

Primary and Secondary Schools Funding Proposed Funding Arrangements for 2017/18

Briefing & Consultation Document for Schools October 2016

1. Introduction

- 1.1 The Department for Education (DfE) launched a first stage consultation in March 2016, with the intention of reforming school funding, commencing April 2017. However, due to Political changes in June, this programme of change has been delayed. The second stage consultation is due in the autumn, with resultant changes due to be implemented from April 2018.
- 1.2 The schools revenue funding arrangements for 2017/18 were announced by the Government on 21st July 2016. As the expectation is for significant change from April 2018, there are no changes in respect of the primary and secondary formula that affect West Berkshire schools, other than some underlying data changes which may affect individual school allocations. There will however, be changes to early years funding and the formula for three and four year olds.
- 1.3 Although the Government is still upholding its manifesto pledge of “flat” cash year on year allocations per pupil, following a base lining exercise carried out by the DfE in March 2016, allocations for each of the three Dedicated Schools Grant (DSG) funding blocks have been rebased according to how each local authority is spending its in-year allocation. This has moved funding from the schools block and into the high needs block (for background and more detailed information on school funding, see **Appendix A** – An Explanation of the DSG).
- 1.4 The detail of the school revenue funding arrangements for 2017/18 can be accessed on this Government webpage:
<https://www.gov.uk/government/publications/schools-funding-arrangements-2017-to-2018>.
- 1.5 As well as this document providing a briefing on the proposed local arrangements for 2017/18, schools are also invited to make comments on five specific areas, as highlighted in boxes within the text. Please e-mail your response to Claire White, Schools’ Finance Manager
claire.white@westberks.gov.uk by **8th November 2016**. In order for the Schools’ Forum to consider a suggestion for change, it should be accompanied by clear rationale on why your proposal is a better solution and

fair and equitable for all schools in West Berkshire Council (WBC), and not just for your own individual school. You should also check that it falls within the current funding regulations.

2. Current Formula and 2016/17 Funding Rates

2.1 Table 1 shows the current WBC formula factors used and the relevant funding rates, alongside the 2016/17 average funding rate per factor for all local authorities and the range of rates used by the majority of LAs:

Table 1: West Berkshire Formula 2016/17 and Average Funding Rates Used by all LAs

Factor	WBC Funding Rate	Units (no. of pupils unless specified)	WBC Funding	Main Range (All LAs)	National Average (All LAs)
1.Basic Entitlement:					
Primary	£2,937	13,038	£38,292,606	£2,500 to £3,250	£3,044
Secondary KS3	£4,364	5,470	£23,871,080	£3,500 to £4,500	£4,197
Secondary KS4	£4,364	3,622	£15,806,408	£4,000 to £5,000	£4,714
2.Deprivation:					
Primary FSM Ever 6	£875	1,766.97	£1,546,103		
Primary IDACI Band 1 (0.2 – 0.25)	£40	409.73	£16,389		
Primary IDACI Band 2 (0.25 – 0.3)	£120	517.70	£62,124		
Primary IDACI Band 3 (0.3 – 0.4)	£240	190.79	£45,790		
Primary IDACI Band 4 (0.4 – 0.5)	£240	190.69	£45,766		
Primary IDACI Band 5 (0.5 – 0.6)	£240	0	£0		
Primary IDACI Band 6 (over 0.6)	£240	0	£0		
Secondary FSM Ever 6	£670	1,477.12	£989,668		
Secondary IDACI Band 1	£60	385.19	£23,111		
Secondary IDACI Band 2	£180	377.52	£67,954		
Secondary IDACI Band 3	£360	227.68	£81,965		
Secondary IDACI Band 4	£360	140.85	£50,706		
Secondary IDACI Band 5	£360	0	£0		
Secondary IDACI Band 6	£360	0	£0		
(Total deprivation funding allocated per FSM pupil)	(£903)			(£1,500 to £3,000)	(£1,748)
3.Prior Attainment:					
Primary	£284	3,328.91	£945,411	£500 to £1,000	£869
Secondary	£1,125	1,821.29	£2,048,951	£500 to £1,250	£1,094
4.Looked After Children					
Primary & Secondary	Not used	0	£0	Used by 91 LAs	£675
5.English as an Additional Language:					
Primary EAL 3	£345	745.94	£257,349	£250 to £1,000	£511
Secondary EAL 3	£345	290.33	£32,763	£250 to £1,500	£1,255
6.Pupil Mobility:					
Primary	Not used	0	£0	Used by 68 LAs	
Secondary	Not used	0	£0	£250 to £1,250	
7.Sparsity					
Primary	Not used	0	£0	Used by 24 LAs	
Secondary	£100,000	1 (school)	£100,000	£90k to £100k	
8.Lump Sum:					
Primary	£121,400	66 (school)	£8,012,400	£90k to £150k	£129,923
Secondary	£121,400	10 (school)	£1,214,000	£120k to £175k	£142,281
9.Split Sites					
Primary & Secondary	Not used	0	£0		
10.Rates:					
Primary	Actual		£685,467		
Secondary	Actual		£382,463		
11.Private Finance Initiative					
	N/A for				

(PFI) contracts	WBC				
12. London Fringe	N/A for WBC				
13.Exceptional Premises factors					
Joint use of leisure facilities – secondary schools	Actual	0	£0		
14.Minimum funding Guarantee (-1.5%)					
Primary			£473,389		
Secondary			£50,418		
TOTAL			£95,102,281		
Primary/Secondary Ratio			1.28	1.20 to 1.40	1.29
Percent of funding through basic entitlement			82.44%	75% to 80%	76.8%
Percent of funding through deprivation factors			3.1%	4% to 10%	7.6%
Percent of funding through lump sum			9.76%	6% to 10%	8.2%
Percent of funding through pupil Led			89.01%	88% to 94%	89.84%
Percent of funding allocated to notional SEN			4.8%	5% to 15%	10.0%

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 to the main factors, although our rate for every factor is below the average. Of the two main factors, the primary basic entitlement is £2,937 per pupil compared to the national average of £3,044; the secondary basic entitlement is £4,364 per pupil compared to the national (weighted) average of £4,404; the primary and secondary lump sum is £121,400 per school compared to the national averages of primary £129,923 and secondary £142,281. The primary:secondary funding ratio is just below the national ratio 1:1.29 (i.e. secondary schools receive 29% more funding than primary schools).

2.3 These comparisons are not as close as last year; the national averages have increased mainly due to additional funding that the lowest funded local authorities have received (West Berkshire now receives below average funding due to this uplift). Also, in order to maintain services in the high needs block the lump sum was reduced by £5k per school and transferred to the high needs budget in addition to the headroom arising in the schools block – so there were no increases to funding rates in 2016/17 compared to the 2015/16 rates.

2.4 It should be noted that not all formula factors are used by all local authorities, and the average rates provided in the above table are derived based on those authorities that are using that factor – there is no expectation that an authority should aim for the average rate for each factor, as each authority is funded at a different level and it would be impossible to replicate this.

2.5 For further information, the report from the DfE on the 2016/17 funding formulae review for all local authorities and each local authority's data can be found on the following webpage: <https://www.gov.uk/guidance/schools-block-funding-formulae-2016-to-2017>

3. Proposal for 2017/18 Formula and Funding Rates

3.1 **Appendix B** is an extract from the Government's school revenue funding arrangements document, detailing the allowable funding factors for 2017/18. The only changes compared to 2016/17 are:

- New bandings for the Index of deprivation affecting children (IDACI). This has no impact on WBC schools as our funding rates for the higher bandings are the same.
- Removal of the post 16 funding factor. This has no impact, as this factor is not used by WBC.
- Using a national weighting for secondary low attainment figures (due to the new KS2 assessments). We do not yet have the data for this to assess the impact.

3.2 It is proposed that there should be no changes to the West Berkshire formula factors in 2017/18, and if at all possible the funding rates remain the same, for the following reasons:

- The current formula is deemed to be a best fit for West Berkshire schools within the parameters allowed and funding available. Our concerns about small school viability and suggestions for change have not to date been accepted by the Government.
- To prevent any turbulence in school budget allocations and keep to what schools have been basing their longer term strategic financial planning on. To change the allocations could see some schools going into deficit for reasons completely outside their control.
- Changing allocations would mean that more schools would qualify for minimum funding guarantee; this then has a knock on effect of reducing the funding available, unless a cap is placed on schools gaining funding. It makes no sense to do this a year before national funding is due to be implemented.
- The largest proportion of funding is allocated through the basic entitlement (per pupil rate) and lump sum and these rates are still relatively close to the national average, which we would not want to move away from (reduce further) if this is the direction of a national formula. The primary/secondary ratio is very close to average, so we would not want to move funding between the two sectors.
- All our formula rates are below the national average, and we would need additional funding to get closer to these averages. In theory the national formula should deliver additional funding to bring WBC closer to the average, so in the meantime we should aim to keep our funding rates stable if at all possible.

3.3 The funding rate that can be applied to each factor is subject to the amount of funding we receive through the Dedicated Schools Grant (DSG), which will be confirmed in December 2016 for 2017/18. The funding rate for 2017/18 has been reduced by £20 per pupil from £4,368 to £4,348 due to the fact that in 2016/17 we moved funding from the schools block to the high needs block.

3.4 The schools block is not ring fenced in 2017/18, and the proposed changes to the funding formula for the high needs block is not going ahead in 2017/18, so funding pressures still remain in this block. The Government has not yet announced how any additional funding available for this block will be allocated to local authorities.

3.5 Although we already know the funding rate of the schools block DSG, there are a number of reasons why the total amount of funding available for allocation to schools may change compared to the £95.1m allocated to schools in 2016/17:

- The DSG is based on the number of pupils in the October census – this may be higher or lower than the previous year, affecting the total funding received. As the formula factors are not all related to number of pupils, e.g. the lump sum or rates, a reduction in pupil numbers will mean there is less money left to put through the factors based on pupil numbers, and vice versa.
- Some factors may increase by default, leaving less funding for the other factors e.g. if there are any claims for exceptional premises funding from qualifying schools (there were none in 2016/17), and if rates bills go up significantly (schools are funded on actual cost of rates).
- The Minimum Funding Guarantee (MFG) payment may go up or down. MFG is payable where a school's funding decreases by more than 1.5% *per pupil* and therefore protects schools where there is a change to the formula and/or funding rates that adversely affect the school.
- The amount of funding required for centrally retained services that are also funded from the schools block DSG may change. In 2017/18 services previously funded by the retained duties element of the Education Services Grant (ESG), mainly education welfare services and asset management, are moving into the DSG which may have an impact if there is a mismatch between funding added to the DSG (£15 per pupil) and the actual cost of these services.
- There is a new primary school to be funded (up to 60 pupils) from September 2017, for which no additional funding is provided; the cost will therefore be a top slice of funding from the schools block DSG (via the growth fund).
- There may be a further shortfall of funding in high needs, which would possibly need to be met from schools funding if other savings cannot be found.

3.6 If there is not enough funding to maintain the current rates, it is proposed that in order to balance the budget, an adjustment is made to the basic entitlement (per pupil funding) rate, as this is the only factor that will impact every school equally in relation to the size of school. If there is additional funding available, it is proposed 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 be added to the basic entitlement

4. Formula Exemplification for 2017/18

4.1 **Appendix C** shows the formula exemplification for 2017/18 using the same pupil numbers as 2016/17, and assuming the same funding rates. As there are no changes proposed to the formula, the exemplification just shows schools the effect of the continuation of the MFG. The small increase is for the inflationary impact of the rates (NNDR) allocation. Actual individual school allocations will be dependent on the October 2016 census data.

4.2 This appendix is also available as a spreadsheet, and by entering the school cost centre in the orange box of the “school sheet” tab this will display the detailed formula for the school alongside the current funding received for each factor. Schools can also enter their expected/actual pupil numbers for October 2016 (yellow boxes) to see their likely funding for 2017/18 and beyond based on the current funding rates. The sheets do not include any high needs funding for individual pupils i.e. top ups, which is paid outside the formula, as top up funding is variable and follows the pupil.

1. Do you agree that the Council should keep to the current formula factors (as shown in Table 1)? If not, please let us know with your reasons why.

2. Do you agree that if there is additional funding available that for the first £848k, 55% will be added to the basic entitlement (per pupil funding) and 45% will be added back to the lump sum, with any additional funding over this amount being added to the basic entitlement. If there needs to be a reduction to funding rates that this is adjusted through the basic entitlement rate? If not, please let us know with your reasons why.

3. Do you think your school is eligible for exceptional premises funding? If yes, please let us know with your reasons why.

5. Future Changes to School Funding

5.1 The Government’s consultation in March 2016 proposed the following:

- The same formula factors and rates are to be applied to all schools in England, but with an area cost adjustment applied.
- In the first two years the allocations for individual schools will be aggregated and allocated to local authorities as the schools block DSG, and the local authority will determine the actual formula and funding rates to apply.
- In the third year all schools will receive their funding direct from the Government at the national rates.

5.2 Although schools are unlikely to see any inflationary increase to funding rates over the foreseeable future, given that WBC receives below average funding and our funding rates for each formula factor are lower than the average, in theory the new national formula proposed should deliver more funding to WBC schools.

5.3 More detailed proposals and an exemplification are expected in the second consultation, due sometime in the autumn.

6. Additional Funding Outside the School Formula

6.1 The current funding regulations allow for a few exceptional circumstances to be funded outside the formula and be top sliced from the DSG. For each fund the Schools’ Forum needs to agree the amount to set aside and clear criteria setting out the circumstances in which a payment could be made and the basis for calculating the sum to be paid. The current criteria for each fund

each can be accessed via the WBC school funding web page: <http://info.westberks.gov.uk/index.aspx?articleid=31483>. There is no proposal to change the criteria to access these funds.

6.2 The funds are as follows:

- Growth Fund – support for schools required to provide extra places in order to meet basic need within the authority – including pre-opening, diseconomy and reorganisation costs
- Falling Rolls Fund – to support good or outstanding schools with falling rolls where local planning data shows that the surplus places will be needed in the near future
- Schools with a disproportionate number of high needs pupils which cannot be reflected adequately in their formula funding. This needs to be made through a formula.

4. If you have any comments/suggestions on the criteria set to access the additional funds please provide details.

6.3 Note that schools may also receive funding from the following sources:

- Early year's formula funding for two, three, and four year olds.
- Sixth form funding (national formula).
- High needs place and top up funding.
- Pupil premium grant.
- PE and sports grant.
- Universal infant free school meal grant.

Information on each can be also be accessed via the WBC school funding web page.

7. De-delegations 2017/18

7.1 From 2013/14 schools received funding for newly delegated central services. For some services (where offered by the local authority), maintained primary and secondary schools can collectively opt for the service to be de-delegated – which means that the funding continues to be centrally retained for the benefit of all maintained primary and secondary schools, and individual schools cannot make that choice for themselves (Academies may be given the option to buy into the service, as can Nursery schools, Special schools and PRUs). The de-delegations need to be re-determined on an annual basis.

7.2 The relevant Schools' Forum representatives for each phase will vote on whether each service is to be de-delegated or not. The services currently de-delegated are as follows:

- Behaviour Support Service
- Support to underperforming ethnic minority groups and bilingual learners
- Trade Union Local Representation
- Contingency for schools in financial difficulty (primary schools only)

7.3 Information about these services were included in a report to the Schools' Forum on 11th July 2016, agenda item 8, which can be viewed on this website: <http://decisionmaking.westberks.gov.uk/ieListMeetings.aspx?CId=335&Year=0>

The amounts to be deducted from each school for 2017/18 will be different to those shown in the report, as they will be based on the October 2016 census data (the current exemplification is based on the October 2015 census).

7.4 In addition, it is being proposed that CLEAPPS become a new de-delegated service rather than an individual buy back, which may result in savings for most schools.

7.5 From 2017/18 some local authority services carried out for maintained schools and previously funded by the general element of the ESG will be moved to the DSG (but with no funding added to the DSG) and be a deduction from maintained school budgets on a single per pupil rate. This includes school improvement and statutory requirements in respect of health & safety, finance, audit, and teachers pension administration. The financial impact of this will be brought to the December meeting of the Schools' Forum.

7.6 The final decision on each de-delegation will be made by the relevant Schools' Forum Members for each phase on 5th December 2016. Schools may wish to contact their Schools' Forum representative direct to express their view, or respond as part of this consultation.

5. If you do not agree with any of the above services being de-delegated, please let us know with your reasons why.

8. Timetable

8.1 The timetable for determining the school formula and schools budgets for 2017/18 is as follows:

Schools' Forum to review the 2017/18 school formula arrangements and agree on a proposal.	10 th October 2016
Briefing document to schools – with opportunity given to make comments on the proposals.	11 th October to 8 th November 2016
Heads Funding Group to consider the responses from schools and make a recommendation to Schools' Forum.	22 nd November 2016
Schools' Forum to agree on the formula and preferred funding rates to recommend to the Council. Vote taken on de-delegations and the criteria agreed for accessing the additional funds.	5 th December 2016
October census data issued by the DfE and final DSG funding allocation for schools and high needs blocks received. Final school formula rates determined according to funding available.	Mid December
Formal Political approval received.	Executive 19 th January 2017
2017/18 formula submitted to Education Funding Agency.	20 th January 2017
Schools' Forum to consider the overall DSG position and remaining budgets for	23 rd January 2017

all funding blocks.	
Confirmation of final budget allocations to maintained schools	By end of January 2017 (statutory deadline 28 th February 2017)
Schools' Forum to decide on the final budget for all DSG funding blocks	6 th March 2017

Appendices

Appendix A – An Explanation of the DSG

Appendix B – Allowable Funding Factors

Appendix C – Proposed Formula 2017/18 - Exemplification for Individual Schools
(also provided as separate spreadsheet for schools to see their own formula budget allocation detail and for their own modelling purposes)

An Explanation of the Dedicated Schools Grant (DSG)

Background

1. Since April 2006, funding for schools has come from a ring-fenced grant known as the Dedicated Schools Grant (DSG). It comes direct from the Government and is totally separate from all other Council funding and spending.
2. The grant is paid to the Council on a financial year basis and since 2013/14 has been split into three funding blocks – schools, early years, and high needs. Although separate allocations are received for each, the blocks are currently not ring fenced.
3. The use of the grant is governed by school finance regulations, and this includes setting out what (limited) centrally retained services can be met from the grant. Therefore not all the grant is directly allocated out to schools; some funding is retained by the Council to provide central services to schools with particular needs.
4. Any unspent centrally retained grant at the end of the financial year is carried forward for allocation in the following financial year. If there is an over spend this is deducted from the following years DSG allocation.
5. The Council uses a formula to allocate funding out to schools from this grant. The formula is largely prescribed by the Government, though the Council is free to choose which factors to use and at what funding rates, though the funding rates are very much governed by the amount of grant received. The Council must consult with the Schools' Forum and all schools on any changes.
6. The DSG allocated to the Council includes the funding for Academies and Free schools. Once the school formula has been determined, the Government then recoup the exact formula amount back in order for them to fund these schools direct.
7. A national formula is proposed for schools and likely to commence from April 2018. This will initially attempt to standardise the funding rates that every Council receives and will eventually lead to the same formula and similar funding rates (subject to area cost adjustments) for all schools in England.
8. Sixth form funding is not included in the DSG (other than high needs top up payments) and is paid to schools separately by the Government using a national formula and national rates.

How the DSG is calculated

Schools Block

- Based on the previous October school census
- The calculation is the total number of primary and secondary pupils (year R to 11) x funding rate
- In 2016/17 this is 22,135 pupils x £4,368 = £96.686m. An additional £0.032m is paid for NQTs.
- The funding rate is historical and is different for every Council. In 2016/17 this ranges from £4,167 in Wokingham to £6,982 in Tower Hamlets (City of London £8,587).
- The funding rate has not increased since 2010/11, therefore schools have not seen any inflationary increases to their allocations

- However, in 2015/16 the Government allocated an additional £390m to the lowest funded Council's as a step towards closing the funding gap. West Berkshire received an additional £8 per pupil (0.2%).
- For 2017/18 the Government has rebased the funding rate according to how much of our allocation we are actually using in the schools block in 2016/17. The rate for 2017/18 has been confirmed as £4,348.
- The Government is currently consulting on a new methodology to allocate funding, as well as moving to a national formula, proposed to be in place 2018/19.

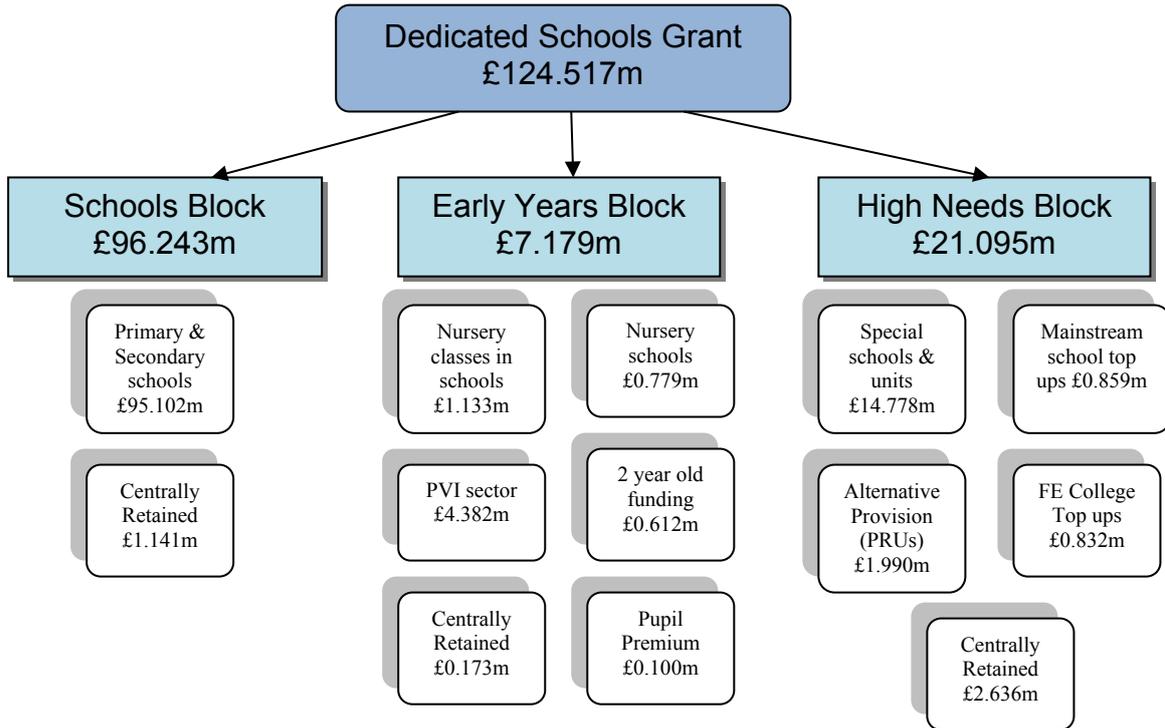
Early Years Block

- Based on the January school and early years census
- Calculated 5/12 of the previous January nursery pupils plus 7/12 of the following January nursery pupils x funding rate.
- Different funding rates used for 3 & 4 year olds and 2 year olds.
- For the 2016/17 grant we do not know what the allocation for the year will be until March 2017 at the earliest, so estimates have to be made. There is always a shortfall between funding received and actual payments made to providers.
- In 2016/17 the grant estimate is:
1,515 pupils x £3,911 = £5.925m for 3&4 year olds
120 pupils x £5,092 = £0.611m for 2 year olds
In addition, early year's pupil premium is estimated at £0.021m, and the adjustment in relation to the 2015/16 grant is a deduction of £0.091m.
- The funding rate for 3&4 year olds is historical, is different for every Council, and has not seen any increases. In 2016/17 the rate ranges from £3,080 in Solihull to £8,713 in Camden. The Government is currently consulting on a change to this formula. The rate for 2 year olds is standardised across all Councils and there is no proposal to change this formula. In 2016/17 the rate ranges from £4,607 to £5,766.
- The indicative rates given in the consultation for West Berkshire in 2017/18 are £4,465 for 3&4 year olds, and £5,453 for 2 year olds.

High Needs Block

- This is a fixed sum. In 2013/14 this sum was derived by how much each individual Council had spent on high needs in the previous year
- There has been a limited increase to this sum since then, and so increases in the number of pupils requiring support, increases in the level of support and general increases in cost have not been funded.
- For 2016/17 this sum is £20.079m compared to £19.101m in 2015/16, although new additional funding responsibilities came with and had to be met from the bulk of the increase.
- As there was a funding shortfall in this block in 2016/17, £848k was transferred from the Schools block and £10k from the early years block in order to maintain the statutory provision for high needs pupils.
- The Government is currently consulting on a new methodology to allocate high needs funding to local authorities. We do not know at this stage whether this will provide additional funding for West Berkshire, or when this will be implemented from.

Where the DSG is allocated in 2016/17



Notes:

1. The figures above include expected carry forward of grant totalling £1.254m. The actual in-year grant allocation is £123.263m.
2. The main centrally retained services are:
 Schools Block – licences for all schools, growth fund for schools, school admissions service
 Early Years Block – quality monitoring & compliance, eligibility checking, sufficiency & sustainability planning
 High Needs Block – ASD advisory support, Home Tuition, Engaging Potential service, therapy services, sensory impairment support, inclusion support, applied behaviour support, vulnerable children support, early intervention
3. The figures include funding to Academies and post 16 high needs place funding which form part of our allocation but not our budget as they are paid direct by the EFA – this totals £33,687k

Allowable Funding Factors

Factor	Further information
<p>1. Basic entitlement A compulsory factor that assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census.</p>	<p>Funding allocated according to an age-weighted pupil unit (AWPU). A single rate for primary age pupils, which must be at least £2,000. There may be different rates for key stage 3 and key stage 4, with a minimum of £3,000 for each. Local authorities may choose to increase the pupil number count where schools had previously had higher reception pupil numbers in January 2016 than in the October 2015 census.</p>
<p>2. Deprivation A compulsory factor</p>	<p>Local authorities may choose to use free school meals and/or the Income Deprivation Affecting Children Index (IDACI). Free meals can be measured either at the previous October census or “ever 6”, which reflects pupils entitled to free meals at any time in the last 6 years, but not both. The IDACI measure uses 6 bands and different values can be attached to each band. Different unit values can be used for primary and secondary.</p> <p>Following the 2015 IDACI dataset update, we have redesigned the IDACI bands to return them to a similar size to previous years. The draft 2017 to 2018 APT will include data showing pupils matched to the new IDACI bands.</p>
<p>3. Prior attainment An optional factor (although it is used by almost all local authorities). It acts as a proxy indicator for low level, high incidence special educational needs</p>	<p>May be applied for primary pupils identified as not achieving the expected level of development within the early years foundation stage profile (EYFSP) and for secondary pupils not reaching the expected standard at KS2 in either English or maths. The EYFSP changed in 2013, so a weighting may be used to ensure that funding delivered through the primary prior attainment factor is not disproportionately affected by the year groups (years 1 to 4) assessed under the new framework. For pupils assessed using the old profile (years 5 and 6), local authorities will continue to be able to choose between two EYFSP scores, targeting funding to either all pupils who achieved fewer than 78 points; or all pupils who achieved fewer than 73 points on the EYFSP.</p> <p>For pupils assessed at KS2 up to 2011, eligible pupils are those who did not reach level 4 in either the English or Maths elements.</p> <p>For pupils assessed from 2011, eligible</p>

	<p>pupils are those who did not reach level 4 in any of the reading test, teacher assessed writing, or Maths. This reflects the new KS2 English assessment methodology which was introduced in 2012, to include separately a reading test and teacher assessed writing. The 2016 KS2 assessments are the first which assess the new, more challenging national curriculum. At a national level, a higher number of the year 7 cohort in financial year 2017 to 2018 will be identified as having low prior attainment. We intend to use a national weighting to ensure that this cohort does not have disproportionate influence within the overall total.</p> <p>The weighting will be confirmed in advance of finalising 2017 to 2018 allocations and included in the APT in December, having taken into account the latest data about year 7 pupils in the October census. Local authorities will not be able to change the weighting, but would be able to adjust their secondary low prior attainment unit value as usual. This will enable local authorities in most cases to maintain their low prior attainment factor at previous levels without significant turbulence.</p> <p>Low prior attainment funding will be allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It does not only apply to those pupils in their first year of schooling.</p> <p>As with current funding arrangements, pupils who have not undertaken the assessment are given the average LPA score of their year group, so are taken into account when calculating a school's LPA average.</p>
<p>4. Looked-after children An optional factor</p>	<p>A single unit value may be applied for any child who has been looked after for one day or more as recorded on the local authority SSSDA903 return at 31 March 2016. This data is mapped to schools using the January school census, enabling identification of the number of looked-after children in each school or academy.</p>
<p>5. English as an additional language (EAL) An optional factor</p>	<p>EAL pupils may attract funding for up to 3 years after they enter the statutory school system. Local authorities can choose to use indicators based on one, two or three years and there can be separate unit values for primary and secondary.</p>

<p>6. Pupil mobility An optional factor</p>	<p>This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils). There is a 10% threshold and funding is allocated based on the proportion above the threshold – so if a school has 12% mobility, then 2% of pupils would attract funding.</p>
<p>Proportion allocated through pupil-led factors</p>	<p>Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors (the factors in lines 1-6 above, and London fringe uplift where relevant).</p>
<p>7. Sparsity An optional factor</p>	<p>Schools that are eligible for sparsity funding must meet two criteria: first, they are located in areas where pupils would have to travel a significant distance to an alternative should the school close, and second, they are small schools.</p> <p>For the pupils for whom the school is their closest compatible school, the factor measures the distance (as the crow flies) from their home to their second nearest compatible school and the mean distance for all pupils is then calculated. Since the pupil population changes each year, it is possible for a school to be eligible for sparsity funding in one year but not in the next.</p> <p>In addition, the number of pupils in a school is divided by the number of year groups to determine the size of the average year group.</p> <p>Two qualification criteria for attracting sparsity funding must be met if schools are to attract sparsity funding:</p> <p>Primary schools qualify if the sparsity distance is greater than 2 miles and the average year group is less than 21.4.</p> <p>Secondary schools qualify if the sparsity distance is greater than 3 miles and the average year group is less than 120.</p> <p>Middle schools qualify if the sparsity distance is greater than 2 miles and the average year group is less than 69.2.</p> <p>All-through schools qualify if the sparsity distance is greater than 2 miles and the average year group is less than 62.5.</p> <p>Local authorities can reduce the pupil numbers and increase the distance criteria. The maximum amount which can be allocated to an individual school through this factor is £100,000 (including fringe uplift) and the value can be different for each phase of school.</p> <p>Local authorities can choose whether to use</p>

	<p>a single amount for all sparse schools, or to use a tapered amount which increases the smaller the school.</p> <p>Local authorities can apply for an exceptional factor to target up to an additional £50,000 of sparsity funding at very small secondary schools where the total number on roll is 350 or less, where the sparsity distance is 5 miles or more, and where pupils in years 10 and 11 are present.</p>
<p>8. Lump sum An optional factor (although it has been used by all local authorities)</p>	<p>Local authorities can set different lump sums for primary and secondary (middle schools receive a weighted average based on the number of year groups in each phase). The maximum lump sum is £175,000, including London fringe uplift. Where schools have amalgamated during the financial year 2016 to 2017, or on 1 April 2017, they will retain the equivalent of 85% of two lump sums for the financial year 2017 to 2018 ie assuming a lump sum of £100,000, the additional payment would be £70,000 $((100,000 \times 2) \times 85\% - 100,000)$. Local authorities can apply to the EFA to reduce this in exceptional circumstances. Where schools amalgamate after 1 April 2017, the new school will receive funding equivalent to the formula funding of the closing schools added together for the appropriate proportion of the year. This means that they receive the combined lump sum for the remainder of the year and 85% in the following year, as outlined above. Local authorities may apply to provide a second year of protection. Applications must specify the level of protection sought, although in general we would not expect the additional protection to exceed 70% of the combined lump sums. Applications will be considered on a case by case basis.</p>
<p>9. Split sites An optional factor</p>	<p>The purpose of this factor is to support schools which have unavoidable extra costs because the school buildings are on separate sites. Allocations must be based on objective criteria, both for the definition of a split site and for how much is paid.</p>
<p>10. Rates An optional factor although it is used by all local authorities</p>	<p>These must be funded at the authority's estimate of the actual cost. Adjustments to rates may be made during the financial year but outside of the funding formula. For example, an additional allocation could be made to a school (e.g. from balances brought forward). This should be reflected in the Section 251 outturn statement and in each school's accounts. The effect on the</p>

	<p>school would be zero since any rates adjustment will be offset by a change in the cost of the rates.</p>
<p>11. Private Finance Initiative (PFI) contracts An optional factor</p>	<p>The purpose of this factor is to support schools which have unavoidable extra premises costs because they are a PFI school and/or to cover situations where the PFI “affordability gap” is delegated and paid back to the local authority.</p>
<p>12. London fringe An optional factor, but only for the five local authorities to which it applies (Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex)</p>	<p>The purpose of this factor is to support schools which have to pay higher teacher salaries because they are in the London fringe area, and where only part of the authority is in this area. It is applied as a multiplier of 1.0156 to the relevant factors.</p>
<p>13. Exceptional premises factors Local authorities can apply to EFA to use exceptional factors relating to premises. The most frequently approved factors are for rents and for joint-use sports facilities.</p>	<p>The exceptional factors must relate to premises costs and applications should only be submitted where the value of the factor is more than 1% of a school’s budget and applies to fewer than 5% of the schools in the authority’s area. Any factors which were used in 2016 to 2017 can automatically be used for pre-existing and newly-qualifying schools in 2017 to 2018, provided that the qualification criteria are still met.</p>

Appendix C

2017/18 School Formula Allocations - August 2016 EXEMPLIFICATION Compared to 2016/17 Actual Allocations (using same pupil numbers)

Cost Centre	SCHOOL	2016/17 ACTUAL ALLOCATION (prior to MFG)			2017/18 EXEMPLIFICATION (prior to MFG)			Change	MFG			Overall Change	
		Formula Budget	Pupil No's (Oct 2015)	Per Pupil Funding	Formula Budget	Pupil No's (Oct 2015)	Per Pupil Funding		Prior to MFG	2016/17	2017/18	Change	(inc. MFG)
95200	Sheffield Church of England Primary School	208,430	25	8,337.20	208,506	25	8,340.26	76	14,845	13,375	-1,471	-1,394	0
95600	Chaddlesworth St. Andrew's Church of England Primary School	218,263	27	8,083.81	218,316	27	8,085.77	53	3,930	2,457	-1,472	-1,419	0
91700	Brimpton Church of England Primary School	258,937	43	6,021.79	258,989	43	6,023.00	52	15,503	13,246	-2,257	-2,205	0
91300	Beedon Church of England Controlled Primary School	282,299	49	5,761.21	282,341	49	5,762.07	42	10,228	7,693	-2,535	-2,493	0
92800	Erborne Church of England Primary School	313,650	60	5,227.49	313,661	60	5,227.68	11	142	0	-142	-131	0
92700	The Ittlesy's Primary School	325,666	66	4,934.34	325,730	66	4,935.30	64	2,548	0	-2,548	-2,485	0
93800	Inkpen Primary School	349,091	72	4,848.48	349,143	72	4,849.20	52	2,677	0	-2,677	-2,625	0
97400	Yatendon Church of England Primary School	346,124	73	4,741.42	346,150	73	4,741.78	26	17,292	13,681	-3,611	-3,584	0
97300	Woolhampton Church of England Primary School	396,865	90	4,409.61	396,888	90	4,409.87	24	12,564	8,262	-4,303	-4,279	0
93500	Hampstead Norreys Church of England Primary School	411,029	91	4,516.80	411,237	91	4,519.09	209	0	0	0	209	0
96400	Streatley Church of England Voluntary Controlled Primary School	408,130	91	4,484.95	408,254	91	4,486.30	123	1,999	0	-1,999	-1,876	0
95100	Shaw-cum-Donnington Church of England Primary School	418,423	92	4,548.07	418,533	92	4,549.27	110	50,981	45,819	-5,163	-5,052	0
96700	Welford and Wickham Church of England Primary School	417,516	95	4,394.91	417,621	95	4,396.01	105	9,858	5,347	-4,511	-4,405	0
94900	Purley Church of England Infants School	440,724	100	4,407.24	440,751	100	4,407.51	26	782	0	-782	-755	0
96500	Sulhamstead and Ufton Nervet Church of England Voluntary Controlled Primary School	438,005	102	4,294.17	438,029	102	4,294.41	24	0	0	0	24	0
91400	Beenham Primary School	453,815	102	4,449.17	454,031	102	4,451.29	216	7,932	2,989	-4,943	-4,727	0
91600	Brightwalton Church of England Aided Primary School	436,766	103	4,240.44	436,799	103	4,240.77	33	1,099	0	-1,099	-1,066	0
96300	Stockcross Church of England Primary School	431,714	103	4,191.40	431,729	103	4,191.54	15	2,953	0	-2,953	-2,939	0
92300	Curridge Primary School	441,745	104	4,247.55	441,862	104	4,248.68	118	0	0	0	118	0
92900	Englefield Church of England Primary School	441,553	105	4,205.27	441,583	105	4,205.56	30	0	0	0	30	0
91800	Bucklebury Church of England Primary School	502,564	121	4,153.42	502,745	121	4,154.92	181	5,509	0	-5,509	-5,328	0
91500	Bradfield Church of England Primary School	542,615	132	4,110.72	542,646	132	4,110.96	32	5,401	0	-5,401	-5,369	0
94200	Kintbury St. Mary's Church of England Primary School	559,727	137	4,085.60	559,986	137	4,087.49	259	26,887	20,103	-6,784	-6,525	0
91100	Basildon Church of England Primary School	573,154	144	3,980.23	573,360	144	3,981.67	206	0	0	0	206	0
94500	Mrs. Bland's Infant & Nursery School	679,912	167	4,071.33	680,124	167	4,072.60	211	0	0	0	211	0
95800	Mortimer St. Johns Church of England Infant School	652,234	168	3,882.35	652,415	168	3,883.42	181	7,075	0	-7,075	-6,893	0
96800	Westwood Farm Infant School	674,202	173	3,897.12	674,390	173	3,898.21	189	6,607	0	-6,607	-6,419	0
91000	Aldermaston Church of England Primary School	693,436	177	3,917.72	693,871	177	3,920.18	435	2,193	0	-2,193	-1,758	0
97700	St. John the Evangelist Infant & Nursery School	684,975	179	3,826.68	685,029	179	3,826.98	54	4,821	0	-4,821	-4,767	0
93100	Fir Tree Primary School & Nursery	743,932	179	4,156.05	743,985	179	4,156.34	53	23,286	13,638	-9,648	-9,595	0
92200	Compton Church of England Primary School	691,933	181	3,822.84	692,093	181	3,823.72	159	2,000	0	-2,000	-1,841	0
94300	Lambourn Church of England Primary School	741,598	185	4,008.64	741,894	185	4,010.24	297	833	0	-833	-536	0
93600	Hermitage Primary School	716,491	188	3,811.12	716,868	188	3,813.13	377	453	0	-453	-76	0
95900	Cold Ash St. Mark's Church of England Primary School	715,327	193	3,706.36	715,579	193	3,707.66	251	0	0	0	251	0
94100	Kennet Valley Primary School	773,932	193	4,010.01	774,186	193	4,011.33	254	0	0	0	254	0
91900	Burghfield St. Mary's Church of England Primary School	741,934	198	3,747.14	742,201	198	3,748.49	267	0	0	0	267	0
95700	St. Finian's Catholic Primary School	735,372	198	3,714.00	735,408	198	3,714.18	37	0	0	0	37	0
94600	Pangbourne Primary School	759,352	199	3,815.84	759,739	199	3,817.79	387	0	0	0	387	0
97800	St. Joseph's Catholic Primary School	780,464	205	3,807.14	780,428	205	3,806.96	-37	0	0	0	-37	0
92400	Chieveley Primary School	775,229	210	3,691.57	775,710	210	3,693.86	480	0	0	0	480	0
93400	Garland Junior School	810,351	211	3,840.53	810,613	211	3,841.77	261	0	0	0	261	0
92500	Downsday Primary School	789,367	212	3,723.43	789,631	212	3,724.67	264	0	0	0	264	0
96900	Westwood Farm Junior School	823,092	222	3,707.62	823,348	222	3,708.78	256	0	0	0	256	0
97500	Mortimer St. Mary's Church of England Junior School	816,767	224	3,646.28	816,818	224	3,646.51	52	0	0	0	52	0
94400	Long Lane Primary School	832,334	228	3,650.59	832,616	228	3,651.82	282	0	0	0	282	0
95000	Robert Sandilands Primary School & Nursery	883,124	230	3,839.67	883,465	230	3,841.15	340	0	0	0	340	0
92000	Calcot Infant School & Nursery	941,884	241	3,908.23	942,214	241	3,909.60	330	0	0	0	330	0
94700	Parsons Down Infant School	891,271	241	3,698.22	891,525	241	3,699.27	254	12,829	1,279	-11,550	-11,296	0
94000	John Rankin Junior School	909,660	250	3,638.64	909,890	250	3,639.56	230	0	0	0	230	0
96200	St. Nicolas Church of England Junior School	910,220	251	3,628.38	910,343	251	3,628.86	123	3,286	0	-3,286	-3,164	0
96600	Theale Church of England Primary School	941,568	257	3,663.69	941,829	257	3,664.71	261	0	0	0	261	0
93900	John Rankin Infant & Nursery School	975,493	268	3,639.90	975,674	268	3,640.57	180	0	0	0	180	0
92100	Calcot Junior School	1,047,237	271	3,864.34	1,047,566	271	3,865.56	329	0	0	0	329	0
95300	Speenhamland Primary School	1,035,096	272	3,805.50	1,035,385	272	3,806.56	289	1,470	0	-1,470	-1,181	0
97000	Whitelands Park Primary School	1,101,023	298	3,694.71	1,101,148	298	3,695.13	125	0	0	0	125	0
95400	Springfield Primary School	1,079,063	303	3,561.26	1,079,370	303	3,562.28	307	0	0	0	307	0
94800	Parsons Down Junior School	1,111,754	305	3,645.10	1,112,192	305	3,646.53	437	0	0	0	437	0
96100	St. Pauls Catholic Primary School	1,158,803	327	3,543.74	1,158,832	327	3,543.83	29	0	0	0	29	0
99400	The Winchcombe School	1,237,393	332	3,727.09	1,237,961	332	3,728.80	568	140,409	121,989	-18,420	-17,852	0
98700	The Willows Primary School	1,306,020	334	3,910.24	1,306,377	334	3,911.31	357	18,088	315	-17,773	-17,416	0
99700	Thatcham Park Church of England Primary School	1,433,654	403	3,557.45	1,433,925	403	3,558.13	272	0	0	0	272	0
93700	Hungerford Primary School	1,445,669	409	3,534.64	1,446,293	409	3,536.17	624	3,535	0	-3,535	-2,912	0
95500	Spurcroft Primary School	1,470,782	416	3,535.53	1,471,456	416	3,537.15	674	0	0	0	674	0
91200	Birch Copse Primary School	1,432,000	419	3,417.66	1,432,384	419	3,418.58	385	0	0	0	385	0
93000	Falkland Primary School	1,518,017	456	3,328.98	1,518,296	456	3,329.60	279	0	0	0	279	0
93200	Francis Baily Primary School	1,830,634	538	3,402.66	1,831,173	538	3,403.67	539	53,373	27,270	-26,103	-25,563	0
99000	John O'Gaut Community Technology College	1,989,871	348	5,718.02	1,991,370	348	5,722.33	1,499	13,487	0	-13,487	-11,988	0
99500	Theale Green Community School	3,330,774	666	5,001.16	3,331,288	666	5,001.93	514	0	0	0	514	0
99900	Trinity School & Performing Arts College	3,965,854	770	5,150.46	3,965,578	768	5,151.79	-9,277	8,177	0	-8,177	-17,453	-2
99300	Park House School	3,824,161	771	4,960.00	3,824,581	771	4,960.55	420	0	0	0	420	0
99600	The Willink School	4,165,978	858	4,855.45	4,167,482	858	4,857.21	1,505	0	0	0	1,505	0
98900	Denefield School	4,401,708	884	4,979.31	4,402,330	884	4,980.01	622	28,754	0	-28,754	-28,132	0
98800	The Downs School	4,257,919	898	4,741.56	4,258,386	898	4,742.08	467	0	0	0	467	0
99800	St. Bartholomew's School	5,915,952	1,248	4,740.35	5,916,552	1,248	4,740.83	600	0	0	0	600	0
99200	Little Heath School	6,122,320	1,276	4,798.06	6,122,604	1,276	4,798.28	284	0	0	0	284	0
99100	Kennet School	6,694,531	1,373	4,875.84	6,695,443	1,373	4,876.51	912	0	0	0	912	0
PRIMARY TOTAL		49,909,405	13,038	3,828	49,923,136	13,038	3,829	13,731	473,389	297,462	-175,927	-162,196	0
SECONDARY TOTAL		44,669,069	9,092	4,913	44,666,614	9,090	4,914	-2,455	50,418	0	-50,418	-52,873	-2
TOTAL ALL SCHOOLS		94,578,474	22,130		94,589,749	22,128		11,276	523,807	297,462	-226,345	-215,069	-2