

Title: **Schools Funding and other funding announcements**

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Summary:	This report is an update on the latest announcements from government on funding, including the Schools Funding and the recent Spending Round 2019 (SR2019).
Recommendations:	Recommendations for Schools Forum to note: <ol style="list-style-type: none">1. The contents of this report.2. The current uncertain impact for Somerset Schools as a result of the funding announcements.
Reasons for Recommendations:	<p>There are no formal recommendations for Somerset Schools Forum to approve.</p> <p>Although the increase in funding specifically for minimum per pupil funding and High Needs is welcome and indicates that Government recognise the pressure in the education system, uncertainty remains in regard to other funding and the impact of the announcements on these or whether additional responsibilities will transfer as part of the additional funding. The impact for Somerset schools is therefore not clear at this stage. As this becomes clearer future reports will provide updates.</p>
Links to Priorities and Children and Young Peoples Plan:	Somerset County Councils Business Plan – Improving Lives, providing fairer life chances and opportunity for all Somerset Children and Young Peoples Plan – Learn well and develop skills for life
Financial Implications:	<p>Financial implications are set out within the body of this report.</p> <p>No specific details are known for the financial impact for Somerset schools on the national funding announcements.</p>

1. Background

- 1.1** This report is an update on the latest announcements from government on funding, including the Schools Funding, National Funding Formula (NFF) and the recent announcements as part of the Spending Round 2019.
- 1.2** Over the summer there has been little in terms of confirmed updates on Government Funding at a local level however we are expecting confirmation of some elements of the funding for education in October. If announcements are made between the issuing of this report and the Somerset Schools Forum meeting on 9 October 2019 a verbal update will be given at the meeting.

2. Schools Funding update

- 2.1** An announcement on schools funding was made on 9 September 2019 (including the elements that were included in the Spending Round 2019 detailed below). This set out the commitment of Government to the National Funding Formula and the factors within that formula. In 2020/21 local authorities will continue to have discretion over their schools funding formulae and, in consultation with schools, will determine the allocations. Somerset County Council have no wish to move away from the continued alignment with the NFF. Final schools and high needs allocations will be published for Local Authorities in the usual timeframe of December.
- 2.2** Key factors of the formula for 2020/21 are:
- Minimum per pupil funding levels will be set at £3,750 for primary and £5,000 for secondary schools. The following year (2021/22) primary minimum level will rise to £4,000
 - Funding floor will be set at 1.8% per pupil. Increases will however be based on the individual schools NFF allocation in 2019/20
 - There will be no gains cap (unlike the previous 2 years)
 - Growth funding will be based on the same methodology as this year
- 2.3** 2 restrictions will continue, as follows:
- Minimum funding guarantee will continue to be set by the Local Authority, which for 2020/21 must be between +0.5% and +1.84%
 - Local authorities can only transfer up to 0.5% of their School Block to other DSG blocks, with Schools Forum approval. More than this, or any amount without Schools Forum approval, will require a request to the Department for Education.
- 2.4** The High Needs NFF will continue to have the same factors as present.
- 2.5** The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020/21.
- 2.4** A more detailed statement can be found here:
<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-09->

3. Spending Round 2019

3.1 A Spending Round (SR2019) was presented to parliament by the Chancellor of the Exchequer on 4 September 2019 detailing some commitments from the government in advance of the Provisional Funding settlement expected late autumn (beginning of December).

<https://www.gov.uk/government/publications/spending-round-2019-document>

3.2 The SR2019 stated the national position and announcements were made in terms of increased funding elements, however it was not clear about any areas of funding that may be reduced or whether there were additional responsibilities due to be transferred alongside the additional funding. As such it is not possible to inform Somerset Schools Forum of the financial impact either across Somerset or for individual schools at this stage. More information will be available when the Provisional Settlement is announced.

3.3 The main areas of the SR2019 were specific to education and are as follows:

- Commitment to a £7.1 billion increase in funding for schools by 2022/23 compared to 2019/20 funding levels
- Minimum per pupil funding for all schools for 2020/21 set as £3,750 for Primary Schools and £5,000 for secondary, rising to £4,000 for primary schools in 2021/22
- Over £700 million more in 2020/21 to support children and young people with special educational needs (SEN)

3.4 A full multi-year spending review is committed to be conducted during 2020 for capital and resource budgets beyond 2020/21. Consultations are expected over the up coming months to feed into the allocation basis for the additional funding announced for 2020/21 and also to lead into the spending review. Future reports will contain details of these consultations as they are opened.

4. Funding and other consultations

4.1 Implementing mandatory minimum per pupil funding levels

<https://consult.education.gov.uk/funding-policy-unit/mandatory-minimum-per-pupil-funding-levels-in-5-16/>

Consultation details – opened on 10 September and closes on 22 October 2019

Views are being sought on how local authorities should implement the national funding formula's mandatory minimum per pupil funding levels in local funding formulae and covers:

- The methodology used to calculate the minimum per pupil levels in the local funding formulae;

- The circumstances in which local authorities can request to disapply the use of the minimum per pupil levels;
- Any other considerations for delivering this change at a local level;
- With regard to the public sector equality duty, the impact of the proposals on different groups of pupils, particularly those with protected characteristics.

The Local Authority will respond to this consultation and will include responses on areas such as the overall DSG funding levels, the pressures Somerset faces in all blocks of the DSG and the financial impact of Somerset's ability to fully fund the NFF considering such elements as minimum funding and minimum funding guarantee levels per pupil.

5 Consultations undertaken

- 5.1** Consultations are not required as a result of any elements of this report. The report is presented to Somerset Schools Forum as a significant partner in delivering the County Council Vision, Improving Lives, especially in relation to providing fairer life chances and opportunity for all.
- 5.2** Technical consultations will be issued later in the year and due regard will need to be considered for any Consultation and Equalities Impact Assessment requirements as a result of these technical consultations.

6. Background papers

- 6.1** A link to Schools Funding, the Spending Round 2019 and specific consultation on implementing mandatory minimum per pupil funding are included within the body of the report but also included below for ease.

6.2 Schools Funding:

https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-09-09/HCWS1828/?utm_medium=email&utm_source=govdelivery

Spending Round 2019:

<https://www.gov.uk/government/publications/spending-round-2019-document>

Implementing mandatory minimum per pupil funding consultation:

<https://consult.education.gov.uk/funding-policy-unit/mandatory-minimum-per-pupil-funding-levels-in-5-16/>