

SCHOOLS FORUM MEETING – 13th September 2016

Review of the implementation of the 2016-17 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 planned to be introduced in full by the financial year 2019-20. Given that the Fairer Funding proposals were introduced in 2013-14 most funding issues have been identified and refinements have been made to the formula on a yearly basis. Consequently in 2016-17 no changes to the funding methodology were made from that adopted in 2015-16.

As in the previous 3 years the EFA has undertaken a piece of research and reported how each element (allowable factor) was used by all authorities.

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.

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

| <u>Allowable Factor</u> | <u>EFA Summary Finding</u> | <u>NELC position</u> |
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| Basic per pupil entitlement: Primary AWPU | 80% of AWPU's fall within the range of £2,500 to £3,250. | Primary AWPU = £3,333 (includes £109 one off adjustment). |
| Basic per pupil entitlement: Secondary AWPU KS3 | KS3 - 80% of AWPU's fall within the range of £3,500 to £4,500. | NELC chose one secondary AWPU value only, £4,684 (includes £109 one off adjustment). |
| Basic per pupil entitlement: Secondary AWPU KS4 | KS4 - 78% of AWPU's fall within the range of £4,000 to £5,000. | NELC chose one secondary AWPU value only, £4,684 (includes £109 one off adjustment) |
| % Funding through basic entitlement | Ranges from 61% – 89%. 51% of LA's allocate between 75% – 80%. For all LA's 76.8% of funding given is through the formula is through Basic Entitlement factors | NELC % = 81.66%. |
| Deprivation - % of funding | For all LA's 7.6% of funding is being allocated through deprivation. | NELC % = 6.73%. 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 91 out of 152 authorities.. Under the current NFF Consultation proposals this factor is to be removed. | 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) | 71% of LA's allocate between 2% and 6% of the funding through this factor. Across all authorities 4.3% of funding is allocated through this | NELC % = 5.28% Primary unit value = £892. Secondary unit value - £1,250. |

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| | <p>factor.</p> <p>Primary range £115 - £2,651.</p> <p>Secondary range - £40 - £3,229.</p> | |
| English as an additional language | Optional factor – used by 136 out of 152 authorities. | Following discussions with the Schools Forum Formula Funding Working Party the decision was re-affirmed not to use this factor. |
| Mobility | <p>Optional factor – used by 68 out of 152 authorities.</p> <p>Under the current NFF Consultation proposals this factor is to be removed.</p> | 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 authorities must allocate 80% or more through pupil led factors. Across all authorities 89.84% of funding is being allocated through pupil led factors. | NELC % = 93.66% |
| Lump Sum | <p>Range is £48k to £175k. Differential between primary and secondary still allowed.</p> <p>86 LA's have chosen equal values. 14 LA's have chosen the max value of £175k for both the primary and secondary sector.</p> <p>6% – 8% most common % band of funding paid through the formula for this element.</p> | <p>NELC = £102k across both settings.</p> <p>5.77% of funding to schools is given through the Lump Sum factor.</p> |
| Sparsity | Chosen by 24 LA's, 128 chose not to use. | NELC uses this factor |
| Primary: secondary funding ratio's | National ratio 1:1.29 | NELC's 1:1.29 |
| Notional SEN calculations | Most common banding range 7.5% – 10% | NELC figure = 12.7% |

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| | Some 128 LA's (84%) are allocating between 5% – 15% of the Schools Block funding as notional SEN. Overall % across all LA's designated as notional SEN is 10%. | |
| Growth Fund | 131 out of 152 LA's are retaining a falling rolls fund, values range from £50k to £6.7M. | 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 30 LA's are retaining a falling rolls fund, values range from £7k to £1.4m. | Following discussions with the Schools Forum Formula Funding Working Party NELC chose to retain such a fund with a value of £50k. |