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

Purpose of the Report

The purpose of this report is to bring to Schools Forum analysis 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 over the summer on benchmarking Gateshead's mainstream schools formula against national data and regional and statistical neighbours.

Background

In July 2016 the DfE published a report which provided an overview of the 2016/17 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.

<https://www.gov.uk/guidance/schools-block-funding-formulae-2016-to-2017>

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 were not all LA's have used all factors. Where this differs to the above LAs the number in the group will be stated.

Basic per pupil entitlement

The primary basic entitlement for Gateshead is £2,905. This was in the most commonly used bracket of £2,750 to £3,000 and ranked 79th nationally, 3rd against our regional neighbours and 4th against our statistical neighbours.

The KS3 basic entitlement for Gateshead was £3,750. This again was in the most commonly used bracket of £3,750 to £4,000 and ranked 124th nationally, 10th against of our regional neighbours and 9th against our statistical neighbours.

The KS4 basic entitlement for Gateshead is £4,360. This again this was in the most commonly used bracket of £4,250 to £4360 and ranked 107th nationally, 11th against our regional neighbours and 8th against our statistical neighbours.

Gateshead allocated 74.32% of the total funding to the basic entitlement. Most LAs were in the bracket of 75% to 80% with the average being 76.8%. The percentage range for regional neighbours was 69.24% to 86.23% with an average of 74.35%. For statistical neighbours the range was 69.25% to 84.27% with an average of 75.14%.

Summary

The primary basic entitlement is mid-table nationally; however against regional and statistical neighbours it is higher than both averages.

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.

KS4 basic entitlement is in the lower half of national funding values, and is lower than regional and statistical neighbour values.

Deprivation

122 LA's used IDACI as a deprivation measure. Only 17 LA's used IDACI to distribute more than 6% of total deprivation funding with most distributing between 2 to 4%. Gateshead distributed 2.8% of deprivation funding via IDACI.

The DfE calculated the total amount of deprivation funding allocated per Free School Meal child. Funding ranged from 1% to 19% of total funding with the average being 7.6%. Gateshead distributed 10.86% of total funding, but had a lower than average factor value of £1,479 compared to 64% of LAs with a factor value range of £1,500 to £3,000 per FSM child.

The highest percentage distributed regionally was 14.19%, with an average of 10.10% and Gateshead was ranked 7th.

For statistical neighbours the highest was 12.93% with an average of 10.17% and Gateshead was ranked 6th.

8 regional LAs used primary FSME6, and Gateshead ranked 4th out of the eight with average funding of £955, Gateshead's rate is £850. For statistical LAs ranked 2nd out of 8 with the average funding of £742.

8 regional LA's used secondary FSM6, and Gateshead ranked 3rd, with a value of £1,400, and the average was £1,189. There were also eight statistical neighbours that used FSME6 and Gateshead ranked 2nd and the average fund is £1,040.

Most LA's used a combination of FSM and IDACI to distribute their deprivation funding with the exception of Durham only using IDACI for primary schools and Redcar and Cleveland only using IDACI.

Summary

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

Primary FSM6 average funding was lower than the regional neighbours and higher than statistical neighbours.

Secondary FSM6 funding was ranked 3rd regionally and 2nd against statistical neighbours and the factor value was higher than the average value for both regional and statistical neighbours.

Looked After Children (LAC)

Only a small proportion of funding is allocated via this factor and only 88 LAs out of 152 chose to use this factor. The most commonly used funding bracket was £1,000 to £1,500 and 75% of LA's funded under £1,250. Gateshead factor value was £1,500.

Nine of the regional and seven of Gateshead's statistical neighbours used the LAC factor. Gateshead's factor was the highest regional amount and the second highest as compared to statistical neighbours. Average funding amounts were £888 and £1,046 respectively.

Summary

Gateshead's LAC factor value is relatively high compared to all 3 groups.

Prior Attainment

143 LAs used the primary low prior attainment factor. The most commonly used funding bracket was £500 to £750. Gateshead's value was £320.

For secondary low prior attainment 148 LAs used this factor. The most commonly used bracket was £750 to £1,000. Gateshead's value was £550.

71% of LA's allocated between 2% and 6% of funding. The average was 4.3% with Gateshead allocating 2%.

Compared regional and statistical neighbours Gateshead's low prior attainment factors are well below average. Gateshead's value was £320 for primary and ranked 12th against regional neighbours and 10th against statistical neighbours with average funding amounts of £732 and £570 respectively.

Secondary low prior attainment funding was not quite as low, with Gateshead's allocating £550, which ranked 10th regionally and 8th against statistical neighbours with average funding values of £740 and £654 respectively.

Summary

Prior attainment funding is relatively low compared to all groups, with primary sector being particularly low.

English as an additional language (EAL)

136 LA's used this factor for 2016/17 funding. The most commonly used funding bracket for primary EAL was £250 to £500, with Gateshead allocating £260.

For secondary schools the most commonly used bracket was £500 to £750, with Gateshead allocating £260.

The average amount funding allocated via this factor is 0.9% Gateshead allocates 0.18% which is in the most commonly used allocation range of 0% to 1%.

Gateshead's used the same funding amount for both primary and secondary EAL allocating £260. For primary this ranked 8th out of the 9 regional LAs that used this factor and 6th out of 6 for statistical neighbours. The average allocations were £533 and £639 respectively.

For secondary schools Gateshead ranked 6th out of 9 and 6th out of 6 for regional and statistical neighbours, with average funding amounts being £969 and £889 respectively.

Summary

Gateshead funding for EAL children against all comparators is low, especially in the primary sector.

Mobility

Only 68 out of 152 LAs use the mobility factor. For primary the funding range was from £10 to £3,000 and for secondary the range was £10 to £19,068. The most commonly used bracket for primary mobility funding was £500 to £750. In Gateshead we allocate £2,000.

5 regional LAs and only one statistical neighbour used this factor. Gateshead ranked 1st for both regional and statistical neighbours groups, with average funding regionally being £995 for primary and £915 for secondary schools. For the statistical neighbour using this factor, the funding value was £250 for both primary and secondary schools. In 2016/17 no Gateshead secondary schools qualified for mobility funding.

Summary

Gateshead has a high mobility factor compared to all groups. Less than half of all LAs in all groups used this factor.

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 was 89.84% the highest % of LAs were in the bracket 90% to 92%. Gateshead allocated 87.82% of funding to pupil-led factors.

Gateshead ranked 10th against regional neighbours with a range of funding from 93.55% to 83.29%, and 9th against statistical neighbours with a range of 92.42% to 83.29%.

Lump Sum

All LAs chose to have a lump sum in their formula. The range for both primary and secondary schools was £48,480 to the maximum amount of £175,000.

14 LAs had their maximum lump sum for their primary schools and 36 for their secondary schools. The most commonly used range for primary lump sum was £140,000 to £150,000.

The most commonly used range for secondary lump sum was £170,000 to £175,000. Overall the average % of funding allocated was 8.2%; Gateshead allocated 8.66% which was in the second highest distribution band of 8% to 10%. The most commonly used banding rate was 6% to 8%.

Gateshead had differentiated lump sums for 2016/17 of £115,000 for primary schools and £140,000 for secondary schools. Gateshead ranked 9th regionally for the primary lump sum and 8th for statistical neighbours with the average funding being £137,454 and £130,616 respectively. For the secondary lump sum Gateshead ranked 11th for secondary schools regionally and 7th against statistical neighbours, with average funding being £153,416 and £136,824 respectively.

Gateshead allocated 8.66% of funding to the lump sum compared to the average for regional neighbours 9.6% and statistical neighbours 8.82%

Primary: Secondary Ratio

The national primary: secondary ratio for 2016/17 was 1:1.29. In 2015/16 the ratio was 1:1.28. Gateshead's ratio was 1:1.27 for 2016/17. The calculation is undertaken before the application of MFG and capping and scaling.

The average for regional and statistical neighbours ratio was 1:31, and Gateshead rank 9th and 7th respectively.

Gateshead's Schools Block Unit of Funding ranked 8th against regional neighbours and 6th against statistical neighbours.

Gateshead average primary school size is 218 which ranks 7th out of 11 against regional neighbours and with an average school size of 223. Against statistical neighbours Gateshead ranked 8th out of 10 for primary school size with an average pupil numbers of 245. LAs with a 3 tier system were not included in this calculation.

The average secondary school size in Gateshead is 961 pupils with a rank of 4th for both regional and statistical neighbours out of 11 and 10 LAs respectively. The regional average secondary school size was 838. Statistical neighbour's average size of school is 876 pupils.

Notional SEN

All LAs have to have a notional SEN budget. 84% of LAs have a notional SEN % of between the ranges of 5% to 15%, with an overall average of 10%. The most

commonly used % bracket is 7.5% to 10%. Gateshead's notional SEN percentage was 7.5%.

Proposal

It is proposed that Schools Forum notes the contents of the report and the comparisons of Gateshead funding against the national, regional and statistical neighbours. It is proposed that a subgroup of Schools Forum is formed to review data, agree the areas to review and model potential outcomes.

The possible areas for review are:-

KS3 basic entitlement
KS4 basic entitlement
IDACI following the banding changes
Primary and secondary FSM6 funding
Low Prior Attainment
EAL
Mobility

Schools Forum to agree the areas to be reviewed from area's proposed by the sub group. Outcomes from the groups work will be reported to Schools Forum, however it must be noted there will be changes to the factor values once final allocations and the most up to date data set are released by the DfE in December 2016.

Recommendations

It is recommended that School Forum notes the contents of the report and considers the suggested areas to be reviewed for Gateshead's mainstream Schools Fair Funding Formula for the financial year 2017/18.

For the following reasons:

- To provide Schools Forum with information to inform the debate and consider the suggested areas for review of Gateshead's mainstream Schools Fair Funding Formula.
- To set up a sub group of Schools Forum to undertake a review of Gateshead's mainstream schools fair funding formula.

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