

Oxfordshire Schools Forum
12 January 2017
Schools and High Needs National Funding Formulae
Government Consultation – stage 2

Settings		Sector		Voting Entitlement (for decision papers only)	
Academies	✓	Foundation Stage	✓	PVI Representative	✓
Maintained Schools	✓	Primary	✓	16-19 Representative	
PVI Nurseries	✓	Secondary	✓	COTO Representative	
Special Schools	✓	Special	✓	Maintained Primary School Representatives	✓
Local Authority	✓	16+		Academy Primary School Representatives	✓
Schools Forum	✓	High Needs	✓	Maintained Secondary School Representatives	✓
				Academy Secondary School Representatives	✓
				Pupil Referral Unit Representative	✓
				Special School Representatives	✓
				Nursery Representative	✓

1. Item for Information and Decision

2. Purpose of Report

- 2.1 This report gives summary information on the government consultation on the Schools National Funding Formula (NFF). The report describes the key proposals, outlines the impact on Oxfordshire as a whole and the impact on individual schools. The report sets out the timetable for Oxfordshire to respond before the deadline of 22 March 2017.
- 2.2 To request Schools Forum to release an initial £20,000 of Forum balances to fund work on the impact analysis of the National Funding Formula.

3. National Funding Formula: Key points

- 3.1 On 14 December 2016, The Department for Education released Stage 2 of the School National Funding Formula consultation which closes on 22 March 2017. This is in addition to publishing its response to Stage 1 of the consultations. The DfE expects to publish the response to the Stage 2 consultation and final arrangements in summer 2017.
- 3.2 Alongside the Schools National Funding Formula, the DfE has released Stage 2 of the High Needs National Funding Formula. This follows the same timeline as the Schools NFF.
- 3.3 The DfE's target is that the new scheme would be implemented in 2018-19 via Local Authorities local formula with full implementation of the Schools NFF - with funding directly allocated to schools by the EFA/DfE commencing in 2019-20.

- 3.4 To provide stability, no school will receive an overall reduction of more than 3% per pupil as a result of the NFFs and the minimum funding guarantee (MFG) of -1.5% per pupil year on year will continue.
- 3.5 The pupil premium, pupil premium plus, and service premium will continue to operate through the separate allocations.
- 3.6 The DfE has confirmed that the Dedicated Schools Grant will be split into four blocks:
- a) Early Years NFF (which has already been consulted on - the first allocations have been released for 2017-18)
 - b) Schools NFF
 - c) Central School Services Block (Taking historic LA commitments and the former ESG Retained Rate element – this has been renamed from Stage One for clarity)
 - d) High Needs NFF
- 3.7 The DfE has confirmed its intentions that a school-level “hard” NFF will be implemented from 2019-20, applying to the funding for 5-16 year olds for all mainstream schools (with special schools continuing to be funded as they are currently). Before the implication of the “hard” NFF in 2019-20, DfE has confirmed that “The schools block will be ring-fenced for spending on schools, but there will be some limited scope for movement before 2019-20...”

4. Impact on Oxfordshire

- 4.1 The factors proposed for the Schools NFF and those proposed for the High Needs NFF have been confirmed. The DfE has published full details of the impact of the proposed formulae as part of the consultation.
- 4.2 Based on the numbers released by the DfE, Oxfordshire gains overall are in the table below.

2018-19	Change from baseline due to transitional implementation	1.1%
2019-20	Change from baseline from full implementation	1.5%

Source: Society of County Treasurers’ briefing note

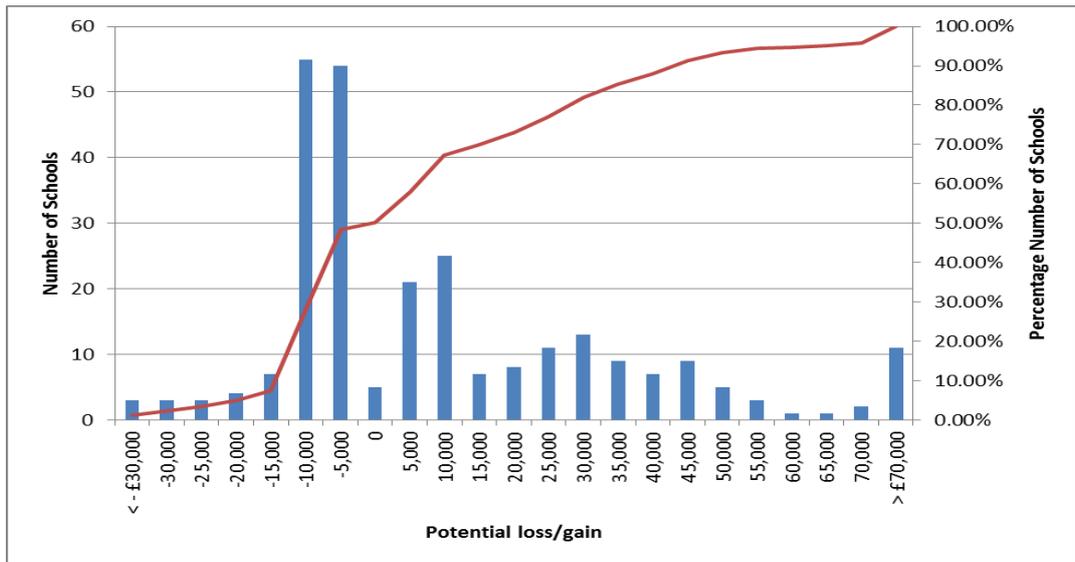
5. Impact on individual Schools within Oxfordshire

- 5.1 There is no change in the overall national distribution of funding between primary and secondary schools. Appendix 1 shows a comparison of Current Funding rates for Oxfordshire and the National average against

the proposed National Funding Formula rates. The table indicates a reduction in the amount a school will receive per pupil and places more emphasis on deprivation and prior attainment factors.

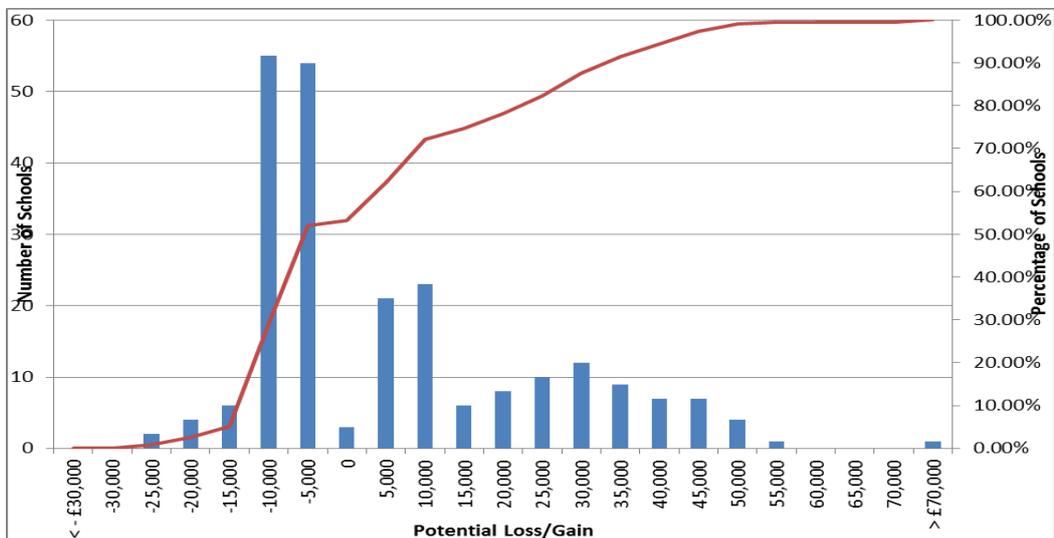
- 5.2 The graphs demonstrate the potential impact on Oxfordshire Schools. The gains and losses have been taken from the DfE’s published National funding formula consultation: Impact of the proposed schools NFF, comparison of NFF allocation with the schools core funding and Minimum Funding Guarantee allocations for 2016-17.

All Schools: Initial Year National Funding Formula – Potential Gains and Losses



- 5.3 In terms of all schools, the individual funding changes vary from a loss of £41,000 to a potential gain for one school of £175,000. Overall, based on these initial calculations by the DfE Oxfordshire schools would gain £2.87m. However, 129 schools could expect to lose a total of £1.04m.

Primary Schools only: Initial Year National Funding Formula – Potential Gains and Losses



- 5.4 For primary schools, the picture shows that potential individual funding changes vary from a loss of £23,000 to a potential gain for one school of £54,000. The initial calculations by the DfE show Oxfordshire primary schools would gain £1.37m. However, 121 primary schools could expect to lose a total of £0.81m. Similarly looking at secondary schools only, funding changes vary from a loss of £41,000 to a potential gain of £175,000. The calculations by the DfE indicate that Oxfordshire secondary schools would gain overall £1.53m, while 8 schools could expect to lose a total of £0.23m.
- 5.5 In reviewing the impact on Schools, it is worth noting the following points:
- a) The pupil numbers used in the analysis are from the October 2015 and will change between now and the implementation of the hard formula giving rise to different variations
 - b) At funding of around £4,000 per pupil, any school losing or gaining up to £15,000, is just 4 pupils difference from October 2015 to go live
 - c) The current formula in Oxfordshire has a lump sum per primary school of £125,000. The NFF has a lump sum of £110,000. This means that a primary school will have reduced funding unless there are sufficient gains from the other factors to offset the lump sum loss.
 - d) The continuation of the Minimum Funding Guarantee ensures that Schools are protected from reductions in funding in the same way as they are now. This will continue to embed existing anomalies in the allocation system.
 - e) There is no allowance for inflationary costs and new burdens. Therefore, schools will lose 8% in real terms based on the Institute of Fiscal Studies figures.

6. High Needs Funding Formula

6.1 The government has also published a consultation on High Needs.

6.2 The key points of this are:

- a) Increase in Oxfordshire of £1.138m (2.3%). However there may still be some transfers between the School and High Needs block that require review.
- b) The DfE will fund all LAs to prepare and implement strategic plans for High Needs as well as providing “Capital funding to support the expansion of special provision in schools (including mainstream schools) and other institutions, and progress a new route for more special schools to be established through the free schools programme”. Oxfordshire will receive £287,494 to undertake the strategic review of High Needs provision

- c) Although the 4 blocks will be ring fenced, the High Needs consultation states that the DfE proposes “To provide a mechanism whereby schools in an area could agree, with their local authority, to pool some funding that could then be directed towards those schools that need it most for their pupils with SEN – both more inclusive mainstream provision, and specialist provision (for example special units, resourced provision or special schools) funded from the authority’s high needs budget. This local budget could be created by a small charge on each school’s budget which, together with funding from the local authority’s high needs budget, would deliver support to children and young people with high needs, regardless of where they are placed”.

7. Next Steps and Timetable to respond to Consultation

- 7.1 The table below sets out the timetable for the Local Authority to submit its response to the Consultations.
- 7.2 Schools Forum is asked to advise officers whether any further meetings/consultations with Schools are required.

Action/Meeting	Timescale
Email to all Schools (finance officers) alerting them to the consultation	December 16 th 2016
Heads & Chairs Meetings	Late Jan/Early Feb
Schools & High Needs Sub Committee	February 7th
DLT	TBC
CCMT	TBC
Cabinet/Cabinet Member	TBC
Deadline for response on Schools NFF and High Needs	22 March 2017

- 7.3 Schools Forum are asked to consider the analysis they wish officers to undertake on their behalf and to release an initial £20,000 from School Forum balances earmarked for that purpose to enable work to be completed.

8. Equal Opportunities Implications and Impact on Equality Groups

- 8.1 Where the LA continues to have discretion in the funding decisions made, it will continue to give priority to the needs of vulnerable pupils and the Council’s aims of raising attainment, narrowing the attainment gap and safeguarding children.

9. Conclusions

- 9.1 This paper provides a high level summary of the National Funding Formula

10. Future Review by Forum: On-going

11. Contact Details of Lead Officer/Author

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Appendix 1: Comparison of Formula Funding Factors

Formula Comparisons		Funding Factor	Current National Average Value	Oxfordshire		National Formula	Funding
Factor	Phase		Current 2016-17 value	% Overall budget	of	Proposed value	% Overall budget
AWPU	Primary	£3,024	£2,932	81.54%		£2,712	72.50%
	Secondary KS3	£4,169	£4,199			£3,797	
	Secondary KS4	£4,683	£4,401			£4,312	
Deprivation - FSM	Primary	£963	£1208	3.35%		£980	9.30%
	Secondary		£2,013			£1,225	
Deprivation - Ever 6 FSM	Primary	£1,132	£0			£540	
	Secondary		£0			£785	
Deprivation (IDACI Primary)	Band 1 (f)	£128	£0			£200	
	Band 2 (e)	£191	£0			£240	
	Band 3 (d)	£320	£116			£360	
	Band 4 (c)	£476	£232			£360	
	Band 5 (b)	£626	£348			£420	
	Band 6 (a)	£704	£463			£575	
Deprivation (IDACI Secondary)	Band 1 (f)	£161	£0			£290	
	Band 2 (e)	£254	£0			£390	
	Band 3 (d)	£417	£127	£515			
	Band 4 (c)	£639	£254	£515			
	Band 5 (b)	£840	£381	£600			
	Band 6 (a)	£874	£508	£810			
LAC	All	£662	£220	0.00%		£0	0.00%
EAL	Primary	£482	£266	0.39%		£515	1.20%
	Secondary	£926	£727			£1,385	
Mobility	Primary	£346	£640	0.05%		Subject to historic spend	0.10%
	Secondary	£532					
Prior Attainment	Primary	£812	£821	3.54%		£1,050	7.50%
	Secondary	£1,058	£795			£1,550	
Lump Sum	Primary	£128,213	£125,000	9.90%		£110,000	7.10%
	Secondary	£139,473	£125,000			£110,000	
Sparsity	Primary	£6,206	£0	0.0%		£0 - £25,000	0.08%
	Secondary	£10,515	£0			£0 - £65,000	
Other - Rates, Split Sites, Rents				1.20%			2.22%

