplied by 0.2. If further apart the multiplier is 1.4.”*

1.20 **Lump Sum Protection**

Dollis Primary School has applied to the DfE for an additional year of Lump Sum protection in 2020/21 following the amalgamation of its predecessor Infant and Junior schools on 1 April 2019. This is £50,291, which 70% protection, the maximum allowed under regulations for combined lump sums after the first year of protection.

The schools block income for 2020/21 as shown in table 1 above is £265.633 million. The draft 2020/21 schools block expenditure as submitted on the APT is broken down as follows:

Split site, lump sum and NNDR allocations	£17.866m
Formula funding and MFG allocations	£245.254m
Growth funding	£2.513m
Total Schools Block expenditure	£265.633m

The appendix shows the indicative MFG and school factors funding allocations for individual schools compared with 2019/20 for each school for the Schools Block. These may be subject to data corrections and will be verified by the DfE before final confirmation to schools. The figures do not include Growth, Post-16, early years or SEN funding.

Recommendations:

We are asking that Schools Forum

- i. Notes the 2020/21 draft budget as shown in Table 1.
- ii. Notes and agrees the 2020/21 formula factor rates used in the APT submission (National Funding Formula rates) as shown in Table 2. (all voting members)
- iii. Notes and agrees Growth Fund criteria and amount; and Split Site criteria. (all voting members)
- iv. Notes the Lump Sum protection granted to Dollis Primary School for 2020/21.

Primary maintained schools	Yes/No
Secondary maintained schools	Yes/No