

## National Funding Formula (NFF)

### Staffordshire Schools Impact and Options

#### Briefing note

3rd October 2017

#### Recommendations

1. Staffordshire schools transition to the new NFF.
2. The timeline outlined in the consultation section of the note is approved by Schools Forum.

#### High level changes since consultation 2

##### Government pledges

- Justine Greening announced an addition £1.3bn by 19/20, with £416m being announced for 18/19.
- Minimum funding of £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 18/19 rising to 1% per pupil in 19/20 this will replace the funding floor.

##### Differences from consultation 2.

- The additional cash is to be included within the per pupil factor.
- An element of funding from FSM has also been moved to per pupil factors.

#### Staffordshire Impact

- Our schools will receive a gain of £9.5m, or 2.1%, from 2017/18 baseline position.
- Our secondary schools are the biggest gainers (2.9% gain) due to the increase in per pupil allocations for KS3 pupils.
- Our middle schools are the smallest winners (0.9% gain), due to the reduced lump sum for secondary schools and the affect of a lower per pupil funding rate for a primary pupil. This is counter acted by an increased KS3 per pupil rate. However at consultation stage 2, it was anticipated that 79% of the middle schools were due to be losers.
- The breakdown is shown below across the phases.



Row Labels	Sum of 2017/18 Baseline Position	Sum of 2018/19 NFF allocation	Gain from new formula	% gain from new formula	Gainers				Total
					<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>
					<b>33%</b>	<b>22%</b>	<b>45%</b>		<b>100%</b>

## Options

- For 2018/19 and 2019/20 there is the 'soft landing'. In these years local authorities can still use their existing formula or transition to the new NFF.
- Under the existing Staffordshire formula, even with the injection of the extra cash, some schools will continue to lose. Conversely, some gainers will gain more than their final NFF allocation so will require a reduction in funding once the 'hard' formula is in place.
- After January's consultation it was anticipated to keep with the existing Staffordshire's formula. However the latest announcement has no schools losing in cash terms under the new NFF, i.e. all cash budgets will increase, the smallest increase being 0.2%.

## Recommended option

- It is recommended that Staffordshire schools transition to the new formula.

## Consultation

- '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.

### Proposed timeline

- Consultation to be posted out to schools by the week commencing 16<sup>th</sup> October.
- A 4 week consultation with schools. However, due to half term being taken into account the overall length of consultation will actually be 5 weeks.
- After analysis of this consultation a proposed formula to be taken to an extraordinary Schools Forum in one of the first 2 weeks in December.
- Political approval at January's Cabinet.
- Allowing for the LA to submit the APT to the EFSA by 19<sup>th</sup> January 2017.

## Difficulties

- The technical guidance has just been released by the DfE, and the authority is interpreting this lengthy and complex document to arrive at the DfEs provisional allocations. Flexibilities will need to be applied within the formula in order to ensure that collectively the schools budgets do not exceed the overall allocation.

## Allocations

- **Appendix 1** shows the unit rates the Government propose to use with the NFF. This is compared to the rates proposed in consultation 2 and the existing 2017-18 Staffordshire rates. **Appendix 2** shows what the impact of the new funding rates would be to Staffordshire.
- Once the rates have been applied the Government cap any gains to 3% per pupil gain and ensure each school receives a 0.5% per pupil gain.
- A minimum of £3,300 (Primary) and £4,600 (Secondary) per pupil is applied.
- The Government then limits gains to the greater of 20% of the total gain or 3% gain.



## Appendix 1

### National Funding Formula

Funding Factors	Staffordshire Funding Rates 2017-18 (£)	Consultation 2 Funding Rates (£)	Final NFF Funding Rates (£)	Total National Funding (£m)	Proportion of Total
<b>Basic per pupil funding</b>				<b>24,183</b>	<b>72.90%</b>
Primary AWPU	2,976	2,712	2,747	12,595	38.0%
KS3 AWPU	3,772	3,797	3,863	6,668	20.1%
KS4 AWPU	4,407	4,312	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	-	980	440	291	0.9%
Current FSM Secondary	-	1,225	440	173	0.5%
FSM Ever 6 Primary	1,253	540	540	626	1.9%
FSM Ever 6 Secondary	1,221	785	785	641	1.9%
IDACI band F Primary	47	200	200	94	0.3%
IDACI band F Secondary	47	290	290	80	0.2%
IDACI band E Primary	52	240	240	101	0.3%
IDACI band E Secondary	52	390	390	95	0.3%
IDACI band D Primary	121	360	360	131	0.4%
IDACI band D Secondary	121	515	515	108	0.3%
IDACI band C Primary	121	360	390	123	0.4%
IDACI band C Secondary	121	515	560	102	0.3%
IDACI band B Primary	157	420	420	165	0.5%
IDACI band B Secondary	157	600	600	135	0.4%
IDACI band A Primary	429	575	575	88	0.3%
IDACI band A Secondary	429	810	810	69	0.2%
<b>Low Prior Attainment</b>				<b>2,458</b>	<b>7.4%</b>
Low prior attainment Primary	903	1,050	1,050	1,531	4.6%
Low prior attainment Secondary	588	1,550	1,550	928	2.8%
<b>EAL</b>				<b>405</b>	<b>1.2%</b>
EAL Primary	299	515	515	299	0.9%
EAL Secondary	711	1,385	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	96,400	110,000	110,000	1,892	5.7%
Secondary	175,000	110,000	110,000	375	1.1%
Middle	135,700	110,000	110,000		
<b>Sparsity</b>				<b>26</b>	<b>0.1%</b>
Primary					
Max Amount	26,000	25,000	25,000	21	0.1%
Average year group less than	21	21	21		
Average distance at least	2	2	2		
Middle					
Max Amount	26,000	65,000	65,000		
Average year group less than	69	69	69		
Average distance at least	2	2	2		
Secondary					
Max Amount	26,000	65,000	65,000	5	0.0%
Average year group less than	120	120	120		
Average distance at least	3	3	3		
<b>Premises</b>				<b>610</b>	<b>1.8%</b>
<b>Explicit Growth</b>				<b>174</b>	<b>0.5%</b>
0.5% per pupil uplift				624	

## Appendix 2

### National Funding Formula

Funding Factors	Final NFF Funding Rates (£)	Total Funding (£m)	Proportion of Total	Staffordshire Total Funding (£)	Staffordshire proportion of total
<b>Basic per pupil funding</b>		<b>24,183</b>	<b>72.90%</b>	<b>354,076,194</b>	<b>75.9%</b>
Primary AWPU	2,747	12,595	38.0%	179,671,216	38.6%
KS3 AWPU	3,863	6,668	20.1%	100,735,451	21.6%
KS4 AWPU	4,386	4,734	14.3%	72,833,916	15.7%
Minimum per pupil funding levels		185	0.6%	835,611	0.2%
<b>Additional Needs</b>		<b>5,906</b>	<b>17.80%</b>	<b>67,164,152</b>	
<b>Deprivation</b>		<b>3,022</b>	<b>9.1%</b>	<b>30,602,657</b>	<b>6.6%</b>
Current FSM Primary	440	291	0.9%	2,980,552	0.6%
Current FSM Secondary	440	173	0.5%	1,883,640	0.4%
FSM Ever 6 Primary	540	626	1.9%	6,791,015	1.5%
FSM Ever 6 Secondary	785	641	1.9%	7,551,030	1.6%
IDACI band F Primary	200	94	0.3%	1,391,945	0.3%
IDACI band F Secondary	290	80	0.2%	1,225,075	0.3%
IDACI band E Primary	240	101	0.3%	1,231,777	0.3%
IDACI band E Secondary	390	95	0.3%	1,213,353	0.3%
IDACI band D Primary	360	131	0.4%	1,446,468	0.3%
IDACI band D Secondary	515	108	0.3%	1,229,260	0.3%
IDACI band C Primary	390	123	0.4%	876,118	0.2%
IDACI band C Secondary	560	102	0.3%	806,045	0.2%
IDACI band B Primary	420	165	0.5%	661,241	0.1%
IDACI band B Secondary	600	135	0.4%	682,756	0.1%
IDACI band A Primary	575	88	0.3%	264,307	0.1%
IDACI band A Secondary	810	69	0.2%	368,075	0.1%
<b>Low Prior Attainment</b>		<b>2,458</b>	<b>7.4%</b>	<b>32,849,990</b>	<b>7.1%</b>
Low prior attainment Primary	1,050	1,531	4.6%	15,256,547	3.3%
Low prior attainment Secondary	1,550	928	2.8%	17,593,443	3.8%
<b>EAL</b>		<b>405</b>	<b>1.2%</b>	<b>3,711,505</b>	<b>0.8%</b>
EAL Primary	515	299	0.9%	3,024,695	0.7%
EAL Secondary	1,385	106	0.3%	686,811	0.1%
<b>School Led Funding</b>		<b>3,077</b>	<b>9.30%</b>	<b>46,586,183</b>	
<b>Lump Sum</b>		<b>2,267</b>	<b>6.8%</b>	<b>40,040,000</b>	<b>8.6%</b>
Primary	110,000	1,892	5.7%	32,450,000	7.0%
Secondary	110,000	375	1.1%	6,050,000	1.3%
Middle	110,000			1,540,000	0.3%
<b>Sparsity</b>		<b>26</b>	<b>0.1%</b>	<b>315,970</b>	
Primary					
Max Amount	25,000	21	0.1%	246,929	0.1%
Average year group less than	21				
Average distance at least	2				
Middle					
Max Amount	65,000			16,861	0.0%
Average year group less than	69				
Average distance at least	2				
Secondary					
Max Amount	65,000	5	0.0%	52,181	0.0%
Average year group less than	120				
Average distance at least	3				
<b>Premises</b>		<b>610</b>	<b>1.8%</b>	<b>5,635,212</b>	<b>1.2%</b>
<b>Explicit Growth</b>		<b>174</b>	<b>0.5%</b>	<b>595,000</b>	
0.5% per pupil uplift		624		4,483,707	1.0%
Cap			-	7,116,403	-1.5%
20% of remaining gains				107,228	0.0%
<b>Total Funding through Formula</b>				<b>465,301,060</b>	<b>100%</b>
<b>Provisional DSG Schools Block Allocation</b>				<b>465,440,000</b>	
<b>(over)/under allocation</b>				<b>138,940</b>	