

Report 5

TITLE OF REPORT: Mainstream Schools Funding

Purpose of the Report

To bring to Schools Forum the proposed Authority Proforma Tool (APT) for submission of Gateshead Schools funding factors and values to the DfE for approval, to enable the calculation of mainstream schools individual school budgets for 2019/20.

Background

This report builds on reports to Schools Forum in December 2018 and previous agenda items.

Gateshead received its Dedicated Schools Grant (DSG) funding settlement on 17 December 2018. Since receipt of the settlement, work has been undertaken to calculate individual mainstream school budgets.

The Schools and Early Years Finance Regulations for 2019 have been issued together with the Schools Revenue Funding 2019/20 – Operational Guidance, updated in December 2018.

The schools block (SB) allocation of funding for 2019/20 is £110,251m which is calculated:

- Primary pupil numbers * Primary Unit of Funding (PUF) 14,931 x £4,073.76 = £60.825m
- Secondary pupil numbers * Secondary Unit of Funding (SUF) 8,787 x £5,066.09 = £44,516m
- Plus £4.512m for premises and mobility factors
- New methodology growth funding for 2019/20 £0.397m

Therefore, the amount available to fund Gateshead mainstream schools in 2019/20 is £110.251m, an increase of £1.342m from 2018/19.

Subject to Item 4, a 0.5% top slice of the SB is £0.551m which reduces the amount to be allocated to mainstream schools to £109.7m

This amount of funding has been used to calculate Gateshead mainstream schools' individual schools' budgets using the APT based on the agreed methodology and formula factors proposed.

A number of inputs and adjustments were made to the APT prior to modelling. These included:-

- The mobile pupil data for Heworth Grange has been amended from 77% to 4% as the data is incorrect due to the conversion to an academy on 1 February 2018.

- Input of estimated rates charges for 2019/20 and adjustments for actual rates charges for 2018/19 in comparison to the amount funded for 2018/19. There have been some swings in rates charges due to revaluations of school premises.
- All schools including voluntary aided and voluntary controlled schools will pay rates, as the rate relief has been reduced from 100% to 80% for these schools.
- The DfE issued the updated rates data for academies.
- The PFI factor was re-calculated to take into account the changes in pupil numbers and updated PFI charges for 2019/20.
- De-delegation has been input as agreed at December's Schools Forum.
- The movement of Thomas Hepburn children has not been accounted for as the movements were not known at the time of modelling. An updated model will be presented at Schools Forum.

Funding Pressures

There are a number of funding pressures for 2019/20. These are:-

- The increase in secondary school pupils
- The decrease in primary pupils
- The increase in PFI funding when only an additional £62,980 was received in premises factors when PFI funding has increased by £167,049 from £2,486,642 in 2018/19 to £2,653,691 for 2019/20.

Data Changes

The APT was received on 14 December; however there was an error in the tool so the DfE retracted the model from the website and reissued it on 17 December. The new APT contains an updated data set for the calculation of the mainstream school budgets, predominantly based on the October 2018 census. The updated data set was checked against last year's APT data to review the changes in data. There were found to be no unexpected changes in data (apart from Heworth Grange mobile pupils).

The Key Stage 2 (KS2) Standard Assessment Tests (SATs) are used as a prior attainment measure for the secondary phase. These tests became more challenging from summer 2016, and in order to compensate for this change, the DfE applied a national weighting of 48.02% to the 2016 summer secondary prior attainment data, a weighting of 58.05% for summer 2017 and 63.59% to summer 18 for secondary prior attainment so that any financial turbulence caused by the change in performance data is minimised.

The Early Years Foundation Stage Profile (EYFSP) changed in 2013 as the changes have now worked themselves through the primary sector a weighting is no longer required.

Mobility factor funding for 2018/19 was £154k based on last year's APT, however the number of mobile pupils (those not starting in September or January for reception children) has fallen, therefore overall funding via this factor reduced to £134k.

Modelling

Due to a different distribution of pupils between the primary and secondary phases, and the updated data set received from DfE, when the mainstream school budgets were calculated using 2018/19 factor values, the formula was not affordable, and there was a

funding short fall of £110k. There was no capping or scaling and minimum funding guarantee (MFG) was at -1.5% with total MFG funding of £192K.

For the second model a number of changes were made. The rates and PFI factors were updated, but the formula remained the same as 2018/19, again without capping or scaling and MFG at -1.5%. This resulted in a small surplus of £2,480 and MFG funding totalling £151,545.

Model three moved to the agreed phased formula, or the same funding rate as 2018/19 where already at or exceeded the phased funding, no capping or scaling, MFG at -1.5% and the new primary and secondary minimum funding rates applied. This resulted in an over allocation of £275,204, MFG funding at £174,658 and funding allocated to meet the minimum funding levels (MFL) of £326,509 and therefore not a viable formula.

Model 4 introduced capping and scaling to try and bring the model into balance. 100% scaling (all gains taken into account except the minimum funding rates gains) was applied and the cap set at 2.9% capping £174,614. This was the maximum cap as the capped funding cannot be greater than the amount of funding distributed by MFG. MFG and MFL were the same as model 3 however the model was still not affordable as the over allocation was £100,589.

Model 5 increased the capped gains to 2.5%, reduced the MFG to -0.89%. This had the effect of capping £191,920, and MFG funding of £260,968. In order to make the model affordable both the primary and secondary lump sums were further reduced from the original phasing. The primary lump sum was reduced from £112,222 to £110,000, and the secondary lump sum from £123,333 to £120,000. This formula is affordable with £406 of schools block DSG unallocated. The resulting Proforma is shown in appendix 1. Comparisons between 2018/19 and proposed 2019/20 are shown in appendix 2 together with pupil movements.

Model 5 does not take into account pupil movements between Thomas Hepburn and the receiving schools and further work will need to be undertaken to model this.

Proposal

That Schools Forum reviews the information and approves model 5 (dependant on the outcome of the work to redistribute Thomas Hepburn pupils).

Recommendations

It is recommended that the Schools Forum reviews the information and approves model 5 (dependant on the outcome of the work to redistribute Thomas Hepburn pupils).

For the following reasons:-

- To enable Gateshead mainstream schools funding to be calculated
- To enable the proforma to be submitted to the DfE within timescale
- To move Gateshead's mainstream schools funding formula towards the NFF.

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Appendix 1

Local Authority Funding Reform Proforma

LA Name:	Gateshead
LA Number:	390

Total DSG schools block allocation	£110,251,107.91
Total Funding For Schools Block Formula as a percentage of DSG schools block allocation	99.50%
Total funding allocated to schools as a percentage of DSG schools block allocation	99.44%
Total funding allocated to growth and falling rolls as a percentage of DSG schools block allocation	0.06%

Premises costs to exclude from allocation when calculating the minimum funding level	Mobility	Rates	PFI	Split Sites	
	No	Yes	Yes	No	
Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level		Secondary (KS4 only) minimum per pupil funding level		Secondary (KS3 and KS4) minimum per pupil funding level
£3,500.00					£4,800.00

Pupil Led Factors

Description	Reception uplift	No	Pupil Units		0.00		Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Description	Amount per pupil	Pupil Units		Sub Total				Primary Notional SEN (%)	Secondary Notional SEN (%)
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£2,817.22	14,931.00		£42,063,912		£77,610,058	38.39%	5.00%	
	Key Stage 3 (Years 7-9)	£3,841.81	5,508.00		£21,160,689			19.31%	5.00%	
	Key Stage 4 (Years 10-11)	£4,385.81	3,280.00		£14,385,457			13.13%	5.00%	
2) Deprivation	FSM	£440.00	£440.00	2,948.00	1,524.00	£1,967,680	£12,450,013	11.36%	23.00%	19.00%
	FSM6	£677.78	£1,058.33	4,255.72	2,858.69	£5,909,878			23.00%	19.00%
	IDACI Band F	£200.00	£225.55	1,790.94	1,040.32	£592,833			0.00%	0.00%
	IDACI Band E	£186.67	£303.33	1,758.13	970.22	£622,487			0.00%	0.00%
	IDACI Band D	£357.28	£493.05	2,047.37	1,188.11	£1,317,282			0.00%	0.00%
	IDACI Band C	£395.00	£542.29	565.33	318.52	£396,037			0.00%	0.00%
	IDACI Band B	£447.33	£600.00	1,118.18	584.50	£850,899			23.00%	19.00%
	IDACI Band A	£676.11	£876.91	711.34	355.76	£792,916	23.00%	19.00%		
3) Looked After Children (LAC)	LAC X March 17	£500.00		190.33		£95,166	£817,919	0.09%	0.00%	
4) English as an Additional Language (EAL)	EAL 3 Primary	£515.00		821.14		£422,885		0.54%	0.00%	
	EAL 3 Secondary		£1,385.00		119.33	£165,268			0.00%	
5) Mobility	Pupils starting school outside of normal entry dates	£2,000.00	£2,000.00	67.30	0.00	£134,600	0.12%	0.00%	0.00%	
6) Prior attainment	Primary Low Attainment		£716.22	37.91%	5,659.71	£4,053,601	£5,694,762	5.20%	100.00%	
	Secondary low attainment (year 7)	63.59%		18.69%						
	Secondary low attainment (year 8)	58.05%	£1,068.89	17.68%	1,535.39	£1,641,162				100.00%
	Secondary low attainment (year 9)	48.02%		18.31%						
	Secondary low attainment (years 10 to 11)			16.20%						

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)		
7) Lump Sum	£110,000.00	£120,000.00			£8,450,000	7.71%	0.00%	0.00%	
8) Sparsity factor					£0	0.00%	0.00%	0.00%	
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum or the NFF weighting for any of the phases.									
Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed, tapered or NFF sparsity primary lump sum?	Fixed				
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed, tapered or NFF sparsity secondary lump sum?	Fixed				
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed, tapered or NFF sparsity middle school lump sum?	Fixed				
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed, tapered or NFF sparsity all-through lump sum?	Fixed				
9) Fringe Payments					£0	0.00%			
10) Split Sites					£0	0.00%		0.00%	
11) Rates					£1,548,557	1.41%		0.00%	
12) PFI funding					£2,653,691	2.42%		0.00%	
13) Exceptional circumstances (can only be used with prior agreement of ESFA)									
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)		
Additional lump sum for schools amalgamated during FY18-19					£0	0.00%	0.00%	0.00%	
Additional sparsity lump sum for small schools					£0	0.00%		0.00%	
Exceptional Circumstance3					£0	0.00%		0.00%	
Exceptional Circumstance4					£0	0.00%		0.00%	
Exceptional Circumstance5					£0	0.00%		0.00%	
Exceptional Circumstance6					£0	0.00%		0.00%	
Exceptional Circumstance7					£0	0.00%		0.00%	
Total Funding for Schools Block Formula (excluding minimum per pupil funding level, funding floor protection and MFG Funding Total)					£109,225,001	99.69%			
14) Additional funding to meet minimum per pupil funding level					£335,398	0.31%			
Total Funding for Schools Block Formula (excluding funding floor protection and MFG Funding Total)					£109,560,399	100.00%			
15) Funding floor protection (select Yes if applying this protection)		No			£0	0.00%			
Total Funding for Schools Block Formula (excluding MFG Funding Total)					£109,560,399				
16) Minimum Funding Guarantee		-0.89%			£260,968				
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					Yes				
Apply alternative gains cap for schools gaining more than 15%?					No				
Capping Factor (%)	2.50%	Scaling Factor (%)	100.00%						
Total deduction if capping and scaling factors are applied					-£191,920				
MFG Net Total Funding (MFG + deduction from capping and scaling)					£69,047	0.06%			
Total Funding for Schools Block Formula					£109,629,446		£11,590,834		
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)					£0.00				
Additional funding from the high needs budget					£0.00				
Growth fund (if applicable)					£70,000.00				
Falling rolls fund (if applicable)					£0.00				
Other Adjustment to 18-19 Budget Shares					£0				
Total Funding For Schools Block Formula (including growth and falling rolls funding)					£109,699,446				
% Distributed through Basic Entitlement					70.84%				
% Pupil Led Funding					88.15%				
Primary: Secondary Ratio					1 :	1.27			

Appendix 2

School Name	2018/19	New Formula	Change	Oct-18 NOR	Oct-17 NOR	Change
Total	£108,908,753	£109,629,446	£720,693	23719	23742	-23
Carr Hill Community Primary School	£1,378,512	£1,391,566	£13,054	297	303	-6
Kelvin Grove Community Primary School	£1,349,860	£1,414,132	£64,272	309	300	9
South Street Community Primary School	£1,222,053	£1,176,253	-£45,800	250	259	-9
Bede Community Primary School	£982,357	£977,678	-£4,679	186	187	-1
Oakfield Junior School	£846,807	£887,914	£41,106	239	235	4
Larkspur Community Primary School	£725,930	£593,177	-£132,753	106	139	-33
Oakfield Infant School	£670,409	£685,565	£15,156	180	180	0
Ravensworth Terrace Primary School	£1,078,822	£1,160,295	£81,473	309	281	28
Portobello Primary School	£771,804	£785,136	£13,332	200	202	-2
Birtley East Community Primary School	£953,201	£988,604	£35,403	217	213	4
Dunston Hill Community Primary School	£1,670,675	£1,664,880	-£5,795	384	391	-7
Emmaville Primary School	£1,172,638	£1,247,544	£74,906	351	330	21
High Spen Primary School	£707,148	£705,253	-£1,895	163	168	-5
Swalwell Primary School	£814,083	£760,250	-£53,833	155	169	-14
Winlaton West Lane Community Primary	£1,275,959	£1,334,842	£58,883	347	340	7
Greenside Primary School	£781,251	£771,152	-£10,099	181	183	-2
Blaydon West Primary School	£656,569	£747,950	£91,381	164	139	25
Front Street Community Primary School	£1,523,832	£1,506,340	-£17,492	408	408	0
Highfield Community Primary School	£633,432	£637,051	£3,619	114	110	4
Ryton Community Infant School	£451,834	£389,219	-£62,614	83	104	-21
Ryton Junior School	£663,814	£659,807	-£4,007	164	172	-8
Washingwell Community Primary School	£637,091	£560,292	-£76,800	125	153	-28
Bill Quay Primary School	£818,919	£830,993	£12,074	214	213	1
Falla Park Community Primary School	£1,034,941	£977,247	-£57,694	206	223	-17
Brandling Primary School	£763,255	£821,783	£58,528	160	149	11
Lingey House Primary School	£1,586,369	£1,552,394	-£33,976	397	398	-1
The Drive Community Primary School	£822,304	£789,551	-£32,753	173	183	-10
White Mere Community Primary School	£558,396	£593,461	£35,066	143	137	6
Clover Hill Community Primary School	£760,223	£767,519	£7,296	206	207	-1
Crookhill Community Primary School	£759,732	£793,041	£33,309	192	186	6
Brighton Avenue Primary School	£1,366,142	£1,392,977	£26,835	299	291	8
Lobley Hill Primary School	£1,487,078	£1,493,218	£6,140	387	392	-5
Wardley Primary School	£1,091,923	£1,071,572	-£20,351	265	279	-14
Glynwood Community Primary School	£1,437,294	£1,616,429	£179,135	405	362	43
Barley Mow Primary School	£782,839	£759,277	-£23,562	164	168	-4
Windy Nook Primary School	£1,109,766	£1,083,688	-£26,078	279	293	-14
Colegate Community Primary School	£735,810	£749,019	£13,208	165	166	-1
Roman Road Primary School	£809,848	£821,748	£11,900	176	175	1
Fellside Community Primary School	£755,770	£772,027	£16,258	210	209	1
Fell Dyke Community Primary School	£1,308,036	£1,314,465	£6,429	274	276	-2
Caedmon Community Primary School	£924,282	£958,924	£34,643	206	205	1
Kells Lane Primary School	£1,398,501	£1,477,095	£78,594	415	418	-3
Chopwell Primary School	£968,889	£886,584	-£82,304	191	215	-24
Parkhead Community Primary School	£1,300,112	£1,297,704	-£2,407	318	327	-9
St Aidan's Church of England Primary Sch	£914,632	£894,252	-£20,380	195	202	-7
Harlow Green Community Primary School	£1,739,641	£1,720,266	-£19,375	377	387	-10
Rowlands Gill Community Primary School	£1,328,862	£1,195,689	-£133,173	245	277	-32
Whickham Parochial Church of England P	£755,420	£761,052	£5,632	209	210	-1
Corpus Christi Catholic Primary School	£853,443	£862,801	£9,359	201	200	1
St Joseph's Roman Catholic Voluntary Aid	£842,324	£838,164	-£4,160	193	198	-5
St Oswald's Roman Catholic Voluntary Aid	£816,966	£865,775	£48,809	198	188	10
St Peter's Roman Catholic Voluntary Aide	£766,500	£777,025	£10,525	211	210	1
St Anne's Catholic Primary School	£566,421	£579,687	£13,265	128	127	1
St Joseph's Catholic Junior School, Birtley	£508,752	£517,345	£8,593	115	115	0
St Joseph's Catholic Infant School, Birtley	£398,094	£362,651	-£35,443	73	82	-9
St Agnes' Catholic Primary School	£731,129	£732,106	£977	200	199	1
St Joseph's Roman Catholic Voluntary Aid	£477,139	£478,731	£1,592	114	112	2
St Mary and St Thomas Aquinas Catholic	£765,195	£776,771	£11,576	215	213	2
St Philip Neri Roman Catholic Primary Sc	£748,604	£737,169	-£11,434	174	181	-7
St Joseph's Catholic Primary School, Blay	£793,690	£805,985	£12,295	210	210	0
St Mary's Roman Catholic Primary School	£747,631	£772,304	£24,673	210	205	5
St Alban's Catholic Primary School	£803,724	£822,302	£18,578	209	208	1
St Augustine's Catholic Primary School	£1,180,291	£1,213,920	£33,630	310	308	2
St Wilfrid's Roman Catholic Voluntary Aide	£614,230	£633,994	£19,764	122	117	5
Kingsmeadow Community Comprehensive	£4,579,324	£5,054,881	£475,557	739	646	93
Kibblesworth Academy	£682,642	£673,447	-£9,195	164	166	-2
Riverside Primary Academy	£989,095	£1,007,986	£18,891	240	239	1
Sacred Heart Catholic Primary School	£790,137	£904,660	£114,523	241	208	33
Thomas Hepburn Community Academy	£2,582,258	£1,275,243	-£1,307,014	194	413	-219
Thorp Academy	£3,806,529	£4,065,741	£259,212	834	774	60
Heworth Grange Comprehensive School	£5,613,693	£5,494,416	-£119,277	1,027	1022	5
Lord Lawson of Beamish Academy	£7,218,539	£7,231,916	£13,377	1,245	1263	-18
Whickham School	£6,086,297	£6,307,889	£221,592	1,307	1279	28
Joseph Swan Academy	£5,032,919	£5,514,683	£481,765	1,010	923	87
Cardinal Hume Catholic School	£5,986,779	£6,008,190	£21,411	1,215	1204	11
St Thomas More Catholic School	£5,639,342	£5,876,784	£237,441	1,217	1218	-1

Heworth Grange £110,555 is a reduction in rates funding on conversion to academy