



# Northumberland County Council

## CABINET

Date: 12 January 2021

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### National Funding Formula & School Funding 2021/22

Report of Cath McEvoy-Carr, Executive Director of Adult Social Care & Children's Services.

Cabinet Member: Councillor Guy Renner-Thompson, Lead Member for Children's Services and Deputy Leader of the Council

#### **Purpose of Report**

To update Cabinet regarding the National Funding Formula (NFF) and the implications for 2021/22 School Funding in Northumberland.

#### **Recommendations**

##### **Cabinet are recommended to:**

- 1) Approve the proposals for the two-step implementation of the National Funding Formula in 21/22, in line with the recommendation of the Schools Forum meeting of 18 November 2020 and the results of the subsequent consultation exercise held with schools.
- 2) Approve the delegation of the approval of the final formula values to the Executive Director of Adult Social Care & Children's Services and the Lead Member for Children's Services in line with the principles agreed at Schools Forum on 18 November 2020, once the final budget allocations are released by the Department for Education in December 2020.
- 3) Approve the transfer of up to 0.5% funding from the Schools' Block to the High Needs Block, in line with recommendation of the Schools Forum meeting of 18 November 2020 and the results of the subsequent consultation exercise held with schools.

## Key issues

1. It remains the intention of the Department for Education (DfE) to move to a National Funding Formula (NFF). Latest guidance published by the DfE in July 2020 has reiterated their intention to introduce a “hard” NFF (which will directly determine individual school budgets) but there is no specific timescale currently for this. No further guidance as to the process or likely timescales has been published. The move to a hard NFF will also be subject to a consultation exercise, which has not yet been undertaken.
2. It has been confirmed that for 2020/21 local authorities will continue to have discretion over their schools funding formula, and in consultation, will determine values and allocations in their area. This allows local authorities to mitigate the impact of significant changes in the respective formula funding factors as authorities move from local to nationally determined formula values. The majority of Northumberland’s formula values are in line with the NFF Values, but there remain some differences.
3. As reported last year, historically Northumberland has maintained higher levels of standard “per pupil” Age Weighted Pupil Unit (AWPU) funding. This has largely been at the expense of the Primary Low Prior Attainment values which again have previously been lower in Northumberland.
4. Given the majority of Northumberland’s formula values are already aligned with NFF, discussions at School Forum and its Funding Formula Committee focused on those values not in line, which were as follows:
  - AWPU - Primary
  - AWPU – Secondary KS4; and
  - Primary Low Prior Attainment
5. While we await final Dedicated Schools Grant figures for 2021/22, the DfE has published revised national funding formula values for 2021/22. These can be seen in the table in Appendix A of the attached 20 November School Forum report. It should be remembered that these figures are used to distribute funding at a local authority level, so funding any elements above NFF values can only be done by incorporating reductions to other values elsewhere.
6. The current differences in these rates are shown in the table below, together with a proposal as to how any two -step approach could manage transition to NFF values which could potentially be required by 2022/23. This approach was favored by Schools Forum and the subsequent consultation with schools.

Factor (a)	2020/21 NFF Values (b)	2020/21 NCC Values (c)	Difference between 20/21 NFF and NCC rates (e)	2021/22 NFF Values (d)	Movement to NFF in 21/22 (f)	Proposed 21/22 NCC Rate (g)	Movement to NFF in 22/23 (h)	Projected 22/23 Rate (@21/22 rates) (i)
AWPU Primary	2,857	2,919	62	3,123	-31	<b>3,154</b>	-31	3,123
AWPU KS4	4,561	4,763	202	4,963	-101	<b>5,064</b>	-101	4,963
Low Prior Attainment Primary	1,065	555	-510	1,095	255	<b>840</b>	255	1,095

7. The only other formula value differing from the NFF is Free School Meals (FSM) at both Primary and Secondary, this arose due to the introduction of the FSM 6 measure in the NFF, which had not previously been used in Northumberland prior to the phased transition to NFF. This will continue to move towards NFF Values depending on the overall level of funding available, though the respective Northumberland and NFF values were aligned far more closely in 2020/21 than had previously been the case.
8. As at 15 December 2020, the latest date this report could be prepared to allow for Cabinet deadlines, the final Dedicated Schools Grant (DSG) figures had not yet been released. This report has therefore been prepared on the basis of provisional figures released by the DfE in July, using October 2019 data. When the final figures are released, these will be taken into account when setting 2021/22 budgets. Delegated powers are requested as part of the report to allow the Executive Director of Adults and Childrens Services to make any minor adjustments required to values once final overall figures are known. Other key respective deadlines are:
- **21 January 2021** Northumberland's Authority Pro-Forma Tool (APT) must be returned to the ESAFA by, and
  - **28 February 2021** all maintained school notified of their budgets. Academies are notified separately by the ESFA
9. Our estimated 2021/22 Schools Block DSG Grant figure is £202,622,2773, some £14,416,119 (7.7%) higher than the final 2019/20 figure. While on the face of it this may seem a significant increase, the major part of this is accounted for by the transfer in of funding for the Teachers Pay and Pension Grants (TPPG), which was previously paid separately.
10. It should also be remembered that in 2020/21 the transfer from the Schools Block to the High Needs block was reduced to 0.5% for 2020/21, having previously been at 1% for the two previous years. An undertaking has been made to schools that this will not exceed 0.5% for 2021/22, and would continue to use this funding to provide inclusive education services at the point of need for Northumberland pupils as agreed with School Forum and supported by those schools who responded to the consultation.
11. At Schools Forum on 18 November 2020, after some discussion and analysis of the illustrative options provided, it was supported unanimously that

Northumberland should take a two -step approach toward NFF values. This proposal was then taken forward to consult all Northumberland schools on their views of the proposal. It was felt that this approach would provide a substantial increase to those schools in receipt of Primary Low Prior Attainment while offering a degree of protection to schools who currently benefit from receiving AWPU rates in excess of NFF figures. Importantly overall this was felt to be consistent with the established Schools Forum view of progressing towards NFF in a gradual and smooth transition.

12. For 2021/22 the potential use of a Minimum Funding Guarantee (MFG) level at 2%, the maximum permitted by the DfE was also agreed in order to assist those schools receiving the lowest levels of increase in overall funding. This was also agreed, again subject to overall affordability.
13. As in previous years Schools Forum were also supportive of the up to 0.5% transfer from the Schools Block to the High Needs Block, noting the context of increasing numbers of children and young people with Education Health and Care Plans, and the additional support provided to schools through the Inclusive Education Service, and the pressures arising from independent sector placements. In this context, the support of Schools and Schools Forum in supporting the transfer has been a contributory factor in the reduction in the DSG deficit arising due to High Needs pressures. level of High Needs deficit year on year, from £2.062 million as at March 2018, to £0.607million at March 2020.
14. The recommendations agreed with the Schools Forum on 18 November 2020 were the basis for a consultation with all schools carried out between 24 November and 14 December 2020.
15. Three response were received from schools during the consultation period this is a lower number than in previous years but is understandable when the proposals are uncontroversial. A summary of the questions and responses are shown below.

Q1 Do you agree the proposed 2 -step approach to the adoption of NFF Values, as supported by School Forum?

*All 3 responses supported the view of schools forum.*

Q2 Do you support the potential use of “capping and scaling” as part of the 2021/22 School Budget setting process? (*capping and scaling is a mechanism by which different increases under new formula values are averaged out in order to limit some gains and provide more funding for general distribution to schools via the formula values. Without the use of capping and scaling, formula funding values would need to be set at lower values.*)

*All 3 responses also supported this view*

Q3 At what level do you believe Northumberland’s Minimum Funding Guarantee (MFG) level should be set for 20/21/22?

*There was some differences in opinion with each respond favoring a different level of MFG, but in the absence of a strong view to the*

*contrary it is recommended to support the approach favored by Schools Forum and to set the level at the maximum 2% , providing the highest possible level of baseline increase to all schools within the financial resources available.*

- Q4 Do you agree to the Council's proposal, agreed with Schools Forum on 20 November 2019 to transfer up to 0.5% from the Schools Block to the High Needs block for the financial year 2021/22?

*All 3 responses supported the transfer of up to 0.5% from the schools block to the high needs block.*

16. As in previous years the recommendation seeks delegated authority for the Executive Director of Adult Social Care and Children Services and the Lead Member for Children's Services to agree the final formula values, in line with the principles outlined once the final 2020/21 Schools Block figure is known.

## **Background**

1. For 2018/19, Cabinet was informed of the decision of the Schools Forum to seek a move towards the implementation of the NFF in a measured gradual approach, in order to avoid any significant changes ("cliff edges") when the NFF final formula was fully implemented. This approach was also supported by the majority of schools who responded in the consultation exercise. This approach continued to be endorsed by both Schools Forum and the school consultation for 2019/20 and 2020/21.
2. In January 2018 Cabinet also agreed the transfer of up to 1% from the Schools Block to the High Needs Block in order to assist with the increasing pressures in this area including, as reported last year :
  - a. A £1.5 million overspend on the current High Needs Block allocation;
  - b. A rising number of pupils in receipt of Top Up funding and in independent sector specialist placements;
  - c. Pressures arising from the increasing number of Permanent Exclusions;
3. Funding was also sought in order to grow places in our own maintained special schools, following the outcome of the SEND consultation exercise.
4. Schools' Forum had previously supported this transfer, and it was also part of the consultation exercise with all Northumberland Schools, who supported the 1% transfer. A transfer of 1% was again agreed for 2019/20.
5. A combination of improved financial management and additional high needs resources means that the requested transfer for 2020/21 has been reduced from 1% to 0.5%, as a contribution to the costs of SEND Support Services. At the level of 0.5%, Northumberland does not need to seek the specific agreement of the Department for Education, as it has been agreed with the School Forum, and schools as part of the consultation. 0.5% is again proposed as a maximum for 2021/22.

## IMPLICATIONS ARISING OUT OF THE REPORT

<b>Policy:</b>	Further Changes to the formula funding mechanism for schools from 2021/22 due to implementation of the NFF
<b>Finance and value for money:</b>	Further Changes to the formula funding mechanism for schools from 2019/20 due to implementation of the NFF, and transfer to High Needs Block funding
<b>Legal:</b>	Potential Changes arising in support to Schools as and when further schools academise.
<b>Procurement:</b>	None.
<b>Human Resources:</b>	Potential issues for school staffing structures arising from budgets, depending on individual school circumstances.
<b>Property:</b>	None.
<b>Equalities:</b> (Impact Assessment attached)  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	Changes arising from the implementation of the National Funding Formula will impact on children in schools, particularly when fully implemented in the future.
<b>Risk Assessment:</b>	There are risks arising from the change to the NFF, particularly to individual schools but the LA has sought to mitigate these in the proposals for 2021/22.
<b>Crime &amp; Disorder:</b>	There are considered to be no implications arising from this report.
<b>Customer Considerations:</b>	The introduction of the National Funding Formula has implications for schools, parents and children, particularly over the longer term.
<b>Carbon Reduction:</b>	None.
<b>Wards:</b>	All.

## CONSULTATION BACKGROUND PAPERS Report sign off.

Finance Officer	Chris Hand
Monitoring Officer/Legal	Liam Henry
Human Resources	n/a
Procurement	n/a
I.T.	n/a
Executive Director of Children's Services	Cath McEvoy-Carr
Portfolio Holder(s)	Cllr Guy Renner-Thompson

Report Author Sue Aviston – Head of School Organisation and Resources  
(01670) 622281 [Sue.Aviston@Northumberland.gov.uk](mailto:Sue.Aviston@Northumberland.gov.uk)



# Northumberland County Council

Agenda Item 7

Schools Forum : 18 November 2020

## **National Funding Formula & Dedicated Schools Grant (DSG) & Consultation on 2021/22 Funding Values**

### **1. Purpose of the Report**

To provide further additional information in respect of the continuing implementation of the National Funding Formula, the Dedicated Schools Grant (DSG) and associated 2021/22 Schools Funding information.

### **2. Recommendations**

Schools Forum is asked to:

- a. Agree the transfer of up to 0.5% of the final value of the Schools Block as an ongoing contribution to the costs of SEND Support Services, once the final DSG values are released in December.
- b. Agree that the funding values for 2021/22 be set in line with the principles outlined in the report; and agree for these to be the basis for the wider consultation with schools.
- c. Note the delegation of final decisions on the values to the Executive Director of Adult Social Care and Children's Services, once final funding becomes known in December 2020, in order to enable the required Cabinet report to be prepared and submitted to the 12 January 2021 meeting, and the submission of the necessary return to the ESFA by 21 January 2021.
- d. Receive a further report to the 13 January 2021 meeting on the outcome of the consultation with schools and final funding values to be used for 2021/22.

### **3. Background**

At the 30 September 2020 Schools Forum received a National Funding Formula (NFF) and Dedicated Schools Grant (DSG) update outlining the information received at that stage in relation to 2021/22 School Funding. In line with the government's announcement, it was suggested that schools could anticipate an increase of between 2% and 3% in per pupil funding, before the adjustment in respect of the Teacher Pay and Pension Grants (TPPG) is taken into consideration. This was confirmed in the publication of the 2021/22 National Funding Formula values, which attached at Appendix A.

### **4. Latest Information**

Given the Government has re-affirmed its commitment to move to the NFF, and that the majority of Northumberland's Funding Formula values are in line with NFF rates, it is believed that these figures should remain in line with NFF for 2021/22.

It should also be noted that the comparisons of the figures in the table below are not on a "like for like" basis due to the inclusion of the TPPG elements within both Age Weighted Pupil Unit (AWPU) and Minimum Per Pupil Funding (MPPF) figures for the first time in 2021/22. As was the case when these grants were paid separately, the funding is distributed on the a "per pupil" basis in line with the following figures:

Phase	2020/21 level NFF	Original 2021/22 level	Supplement for TPPG in 2021/22	Revised 2021/22 Level	Increase + [TPPG element]
Primary <b>AWPU</b>	£2,857	£2,943	£180 per pupil	£3,123	£86 (3.0%) + £180 [6.3% for TPPG]
Secondary <b>KS3 AWPU</b>	£4,018	£4,139	£265 per pupil	£4,404	£121 (3.0%) +£265 [6.6% for TPPG]
Secondary <b>KS4 AWPU</b>	£4,561	£4,698	£265 per pupil	£4,493	£137 (3.0%) +£265 [5.8% for TPPG]
Primary <b>MPPF</b>	£3,750	£4,000	£180 per pupil	£4,180	£250 (6.67%) + [4.8% for TPPG]
Secondary <b>MPPF</b>	£5,000	£5,150	£265 per pupil	£5,415	£150 (3.0%) + [5.3% for TPPG]

The key points for consideration in relation to Funding Formula values for 2021/22 is therefore in relation to those NCC values that remain different to NFF rates. These are:

AWPU - Primary  
 AWPU – Secondary KS4; and  
 Primary Low Prior Attainment

The current differences in these rates are shown in the table below, together with a proposal as to how these could be managed as we approach any potential move to NFF from 2022/23:

Factor (a)	20/21 NFF Values (b)	20/21 NCC Values (c)	21/22 NFF Values (d)	Diff between 20/21 NFF and NCC rates (e)	Movement to NFF in 21/22 (f)	Proposed 21/22 NCC Rate (g)	Movement to NFF in 22/23 (h)	Projected 22/23 Rate (@21/22 rates) (i)
AWPU Primary	2,857	2,919	3,123	62	-31	<b>3,154</b>	-31	3,123
AWPU KS4	4,561	4,763	4,963	202	-101	<b>5,064</b>	-101	4,963
Low Prior Attainment Primary	1,065	555	1,095	-510	255	<b>840</b>	255	1,095

In the above table Column (e) shows the respective differences between the 20/21 Northumberland and NFF figures. While the Government have said that for 2021/22 school funding formula values will be still determined at individual local authority level, the move to a “hard” formula could be effective from 2022/23.

The only other formula value differing from the NFF is Free School Meals (FSM) at both Primary and Secondary, though the majority of the difference was removed in 2020/21. This will continue to move towards NFF Values depending on the overall level of funding available.

Three further options (options 2, 3 and 4) were discussed at the Funding Formula Committee, as represented by the illustrative school figures attached at Appendix B. In reviewing these figures please bear in mind these are to demonstrate the respective impact of setting formula value at different levels, not as a forecast of 2021/22 Funding as figures are based on October 2019 school census data at this point. Final 2021/22 values will be based on the October 2020

school census. Option 1 was the preferred approach as it provided a clear direction towards adopting NFF in line with the previous School Forum strategy.

As reflected in the draft minutes of the Funding Formula Committee, the proposal to move towards the full adoption of NFF Values over two years, in two equal steps, in line with that potential 2022/23 deadline was recommended by the group to be the approach Northumberland should take. The estimated available Schools Block DSG of £201.8 million would also support this approach, adopting the funding values in col (g) in the above table.

It was felt that this approach would provide a substantial increase to those schools in receipt of Primary Low Prior Attainment while offering a degree of protection to schools who currently benefit from receiving AWPU rates in excess of NFF figures. Importantly overall this was felt to be consistent with the established Schools Forum view of progressing towards NFF in a gradual and smooth transition.

#### **5. Minimum Per Pupil Funding**

As highlighted in the 30 September report, the increases in the new minimum per pupil funding levels is the single most influential factor in the formula and is estimated to account for the distribution of £2.6 million, a figure £0.9 million higher than last year. The 6.67% increase in the Primary level is the key factor in this. Overall, 16 First and Primary, 7 Middle and 3 High Schools should benefit from this in 2021/22, based on the historic data.

#### **6. Sparsity**

Schools Forum will also be aware of the disapplication request made in relation to sparsity for 2020/21, which resulted in the 6 additional schools receiving additional funding in lieu of sparsity, as we presented the argument that road distances were a more effective measure rather than the “as the crow flies” measures used by the DfE.

2021/22 has seen the DfE increase the funding distributed via the sparsity factor, most significantly for primary from £26,000 to £45,000 (full figures at Appendix A) but there is as yet no change to the criteria and the use of the “as the crow flies” to measure the minimum average distance to the second nearest compatible school. At an ESFA seminar the DfE indicated that a change from “as the crow flies” to road distance measures was being considered but that no changes would be implemented for 2021/22.

No change is therefore proposed to the use of sparsity with the funding formula for Northumberland in 2021/22, with NFF criteria being applied to those schools who qualify, and funding in line with the criteria used in 2020/21 for those schools who qualified for exceptional funding using the road distance measures. No further disapplication request is required for this in 21/22 as the DfE have agreed that the approval can carry forward to 2021/22

#### **7. Transfer from Schools Block**

It is the local authority's intention to request a transfer from the Schools Block. While a 1% transfer was agreed for 2018/19 and 2019/20 respectively, given the reduction in the level of the High Needs deficit, and increased levels of funding for High Needs as well as the Schools Block, the figure requested for 2020/21 was reduced to 0.5%. This would be the maximum figure requested for 2021/22, depending on the final funding figures.. It should also be noted that the element in respect of the Teachers Pay and Pensions Grants in the Schools Block figure would not be included in respect of the 0.5% calculation. This transfer would support the continued provision of the new Inclusive Education Services offer, as reported within the SEN paper;

Further information will be provided to the January and February meetings in relation to this, following the work outlined in the SEN update.

## 8. Central Services Block

It should be noted that there has been a further significant fall in 2021/22 Central Services Block funding. While there is a small 1.13% increase in element of the CSSB for ongoing responsibilities, there is a further 20% reduction in the funding for historic commitments, resulting in a 10.2% fall overall.

	2020/21	2021/22 (provisional)	Change	
			£	%
Ongoing Responsibilities	£1,269,556	£1,283,915	£14,360	1.1%
Historic Responsibilities	£1,463,200	£1,170,560	£-292,640	-20.0%
<b>TOTAL CSSB</b>	<b>£ 2,732,756</b>	<b>£ 2,454,475</b>	<b>£-278,280</b>	<b>-10.2%</b>

We are in discussions with the ESFA in relation to the impact of the reduction in the Historic Commitment elements as this figure no longer covers the Capital Financing and Historic Retirement costs of £1,305,000 this was intended to cover. The forecast shortfall in 2021/22 in respect of these is £134,440.

## 9. Early Years Block

No information for Northumberland is available yet in relation to Early Years funding, in line with previous years. Details of the 2021/22 EY funding will be received in December together with the rest of the DSG information for 2021/22.

## 10. De-delegation

De-delegation is the process by which the relevant maintained school members of Schools Forum can agree to have funding deducted at source from maintained schools for certain services as specified by the DfE. For academies to access these services, they will need to agree to buy in, either on an individual or a multi academy trust level.

In 2020/21 de-delegation was agreed in respect of the following services:

- Contingency for costs arising from reorganisation or restructuring;
- Free School Meal eligibility checking;
- Trade union facility time;
- Behaviour Support; and
- Support to underperforming ethnic minority groups and bilingual learners;

No significant changes are anticipated for the de-delegation proposals for 2021/22, or in the de-delegated rates.

## 11. Next Steps:

Following any comments received today, the intention is also to consult with schools ahead of the final budget setting report to Cabinet. A copy of the draft consultation paper is attached for your consideration in Appendix C. The results of the consultation and final recommendations to Cabinet will be reported back to the January 2021 Schools Forum meeting.

Because of the short timescales between receiving the final 2021/22 DSG settlement in December, the preparation of a report to the Cabinet meeting on 12 January 2021 and the

submission of the final figures to the ESFA by 21 January 2021, delegated powers are sought for the Executive Director of Adult Social Care and Children's Services to set the final figures, in line with the principles and illustrative figures outlined in this report.

As reflected in the recommendations the Cabinet report will seek delegated powers to agree the final values, there will be reported to the Schools Forum meeting on 13 January 2021 prior to submission to the ESFA by 21 January 2021.

**12. Summary and Conclusions:**

The support of Schools Forum in relation to 20/21 School Funding are requested in line with the recommendations in section 2 of this report, with regard to the principles to be adopted for the setting of the DSG in 2021/22. Further information will be provided to the January and February 2021 meetings once the final 2021/22 DSG settlement has been received in December 2020.

**Bruce Parvin**  
**Education and Skills Funding Manager**  
**13 November 2020**



# Northumberland County Council

## Appendix A

### 2021/22 NFF VALUES AND PROPOSAL FOR NCC 2021/22 VALUES

Factor	NFF Values 2020/21	NCC Values 2020/21	NFF Values 2021/22	Proposed NCC Values 2021/22	Movement in NFF values 20- 21 to 21/22 2021/22
AWPU Primary	<b>2,857</b>	<b>2,919</b>	<b>3,123</b>	<b>3,154</b>	9.31%
KS3	4,018	4,018	4,404	4,404	9.61%
KS4	<b>4,561</b>	<b>4,763</b>	<b>4,963</b>	<b>5,064</b>	8.81%
Lump Sum Primary	114,400	114,400	117,800	117,800	2.97%
Middle	114,400	114,400	117,800	117,800	2.97%
High/Secondary	114,400	114,400	117,800	117,800	2.97%
Deprivation - Free School Meals Primary	450	<b>510</b>	460	510	2.22%
Secondary	450	<b>510</b>	460	510	2.22%
Deprivation – FSM6 Primary	560	560	575	575	2.68%
Secondary	815	815	840	840	3.07%
Deprivation – IDACI:					
Primary Band F	210	210	215	215	2.38%
Band E	250	250	260	260	4.00%
Band D	375	375	410	410	9.33%
Band C	405	405	445	445	9.88%
Band B	435	435	475	475	9.20%
Band A	600	600	620	620	3.33%
Secondary Band F	300	300	310	310	3.33%
Band E	405	405	415	415	2.47%
Band D	535	535	580	580	8.41%
Band C	580	580	630	630	8.62%
Band B	625	625	680	680	8.80%
Band A	840	840	865	865	2.98%
Low Attainment Primary	1,065	555	<b>1,095</b>	<b>840</b>	2.82%
Secondary	1,610	1,612	1,660	1,660	3.11%
EAL Primary	535	535	550	550	2.80%
Secondary	1,440	1,440	1,485	1,485	3.13%
Sparsity (max): Primary	26,000	26,000	45,000	45,000	73.08%
Middle	n/a	46,800	70,000	70,000	-
Secondary/All Through	67,600	67,600	70,000	70,000	3.55%

**Illustrative 2021/22 School Level DSG based on October 2020 data – see separate schedule**

### National Funding Formula : Update and 2021/22 Consultation

Previously Northumberland County Council consulted on its approach to the introduction of the National Funding Formula (NFF) in Northumberland, following discussions at Schools Forum. The results of the have consistently been to move in a phased or gradual approach to NFF values, reflecting the fact that historically Northumberland has maintained some values that were different to the NFF values.

The latest information from the Department for Education is that:

- Subject to a current consultation exercise, minimum per pupil funding (MPPF) levels will be determined centrally, the figures will be:
  - Primary : £4,180 for 2021/22 including £180 per pupil in respect of TPPG#;
  - Secondary : £5,415 for 2021/22 including £265 per pupil in respect of TPPG#;
- # TPPG Teachers Pay and Pension Grants previously paid separately have now been included in Schools Block DSG and AWPU and MPPF levels increased to reflect this,
- In 2020/21 Local authorities continue to set a Minimum Funding Guarantee (MFG), which protects schools, on a per pupil basis from significant year to year changes in pupil characteristics (e.g. fall in FSM numbers) and provide a baseline level of increase in per pupil funding. For 2020/21 Northumberland set a figure of 1%, within the permitted range of +0.5% to +1.84%. For 2021/22 the permitted range of +0.5% to +2%.
- With the approval of Schools Forum, local authorities can transfer up to 0.5% from the Schools Block to the High Needs Block; to transfer more than this, a request must be made to the Department for Education.

Latest guidance from the DfE has reiterated their intention to introduce the “hard” NFF but there is no specific timescale currently for this. It has been confirmed that for 2021/22 local authorities will continue to have discretion over their schools funding formula, and in consultation, will determine values and allocations in their area.

**At the Schools Forum meeting on 18 November 2020, Schools Forum supported a proposed to two step approach to the adoption of NFF values as demonstrated in the figures below:**

Factor (a)	2020/ 21 NFF Value s (b)	2020/21 NCC Values (c)	2021/22 NFF Values (d)	Differenc e between 20/21 NFF and NCC rates (e)	Movemen t to NFF in 21/22 (f)	Propose d 21/22 NCC Rate (g)	Movemen t to NFF in 22/23 (h)	Projecte d 22/23 Rate (@21/22 rates) (i)
AWPU Primary	2,857	2,919	3,123	62	-31	<b>3,154</b>	-31	3,123
AWPU KS4	4,561	4,763	4,963	202	-101	<b>5,064</b>	-101	4,963
Low Prior Attainment Primary	1,065	555	1,095	-510	255	<b>840</b>	255	1,095

It was felt that this approach would provide a substantial increase to those schools in receipt of Primary Low Prior Attainment while offering a degree of protection to schools who currently benefit from receiving AWPU rates in excess of NFF figures. Importantly overall this was felt to be consistent with the established Schools Forum view of progressing towards NFF in a gradual and smooth transition.

**QUESTION 1 Do you support the proposed approach, supported by Schools Forum to the adoption of NFF values:**

- A: YES
- B: NO

## **Capping and Scaling**

The use of capping and scaling is a mechanism by which different increases under new formula values are averaged out in order to limit some gains and provide more funding for general distribution to schools via the formula values. Without the use of capping and scaling, formula funding values would need to be set at lower values. Northumberland used capping and scaling for the School Block DSG, setting these values at 4% and 50% respectively. This meant that any gains by Schools over 4% were reduced by 50% and redistributed via the funding mechanism.

**QUESTION 2:** Do you support the potential use of capping and scaling as part of the 2020/21 School Budget setting process?

- YES
- NO

## **QUESTION 3: Minimum Funding Guarantee (MFG)**

The MFG is the means by which the DfE can protect individual schools from excessive year to year changes or falls in their formula funding (e.g. as a result of reducing levels of deprivation within a school). In 2020/21 Northumberland set its MFG at +1%, on a range of -0.5% to 1.5% set by the DfE. For 2021/22 the DfE has dictated MFG levels must be set between +0.5% and +2.0%. Initial projections provided to Schools Forum have used the maximum 2% MFG factor, in order to increase the funding for those schools receiving the lowest level of per pupil funding increase. However this also means there is less funding available to support the Formula values.

**Should Northumberland use MFG at its higher level of 2%?**

- YES
- NO (If Yes please see question 3.1)

### **QUESTION 3.1:**

**At what level should Northumberland's MFG be set for 2020/21?**

- 0.5% to 1.0%;
  - 1.01% to 1.5%; or
  - 1.51% to 2.0%
-

## **SEN Update**

- It is the local authority's intention to request a transfer from the Schools Block for 2021/22. While a 1% transfer was agreed for 2018/19 and 2019/20 respectively, given the reduction in the level of the High Needs deficit, and increased levels of funding for High Needs as well as the Schools Block, the figure requested for 2020/21 was reduced to 0.5% for 2021/22. It should also be noted that the element in respect of the Teachers Pay and Pensions Grants in the Schools Block figure would not be included in respect of the 0.5% calculation. This transfer would enable continued investment provision of the new Inclusive Education Services offer, as reported within the SEN paper;

## **QUESTION 4**

**Do you agree to the Council's proposal to transfer up to 0.5% from the Schools Block to the High Needs block for the financial year 2020/21?**

- Yes  
 No

**Please use the box below for any other comments that you have in relation to the implementation of the NFF or this consultation exercise:**

Further supporting information, and a copy of this consultation document, is available on the Council website at:

<http://www.northumberland.gov.uk/Education/Schools/Consultations.aspx#schoolconsultations>

This includes:

- November 2020 Schools Forum report on the National Funding Formula
- November 2020 Schools Forum report on Special Educational Needs (SEN)

Schools Forum agendas, minutes and reports is also available on the Council website at:

<https://www.northumberland.gov.uk/Education/Professionals/Forum.aspx>

Please return all completed questionnaires to:

Bruce Parvin  
Education and Skills Manager  
Education and Skills Service  
Wellbeing and Community Health Services Group  
Northumberland County Council  
County Hall  
Morpeth  
NE61 2EF

Email: [bruce.parvin@northumberland.gov.uk](mailto:bruce.parvin@northumberland.gov.uk)

(OPTIONAL) Name and Email address of person completing consultation:

All responses to be returned no later than **12.00 noon on Monday 14 December 2020**. Due to reporting deadlines in line with Department for Education requirements for the submission of information, consultations received after this closing date will not be considered.