

CAMBRIDGESHIRE 2018/19 SCHOOL FUNDING FORMULA

To: Cambridgeshire Schools Forum
Date: 19 January 2018
From: Jon Lee – Head of Integrated Finance Services

1.0 INTRODUCTION

1.1 This report updates the Schools Forum on the Cambridgeshire schools funding formula for 2018/19 following:

- a) The publication of the Dedicated Schools Grant (DSG) allocations by the Department for Education (DfE); and
- b) The Children and Young People (CYP) Committee meeting of the 9 January 2018.

The final 2018/19 funding formula for Cambridgeshire will be submitted to the Education and Skills Funding Agency (ESFA) by the 19 January 2018 deadline.

1.2 The report also summarises the DSG allocation for Cambridgeshire compared to the indicative announcement from September 2017 as well as any other funding announcements made by the DfE.

1.3 The Schools Forum are asked to note this report and agree the use of the additional £13k within the Central Services Schools Block for retained local authority duties as outlined in paragraph 2.6.

2.0 FINAL 2018/19 DSG ALLOCATION

2.1 The DfE published the DSG allocations for 2018/19 on the 19 December 2017. Full details can be found on the DfE website at the following link:

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2018-to-2019>

2.2 The move to the national funding formula has led to an increase in funding for Cambridgeshire of £7.9m compared to the 2017/18 baseline which used 2016/17 pupil numbers. This was the indicative gain for Cambridgeshire schools which has since been updated to reflect pupil numbers from the 2017/18 school census published in the final DSG allocations for 2018/19.

2.3 The final Cambridgeshire Schools Block allocation for 2018/19 is £341.5m, which is an increase of £12.3m compared to the 2017/18 baseline. There has been no change to the Primary or Secondary Units of funding in the final announcement.

2.4 The following table provides information on the final Schools Block allocation for 2018/19 compared to both the indicative allocation and the 2017/18 baseline. The table shows that pupil numbers have increased between the October 2016 and October 2017 census dates by 1,066 pupils (1.34%) with:

- The Primary sector seeing an increase of 765 pupils giving a total of 50,558 Primary pupils; and
- The Secondary pupils increasing by 301 pupils giving a total of 28,839 Secondary

pupils.

Overall this provides an additional £4.4m of Schools Block funding compared to the indicative figures published by the DfE. The Growth Fund (£5m), Premises costs and Mobility (£4.9m) for 2018/19 continue to be funded at 2017/18 values, which is the reason why these figures remain constant at £9.9m in the table. The additional grant will be needed to meet the additional formula cost of the extra 1,066 pupils.

Schools Block Funding	Primary Pupil Numbers	Secondary Pupil Numbers	Pupil Led Funding £M	Premises, Growth, Mobility Funding £M	Total Allocation £M	Increase versus Baseline £M
2017/18 Baseline	49,793	28,538	319.3	9.9	329.2	-
2018/19 Indicative Allocation (September)	49,793	28,538	327.2	9.9	337.1	7.9
2018/19 Final Allocation (December)	50,558	28,839	331.6	9.9	341.5	12.3
Change between Indicative and Final Allocations	765	301	4.4	-	4.4	4.4

- 2.5 The funding available for distribution to schools through the formula is adjusted to take account of the budget required for the Growth Fund and the transfer from the Schools Block to the High Needs Block in 2018/19. The amount for distribution to schools is provided below. Schools Forum should note that this is prior to the application of any de-delegated budgets, which are applied to individual maintained Primary school budgets.

	£M	£M
Total Schools Block Allocation (see above)		341.5
Adjustments:		
Budget for Growth Fund	(2.5)	
Transfer to High Needs Block	(0.7)	
Total Adjustments		(3.2)
Total Schools Block for Distribution		338.3

- 2.6 In addition to the Schools Block allocation the DfE also announced allocations for the other three DSG Blocks for 2018/19 as follows:

- The Central Services Schools Block has increased by £30k reflecting the increase in pupil numbers. It is proposed that £17k of the increase is used to fund the increased cost for Cambridgeshire schools of the single copyright license (refer to 2.9). The

remaining £13k is proposed to be allocated to the retained local authority duties budget for 2018/19 to support these additional pupils, which Schools Forum are asked to approve;

- The High Needs allocation has increased by £0.3m reflecting an increase of 74 high needs pupils funded at £4,077 each (including the area cost adjustment). The High Needs Block will be adjusted further during 2018/19 for any movements in relative high needs import / export of pupils;
- The Early Years Block has increased by £3.7m for the block in total reflecting the increase in early years pupils and the full-year impact of the extended free entitlement.

2.7 The following table summarises the total allocations for all DSG funding blocks for 2018/19.

TOTAL DSG BUDGET	2017/18 Baseline £M (a)	2018/19 Indicative Allocation £M (b)	2018/19 Increase (Dec 2017) £M (c)	2018/19 Final (Dec 2017) £M (d = b + c)	Movement Baseline to Final (e = d - a)
Central Services Schools Block	7.95	8.00	0.03	8.03	0.08
Schools Block	329.2	337.1	4.4	341.5	12.3
High Needs Block	64.8	65.6	0.3	65.9	1.1
Early Years Block	34.4	34.4	3.7	38.1	3.7
Total	436.35	445.1	8.43	453.53	17.18

2.8 Schools Forum should note that all figures stated in this Section 2 are prior to DSG recoupment by the ESFA for funding academies directly.

2.9 Also announced by the DfE was the continuation for schools (including local authority maintained nursery schools) of a Single National Copyright License for 2018/19. This is funded from the Central Services Schools Block and the cost of the single license has increased by £17k to £417k and covers:

- Copyright Licensing Agency (CLA)
- Schools Printed Music Licence (SPML)
- Newspaper Licensing Authority (NLA)
- Education Recording Agency (ERA)
- Motion Picture Licensing Company (MPLC)
- Filmbank Distributors Ltd (for the PVSL)
- Mechanical Copyright Protection Society (MCPS)
- Christian Copyright Licensing International (CCLI)
- Performing Rights Society (PRS)
- Phonographic performance Limited (PPL)

3.0 OTHER FUNDING ANNOUNCEMENTS

3.1 The DfE have also made announcements as follows:

- a) The grant for universal infant free school meals (UIFSM) continues at a meal rate of £2.30 for the 2018/19 academic year. The ESFA are due to publish further details;

- b) The year 7 Catch-up Premium continues in 2018/19 with the ESFA due to confirm the arrangements in early 2018;
- c) The Primary PE and Sport Premium continues in academic year 2018/19 at the current national level of £320m a year. Further details are still to be published. The ESFA will continue to advise schools on sustainable and effective ways to use the premium;
- d) The ESFA will maintain the Education Services Grant (ESG) protections in 2018/19 at their current rates, to protect academies from excessive changes in funding as a result of ending the ESG; and
- e) The Pupil Premium as set out in the table below. The pupil premium allocations for 2018/19 will be published by the ESFA in June 2018 following the receipt of pupil number data from the spring 2018 schools and alternative provision censuses.

Pupil Premium Category	2018/19 £
Primary (reception to year 6) – Ever 6 FSM*	1,320
Secondary (years 7 to 11) – Ever 6 FSM*	935
Looked After Children - Pupil Premium Plus (previously £1,900 in 2017/18)	2,300
Post LAC – Children who have ceased to be looked after by the LA due to adoption, special guardianship order, a child arrangements order or a residence order (reception to year 11)*	1,900
Service Child (reception to year 11) – Ever 6 FSM*	300
*Note – these elements of pupil premium are allocated to schools based on the January 2018 census. The ESFA calculate as Ever 6 FSM excluding those eligible for LAC and post LAC premium. Refer to the following link for additional information: https://www.gov.uk/government/publications/pupil-premium-conditions-of-grant-2018-to-2019	

4.0 THE NATIONAL FUNDING FORMULA (NFF) FOR SCHOOLS AND THE CAMBRIDGESHIRE FORMULA 2018-19

- 4.1 Further to the November report to the Schools Forum setting out the proposals for the Cambridgeshire funding formula for 2018/19, final modelling on the school budgets has been completed during December and January. Taking into account the updated pupil numbers from the October census and the final DSG announcement there are no changes to the formula previously presented to the Schools Forum with one exception being the minimum funding guarantee (MFG).
- 4.2 The outcome of the final modelling was that there was headroom of £0.25m after applying the transfer to the High Needs Block of £0.7m. This headroom is calculated based on the difference between the Schools Block allocation and the modelling in the Authority Pro-forma Tool (APT).

4.3 The 2018/19 funding formula proposal was presented to and discussed at the Children and Young People's Committee on the 9 January 2018. The Committee were updated on the final modelling including the £0.25m headroom, which was also considered. The Committee approved the formula and resolved that the headroom be used in the formula to raise the MFG to a higher level of protection providing additional transitional protection and time to adjust for those schools losing funding through the formula changes. As a result the MFG has been set at 0% in the funding formula for 2018/19 meaning no school will see a reduction on it's per pupil funding compared to 2017/18.

4.4 The summary figures from the final APT are shown below with further detail provided in Appendix 1.

Cost v Funding of Full NFF Factors and Rates	£M
Pupil Led Factors (basic entitlement, deprivation, EAL, mobility, prior attainment)	311.3
Other Factors (rates, PFI, lump sum, area cost adjustment, sparsity, split sites, exceptional funding and minimum pupil levels)	31.7
Minimum Funding Guarantee	0.7
Funding Cap	(5.4)
Pupil Growth Fund	2.5
High Needs Transfer	0.7
TOTAL COST	341.5
FUNDING AVAILABLE FINAL	341.5

4.5 The impact of the cap and protection in the final formula is that:

- 50 schools are in receipt of Minimum Funding Guarantee (MFG) with MFG values ranging from £288 to £41,225 (the number of schools with MFG has increased to 50 schools due to the higher level of protection bringing schools that had reductions between 0% and minus 1.5% onto MFG with the MFG level being set at 0%;
- 126 schools are being capped in order to remain within the funding envelope. This figure is expected to reduce in subsequent years as the second year of the NFF allocations is rolled out by the DfE; and
- 68 schools are not in receipt of any MFG or capping, which means these schools will be receiving exactly the funding generated through the formula.

5.0 ACTIONS AND RECOMMENDATIONS

5.1 Schools Forum are asked to:

- Note the final DSG settlement for Cambridgeshire and the Cambridgeshire funding formula for 2018/19; and**
- Approve the addition of £13k to the retained Local Authorities duties budget from the increase received in the Central Services Schools Block announcement.**

