

National Funding Formula / Local Funding Formula

Schools Forum

8 September 2020

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Items to be covered

- Main Changes to Schools Block Funding for 2021/22
- LFF Modelling for Consultation
- Next Steps



Changes to Schools Block Funding for 2021/22

- Notional ISB based on October 2019 Census, 2021/22 allocations will be based on October 2020 Census
- Across the Schools NFF, most factors have been increased by 3%.
- The basic entitlement increased by:
 - £180 per primary pupil and
 - £265 per secondary pupil for the pay and pensions grants.
- The single census free school meals factor increase is only 2.2% - inflationary increase for actual meal costs.
- Premises costs are static at 2020/21 levels, but the PFI factor is given an RPI(X) uplift of 1.56%.



Changes to Schools Block Funding for 2021/22

- The Income Deprivation Affecting Children Index (IDACI) factor will use new 2019 data instead of 2015, some changes to banding values to smooth the transition.
- Small rural schools - increase in the maximum allocation for sparsity, which has gone up to £45k for primaries and £70k for secondaries.
- No change to the Area Cost Adjustment
- No move to hard NFF, LAs will still set the formula for their area, including academy funding. DfE content that the majority of LAs are moving towards the NFF, with 64 out of 150 mirroring it almost exactly in 2020/21 and 110 at least matching the floor protection.



Changes to Schools Block Funding for 2021/22

- Minimum Per Pupil Funding £4,180 per primary pupil, £5,215 per KS3 pupil and £5,715 per KS4 pupil, all including the pay and pensions grant amounts. These amounts relate to all pupil-led funding, i.e. including deprivation, EAL funding plus the lump sum and any sparsity allocations. They don't include premises (rates, PFI, split site funding etc) or growth funding.
- While the funding floor (the minimum increase awarded to LAs per pupil) is set at 2%, the local Minimum Funding Guarantee can be set by each LA between 0.5% and 2.0%. This only relates to the pupil-led elements and doesn't include the lump sum, sparsity, premises or growth elements.



LFF Modelling for Consultation

- 3 models produced
- 50% NFF for all factors – 2020/21 current
- 100% NFF for all factors
- 100% NFF, remain at 50% for lump sum



Next Steps

- Schools Forum Finance Sub-group – September 2020
- Consultation 4 weeks September – October 2020
- Consultation results (October / November meeting?)
- November Cabinets initial budget proposals – 30 November 2020
- January Cabinet delegated decision for LFF
- Submission of the APT January 2021

