

SCHOOLS FORUM AGENDA ITEM

For Action

For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report provides Forum members with updated indicative modelling of Primary and Secondary delegated budgets for 2017/18, using the pupil numbers taken from the October 2016 Census. This is tabled for information at this stage, prior to asking members to make final recommendations in the meeting to be held on 11 January 2017.

Date(s) of any Previous Discussion at the Forum

The outcomes of the consultation on Primary and Secondary funding arrangements for 2017/18 were discussed, and the indicative pro-forma detailing the structure of the 2017/18 Primary and Secondary funding formulae was approved, at the last Forum meeting held on 19 October 2016.

Background / Context

In March 2012, the Government announced significant changes to the education funding system. These changes were implemented by all local authorities at 1 April 2013 and included simplified formula arrangements for the calculation of delegated budgets and significant new restrictions on the central management of funds within the Dedicated Schools Grant (DSG).

On 7 March 2016, the Government published the first stage of a two part consultation, which concentrated on the principles and building blocks of the National Funding Formula (NFF). The initial proposal was for the school-level NFF for Primary and Secondary schools and academies to be implemented from April 2019, but for transition to this, as well as changes to move to a formularised High Needs Block, to begin from April 2017. The full consultation and accompanying documents can be viewed on the DfE's "[Schools national funding formula](#)" webpage.

On 21 July 2016, the Education Secretary made a statement, which confirmed that the Government is still committed to the introduction of the National Funding Formula (NFF), but that the start of the implementation of this would be postponed. We now expect the transition to a NFF to begin for mainstream primary and secondary funding, and high needs, from April 2018.

The "[Schools revenue funding 2017 to 2018: operational guide](#)" was also published on 21 July 2016, and confirmed that the school funding arrangements for 2017/18 are broadly similar to those of 2016/17, with no required changes to formula structures. The guide does, however, confirm some national directed changes to the data to be used to calculate funding allocations under the secondary low attainment and the deprivation IDACI factors.

At the meeting held on 21 September 2016, members discussed and approved the consultation document which outlined the proposals for the formulae to be used to calculate delegated budgets for Primary and Secondary schools and academies in 2017/18. At the last meeting, on 19 October, the Schools Forum recommended to continue to use our current formulae structure in 2017/18 (as set out in Document GO Appendix 1).

Our consultation on the primary and secondary formulae presented to schools, illustratively, what a 1.5% reduction in formulae factors looks like for their delegated budgets next year. As we reported on 19 October, the Authority has had lots of conversations with schools on this matter since the publication of the consultation document.

In reports presented in September and October, we have suggested that a reduction of at least 1.5% will be required, but we have also asked that the Forum considers the pros and cons of a reduction in the Schools Block greater than 1.5%, by putting all primary and secondary schools onto their Minimum Funding Guarantee levels, so that the maximum value of funding is secured to meet High Needs Block cost pressures before the Schools Block ring-fencing restriction comes into force at April 2018. A worst case scenario funding ready reckoner has been made available on BSO, and allows primary and secondary schools and academies to input their own estimate of October 2016 Census numbers on roll, to more accurately assess the possible impact of formula reductions for their school in 2017/18. The Forum was presented with illustrative 'worst case scenario' modelling on 19 October.

Details of the Item for Consideration

The modelling, shown in Appendices 1 and 2, provides members with an updated view of Primary and Secondary school and academy budgets in 2017/18, using the pupil numbers taken from the October 2016 Census. However, the indicative allocations for individual schools and academies have not yet been updated for other data changes (e.g. Ever 6 FSM %, IDACI, EAL, etc.) as the October 2016 Census Dataset will not be made available by the EFA until later in December. For clarity, the 2 key differences from the modelling presented at the September meeting are:

- Pupil numbers have been updated from our estimate of October 2016 Census numbers used in September to the latest version of the actual October 2016 Census pupil numbers for Reception to Year 11. Final checking of the October 2016 Census data is currently underway by the DfE so there may be some further changes to the final pupil numbers provided in the dataset.
- Pupil Premium allocations are still based on the Ever 6 FSM % data that was used to calculate the final Pupil Premium allocations for 2016/17 but this Ever 6 FSM % has now been multiplied by the October 2016 Census numbers on roll to give an estimate for 2017/18.

Please note that the allocations exclude early years, high needs and post 16 funding i.e. these just show Reception – Year 11 primary and secondary mainstream funding levels.

There are 5 main reasons for variances in individual schools and academies shown in Appendices 1 and 2:

- Changes in pupil numbers between the October 2015 and October 2016 Censuses.
- Changes in deprivation allocations brought about by the required adjustment of the IDACI bandings.
- Reductions in the values of Minimum Funding Guarantee (MFG) protections, or Transitional Ceiling contributions, as the MFG, set at minus 1.5%, allows for further reductions in funding for schools and academies currently on the MFG.
- The application of the 1.5% reduction in pupil-led formulae factors for DSG affordability along side a 0% ceiling.
- Changes to specific allocations related to growth funding and safeguarded salaries.

There are other factors that will influence variances for individual schools and academies not yet built into the modelling (mainly because the data is not yet available):

- Changes in individual setting data, such as Ever 6 FSM, EAL, SEN attainment, as recorded in the October 2016 Census. For example, a school or academy that has an increase in its Ever 6 FSM % in October 2016, compared against October 2015, would see an increase in funding per pupil in 2017/18 (all other aspects remaining the same – please see Document GU for further explanation of the guiding principles for the management of data changes).
- The application of the weighting to be prescribed by the DfE for the secondary phase prior attainment factor.
- Further changes (reductions) to achieve a balanced DSG allocation or to secure additional funding for High Needs Block costs.
- Pupil Premium allocations will be based on January 2017 Census pupil numbers.

Appendices 1 and 2 are provided for information at this stage, prior to asking members to make final recommendations on the values of funding allocated via each factor on 11 January 2017. For this meeting, the indicative allocations for schools and academies will be updated using the final October 2016 Census Dataset. Members will then be asked to make recommendations on our Final Pro-forma, which must be submitted to the EFA by 20 January 2017.

Update – Illustrative Worst Case Scenario Modelling (Minimum Funding Guarantee)

Appendices 1 and 2 also provide an updated indicative view of the position of each school's formula allocation when reduced down to their Minimum Funding Guarantee (MFG) level. This updates the information presented to the Schools Forum on 19 October. Where there is no difference in an individual school's or academy's allocation, the school or academy is already on its MFG. This information is illustrative only and is provided for the Forum's consideration.

Implications for the Dedicated Schools Grant (DSG) (if any)

The available DSG for Primary and Secondary schools and academies, or the Schools Block, will be confirmed in the week commencing 12 December 2016. This will be based on the outcomes of the October 2016 Census.

Recommendations

The Forum is asked to note the Primary and Secondary modelling information. A further update will be provided on 11 January, when Forum Members will be asked to make final recommendations on the values of funding allocated via each formula factor.

Members are asked to consider whether sufficient information has been provided to enable final recommendations to be taken on 11 January 2017 on the matters presented in this report.

List of Supporting Appendices / Papers (where applicable)

- Appendix 1 - Indicative Variances Analysis 2017/18 - Individual Primary School / Academy Modelling
- Appendix 2 - Indicative Variances Analysis 2017/18 - Individual Secondary School / Academy Modelling

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