

Oxfordshire Schools Forum 22 November 2017

National Funding Formula 2018-19 Schools and High Needs – outcome of local Consultation and way forward

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 To request Schools Forum to indicate which funding formula option is supported.
- 2.2 To request school forum to decide whether to agree to the transfer from the Schools Block to the High Needs Block and the value of this.
- 2.3 This report will be updated at the meeting with schools responses to the County Council consultation on the Oxfordshire Schools Funding formula for 2018-19 and the outcome of the consultation on the transfer between blocks. Schools have until midnight on Monday 20th November to respond.
- 2.4 In arriving at a decision in paragraph 2.1 above, Schools Forum is asked to confirm the principles for finalising the Schools Funding Formula for 2018-19, once final datasets are received from the Department for Education (DfE). Confirming the principles at this meeting is necessary as there is very limited time between the next Schools Forum meeting on 9 January 2018 and the deadline for submission of the final budget proforma (known as the Authority Proforma Tool – APT) to the DfE by 19 January 2018.
- 2.5 In arriving at a decision in paragraph 2.1 above, Schools Forum is asked to agree the disapplication requests to the DfE (by the deadline of 30 November 2017) listed in Annex B.

3. Oxfordshire Funding Formula: Consultation

3.1 Schools Forum is a statutory consultee for formula changes. At the last meeting, a briefing was given on the implications of the National Funding Formula. Since then, the Local Authority has attended Heads & Chairs meetings to brief Schools further.

3.2 The Oxfordshire Funding Formula consultation was released on Friday November 3rd and runs until Monday 20th November.

3.3 The consultation questions were:

Q2

a) Do you support the proposal to fully adopt the principles of the NFF from 2018/19?

OR

b) Do you support the proposal to make a step change towards the National Funding Formula over the next 2 years?

Q3 - Do you support the proposal for the funding factor rates used in the local funding formula to be adjusted to an “affordable” level each year?

Q4 - Do you have any other alternative suggestions or comments to make about the funding formula? Please use the box below.

3.4 Following questions from Schools, a Questions & Answers sheet was circulated to schools on Friday 10th November as a supporting document.

3.5 Schools Forum is asked to consider its response to the consultation.

Responses from the Consultation with schools will be tabled on the day.

4. Unit Values

4.1 The unit values of the National Funding formula (NFF) are attached at Annex A for ease of reference. Final unit values in 2018-19 will be dependent on the decision reached on the approach to be adopted in 2018-19.

4.2 Schools Forum is asked to note that the Unit Values will be reviewed and updated once Dedicated Schools Grant (DSG) allocations are confirmed

for 2018-19 and revised datasets are issued by the DfE for all Schools in December 2017. The funding pro forma to be submitted to the DfE by 19 January 2017 will include the revised allocations.

- 4.3 This links to Question 3 of the consultation regarding adjusting the rates to an affordable level.
- 4.4 With regard to affordability, Schools Forum is asked to note that the DfE have based some elements of the National Funding Formula funding on historic amounts and do not intend to increase these in the short term. This is particularly the case with premises costs, including Rates. By the DfE fixing these budgets at a point in time, should the associated costs increase (which they are expected to do), there would be a shortfall in overall funding. The Local Authority would then need to adjust funding factor rates to accommodate any shortfall. Question 3 in the consultation was seeking confirmation of support to do this. In the longer term the DfE indicate that they may review how to deal with these historic elements and attempt to bring them within a formula approach.

5. Consultation: Transfer to other Blocks

- 5.1 Dedicated School Grant (DSG) to Local Authorities is allocated in blocks. There are blocks of funding for Early Years, Schools, High Needs and Central School Services. The blocks are ringfenced for 2018-19 (meaning funding can only be spent on the services/provisions covered by the blocks).

However, the DfE guidance allows for some transfer between blocks as stated below:

- The Schools Block will be ring-fenced from 2018 to 2019, but local authorities will retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block, **with the approval of their schools forum.**
- To make such a transfer, local authorities should consult with all local maintained schools and academies and the schools forum should take into account the views of the schools responding before giving their approval.

- 5.2 The questions asked in the consultation were:

Q4 a) Do you support a transfer of funding from the School Block to the High Needs Block?

b) If you support a transfer, please indicate the amount

£0.5m (0.14%)

£1.0m (0.28%)

£1.80m (0.5%)

- 5.3 School Forum is asked to decide whether to agree to the transfer (and the value of this) from the Schools block to the High Needs block.
- 5.4 Responses to the Consultation with schools will be tabled on the day.
- 5.5 In the event of a decision to support the transfer, it is proposed that the required changes to balance the funding model will be made through the basic entitlement unit values.

6. Implementing the Preferred Funding model: Disapplication Requests

- 6.1 Local Authorities must submit a Disapplication proforma to the DfE to make a formal request to the Secretary of State to disapply any part of The School and Early Years Finance (England) Regulations 2017.
- 6.2 The deadline for submitting requests related to the Authority proforma tool (APT) is 30 November 2017. These disapplications can include MFG exclusions and adjustments to allow data in the APT to be brought in line with the National Funding Formula. Part of the proforma asks if Schools Forum agree with the request and minutes from the Schools Forum meeting are required to support this. Details of the request include comments on the impact on schools and academies. An assessment of the equality implications are also required, which is a new addition to the form.
- 6.3 At a recent LA Funding Workshop (3 November 2017), the ESFA representatives indicated that at the current time disapplication requests would be required for the purpose of allowing data in the APT to be brought in line with the NFF. However, there was an indication that this was being reviewed and a verbal update will be provided at the meeting should some of the disapplication submissions not be required.
- 6.4 In order to meet the deadline of 30 November, Schools Forum agreement is required at this meeting. Where an amendment needs to be made, this can be submitted by 19 January 2018, but this must relate to an existing request.
- 6.5 Additionally, the deadline for schools block movement requests is 30 November 2017 (linked to Question 4 of the consultation above).
- 6.6 The Disapplication requests are summarised at Annex B

7. Next Steps

7.1 The table below sets out the timetable for the Local Authority to provide budgets for schools.

Date	Task
3 rd November to 20 th November 2017	Consultation on Schools Funding Formula
22 nd November 2017	Schools Forum – discussion on the feedback from consultation and the Funding Formula to be adopted; decision on 0.5% transfer between blocks
Mid December 2017	DfE issues DSG funding allocations and APT
10 th January 2018	County Council Cabinet Member Delegated decision to agree School Formula
19 th January 2018	Deadline to submit APT (formula) to DfE
February 2018	Budgets issued to schools

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. Future Review by Forum: On-going

10. Contact Details of Lead Officer/Author

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Annex A: Summary of Factors in Oxfordshire's Funding Formula in 2017-18 compared to the 14 National Funding Formula (NFF) Factors:

Funding Factors	Oxfordshire Primary Unit Value 2017-18	Oxfordshire Secondary Unit Value 2017-18	NFF Primary Unit Value	NFF Secondary Unit Value
A Basic per-pupil funding (1)				
Age Weighted Pupil Unit (AWPU) - Basic Entitlement - Primary ¹	£2,956.23		£2,746.99	
Age Weighted Pupil Unit (AWPU) - Basic Entitlement – Secondary KS3		£4,234.17		£3,862.65
Age Weighted Pupil Unit (AWPU) - Basic Entitlement – Secondary KS4		£4,437.56		£4,385.81
NFF - Minimum per pupil level (2)²			£3,300 18-19 £3,500 19-20	£4,600 18-19 £4,800 19-20
B Additional needs funding				
Deprivation (3)				
Free School Meal eligibility	£1,208.11	£2,012.86	£440	£440
FSM6 (ever claimed in 6 yrs.) ³	N/A	N/A	£540	£785
Targeted Deprivation – IDACI Band F	£0	£0	£200	£290
Targeted Deprivation – IDACI Band E	£0	£0	£240	£390
Targeted Deprivation – IDACI Band D	£115.85	£126.88	£360	£515
Targeted Deprivation – IDACI Band C	£231.70	£253.75	£390	£560
Targeted Deprivation – IDACI Band B	£347.55	£380.63	£420	£600
Targeted Deprivation – IDACI Band A	£463.39	£507.50	£575	£810
Low Prior Attainment (4)⁴	£821.41	£794.86	£1,050	£1,550
English as an Additional Language – EAL (5)⁵	£265.57	£726.88	£515	£1,385

¹ One-off allocations from 2012-13 DSG balances applied in 2017-18 excluded for comparison with NFF unit values.

² New to NFF – Total of factors 1 to 8, excluding 6 (Mobility)

³ New factor from 2018-19, not previously allowed.

⁴ Applied for primary pupils identified as not achieving the expected level of development within the early years foundation stage profile (EYFSP) and for secondary pupils not reaching L4 at KS2 in either English or maths.

⁵ Funding targeted at pupils who have entered state education during the last 3 years.

Mobility (6)	£639.65	£0	£639.65	£0
Assumed as based on historic				
C School Led funding				
Lump sum (7)⁷	£125,000	£125,000	£110,000	£110,000
Sparsity (8)⁸	£0	£0	£25,000	£65,000
Note - NFF - Minimum per pupil level (as 2 above) ⁹			£3,300 18-19 £3,500 19-20	£4,600 18-19 £4,800 19-20
Premises – For NFF based on Historic data				
Rates (9) ¹⁰				
PFI (10) ¹¹				
Split Sites (11)	£30,000	£30,000		
Exceptional premises (Rents for Oxfordshire) (12) ¹²				
Growth (13) – NFF Factor, a total of £660,000 transferred to Growth fund in 2017-18.				
D Geographic funding				
Area Cost Adjustment (14) – NFF Factor – A multiplier that is applied to basic per pupil, additional needs and formula element of school led funding (ACA is added to each factor).				

⁶ For NFF – Based on historic information so assumed unchanged factor value (although very minor difference in total).

⁷ Both Primary and Secondary the same from 2016-17 for LA.

⁸ Sparsity was not a factor in Oxfordshire's Funding Formula.

⁹ Total of above factors per pupil, excluding mobility (6).

¹⁰ Estimate based on prior year actual – NFF as historic.

¹¹ Does not apply to Oxfordshire.

¹² 6 schools eligible in prior years where rents exceed 1% of school budget (and applies to less than 5% of schools). Estimate based on Prior year actual rent – NFF as historic

Annex B: Disapplication Requests

Local Authorities must submit a Disapplication proforma to the DfE to make a formal request to the Secretary of State to disapply any part of The School and Early Years Finance (England) Regulations. Schools Forum is asked for agreement to the requests below:

1	2017-18 MFG Exclusion - The LA identified non-recurring one-off funding of £705k from DSG balances (2012-13), for allocation to schools and academies in 2017-18. This was applied to the Basic Entitlement per pupil values on a one-off basis (as reported to the ESFA as part of the 2018-19 Baselining exercise). Once agreed by the DfE, these amounts can be deducted from the 2017-18 baselines in the December APT for MFG calculation purposes. (This is the same approach as in prior years when one-off funding had been allocated). This relates to all schools and academies in line with Basic Entitlement values. This has no negative equalities impact.
2	2017-18 MFG Exclusion - Six schools/academies currently qualify for the exceptional rents factor and are expected to continue to qualify in 2018-19. The Operational Guidance for 2017-18 indicated that this needed to be referred if this was agreed more than four years previously (5 years in the 2018-19 guidance), and confirmation from the DfE was received in 2017-18. A request is being made for a possible MFG exclusion if any of the six schools are no longer eligible in 2018-19, following release of updated datasets in December 2017. If any of the schools become ineligible, the request is for the exceptional rents factor to be excluded from the 2017-18 MFG baselines. Schools would only become ineligible if they experience a significant increase in pupil numbers or the other data indicators change so that their school budget share increases to such a level that the exceptional rents allocation falls below 1% of this amount. A similar MFG request was made in previous years. This has no negative equalities impact.
3	Adjustments to the APT to allow alignment to the NFF, as required – Minimum Pupil Level Funding calculation - Premises factors (Rates, Split sites and Exceptional Rents) – If the minimum pupil level funding rates are applied, a request would be required for premises costs to be removed to align with the NFF calculation. This has no negative equalities impact.
4	Adjustments to the APT to allow alignment to the NFF, as required – request to set the MFG at 0.5% if required. This relates to all schools and academies. This has no negative equalities impact.
5	Adjustments to the APT to allow alignment to the NFF, as required – request to manually adjust where the APT does not have the internal calculation function to fully align to the calculations in the NFF. This has no negative equalities impact.
6	Schools Block movement – Movement from Schools to High Needs Block outlined in the body of this report.

