

Schools Funding Formula 2018/19

Report being considered by: Schools Forum

On: 22/01/2018

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Item for: Discussion **By:** All School representatives

1. Purpose of the Report

- 1.1 To set out the final primary and secondary school funding formula for 2018/19.

2. Recommendation(s)

- 2.1 To note the final formula rates and allocations to schools, to be approved by the Council's Executive on 18th January. These have been made according to the principles agreed by Schools' Forum in December and in relation to the total funding available from the Schools Block DSG allocation.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?

Yes: ☐

No: ☒

3. Introduction

- 3.1 The funding arrangements for 2018/19 include the introduction of the National Funding Formula (NFF). For the next two years the NFF will operate as a "soft" system. This means that the NFF is used as a new methodology of allocating funding to each local authority in a more fair and equitable way. Local authorities will then allocate this out to schools according to a local formula complying with the school finance regulations. The two are not the same, and not all local authorities will be able to exactly replicate the NFF in the allocations it makes to schools.
- 3.2 The Schools' Forum agreed that West Berkshire should follow the NFF as close as possible. A consultation took place with all schools from 31st October to 20th November 2017, and no school objected to this principle. The following recommendations were made by Schools' Forum on 11th December 2017:
- (1) Use the National Funding Formula (NFF) rates for every formula factor, applying a funding cap on gains of 3% per pupil.
 - (2) Apply a minimum funding guarantee of 0% but up to the maximum allowable of 0.5% according to the amount affordable based on the final funding allocation.
 - (3) If required after the above has been applied, scale every formula factor upwards or downwards in order to match the final funding allocation available for distribution to schools.
 - (4) Use the School Finance Regulations calculation of the sparsity factor, rather than the NFF calculation.

3.3 West Berkshire is able to replicate the NFF because:

- (1) The previous West Berkshire funding rates are not significantly different.
- (2) There has not been a significant difference between 2016 pupil characteristics used in the DSG funding allocation and the 2017 actual pupil characteristics that need to be funded in schools.
- (3) There is only a small deficit in the schools block to be repaid from the 2018/19 allocation (this relates to the difference between budgeted and actual business rate allocations in the formula).
- (4) The estimated requirements for growth funding in 2018/19 are not greater than the historical funding allocated within the DSG.
- (5) There is **no** funding to be transferred from the schools block DSG to other funding blocks, including meeting pressures in the high needs block.

Many local authorities are having to use a half way position due to: a significant difference between their current and NFF rates; needing to use school block funding towards high needs block demands and deficits; and significant growth (new schools) requirements.

4. Final School Formula

- 4.1 The final schools block DSG funding allocation for 2018/19 is £98.011m. After deducting £0.205m for the growth fund, and £0.106m for the deficit to be carried forward from 2017/18 (in year rating revaluations) this leaves £97.700m to be allocated to schools.
- 4.2 Two disapplication requests were made to ESFA: to amend the next nearest school distance for Brightwalton School in the calculation of sparsity funding, and to use the NFF calculation of the sparsity factor. Although the DfE agreed, Schools' Forum in December decided not to agree to Brightwalton School's request, and to use the School Finance Regulations for the calculation of the sparsity factor. However, Brightwalton now meets the sparsity criteria based on its own pupil/distance data.
- 4.3 The final data from the October 2017 school census was received from ESFA on 15th December. However, on 12th January 2018, ESFA supplied local authorities with a revised dataset after discovering an error in the free school meal data. By applying the NFF rates (including the area cost adjustment (ACA) for West Berkshire of 0.0341), and using a 3% per pupil cap on gains and 0% minimum funding guarantee, this costs £97.640m (lower than the figure based on the original data).
- 4.4 A minimum funding guarantee of 0.2% has therefore been applied (compared to 0.1% based on the original data), taking the total cost to £97.708m, just over the grant allocation.
- 4.5 Table 1 contains the funding rates applied (compared to 2017/18) and the total cost of each factor.

Table 1

Factor	WBC 2017/18 Rate	WBC National Rate (with ACA added)	Total Cost
1.Basic Entitlement:			
Primary	£2,945	£2,841	£37,822,233
Secondary KS3	£4,372	£3,995	£22,426,310
Secondary KS4	£4,372	£4,536	£15,954,130
2.Deprivation:			
Primary current FSM	£0	£455	£3,651,333
Primary FSM Ever 6	£875	£558	
Primary IDACI Band F (0.2 – 0.25)	£40	£207	
Primary IDACI Band E (0.25 – 0.3)	£120	£248	
Primary IDACI Band D (0.3 – 0.4)	£240	£372	
Primary IDACI Band C (0.4 – 0.5)	£240	£403	
Primary IDACI Band B (0.5 – 0.6)	£240	£434	
Primary IDACI Band A (over 0.6)	£240	£595	
Secondary current FSM	£0	£455	
Secondary FSM Ever 6	£670	£812	
Secondary IDACI Band F	£60	£300	
Secondary IDACI Band E	£180	£403	
Secondary IDACI Band D	£360	£533	
Secondary IDACI Band C	£360	£579	
Secondary IDACI Band B	£360	£620	
Secondary IDACI Band A	£360	£838	
3.Prior Attainment:			
Primary	£284	£1,086	£6,714,418
Secondary	£1,125	£1,603	
4.English as an Additional Language:			
Primary EAL 3	£345	£532	£565,176
Secondary EAL 3	£345	£1,432	
5.Sparsity			
Primary	£0	£25,852	£94,027
Secondary	£100,000	£67,216	
6.Lump Sum:			
Primary	£122,800	£113,747	£8,644,772
Secondary	£122,800	£113,747	
7.Rates:			
Primary (total)	£828,890	£828,890	£1,026,962
Secondary (total)	£444,410	£444,410	£437,218
8. Transition Funding			
Cap on Gains (total)	£0		-£227,698
Minimum Funding Guarantee (total)	£409,550		£599,460
TOTAL			£97,708,341

- 4.6 The main reason why a 0.5% minimum funding guarantee cannot be afforded is due to the increase in business rates; the NFF was based on the 2017/18 estimate which is £191k less than the 2018/19 estimate and which also did not include rating revaluations in 2017/18 of £106k.
- 4.7 Appendix A contains the funding allocations per school, also comparing to 2017/18 allocations (schools with resource units are highlighted because pupil's in the units and their formula funding has been added in 2018/19, so it is not a like for like comparison). Where there is a negative impact in total funding, this is because pupil numbers have decreased (funding is protected on a per pupil level only, there is no funding floor). Where funding per pupil has decreased, this is because pupil numbers in the school have increased and the fixed sum is spread over more pupils.
- 4.8 Overall, there is £1.7m of extra funding going into West Berkshire schools (total of £2.2m less £0.5m transferred from High Needs funding to the baseline for resource unit pupils). Overall per pupil funding rates have increased by £72 in primary and £21 in secondary.
- 4.9 This is subject to final approval by the Council's Executive on 18th January 2018.

5. Conclusion

- 5.1 Moving straight onto the NFF rates gives West Berkshire schools certainty and stability on their funding allocations for the next couple of years.
- 5.2 There continues however to be significant concern about the shortfall in funding, and the ability of schools to balance their budget without having an impact on pupils. The table in Appendix A illustrates that for most schools gaining funding, the gain is not significant. Many schools will still have difficulty in balancing their individual budgets given current cost pressures, particularly the twenty schools where pupil numbers have decreased and overall funding has gone down.

6. Appendices

Appendix A – 2018/19 School Formula Allocations – Final (January 2018)

Appendix A

2018/19 School Formula Allocations - Final (January 2018)

National Formula Funding Rates and 0.2% MFG

		2017/18 ACTUAL ALLOCATION (including MFG)			2018/19 ALLOCATION (prior to MFG)			Change Prior to Transition Adjustments			MFG/CAP on GAINS			Total Funding	Overall Change			
Cost Centre	SCHOOL	Formula	Pupil	Per Pupil	Formula	Pupil	Per Pupil	Formula	Pupil	Per Pupil	MFG	CAP	TOTAL	2018/19	Including Transition Funding	%	Per Pupil Funding	%
		Budget	No's (Oct 2016)	Funding	Budget	No's (Oct 2017)	Funding	Budget	Numbers	funding	0.10%	3%						
91000	Aldermaston Church of England Primary School	729,665	185	3,944.14	652,140	158	4,127.47	-77,526	-27	183.33	0	0	0	652,140	-77,526	-10.6%	183.33	4.6%
91100	Basildon Church of England Primary School	574,121	143	4,014.83	590,501	142	4,158.46	16,380	-1	143.63	0	-3,006	-3,006	587,496	13,375	2.3%	122.46	3.1%
91300	Beeton Church of England Controlled Primary School	283,256	46	6,157.75	277,099	49	5,655.09	-6,157	3	-502.66	17,851	0	17,851	294,950	11,694	4.1%	-138.36	-2.2%
91400	Beetham Primary School	395,997	82	4,829.23	365,095	73	5,001.30	-30,902	-9	172.07	2,843	0	2,843	367,938	-28,059	-7.1%	211.02	4.4%
91200	Birch Copse Primary School	1,449,809	424	3,419.36	1,459,568	422	3,458.69	9,759	-2	39.33	0	0	0	1,459,568	9,759	0.7%	39.33	1.2%
91500	Bradfield Church of England Primary School	573,436	142	4,038.28	587,169	145	4,049.44	13,733	3	11.16	0	0	0	587,169	13,733	2.4%	11.16	0.3%
91600	Brightwalton Church of England Aided Primary School	429,227	100	4,292.27	423,895	94	4,509.53	-5,332	-6	217.25	0	-4,106	-4,106	419,789	-9,438	-2.2%	173.57	4.0%
91700	Brimpton Church of England Primary School	300,320	50	6,006.39	298,081	56	5,322.87	-2,239	6	-683.52	25,201	0	25,201	323,282	22,962	7.6%	-233.51	-3.9%
91800	Bucklebury Church of England Primary School	530,934	129	4,115.77	508,452	120	4,237.10	-22,482	-9	121.33	0	0	0	508,452	-22,482	-4.2%	121.33	2.9%
91900	Burghfield St. Mary's Church of England Primary School	775,875	206	3,766.38	785,636	211	3,723.39	9,761	5	-42.99	7,844	0	7,844	793,480	17,605	2.3%	-5.81	-0.2%
92000	Calot Infant School & Nursery	914,479	230	3,976.00	856,468	219	3,910.81	-58,011	-11	-65.18	26,202	0	26,202	882,670	-31,809	-3.5%	54.46	1.4%
92100	Calot Junior School	1,098,192	279	3,936.17	1,190,389	288	4,133.30	92,197	9	197.12	0	-26,329	-26,329	1,164,060	65,868	6.0%	105.70	2.7%
95600	Chaddlesworth St. Andrew's Church of England Primary School	227,955	29	7,860.53	210,101	25	8,404.05	-17,854	-4	543.52	2,881	0	2,881	212,982	-14,973	-6.6%	658.77	8.4%
92400	Chieveley Primary School	782,595	209	3,744.48	774,359	206	3,759.02	-8,237	-3	14.55	2,087	0	2,087	776,446	-6,150	-0.8%	24.68	0.7%
95900	Cold Ash St. Mark's Church of England Primary School	732,690	197	3,719.24	712,658	190	3,750.83	-20,033	-7	31.59	2,151	0	2,151	714,809	-17,881	-2.4%	49.21	1.2%
92200	Compton Church of England Primary School	709,864	185	3,837.10	717,212	185	3,876.82	7,347	0	39.71	0	0	0	717,212	7,347	1.0%	39.71	1.0%
92300	Cumgrave Primary School	442,540	103	4,296.51	431,197	101	4,269.28	-11,343	-2	-27.23	6,738	0	6,738	437,935	-4,605	-1.0%	39.48	0.9%
92500	Downsway Primary School	787,208	209	3,766.54	830,132	215	3,861.08	42,925	6	94.54	0	0	0	830,132	42,925	5.5%	94.54	2.5%
92800	Enborne Church of England Primary School	331,691	65	5,102.94	318,086	61	5,214.53	-13,605	-4	111.59	812	0	812	318,898	-12,793	-3.9%	124.89	2.4%
92900	Englefield Church of England Primary School	425,512	98	4,341.96	432,332	102	4,238.55	6,820	4	-103.41	6,989	0	6,989	439,321	13,809	3.2%	-34.89	-0.8%
93000	Falkland Primary School	1,508,264	450	3,351.70	1,566,117	453	3,457.21	57,854	3	105.52	0	-2,330	-2,330	1,563,787	55,524	3.7%	100.37	3.0%
93100	Fir Tree Primary School & Nursery	804,033	191	4,209.60	818,766	197	4,156.17	14,732	6	-53.43	9,198	0	9,198	827,964	23,931	3.0%	-6.74	-0.2%
93200	Francis Baily Primary School	1,876,252	541	3,468.12	1,934,596	550	3,517.45	58,344	9	49.33	0	0	0	1,934,596	58,344	3.1%	49.33	1.4%
93400	Garland Junior School	837,818	217	3,860.91	869,087	216	4,023.55	31,268	-1	162.63	0	-9,380	-9,380	859,707	21,889	2.6%	119.21	3.1%
93500	Hampstead Nomesy Church of England Primary School	404,801	88	4,600.01	393,561	85	4,630.14	-11,239	-3	30.13	3,431	0	3,431	396,992	-7,808	-1.9%	70.49	1.5%
93600	Hermitage Primary School	748,123	193	3,876.29	761,675	195	3,906.03	13,552	2	29.74	0	0	0	761,675	13,552	1.8%	29.74	0.8%
93700	Hungerford Primary School	1,410,500	392	3,598.22	1,429,571	384	3,722.84	19,070	-8	124.63	0	-2,491	-2,491	1,427,080	16,580	1.2%	118.14	3.3%
92700	The Isleys' Primary School	302,308	57	5,303.66	343,307	69	4,975.46	40,998	12	-328.20	0	0	0	343,307	40,998	13.6%	-328.20	-6.2%
93800	Inkpen Primary School	363,081	76	4,777.38	369,447	79	4,676.55	6,366	3	-100.83	4,443	0	4,443	373,890	10,809	3.0%	-44.59	-0.9%
93900	John Rankin Infant & Nursery School	959,362	260	3,689.66	968,875	258	3,755.33	9,512	-2	65.47	0	0	0	968,875	9,512	1.0%	65.47	1.8%
94000	John Rankin Junior School	1,025,077	280	3,660.99	1,171,817	313	3,743.82	146,740	33	82.83	0	-7,893	-7,893	1,163,923	138,846	13.5%	57.62	1.6%
94100	Kennet Valley Primary School	779,143	194	4,016.20	843,716	202	4,176.81	64,573	8	160.61	0	-13,444	-13,444	830,272	51,129	6.6%	94.06	2.3%
94200	Kimbury St. Mary's Church of England Primary School	590,929	140	4,220.92	650,344	162	4,014.47	59,416	22	-206.45	17,880	0	17,880	668,224	77,296	13.1%	-96.08	-2.3%
94300	Lambourn Church of England Primary School	793,951	196	4,050.77	804,965	184	4,374.81	11,014	-12	324.04	0	-28,249	-28,249	776,715	-17,235	-2.2%	170.51	4.2%
94400	Long Lane Primary School	778,698	208	3,743.74	802,855	209	3,841.41	24,156	1	97.67	0	0	0	802,855	24,156	3.1%	97.67	2.6%
95800	Mortimer St. John's Church of England Infant School	692,545	181	3,826.22	689,372	174	3,961.91	-3,173	-7	135.69	0	0	0	689,372	-3,173	-0.5%	135.69	3.5%
95900	Mortimer St. Mary's Church of England Junior School	802,498	216	3,715.27	809,931	216	3,749.68	7,433	0	34.41	0	0	0	809,931	7,433	0.9%	34.41	0.9%
94500	Mrs. Bland's Infant & Nursery School	683,198	169	4,042.59	713,942	171	4,175.10	30,744	2	132.50	0	0	0	713,942	30,744	4.5%	132.50	3.3%
94600	Pangbourne Primary School	785,442	205	3,831.43	788,743	198	3,983.55	3,301	-7	152.12	0	-1,180	-1,180	787,563	2,121	0.3%	146.16	3.8%
94700	Parsons Down Infant School	818,920	217	3,773.83	776,478	198	3,921.80	-42,443	-19	147.78	0	0	0	776,478	-42,443	-5.2%	147.78	3.9%
94800	Parsons Down Junior School	1,128,047	308	3,662.49	1,116,849	293	3,811.77	-11,198	-15	149.28	0	-3,868	-3,868	1,112,981	-15,067	-1.3%	136.08	3.7%
94900	Purley Church of England Primary School	486,276	112	4,341.75	502,145	113	4,443.76	15,869	1	102.01	0	-1,273	-1,273	500,872	14,596	3.0%	90.74	2.1%
95000	Robert Sandilands Primary School & Nursery	957,081	246	3,890.57	974,537	240	4,060.57	17,457	-6	170.00	0	-9,025	-9,025	965,512	8,432	0.9%	132.40	3.4%
95100	Shaw-cum-Domington Church of England Primary School	471,877	94	5,019.96	416,831	90	4,631.46	-55,046	-4	-388.51	41,592	0	41,592	458,423	-13,454	-2.9%	73.62	1.5%
95200	Shefford Church of England Primary School	237,283	29	8,182.16	274,308	39	7,033.54	37,025	10	-1,148.63	0	0	0	274,308	37,025	15.6%	-1,148.63	-14.0%
95300	Speenhamland Primary School	1,062,242	281	3,780.22	1,133,879	287	3,950.80	71,637	6	170.58	0	-21,393	-21,393	1,112,486	50,244	4.7%	96.04	2.5%
95400	Springfield Primary School	1,079,845	301	3,587.53	1,107,570	303	3,655.35	27,725	2	67.82	0	0	0	1,107,570	27,725	2.6%	67.82	1.9%
95500	Sprucecroft Primary School	1,556,195	433	3,593.96	1,695,930	463	3,662.92	139,735	30	68.93	0	0	0	1,695,930	139,735	9.0%	68.93	1.9%
95700	St. Finian's Catholic Primary School	736,784	197	3,740.02	727,472	187	3,890.22	-9,313	-10	150.20	0	-3,875	-3,875	723,597	-13,188	-1.8%	129.48	3.5%
97700	St. John the Evangelist Infant & Nursery School	684,718	180	3,803.99	687,222	179	3,839.23	2,505	-1	35.24	0	0	0	687,222	2,505	0.4%	35.24	0.9%
97800	St. Joseph's Catholic Primary School	804,463	210	3,830.78	825,367	202	4,085.97	20,904	-8	255.20	0	-26,270	-26,270	799,097	-5,366	-0.7%	125.15	3.3%
96200	St. Nicolas Church of England Junior School	940,120	258	3,643.88	948,658	258	3,676.97	8,537	0	33.09	0	0	0	948,658	8,537	0.9%	33.09	0.9%
96100	St. Pauls Catholic Primary School	1,144,663	325	3,522.04	1,218,048	326	3,736.34	73,385	1	214.30	0	-38,258	-38,258	1,179,790	35,127	3.1%	96.95	2.8%
96300																		