

Every pupil in England to see another rise in funding in 2021 – DfE announcement 20 July 2020

The increase comes in the second year of a three-year £14.4bn funding settlement for schools. The settlement profile has been previously announced as follows.

Year	Increase £ billion	Cumulative Increase £ billion
2020/21	2.6	
2021/22	4.8	7.4
2022/23	7.1	14.5

These increases do not include the provision of separate grants for schools and academies, including Pupil Premium Grant (PPG) and Teachers Pay/Pensions Grants

Following the release of the indicative 2021/22 National Funding Formula (NFF) and Dedicated Schools Grant (DSG) allocations, the following provides an initial estimate of the impact on Bury.

Dedicated Schools Grant (DSG)

Schools Block

Indicative Funding Announcement Schools Block	Primary Unit of Funding per-pupil (PUF)	Secondary Unit of Funding per-pupil (SUF)	Pupil Numbers As at October 2019	National Funding Formula (NFF)	Premises *	Total Schools Block Excluding Growth Fund
	£	£		£	£	£
2020/21	4,134	5,284	27,825	127,942,619	1,445,191	129,387,810
2021/22	4,471	5,749	27,825	138,775,695	1,311,091	140,086,785
Variance to 2020/21	338	466	0	10,833,076	-134,100	10,698,975
% Variance	8.2%	8.8%	0%	8.5%	n/a	8.3%
Of which equates to Pay / Pensions Grant transfer	180	265		6,014,144		6,014,144
Balance equates to NFF Uplift	158	201		4,818,931	-134,100	4,684,831
% Variance in respect to Uplift	3.8%	3.8%		3.8%		3.6%

** The reduction in Premises factor is solely in respect to a reduction in the funding for Business Rates due to rateable revaluations and academy transfers*

The overall increase in per-pupil funding indicates 8.5% or £10.833m which includes over £6m in respect to the transfer of Teachers Pay and Pensions grants into the formula funding determination. Excluding this grant transfer the overall uplift to Bury's schools and academies funding per pupil is 3.8% or £4.819m for 2021/22. Individual schools will see greater or lower % variations than 3.8% depending on their own per-pupil circumstances for key factors including Deprivation and Low Prior Attainment.

The percentage increase per-pupil for Bury represents the 30th highest out of 149 Local Authorities and is the 5th highest out of the 23 North West Local Authorities

With £7.1b being added to the national settlement in 2022/23, Bury's schools and academies will see an even greater increase to their funding from April 2022.

The increase from the Schools Block allocation will be distributed to schools and academies through the formula factors as per the following:

Factor	Sub-level	2020/21 £	2021/22 £	Variance to 2020/21	% Variance	Teachers Pay & Pensions	Uplift	% Uplift Excluding Teachers Pay & Pensions
Basic Entitlement - Age Weighted Pupil Unit (AWPU)	Primary	2,857	3,123	266	9%	180	86	3.0%
	Key Stage 3	4,018	4,404	386	10%	265	121	3.0%
	Key Stage 4	4,561	4,963	402	9%	265	137	3.0%
Deprivation								
Free School Meals - Ever 6	Primary FSM	560	575	15	3%			3%
	Secondary FSM	815	840	25	3%			3%
Free School Meals	Primary FSM	450	460	10	2%			2%
	Secondary FSM	450	460	10	2%			2%
Income Deprivation Affecting Children Indices (IDACI) Primary	IDACI F	210	215	5	2%			2%
	IDACI E	250	260	10	4%			4%
	IDACI D	375	410	35	9%			9%
	IDACI C	405	445	40	10%			10%
	IDACI B	435	475	40	9%			9%
	IDACI A	600	620	20	3%			3%
Income Deprivation Affecting Children Indices (IDACI) Secondary	IDACI F	300	310	10	3%			3%
	IDACI E	405	415	10	2%			2%
	IDACI D	535	580	45	8%			8%
	IDACI C	580	630	50	9%			9%
	IDACI B	625	680	55	9%			9%
	IDACI A	840	865	25	3%			3%
Additional Education Needs Factors								
Low cost, high incidence SEN – Low Prior Attainment	Primary	1,065	1095	30	3%			3%
	Secondary	1,610	1660	50	3%			3%
English as an Additional Language (EAL)	Primary	535	550	15	3%			3%
	Secondary	1,440	1485	45	3%			3%
Mobility	Primary	875	900	25	3%			3%
	Secondary	1,250	1290	40	3%			3%
School-Led Factors								
Lump Sum <i>2021/22 is the final year of the agreed phased transition for the Primary Lump Sum to mirror the NFF Lump Sum.</i>	Primary	120,000	117,800	-2,200	-1.8%			-1.8%
	Secondary	114,400	117,800	3,400	3%			3%

Minimum per-pupil Funding Level (MFL)

As part of the levelling-up of schools per-pupil funding the Government have specified minimum levels of funding per pupil that all schools must receive through the formula allocation. If, for any reason, a schools' formula does not provide sufficient to meet the MFL then their budgets are topped up to guarantee they can achieve the minimum funding requirement.

The MFL has been introduced as part of the National Funding Formula (NFF) as follows:

Sector	2018/19	2019/20	2020/21	2021/22	2021/22 Inc Teachers Pay/Pension
	£	£	£	£	£
Primary	3,300	3,500	3,750	4,000	4,180
Secondary	4,600	4,800	5,000	5,150	5,415

In order to ensure the addition of the Teachers Pay and Pensions grants into the per-pupil funding formula does not disadvantage any school that would require the MFL protection, the equivalent amounts have been added to the MFL to be used in all formula budget determinations by Local Authorities and is included in the validations of the Authority Pro-Forma Tool (APT) to be submitted for 2021/22.

The MFL currently protects 13 schools/academies in 2020/21 – this position will be reviewed for 2021/22 in light of the increased funding and MFL announcements.

High Needs Block

The High Needs Block has been increased nationally by £730m which provides a minimum increase of 8% per head of population. The indicative funding announcement for 2021/22 provides Bury with £36,136,794 which is an additional £3,077,900 or 9.7% increase from 2020/21.

Unfortunately this increase does not reflect any greater proportion of funding targeted to the High Needs Block from the overall DSG allocation and therefore does not recognise the increasing pressure on this area faced by Local Authorities. The per head of population element only provides a small amount per head and does not recognise the very high costs associated with supporting individual pupils with Special Educational Needs and/or Disabilities (SEND). The Government are still undertaking their 'Major review of High Needs' and the outcomes of this are expected to inform the future distribution of funding to the High Needs Block. In the meantime the Local Authority must live within its means plus recover the accumulated deficit in accordance to DfE requirements.

An estimated increase of £3m has already been incorporated into Bury DSG Deficit Recovery Plan, therefore this new announcement does not materially provide any additional funding, above that already expected, that may help in the recovery of the deficit.

The percentage increase for Bury represents the 137th least increase out of 149 Local Authorities and is the 23rd lowest out of the 23 North West Local Authorities

The Teachers Pay & Pension grant transfer for Special Schools and PRU's will be allocated through an additional £660 per place on the statutory £10,000 place funding level.

Central Schools Services Block

The indicative settlement indicates a slight increase to Bury's allocation from £0.774m in 2020/21 to £0.813m in 2021/22. Many Local Authorities are seeing reductions to this block due to the Government commitment to remove 'historical' items from it.

Bury has only ever had one small historical commitment approved many years ago by Schools' Forum in respect to contributing to the costs of the Safeguarding in Schools Officer. The phased reduction to this historical funding has been balanced in previous years due to the postholder moving to part-time hours and then with a vacancy. A review of the current costs will need to be assessed to consider how the post will be funded from 2021/22.

The percentage increase for Bury represents the 11th highest out of 149 Local Authorities and is the 4th highest out of the 23 North West Local Authorities

Additional funding will be added to this block in respect to the transfer of Teachers Pay & Pension grants for Teachers employed directly by the LA in central support services

Early Years Block

No funding announcements for Early Years funding 2021/22 have been made as yet – this is expected post January 2021

Additional funding will be added to this block in respect to the transfer of Teachers Pay & Pension grants for Teachers employed by schools and academies in maintained nursery provision.

Comprehensive Spending Review (CSR)**This update is for information only!**

All spending and cost pressure proposals from Government offices, including the DfE, have been submitted to Treasury for consideration to the spending review which will inform the multiple year budget for the Local Authority, with a 3 year Revenue settlement 2021/22 to 2023/24 and a 4 year settlement for Capital, taking it to 2024/25,.

Funding settlements are expected to be announced from mid-late November, however announcements may be affected/delayed by factors, such as Coronavirus.

The settlements do not take account of Covid impacts on spend as this is dealt with through grants and support mechanisms as a separate issue to the Spending Review.

The CSR does not affect Schools funding which has already been announced as part of the 3 year National Funding Formula covering 2020/21 to 2022/23, however it may affect the funding for Maintained Nursery Schools to be announced as part of the Early Years DSG Block settlement.

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