

Headteachers, Bursars and Governors
of Northant's Schools

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Dear Colleague

PRIMARY AND SECONDARY SCHOOLS – SCHOOLS FUNDING FORMULA ALLOCATIONS 2019/20

The details of your Budget Share for 2019/20 have now been loaded onto the website.

The Schools Forum considered the funding formula for 2019/20 at its meeting on 17 January 2018 and the Local Authority (LA) subsequently submitted its Funding Formula Pro-forma to the Education and Skills Funding Agency (ESFA) for approval. The ESFA have now reviewed and approved the 2019/20 school budget information submitted.

The DSG schools block allocation for 2019/20 was announced by the ESFA in December 2018 reflecting pupil numbers in schools as per the October 2018 census. The 2019/20 school budgets continue to reflect the National Funding Formula (NFF), introduced from 2018/19.

Following consultation with schools and Schools Forum, there was agreement that the NFF formula factors and rates would continue to be applied in 2019/20. A couple of the national rates were amended by the ESFA. There was a reduction for primary prior attainment and increases for minimum per pupil funding levels in both primary and secondary schools.

The NFF does give schools greater certainty regarding the funding formula that will be applied to their funding in 2020/21.

The DSG for 2019/20 continues to be split over four blocks. The Early Years Block for pre-reception funding, the High Needs Block, Central Services Schools Block and the Schools Block. The latter block funds the formula allocations to primary, secondary and all-through schools and the pupil growth fund. Following consultation with schools and agreement by Schools Forum, DSG funding can be moved from the schools block to the high needs block to fund pressures in excess of the funding allocated specifically for this block up to a maximum of 0.5%. Any funds moved are NOT permanent and require an annual vote by Schools Forum. Following consultation with schools and agreement at Schools Forum £2.01 million (0.43% of the School block) has been moved from the schools block to fund high needs and contribute to clearing the projected 2018/19 DSG overspend.

The cap on funding gains has been set at 3.0% (as per the 'national' NFF Cap percentage), so that schools who are seeing a significant increase in their average per pupil funding receive as much as possible of this in 2019/20, within the overall funding available.

In 2019/20 LAs had the option of setting a Minimum Funding Guarantee (MFG) percentage of between +0.5% and -1.5%. The MFG protects individual schools from reductions in their per pupil funding so that they are not experiencing reductions in excess of -1.5% per pupil. In 2019/20, as in 2018/19, the MFG rate of 0% has been applied. This ensures schools per pupil funding (after exclusion of funding for rates and the lump sum) is not reduced, giving greater levels of support/protection to schools. This is particularly important in a period when inflationary pressures on schools appear to be increasing.

Schools can plan their 3 year budgets on using this information but should note the following when planning for 2020/21:

- Funding available for distribution may be dependent on any final overall DSG over or underspend at the end of 2018/19 and in 2019/20.
- There will be an on-going review for the funding required to be top sliced from the schools block to fund pressure in high needs in 2020/21. Any top slice cannot be applied unless schools have been consulted and Schools Forum approve.
- Capping (of funding gainers) will continue in the funding allocated to the DSG schools block in 2020/21. This means the cap is likely to move by a further 3% compared to a schools 2019/20 average per pupil funding. This will reduce the cap reduction to schools funding allocations in 2020/21 and in some instances fully remove the cap on increases entirely.

Please contact your Schools Financial Adviser as soon as possible if you believe your school may have difficulties setting a balanced budget in 2019/20.

In summary some key points for schools to note are:

- The increase in 2019/20 of approx. £0.9m in the funding moved from the schools block has been funded by a correction in/increase DSG funding for growth in the schools block.
- Unit rates are the same as in 2019/20 except for the 2 national changes mentioned above (primary LPA and minimum per pupil funding levels)
- MFG levels have been set at 0% so no schools will see a reduction in average per pupil funding

Further details on the individual formula factors and other funding to schools in 2019/20 is contained in the Annex to this letter.

Yours sincerely

Jon Lee
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