

Primary and Secondary Schools Funding Proposed Funding Arrangements for 2019/20

Consultation Response – Kennet School Academies Trust

1. Do you agree that West Berkshire should apply the national funding formula rates for every factor, applying a minimum funding guarantee of 0% and funding cap on gains of 2% (as shown in Annex C)? If not, please let us know with your reasons why.

2. Or do you agree that West Berkshire should apply the national funding formula rates for every factor, applying a minimum funding guarantee of -0.5% and funding cap on gains of 3% (as shown in Annex D)?

KSAT supports Option 2.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728273/National_funding_formula_policy_document_-_2019_to_2020_-_BRANDED.pdf

The DfE policy document downloadable from the link above states that the DfE are updating in three key areas of the NFF in 2019-20, in line with the approach and commitments set out last year.

These three updates “will ensure that the formula continues to deliver rapid gains for the most underfunded while ensuring that all schools will have attracted some gains by 2019-20, compared to 2017-18”. The three updates are:

- **The minimum per pupil funding levels** – the minimum per pupil funding level for secondary schools will increase to £4,800 and the minimum per pupil funding level for primary schools will increase to £3,500.
- **The funding floor** – the funding floor will increase to ensure that all schools will attract at least a 1% gain per pupil against their 2017-18 baselines.
- **The gains cap** – the gains cap will increase to 6.09% per pupil against 2017-18 baselines. We have used a compounded figure so that underfunded schools can gain a further 3% on top of the 3% they gained in 2018-19.

The 2018-19 WB formula had a gains cap of 3% and a MFG of 0.1%.

The DfE policy position gives a very clear steer that the gains cap should be set at 3% again in 2019-20 ie: for previously underfunded schools to see rapid gains.

The DfE in this document are largely silent on the matter of MFG other than to note that 62 LAs have set it at 0.5% and 112 are using it but focus instead on the funding floor in terms of individual school protection.

A WB formula that sets the gains cap at 2% means that previously underfunded schools in West Berkshire absolutely cannot gain a further 3% on top of the 3% that they gained in 2018-19 and that would seem to be absolutely not in line with the DfE policy publication for NFF 2019-20.

The NFF MFG range is -1.5% to 0.5% and so support this being the variable that flexes after a 3% gains cap has been applied and to flex responsively in response to affordability.

3. Do you agree that if there is additional funding available the minimum funding guarantee should be set between 0% and 0.5% with the increase in the cap on gains at 3% according to affordability. If not please let us know the reasons why?

See above. MFG should flex according to affordability, the 3% gains cap having already been applied.

4. Do you agree that any shortfall or surplus in funding is addressed by scaling all formula factors downwards or upwards? If not, please let us know with your reasons why.

See above, MFG should flex with affordability within its NFF range.

Should affordability not be able to be dealt with by that NFF range then yes support the scaling of all factors.

5. Do you agree that a top slice should be applied to all schools to support the High Needs Block? If not please let us know the reasons why.

KSAT believe that strong rationale is required to depart from the formulae and funding blocks as defined by the NFF and that no adequate case has been presented in this consultation to enable KSAT to support this top slice.

This consultation has not provided strong rationale for the transfer, any detail or assurances on what the £490k of transferred funding is to be applied to.

Schools Block funded a significant top slice amounting to £848k from schools in 2016-17. The extracts below detail the sum and source

RESOLVED that:

- The centrally retained school budget be agreed as set out in Table 2 of this report.
- The school formula funding rates for 2016/17 be agreed as set out in options (a) and (f) in paragraph 6.5 and Appendix C of this report be agreed, as per the recommendation of the Heads Funding Group.

Extracts from Para 6.5

a) no increase to funding rates – all headroom (£607k) transferred to the high needs block.

f) reduce the lump sum by £5,000 and allocate the resultant headroom (£848k) to the high needs block.

This transfer made in 2016/17 affected 2017-18 and resulted in a permanent gain to the High Needs Block and a permanent reduction in School's Block.

Reverend Mark Bennet asked whether the transfer of funding in 2016/17 from the Schools Block to the High Needs Block had led to a reduction in the per pupil funding rate received. Claire White advised that was correct, however the impact was a decrease of approximately £400k in the schools block but an increase in approximately £1m funding to the High Needs Block therefore overall West Berkshire had gained funding by this transfer.

2017-18 funding then formed the baselines for NFF when introduced in 2018-19. The High Needs Block was also subject to NFF funding protection of a minimum of +0.5% over its baseline.

Schools collectively are severely challenged and under significant funding pressures. Schools have had and continue to have to make increasingly difficult decisions. In 2016-17 the £848k which was transferred would have enabled schools to them to delay or not make at all some of those difficult decisions. Schools have since 2016/17 had to continue to deal with the impact of that transfer as well as the on-going pressure of public sector austerity.

High Needs has, both before 2016-17 and since been faced with difficult decisions and has not always made them. It has, though, taken some too and some of these decisions have invariably added further pressure on schools. The High Needs block continues to fund non-statutory services and has added new cost pressures that are non-statutory too.

The DfE publication on NFF for 2019-20, link below, has the following extract:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728273/National_funding_formula_policy_document_-_2019_to_2020_-_BRANDED.pdf

“We will continue to give local authorities some flexibility to transfer funding to other areas, particularly high needs, where there is a strong local rationale for doing so. These transfers will continue to be limited to 0.5% of local authorities' total schools block and will require the agreement of the schools forum and consultation with all local schools.”

This consultation has the following extract and it does not necessarily follow from the above DfE policy document. "If there is a significant shortfall in High Needs funding, up to 0.5% could be transferred from the Schools Block allocation."

The consultation in this question seeks agreement to a top slice to support High Needs and has not provided any let alone strong rationale given that:

1. Significant funding through a transfer from schools block has already taken place and was transferred in 2016-17.
2. Not all proposals to balance the High Needs Block since that transfer was effected have been taken to assure sustainability of the High Need Block.
3. There is no detail on what the £490k is going to be used for. It is the funding for a 1 FE primary school that schools are collectively been asked to transfer and it has not been made clear whether the monies are needed to fund statutory provision or non-statutory provision in 2019-20, or whether it will be to clear all of an accumulated deficit on the high needs block or just part of a deficit, or whether it is to fund an in year deficit.
4. High Needs sustainability has been an on-going concern of the Trust for many years. Top-slicing schools does not of itself provide the answer, particularly as only as recently as School Forum on 30 October 2017 a surplus of £131k was predicted for 2018/19 (from a predicted deficit of £76k reported in March 2017). See the table below.

7.7 The High Needs Block was in deficit at the end of 2016/17. In setting the 2017/18 budget it was agreed to repay the deficit over a three year period. Assuming there are no significant increases to the overall cost base, the impact of the new funding will be as follows:

	2018/19 budget assumed in March 2017	2018/19 budget taking into account the funding changes
2018/19 estimated DSG	£20,060,000	£19,635,300
Less expected overspend in 2017/18	-£583,980	-£486,870
Less 2018/19 budget (taking into account adjustment for resource unit budget)	-£19,551,920	-£19,017,240
Deficit/Surplus	£75,900 deficit	£131,190 surplus

However, by School Forum on 11 December 2017 High Needs had moved to become a deficit of £671k in 2018/19.

5. A top slice fills a funding gap but does not improve or grow high needs provision and limits schools' provision too.

6. If your answer to question 5 is yes – do you agree with the amount as set ie £490k, which is the maximum allowable percentage without application to the Secretary of State? Or do you think the amount should be higher or lower – please let us know your reasons why.

7. If your answer to question 5 is yes – do you think the funding allocated per school should be in proportion to the school's funding as a proportion to total funding or the school's pupil numbers as a proportion to total pupil numbers? Please let us know the reasons why.

1. Additional Funding Outside the School Formula

1.1 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 need 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 is the subject of a separate report at this meeting.

1.2 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 the cost of new schools opening.
- 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.

1.3 Funding for the growth fund used to be top sliced from the Schools Block DSG. From 2019/20 this is to be calculated on a formulaic basis which will be based on the October 2018 pupil census. The allocation of the Schools Block formula does not now take the Growth fund into account.

1.4 Any unspent growth funding may be carried forward to the following funding period, as with any other centrally retained budget, and Local Authorities can choose to use it specifically for growth. No changes are proposed

1.5 No changes are proposed to the criteria for the Growth Fund and for the schools with disproportionate number of high needs pupils.

5. If you have any comments/suggestions on this proposal or the criteria set to access the other additional funds please provide details.

NO COMMENTS

2. De-delegations 2019/20 (maintained schools only)

2.1 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 is deducted from the formula allocation and 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). From 2017/18, statutory services previously funded by the Education Services Grant were also added, and the de-delegation for these services relate to all maintained schools. The de-delegations need to be re-determined on an annual basis.

2.2 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 Intervention Service
- Ethnic Minority & Traveller Achievement Service
- Trade Union Local Representation Service
- Contingency for Schools in Financial Difficulty (primary schools only)
- CLEAPSS
- Statutory & Regulatory Duties (health & safety, internal audit, statutory accounting, pensions administration)

2.3 Information about these services was included in a report to the Schools' Forum on 15th October 2018, agenda item 9. The amounts to be deducted from each school for 2019/20 will be different to those shown in the report, as they will be based on the October 2018 census data.

2.4 The final decision on each de-delegation will be made by the relevant Schools' Forum Members for each phase on 10th December 2018. Schools may wish to contact their Schools' Forum representative direct to express their view, or respond as part of this consultation.

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

NO COMMENTS

3. Timetable

3.1 The timetable for determining the school formula and schools budgets for 2019/20 is as follows:

Schools' Forum to review the 2019/20 school formula arrangements and agree on a proposal.	15 th October 2018
Briefing document to schools – with opportunity given to make comments on the proposals.	18 th October 2018
Heads Funding Group to consider the responses from schools and make a recommendation to Schools' Forum.	28 th November 2018

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.	18 th December 2018
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 18 th January 2019
2018/19 formula submitted to Education & Skills Funding Agency.	17 th January 2019
Schools' Forum to consider the overall DSG position and remaining budgets for all funding blocks.	21 st January 2019
Confirmation of final budget allocations to maintained primary & secondary schools	By end of January 2019
Schools' Forum to decide on the final budget for all DSG funding blocks	11 th March 2019