

Item 4

TITLE OF REPORT: Analysis of Local Authorities Schools Block Funding Formula

Purpose of the Report

The purpose of this report is to bring to Schools Forum information produced by the Department for Education (DfE) on the values and funding factors used by all other local authorities (LAs) in England, and a summary of work carried out on benchmarking Gateshead's mainstream school's formula against national data and regional and statistical neighbours for 2019/20 and the national funding formula (NFF).

Background

In July 2019 the DfE published a report which provided an overview of the 2019/20 funding factors and values used by all LAs to fund mainstream schools. They also published the factor values and percentages of total funding for all LAs.

Below is the link to the documents.

Benchmarking of funding factors

There are 152 Local Education Authorities (LEAs) in England, and therefore 152 different mainstream funding formulas. For regional neighbours there are a total of 13 LAs and there are 11 LAs in the statistical neighbour group.

Not all factors are mandatory and not all LAs have used all factors. Where this differs to the above LAs the number in the group will be stated.

The data shows that many LA's are moving their local formula towards the nation funding formula (NFF).

Basic per pupil entitlement

The primary basic entitlement for Gateshead is £2,817. This is in the most commonly used bracket of £2,750 to £3,000 and ranked 60 nationally, 5 against our regional neighbours and 4 against our statistical neighbours. Gateshead's current rate is higher than the current rate of the NFF of £2,747.

The Key Stage 3 (KS3) basic entitlement for Gateshead is £3,830. This again is in the most commonly used bracket of £3,750 to £4,000 and ranked 136 nationally, joint 6 against of our regional neighbours and 10 against our statistical neighbours. Gateshead's current rate is lower than the current rate of the NFF of £3,863.

The KS4 basic entitlement for Gateshead is £4,386. This again this is in the most commonly used bracket of £4,250 to £4,500 and ranked 131 nationally, joint 6 against our regional neighbours and 7 against our statistical neighbours. Gateshead's current rate is at the current NFF rate.

Gateshead allocated 71.9% of the total funding to the basic entitlement. Most LAs were in the bracket of 75% to 80% with the average being 74.9%. The amount allocated under the NFF was 73.1%.

Summary

The primary basic entitlement is mid-table nationally; however when compared against regional and statistical neighbours it is higher than both averages, and higher than the current NFF factor value.

KS3 basic entitlement is in the lower quartile of all three comparison groups and is lower than the average amount for regional and statistical neighbours, and lower than that proposed in the NFF.

KS4 basic entitlement is in the lower half of national funding values and is lower than the average amount for regional and statistical neighbour values, but it is than the same as the current NFF factor value.

Deprivation

Current Free School Meals

Most regional and statistical neighbours use the NFF factor value of £440 with only 2 higher than this.

Most regional and statistical neighbours use the NFF factor value of £440 with only 3 higher than this.

Ever6FSM

Gateshead has a factor value of £678, which is above the NFF of £540. This is the highest factor value compared to regional neighbours and second highest against statistical neighbours.

Gateshead's factor value of £1,058 which is above the NFF of £785 is the highest factor value compared to regional neighbours and second highest against statistical neighbours.

Income Deprivation Affecting Children Indices (IDACI)

147 LA's used IDACI as a deprivation measure and all regional and statistical neighbours used IDACI to allocate deprivation funding. However not all LA's used all funding brackets.

Summary

IDACI is too complex to fully analyse easily. The overall deprivation funding percentage that Gateshead allocates is higher than the national average and lower than average for regional neighbours and slightly higher than statistical neighbours.

Looked After Children (LAC)

Only 15 LAs out of 152 chose to use this factor. The most commonly used funding bracket is £1,000 to £1,250 with Gateshead's factor value is £500. The NFF does not use a LAC factor.

None of Gateshead's regional and statistical neighbours retained the LAC factor.

Prior Attainment

151 LAs used the primary low prior attainment factor. The most commonly used funding bracket is £1,000 to £1,250. Gateshead's value is £716. The NFF value is £1,022.

For secondary low prior attainment 150 LAs used this factor. The most commonly used bracket is £1,500 to £1,750. Gateshead's value is £1,069. The NFF value is £1,550.

72% of LA's allocated between 5% and 10% of funding. The average was 6.7% regional was 8% with Gateshead allocating 5.2%.

Compared to regional and statistical neighbours, Gateshead's low prior attainment factors are below average, however there has been significant movement towards the NFF factor nationally, by comparators and by Gateshead.

Summary

Prior attainment funding is relatively low compared to all groups, with primary sector being particularly low, however amounts have increased towards the values set in the NFF.

English as an additional language (EAL)

148 LA's used the EAL factor. For primary the most commonly used funding bracket for primary EAL is £500 to £750 Gateshead allocates the NFF value of £515.

For secondary schools the most commonly used bracket is £1,500 to £1,750. There has been significant movement towards the NFF with Gateshead increasing the allocation to the NFF rate of £1,385.

Summary

Gateshead funding for EAL children is now at the NFF level for primary and secondary schools.

Mobility

Only 64 out of 152 LAs use the mobility factor. For primary the funding range was from £0 to £2,981. For secondary the range was £14 to £18,826. The most commonly used bracket for primary was £500 to £750 and secondary mobility funding £750 to £1,000. In Gateshead the allocation is £2,000.

Summary

Gateshead has a high mobility factor compared to all groups. Less than half of all LAs in all groups used this factor, and the DfE will fund the amount allocated via the 2019/20 planned spend.

Overall Pupil-Led Factors

It is the requirement of all LAs to channel at least 80% of mainstream school funding via pupil-led factors. The average for all LAs is 90.52% the highest % of LAs are in the bracket 90% to 92%. Gateshead allocated 87.99% of funding to pupil-led factors.

Lump Sum

All LAs chose to have a Primary lump sum in their formula, 2 LA's did not have a secondary lump sum. The range for both primary and secondary schools was £75,000 to the maximum amount of £175,000.

The most commonly used range for primary lump sum is £110,000 to £120,000 in line with the NFF value.

Gateshead has differentiated lump sums for 2019/20 of £112,222 for primary schools and £123,333 for secondary schools and is moving towards the NNF value of £110,000.

Gateshead allocated 7.87% of funding to the lump sum compared to the national average of 7%.

Minimum Funding Levels

The minimum funding levels were set at £3,500 for primary and £4,800 for secondary schools. 121 LA's choose to use the minimum funding levels and 92 LA's that used this factor used the NNF rates including Gateshead.

Primary: Secondary Ratio

The national primary: secondary ratio for 2019/20 was 1:1.297 Gateshead's ratio is 1:1.26 for 2019/20. The calculation is undertaken before the application of the minimum funding guarantee (MFG) calculation all schools can gain 0.5 % of funding on a per pupil basis before capping and scaling. Gateshead's MFG was 0.21%

The average for regional and statistical neighbours ratio is 1:1.29.

Funding

The national average Primary Unit of Funding (PUF) is £4,099 Gateshead's is £4,074 and was the fourth lowest against regional neighbours and fifth against statistical neighbours. Gateshead's PUF is lower than the regional averages and slightly higher than the statistical neighbours.

Gateshead's Secondary Unit of Funding (SUF) is second lowest against regional and statistical neighbours. Gateshead's SUF is lower than both regional averages and statistical neighbours.

Proposal

It is proposed that Schools Forum notes the contents of the report and the comparisons of Gateshead's funding against the national, regional and statistical neighbours and NFF.

Recommendations

It is recommended that School Forum notes the contents of the report.

For the following reasons:

- To provide information to Schools Forum on the comparison of Gateshead's mainstream Schools Fair Funding Formula, regional and statistical neighbours and the NFF.

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