

**SCHOOL & EARLY YEARS FUNDING 2020-21:  
AGREEMENT OF THE LOCAL FUNDING FORMULA.****Purpose of the Report**

1. To inform the Schools Forum of the responses from schools, academies and Early Years providers to the Authority's local funding formula consultation.
2. To seek agreement of the 2020-21 local funding formula for schools and early years providers for recommendation to the Authority's Policy Committee.

**Information and Advice**

3. The formal consultations on the proposals for schools and early years funding were held from 14 November to 28 November 2019.
4. The consultation documents have been provided with this report for information and are available on the Schools Forum website at:

[www.nottinghamshire.gov.uk/education/information-for-schools/schools-Forum](http://www.nottinghamshire.gov.uk/education/information-for-schools/schools-Forum)

5. In order to agree the local funding formula, Schools Forum members will need to vote on the proposals in consideration with the financial models and responses to the consultation. Each of the proposals that require a vote to be taken are detailed in the main body of the report.
6. Forum members are reminded that, in accordance with the Schools Forum (England) Regulations 2018, only the following members are allowed to participate in a vote regarding the local funding formula:
  - Schools (Primary, Secondary and Special)
  - Academies
  - Governors
  - Private, Voluntary and Independent providers

Other non- schools' members (Diocesan and Trade Union) can engage and participate in any discussions held, but are not eligible to participate in a vote. The Chair of the Forum has a casting vote in the event of a tied result.

**Consultation responses**

7. A total of 25 (13 last year) eligible responses were received to the Schools consultation which was a response rate of 7.7% (4.0% last year). Twenty-six responses were excluded, 24 were from two schools, 1 from a childminder and 1 from a MAT.

8. A total of 52 (8 Schools, 44 PVI settings) eligible responses were received to the Early Years consultation which was a response rate of 4.6% (4% last year). One duplicate response was excluded from a school.
9. A full analysis of the responses received, along with the comments for each question are attached as **Appendix A and B**. Note that questions 1 to 4 asked about the person completing the response, so the appendix begins with question 5.
10. The responses to the questions on the LA's proposals are summarised below.

### Consultation Proposals

11. All proposals requiring a decision for 2020-21 are outlined in paragraphs 13 to 28 below along with the number of Yes/No or not sure/no responses from the consultation.
12. Prior to each proposal reference will be made to the consultation comments received at **Appendix A and B** for consideration by the Forum.

### Schools Local Funding Formula

13. Question 5 was to mirror the 2020-21 increases in the national funding formula (NFF) unit values in the local funding formula (LFF).

A vote is required on the following proposal by **School, Academy, Governor, & PVI members**.

Question 5	Primary (21)			Secondary (4)		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
In order to continue with the principle to mirror the NFF the local authority would need to increase the unit values for each factor as detailed in Appendix 1. Are you in agreement with this proposal?	20	-	1	4	-	-

14. The following two questions regarding the MFG and Gains Cap were annotated with the phrase 'subject to affordability' to provide some flexibility if the actual 2020-21 DSG funding allocation proves to be insufficient to fund the proposed formula (see paragraphs 18 to 21).
15. Question 6 was to mirror the real terms protection in the NFF by setting the minimum funding guarantee (MFG) at a positive 1.84%.
16. Setting the MFG at 1.84% ensures that every school receives a minimum increase against their 2019-20 pupil led baseline, this is referred to as the funding floor. Based on the indicative allocations there are 50 schools (15%) who would receive this minimum increase because their funding allocation through the NFF is **less** than their MFG pupil led baseline. This group of schools are being protected from any loss of funding by the positive MFG.

A vote is required on the following proposals by **School, Academy, Governor, & PVI members**.

Question 6	Primary			Secondary		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
In order to continue with the principle to mirror the NFF as far as possible the local authority would need to set the MFG at 1.84% (subject to affordability). Are you in agreement with this proposal?	20	-	1	4	-	-

17. Question 7 was to mirror the NFF and remove the gains cap.

Question 7	Primary			Secondary		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
In order to continue with the principle to mirror the NFF as far as possible the gains cap would need to be removed (subject to affordability). Are you in agreement with this proposal?	19	-	2	4	-	-

18. The Forum are reminded that the final unit values will be based on affordability once the actual 2020/21 DSG funding settlement is announced by the ESFA. The Authority will aim to implement the recommendations as far as possible.

19. If the funding allocation is insufficient to fund the proposed formula the Forum should give consideration as to where any adjustment should be made. The consultation report presented to the Forum in November mentioned that the funding allocation for rates (NNDR) is separate to the NFF and is on a lagged basis. There is currently a forecast overspend on NNDR and that together with estimated 20/21 inflation amounts to £0.4m which would need to be funded from the Schools Block DSG allocation. It was suggested that the Non-ISB reserve could be used to fund this shortfall unless the size of it was significant and/or there was a significant change on the forecast Non-ISB reserve balance (current forecast £3.3m).

20. The funding options for the Schools Forum to consider to ensure affordability of the formula are:

- Setting the MFG at less than 1.84%. To recover £0.4m this would need to be around 0.75% and impact 50 schools.
- Setting a gains cap. To recover £0.4m this would need to be around 10% which would impact 23 schools.

**De-delegation of funding for maintained primary and secondary schools**

20. As outlined in the consultation document, there are a limited list of services that the local authority can continue to operate centrally for maintained schools only. The consultation responses showed that the majority of respondents felt that the services listed should be centrally operated. However, the final decision is made by the members of the Forum who

represent the maintained primary and secondary sector. As de-delegation decisions can differ between the sectors, separate votes will need to take place.

21. There were a number of ‘not sure’ comments to the Support to underperforming ethnic minority groups and bilingual learners’ and the following paragraph outlines the support provided by that service.

22. The Achievement and Equality (A&E) Team develop the knowledge, confidence and skills of practitioners in Early Years Settings and Schools to ensure Black Minority Ethnic learners achieve their full potential and have access to an inclusive curriculum. These learners include children and young people who are learning through English as an Additional Language and Gypsy, Roma and Traveller children. The A&E consultants do this by providing advice, guidance and training to EY settings, schools and partners.

23. A vote is required by **maintained primary school and governor members** on the following:

Question 8		Primary (17)		
		Yes	No	Not Sure/ No Response
As a representative of a maintained primary school, do you agree to the de-delegation of the following in 2020-21:				
A	Free school meals eligibility assessment?	13	1	3
B	Support to underperforming ethnic minority groups and bilingual learners?	10	1	6
C	Contingency for crisis communications?	11	1	5
D	Trade Union Facilities	11	3	3

24. A vote is required by **maintained secondary school and governor members** on the following:

Question 8		Secondary (1)		
		Yes	No	Not Sure/ No Response
As a representative of a maintained secondary school, do you agree to the de-delegation of the following in 2018-19:				
A	Free school meals eligibility assessment?	1		-
B	Support to underperforming ethnic minority groups and bilingual learners?	1		-
C	Trade Union Facilities	1		-

### Early Years Local Funding Formula

23. Question 5 is to increase the hourly rate for 3 and 4 year olds by 18p in total. A distinction was made regarding the split of that amount to show the potential temporary nature of the 10p increase because it is funded by the underspend created due to the dip in the autumn term

number of funded places. If this trend diminishes or ceases in future years this element of the hourly rate would need to be reviewed.

24. A vote is required on the following factor by **School, Academy, Governor & PVI members**.

Question 5	Schools			PVI		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
Do you agree with an increase in the hourly rate for funded 3 & 4 year old children from £4.17 to £4.35 (£0.08 + £0.10 per hour) given that this may be reduced in coming years?	8	-	-	40	3	1

25. Question 6 is to extend the existing deprivation criteria to include 3 and 4 year old looked after children (LAC).

Question 6	Schools			PVI		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
Do you agree with the proposal to extend the existing criteria for the Deprivation Fund to include all 3 and 4 year old Looked After Children (LAC) as well as those identified as a Child in Need (CiN) and those on a Child Protection Plan (CPP)?	8	-	-	37	1	6

26. Question 7 is to extend the deprivation fund criteria to 3 and 4 year olds eligible for EYPP at an hourly rate of £0.10 per hour.

Question 7	Schools			PVI		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
Do you agree with the proposal to extend the criteria of the Deprivation Fund to 3 & 4 year olds eligible for Early Years Pupil Premium at an hourly rate of £0.10 per hour?	8	-	-	37	4	3

27. Question 8 is to increase the 2 year olds hourly by £0.08 per hour to reflect the inflect the announced increase in funding for 2020/21.

Question 8	Schools			PVI		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
Do you agree to increase the hourly rate for all eligible 2 year olds from £5.23 to £5.31 to reflect the increased funding to be received by NCC?	7	-	1	38	4	2

28. Questions 9 and 10 were to be considered in conjunction with one another and then only one question answered unfortunately, all responders answered both questions. The funding for both proposals is from the 3 and 4 year old underspend created by the dip in the autumn term number of funded places. If this trend diminishes or ceases in future years this factor would need to be reviewed. Two year old funding overspent in 2018-19 and is forecast to do so again in 2019-20 by £0.115m.

Question 9	Schools			PVI		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
Do you agree with the proposal to extend the existing criteria for the Deprivation Fund to include 2 year olds who are LAC/CIN/ CPP? This would be funded from the forecast 3 & 4 year olds underspend.	4	1	3	25	4	15

**OR**

Question 10	Schools			PVI		
	Yes	No	Not Sure/ No Answer	Yes	No	Not Sure/ No Answer
Do you agree to increase the hourly rate for 2 year olds who are eligible for Free School Meals by a further £0.05? This would be funded from the forecast 3 & 4 year olds underspend.	5	1	2	26	7	11

## **RECOMMENDATION/S**

That the Schools Forum

- 1) Notes the content of the report; and
- 2) Undertakes the votes required to recommend the school and early years local funding formula for 2020-21 for approval by the County Council Policy Committee (date to be confirmed) and for submission to the ESFA on 21 January 2020.
- 3) Consider and agree the approach to be taken to ensure affordability of the 2020-21 formula.

**Sue Summerscales**

**Senior Finance Business Partner – Children & Families**

**For any enquiries about this report please contact:**

Sue Summerscales

T: 0115 977 3468

E: [sue.summerscales@nottsc.gov.uk](mailto:sue.summerscales@nottsc.gov.uk)