

TITLE OF REPORT: Mainstream School Funding Consultation Results and Other Updates

Purpose of the Report

To bring to Schools Forum the outcome of the Mainstream School Funding consultation on the mainstream school funding factors and funding options, and to update Schools Forum on other funding developments.

Mainstream School Funding Consultation

Any changes to the school funding must be consulted on with Schools Forum and all schools. The consultation period ran from 23 November until 7th December.

Four consultation responses were received, and a summary of the responses and comments are in appendices 1 and 2 respectively.

The vast majority of the questions received a positive response, with only two negative responses and one “don’t know”.

Growth Funding

Earlier growth funding was estimated by using October 2019 census and removing year 6 and year 11 data and adding reception and year 7 admissions data. The October 2020 census data is now available, and this has been used to update the estimated growth fund. The movement in pupil numbers is not as great as originally estimated and the updated estimated growth fund is now £608,093 which is a reduction of £244,354 from the original estimate of £832,447.

New Free School

The new free school has still not been announced by the DfE. Recent correspondence with the DfE provided no further clarity so the school has been removed from modelling to enable maximum funding to all other mainstream Gateshead schools.

Free School Meal Numbers

The number of pupils down as eligible for a free school meal (FSM) has increased by approximately 17% from October 2019 to October 2020. The approximate split between the primary and secondary pupils is a 15% increase in primary FSM pupils and 22% increase in secondary school FSM pupils. This increase will put pressure on funding. To model the pressure, the number of FSM pupils per school was calculated as a proportion of the total pupil number and the APT was updated with these new proportions. This increased the funding for the FSM factor by £484,497

from £2,436,793 to £2,921,290. The increase in FSMe6 numbers does not seem to be significant, and the data for this factor is more difficult to access as deprivation pupil premium is used as a proxy.

Because there is a fine balance between minimum funding guarantee (MFG), minimum per pupil funding (MPPF) and capping and scaling, if capping and scaling are removed and MFG is at the lowest allowable amount of 0.5%, the modelled formula is not affordable. The estimated funding needed to raise MFG from 0.5% to 2% is approximately £100,000 which is achievable if scaling is set at 100% and capping is set at 3.6%.

Proposals

Mainstream School Funding Consultation

It is proposed that the recommendations set out in the mainstream school funding formula consultation are implemented as far as possible when the updated APT and the December DSG Settlement are received.

Growth Funding

It is proposed that the reduction in the estimated value of growth funding is noted by Schools Forum.

New Free School

As the DfE is yet to inform Gateshead LA of the opening of the proposed new free school, it is proposed that the school is not included in the APT. If it is later announced that the free school will open in September 2021, it is proposed that the funding for the school is dealt with via the Growth Fund.

Free School Meal Numbers

It is proposed that Schools Forum notes the potential impact of the increase in free school meal numbers and that if the combination of capping, scaling, MFG and MPPF does not make the formula affordable then changes to funding factor values will need to be made.

Recommendations

It is recommended that Schools Forum: -

- Approves the proposals set out in the mainstream school funding formula consultation as far as possible when the updated APT and DSG settlement are received later this month
- Notes the revised lower estimate of growth funding
- Notes the revised position for planning for the new free schools
- Approves the proposal to deal with any possible opening of a new free school in September 2021 via the Growth Fund.
- Notes the probable impact of the increase in FSM numbers on the affordability of the mainstream funding formula

For the following reasons: -

- To enable mainstream school funding allocations to be calculated within DfE timescales.
- To maximise funding to all Gateshead mainstream schools

CONTACT: Carole Smith ext. 2747

Appendix 1 Consultation Results

Mainstream School Funding Consultation 21/22 Responses													Results		
	Yes	Don't Know	No	Yes	Don't Know	No									
Q1 Do you accept the proposal to try and have the highest MFG possible whilst maintaining an affordable formula			X	X			X			X			3	0	1
Q2 Do you accept the scaling factor of 100%?	X			X			X			X			4		
Q3 Do you accept the capping of gains at the highest percentage to enable the formula to be affordable?	X			X			X			X			4		
Q4 Do you accept the proposed change to Primary AWPU rate?	X			X			X			X			4		
Q5 Do you accept the proposed change to KS3 AWPU rate?	X			X			X			X			4		
Q6 Do you accept the proposed change to KS4 AWPU rate?	X			X			X			X			4		
Q7 Do you accept the Current FSM proposed funding rate of £460 for both primary and secondary pupils?	X			X			X			X			4		
Q8 Do you accept the reduction in primary school Ever6 FSM funding of £22 from £597 to £575?	X			X			X			X			4		
Q9 Do you accept the reduction in secondary school Ever6 FSM funding of £41 from £922 to £881?	X			X			X					X	3		1
Q10 Do you accept the proposed NFF factor values for Primary IDACI Funding?	X			X			X			X			4		
Q11 Do you accept the proposed NFF factor values for Secondary IDACI funding?	X			X			X			X			4		
Q12 Do you accept that the proposed increase to the NFF rates for EAL factors?	X			X			X			X			4		
Q13 Do you accept the proposal that the primary mobility be moved towards the NFF value and is reduced by £300 to £1,200?		X		X			X			X			4		
Q14 Do you accept the proposal that the secondary mobility factor be moved to the NFF value?				X			X			X			3		1
Q15 Do you accept the proposed NFF factor values for Primary Low Prior Attainment?	X			X			X			X			4		
Q16 Do you accept the proposed NFF factor values for Secondary Low Prior Attainment?	X			X			X			X			4		
Q17. Do you accept the proposed change to the NFF factor for Primary Lump Sum value?	X			X			X			X			4		
Q18. Do you accept the proposed change to the NFF factor for Secondary Lump Sum value?	X			X			X			X			4		
Q19 Do you accept the funding mechanism for Rates?	X			X			X			X			4		
Q20 Do you accept that any DfE allocated growth funding be held centrally in the Growth Fund for distribution to qualifying schools?	X			X			X			X			4		
Totals													77	1	2

Appendix 2 Comments

Q1 Do you accept the proposal to try and have the highest MFG possible whilst maintaining an affordable formula and minimising capping?

Whilst we would wish all schools to be as well funded as possible, minimising capping should be the first priority. i.e. allow gains at the highest possible amount before setting the MFG (within overall affordability). This is consistent with the original intent of the MFG and is still the wording in the schools revenue operational guide, "155. Local authorities will continue to set a pre-16 MFG in their local formulae, to protect schools from excessive year-on-year changes and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through." When it was first introduced it was to limit reductions in funding, whereas now it is used to set a minimum increase (after the increases for pensions and pay). Capping increases means that schools whose demographics have significantly shifted will have a limit placed upon the funding they receive for the children they have actually got (depriving pupils of the funding they need). To do this at the expense of increases for schools where the needs of pupils have reduced on average seems perverse.

Q3 Do you accept the capping of gains at the highest percentage to enable the formula to be affordable?

The formula has to be affordable, so if increases exceed the affordability then they will need to be capped. If all increases are affordable then MFG should be maximised (between the limits of +0.5 and +2.0).

Q8 Do you accept the reduction in primary school Ever6 FSM funding of £22 from £597 to £575?

would prefer no reduction but understand this may not be possible

Q9 Do you accept the reduction in secondary school Ever6 FSM funding of £41 from £922 to £881?

Better than having a reduction of £82

Whilst we understand the need for moving closer to the NFF rate we would prefer to remain at the current rate and not see a reduction. With the deprivation of students in the North East being one of the highest it is vital that we have the funding to ensure we are fully able to support these students in closing the gap.

Q13 Do you accept the proposal that the primary mobility be moved towards the NFF value and is reduced by £300 to £1,200?

It is not clear why the value needs to be above the NFF value.

Better than a £600 reduction