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# School Formula Proposals 2017/18

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**Report being considered by:** Schools Forum

**On:** 05/12/2016

**Report Author:** Claire White, Ian Pearson

**Item for:** Decision **By:** All Forum Members

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## 1. Purpose of the Report

- 1.1 To set out the proposal for the primary and secondary school funding formula for 2017/18, following the consultation held with schools. The formula agreed by the Schools' Forum will be submitted to the Council's Executive for decision in January.

## 2. Recommendation(s)

- 2.1 To agree the proposals as set out in paragraph 4.1 of this report.

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

- 3.1 As previously reported, the proposed change to a national school funding formula will not be going ahead in 2017/18 and has been put on hold for a year. No significant changes are therefore being made to the funding arrangements for primary and secondary schools in 2017/18.
- 3.2 Local authorities are, however, still required to review their formula and consult with schools. Following the review of the formula at the last meeting of the Schools' Forum, a briefing and consultation document (attached in Appendix A) was sent out to schools on 11<sup>th</sup> October. The closing date for responses was 8<sup>th</sup> November.
- 3.3 The Council's Executive will make the final decision on 19<sup>th</sup> January 2017 with submission of the formula due to the Education Funding Agency (EFA) on 20<sup>th</sup> January 2017.

## 4. Proposals

- 4.1 In summary, the proposals agreed at the last Schools' Forum that went out for consultation were:
- No change to the formula factors used.
  - If there is a funding shortfall, this is addressed by adjusting the basic entitlement rate (per pupil funding) downwards, so all schools have a proportional cut to their budgets according to the size of their school.
  - If there is additional funding available, that for the first £848k, 55% be added to the basic entitlement (per pupil funding) and 45% be added back to the

lump sum. This is in proportion to the deduction that was made to school budgets in 2016/17 to transfer funding to the high needs block. Any additional funding over this amount will be added to the basic entitlement.

- 4.2 There were four responses from schools to the consultation.
- 4.3 The proposals have also been taken to the Council's Operations Board, who has agreed to them in principle.
- 4.4 All four schools responding agreed to the formula factors remaining the same. One school commented on the weighting given to deprivation factors being low and well below average. However, West Berkshire's funding rates are all below average and to target more funding through deprivation factors would take funding away from other factors and destabilise funding for many schools. This issue should be addressed through the national formula.
- 4.5 One school did not agree with the methodology of addressing a deduction in funding. Their first alternative proposal is that if a deduction has to be made, the first £443k should be met from the High Needs Block as the Schools Block base funding has been reduced by this amount in 2017/18 and added to the High Needs block base. A second proposal given is that even if no deduction has to be made to school budgets, there should still be a transfer of this funding from the High Needs Block, as the original decision for 2016/17 was never intended to apply for 2017/18 as well, with the expectation that the national formula would be in place by then. The detailed response is in Appendix B.
- 4.6 As these alternative proposals are about the allocation of funding between blocks, this option needs to be considered after the position of the High Needs Block has been reviewed, bearing in mind that a view has to be taken on the schools block before knowing the final funding position of the High Needs Block.
- 4.7 The actual funding available for the Schools Block and High Needs Block DSG will be announced by the Government by mid December. The Council will agree the final formula and funding rates in January taking into account the principles recommended by the Schools' Forum.

## 5. Conclusion

- 5.1 It is disappointing that the national funding formula has been delayed, meaning another year of uncertainty and a funding freeze creating a real term cut to school budgets. It is apparent through numerous recent press articles that nationally, schools are struggling to set balanced budgets.

## 6. Appendices

Appendix A – Primary and Secondary Schools Funding - Proposed Funding Arrangements for 2017/18: Briefing and Consultation Document for Schools.

Appendix B – Alternative Proposals