

Item 5

Implementing the NFF and School Funding arrangements

Schools' Funding Forum
1 December 2017

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Background and context

- Government are introducing a *soft* NFF from 1 April 2018 with some additional funding +3%
- Local Funding Formula for 2018-19 and 2019-20
- Current arrangements date back to 2005-06 so NFF is long overdue
- Government intends to introduce a *Hard* NFF in the future - requires a change to Primary Legislation

How much more are we going to get?

Table 1 <i>figures subject to rounding</i>	DSG Schools Block	Movement in funding from			
		previous year		current year	
	£'m	£'m	%	£'m	%
2017-18	£839.4m				
2018-19	£867.0m	+£27.6m	+3.3%	+£27.6m	+3.3%
2019-20	£889.3m	+£22.3m	+2.6%	+£49.9m	+5.9%
Once NFF is fully implemented	£901.5m	+£12.2m	+1.4%	+£62.1m	+7.4%

- £49.9m can be split approx. 1/3rd Primary and 2/3rd Secondary
- But final figure will not be know until January 2018 when we calculate budgets

Consultation

- We ran a consultation from 30 October to 26 November – just over 4 weeks
- All maintained schools, academies and free schools were invited to respond
- Received 177 responses in total (31%)
- Some schools & individuals submitted more than one response
- 21 incomplete responses which have not been included

Consultation responses

	All Responses		Responses excl. multiples	
	No.	% of schools	No.	% of schools
Primary	112	25%	105	23%
Secondary	60	61%	45	46%
Selective	31	97%	21	66%
Non Selective	29	44%	24	36%
Special	5	23%	5	23%
Total	177	31%	155	27%

Today's Forum Requirement

To provide the Local Authority with a series of recommended changes to the Local Funding Formula that are affordable and take into consideration the views of all schools

Things to consider ...

- NFF factors and rates are not evidenced based but are now public . . . expectations raised.
- The end point is clear(ish) . . . we have to decide how far we move towards the NFF over the next 2 years.
- Future of our High Needs budget is a major area of concern for all of us, not just the LA.

Q2. General direction of travel

60% support for taking steps towards the NFF whilst also taking into consideration local circumstances

	A	B	C
Primary	25	4	82
Secondary	42	0	18
Special	0	0	5
Total	67	4	105

Simon's suggested chilli ratings



Strong support through the consultation , makes logical sense to proceed



Some feedback with some issues to consider



A warm proposal –significant amount of interest/feedback provided through the consultation (even when majority of support may have been given)

Q3. Removal of the LAC factor



84% of responses in favour of removing this factor from 1 April. Mitigation through an increase to the Pupil Premium Plus.

	Yes	No	Don't Know
Primary	91	17	4
Secondary	54	5	0
Special	2	2	1
Total	147	24	5

Q4a Lower the lump sum?



63% of respondents did **not** support the lowering of this rate, meaning they support retaining the funding at £120k per annum.

	Yes	No	Don't Know
Primary	20	89	2
Secondary	39	19	1
Special	2	2	1
Total	61	110	4

- This will means £5.5m is not available for redistribution. We could have different rates for Primary and Secondary

Q4b Lower the EAL rate



67% of respondents supported the lowering of the rate for eligible Primary pupils from £885 to £515 in line with the NFF.

	Yes	No	Don't Know
Primary	69	39	3
Secondary	46	10	3
Special	3	1	1
Total	118	50	7

Need to consider equality impact - Race

Q4c Lower the EAL rate



60% of respondents supported the lowering of the rate for eligible Secondary pupils from £3,344 to £1,385 in line with the NFF.

	Yes	No	Don't Know
Primary	60	11	39
Secondary	44	14	1
Special	2	1	1
Total	106	26	41

Need to consider equality impact - Race

Q4d Adjust IDACI rates to NFF



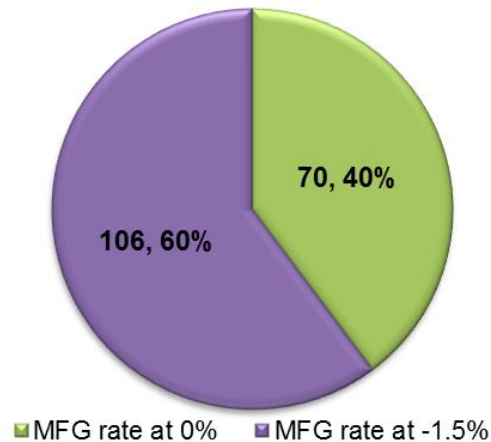
Primary schools were only slightly in favour, whilst secondary were strongly in favour of this proposal

	Yes	No	Don't Know
Primary	55	49	6
Secondary	42	15	1
Special	0	4	1
Total	97	68	8

Q5 MFG %



60% in favour of setting the local MFG at -1.5%,
with support similar in both phases



5th highest priority for all respondents

Please note that the local MFG will apply to Special Schools as well

Q6 Introduce Sparsity



63% of respondents supported the introduction of a sparsity factor

	Yes	No	Don't Know
Primary	68	32	12
Secondary	40	15	4
Special	2	0	3
Total	110	47	19

In total this proposal would cost £320k based on current eligibility data (which is subject to annual change)

Q7 Introduce Ever6FSM



74% of respondents support the introduction of Ever6FSM factor

	Yes	No	Don't Know
Primary	73	31	7
Secondary	52	6	1
Special	5	0	0
Total	130	37	8

This is one of the factors that was scaled back in the budget illustration model for affordability

Q8 Introduce MFL's



91% of respondents supported the introduction of Minimum Funding Levels from 1 April 2018.

	Yes	No	Don't Know
Primary	106	1	5
Secondary	49	7	3
Special	5	0	0
Total	160	8	8

Q9a,b and c Increase Basic Entitlement for

Primary, KS3 and KS4

Majority of respondents supported the increase of the Basic Entitlement

Our view is that this is one of the fairest methods of distribution (as all schools get this) and it increases the amount of funding per pupil which is in line with the introduction of the MFL's.

Q9d & e, Increase FSM rates



90% of respondents supported the increase to the FSM rate for Primary schools

	Yes	No	Don't Know
Primary	101	8	3
Secondary	54	4	1
Special	4	0	1
Total	159	12	5

64% of respondents supported the increase to the FSM rate for Secondary schools

	Yes	No	Don't Know
Primary	59	9	44
Secondary	58	1	0
Special	4	0	1
Total	121	10	45

Q9f&g Increase Low PA rates



86% of respondents supported the increase to the LPA rate for Primary schools

	Yes	No	Don't Know
Primary	97	9	6
Secondary	51	7	1
Special	4	0	1
Total	152	16	8

66% of respondents supported the increase to the LPA rate for Secondary schools

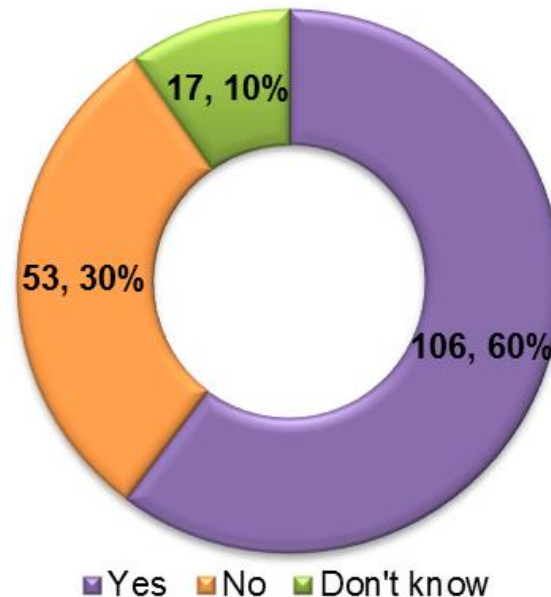
	Yes	No	Don't Know
Primary	53	13	46
Secondary	59	0	0
Special	4	0	1
Total	116	13	47

Scaled back in our budget illustration

Q10 Pupil Growth



60% of respondents supported the transfer of £2m into the Pupil Growth budget



Q11 Transfer of 0.5% into the HNB



58% of all respondents supported this transfer

69% of Primary school respondents supported this transfer

Only 36% of Secondary school respondents supported this transfer

- 80% of selective secondary respondents did **not** support this transfer, compared to 38% of non-selective secondary respondents.

In terms of priorities ...

	Primary	Secondary	All
1	Transfer 0.5% to HNB	Increase KS4 basic entitlement	Introduce MFLs
2	Increase Primary basic entitlement	Increase KS3 basic entitlement	Introduce Ever6FSM
3	Introduce MFLs	Introduce MFLs	Transfer 0.5% to HNB
4	Introduce Ever6FSM	Introduce Ever6FSM	Increase Primary basic entitlement
5	Increase Low Prior Attainment for Primary	Increase Low Prior Attainment for Secondary	Set MFG at -1.5%

Summary

Support for most proposals but we cannot afford to do everything

Some proposals make sense to implement in 1st year

- Increase Basic Entitlement for Primary, KS3 and KS4 pupils to the NFF rates
- Increase FSM to the NFF rates
- Adjust (+ and -) IDACI rates to the NFF rates
- Remove the LAC factor
- Introduce Sparsity factor

Summary continued

Other proposals are more contentious . . .

- The rates we set for the MFLs, Ever6 and Low Prior Attainment
- Maintaining the Lump Sum at £120k
- Transfer 0.5% of Schools Block to HNB
- Transfer £2m to Growth Budget

Other issues which were not part of the consultation

Area Cost Adjustment

London Fringe, currently = 1.56%, NFF = 3.7%

The rest, currently 0%, NFF = 0.06%

Rates

Estimated pressure for 2018-19 = £650k