**SCHOOLS FORUM MEETING – 1st July 2015**

**Review of the implementation of the 2015-16 Schools Funding Formula**

**Introduction**

The purpose of this report is to provide members of the Schools Forum with summary information produced by the Education Funding Agency (EFA) on all of the school funding formula’s submitted by each Local Authority so they can see how NELC’s compares.

**Background**

As part of the “School Funding Reform: Next Steps towards a Fairer system“ consultation paper all Local Authorities were required to use formula funding factors or elements from a pre-defined range. The purpose of these proposals was to move towards a more consistent, simple, transparent and fairer funding system which was understood by all stakeholders. It was also to assist with moving towards the national funding formula which is still the intention. For 2015-16 the process of refinement for Local Authority’s to consider as part of their 2015 - 16 funding formulas continued.

As in the previous 2 years the EFA has undertaken a piece of research and reported how each element (allowable factor) was used by all Authority’s.

**Summary results of the findings**

These are noted in the table at Appendix A. A full report is attached for School Forum members information.

**Recommendation**

That this report be noted.

Contact Officer: David Kirven, Service Finance Manager – Business Partnering.

**Appendix A**

**Summary Results of EFA findings on Local Authority Schools funding formula**

|  |  |  |
| --- | --- | --- |
| **Allowable Factor** | **EFA Summary Finding** | **NELC position** |
|  |  |  |
| Basic per pupil entitlement: Primary AWPU | 81% of AWPU’s fall within the range of £2,500 to £3,250. | Primary AWPU = £3,325 (includes £111 one off adjustment). |
| Basic per pupil entitlement: Secondary AWPU KS3 | KS3 - 81% of AWPU’s fall within the range of £3,500 to £4,500. | NELC chose one secondary AWPU value only, £4,676 (includes £111 one off adjustment). |
| Basic per pupil entitlement: Secondary AWPU KS4 | KS4 - 79% of AWPU’s fall within the range of £4,000 to £5,000. | NELC chose one secondary AWPU value only, £4,676 (includes £111 one off adjustment) |
| % Funding through basic entitlement | Ranges from 61 – 88%. Half of LA’s allocate between 75% – 80%. | NELC % = 81.9%. |
| Deprivation - % of funding | Most frequent % band between 4% – 6%. Across all authority’s 8.1% of funding is allocated through this factor. However the range is from 1% to 21%. | NELC % = 6.41%.  Following discussions with the Schools Forum Formula Funding Working Party the decision around the methodology and % was re-affirmed. |
| Looked After Children | Optional factor – used by 88 out of 152 authority’s. | Following discussions with the Schools Forum Formula Funding Working Party the decision was re-affirmed not to use this factor. |
| Low cost high incident SEN (Prior attainment) | Most frequent % chosen between 2% – 6% (68% of LA’s). Across all authority’s 4.4% of funding is allocated through this factor. | NELC % = 5.30% |
| English as an additional language | Optional factor – used by 132 out of 152 authority’s | Following discussions with the Schools Forum Formula Funding Working Party the decision was re-affirmed not to use this factor. |
| Mobility | Optional factor – used by 66 out of 152 authority’s | Following discussions with the Schools Forum Formula Funding Working Party the decision was re-affirmed not to use this factor. |
| Total funding through the pupil led factors | All authority’s must allocate 80% or more through pupil led factors. Across all authority’s 89.73% of funding is being allocated through pupil led factors. | NELC % = 93.61% |
| Lump Sum | Range is £48k to £175k. Differential between primary and secondary now allowed. 89 LA’s have chosen equal values. | NELC = £102k across both settings. |
| Sparsity | Chosen by 24 LA’s, 128 chose not to use. | NELC uses this factor |
| Primary: secondary funding ratio’s | National ratio 1:1.28 | NELC’s 1:1.27 |
| Notional SEN calculations | Most common banding range 7.5% – 10% | NELC figure = 12.6% |
| Growth Fund | 132 out of 152 LA’s are retaining a falling rolls fund, values range from £50k to £6M | Following discussions with the Schools Forum Formula Funding Working Party NELC chose to retain such a fund with a value of £50k. |
| Falling Rolls fund | Only 29 LA’s are retaining a falling rolls fund, values range from £7k to £1,073k. | Following discussions with the Schools Forum Formula Funding Working Party NELC chose to retain such a fund with a value of £50k. |