

**SCHOOL FUNDING 2021-22:
AGREEMENT OF THE LOCAL FUNDING FORMULA.****Purpose of the Report**

1. To inform the Schools Forum of the responses from schools and academies to the Authority's local funding formula consultation.
2. To seek agreement of the 2021-22 local funding formula for schools for recommendation to the Authority's Policy Committee.

Information and Advice

3. The formal consultation on the proposals for schools was held from 23 November to 6 December 2020.
4. 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.
5. Forum members are reminded that, in accordance with the Schools Forum (England) Regulations 2012, 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

6. A total of 41 (25 last year) eligible responses were received to the Schools consultation which was a response rate of 12.5% (7.7% last year). 3 responses were excluded, 1 where 2 responses had been received from the same school and 2 from MATs.
7. A full analysis of the responses received, along with the comments for each question are attached as **Appendix A**. Note that questions 1 to 3 asked about the person completing the response, so the appendix begins with question 4.
8. The responses to the questions on the LA's proposals are summarised below.

Consultation Proposals

9. All proposals requiring a decision for 2021-22 are outlined in paragraphs 13 to 23 below.
10. Prior to each proposal reference will be made to the consultation responses and comments received at **Appendix A** for consideration by the Forum.

Schools Local Funding Formula

11. Question 4 was to mirror the 2021-22 increases in the national funding formula (NFF) unit values in the local funding formula (LFF).
12. The majority of respondents, 95%, were in agreement with this proposal.

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

Question 4

In order to continue with the principle to mirror the NFF as far as possible 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?

13. The following two questions regarding the MFG and Gains Cap were included to address an anticipated shortfall in the 2021-22 Schools Block funding allocation due to an expected increase in the number of children eligible for benefits related free school meals (FSM) between the October 2019 and October 2020 census points. We have estimated an increase of approximately 26% (4,335 pupils @ £461.27 per pupil) which may cost up to £2.0m and this is the basis of the three financial models.
14. The issue we have is that the funding for the additional FSM pupil numbers will not be reflected in the LA Schools Block funding allocation for 2021-22. The per pupil units of funding which determine our funding allocation, have already been set and the ESFA does not have any plans to update them. This issue has been raised with the ESFA and in other forums.
15. The consultation proposals are to continue to move the LFF towards the NFF whilst retaining some flexibility to address any funding shortfall by reintroducing a gains cap and having a flexible MFG. Three financial models were provided to show the impact of the MFG on the gains cap, in effect the higher the MFG percentage the lower the gains cap needs to be to fund it.
16. Question 5 was to set a positive MFG between +0.5% - +2.00% in order to maintain some flexibility to address the anticipated funding shortfall. Setting a positive MFG ensures that every school receives a minimum increase against their 2020-21 pupil led baseline, this is referred to as the funding floor.
17. The majority of respondents were in agreement with the proposal and the comments were to set it at a similar level to this year i.e. 1.84% or increase it.

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

Question 5

The current MFG is set at 1.84% to allow schools to receive a minimum increase above their 2019-20 baseline. For 2021-22 the local authority would need to set the MFG at between +0.5% and +2.00% (subject to affordability). In consideration with Models 1 – 3 (Appendix 2) which illustrate the impact of an MFG at 0.5%, 1.00% and 2.00%.

Are you in agreement with this proposal?

18. Question 6 was to reintroduce a gains cap to ensure that the formula is affordable for 2021-22. Any cap does not impact on gains received by schools through the MPP protection nor does it impact on the additional allocations for Teacher Pay and Pensions grant.
19. There was a mixed response to this question with 66% in favour and 32% against. Comments were around the underfunding of schools and the need for gains to be allocated as intended.

Question 6

In order to make the formula affordable a gains cap may be required for 2021-22. In consideration with Models 1 – 3 (Appendix 2) which illustrate the impact of a gains cap set at 2.80%, 2.75% and 2.6%.

Are you in agreement with this proposal?

20. The Forum are reminded that the final unit values will be based on affordability once the actual 2021-22 DSG funding settlement is announced by the ESFA. The Forum are asked to give the LA a steer as to the financial model which, in their view, would provide a broad benefit to most schools who were due to see a year on year increase in their funding under the NFF. The Authority will then aim to implement the recommendations as far as possible.

De-delegation of funding for maintained primary and secondary schools

21. 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.
22. A vote is required by **maintained primary school and governor members** on the following:

Question 7

As a representative of a maintained primary school, do you agree to the de-delegation of the following in 2021-22?

- Free school meals eligibility assessment?
- Support to underperforming ethnic minority groups and bilingual learners?
- Contingency for crisis communications?

- Trade Union Facilities?

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

As a representative of a maintained secondary school, do you agree to the de-delegation of the following in 2021-22?

- Free school meals eligibility assessment?
- Support to underperforming ethnic minority groups and bilingual learners?
- Trade Union Facilities?

RECOMMENDATION/S

That the Schools Forum

- 1) Notes the content of the report; and
- 2) Undertakes the votes required to recommend the schools local funding formula for 2021-22 for approval by the County Council Policy Committee on 10 February 2021 and for submission to the ESFA on 21 January 2021.
- 3) Consider and agree the approach to be taken to the level of the MFG and gains cap to ensure affordability of the 2021-22 formula.

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