
School Funding Formula 2016-17 - Summary Report

Committee considering report:	Executive on the 19 November 2015
Portfolio Member:	Councillor Dominic Boeck
Date Portfolio Member agreed report:	22 October 2015
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1. Purpose of the Report

- 1.1 The Council is required to decide the formula factors to use to distribute funding to all primary and secondary schools for the 2016/17 financial year.

2. Recommendations

- 2.1 The formula factors for 2016/17 are to remain the same as those used in 2015/16.
- 2.2 If there is a funding shortfall, this is addressed through an adjustment to the basic entitlement rate.
- 2.3 If there is additional funding available, the Schools' Forum at its January 2016 meeting will decide whether this is all allocated through the basic entitlement rate or through other factors including deprivation.

3. Implications

- 3.1 **Financial:** School funding allocations are paid for from the ring fenced Dedicated Schools Grant (DSG) and does not impact on the Council's corporate budget
- 3.2 **Policy:** None
- 3.3 **Personnel:** None
- 3.4 **Legal:** None
- 3.5 **Risk Management:** None
- 3.6 **Property:** None
- 3.7 **Other:** None

4. Other options considered

- 4.1 None, for the reasons outlined below.

5. Executive Summary

- 5.1 Since the change to School Finance Regulations in 2013/14, the Council has been required to approve annually the school funding formula. This is in consultation with the Schools Forum and following a consultation with all maintained and academy schools.
- 5.2 The Department for Education (DfE) announced the arrangements for the 2016/17 funding formula for primary and secondary schools on 16th July 2015. There were no amendments to the regulations, and the options available for the formula to be used to distribute funding to schools remain the same as for 2015/16.
- 5.3 School funding allocations are paid for from the Dedicated Schools Grant (DSG). It is also likely that the funding rate (per pupil) that the DSG is based on will remain the same, though this is subject to the Government's spending review. We will be notified of our actual DSG funding for 2016/17 in mid December.
- 5.4 Major changes to the funding formula by the Government took place in 2013/14. The formula implemented by West Berkshire in 2013/14 was following modelling of different scenarios and consideration of different options (scrutinised in detail by the Heads Funding Group) to try and arrive at an optimum position. Since then there have been minor annual amendments. The formula factors available for use are set out in Appendix C (2)
- 5.5 At the Schools' Forum meeting held on 13th July 2015, it was agreed that if there was no change to the regulations that would be of benefit to West Berkshire schools, their preferred option would be no change to the formula for 2016/17. A briefing/consultation document setting out this proposal (see Appendix C) was sent to all primary and secondary schools on 1st September 2015.
- 5.6 There were only a few responses to the consultation. All except one agreed with all the proposals. The one exception asked for consideration to be given to allocating more money through the deprivation factor, due to the fact that West Berkshire does have some pockets of serious deprivation.
- 5.7 At the meeting of the Schools' Forum held on 28th September, the Members of the Forum confirmed that their preferred option would be to keep the funding formula the same for 2016/17.
- 5.8 This recommendation is for the following reasons:
- (1) The current formula is deemed to be a best fit for West Berkshire schools and is equitable and fair as can be within the parameters allowed and funding available.
 - (2) There are no perceived anomalies that need to be addressed.
 - (3) To prevent any turbulence in school budget allocations and keep to the model on which schools have been basing their longer term strategic financial planning on.
 - (4) To provide another year of stability prior to a possible move to national funding of schools.

- (5) Our current per pupil and lump sum rates (through which the greatest proportion of funding is allocated) are close to the national average, and the primary/secondary ratio is also at the national rate. As using the average is the likely direction of travel for national rates, we should not move our formula away from these averages.

5.9 The only impact on individual schools will be where they are receiving funding protection from the original change in the formula in 2013/14 (known as the minimum funding guarantee). Their funding will be reduced by 1.5% per pupil. The exemplification in the briefing/consultation document uses current (October 2014) data. Schools' final funding allocations for 2016/17 will be based on their pupil numbers (and other relevant data) in the October 2015 census. If this changes significantly compared to 2015/16, then so will their funding.

6. Conclusion

6.1 The Schools' Forum recommends the following formula for 2016/17 to be submitted to the Education Funding Agency:

Factor	Rate - Primary	Rate - Secondary
1. Basic Entitlement per Pupil:		
Primary	£2,937	
Secondary KS3		£4,364
Secondary KS4		£4,364
2. Deprivation per eligible Pupil:		
Free School Meals Ever 6	£875	£670
Income Deprivation Affecting Children Index (IDACI):		
IDACI Band 1	£40	£60
IDACI Band 2	£120	£180
IDACI Band 3	£240	£360
IDACI Band 4	£240	£360
IDACI Band 5	£240	£360
IDACI Band 6	£240	£360
3. Prior Attainment per eligible Pupil	£284	£1,125
4. Looked After Children	Not used	Not used
5. English as an Additional Language	£345	£345
6. Pupil Mobility	Not used	Not used
7. Sparsity	Not used	£100,000
8. Lump Sum per School	£126,400	£126,400
9. Split Sites	Not used	Not used
10. Rates - actual cost to school	Actual cost	Actual cost
11. Private Finance Initiative	Not applicable	Not applicable
12. London Fringe	Not applicable	Not applicable
13. Post 16	Not used	Not used
14. Exceptional Premises	Actual cost	Actual cost

7. Appendices

7.1 Appendix A – Supporting Information

7.2 Appendix B – Equality Impact Assessment

7.3 Appendix C – Briefing & Consultation Document to Schools