
School Funding Arrangements for 2017/18

Report being considered by: Schools Forum
On: 6/06/2016
Report Author: Claire White
Item for: Discussion **By:** All Forum Members

1. Purpose of the Report

- 1.1 To brief Members on the latest information from the Department for Education (DfE) regarding the consultations and arrangements for school funding in 2017/18.

2. Recommendation(s)

- 2.1 To note the latest information and decision making timescale.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

3. Introduction

- 3.1 The first stage consultations on the school national funding formula and the high needs funding reform were published on 7th March, with a closing date of 17th April.
- 3.2 These consultations set down the principles, and what to include in the formula. At the time of preparing this report, the second stage consultations have not yet been published, and no timeline has been given by the DfE.
- 3.3 The second stage will attach values to formula factors and provide indicative impacts on local authorities and individual schools. We currently do not know whether West Berkshire will receive more funding or not as a result of these proposals. This will be a key determinant on whether any changes will need to be made to the existing West Berkshire school formula.
- 3.4 The same timetable as in previous year's will apply for setting the local school formula for 2017/18 (i.e. submission to the DfE by 31st October), so it is likely that the decision making and consultation with schools will need to take place in a very short timescale.

4. Schools national funding formula – summary of West Berkshire's response to the consultation

- 4.1 Rather than move to a "hard" national formula from 2019/20, the local authority and Schools' Forum should still play a role in determining a small proportion of the national funding allocation (i.e. the element outside the basic per pupil rate and lump sum) in order to respond more accurately to local need.

- 4.2 There should be a rationale for the weighting of funding between primary and the secondary key stages rather than just taking what is the current average distribution.
- 4.3 IDACI data should be updated more regularly, and a comprehensive system for identifying all children eligible for free school meals should be put in place in order to accurately target funding for deprivation.
- 4.4 The lump sum should be set as the amount that the smallest primary and secondary schools need in order to be viable.
- 4.5 If the lump sum does not resolve the funding viability issue of small schools and a sparsity factor is used, then this should be tapered downwards from the 2 mile indicator in order to avoid a funding “cliff edge” for those schools that are close to the 2 mile average..
- 4.6 Business rates should be set according to actual cost, as it is now. It does not fit a formula allocation.
- 4.7 There should be a national definition of a split site and how funding is allocated.
- 4.8 There should be a national agreement on how exceptional premises costs are funded.
- 4.9 Business rates, split sites, PFI and exceptional premises costs should not be funded based on “one off” historic spend (or a formula), but on current spend. It would be acceptable to use data from the previous year in setting the next year’s formula allocation as this is what currently happens with funding based on pupil numbers.
- 4.10 Historic spend is not a true indicator of growth fund requirements. This needs to be based on actual need for the coming year on an annual review basis.
- 4.11 There is concern over losing flexibility to transfer funding between blocks given the inter relationship between the schools and high needs block.
- 4.12 There is concern over moving Education Support Grant funded services into the DSG and then significantly cutting this funding – particularly as currently there is no correlation between this grant and actual spend on these services. Furthermore, a flat rate ESG disadvantages smaller authorities and should be a lump sum plus per pupil amount.
- 4.13 The Schools’ Forum should not be the decision maker on whether to fund statutory services.

5. High Needs Funding Formula – summary of West Berkshire’s response to the consultation

- 5.1 Agree that high needs funding should continue to be distributed to local authorities rather than directly to schools via their formula.
- 5.2 Agree that the use of proxy measures is the best solution for high incidence/lower cost high needs, but this does not necessarily work for low incidence/high cost needs such as autism, where assessed needs should be used instead of proxy measures.

- 5.3 There should be basic entitlement funding for high needs places based on the actual numbers recorded in the census, to reflect changes in the numbers of pupils being funded from the high needs budget. Currently there is no increase to our funding to reflect increases in numbers, which is contributing to the pressure in this budget.
- 5.4 Do not agree with making inter authority adjustments to funding. Local authorities should receive basic entitlement funding for high needs places in institutions within their location rather than for where pupils are resident. Other proxy factors will focus on residency which will drive funding towards top up payments.
- 5.5 To ensure a smooth transition, the proportion of funding based on 2016/17 should start high (say 80%) and gradually decrease (say 20% per year) over the 5 years.
- 5.6 Disagree with independent special schools receiving place funding. It has caused confusion, higher costs and inefficiency in the system with its introduction for non maintained special schools.