

## **Prosperous Staffordshire Select Committee – 18<sup>th</sup> January 2018**

### **Briefing Report - Schools Funding Formula**

#### **Issue**

Following 2 consultations the Department for Education (DfE) have announced a National Funding Formula (NFF) for schools; this will come into effect in time when the 'hard' formula is introduced. From 1 April 2018 local authorities can choose to transition to the NFF with political approval.

It is recommended to Cabinet that Staffordshire schools transition to the NFF to take advantage of the per pupil protections and to ensure a smooth transition when the hard formula is implemented.

#### **Background**

Nationally there has been a campaign for fairer funding for schools. The DfE have recognised the inequalities in funding for schools in different local authority areas and have conducted a 2 stage consultation in order to get a NFF. In September 2017 they have announced the outcome of this consultation which they intend to move over to in time. During the soft years, i.e. before the introduction of the hard formula, it is still the local authorities decision as to the formula it uses to distribute out funding to Staffordshire schools. If the local authority chooses to change the current formula in this period then it must get political approval.

#### **Current Position**

The local authority has consulted with all mainstream schools as well as the Schools Forum. The Local authority has not received any disagreement with switching to the NFF.

#### **Key Considerations**

From the new formula distribution, the indicative aggregate gain for Staffordshire mainstream schools is £9.1m

Within the NFF there are minimum funding levels in the form of per pupil protections which means all schools will receive a per pupil increase of 0.5% per pupil in 2018/19 rising to 1% per pupil in 2019/20.

To ensure a smooth transition to the NFF it is proposed to adopt the formula as the DfE intend. Therefore this would switch our methodology of how we fund sparse schools. The criteria would be based on crow flies rather than walking distance. This is the distance from a pupils postcode to their second



nearest school. This will mean that fewer schools qualify for sparsity funding, although their loss will be protected by the minimum funding levels.

### **Comments and Next Steps**

Political approval is needed so that the NFF can be formally adopted.

### **Conclusion**

Transitioning to the NFF will mean no schools lose in overall cash budgets from 2017/18 allocations. It will also mean that once the hard formula is implemented, schools will have already transitioned to the new formula, therefore no school would face a reduction in funding as a consequence of moving from the soft formula to the hard formula.