

Schools National Funding Formula & High Needs National Funding Formula DfE Consultations

Closing Date 22 March 2017

Schools and High Needs National Funding Formula

Stage 2 of DfE consultation launched with closing date 22 March 2017

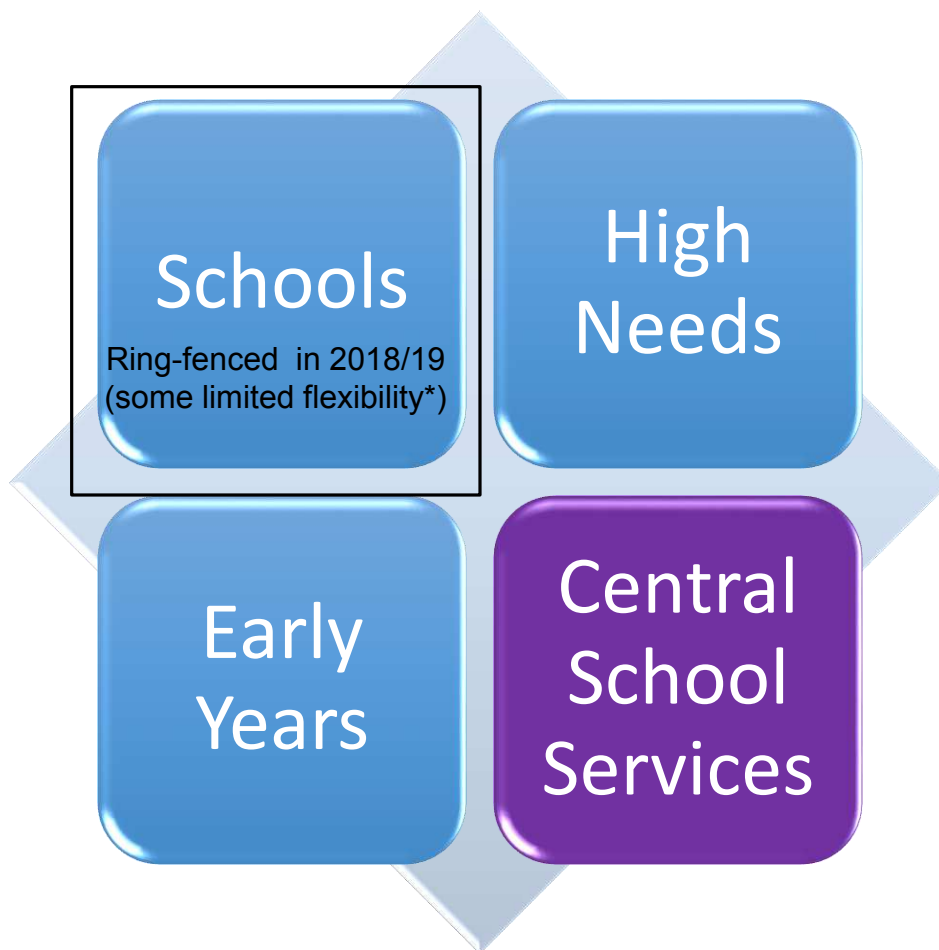
No school will face an overall reduction of more than 3% per pupil as a result of the NFF – a funding floor will be introduced

Minimum Funding Guarantee remains at -1.5% per pupil year on year (local funding formula)

‘Soft’ formula from 2018/19 (NFF allocation at LA level, but local funding formula still applies to schools)

‘Hard’ formula from 2019/20 (NFF applies to all schools)

DSG - 3 Blocks moves to a 4 Block model



*Can move funding between Schools and High Needs Block with agreement from Schools Forum and majority of schools.

National Funding Formula Rates (Schools Block)

| Formula Factor | Proposed NFF Rates* | | CCC 2016/17 Rates | |
|------------------|---------------------|-----------|-------------------|-----------|
| | £ | £ | £ | £ |
| | Primary | Secondary | Primary | Secondary |
| KS1 AWPU | 2,712 | | 2,721 | |
| KS2 AWPU | 2,712 | | 2,721 | |
| KS3 AWPU | | 3,797 | | 3,838 |
| KS4 AWPU | | 4,312 | | 4,989 |
| Ever6 FSM | 540 | 785 | | |
| FSM - meal | 980 | 1,225 | 600 | 600 |
| IDACI - Band A | 575 | 810 | 750 | 750 |
| IDACI - Band B | 420 | 600 | 750 | 750 |
| IDACI - Band C | 360 | 515 | 750 | 750 |
| IDACI - Band D | 360 | 515 | 500 | 500 |
| IDACI - Band E | 240 | 390 | 500 | 500 |
| IDACI - Band F | 200 | 290 | 220 | 220 |
| Prior Attainment | 1,050 | 1,550 | 750 | 420 |
| EAL | 515 | 1,385 | 750 | 750 |
| Mobility | tbc | tbc | | |
| Lump sum | 110,000 | 110,000 | 150,000 | 150,000 |
| Sparsity | 0-25,000 | 0-65,000 | | |

* Rates will be inflated by area cost adjustment

Not all schools gain the under NFF – Schools formula block

CCC gains
1.97%

- Represents an uplift of £6.3m
- Overall schools block increase Capped to 1.2% in year 1

75 schools
lose (33%)

- £0.74m less – comprising 69 Primary, 6 Secondary (when fully implemented)
- Max reduction in year 1 minus 1.5%

149 schools
gain (67%)

- £7.0m – 124 Primary, 25 Secondary (when fully implemented)

Main impacts of the proposed NFF

Reduction in Funding to Smaller schools

- Due to the reduction in the lump sum (from £150k in the current CCC formula to £110k). However (approximately 20 small rural schools would receive sparsity funding)

Greater % of Targeted Funding

- A higher % of funding is to be distributed on targeted factors such as deprivation, prior attainment and EAL than in the current CCC formula. Impact will vary for individual schools.

Key Stage 4 – Secondary Schools

- Proposed Primary and Key Stage 3 weightings similar to current CCC formula. Proposed Key Stage 4 weighting is significantly lower.

Impact on sectors (2016-17 v NFF full implementation)

- The above slides shows the overall impact of the NFF for Cambridgeshire schools. The following table provides a further level of detail as to the impact.

| | Schools Gaining | Value of Funding Gain £m | Schools Losing | Value of Funding (Loss) £m | Net Funding Gain / (Loss) £m |
|-------------------|-----------------|-----------------------------|----------------|-------------------------------|---------------------------------|
| PRIMARY SCHOOLS | 124 | 3.725 | 69 | (0.599) | 3.126 |
| SECONDARY SCHOOLS | 25 | 3.277 | 6 | (0.136) | 3.141 |
| TOTAL | 149 | 7.002 | 75 | (0.735) | 6.267 |

Local Funding Formula (Schools Block)

Change to
Local Funding
Formula in
2017/18

- No changes planned

Consider Early
Adoption in
2018/19

- Align funding rates to NFF introduce Sparsity and Mobility Factors?
- Update for IDACI in Deprivation formula

Growth (Schools Block)

No consensus so the EFA will allocate in 2018/19 based on 2017/18 spend – lagged funding

Funding allocation will be reviewed in future years

High Needs National Funding Formula

2017/18 allocation based on LA 2016/17 planned expenditure

2018/19 move to a High Needs NFF

No LA will see a funding reduction for High Needs as a result of this formula

Nationally £200m capital funding to support expansion of special provision in schools – announcement expected Jan 17

High Needs NFF - Cambridgeshire Impact

Cambridgeshire is a loser under the High Needs NFF – more work is required to understand the factors and their data sets as to why this is the case for Cambridgeshire given the level of need being experienced

On full implementation of the High Needs NFF Cambridgeshire would receive protection in the form of top up funding totalling £3.4m to bring the allocation up to the funding floor.

High Needs NFF Composition

Basic Entitlement

- Basic unit of funding for pupils and students in specialist SEN institutions including independent schools (ACA weighted)

Historic Spend Factor

- 50% of current spend

Proxy Indicators

- All ACA weighted (hybrid methodology) – see next slide

Funding Floor Factor

- No LA to lose any funding

Hospital Education Factor

- Funds Hospital and Outreach Provision at historic levels

Import/Export adjustments

- Cross-border movement of pupils

High Needs Block (Proxy Factors) – after 50% on historic spend

Population Factor (50%)

- Population (based on 2-18 year olds)

Health and Disability Factors (15%)

- Disability living allowance (pre 16 only)
- Children in bad health

Low Attainment Factors (15%)

- KS2 low attainment (average of last 5 years)
- KS4 low attainment (average of last 5 years)

Deprivation Factors (20%)

- Free School Meals
- IDACI

High Needs and schools block changes

- The EFA have confirmed the proposed change in SEN Unit place funding – from £10k per place in 2017-18 (with pupils excluded from schools funding formula numbers) to £6k per place plus pupils are included in the pupil count in 2018-19 and therefore receive schools funding formula allocations also.
- These changes have been reflected in LA 2016-17 baseline figures for overall comparison purposes.
- Currently the place funding in special free schools is funded by the EFA without recoupment. The EFA have stated that they “will consult next year on detailed proposals for changes to the source of special free schools place funding from 2018-19”. This could shift significant costs to the Northants high needs budgets from 2018-19.

Cambridgeshire is a potential Gainer under the NFF – Central School Services Block



+5.2%

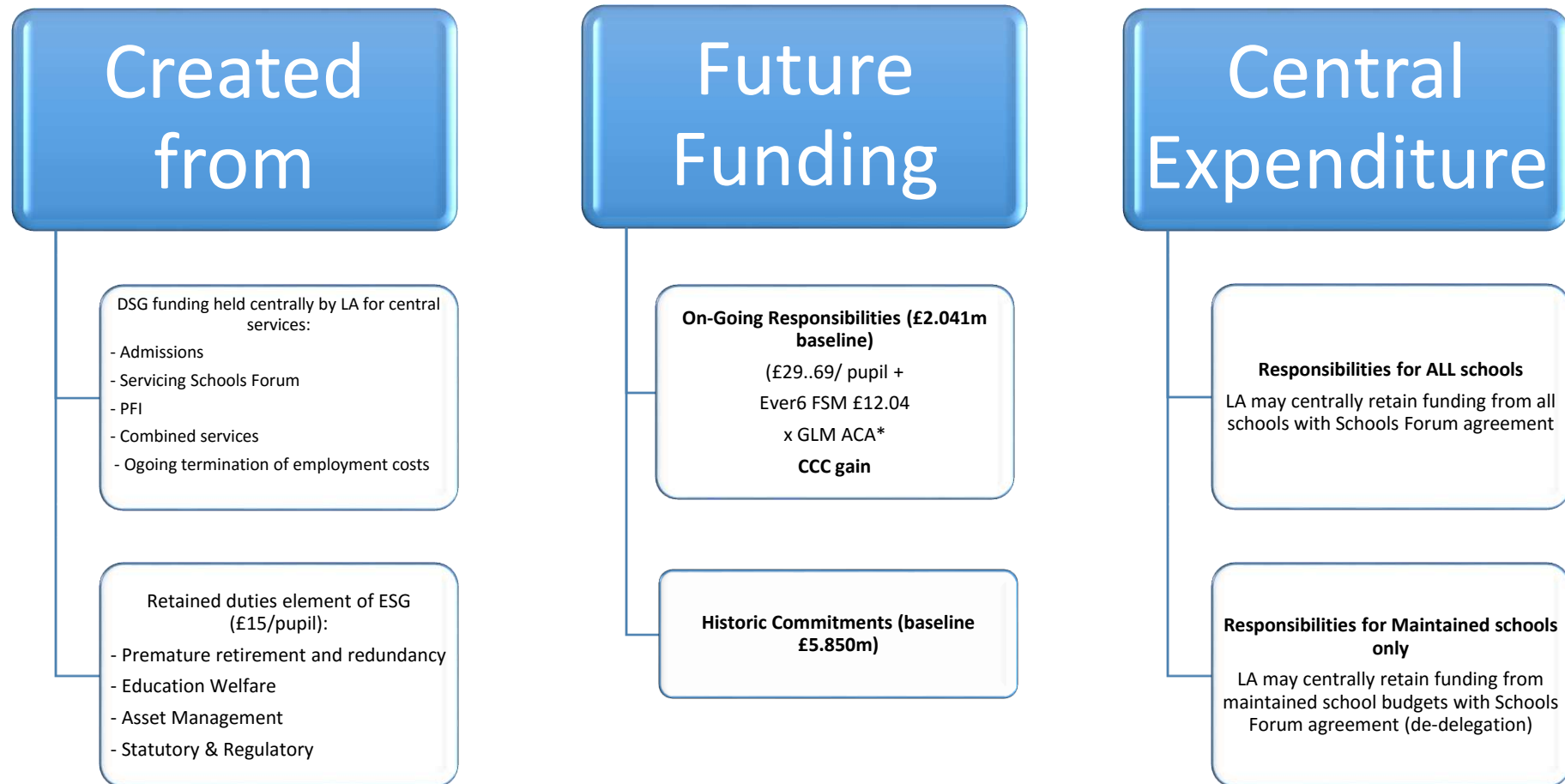
- When fully implemented
- +£417k



+0.6%

- Year 1 of transition
- +£50k

Central School Services Block



*General Labour Market (GLM) Area Cost Adjustment (ACA) – CCC 1.036365

Central School Services Block

- Although the above shows that Cambridgeshire would be a potential gainer from the changes in this blocks funding it is important to note that the funding for historic commitments will be on the basis of LAs spend on historic commitments in 2017-18.
- This may have an impact on the strategy to take in respect of backing out some of the combined budget areas previously reported to Forum

Future?

Further consultation on precise arrangements for hard formula

Consultation on role of Schools Forum under NFF (how to support effective partnerships)

Expectation LAs will move towards NFF in 2018/19

Baseline exercise on 2017/18 planned spend

Recoupment for primary and secondary free school places starts Sept 17

Summary and Vote

- Cambridgeshire is a potential gainer from the proposed changes from April 2018 in the schools blocks – in terms of overall funding levels.
- However the NFF is potentially divisive at different levels being potentially between different areas of the country but also between different schools within individual local authority areas.
- Cambridgeshire is a potential loser from the proposed changes to the High Needs block with a funding floor factor being triggered for the LA.
- LAs and schools that are potential losers from the NFF are likely to feedback negatively and lobby that the proposals should be revised.
- Do Forum members have any comments or feedback?

Sources of Information

- The consultations can be found on the [DfE website](#).