

## **Schools Forum**

Tuesday, 12 December 2017

**2.00 pm**

Kingston Centre, Fairway, Stafford ST16 3TW

John Tradewell  
Director of Strategy, Governance and Change  
4 December 2017

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## **A G E N D A**

### Part One

1. **Apologies**
2. **Declarations of Interest**
3. **New Schools Funding Formula - National Funding Formula** (Pages 1 - 6)

Report of the Director of Finance and Resources and the Deputy Chief Executive and Director for Families and Communities

4. **Date of next meeting**

The next Schools Forum meeting is scheduled for Tuesday 16 January 2018, at 2.00 pm at the Kingston Centre, Stafford.

### **Part Two**

The Chairman to move:

'That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph of Part 1 of schedule 12A of the Local Government Act 1972 indicated below'



### **Membership**

Wendy Keeble	David Ellison
Richard Osborne	Chris Wright
Wendy Whelan	Jonathan Jones
Lesley Wells	Steve Barr (Chairman)
Philip Siddell	Kevin Allbutt
Richard Redgate	Steve Swatton
Claire Shaw	Judy Wyman
Alison Gibson	Claire Evans
Stuart Jones	Richard Hinton (Observer)
Philip Tapp (Vice-Chairman)	Liz Threlkeld
Kirsty Rogers	Matthew Baxter
Karen Dobson	Nicky Crookshank
Wendy Horden	Richard Lane
Ally Harvey	
Sara Bailey	

### **Local Authority Observers**

Mark Sutton  
Philip White

### **Core Officers**

Sara Pitt	Julie Roberts
Alison Barnes	Andrew Marsden
Will Wilkes	Tim Moss
Deborah Fern	

## **Schools Forum – 12<sup>th</sup> December 2017**

### **New Schools Funding Formula – National Funding Formula**

#### **Recommendation**

1. That the Schools Forum approves the new funding formula for Staffordshire schools during the 'soft years' of the National Funding Formula (NFF), from 1 April 2018.

#### **Report of the Director of Finance and Resources and the Deputy Chief Executive and Director for Families and Communities**

#### **PART A**

##### **Why is it coming here – what decision is required?**

2. The 'Schools and Early Years Financial Regulations 2017' and 'Schools revenue funding 2018 to 2019: Operational Guide' stipulate that schools (maintained and academies) and Schools Forum must be consulted on any changes in the formula and these must be politically ratified.

#### **PART B**

##### **Background**

3. The DfE pledged to introduce a NFF to address the unfairness of funding between schools in differing local authorities. In September 2017 the DfE announced the formula they propose for the NFF, which is built on the characteristics of each individual school.
4. It is the Government's objective to move to a 'hard' NFF in time. However in 2018/19 and 2019/20 the Government will be operating a 'soft' formula. In these years the local authority may continue to determine the formula schools use in their county boundaries.
5. The Government announced in July an additional £1.3bn by 2019/20, with £416m being announced for 2018/19. The injection of this extra cash along with the revision of the Government allocation based on the new formula would see Staffordshire receive an extra £9.5m; this is based on the October 16 census data. This is only an indicative allocation, with the actual allocation expected from the DfE in mid-December 2017.

## Staffordshire impact of NFF

6. The new rates are shown in **Appendix 1**.
7. Based on the indicative figures released by the DfE in consultation 2,
  - Staffordshire schools would receive a gain of £9.5m, or 2.1%, from 2017/18 baseline position.
  - Staffordshire secondary schools would be the biggest gainers (2.9% gain) due to the increase in per pupil allocation for KS3 pupils.
  - Staffordshire middle schools would be the smallest gainers (0.9% gain), due to the reduced lump sum for secondary schools and the effect of a lower per pupil funding rate for a primary pupil. This would be counteracted by an increased KS3 per pupil rate.
8. The breakdown is shown below across the phases.

Row Labels	Sum of 2017/18		Gain from new formula	% gain from new formula	Gainers				Total
	Baseline Position	Sum of 2018/19 NFF allocation			<1%	<2%	<3%	>3%	
Middle	23,981,000.00	24,191,000.00	210,000.00	0.9%	10	3	1	-	14
Primary	240,692,000.00	244,493,000.00	3,801,000.00	1.6%	105	73	117	-	295
Secondary	191,241,000.00	196,756,000.00	5,515,000.00	2.9%	5	3	47	-	55
<b>Grand Total</b>	<b>455,914,000.00</b>	<b>465,440,000.00</b>	<b>9,526,000.00</b>	<b>2.1%</b>	<b>120</b>	<b>79</b>	<b>165</b>	<b>-</b>	<b>364</b>
					33%	22%	45%		100%

9. In the NFF there are protections in the form of minimum funding levels. These are £4,600 and £3,300 per pupil for secondary and primary pupils in 2018/19. This will rise to £4,800 and £3,500 by 2019/20. All schools will be allocated a rise of 0.5% per pupil in 2018/19 rising to 1% per pupil in 2019/20. This will replace the funding floor.
10. During the transition to the NFF, there will need to be local flexibilities within the formula to ensure the formula is affordable from the schools block allocation.
11. The funding protections in place and the future introduction of the Government's hard formula has led to Staffordshire's recommendation, endorsed by the Schools Forum in October, to transition to the NFF during the soft years.

## Disadvantages and Advantages of NFF for Staffordshire

### Disadvantages

12. Under the new NFF sparsity is measured as crow flies, rather than walking distance. Based on October 2016 school census data, this would mean that 22 schools that qualified for sparsity under the Staffordshire formula, would no longer qualify under the NFF.
13. The Looked After Children (LAC) funding factor no longer applies in the new formula.

### Advantages

14. These changes should be mitigated by the per pupil protections, a larger lump sum for primaries and a greater percentage of the formula that would be allocated through deprivation measures.
15. Adopting the NFF proposals would mean that every Staffordshire school would gain in 2018/19 and 2019/20 on a per pupil basis. Under the existing Staffordshire formula, even with the injection of the extra cash, some schools would continue to lose. Conversely, some gainers would gain significantly more than their final NFF allocation and would therefore face a “cliff edge” reduction in funding when the ‘hard’ formula is put in place.

## Consultation with Schools

16. There was a 4 week consultation with schools. However, due to half term being taken into account, the overall length of consultation was actually 5 weeks. The consultation closed on Friday 24<sup>th</sup> November.
17. Of the 366 mainstream schools within Staffordshire 16 schools responded, a response rate of just over 4%. The results of the consultation from all respondents have been summarised in the table below.

Phase	ALL SCHOOLS			MAINTAINED SCHOOLS			ACADEMIES		
	Total Number of Responses	Number of responses agreeing	Percentage of responses agreeing	Total Number of Responses	Number of responses agreeing	Percentage of responses agreeing	Total Number of Responses	Number of responses agreeing	Percentage of responses agreeing
First	4	2	50%	4	2	50%	0	0	0%
Primary	5	4	80%	3	2	67%	2	2	100%
High	7	7	100%	4	4	100%	3	3	100%
<b>TOTAL</b>	<b>16</b>	<b>13</b>	<b>81%</b>	<b>11</b>	<b>8</b>	<b>73%</b>	<b>5</b>	<b>5</b>	<b>100%</b>

18. From these 16 responses, 13 or 81% agreed with the proposed change, with the remaining 3 either querying or commenting on the change in how

sparsity is measured. These 3 respondents did not state whether they agreed or not with going over to the new formula.

19. The consultation document identified that 22 schools would lose out on sparsity funding due to the change in how it has been measured, i.e. from walking distance to crow flies. Of these 22 schools 3 or 14% responded with queries or comments surrounding the change.
20. Drawing conclusions from the response rate and that the responses were significantly positive, it can be inferred that there are no significant objections to the recommendation and that schools are broadly positive about the move to the NFF. The lack of response from schools no longer receiving sparsity could suggest that the schools are sufficiently content with the increase in the funding protections to mitigate against the loss of sparsity funding.

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## Appendix 1

### National Funding Formula

Funding Factors	Final NFF Funding Rates (£)	Total National Funding (£m)	Proportion of Total	Description	
<b>Basic per pupil funding</b>		<b>24,183</b>	<b>72.90%</b>		
Primary AWPU	2,747	12,595	38.0%		
KS3 AWPU	3,863	6,668	20.1%		
KS4 AWPU	4,386	4,734	14.3%		
Minimum per pupil funding levels		185	0.6%		
<b>Additional Needs</b>		<b>5,906</b>	<b>17.80%</b>		
<b>Deprivation</b>		<b>3,022</b>	<b>9.1%</b>		
Current FSM Primary	440	291	0.9%	Based on Children who receive Free School Meals at the point of the October census.	
Current FSM Secondary	440	173	0.5%		
FSM Ever 6 Primary	540	626	1.9%	Based on Children who have been eligible to receive Free School Meals at any point during the past 6 years.	
FSM Ever 6 Secondary	785	641	1.9%		
IDACI band F Primary	200	94	0.3%	Income Deprivation Affecting Children Index (IDACI) scores are grouped into seven bands, with each band representing an increase in the expected level of deprivation (Band G does not attract deprivation funding). The Government matches IDACI data to pupils' home postcode data recorded in the school census in order to find the IDACI score relevant to each pupil in a school.	
IDACI band F Secondary	290	80	0.2%		
IDACI band E Primary	240	101	0.3%		
IDACI band E Secondary	390	95	0.3%		
IDACI band D Primary	360	131	0.4%		
IDACI band D Secondary	515	108	0.3%		
IDACI band C Primary	390	123	0.4%		
IDACI band C Secondary	560	102	0.3%		
IDACI band B Primary	420	165	0.5%		
IDACI band B Secondary	600	135	0.4%		
IDACI band A Primary	575	88	0.3%		
IDACI band A Secondary	810	69	0.2%		
<b>Low Prior Attainment</b>		<b>2,458</b>	<b>7.4%</b>		
Low prior attainment Primary	1,050	1,531	4.6%		
Low prior attainment Secondary	1,550	928	2.8%		
<b>EAL</b>		<b>405</b>	<b>1.2%</b>		
EAL Primary	515	299	0.9%	The pupils eligible for funding through the national funding formula EAL factor are pupils recorded on the census as having entered state education in England during the last three years, and having been exposed to a mother tongue other than English.	
EAL Secondary	1,385	106	0.3%		
<b>School Led Funding</b>		<b>3,077</b>	<b>9.30%</b>		
<b>Lump Sum</b>		<b>2,267</b>	<b>6.8%</b>		
Primary	110,000	1,892	5.7%		
Secondary	110,000	375	1.1%		
Middle	110,000				
<b>Sparsity</b>		<b>26</b>	<b>0.1%</b>		
Primary					
Max Amount	25,000	21	0.1%		
Average year group less than	21				
Average distance at least	2				
Middle					
Max Amount	65,000				
Average year group less than	69				
Average distance at least	2				
Secondary					
Max Amount	65,000	5	0.0%		
Average year group less than	120				
Average distance at least	3				
<b>Premises</b>		<b>610</b>	<b>1.8%</b>	Funding allocated for rates and split sites	
<b>Explicit Growth</b>		<b>174</b>	<b>0.5%</b>		
0.5% per pupil uplift		624			

