

Item 4**TITLE OF REPORT: Schools Funding Update**

Purpose of the Report

1. The purpose of this report is to update Schools Forum on School Funding developments and to ask Schools Forum to approve proposals made by the Mainstream Schools Funding Sub Group.

Background

2. The Mainstream Schools Funding Sub Group met for the first time 19 October. The group was provided with an update on school funding developments which builds on the September Report to Schools Forum.
3. The main developments from the September meeting are:-
 - The DfE have published a number of documents including
 - The High Needs Block Operational Guidance
 - Updated Schools Operational Guidance
 - National Funding Formula (NFF) Technical Notes for the High Needs Block (HNB), Schools Block (SB) and Central Schools Block (CSB)
 - High Needs place change notification 2018 to 2019: Technical note and workbook
 - Children with Special Educational Needs (SEN) who are educated in Additionally Resources Mainstream Schools (ARMS) will now receive mainstream funding as allocated by the formula together with a £6,000 place allocation from the HNB. Empty places will continue to be funded at £10,000 per place.
 - The DfE have contacted all school finance leads following feedback from regional meetings and DfE training sessions to say that all Local Authorities (LA's) can apply to disapply the School and Early Years Finance (England) Regulations to allow a positive minimum funding grantee (MFG) of up to 0.5%. The disapplication is the subject of a later report on this agenda.
 - Due to the announced changes in funding (minimum funding level for primary schools) and the probability that many LA's will wish to set a positive MFG value the DfE issued a new modelling tool on the 20 October to allow these additional features to be used.
 - The HNB Operational Guidance sets out the new funding arrangements for children in maintained and academy special schools. The LA will receive £4,000 for each child based on the October schools census. The DfE will also implement a process for moving funding between LA's on the basis of net importers or exporters of pupils to or from a different home LA.

4. The group was provided with the factor comparisons in appendix 1, and the different factors and the NFF were discussed.
5. The group proposed the following principles and funding aims, and that further modelling is undertaken when the DfE release the next modelling Authority Proforma Tool (APT) that allows for a positive MFG factor and a minimum primary funding level.

Principles

- An affordable equitable and transparent mainstream school funding formula
- A formula that will focus only on mainstream school age range – not taking other age ranges into account (e.g. post 16 or 2, 3 & 4 year olds)
- A formula that where possible prepares schools for the National Funding Formula (NFF) and moves Gateshead's formula in the direction of travel towards the NFF

Funding Aims

- Phase the changes required over the next 2 funding periods
- 1:129 primary secondary ratios
- 3% funding gains cap
- Positive MFG if possible
- Minimise the value of MFG

Timeline

6. The following timeline is required to meet the DfE timescales on the submission of the APT in January 2018:
 - Subgroup work and initial proposals to Schools Forum 2 November
 - Subgroup meeting week commencing 6 or 13 November
 - Final proposals for Schools Forum 7 December
 - Consultation with all schools 8 to 15 December
 - Consultation outcome and Formula Schools Forum special meeting 19 December
 - Schools Forum approval 11 January
 - Portfolio approval 15 January
 - Submission to DfE 19 Jan 2018

Proposal

7. It is proposed that Schools Forum notes the information in the report and approves the proposed principles and funding aims.

Recommendations

8. It is recommended that School Forum approves the principles and funding aims proposed.

For the following reasons:

- To enable further financial modelling to be undertaken to using the principles and funding aims to enable Gateshead's mainstream funding formula to transition to the NFF
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Appendix 1

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)							Difference	Difference
	Description	Amount per pupil Gateshead		Amount per pupil NFF			AWPU	
	Primary (Years R-6)	2,905.00		2,746.99			-158.01	
	Key Stage 3 (Years 7-9)	3,750.00		3,862.65			112.65	
	Key Stage 4 (Years 10-11)	4,360.00		4,385.81			25.81	
	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil		Primary amount per pupil	Secondary amount per pupil
2) Deprivation	Current FSM	0.00	0.00	440.00	440.00		440.00	440.00
	FSM6 % Primary	850.00		540.00			-310.00	
	FSM6 % Secondary		1,400.00		785.00		0.00	-615.00
	IDACI Band F	0.00	0.00	200.00	290.00		200.00	290.00
	IDACI Band E	0.00	0.00	240.00	390.00		240.00	390.00
	IDACI Band D	347.75	416.24	360.00	515.00		12.25	98.76
	IDACI Band C	401.25	480.28	390.00	560.00		-11.25	79.72
	IDACI Band B	481.50	576.33	420.00	600.00		-61.50	23.67
	IDACI Band A	802.50	960.55	575.00	810.00		-227.50	-150.55
3) Looked After Children (LAC)	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil		Primary amount per pupil	Secondary amount per pupil
4) English as an Additional Language (EAL)	LAC X March 16	1,500.00		0.00			-1,500.00	-1,500.00
	EAL 3 Primary	260.00		515.00			255.00	
5) Mobility	EAL 3 Secondary		260.00		1,385.00			1,125.00
	Pupils starting school outside of normal entry dates	2,000.00	2,000.00	Cash Lump Sum £193,00 Historic Funding			0.00	0.00
6) Prior attainment	Description	Weighting	Amount per pupil	Weighting	Amount per pupil		Weighting	Amount per pupil
	Low Attainment % new EFSP	0.70		1.00			0.30	
	Low Attainment % old FSP 73		320.00		1,050.00			730.00
	Secondary low attainment (year 7)	0.48		0.48			0.00	
	Secondary low attainment (years 8 to 11)		550.00		1,385.00			835.00
Other Factors								
Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)
7) Lump Sum		115,000.00	140,000.00	110,000.00	110,000.00		-5,000.00	-30,000.00