

## 1.2 Government Updates

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### 1 Purpose

- 1.1 To provide the Schools Forum with an update on Government announcements relating to the National Funding Formula (NFF) and the Dedicated Schools Grant (DSG).

### 2 Recommendations

- 2.1 To **note** the latest updates on the national funding formula and the DSG.

### 3 National Funding Formula Consultations

#### High Needs Funding Consultation

- 3.1 On the 10 February 2021 the DfE launched a consultation on the national funding formula relating to changes on the allocation of high needs funding to local authorities for 2022/23. The consultation closes on 24 March 2021 and the documents can be found [here](#). The LA will be responding to the consultation and would encourage all schools to consider making a response.
- 3.2 The consultation is seeking views on possible changes to two specific factors in the high needs national funding formula, which is the formula the department uses to allocate funding to LA's for children and young people with complex needs.
- 3.3 The high needs national funding formula was first introduced to LAs in 2018/19, following extensive consultation for the calculation of the high needs funding allocation. Before 2018/19, allocations had been based on each LAs past spending, and the formula marked a significant and widely welcomed shift towards a fairer distribution of funding to local areas, based on the needs in those areas. The DfE were aware that the formula would need to adapt to changing circumstances, so a review is being undertaken to see if changes are needed after the first four years of its operation.

- 3.4 The first stage of this consultation is to consider specific questions about improvement to the formula funding distribution that could be implemented for 2022/23, but which would not pre-empt wider and longer-term changes resulting from the current SEND review of AP reforms. The consultation is also asking a couple more general questions, the responses to which will help to take forward any longer-term changes to the funding arrangements.

### **Sparsity National Funding Formula Consultation**

- 3.5 On the 2 March 2021 the DfE launched a consultation on the national funding formula proposed changes to sparsity funding from 2022/23. The consultation closes on 9 April 2021 and the documents can be found [here](#). The LA will be responding to the consultation and would encourage schools to consider making a response.

- 3.6 The consultation makes a number of proposals:

- To begin measuring sparsity distances by road journeys rather than ‘as the crow flies’ distances, to better reflect the actual distance between schools, particularly in rural locations.
- To increase the maximum sparsity factor values by £0.010m across all phases in the 2022/23 schools national funding formula.

## **4 Other Schools Funding Updates**

- 4.1 The ESFA have updated the [2021/22 High Needs Operational Guidance](#) to include:

- Further clarification on top-up funding
- Update to provide more information on the responsibility for children and young people who move between local authorities (annex 2)
- A new annex to provide additional information on health and social care costs (annex 3)

### **Teachers Pay and Pension Grant**

- 4.2 From 2021/22 the majority of the funding for the teachers’ pay grant and the teachers’ pension employer contribution grant will be paid through the schools and high needs national funding formulae (NFF), instead of as separate grants.
- 4.3 Mainstream academies will continue to receive the grants for April to August 2021, as they will not receive their 2021/22 NFF allocations until September 2021. This will avoid academies facing a five-month funding gap.
- 4.4 Maintained nursery schools, school nurseries, sixth forms, 16 to 19 schools, non-maintained special schools and some special and alternative provision free schools are not funded through the NFF. In 2021/22 these institutions will continue to be funded with the grants paid separately to core allocations.

- 4.5 In 2021/22 allocations for both grants will be based on the per pupil rates set out in the supporting [teachers' pay grant](#) and [teachers' pension grant](#) guidance. As per the usual timetable, allocations for April to August 2021 will be published in April 2021, and allocations for the second half of the financial year will be published in the autumn.

### **New Education Recovery Package for Children and Young People**

- 4.6 The DfE have announced further elements of the recovery support package so children and young people can catch up on missed learning and development due to the pandemic. The details of the funding can be found [here](#).

The new recovery package for England includes:

- A new one-off £302m Recovery Premium for state primary and secondary schools, building on the Pupil Premium, to further support pupils who need it most. The average primary school will receive around £0.006m extra, and the average secondary school around £0.022m extra. This will help schools to bolster summer provision for their students, for example laying on additional clubs and activities, or for evidence-based approaches for supporting the most disadvantaged pupils from September.
- £200m (from the £300m announced by the Prime Minister in January to expand the successful tutoring programmes). This will fund an £83m expansion of the National Tutoring Programme for primary and secondary schools, which has been shown to boost catch up learning by as much as 3-5 months at a time; a £102m extension of the 16-19 Tuition Fund for a further year to support more students in English, maths and other vocational and academic subjects; and £18m funding to support language development in the early years – £10m to be allocated to a pre-reception early language programme and £8m for Nuffield Foundation to deliver the Nuffield Early Language Intervention for reception children.
- £200m (including the final £100m from the Prime Minister's announcement) will be available to secondary schools to deliver face-to-face summer schools. Schools will be able to target provision based on pupils' needs but the government is suggesting they may want to initially target incoming year 7 pupils. This is alongside wider support funded through our Holiday Activities and Food Programme across the country.
- A new one-off £302 million Recovery Premium for state primary and secondary schools, building on the Pupil Premium, to further support pupils who need it most. The average primary school will receive around £0.006m extra, and the average secondary school around £0.022m extra. This will help schools to bolster summer provision for their students, for example laying on additional clubs and activities, or for evidence-based approaches for supporting the most disadvantaged pupils from September.

## **Universal Infant Free School Meals (UIFSM) – Supplementary Funding**

- 4.7 The UIFSM supplementary grant provides funding for schools to help them meet the costs of providing extra free school meals before the lagged funding system catches up. The rate for 2020/21 is £450 per FSM pupil.
- 4.8 The ESFA have finalised the UIFSM supplementary funding allocations for 2020/21, guidance and allocations can be found [here](#).

## **Coronavirus (COVID 19) Catch Up Premium**

- 4.9 The Coronavirus Catch Up Premium is funding to support children and young people to catch up lost time after school closure. This is especially important for the most vulnerable and disadvantaged backgrounds. This funding includes:
- A one-off universal £650m catch up premium for the 2020/21 academic year to ensure that schools have the support they need to help all pupils make up for the lost teaching time
  - A £350m [National Tutoring Programme](#) to provide additional, targeted support for those children and young people who need the most help, which includes:
    - a schools programme for 5 to 16-year-olds – for more information, see the [National Tutoring Programme FAQs](#)
    - a [16 to 19 tuition fund](#)
    - an oral language intervention programme for [reception-aged children](#)
- 4.10 Guidance and information on how the funding has been calculated can be found [here](#) and details of the allocations can be found [here](#).

## **Pupil Premium Grant**

- 4.11 On 17 December the DfE announced that the pupil premium rates will remain unchanged for the financial year 2021/22 and that from 2021/22 onwards pupil premium allocations for mainstream and special schools will be based on the October census. Pupil premium funding for the financial year starting 1 April 2021 will therefore be based on the October 2020 census instead of the January census as would have previously been the case.
- 4.12 This administrative change brings the pupil premium in line with how the rest of the core schools budget is calculated and going forward it will provide both schools and DfE with greater certainty around future funding levels earlier in the year.
- 4.13 Total pupil premium funding is expected to increase to more than £2.5 billion in 2021/22 as more children have become eligible for free school meals as a result of the impact of the pandemic.
- 4.14 Further information has now been published on this change and can be found [here](#).

## **Coronavirus Workforce Fund**

4.15 The coronavirus workforce fund for schools and colleges online form is now live and can be found [here](#). This funding is available for eligible costs relating to staff absence during 1 November 2020 to 31 December 2020. The criteria set out for this fund are designed to target those institutions experiencing high staff absence rates and significant funding pressures. The fund covers the costs of staff absence over the thresholds specified, full details of which can found below:

- [coronavirus \(COVID-19\) workforce fund to support schools with costs of staff absences from 1 November 2020 to 31 December 2020 guidance](#)
- [coronavirus \(COVID-19\) workforce fund to support colleges and special post-16 institutions guidance](#)

## **High Needs Provision Capital Funding**

4.16 The government have confirmed that there will be an allocation of £300m in 2021/22 for new school places for children with special educational needs and disabilities.

4.17 £280m will be allocated to LAs through a formulaic allocation which will be announced in Spring. These allocations are intended to support LAs to deliver new places and improve existing provision for children with SEND and for those pupils that require alternative provision. This funding will support the provision of places needed by September 2022. It will be allocated proportionally, based on each LA's estimated share of future growth in the High Needs pupil population – using a combination of ONS population projections and national data on Education Health and Care Plans (EHCPs), as well as data on funding already being provided in the form of new Special and AP Free Schools. A minimum funding floor will ensure every LA receives at least £0.500m. It is expected that the grants will be paid to LA's in the summer. Further details regarding the methodology used to calculate the allocations, payment dates and associated conditions of grant will be released alongside the allocations.

4.18 The remaining £20m will be used for specific High Needs capital projects in support of ongoing work with some of the local authorities facing high DSG deficits. The LA's eligible for this additional funding have already been contacted, this does not apply to MK.

## **Early Years – Autumn Term 2020 Funding**

4.19 The early years funding normally uses the January census data for funding a whole academic year. The January census is the mid-point for the academic year, so in essence, the DfE pays LAs the same amount through the whole academic year, all based on the January census attendance.

4.20 This means that usually in Spring term the ESFA are paying LAs the right amount of funding, in the autumn because Free Early Education Entitlement (FEEE) eligibility is

always lower the DfE is always over-paying LAs and in summer term where FEEE eligibility is highest the DfE is always underpaying. This means that the autumn and summer positions usually balance each other out (excluding pandemic impact).

4.21 The DfE however recognise that the funding system is currently different to usual, as a result of Covid. All LAs were asked to respond to the following questions and we await further guidance:

- What percentage of your autumn term funding income from DfE would you normally expect to, or in autumn 2019 did carry forward (to pay for the summer term to come)? This might include some which is held within contingency budgets.
- What percentage of your autumn 2020 funding income from DfE are you carrying forward (to pay for summer 2021)? This might again include contingency budgets. If this is a negative figure (i.e. you are not carrying anything forward, but in fact paid out more funding than you received), please also include that, as a percentage of your autumn term funding income.
- If known, what percentage of your autumn term funding income in 2020 did you spend on 'double-funding'?