



Northamptonshire
County Council

Schools Budgets Consultation

2021-22



Background (1)

The Schools Budget Consultation was circulated on the 5th of January for return on the 15th of January. The short turn around time was driven largely by the settlement notification being the 17th December combined with the added complexity of disaggregation into Unitary Authorities meaning that budget modelling of indicatives were likely to be less accurate without the final settlement information.

Four options were presented around a single issue of transferring funding from the schools block to the high needs block to help fund the budget pressure arising largely from growth in demand.

Option 1: Transfer available headroom to High Needs after schools put on NFF

Option 2: Transfer available headroom to Growth Fund after schools put on NFF (“do nothing” option)

Option 3: Transfer the maximum allowable 0.5% balanced by capping

Option 4: Transfer the maximum allowable 0.5% balanced by reducing MFG (LA preferred option)

Background (2)

The LA has proposed that we will follow the National Funding Formula for the rates applied to each of the individual formula factors, which is the principal we have applied in prior years.

Our preferred options presented in the consultation was also:

- (1) To transferring the maximum allowable, 0.5% of the Schools Block funding, to the High Needs Block.
- (2) To balance this by bringing the Minimum Funding Guarantee down to from 2% in the National Funding Formula to balance the budget.

The growing demands and costs on high needs support for SEND pupils were set out in the consultation document and the size of the forecast overspend at the end of 2020-21 has been reported in agenda item 4 in this meeting.

There is also a potential increased impact on the high needs block from covid closures for 2021-22, the prudent approach is therefore to maximise the transfer to the high needs block in an attempt to minimise a bigger problem being created for future years.

Consultation Responses 2021-22 (1)

Very poor response level, possible reasons:

Impact: Doesn't affect a lot of schools and academies budgets

Timing: settlement came in on 18th of January so very short length of consultation time

Priority: more urgent issues being addressed, covid closures

	Schools	Number of Responses	Option 1 only	Option 1 or 2	Option 2 only	Option 3	Option 4
North	131	11	2	4	0	0	5
West	169	7	2	1	0	0	4

North NU Consultation Responses 2021-22 (2)

Comment: Should only transfer the amount required. Should seek further funding from SOS to provide adequately for High Needs. Mainstream funding shouldn't be needed to balance high needs as a principle.

Comment: The data provided was incorrect and as, yet no response has been received in respect of this query. As no response has been received in respect of our original query, it leaves us with no alternative but to support option 1

Unfortunately the quick turn around of the consultation that has meant that queries on census accuracy haven't been resolved before your response submission. We receive the budget tool from the ESFA prepopulated with census data, where this data appears incorrect Academies should liaise with the ESFA.

Question: Regarding the rolling up of the Teachers Pension Grant and Pay grant into the NFF at the value of £180 for KS1 and £265 KS3,4 – can it be confirmed that any minimum per pupil funding guarantee and or capping will exclude these amounts. Can it be confirmed that these balances will be overlaid as 'additional' grant rather than subsumed into calculations.

Yes the minimum per pupil funding guarantee is applied after the MFG and capping are calculated, so are received by all schools.

North NU Consultation Responses 2021-22 (3)

Comment: It would be useful to gain a greater understanding of why some schools are losers under options 3 and 4 – we have chosen the lesser of two evils. Both are bad for us but not for all schools, many of whom appear unaffected by either option. We do not understand why. We have not chosen options 1 or 2 as we recognise the pressures that the High Needs Block is under. We know that we benefit from this funding. What would have happened if we had just reduced the AWPUP by £1 per pupil?

In Option 3 there is a clear correlation in those sparse schools receiving a cap. Capping affects per pupil year on year increases (not including lump sum or premises factors) and the sparsity rate has increased in the NFF for 2021-22.

There are a range of reasons that can be hard to unpick from a complex formula. There is a historical impact relating to how close a school is to the NFF and minimum per pupil funding. If already fully on the NFF, then the MFG will take them above these levels as it is an increase in per pupil funding as compared to the prior year. As we reduce this to achieve a balanced budget in option 4, only those schools whose MFG has taken them above the guaranteed per pupil minimum funding can be affected by MFG reductions but the others can't. Smaller schools are more likely to already be at the minimum per pupil guaranteed funding level because the lump sum is included in that calculation.

Taking £1 from the AWPUP provides £22k funding from the WNU and £18k funding from the NNU. When considering that there are 106k pupils, you can see that the various protection mean this wouldn't affect all schools equally.

West NU: Consultation Responses 2021-22 (4)

Comment: The £1.3m 'headroom' is all that is available to transfer. The additional £188k proposed transfer has a direct negative impact on 50 schools with the authority overriding the guarantee. The £1.3m 'headroom' should be re-diverted to address the most urgent demands which is within the High Needs block

LA response: just to clarify, the reduction in MFG does not reduce the guaranteed per pupil amounts which are:

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level
£4,180	£5,215	£5,715	£5,415

Comment: As a small school (92) we cannot afford to take huge cuts in budget and still offer quality education. Our children have already had their education impacted by Covid to reduce staff and resources as they return to school would in my opinion be criminal.

Update to Indicative Budget Information

The 0.5% maximum transfer should be applied to the Schools Block before the incorporation of the Teachers Pension and Teachers Pension Contribution Grant.

Unitary	Headroom, all schools on NFF	Max 0.5% allowable transfer (£m) <i>Without</i> TP and TPECG	Incorrectly used 0.5% in consultation indicatives (£m) <i>with</i> TP and TPECG	Difference (less reduction)(£m)
North NU	1.09	1.17	1.22	0.05
West NU	1.32	1.44	1.50	0.06

OPTION 1 and 2 – no change

North NU

OPTION 3 – 11 schools have lower funding than on NFF (previously 19)

OPTION 4 – same 25 schools affected, 22 have less of a reduction from the NFF

West NU

OPTION 3 – 16 schools have lower funding than on NFF (previously 24)

OPTION 4 – same 50 schools affected, have less of a reduction from the NFF, the largest impact on one school of £47k no change

Vote on the Block Transfer

The transfer of funding between the Schools block and High Needs block is a Schools Forum and Shadow Schools Forum Vote.

Schools Forum

- 1) Vote to transfer the maximum 0.5% Schools Block Funding to High Needs Block
- 2) Vote to transfer the “headroom” to Schools Block Funding to High Needs Block

West NU Shadow Schools Forum

- 1) Vote to transfer the maximum 0.5% Schools Block Funding to High Needs Block
- 2) Vote to transfer the “headroom” to Schools Block Funding to High Needs Block

North NU Shadow Schools Forum

- 1) Vote to transfer the maximum 0.5% Schools Block Funding to High Needs Block
- 2) Vote to transfer the “headroom” to Schools Block Funding to High Needs Block