

School Funding Arrangements for 2018-19

Cambridgeshire County Council Consultation with Primary and Secondary Schools

November 2017

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NOTE:

- 1. Please note that any reference to schools in this document applies similarly to academies unless stated otherwise.**
- 2. Please also note that the elements of the Schools funding formula are applied on the same basis to both maintained schools and academies. The difference is that maintained schools receive their 2018-19 funding from the Authority for the April 2018 to March 2019 period where academies have the same funding formula applied over the academic year September 2018 to August 2019.**

PURPOSE

1. The purpose of this consultation document is to outline Cambridgeshire County Council's (the Authority) proposed changes to the school funding formula arrangements for 2018-19. The principle is to move as closely as possible to implementing the Department for Education's (DfE) national funding formula (NFF).
2. The proposed changes included in this consultation were discussed with the Schools Forum at its meeting of 3 November 2017 and the outcome of the consultation will be reported back to the 13 December Schools Forum meeting. The intention is to continue to support schools so that the movement to the NFF is undertaken in a managed way in readiness for the hard formula which is expected from 2020-21 and through the use of the minimum funding guarantee (MFG) protection arrangements and funding caps if required.
3. The consultation provides an opportunity for primary and secondary schools to comment on the changes being proposed. This document:
 - a. Provides an overview of the proposed changes to the schools funding formula for 2018-19;
 - b. Provides a link to the financial implications of the NFF for individual schools as published by the DfE, which the Authority is considering for 2018-19. The indicative figures are based on current information and have not been updated for the October 2017 pupil numbers or other datasets that are required for the calculation of the 2018-19 school budgets. Any school level analysis must therefore be taken in this context; and
 - c. Asks specific questions for Schools to express their views on the proposals.
4. For the 2018-19 funding arrangements, the timeframes imposed on the Authority in terms of its deadlines to make submissions to the Education and Skills Funding Agency (ESFA) and the timing of the DfE NFF announcements does mean that the period of consultation is relatively short. The deadline for responses to this consultation is 28 November 2017.
5. **To respond to this consultation, please complete the on-line response form by 28 November 2017 – the form is available via the following link:**

<https://www.surveymonkey.co.uk/r/CCCSchools1819>
6. Responses received will be analysed and shared with members of the Schools Forum at its December meeting prior to the Authority deciding on the funding formula rates for use in 2018-19 to be submitted to the DfE by the 19 January 2017.

CONTEXT

7. In September the DfE published its response to the NFF for schools and high needs. This consultation focuses only on the schools NFF since the high needs generates funding at an Authority level rather than at an individual school level.
8. The DfE has confirmed that the arrangements in both 2018-19 and 2019-20 will allow some local discretion through what is termed a 'soft' funding formula. In effect, this means that the DfE will

calculate a notional funding allocation per school based on the NFF, which will then be aggregated to generate an Authority schools funding allocation. The soft formula means that the Authority can still decide how it allocates its funding to schools using the available NFF factors but has flexibility to determine the value of these factors. By contrast, when the DfE moves to a 'hard' formula, each school will receive its funding through the NFF. The DfE has stated that their "objective remains to move to a 'hard' national funding formula in time".

9. From 2018-19, the Dedicated Schools Grant (DSG) continues to be ring-fenced. There are now four separate blocks as set out below with the introduction of the Central Services Schools Block. There is a change in the 2018-19 arrangements whereby the Schools Block is ring-fenced; previously the blocks within the DSG were not ring-fenced. However there remains one exception, the Authority has the ability to move up to 0.5% of the Schools Block to other blocks after consultation with schools and with the School's Forum agreement.

DEDICATED SCHOOLS GRANT			
SCHOOLS BLOCK	CENTRAL SERVICES SCHOOLS BLOCK	EARLY YEARS BLOCK	HIGH NEEDS BLOCK
This Block funds: <ul style="list-style-type: none"> - Individual school budgets; - Services de-delegated from maintained school budgets and - The Growth fund 	This Block funds: <ul style="list-style-type: none"> - Historical commitments previously agreed with Schools Forum such as the Public Sector Network (broadband) contract; and - Ongoing responsibilities of the Authority such as Admissions, the servicing of the Schools Forum, copyright licenses and services to meet statutory responsibilities 	This Block funds: <ul style="list-style-type: none"> - The 2 year old Early Years single funding formula; - The 3 and 4 year old Early Years single funding formula (universal and extended entitlement); - The Disability Access Fund; - Maintained Nursery school supplementary funding; and - Any central expenditure by the authority to support early years services 	This Block funds: <ul style="list-style-type: none"> - Special school budgets; - Special schools outreach; - Top up funding for pupils with High Needs; - Out of County SEN placements; - SEND specialist services; - Early Help District Delivery Services; - Alternative provision such as PRUs, High Needs Units; - EOTAS devolution; and - Commissioning Services

10. The final NFF factors remain largely unchanged from those that the DfE consulted on previously in their Stage 1 and Stage 2 consultations. The NFF and the operational guidance define what factors local authorities are allowed to use in funding primary and secondary schools. The schools formula factors for 2018-19 are predominantly the same as for 2017-18. The only difference is the ability to include a factor to set a minimum per pupil amount. The impact for Cambridgeshire schools comes from formula factors not currently used but which will become compulsory and where the values for particular formula factors differ, for example the change in the lump sum to £110,000 per school.

11. Any schools that may lose funding through the change will be protected by the Minimum Funding Guarantee (MFG) which limits reductions in funding to minus 1.5% per annum on per pupil funding. The MFG arrangements in the new NFF maintain this protection but also give authorities the option to enhance the protection by moving the MFG closer to zero i.e. a higher level of protection.

SCHOOLS NATIONAL FUNDING FORMULA – OVERVIEW

12. The factors used in the 2017-18 Cambridgeshire school funding formula are set out in the following table alongside the factors in the NFF and the difference between them.

NFF Factor		Used by CCC in 2017-18	CCC Unit Rate 2017-18 (£)	NFF Unit Rates 2018-19 (£)	Difference CCC Rates to NFF Rates (£)
Basic per pupil entitlement (AWPU)	AWPU: Primary	Yes	2,711	2,747	36
	AWPU: Secondary KS3		3,823	3,863	40
	AWPU: Secondary KS4		4,971	4,386	(585)
	Minimum per pupil funding	New in NFF	n/a	n/a	-
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	Yes	600	440	(160)
	FSM current – Secondary	Yes	600	440	(160)
	Ever6 FSM – Primary	No	-	540	540
	Ever6 FSM – Secondary	No	-	785	785
	IDACI Band F: Primary	Yes	220	200	(20)
	IDACI Band F: Secondary		220	290	70
	IDACI Band E: Primary		500	240	(260)
	IDACI Band E: Secondary		500	390	(110)
	IDACI Band D: Primary		500	360	(140)
	IDACI Band D: Secondary		500	515	15
	IDACI Band C: Primary		750	390	(360)
	IDACI Band C: Secondary		750	560	(190)
	IDACI Band B: Primary		750	420	(330)
	IDACI Band B: Secondary		750	600	(150)
	IDACI Band A: Primary		750	575	(175)
	IDACI Band A: Secondary		750	810	60
Low Prior Attainment	Primary	Yes	750	1,050	300
	Secondary	Yes	420	1,550	1,130
English as an Additional Language	Primary	Yes	750	515	(235)
	Secondary	Yes	750	1,385	635
Pupil Mobility	n/a	No	-	n/a	-
Lump Sum	Primary	Yes	150,000	110,000	(40,000)
	Secondary	Yes	150,000	110,000	(40,000)
Sparsity	Primary	No	-	25,000	25,000
	Secondary	No	-	65,000	65,000

Notes to the Table

- a) Figures in brackets are negative / minus figures i.e. reductions in the unit rates in the context of this table
 - b) The DfE recognises that some factors cannot easily be allocated on a formulaic basis and under the national funding formula are funding these at historical (2017-18) cost. This covers pupil mobility and the Premises factor which includes PFI, split site and rates for those schools affected.
 - c) The Looked After Children factor is not included in the NFF. Rather than including a LAC factor the DfE is increasing the Pupil Premium Plus grant rate for 2018-19. Cambridgeshire did use the LAC factor in 2017-18 which is considered later in this document.
 - d) Sparsity will be based on school eligibility as determined against DfE criteria based on the number of pupils and the distance ('as the crow flies') to the next closest school (2 miles for primary, middle and all-through schools and 3 miles for secondary schools).
13. The above NFF factors can be applied in all Local Authorities schools funding formula in 2018-19 and have been used to generate the indicative school budget allocations under the NFF. However authorities may chose not to use some factors under the soft formula and apply differing unit rates to each factor in 2018-19. This also includes the ability to continue using the Looked After Children factor even though it is not included in the NFF.

INDIVIDUAL SCHOOL LEVEL IMPACT

14. The impact on individual school budgets of the NFF has been calculated by the DfE, which schools should refer to as part of this consultation. As outlined above the DfE has calculated individual school notional allocations using the NFF (i.e. the factors set out in paragraph 12), the October 2016 census pupil numbers and data sets. These notional allocations can be found in two places by schools:

- Firstly the DfE publications website which has every school's notional allocation at a summary level. This sets out for each school the 2017-18 baseline level of funding, the 2018-19 and the 2019-20 notional allocations and the funding allocation on full implementation of the NFF.

Schools can either enter their details on the worksheet called 'Look up a school' by selecting the local authority and your school's name, or by finding your school in the 'NFF all schools' tab (this latter option works best if you filter on the LA Name column and then find your school). The link to the impact on schools is below (on following the link scroll down to the excel file called '**Impact of the Schools NFF**')

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs>

- Secondly the DfE **Collect** system where you will be able to download the detailed calculations and data used in the calculation of your school's notional funding. You will need your school's Collect access details to be able to see this information. The link to the Collect system is as follows with a link also to supplementary guidance on the NFF and how to access the system if schools should need this:

<https://sa.education.gov.uk/idp/Authn/UserPassword>

<https://www.gov.uk/government/publications/national-funding-formula-how-to-interpret-the-allocation-data>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/547148/secure_access_end_user_guide.pdf

15. As part of the response to the 2 stage consultation the DfE has also updated its equalities impact assessment and published this on their website reflecting the final decisions and the impact of the NFF on pupils with protected characteristics. There is also a response to the points raised during the consultation:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/648520/NFF_Equalities_Impact-Assessment.pdf

16. It is important to note that the notional funding allocations that the DfE have published are indicative and do not include any required additional Capping for affordability in the context of the overall Local Authority funding allocation. The indicative allocations will be updated to take account of the most recent October 2017 pupil census reflecting changes in pupil numbers and data sets in the final 2018-19 funding allocations. These updates will be made available by the DfE in mid December 2017. We have been provided with an indicative Authority Pro forma Tool with which to better understand the published indicative budgets and check balances to the Schools Block DSG allocation.
17. A high level analysis, using the DfE published impact on schools, shows that if the NFF allocations (before MFG) were simply taken and implemented:
- In 2018-19, 231 schools out of 232 (99.5%) Cambridgeshire schools would receive increases in their funding of up to 3%;
 - In 2019-20 there would be 116 (50%) schools receiving gains in excess of 3%; and
 - With full implementation of the NFF 121 (49.7%) schools would receive gains in excess of 3%, the percentage decreasing slightly due to the inclusion of new and growing schools with full implementation.

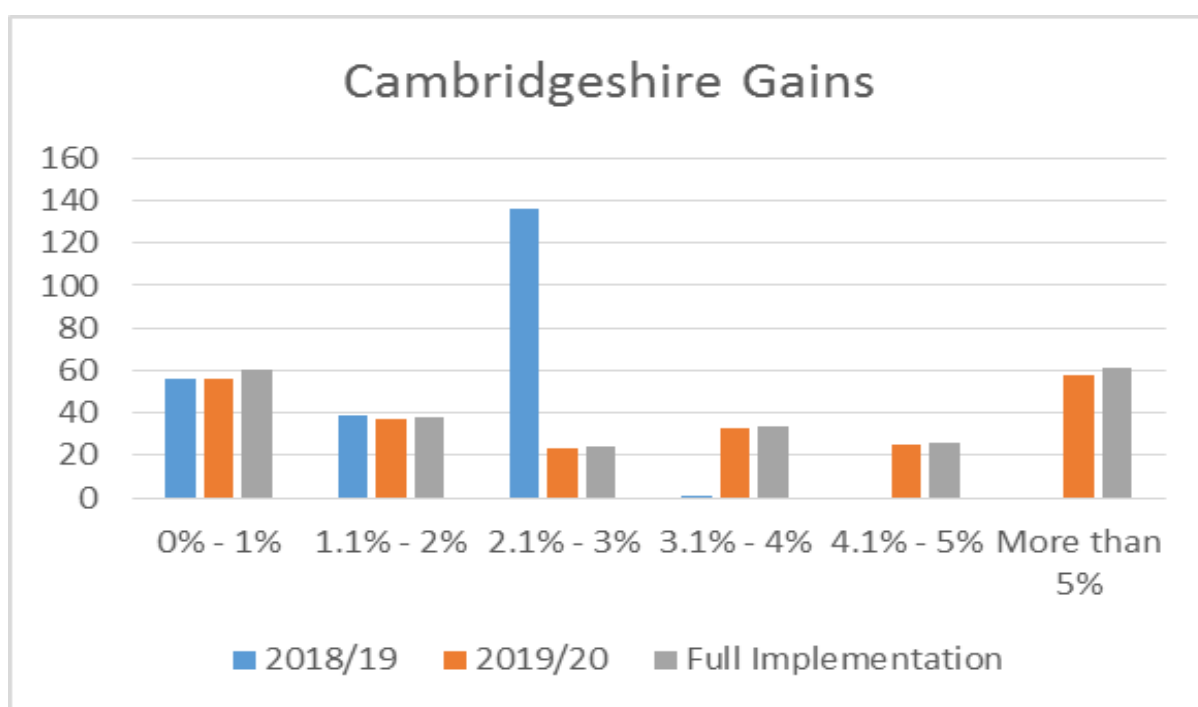
The following table and graph provide further details on this analysis.

Number of Schools Gaining By % Band

	2018/19	2019/20	Full Implementation (includes new and growing schools)
Cambridgeshire			
Total Number of Schools	232	232	243
Gains between:			
0% - 1%	56	56	60
1.1% - 2%	39	37	38
2.1% - 3%	136	23	24
3.1% - 4%	1	33	34
4.1% - 5%	0	25	26
More than 5%	0	58	61
	232	232	243

Notes to the Table

- Special Schools are excluded from these numbers as they receive their funding on a different basis through the High Needs Block funding arrangement.
- The change in the number of schools from 232 to 243 on full implementation (2020/21) reflects new schools



2018-19 SCHOOL FUNDING FORMULA – CONSULTATION PROPOSALS

18. The NFF proposals do represent changes to the existing Cambridgeshire schools funding formula. The different factors are discussed in the bullet points below with key changes outlined (please also refer to the table on page 5 for context):

- **Basic Entitlement** – for Key Stages 2 and 3 the AWPU unit rates in the NFF are increasing compared to the current Cambridgeshire formula values, however for Key Stage 4 the AWPU unit rate will be decreased by £585 per pupil;
- **Deprivation** - the NFF deprivation factor uses all of the proxy deprivation measures. Currently Cambridgeshire uses current FSM and IDACI (income deprivation affecting children index) in its formula factor to allocate funding for deprivation. Applying the NFF will include the use of the Ever6 FSM numbers as well as current FSM numbers and the use of IDACI to allocate funding to deprivation. For Cambridgeshire this will result in a redistribution of deprivation funding because each of the unit rates are different under the NFF compared to the Authority's current formula;
- **Low Prior Attainment** – this is a formula factor that Cambridgeshire already uses however the NFF attaches a higher unit of funding to this NFF. As a result Prior Attainment will be funded more under the NFF than is currently the case in Cambridgeshire;
- **English as an Additional Language (EAL)** – as with prior attainment this factor is already being used in the Cambridgeshire formula. The affects of the NFF are mixed for EAL as the existing Cambridgeshire rate is higher than the NFF unit value for Primary schools. However for Secondary pupils the opposite is true with the existing Cambridgeshire rate being £635 less than the NFF unit value. Again the move to the NFF would see changes to the amounts schools receive in respect of EAL with the impact being different Primary and Secondary schools that qualify for EAL;
- **Pupil Mobility** – this is not currently used in the Cambridgeshire formula. The intention is to support schools where they have a high level of pupils joining mid way through the year, for example a large inward movement of children whose parents are in the Armed Forces. The Government are still looking to find a suitable robust data set on which to base this funding but in the NFF for 2018-19 this will be funded at 2017-18 values. As a result of having no historical spend on this factor this will be nil for Cambridgeshire.
- **Sparsity** – this is not currently used in the Cambridgeshire funding formula but is included in the NFF. This would be introduced as a new factor into the Cambridgeshire funding formula for 2018-19 using the DfE data sets. There are criteria that a school must meet to be eligible for sparsity funding as follows:
 - Primary – with an average of fewer than 21.4 pupils per year group (Reception to Year 11 only) and the average distance is at least 2 miles to the next closest school;
 - Secondary – with an average of fewer than 120 pupils per year group (Reception to Year 11 only) and the average distance is at least 3 miles to the next closest school;
 - Middle – with an average of fewer than 69.2 pupils per year group (Reception to Year 11 only) and the average distance is at least 2 miles to the next closest school; or

- All Through – with an average of fewer than 62.5 pupils per year group (Reception to Year 11 only) and the average distance is at least 2 miles to the next closest school;

Sparsity can be applied on a tapered basis or as a lump sum for eligible schools. A tapered basis means a school will attract sparsity funding in inverse proportion to its average year group size i.e. the closer to the average pupil values stated above the lower the level of funding attracted. If a lump sum basis is used an eligible school would receive the total level of sparsity funding regardless of how sparse it is considered to be.

- **Lump Sum** – the NFF reduces the lump sum for all Cambridgeshire schools by £40,000 from £150,000 to £110,000. This is an issue of concern for small schools for whom the lump sum is so important. However the baseline funding for 2017-18 against which schools are being protected through the MFG does include the £40,000 difference between the 2017-18 and 2018-19 lump sums for Cambridgeshire Schools.
- **Premises** – the factors comprising premises (PFI, rates and split sites) remain unchanged and are being funded at the same level as in 2017-18 but with indexation included in any PFI allocations;
- **Minimum Funding Guarantee (MFG)** – continues under the NFF but there is flexibility to offer greater protection by setting the MFG at a value of 0 to minus 1.5% of per pupil funding with a value closer to 0 offering greater protection, which in turn would create an additional cost to all schools not in receipt of the MFG.
- **Looked After Children (LAC)** – this is a formula factor that Cambridgeshire is currently using but which is not included in the NFF. In effect the DfE have transferred the value of the LAC formula factor in 2017-18 nationally into the Pupil Premium Plus grant with an increase in the value of the grant to £2,300 per pupil (an increase from £1,900 in 2017-18). Therefore the NFF does not include this as a formula factor although authorities are able to continue using this under the soft formula arrangements. The DfE has stated that local authorities using the LAC factor ‘may want to consider whether they continue to do so in light of the new arrangements’. For Cambridgeshire the value of the LAC factor in 2017-18 was £221k. If this formula factor is continued then the £221k would have to be funded from reductions to other factors in the formula.

19. Despite the various movements in the unit rates and the changes that the NFF would bring to some schools in Cambridgeshire the DfE has included a minimum level of per pupil funding over the next 2 years for Primary and Secondary schools. Schools should note that the minimum funding levels should not be read as the basic entitlement / AWPU values. Rather the minimum per pupil levels of funding are calculated based on a schools total funding. If this level falls below the minimum levels set out in paragraph 20 then the school will receive additional funding to bring it up to the minimum level in the NFF.
20. The minimum levels of funding per pupil do provide some additional funding for some schools in the move to the NFF alongside the MFG. The minimum levels of funding are set out below, however it may be the case that schools may not see these minimum funding levels in their budgets in 2018-19 due to local decisions that we are consulting on in terms of transferring funding from the Schools Block to the High Needs Block and the need to fund any MFG costs within the overall Schools Block.

Minimum Per Pupil Funding in the DfE NFF	2018-19 £	2019-20 £
Primary	3,300	3,500
Middle Schools without KS4	4,000	4,200
Secondary	4,600	4,800
All through schools and middle schools will attract minimum funding levels for the specific year groups that they educate		

21. Before the implementation of the hard NFF, the Authority has the choice on whether to introduce the NFF factors under the soft NFF arrangements.
22. The separate Growth Fund also needs to be funded from within the Schools Block. If there is a significant increase in growth due to new schools or schools increasing their pupil admission numbers (PAN) at the local authority's request then these increased costs have to be met by increasing the Growth Fund. In turn this means there is less funding available for distribution to schools. For 2018-19 the Authority estimates that growth can be managed within the existing Growth Fund budget of £2.5m. Any increase in future years will need to be considered separately. The DfE are continuing to review the best way to allocate funding for growth to Authorities.
23. The CPSN broadband contract is currently funded within the Central Services Schools Block. If there is a requirement from the DfE for this funding to reduce in future years as the contract becomes due for renewal, it is likely that schools may need to fund the costs of any subsequent contract directly.

PROPOSAL 1 - MOVING TO THE NFF

24. As the DfE has now finalised the NFF and is intending to move to a hard formula in future years, the Authority is proposing to implement the NFF as closely as possible in 2018-19. In practice what this means is that the authority would apply the NFF factors at the unit rates published by the DfE subject to the cost of the MFG protection and the outcome of Proposal 2 to transfer funding from the Schools Block to the High Needs Block.
25. Regarding the use of the Sparsity factor it is proposed that since this is a new factor for Cambridgeshire that the NFF unit rates of £25,000 and £65,000 be used for Primary and Secondary Schools respectively. It is also proposed that Sparsity would be applied on a tapered basis rather than a lump sum basis in 2018-19 (refer to paragraph 18).
26. It is also proposed that the Looked After Children formula factor is not used in 2018-19 to reflect the fact that the DfE has transferred the amount spent through this factor nationally into an increase in the Pupil Premium Plus grant making the value of that grant in 2018-19 £2,300 per pupil.
27. As part of implementing the NFF factors it is important for schools to understand that this will create a redistribution of funding between Cambridgeshire schools, which will be dependent on the school's individual circumstances as captured by the DfE data sets. Also the Authority will need to consider the outcome of the remaining proposals set out in this consultation and the need to fund any increased MFG protection as a result of moving to the NFF. The Authority is proposing to continue the MFG at minus 1.5%, the level MFG has been set nationally over recent years and reflected in the Cambridgeshire formula.
28. If there are additional protection costs resulting from the introduction of the NFF and maintaining the MFG at minus 1.5% it is proposed to meet this cost by firstly applying a funding cap on those schools gaining funding as a result of these changes. Secondly if required a reduction to the basic

entitlement AWPU rates may be required in order to remain within the total DSG Schools Block funding allocation for the Authority. Any capping would be kept to the minimum and the DfE guidance states that capping can only be used to the extent that it meets the cost of the MFG. Further still any capping would be removed at the earliest opportunity in future years.

Proposal 1	
Moving as closely as possible to the National Funding Formula factors and unit rates in 2018-19.	
a	<p>Do you agree that the Authority should move its funding formula to the NFF factors in 2018-19?</p> <p>If not please explain why and any factors you think should not be used in 2018-19.</p>
b	<p>Do you agree that the Authority should move its funding formula as closely as possible to the NFF unit values in 2018-19?</p> <p>If not please explain why and what unit values you think should apply.</p>
c	<p>Do you agree that the Authority should use the NFF rates for the Sparsity factor of £25,000 for Primary and £65,000 for Secondary?</p> <p>If not please explain why.</p>
d	<p>Do you agree that the Authority should apply the Sparsity funding on a tapered basis i.e. those schools that are eligible for Sparsity will receive more funding the further away they are from the DfE average pupils per year group (refer to paragraph 18)?</p> <p>If not please explain why.</p>
e	<p>Do you agree with the proposal not to continue the use of the Looked After Children formula factor in 2018-19 as this funding is transferred to the Pupil Premium Plus grant in 2018-19?</p> <p>If not do you agree that the basic entitlement AWPU rates are reduced in order to fund the cost of the LAC factor in 2018-19?</p>
f	<p>Do you agree that the authority should maintain the level of the MFG at minus 1.5% in 2018-19?</p> <p>If not what level do you think the MFG should be set at and why?</p>
g	<p>In order to meet any MFG costs do you agree that first a cap should be applied on schools which gain from the introduction of the NFF formula change in 2018-19?</p> <p>If not please explain why.</p>
h	<p>Do you agree that if a cap is insufficient to meet the cost of the MFG that the basic entitlement AWPU rates be reduced to ensure affordability of the formula within the total funding allocation for Cambridgeshire?</p> <p>If not please explain why.</p>

PROPOSAL 2 – SCHOOLS BLOCK TRANSFER TO THE HIGH NEEDS BLOCK

29. As outlined in paragraph 9 under the NFF arrangements from 2018-19 the Schools Block is ring-fenced although there is a limited amount of flexibility for the authority to transfer up to 0.5% of the Schools Block funding to another DSG block. For Cambridgeshire 0.5% of the Schools Block equates to £1.7m.
30. As in many Local Authorities, the High Needs block of the DSG is under financial pressure as a result of increasing high needs pupil numbers, many with increasingly complex needs driving high needs costs continually upwards. Some of the growth is also due to demographic growth in the Authority. In addition the High Needs Block is funded on a lag basis meaning that any growth in high needs pupils after the final DSG allocation is not recognised in the grant until the subsequent year. The High Needs Block for Cambridgeshire funds the following services (as also set out in paragraph 9):
- Special school budgets;
 - Special schools outreach;
 - Top up funding for pupils with High Needs;
 - Out of County SEN placements;
 - SEND specialist services;
 - Early Help District Delivery Services;
 - Alternative provision such as PRUs, High Needs Units;
 - EOTAS devolution; and
 - Commissioning Services.
31. Over the last three years, the sums added to the high needs budget from the Schools Budget are set out below. The Authority has worked hard to minimise any transfer from the Schools Block as demonstrated below with no transfers being required in 2015-16 and 2016-17 as increased DSG grant and savings in the High Needs Block covered the pressure in those years:
- 2015-16 £0m (nil transfer);
 - 2016-17 £0m (nil transfer); and
 - 2017-18 £0.67m (transferred from the Schools Block).
32. The DfE will update the High Needs allocations to take account of movements in special schools pupil numbers before the final High Needs allocation is confirmed in December 2017 but the estimated shortfall of funding for High Needs in Cambridgeshire (after taking account of the High Needs grant increase and other savings and mitigations) is currently £0.7m for 2018-19, prior to any further demand pressures or new pressures, e.g. secondary schools agreeing to transfer funding to support the EOTAS (BAIP) budget.
33. It is therefore proposed that **up to** 0.5% (£1.7m) of the Schools Block funding be agreed to be transferred to support High Needs pressures.
34. The authority will only transfer the actual amount required to meet the high needs pressures. If this is less than the 0.5% (£1.7m) the difference will remain within the Schools Block for distribution.
35. Any transfer between the Schools Block and High Needs Block would only be for 2018-19. The authority has to consult with schools for transfers between blocks in future years.

36. Any transfer from the Schools Block will reduce funding available within the Schools Block, which will mean that the unit rates of the Schools funding formula will have to be reduced. The Authority is proposing that any transfer of funding from the Schools Block will be funded by a reduction to the basic entitlement (AWPU) across both the Primary and Secondary sectors. This means that all schools would be equally impacted by the transfer rather than reducing specific additional needs factors that would impact more significantly on those schools with such characteristics. . An exception would be if a phase specific initiative required funding, e.g. EOTAS delegation.
37. The estimated impact of reducing the AWPU for different values would be as set out in the following table. Clearly the greater the level of any transfer between the Schools and High Needs Blocks, the greater the reduction required to the basic entitlement AWPU rates.

Value of Transfer from the Schools Block	Estimated reduction in Primary AWPU (£)	Estimated reduction in Secondary AWPU KS3 (£)	Estimated reduction in Secondary AWPU KS4 (£)
£0.5 million	5.24	7.39	9.61
£1.0 million	10.48	14.78	19.21
£1.7 million	17.82	25.12	32.66

38. If a transfer from the Schools Block to the High Needs block is required but not approved by the Schools Forum then the Authority would have to look at finding savings and efficiencies within the High Needs Block itself in order to manage within the DSG grant allocation. Such a scenario could potentially lead to reduced top up funding rates for schools with high needs pupils as well as the possibility of reductions to high needs support services from the Authority.

Proposal 2	
Transferring up to 0.5% (£1.7m) from the Schools Block to the High Needs Block in 2018-19.	
a	Do you agree with the authority's proposal to transfer up to £1.7m (if the Schools Forum consider it necessary) from the Schools Block to the High Needs Block to support the financial pressures being experienced in supporting pupils with high needs? If not please explain why.
B	If any transfer is ultimately to be made between these blocks do you agree that the basic entitlement (AWPU) rates should be reduced equally to fund the transfer, unless there are phase specific issues to be considered? If not please explain which factor within the Schools Block NFF you think should be reduced and why.

To respond to this consultation, please complete the on-line response form by 28 November 2017 – the form is available via the following link:

<https://www.surveymonkey.co.uk/r/CCCSchools1819>