

### Consultation on the Brent Mainstream Local Funding Formula 2020/21

#### Introduction

This consultation concerns local arrangements for the 2020/21 Funding Formula for mainstream schools. It is being sent to all Headteachers and Chair of Governors of all mainstream schools funded by the Schools Block of the DSG in Brent. It was discussed at Schools Forum on 6<sup>th</sup> November 2019.

There are 4 questions to be answered on the attached Word document. Additional comments can be made here in relation to the issues raised in this consultation.

The consultation will run from 20 November to 29 November 2019. The findings of the consultation will be reported to the next Schools Forum on 11 December 2019. The consultation window and timetable is necessarily short due to the late funding announcements following the spending review, and the legal requirement for the council to set a budget in early 2020.

This consultation is carried out in line with the latest Operational Guidance for funding schools published by the DfE.

The consultation concerns how to change the current funding arrangements to allocate and distribute to schools the estimated £3.5 million additional funding expected for 2020/21.

Financial modelling has been prepared and is included in this consultation to provide an indication of how the proposed changes might affect each school. The modelling has been prepared using October 2018 census pupil numbers and data, and is compared against actual allocations for 2019/20. For simplicity the modelling does not include or show the impact of funding protections (Minimum Funding Guarantee) or any de-delegation arrangements.

For clarity, the modelling **does not** represent estimated school level funding for 2020/21, as this will be calculated from the October 2019 pupil census numbers and data, and this is not yet available.

#### Background

On 6 November a report was presented to the Schools Forum on the 2020/21 DSG funding arrangements. It was estimated that the Schools Block of income would increase by approximately £3.5 million when compared to 2019/20.

**Please note, £3.5 million represents an increase of 1.5% to the School Block. Despite the relatively small increase, changing the methodology in the mainstream local Funding Formula requires a consultation with all schools.**

The report highlighted 3 main areas of need that may be deemed to require additional funding;

- Additional pressures felt by schools that experience a greater level of pupil mobility; that is pupils joining and leaving at dates during the academic year. For 2020/21 a new methodology is being applied nationally for this funding factor, this is explained in Appendix A.
- The cost of supporting 'Rising Rolls' in secondary schools. These are in-year payments to support those schools with increased pupil numbers when compared to the number of pupils counted on the previous October census. This is budgeted for in a Growth Fund which is effectively top-sliced from the total Schools Block. Due to demographic changes increasing the number of secondary school age pupils the Growth Fund is forecast to overspend in 2019/20, and spend will increase further in 2020/21.
- General cost inflation and pressures felt by all schools, particularly as teacher pay rises have only been partially funded by the separate government grant.

Schools Forum members discussed the report and the following points were individually made;

- Schools that have growing pupil numbers need financial support over and above the funding provided by the formula.
- The rate of funding for Rising Rolls should be cut to help balance the budget.
- The Teacher Pay Grant is not adequate to cover increased teaching costs.
- The pressures caused by teaching costs increases are being experienced by all schools.
- The primary to secondary funding ratio of 1:1.3, which is in line with the national average, should not be materially changed.
- Some members welcomed the new mobility funding factor. This was seen as an opportunity to address needs hitherto unrecognised in the funding formula. It was felt that deprivation data does not act as a sufficient proxy indicator for pupil mobility.

Schools Forum agreed to consult on changing the funding formula. For the consultation officers were asked to model a proposed funding solution that achieved a reasonable balance in addressing the points above.

## **Proposed changes**

The modelled funding in this consultation strives to achieve a reasonable balance in allocating additional funds in line with the needs outlined at Schools Forum: mobility, secondary pupil number growth, and increased costs.

## **Mobility**

Just over half of Brent schools would benefit from this funding. Appendix B shows the schools that would qualify for this funding, based on October 2018 pupil data, as they

had a pupil mobility score of over 6%. Appendix B also shows the mobility score for all schools, based on October 2018 census data.

Schools are effectively funded for every 'mobile' pupil above the 6% threshold. Please note that this methodology is prescribed by the DfE, and only the funding rate per 'mobile' pupil can be determined locally.

In considering the quantum of funding to distribute via this new funding factor, officers started with the view that the average sum awarded via the factor should be great enough to make a practical difference to the school which received it. Clearly, this has to be balanced against other funding demands.

The average sum modelled for a primary school was approximately £16K. It is felt this would be enough to fund an additional member of non-teaching support staff, at least on a part time basis. Officers are not advocating that funding must be used in this way, but it provides a benchmark on what a useful sum might be. The sums involved are;

- Non-teaching staff at £13 per hour = £13
- 25 hour contract for 38 weeks = £12,350
- +on-costs = approx..£16,000.

As shown in Appendix B achieving this average allocation means that a total of £750k would be allocated using the new mobility funding factor. The rates in the model are;

- Primary £1,060 per pupil over the 6% threshold
- Secondary £1,378 per pupil over the 6% threshold

## **Secondary pupil growth**

The funding system, both nationally and locally, has a funding lag built into it; funding for 2019/20 is based on the previous autumn's pupil numbers. This means a lag of 7 and 12 months for maintained schools and academies respectively. Locally, arrangements can be made to earmark a portion of the total schools block to create a growth fund, which is then available to those schools experiencing the higher increases in pupil numbers.

The growth fund for 2019/20 is £1.4 million, including £800k for the CAFAI provisions. This fund is forecast to overspend by £0.8M on 'Rising Rolls; predominantly in the secondary sector. For 2020/21 it is estimated that the growth fund will need to increase by a further £0.9 million to fund secondary schools with expanding year 7 intakes. This means a growth fund of £3.1 million and so there is an estimated funding gap of £1.7 million which needs to be addressed when setting the budget for 2020/21.

A report on the growth fund was discussed alongside the report on 2020/21 DSG Funding at the Schools Forum on 6<sup>th</sup> November 2019. There were clear views that the growth fund should continue into 2020/21 in order to support those schools with expanding pupil numbers. The view was also expressed that the per pupil rate of

funding for 'Rising Rolls' would need to be reduced in order to help close the funding gap.

Reducing the Rising Rolls funding rates by 15% would cut the funding gap by £0.345m. Table 1 provides the figures. This leaves a funding gap for the growth fund of £1.355 million.

**Table 1**

Estimated Pupils to be funded from Rising Rolls	436
Average Per Pupil Funding Rate 2019/20	£5,248
Estimated total cost	£2.290 million
Average Per Pupil Funding Rate @ 15% reduction	£4,463
Estimated total cost	£1.945
Saving on total cost	£0.345

It is proposed to further close this gap by directing £0.8 million of the additional £3.5 million straight into the growth fund. This leaves the growth fund gap at £0.555 million.

To summarise the above, the £3.5 million has been reduced by a proposed £0.750 million to the mobility funding factor, and by an £0.800 million allocation straight to the growth fund. This leave £1.950 million to be allocated.

The model proposes that the £1.950 million is allocated out to Primary and Secondary schools on a proportionate basis across all other pupil led funding factors. The increases to the Secondary school factors will then be scaled back to release the £0.555 million required for the growth fund budget. This should ensure the primary to secondary funding ratio is not materially impacted.

### **Addressing increased costs**

The model allocates £1.950 million (less £0.555 million for Secondary School growth) to all schools to help address cost pressures common to all schools.

Appendix C shows the pupil led funding factors, the rates and total allocation in 2019/20, and the proposed increased funding rates for 2020/21. The changes to rates will have no material impact on the primary to secondary ratio.

## Summary

The proposed model of funding seeks to balance the allocation of the estimated £3.5 million against the issues identified by Schools Forum. The proposals for the £3.5m can be broken down and summarised as follows in table 2:

**Table 2**

<b>£'M</b>	<b>Funding Need</b>
1.355	Rising Rolls – principally demographic rise in Secondary pupil numbers
1.645	Allocated to Primary schools via the proposed mobility funding factor and via the increased pupil funding rates
0.500	Allocated to Secondary schools via the proposed mobility funding factor and via the increased pupil funding rates
<b>3.500</b>	

For your information, the school level impact of these modelled proposals is provided in Appendix D, and is shown against the 2019/20 funding formula allocations.

## Consultation

The consultation questions are provided below. Please use the attached word document to complete your responses and send back to [Dena.Aly@brent.gov.uk](mailto:Dena.Aly@brent.gov.uk) by 28 November 2019. Responses will be collated and provided to the Schools Forum.

- 1. Do you feel a reasonable balance has been struck between the competing issues and needs in allocating the £3.5 million as per table 2 of this consultation? If not, how would you prefer to rebalance them?**
- 2. Given the context of funding constraints and general cost pressures, do the mobility allocations modelled in appendix B, provide those schools most affected by pupil mobility with adequate amounts to have an impact?**
- 3. Considering the funding lag for growing school populations that is inherent in the national system of funding, are you in favour of continuing to move a portion of the Schools Block into a growth fund that supports expanding schools?**
- 4. Are the proportional increases to pupil led funding factors a fair method of distributing the increased funding that is available?**