



Schools Forum

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Training and Development
Centre

Paper

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Public

SCHOOLS REVENUE FUNDING 2019-20

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Summary

In July the Education & Skills Funding Agency (ESFA) published schools revenue funding guidance for 2019-20 for local authorities and schools forums. 2019-20 is the second year of the national funding formula for schools, high needs and central school services. The Government published details of the national funding formula in September 2017. The latest guidance includes some small technical changes to the formula for 2019-20.

Shropshire Council, with the agreement of Shropshire Schools Forum, agreed to replicate the national funding formula through Shropshire's local funding formula from 2018-19.

This report summaries the latest Government guidance for schools revenue funding for 2019-20. The full guidance document can be accessed at <https://www.gov.uk/government/publications/pre-16-schools-funding-guidance-for-2019-to-2020>

Recommendation

This report is for information only

REPORT

Background

1. The Government introduced a national funding formula for allocating schools, high needs and central school services funding through the Dedicated Schools Grant (DSG) to local authorities from April 2018.
2. Local authorities retained responsibility for determining local funding formulas for allocating funding to schools and academies in their area for 2018-19 and 2019-20. Shropshire Council, with the agreement of Shropshire Schools

Forum, agreed to replicate the national funding formula in Shropshire's local funding formula to schools from 2018-19.

3. The latest guidance on schools revenue funding arrangements for 2019-20 was published by the ESFA in July. The guidance includes details of updates to the national funding formula for 2019-20 as confirmed last year along with some new policy changes.
4. Along with the latest guidance, the Government has published illustrative local authority level allocations for 2019-20 for the schools, high needs and central school services blocks within the DSG and illustrative 2019-20 national funding formula calculations for the schools block for all maintained schools and academies in each local authority area.

School Revenue Funding Arrangements 2019-20

5. The actual primary unit of funding (PUF) and secondary unit of funding (SUF) used to calculate each local authority's schools block allocation has been published. For Shropshire these equate to £4,059 per pupil and £4,906 per pupil respectively.
6. These units of funding will be applied to pupil numbers recorded in the October 2018 school census to determine final schools block allocations for 2019-20. These will be issued to local authorities as usual in December.
7. Local authorities have responsibility for determining their local funding formulas for allocating the schools block to their individual schools in 2019-20, as in 2018-19. This latest Government guidance confirms that local authorities will continue to determine local formulas in 2020-21.
8. In line with the approach and commitments set out last year, three key aspects of the schools national funding formula are being updated in 2019 to 2020.
 - Within the schools block the government will provide for at least a 1% per pupil increase for each school in 2019-20 through the national funding formula compared to their 2017-18 baseline. This was set at at least 0.5% in 2018-19.
 - The minimum per pupil funding levels have increased to £3,500 for all primary schools and £4,800 for all secondary schools. These levels were £3,300 and £4,600 respectively in 2018-19.
 - The gains cap has increased so that schools can attract gains of up to 6.09% against their 2017-18 baselines. This was 3% in 2018-19.
9. There are however some policy changes announced for the 2019-20 national funding formula.
 - Growth funding will be allocated to local authorities on a formulaic basis rather than on historic spend as in 2018-19. Shropshire did not receive any growth funding in 2018-19 as historically we had not allocated funding to schools labelled as growth. A formulaic basis should result in some growth funding for Shropshire in 2019-20.
 - The primary low prior attainment factor value will be reduced to £1,022 in 2019-20 to balance the increase in the cohort. This factor value was £1050 in 2018-19.

10. The Government has also announced a number of smaller changes to the arrangements for calculating local formulas, to support local authorities to mirror the national funding formula.
11. The schools block will remain ring-fenced in 2019-20. Local authorities are able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. As a reminder, in 2018-19 Shropshire Schools Forum agreed to the transfer of £784,000 to the high needs block, after fully allocating individual school budget shares in line with the national funding formula, to support the increasing pressures on the high needs block.

High Needs Funding Arrangements 2019-20

12. The latest guidance confirms the following increases in high needs funding allocations in 2019-20, subject to changes in pupil and student numbers and their movement between local authorities:
 - The funding floor will increase so all authorities will attract at least a 1% gain per head of population, subject to changes in estimated population, against their 2017-18 baselines
 - The gains cap will increase to 6.09% compared to 2017-18 baselines. We have used compounded figures so that underfunded local authorities can gain a further 3% on top of the 3% they gained in 2018-19.

Central School Services Funding Arrangements 2019-20

13. Central School Services Block funding covers:
 - Statutory and regulatory duties
 - Education welfare
 - Asset management
 - Central support services
 - Monitoring national curriculum
 - Therapies
 - Other ongoing duties
 - Historic commitments
14. In 2019-20, ongoing responsibilities will continue to be funded in broadly the same way as previously with updated baselines in line with 2018-19 DSG allocations
15. Funding for historic commitments will be allocated at the same level as in 2018-19 but the Government's expectation is that these costs will reduce over time. From 2020-21 funding for historic commitments will reduce even where local authorities' expenditure has not reduced.