

Finance Seminar Autumn 2019

Presented by
Cathryn Walker

Agenda

Schools Finance Team

LGSS Update

School funding

Early Years Funding 2020-21

High Needs Funding 2020-21

2020-21 School Budget Consultation

Agenda (cont)

Teachers Pension Grant

Teachers Pay Grant

PE & Sports funding Grant

Teachers Pay Award 2019

School resource management

Rates 2019-20

CFR

School Financial Value Standard
(SFVS)

LGSS Schools Finance Staffing

School Support Team Manager

Cathryn Walker

School Accounting Advisor's

Charlotte Dennison

Charlotte Allford

Julia Miller

Andrea Botterill

Tracey King

Helpdesk

- **Charlotte Dennison** **07500 607933** **Monday**
- **Andrea Botterill** **07500 606962** **Tuesday**
- **Tracey King** **07554 338653** **Wednesday**
- **Charlotte Allford** **07500 607552** **Thursday**
- **Email Only** **Friday**

LGSS Schools Finance Staffing

In the Strategic Schools Finance team:

- Group Accountant – Bob Seaman retired in July
- Recruitment to the role has been challenging
- Beth Baines remains in post and will be acting up into the role to provide cover
- Chris Ayriss - agency worker started 11 Nov supporting Beth

- Head of Service leaving 5 December

LGSS Review – Schools Finance

- LGSS has been under review since summer 2018:
 - TOM review
 - CIPFA review
 - Ongoing review by Partners
- Thursday 31 October LGSS Joint Committee meeting
 - Integrated Finance Services to be repatriated to NCC
 - Transactional v Professional Services
- What does it mean for the Schools Finance team and Schools?

School funding

Prime Minister boosts schools with £14 billion package

New funding delivers on pledge to level up per Pupil funding across the country and includes £700 million for children with special educational needs

Published 30 August 2019

From: [Department for Education](#)

School funding

- The DfE have now confirmed that the 5 to 16 core schools and high needs budget will, compared to 2019-20, rise by:
 - £2.6 billion for 2020-21
 - £4.8 billion for 2021-22
 - £7.1 billion for 2022-23
- For 2020-21, the DfE have published indicative national funding formula allocations at local authority and school level – be cautious....

School funding

This will include local authorities' final primary and secondary units of funding for the schools block. The DfE will publish final dedicated schools grant allocations in December 2019.

We know that, before we have published 2020-21 school allocations, you have important planning activities to undertake which require more detail.

To support this, we have released indicative budget allocations as part of our school funding consultation.

School funding

As part of this, every secondary school will receive a minimum of £5,000 per pupil next year, with every primary school getting a minimum of £3,750 in 2020-21 (increasing to £4,000 for Primary in 2021-22).

The deal includes £780 million extra for children with Special Educational Needs and Disabilities (SEND) in 2020-21. This is worth around £580m in real terms by the end of 2022-23 - around £600m short of what the education select committee says is needed to plug the deficit in high needs.

School funding

The additional funding gives schools the certainty they need to plan their budget. It is a multi year settlement but we have not seen details beyond 2020-21.

It will:

- Ensure that per-pupil funding for all schools can rise at least in line with inflation
- Progress the implementation of the National Funding Formula, delivering promised gains for areas which have been historically under-funded.
- The funding boost comes on top of a near £1.5 billion each year to continue to fund additional pension costs for teachers

School funding

Information has been published on the DfE website and includes:

Indicative figures for each school compared to their 2019-20 baseline formula allocations

Indicative DSG allocations for 2020-21 based on October 2018 census (figures will be updated for the October 2019 census in December's final allocations)

Details of the indicative allocations can be found at the following link:

- [2020-21 School and High Needs Indicative Allocations](#)

School funding

It is not an additional £14bn per year for schools – it totals £7.1bn per year by 2022-23. The Department for Education said this uplift had to cover the following:

- Growth in pupil numbers (around £1bn)
- A real-terms protection of per-pupil funding (around £3bn)
- The cost of increases to teachers pay, including raising starting salaries for all new teachers to £30,000. Teachers pay grant and pension will continue to be funded separately.
- Expectation of schools receiving a 4% increase on their national formula allocations – but this is before any adjustment for local circumstances.

School funding

The DfE has confirmed that local authorities will need to ensure they honour the minimum levels of funding for all schools but, beyond that, there are no signs that local flexibility will be further restricted.

For maintained schools the financial year begins in April, and so they will receive their uplift of extra funding from April 2020. Academies will get the cash from September next year, when their financial year begins.

School funding

The indicative allocation for Northamptonshire is a total Schools Block **increase of £30.68m** from £459.81m to £490.50m - a 6.67% increase compared to 2019-20.

It is not a blanket increase as the formula is allocated based upon data from the October census and will be subject to change – **be careful not to spend ahead of formal final budgets!**

School funding

- Minimum Per Pupil Guarantee (MPPG) Funding Floor will be 1.84% - minimum increase based on individual school 2019-20 allocations
- Premises funding at 2019-20 levels based on actual; PFI attracts RPI
- No national cap but LAs can still opt to use a local cap
- New mobility factor will be introduced but is optional
- Funding Floor Factor will be removed due to MPPG

School funding

- MFG can be set between +0.5% and +1.84% i.e. increase; LA decision **but should be included in the consultation**
- 0.5% limit remains on movements from Schools Block
- 80% must be delegated through pupil led factors
- IDACI data due to be published 26 Sept 2019 but won't be used until 2021-22

Early Years Funding 2020-21

The DfE has now published the hourly funding rates for 2-year old and 3 and 4-year old early years entitlements for the 2020-2021 financial year.

They have also published a step-by-step guide and technical note to explain how the funding rates have been calculated.

<https://www.gov.uk/government/publications/early-years-funding-2020-2021>

You can also read the written ministerial statement that announced the funding:

<https://www.gov.uk/government/news/funding-boost-to-support-childcare-and-early-education>

Early Years Funding 2020-21

Increase of hourly rate for 3 & 4 years olds from £4.35 to £4.43 (8p)

Increase of hourly rate for funded twos from £5.25 to £5.33 (8p)

Maintained Nursery School supplement will continue for 2020-21 – but no permanent solution in place

Early Years Funding 2020-21

Consultation on the EYSFF will be undertaken

Budgets will be set in good time ahead of the required deadline of 31 March 2020

More to follow....

High Needs Funding 2020-21

High Needs is a high profile national issue – deficits of many millions

Prompted the investment by the Government but the funding has been put through the High Needs funding formula – perversely this doesn't typically go to those with high deficits!

High Needs Funding 2020-21

Northamptonshire to date has been able to manage the high needs costs within the funding available but....

2019-20 = £3.8m forecast overspend – the pressures are starting to bite

Examples of pressures - Alternative Provision costs, EHCP numbers, out of county placements

High Needs Funding 2020-21

The indicative allocation for Northamptonshire is a total High Needs Block increase of £10.5m from £77.98m to £88.41m.

This represents a 13.5% increase compared to 2019-20.

High Needs Funding 2020-21

The 2020/21 settlement is a good settlement that should help to manage the emerging deficit in 2019/20 which needs to be repaid. Further analysis and consideration will be provided at the December Schools Forum meeting.

Given the pressures we are still consulting on a transfer from the Schools Block to High Needs

The Indicative Allocations

	2019-20 £M	2020-21 £M Indicative	Change £M	% Increase
Schools Block				
Pupil Led Funding	452.9	478.8	25.9	5.7%
Premises	6.9	11.7	4.8	69.6%
Schools Block Total	459.8	490.5	30.7	6.7%
High Needs Block	78.0	88.4	10.4	13.5%
Central Schools Services Block	11.1	9.6	(1.5)	(13.6%)
Total	548.9	588.5	39.6	7.2%

Note – details of the Early Years Block for 2020-21 have not yet been released

2020-21 School Budget Consultation

Purpose:

To outline the Authority's proposed changes to the school funding formula arrangements for 2020-21. The principle consulted on and adopted in previous years was to move as closely as possible to implementing the Department for Education's (DfE) national funding formula (NFF). This has largely been achieved for Northamptonshire which means there will be very little change to the school funding formula for 2020-21.

The proposed areas of consultation have been discussed by Schools Forum at its meeting of 24 October 2019 prior to the release of the consultation.

The outcome of the consultation will be reported back to the Schools Forum at its meeting on 3 December 2019.

2020-21 School Budget Consultation

The deadline for responses to this consultation is 22 November 2019.

Schools are asked to respond to this consultation by completing the Response Template at Appendix 2. Responses should be submitted by 5pm on 22 November 2019 and must be emailed to Beth Baines at bbaines@northamptonshire.gov.uk

Responses received will be analysed and shared with members of the Schools Forum at its meeting on 3 December 2019 for discussion.

The Authority will then finalise the funding formula for use in 2020-21 to be submitted to the DfE in mid January 2020.

2020-21 School Budget Consultation

For 2020-21 a 'soft' funding formula remains in place - the Authority can still decide how it allocates its funding to schools using the available NFF factors but has flexibility to determine the use and / or value of these factors.

The Dedicated Schools Grant (DSG) continues to be ring-fenced.

The Authority has the ability to move up to 0.5% of the Schools Block to other blocks after consultation with schools and after approval by the School's Forum.

2020-21 School Budget Consultation

The one area of change for Northamptonshire's funding formula is the Mobility factor.

Based on the indicative data set for Northamptonshire this factor will allocate approximately £1m to eligible schools within the formula.

Now that the DfE have resolved the issues with the data set, the Authority is proposing to introduce the mobility factor based on the principle of mirroring the NFF.

2020-21 School Budget Consultation

What are we consulting on:

1. Introduction of the Mobility formula factor;
2. Whether to transfer funding from the Schools Block to the High Needs Block; and
3. How any transfer from the Schools Block should be funded e.g. MFG, funding cap or other formula factors such as the AWPU

2020-21 School Budget Consultation

Please respond!!

Break



Teachers Pay Grant 2019-20

Eligibility for the grant

The DfE will pay the grant based on the number of pupils aged 2 to 19 in:

- maintained nursery schools
- primary and secondary maintained schools
- primary and secondary academies and free schools
- all through maintained schools and academies
- 16 to 19 maintained schools
- 16 to 19 academies

For schools with fewer than 100 pupils, we will allocate funding as if they had 100 pupils.

Teachers Pay Grant 2019-20

How the DfE have determined the rates

- The teachers' pay grant for the 2018 pay award is worth £187m in the 2018-19 financial year and £321m in 2019-20.
- The teachers' pay grant for the 2019 pay award is worth £105m in 2019-20.
- To determine the sums, we have taken the overall annual pay bill for teachers, including additional costs such as pensions and national insurance, and applied the average percentage uplift of the 2018 and 2019 pay awards.
- We then subtracted the 1% pay award that schools would have been planning for in 2018 in line with the previous public sector pay cap. For the 2019 pay award we subtracted the 2% which is the pay award demonstrated to be affordable in the financial year 2019-20 nationally as set out in the [schools' costs technical note](#) published in January.

Teachers Pay Grant 2019-20

The 2019-20 figures represent:

- in respect of the 2018 pay award, the ongoing cost for the 12 months of the 2019-20 financial year
- in respect of the 2019 pay award, the cost of the award for the seven months from 1 September 2019 to the end of the 2019-20 financial year.
- This gives a total of £187m in 2018-19 and £426m in 2019-20
- We have divided this funding between primary (including early years), secondary (including school sixth forms) and special schools. We have done this based on the size of the teacher wage bill for each sector. We have done this to take into account, for example, that special schools generally spend more on staff per pupil.

Teachers Pay Grant 2019-20

The DfE have applied an Area Cost Adjustment (ACA), which takes into account higher teacher wages in London.

The ACA uses 4 rates:

- inner London
- outer London
- London fringe
- the rest of England

They also assume that all mainstream schools have at least 100 pupils, and all high needs institutions have at least 40 places.

They then divided the amount of funding, for each sector, between the number of pupils, to generate a per-pupil rate.

Teachers Pay Grant 2019-20

Rates for primary schools

Region	Rate in 2018-19 (£)	2019-20 rate, for Apr 2019 to Aug 2019 (£)	2019-20 rate, for Sep 2019 to Mar 2020 (£)	Rates for full 2019-20 financial year (£)
Inner London	21.12	15.32	32.63	47.95
Outer London	19.54	14.17	30.19	44.36
London fringe	18.29	13.26	28.26	41.52
Rest of England	17.76	12.87	27.43	40.30

Teachers Pay Grant 2019-20

Rates for secondary schools (with same rate for all 11 to 19 year olds)

Region	Rate in 2018-19 (£)	2019-20 rate, for Apr 2019 to Aug 2019 (£)	2019-20 rate, for Sep 2019 to Mar 2020 (£)	Rates for full 2019-20 financial year (£)
Inner London	31.57	22.54	48.03	70.57
Outer London	29.20	20.86	44.43	65.29
London fringe	27.34	19.52	41.59	61.11
Rest of England	26.54	18.95	40.37	59.32

Teachers Pay Grant 2019-20

Region	Rate in 2018-19 (£)	2019-20 rate, for Apr 2019 to Aug 2019 (£)	2019-20 rate, for Sep 2019 to Mar 2020 (£)	Rates for full 2019-20 financial year (£)
Rates for special and alternative provision schools				
Inner London	78.10	57.00	121.44	178.44
Outer London	72.25	52.74	112.35	165.09
London fringe	67.64	49.37	105.17	154.54
Rest of England	65.65	47.92	102.08	150.00

Teachers Pay Grant 2019-20

The rates previously published were for the full 2019-20 financial year. The DfE have now updated these with the actual rates that will be used for school allocations. These take into account the additional funding for the 2019 pay award.

The allocations for the second set of payments in the financial year 2019-20 will be updated in October 2019 to allow for the updated rates, and payments will be made shortly after.

For the financial year 2020-21 we will publish updated rates and allocations in spring 2020.

Maintained schools will be paid using these rates from the start of their financial year in April 2020, and all schools from August 2020.

Teachers Pension Grant 2019-20

The DfE have calculated the total cost to schools of the increase in employer contributions to the Teachers' Pension Scheme (TPS) from September 2019 to March 2020 to be £848 million, and they will be providing this amount of funding through a grant and a Supplementary Fund.

The grant covers the 7 months of financial year 2019-20 from September 2019 for all schools.

The DfE are accompanying this grant with a Supplementary Fund. Schools will be able to apply to the fund if their grant allocation falls short of their actual pension cost increase between September 2019 and March 2020 by more than 0.05% of their overall budget for this period, and they will be reimbursed for costs above that threshold.

Teachers Pension Grant 2019-20

More details of how schools will be able to apply will be provided in October.

This additional fund is in recognition of the substantial cost increase caused by the changes to the TPS employer contribution rate.

Local-authority-maintained schools and academies will be paid using the 2019-20 rates from September 2019 through to March 2020.

Teachers Pension Grant 2019-20

Eligibility for the grant

- **Mainstream institutions**

The DfE will pay the grant based on the number of pupils aged 2 to 19 in:

- maintained nursery schools
- primary and secondary maintained schools
- primary and secondary academies and free schools
- all through maintained schools and academies
- 16 to 19 maintained schools
- 16 to 19 academies
- For mainstream institutions with fewer than 100 pupils, we will allocate funding as if they had 100 pupils.

Teachers Pension Grant 2019-20

Specialist institutions

The DfE will pay the grant based on the number of places in:

- maintained special schools
- special academies and free schools
- pupil referral units
- alternative provision academies and free schools
- hospital schools
- non-maintained special schools

For specialist institutions with fewer than 40 places, we will allocate funding as if they had 40 places.

Teachers Pension Grant 2019-20

Paying the grant

ESFA will make payments covering September 2019 through to March 2020 to local authorities at the end of October 2019, and to academies in early November 2019.

How The DfE have determined the rates

The employer contribution rate of the Teachers' Pension Scheme (TPS) will increase from 16.4% to 23.6% from September 2019.

We calculate the total cost of this increase to schools from September 2019 to March 2020 to be £848 million, and will be making this sum available. Before dividing this funding, we set aside £22 million, in order to provide money for the Supplementary Fund.

Teachers Pension Grant 2019-20

Pupil numbers used to calculate the rates

The DfE will use the below data for all school-level allocations in October.

For mainstream schools they will use the following data.

Age range

Data source

2 to 4 year olds (i)

Headcount of funded places from January 2019 census

5 to 16 year olds (ii)

Headcount from October 2018 census

16 to 19 year olds (iii)

Pupil numbers from 2019-20 academic year allocations

(i) excluding 4 year olds in school reception classes; 'funded places' means each 3- and 4-year-old pupil taking up the universal free entitlement and recorded on the January 2019 school census, and each 2-year-old taking up the free entitlement for disadvantaged 2 year olds and recorded on the January 2019 school census

(ii) and 4 year olds in school reception classes

Teachers Pension Grant 2019-20

(iii) for 16 to 19 year olds, we have converted the data into a full time equivalent (FTE) based on the number of hours each student attends the school, as shown below. Band 1 students are shown on an FTE basis in the funding allocations, so we use this directly.

Band	Number of hours	FTE
5	540-600	1
4	450-539	0.825
3	360-449	0.675
2	280-359	0.533

For special schools we will use the following data.

School type

Maintained

Data source

Place numbers from the 2019-20 financial year budget returns (section 251)

Teachers Pension Grant 2019-20

Rates for Primary Schools

Region	Rate in 2019-20 per pupil (£)
Inner London	92.20
Outer London	85.29
London fringe	79.85
Rest of England	77.50

Rates for secondary schools (with same rate for all 11 to 19 year olds)

Region	Rate in 2019-20 per pupil (£)
Inner London	135.71
Outer London	125.55
London fringe	117.53
Rest of England	114.08

Teachers Pension Grant 2019-20

Rates for special and alternative provision schools and EHC plans in independent settings

Region	Rate in 2019-20 per pupil (£)
Inner London	336.53
Outer London	311.33
London fringe	291.44
Rest of England	282.89

We will provide further detailed guidance and information in October. This will include:

- school level allocations for mainstream schools
- local authority level allocations for high needs
- details of the Supplementary Fund and how to apply
- details of applications for local authority centrally employed teachers and music education hubs

We will then make grant payments covering September 2019 through to March 2020 to local authorities at the end of October 2019, and to academies in early November 2019.

Teachers Pension Grant 2019-20

Supplementary Fund

We are working with stakeholders on the process of applying for the Supplementary Fund, with a focus on ensuring the systems involved are as efficient and streamlined as possible for schools. All schools will be eligible for the additional support the fund will provide. We will announce details of the fund, including how to apply, in October 2019.

- Applications to the Supplementary Fund will be considered based on schools' actual pension costs for November 2019.
- To calculate any additional funding from the Supplementary Fund, we are including the following funding streams in our definition of overall budget.
- For local-authority-maintained schools:
 - the budget given to a school by their local authority for the 2019-20 financial year, as published in the Authority Proforma Tool (APT)
 - school sixth form funding: 2019-20 academic year funding allocations
 - teachers' pay grant: 2019-20 financial year allocations

PE and Sport Premium Grant 2019-20

The premium must be used to fund additional and sustainable improvements to the provision of PE and sport, for the benefit of primary-aged pupils, in the 2019 to 2020 academic year, to encourage the development of healthy, active lifestyles.

Allocations for the academic year 2019 to 2020 are calculated using the number of pupils in years 1 to 6, as recorded in the January 2019 census, as follows:

- schools with 17 or more pupils receive £16,000 plus £10 per pupil

PE and Sport Premium Grant 2019-20

The Secretary of State does not consider the following expenditure as falling within the scope of additional or sustainable improvement:

- employing coaches or specialist teachers to cover planning preparation and assessment (PPA) arrangements - these should come out of schools' core staffing budgets
- teaching the minimum requirements of the national curriculum PE programmes of study - including those specified for swimming
- fund capital expenditure

PE and Sport Premium Grant 2019-20

Maintained schools, including those that convert to academies, must publish information about their use of the premium on their website by the end of the summer term or 31 July at the latest. Schools must publish:

- the amount of premium received
- a full breakdown of how it has been spent (or will be spent)
- what impact the school has seen on pupils' PE and sport participation and attainment

PE and Sport Premium Grant 2019-20

- how the improvements will be sustainable in the future
- what percentage of pupils within their year 6 cohort for academic year 2019 to 2020 can do each of the following:
 - swim competently, confidently and proficiently over a distance of at least 25 metres
 - use a range of strokes effectively
 - perform safe self-rescue in different water-based situations

If selected, schools must also take part in a sampling review to scrutinise their compliance with these conditions.

Teachers Pay Award – September 2019

In accordance with the flexibilities in teachers pay set out in the School Teachers Pay and Conditions Document (STPCD) and DfE expectations, the local authority cannot be prescriptive about how the 2.75% pay award should be applied in schools and therefore does not make any specific recommendations about the approach to be taken by individual schools. This is the responsibility of individual school Governing Bodies.

Teachers Pay Award – September 2019

- Technically, statutory pay points are not recognised by DfE, just the statutory range (minima / maxima).
- Nevertheless, one of the options in the model policy is discretionary pay scales and these reflect guidance issued by the Local Government Authority.
- When determining pay, individual schools are advised to consider affordability and other key factors such as recruitment and retention.
- The trade unions were consulted on the model teacher pay policy. Their position is that they would like to see percentage uplifts applied to all teachers and leaders and not just to the minima and maxima of the pay ranges.

Teachers Pay Award – September 2019

I have updated the SIMS update notes ready for completion on SIMS.Net.

As before there are different options depending upon what decision was made in for September 2018.

I will load onto the website later in the week and email a link when available.

School resource management

1. Staff pay as percentage of total expenditure
2. Average teacher cost
3. Pupil-to-teacher ratio (PTR)
4. Class sizes
5. Teacher contact ratio
6. Proportion of budget spent on the leadership team
7. 3 to 5 year budget projections
8. Spend per pupil for non-pay expenditure lines compared to similar schools
9. School improvement plan priorities and the relative cost of options
10. List of contracts with costs and renewal dates

School resource management

- Governors at schools and academies can use this information as a starting point to check if their school is managing resources and finances effectively.
- Use these checks early in the annual budget planning cycle and when looking ahead at the 3 to 5 year position.
- On many of these areas, you should be consulting your school business professional (who could be the business manager, in your setting), as well as your headteacher.
- Senior staff in schools, including school business professionals (business manager), will also find this guide useful.

Rates 2019-20

Schools should have now received the invoice for the first 6 months.

The remaining invoice will be raised in February 2020.

Consistent Financial Reporting (CFR)

This should be checked now and any necessary amendments made.

- Ensure your name and email address are entered
- Check that there are no amounts on the validation report as well as checking all new codes have been mapped appropriately.
- You can then print the CFR report and a Cumulative Expense Analysis and these should agree (please remember that you exclude commitments so allocated less actuals).

Consistent Financial Reporting (CFR)

The data for 2018-2019 has now been uploaded and is now available on the DFE website, unless you are an academy.

<https://schools-financial-benchmarking.service.gov.uk/>

School Financial Value Standard (SFVS)

There are significant changes with this years submission.

Previously there were 25 questions, now there are 29.

Only 18 of the original 25 questions are the same, leaving 11 new or amended questions.

School Financial Value Standard (SFVS)

The majority of the additional/amended questions are in section C – Setting the annual budget.

- Does the budget setting process allow sufficient time for the Governing Body to scrutinise and challenge the information provided.
- Is the Governing Body realistic in its pupil number projections.....
- Is the year end outturn in line with budget projections.....

School Financial Value Standard (SFVS)

The 29th question is now a financial dashboard that without completion the form cannot be submitted.

This is asking for data from the future CFR return but also ratios and outcomes.

This also completes a schools RAG (Red/Amber/Green) rating.

School Financial Value Standard (SFVS)

I plan to hold some bite size sessions in January 2020 to specifically go through the completion of the financial data dashboard and where to extract the information from.

I will publish these using Eventbrite and email you the necessary link once the seminars are complete.

SIMS Updates

Teachers Superannuation – initial updates did not include the 0.08% admin charge. Therefore the correct rate applicable from 01/09/19 is 23.68%.

This can be amended in SIMS.Net via Tools/Staff/Superannuation click on Search then select the Teachers In Scheme option.

Please try and ensure your staffing commitments are accurate

Questions

??????