

West Berkshire Schools' Forum	
Title of Report:	Primary & Secondary School Formula 2016/17
Date of Meeting:	13th July 2015
Contact Officer(s)	Claire White
For Decision by all Members	

1. Arrangements for 2016/17 Formula

- 1.1 The Department for Education has yet to announce any arrangements for the 2016/17 funding formula for primary and secondary schools. Usually by this time in the year, there will have been a consultation or the final details will have been released.
- 1.2 Given the lack of information to date, the expectation is that there will be little if any change to the arrangements for 2016/17, particularly as it is known that the deadlines for submission of the LA formula to the EFA remains the same (i.e. 31st October 2015).
- 1.3 The national budget is on 8th July, and we expect to hear some news shortly (there may be a verbal update at this meeting if information is received following the agenda going out). We know that the DfE aims to have some form of national formula in place in the future, and the expectation is that they will commence a consultation in the Autumn for changes to commence in 2017/18.
- 1.4 With no lead in time to consider any proposals for change, it is therefore recommended that no change is made to the West Berkshire formula for 2016/17, unless there is a change to arrangements that would be beneficial to West Berkshire e.g. a change to the sparsity factor. Proposals (including no change) will need to go out to a short (two week) consultation with all schools and Schools' Forum members by e-mail at the beginning of September, and any consultation responses will be brought back to Heads Funding Group and Schools Forum for review and final decision later that month.
- 1.5 It is also recommended that funding rates remain the same in 2016/17, though this is subject to affordability – this will be brought to the January 2016 meetings following receipt of the Dedicated Schools Grant allocation in December.

2. Formula Review

- 2.1 Appendix A sets out the current thirteen formula factors available to local authorities and the current West Berkshire formula and rates. In preparation

for a national funding formula the DfE *may* further restrict the range of rates that can be used for each factor.

2.2 Compared to other local authorities, West Berkshire is not an outlier in terms of the formula factors used and the funding rates applied, so is likely to already comply with any revised funding bands. Of the two main factors, the primary AWPU is £2,937 compared to the national average of £3,014; the secondary AWPU is £4,364 compared to the national average of £4,367; the primary and secondary lump sum is £126,400 compared to the national averages of primary £127,952 and secondary £139,739. The primary:secondary funding ratio is as per the national ratio – 1:1.28.

2.3 For further information, the report from the DfE on the 2015/16 funding formula review for all local authorities and each local authorities data can be found on the following webpage: <https://www.gov.uk/government/publications/schools-block-funding-formulae-2015-to-2016>.

3. National Funding Formula Options and Future Funding

3.1 The Conservative manifesto made a commitment to make school funding fairer. There are two possible options for the DfE in moving to a national formula.

3.2 Option 1- a pure national funding formula with all schools receiving the same funding rates through the same formula and allocated from a central agency.

3.3 Option 2 – a new fairer formula to allocate the funding to local authorities with some local discretion still allowed in how it is allocated to individual schools through the current factors.

3.4 It remains to be seen which option the DfE will go for, though option 1 is the most turbulent and extremely difficult to achieve at a time of austerity when there is no additional funding available to help mitigate the loss for the “losers”. The funding promise in the Conservative manifesto is for “flat cash per pupil”. Option 2 is more realistic as it is the least disruptive and can be introduced gradually, though many of the more generously funded local authorities would see a decrease over time to their DSG allocation. The West Berkshire funding rate is lower than the average - £4,368 in 2015/16 compared to the national average of £4,699 (following the distribution of the additional £390m in April). Overall, funding rates currently range from £4,151 in Wokingham to £7,007 in Tower Hamlets.

3.5 Whatever the option, it is highly unlikely that schools in West Berkshire will see any inflationary increase to funding rates over the foreseeable future, and each year will be an increasing challenge for schools to set a balanced budget given the increases in inflationary and other costs.

Recommendation – The arrangements for setting the 2016/17 formula as set out in paragraphs 1.4 and 1.5 are agreed

Appendices

Appendix A – West Berkshire Formula 2015/16

West Berkshire Formula 2015/16

Factor	Rate	Units	Funding	National Average
1.Basic Entitlement:				
Primary	£2,937	12,811	£37,625,907	£3,014
Secondary KS3	£4,364	5,424	£23,670,336	£4,158
Secondary KS4	£4,364	3,755	£16,386,820	£4,680
2.Prior Attainment:				
Primary	£284	3,101.21	£880,743	£812
Secondary	£1,125	2,010.55	£2,261,869	£1,040
3.Deprivation:				
Primary FSM Ever 6	£875	1,833.43	£1,604,251	£958
Primary IDACI Band 1	£40	381.32	£15,253	£123
Primary IDACI Band 2	£120	720.53	£86,464	£176
Primary IDACI Band 3	£240	501.43	£120,343	£278
Primary IDACI Band 4	£240	83.64	£20,074	£419
Primary IDACI Band 5	£240	5.94	£1,426	£540
Primary IDACI Band 6	£240	0.00	£0	£693
Secondary FSM Ever 6	£670	1,495.00	£1,001,650	£1,142
Secondary IDACI Band 1	£60	330.78	£19,847	£158
Secondary IDACI Band 2	£180	517.79	£93,202	£227
Secondary IDACI Band 3	£360	540.80	£194,688	£360
Secondary IDACI Band 4	£360	38.84	£13,982	£548
Secondary IDACI Band 5	£360	7.94	£2,858	£693
Secondary IDACI Band 6	£360	0.00	£0	£852
4.English as an Additional Language:				
Primary EAL 3	£345	654.63	£225,848	£476
Secondary EAL 3	£345	75.93	£26,196	£911
5.Looked After Children	Not used			£636
6.Pupil Mobility:				
Primary	Not used			£448
Secondary	Not used			£626
7.Rates:				
Primary	Actual		£667,649	
Secondary	Actual		£342,458	
8.Lump Sum:				
Primary	£126,400	66	£8,342,400	£127,952
Secondary	£126,400	10	£1,264,000	£139,739
9.Sparsity				
Primary	Not used			
Secondary	£100,000	1	£100,000	
10.Split Sites	Not used			
11.Post 16	Not used			
12.Exceptional Premises – joint use of leisure	Actual	0	£0	
13.Minimum funding Guarantee:				
Primary			£347,499	
Secondary			£31,426	
TOTAL			£95,347,188	
Primary/Secondary Ratio			1.28	1.28
Percent of funding through basic entitlement			81.82%	76.2%
Percent of funding through lump sum			10.12%	7.92%
Percent of funding through pupil Led			88.74%	89.73%