

School Funding

Felicity Roe
Assistant Director
Children's Services

School Funding

Forecast year end 2017/18

National Funding Formula

Local impact

Options and proposals

Forecast year end 2017/18

Dedicated Schools Grant 2017/18	Amount £000
Schools Block	720,154
Early Years Block	70,753
High Needs Block	102,681
Total DSG	893,588

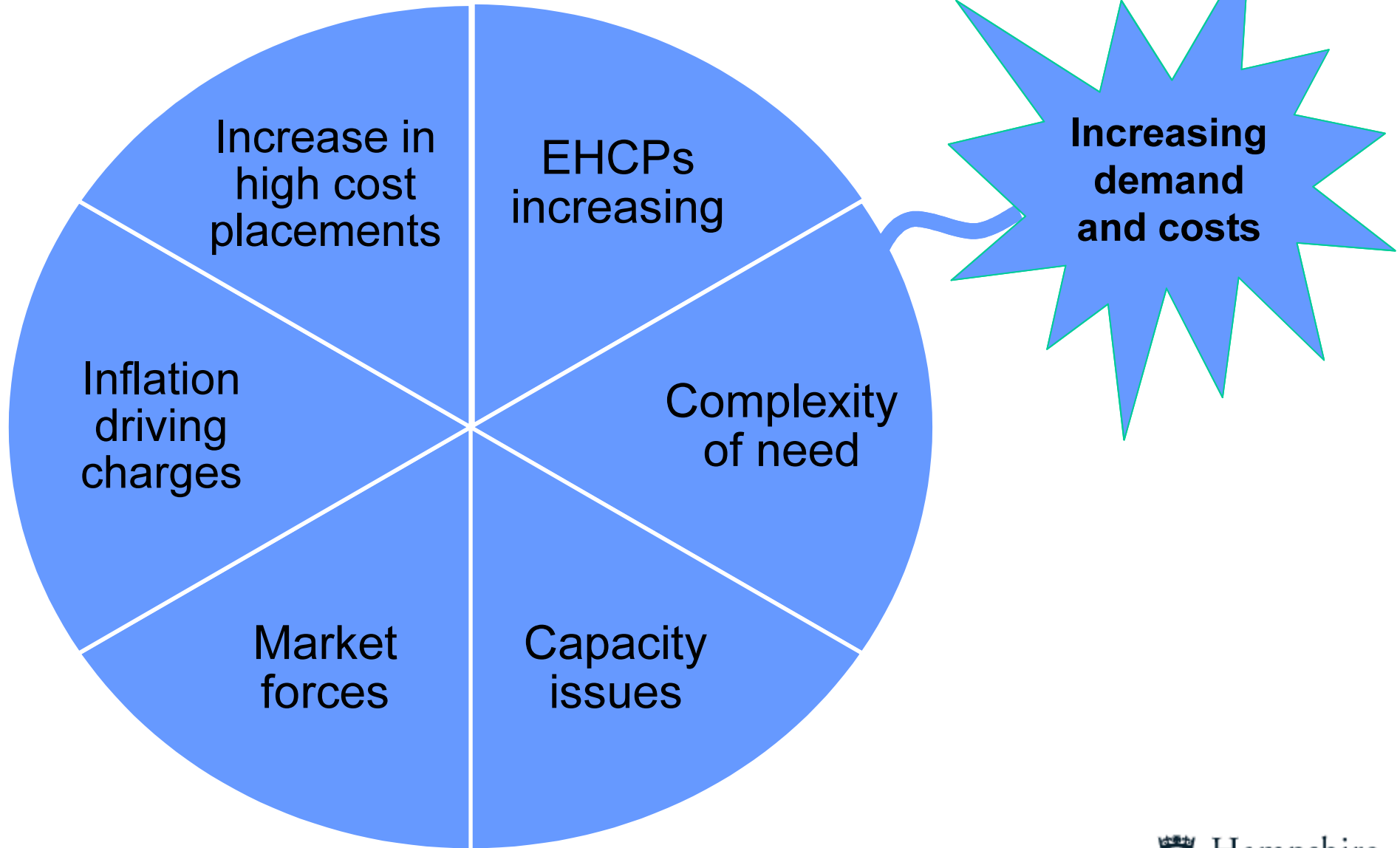
17/18 Projected Overspend	Current budget	Forecast outturn	Forecast variance	
			£000	%
Schools <small>edrepcfr2</small>	547,956	548,002	46	-
Early Years	70,743	<small>edrepcfr3</small> 72,809	2,066	2.9
High Needs	99,253	105,183	5,930	6.0
Central	4,091	4,195	104	2.5
Total DSG	722,043	730,189	8,146	1.1

Slide 5

edrepcfr2 Need to show transfer out to academies here to reconcile back with size of Block
edrepcfr, 23/10/17

edrepcfr3 Differs from slide 4
edrepcfr, 23/10/17

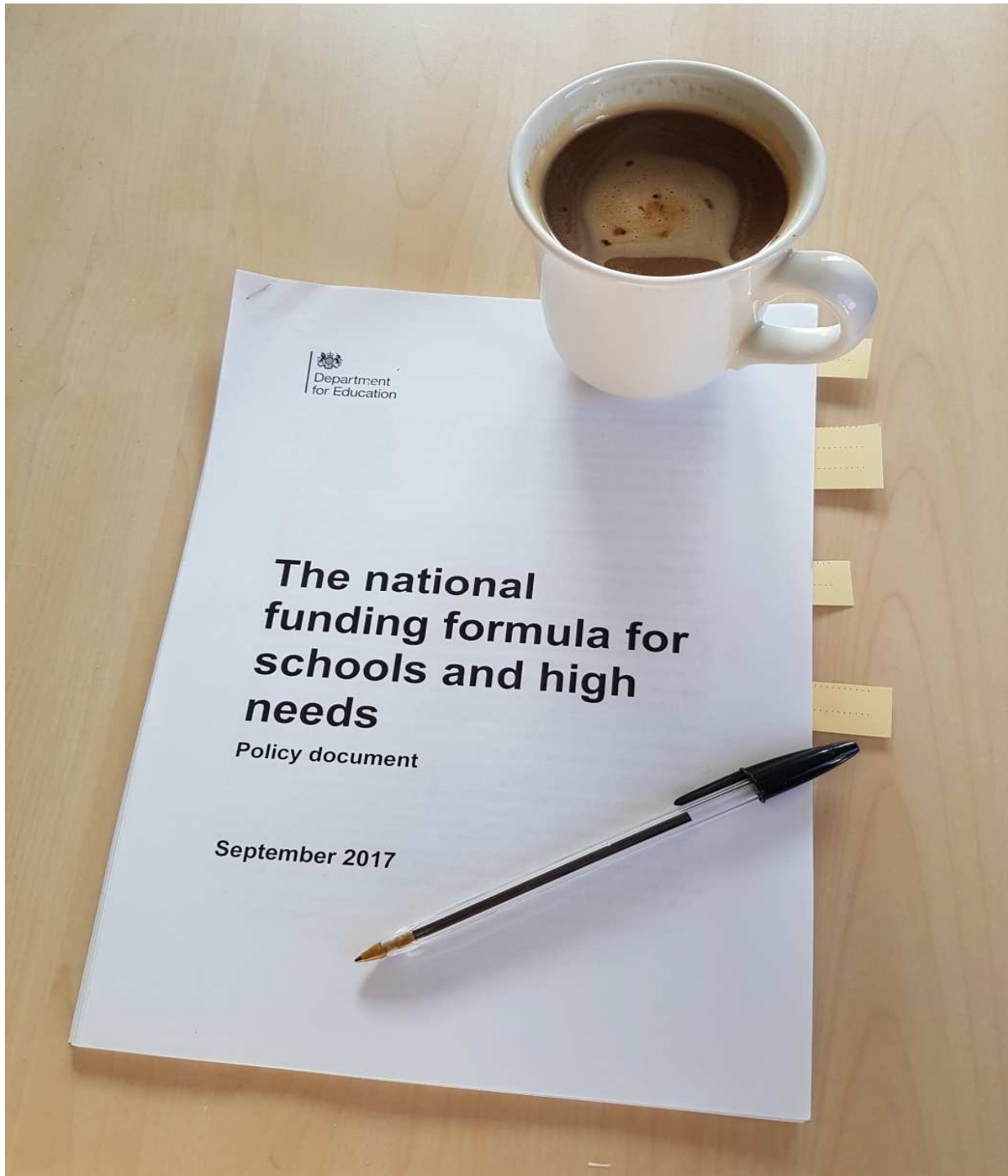
High Needs pressures



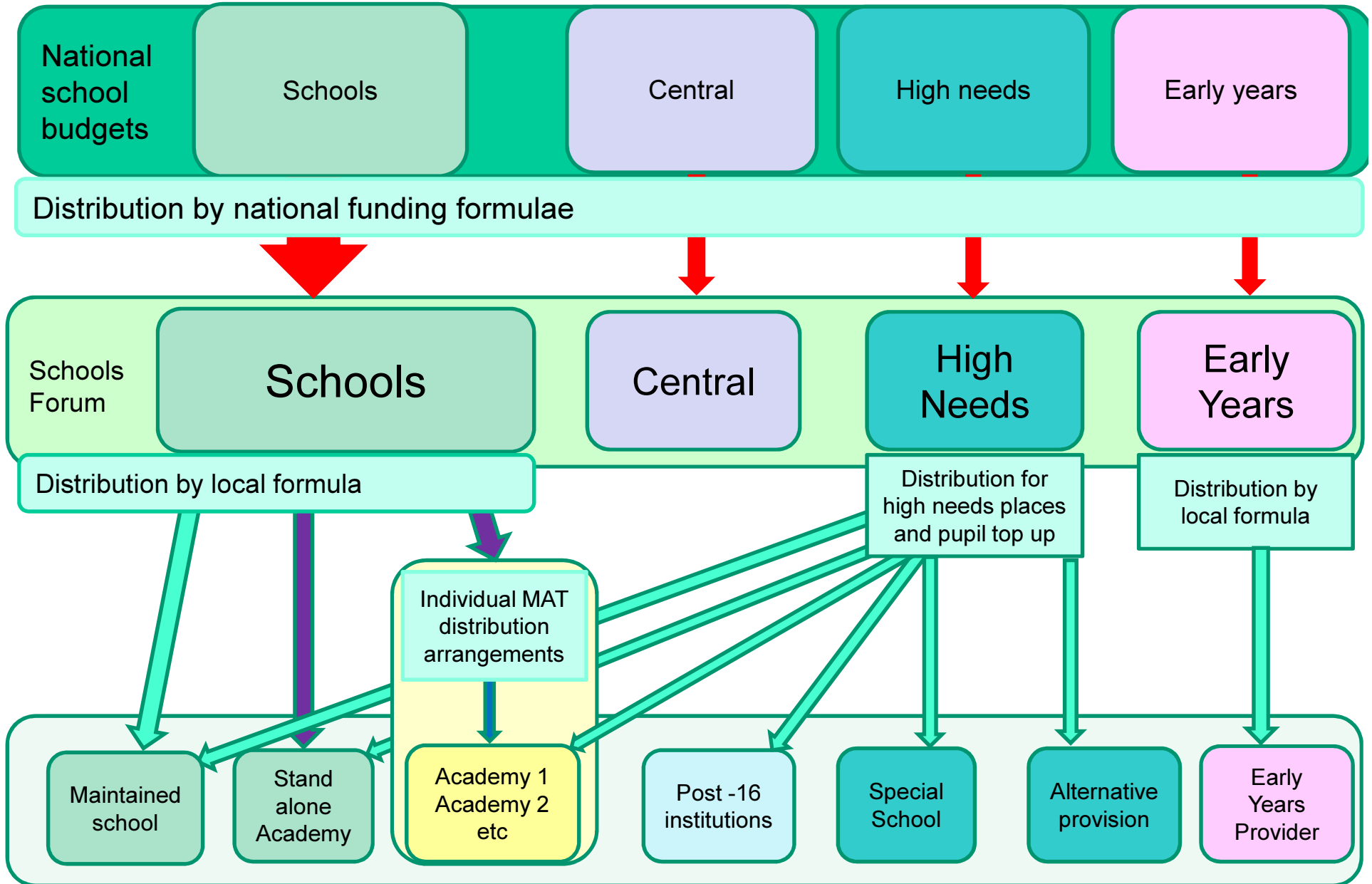
High Needs pressures

Actions

- Improved procurement to reduce placement costs
- Efficiency reviews of central services to reduce costs
- Increased funding through national funding formula over next 3 years



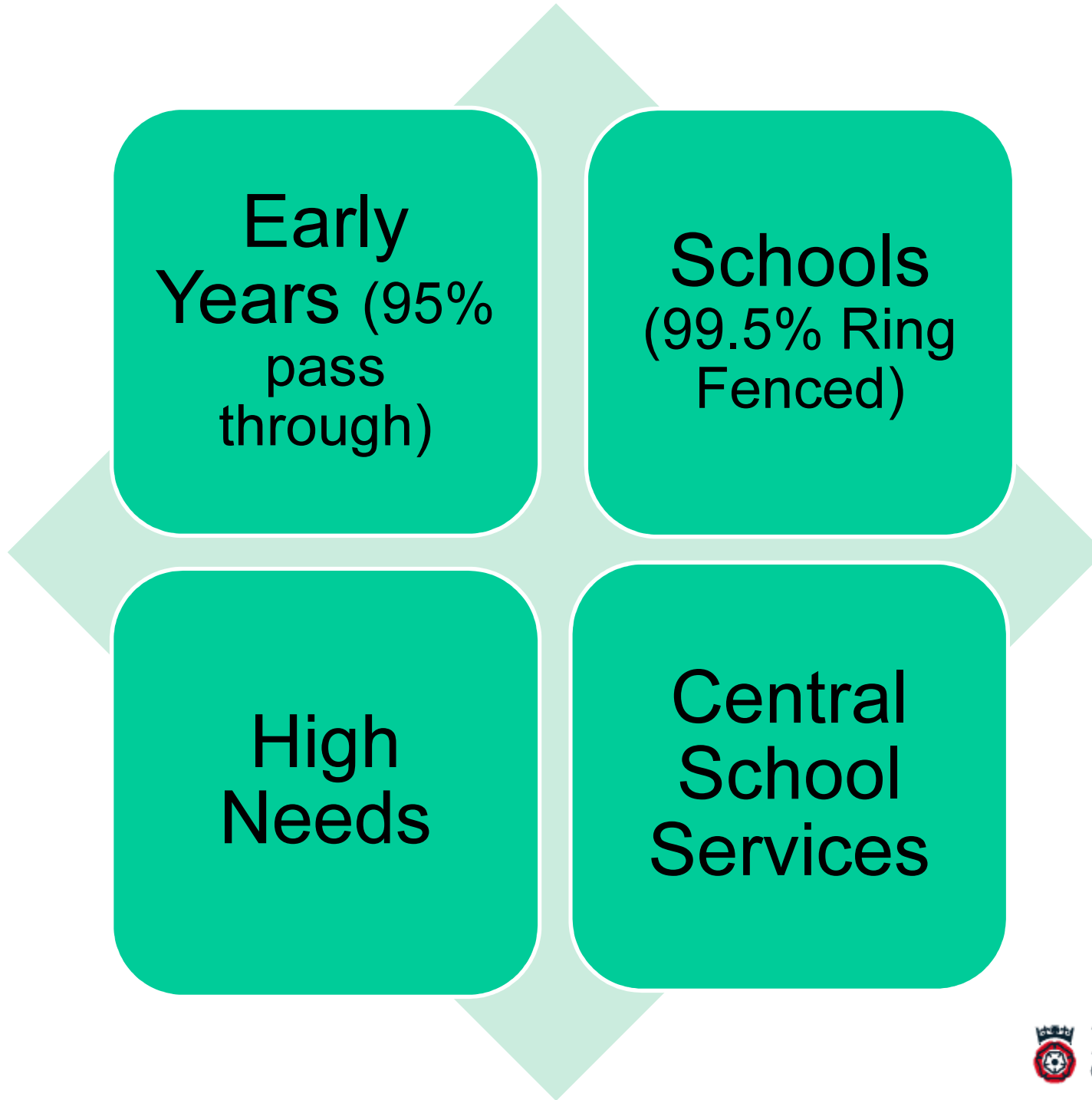
System design



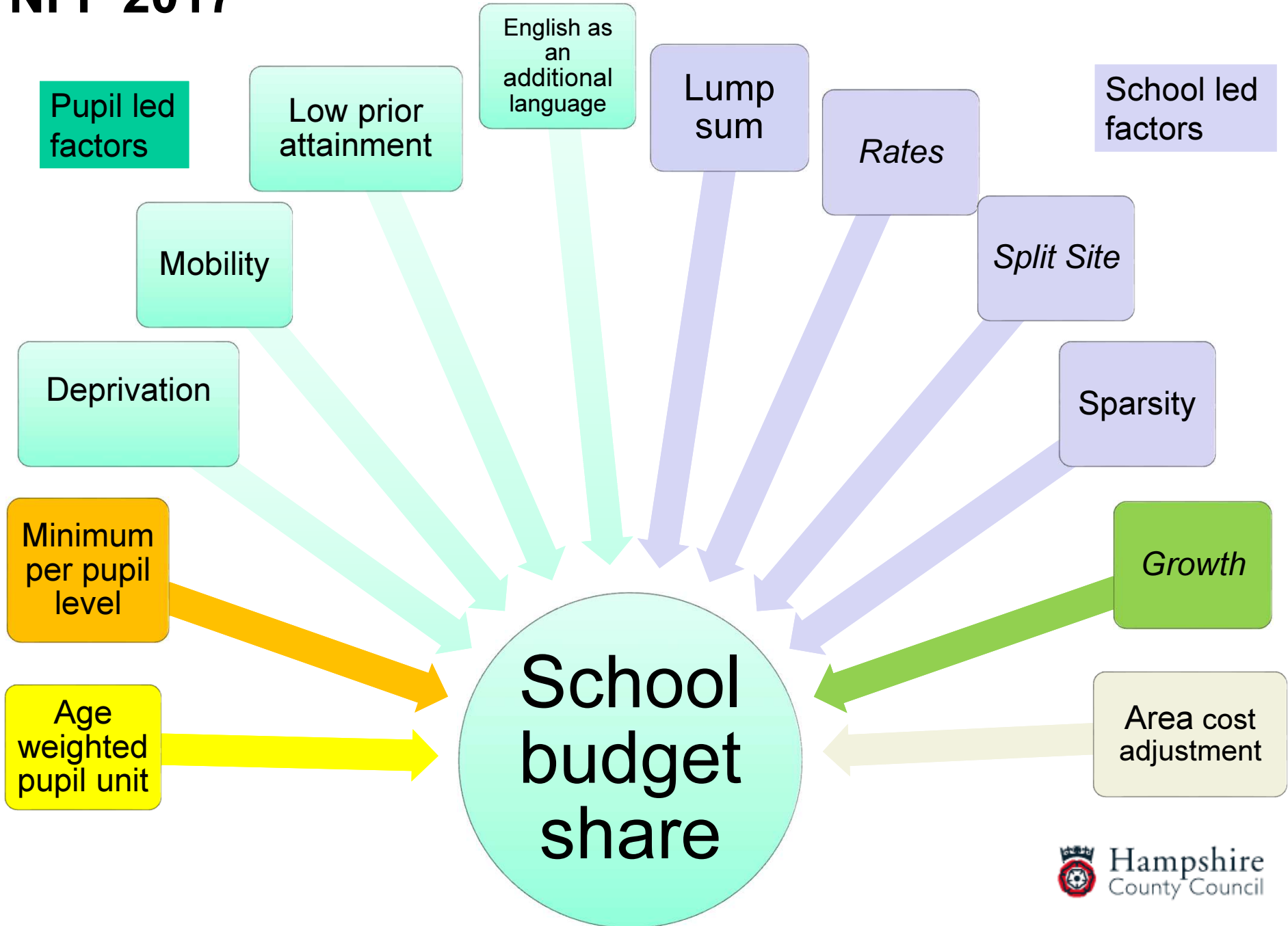
National Funding Formula

DFE
Implementation

- **Soft**
 - 2018/19 and 2019/20
 - Funding allocated nationally and distributed locally
- **Hard**
 - Remains “long term intention”
 - National funding direct to schools



NFF 2017



NFF Funding floor

- 0.5% 2018-19
- 1% 2019-20

NFF Basic per- pupil funding

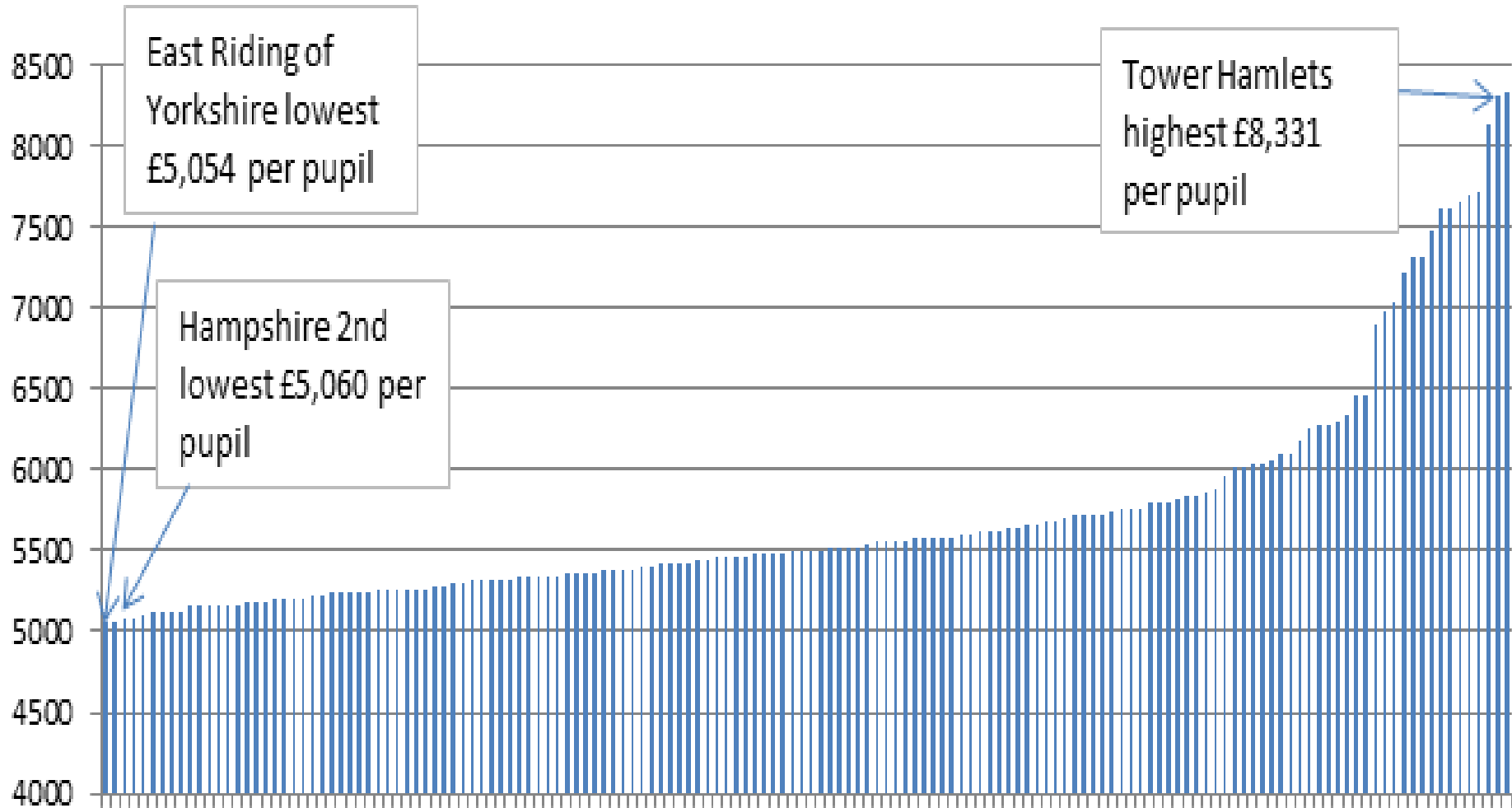
- AWPUP rates up
 - KS1&2 £35, KS3 £66, KS4 £74
- **New** Minimum per Pupil Level factor
- Applies after NFF pupil led funding plus NFF lump sum and sparsity
 - Primary £3,500 (£3,300)*
 - Secondary £4,800 (£4,600)*
- *Transitional

Primary unit values		HCC (2017/18)	NFF proposal (before ACA)	NFF final (before ACA)
AWPU		£2,639	£2,712	£2,747
Deprivation	FSM	£0	£980	£440
	FSM Ever6		£540	£540
	IDACI F	£337	£200	£200
	IDACI E	£672	£240	£240
	IDACI D	£1,408	£360	£360
	IDACI C	£1,410	£360	£390
	IDACI B	£1,683	£420	£420
	IDACI A	£2,222	£575	£575
	Looked after children		£1,983	£0
Low attainment		£1,377	£1,050	£1,050
Mobility		£1,028	Historic	Historic
English additional language		£603	£515	£515
Sparsity		£15,000	Tapered	Tapered
Lump sum		£160,000	£110,000	£110,000

Secondary unit values		HCC (2017/18)	NFF proposed (before ACA)	NFF final (before ACA)
AWPU - KS3		£3,835	£3,797	£3,863
AWPU - KS4		£4,536	£4,312	£4,386
Deprivation	FSM	£0	£1,225	£440
	FSM Ever6		£785	£785
	IDACI F	£430	£290	£290
	IDACI E	£852	£390	£390
	IDACI D	£1,744	£515	£515
	IDACI C	£1,765	£515	£560
	IDACI B	£1,939	£600	£600
	IDACI A	£2,783	£810	£810
Looked after children		£1,983	£0	£0
Low attainment		£1,134	£1,550	£1,550
Mobility		£400	Historic	Historic
English additional language		£1,560	£1,385	£1,385
Sparsity		£15,000	Tapered	Tapered
Lump sum		£160,000	£110,000	£110,000

2019-20 Combined budget per school aged pupil *(after the National Funding Formula)*

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Combined budget is the total of the schools, high needs and central services block

NFF	Baseline (2017/18)	Notional NFF 2018-19	Change		Illustrative NFF 2019-20	Change	
	£'m	£'m	£'m	%	£'m	£'m	%
Basingstoke	93.1	95.0	1.9	2.1%	96.3	3.2	3.5%
East Hants	62.2	63.7	1.5	2.4%	64.8	2.6	4.1%
Eastleigh	69.7	71.8	2.1	3.0%	73.6	3.9	5.6%
Fareham	60.0	61.8	1.8	3.0%	63.5	3.5	5.8%
Gosport	45.2	45.8	0.6	1.3%	46.0	0.8	1.7%
Hart	52.4	54.0	1.7	3.2%	55.8	3.4	6.5%
Havant	68.4	69.0	0.6	0.8%	69.3	0.9	1.3%
New Forest	83.9	85.7	1.7	2.1%	86.8	2.9	3.5%
Rushmoor	44.6	45.5	0.9	1.9%	46.0	1.4	3.1%
Test Valley	63.3	64.4	1.1	1.8%	65.2	2.0	3.1%
Winchester	60.7	62.2	1.5	2.5%	63.7	3.0	4.9%
Total	703.6	719.0	15.4	2.2%	731.1	27.5	3.9%

NFF	Baseline (2017/18)	Notional NFF 2018-19	Change		Illustrative NFF 2019-20	Change	
	£'m	£'m	£'m	%	£'m	£'m	%
All-through	6.1	6.3	0.1	2.2	6.3	0.1	2.2
1000 +	6.1	6.3	0.1	2.2	6.3	0.1	2.2
Primary	393.1	400.7	7.6	1.9	407.2	14.1	3.6
0 - 100	13.4	13.5	0.1	0.4	13.5	0.1	0.7
101 - 200	84.2	84.8	0.6	0.7	85.1	0.9	1.1
201 - 300	128.5	130.7	2.2	1.7	131.5	3.0	2.3
301 - 450	132.5	135.6	3.1	2.3	139.2	6.8	5.1
450 +	34.5	36.2	1.7	4.8	37.9	3.3	9.6
Secondary	304.3	312.0	7.7	2.5	317.6	13.3	4.4
0 - 400	4.3	4.3	0.2	0.5	4.3	0.4	1.0
401 - 600	29.0	29.6	0.5	1.8	29.7	0.6	2.2
601 - 800	44.4	45.3	0.9	2.0	45.6	1.2	2.8
801 - 1000	65.2	66.4	1.2	1.8	67.0	1.8	2.7
1000 +	161.4	166.4	5.0	3.1	171.0	9.6	5.9
Total	703.6	719	15.4	2.2	731.0	27.6	3.9

Sparsity funding

- Pupils per year group
 - Primary < 21.4 pupils
 - Secondary <120 pupils
 - All through <62.5 pupils
- Average distance to 2nd nearest school
 - Primary </= 2 miles
 - Secondary </= 3 miles
 - All through </= 2 miles

Sparsity funding

- Current
 - Fixed sum £15k
 - 48 schools
- NFF
 - Funding Tapered
 - Primary to £25k
 - Secondary to £65k

Sparsity funding – Taper by phase

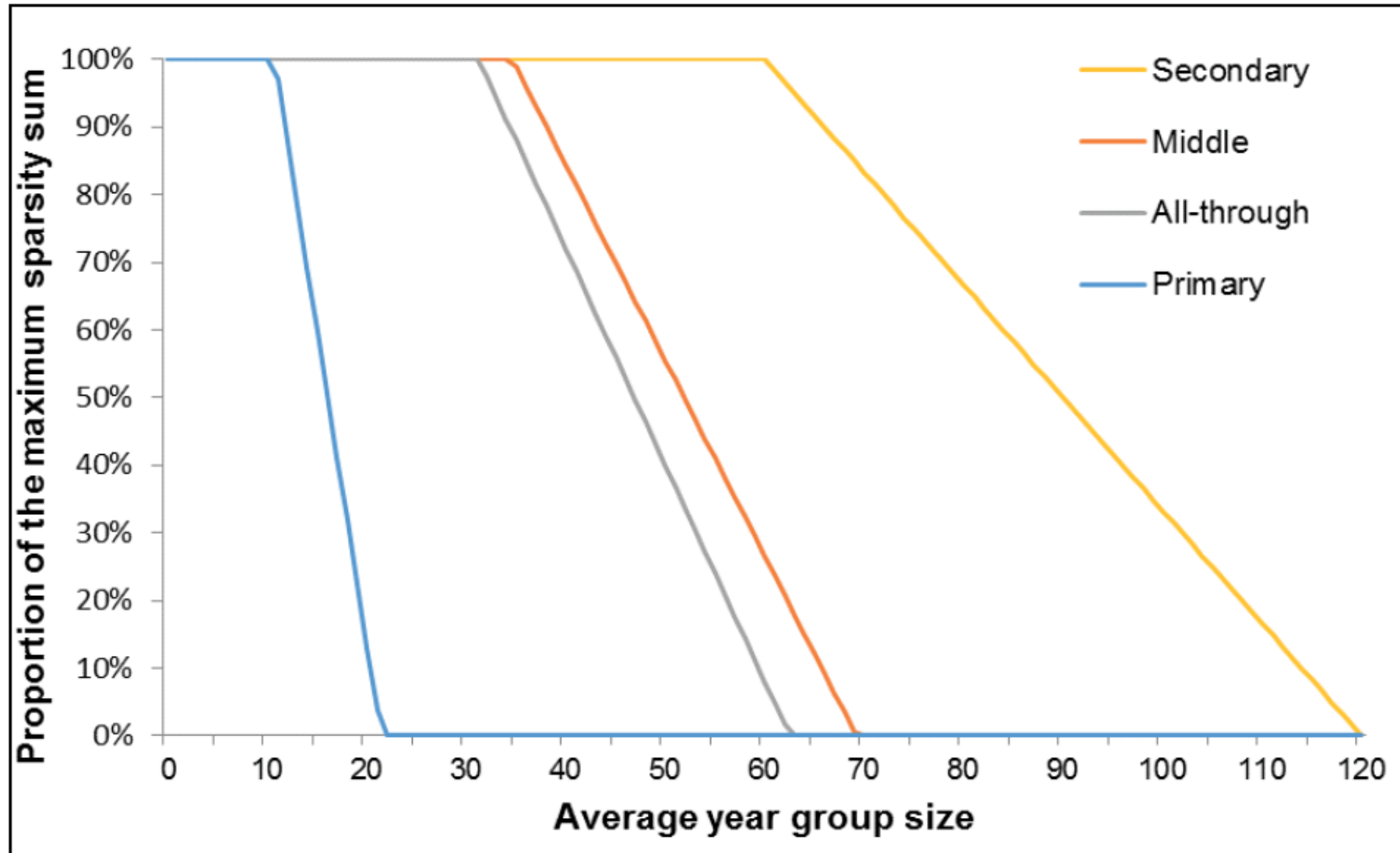


Figure 2: This graph shows the proportion of the sparsity sum a school will receive, by school type.

Growth and Premises factors

- Historic funding based on 2017-18 budget
- No uplift (except for PFI)
- DfE to consider future options

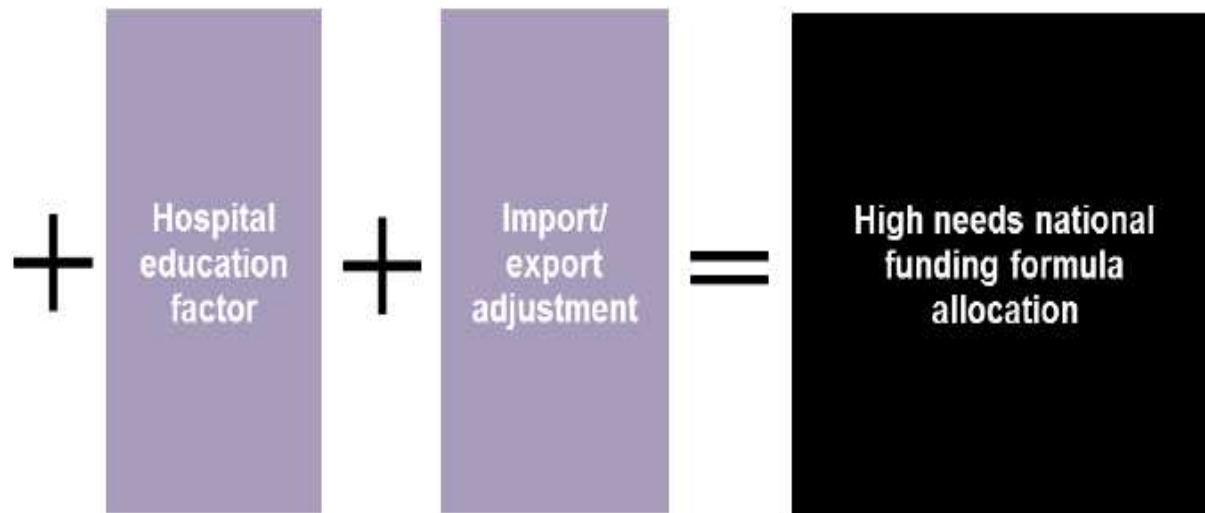
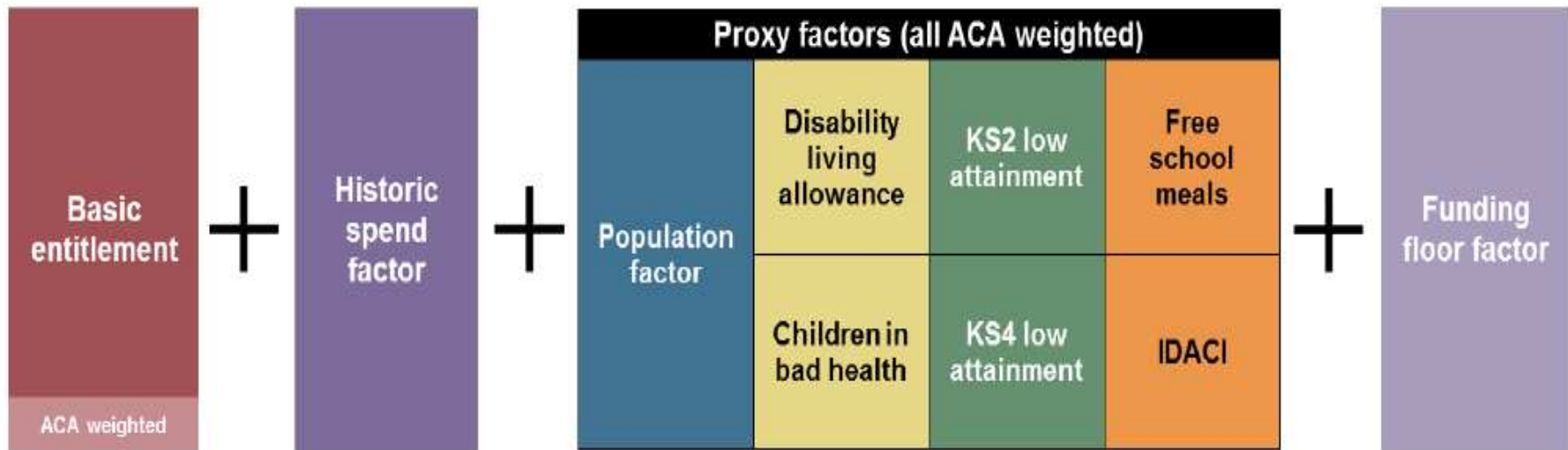
Mainstream Resourced provision

- Place funding £6k
- Pupil-led funding for the pupil
- Any further top-up

Central Services Block

- Retained duties
Education Services
Grant
- Historic commitments
- Formula funded on
per pupil basis with
10% weighting for
deprivation (FSM6)

High Needs Block national formula



Developing the Hampshire Local Formula

Provisional 2018-19 NFF allocation Distribution between Blocks

	National Average	South East Average	HCC
Schools	83.8%	82.3%	86.2%
High Needs	15.0%	16.5%	12.8%
Central Services	1.2%	1.2%	1.0%

NFF Hampshire Headline Gains by Block

- £37m Overall DSG
 - £27.6m Schools
 - £8.7m High Needs
 - £0.58m Central Services
-
- Phased over 3 years

Budget pressures

- Early Years
- High Needs
- Historic funding basis in NFF
- Growth

Transfer from Schools to High Needs Block

The need

- High Needs block pressures
- Hampshire high delegator to schools so High Needs block low base
- High Needs Block gain capped to £3m = half of pressure
- Need 0.5% (£3.6m) transfer to assist

Schools block 2018/19	2017/18 £'000	2018/19 Notional £'000	Variance £'000
Total	709,760	725,182	15,422
Transfer 0.5%		-3,626	-3,626
Schools Funding	709,760	721,556	11,796
Made up of			
Individual School Budgets	704,719	716,515	11,796
Growth Fund	5,041	5,041	-

NFF vs local formula

Minimum Funding Guarantee/ Funding Floor

- Current MFG: minus 1.5%
- NFF: Option between 0% and minus 1.5% and
- LA can apply for Plus 0.5%
- Any existing MFG becomes new baseline
- Who sits on funding floor depends on local formula

Schools Block Formula

Principles agreed by Schools Forum

- No school to lose funding through formula change (no protection for pupil number reduction or rates reduction)
- To develop options start with the NFF and identify clear 'steps' from it to the local formula
- Align the primary:secondary ratio with the NFF

Recap
18/19
notional
schools
block

- Notional NFF: £725.18m
- 0.5% transfer - £3.62m
- **Total SB** £721.55m
- Growth £5.04m
- Schools £716.51m
- Rates + reorg £1.5m
- **Individual school budgets**
£715m

Schools
Block
Local
Formula
Option A

- **Proportional reduction of 2% to all values in the NFF**
 - Including minimum per pupil level
 - Not sparsity or premises factors
- Schools on funding floor get 0.5% per pupil
- Equal impact for all gainers
- Broadly mirrors distribution of the NFF but more schools on funding floor

Schools
Block
Local
Formula
Option B

- **Unit values consistent with NFF, reduce floor and halve gains**
 - Reduce funding floor to 0%
 - Halve gains cap at greater of 1.5% of baseline or 10% of gain (MpPL not capped)
- Schools on floor receive no increase – typically small schools or those with higher additional needs
- Those who gain through MpPL achieve all their gain so favours schools with low additional needs

Schools
Block
Local
Formula
Option C

- **Apply targeted reduction to unit values**
 - 8% reduction to the MpPL
 - £72 reduction Primary AWPU
 - £14 reduction to KS3 AWPU
- Protects those most dependent on funding floor for gains – primarily small schools and those with high levels of pupils with additional needs
- Some reduction in the spread of gains

Distribution of gains	Option A	Option B	Option C
	Change %	Change %	Change %
Basingstoke	1.4	1.4	1.4
East Hants	1.6	1.8	1.8
Eastleigh	2.1	2.4	2.0
Fareham	2.2	2.4	1.9
Gosport	0.7	0.9	1.0
Hart	2.4	2.7	2.0
Havant	0.6	0.3	0.7
New Forest	1.4	1.2	1.5
Rushmoor	1.7	1.3	2.0
Test Valley	1.4	1.1	1.3
Winchester	1.8	1.8	1.7

Distribution of gains	Option A	Option B	Option C
	Change %	Change %	Change %
All-through 1000+	1.9	2.2	2.7
Primary	1.4	1.3	1.2
0-100	0.3	0.0	0.3
101-200	0.5	0.3	0.5
201-300	1.0	0.9	0.9
301-450	2.0	1.6	1.8
450+	3.6	4.6	2.6
Secondary	1.8	1.9	1.9
0-400	0.5	0.0	0.5
401-600	0.9	1.0	1.7
601-800	1.1	1.0	1.9
801-1000	1.2	1.1	1.4
1000+	2.3	2.6	2.2
Total	1.6	1.6	1.6

Consultation

**Schools
Communication
number 15454**

- All Schools Views on
 - Formula change
 - 0.5% School to High Needs Block
- Modelling tool provided
- Decisions
 - Schools Forum:
December
 - Statutory LA decision:
January

Questions

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