

TITLE OF REPORT: School Funding Update

Purpose of the Report

1. The purpose of this report is to update Schools Forum on the outcome of the Mainstream School and High Needs Block stage 2 Consultations.

Background

2. On 14 September 2017 the Department for Education (DfE) issued a number of documents:-

National Funding Formula for Schools and High Needs - Summary

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/644673/National_funding_formula_for_schools_and_high_needs_-_summary.pdf

National Funding Formula for Schools and High Needs – Policy Document

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/644746/National_funding_formula_for_schools_and_high_needs_Policy_document.pdf

3. They also issued a number of illustrative allocations and impacts for:-
 - local authority and school level for mainstream schools for the new national funding formula (NFF)
 - High Needs Block
 - Central Schools Block

All tables can be found on the below link.

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs>

4. Summary of the Main Announcements

Changes from the Mainstream School consultation proposals:-

- Soft NFF for mainstream schools for 2018/19 and 2019/20 to aid transition
- 3% funding cap on gains for 2018/19 and 2019/20
- Minimum funding levels have been set for both primary and secondary pupils.
 - The primary minimum funding level is £3,300 for 2018/19 and £3,600 for 2019/20.
 - The secondary minimum funding level is £4,600 for 2018/19 and £4,800 for 2019/20.
- All AWPU values have been increased from the consultation proposals to
 - Primary an increase of £35 per pupil from £2,712 to £2,747
 - KS3 an increase of £66 from £3,797 to £3,863
 - KS4 an increase of £74 from £4,312 to £4,386
- Decrease in Free School Meals (FSM) current and ever6 funding

- Primary Current FSM decreased by £100 from £540 to £440
 - Primary ever6 FSM decreased by £440 from £980 to £540
 - Secondary Current FSM decreased by £345 from £785 to £440
 - Secondary ever6 FSM decreased by £470 from £1,255 to £785
- An increase in Income Deprivation Affecting Children Indices (IDACI) band C to differentiate the funding from band D. Band C has a higher proportion of deprived children than band D.
 - Primary IDACI band C increased by £30 from £360 to £390
 - Secondary band C increased by £45 from £515 to £560
- Pupil Premium Plus for looked after children (LAC) will be increased from £1,900 to £2,300. The increase represents the total amount allocated to LAC in 2017/18 formula and this is rather than include a LAC factor in the 2018/19 NFF.
- The primary secondary ratio for the NFF will be approximately 1:1.29 for England as a whole; however this will vary at a local level depending on the distribution of funding to individual schools.
- All premises factors will be funded on the same level as 2017/18 allocations apart from Private Finance Initiative (PFI) funding which will increase in line with Retail Price Index, Excluding Mortgage Interest (RPIX) on an annual basis.

Illustrative Impacts on Gateshead Funding

5. The DfE issued indicative allocations for 2018/19 for the Schools Block, High Needs Block and the new Central Schools Block. School level information for 2019/20 based on 2017/18 data was also published.

Below is a high level comparison of the 3 blocks

| 2017 -18 DSG allocations by block (£million) | | Indicative Allocations | Movement From HNB to SB | Difference | Percentage Change |
|--|--------------|------------------------|-------------------------|------------|-------------------|
| Schools Block | £105,293,467 | £108,066,154 | £236,246 | £2,536,441 | 2.41% |
| Central Schools Block | £1,743,950 | £1,724,225 | | -£19,725 | -1.13% |
| High needs block | £21,779,054 | £21,650,180 | £236,246 | £107,371 | 0.49% |

6. Not all details or calculations have been released and the information above is based on 2017/18 actual allocations, new indicative funding provided for 2018/19 based on 2016/17 data (the same as used for 2017/18 allocations) and the movement between the blocks HNB and SB information was provided in stage 2 consultation information, as this has not yet been published.
7. In line with the announcements made, the overall increase in funding for Gateshead mainstream schools is 2.4%. This ranges from 0.4% increase for 12 primary schools to 3.4% increase for one small primary school. The indicative allocations suggest that 2 schools will receive increases above the 3% cap, one primary and one secondary. This is probably due to PFI funding increasing due RPIX being applied to the historic factor value.
8. The below table details the total amounts and percentage funding that will be allocated under the new NFF, together with values and cash allocations for Gateshead for mobility, premises factors and growth funding.

| Factor values and weightings in the new NFF | | | | | | | |
|---|---------------------------|----------------------------|---------------------------------|---------------------|--|--------|---------------|
| Factor | | Proposed Weighting for NFF | Proposed Total Spend (inc. ACA) | | Per pupil/school factor values (excl. ACA) | | |
| | | | | | Primary | | Secondary |
| Basic per pupil funding | | 72.90% | £24,183m | | KS1 | £2,747 | KS3 £3,863 |
| | | | | | KS2 | | KS4 £4,386 |
| Deprivation | Current FSM | 9.10% | £1,731m | £3,022m | £440 | | £440 |
| | Ever6 FSM | | £540 | | £785 | | |
| | IDACI A | | £575 | | £810 | | |
| | IDACI B | | £420 | | £600 | | |
| | IDACI C | | £390 | | £560 | | |
| | IDACI D | | £360 | | £515 | | |
| | IDACI E | | £240 | | £390 | | |
| | IDACI F | | £200 | | £290 | | |
| Low Prior Attainment | | 7.40% | £2,458m | | £1,050 | | £1,550 |
| English as an additional language | | 1.20% | £404m | | £515 | | £1,385 |
| Mobility | | 0.10% | £22m | | £193,000 Cash sum | | |
| Lump sum | | 6.80% | £2,267m | | £110,000 | | £110,000 |
| Sparsity | | 0.08% | £26m | | £0 to £25,000 | | £0 to £65,000 |
| Premises | Rates | 1.80% | £610m | Cash sum £4,449,590 | | | |
| | PFI | | | | | | |
| | Split Sites | | | | | | |
| | Exceptional circumstances | | | | | | |
| Growth | | 0.05% | £174m | | £35,000 | | |
| Area Cost Adjustment | | | £824m | | nil | | |
| Funding Floor | | | £624m | | | | |

9. Indicative individual school allocations can be found on the above link. The amounts on the table are indicative, are based on the NFF without any local formula review and will change with the final allocation of funding in December.

Proposal

10. It is the proposal that Schools Forum notes the contents of this report and the information that can be reached from the above links. This information will be used by the Mainstream School Funding Subgroup (MSFS) to inform discussions and modelling of the local formula which will be reviewed and agreed by Schools Forum prior to consultation with all mainstream schools.

Recommendations

11. It is recommended that Schools Forum notes the contents of the report and that work will be undertaken by the MSFS on Gateshead's transition to the NFF.

For the following reasons:

- To maintain funding stability for Gateshead's mainstream schools
- To comply with the Schools Revenue Funding Operational Guidance
- To comply with DfE timescales
- To Comply with Schools and Early Years (England) Regulations 2018 when they are published

CONTACT: Carole Smith 2747