

NATIONAL FUNDING FORMULA: UPDATE

To: Cambridgeshire Schools Forum
Date: 27th January 2017
From: Martin Wade - Strategic Finance Manager (Children's & Schools)

1.0 INTRODUCTION

- 1.1 On the 14th December the Department for Education (DfE) published Stage 2 of their consultations for the Schools National Funding Formula and High Needs Funding reform to be implemented from 2018-19. Full details of the consultation can be accessed at the links below:

Schools National Funding Formula Stage 2 - <https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

High Needs Funding Reform Stage 2 - <https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

- 1.2 **Appendix A** provides a presentation highlighting the key proposals and potential impact for Cambridgeshire schools.

2.0 NATIONAL FUNDING FORMULA PROPOSALS

- 2.1 The illustrative national funding formula data suggests that Cambridgeshire Schools would benefit by a net £4.4m (1.4%) in 2018/19, rising to £6.3m (2%) in 2019/20 when compared to current 2016/17 baseline figures. However, the detailed school level data shows a significant redistribution of funding between schools within Cambridgeshire which would result in gains and losses dependent on individual circumstances. This can potentially be mitigated in 2018-19 by local formula decisions, but the impact in 2019-20 will be dependent on to what extent the "hard" national formula is implemented.

2.2

DFE Illustrative Data	Schools Gaining	Value of Funding Gain £m	Schools Losing	Value of Funding (Loss) £m	N G £
PRIMARY SCHOOLS	124	3.725	69	(0.599)	3
SECONDARY SCHOOLS	25	3.277	6	(0.136)	3
TOTAL	149	7.002	75	(0.735)	6

- 2.3 The potential redistributions between schools are due to proposed formula factors within the National Formula Factor which uses lower lump sums and basic per pupil values than Cambridgeshire's current local 2016-17 formula, but higher allocations for prior-attainment, deprivation and EAL. The proposed national formula also includes a sparsity factor, but only 20 schools (17 primary and 3 secondary appear to qualify under the nationally set criteria.
- 2.4 The proposed formula for High Needs Funding would result in no additional funding for the High Needs Block. In fact, based on the proposed factors Cambridgeshire would receive £3.4m of protection to bring the allocation up to the 0% funding floor.

3.0 CONSULTATIONS RESPONSES

- 3.1 Submissions to both consultations are via an online survey (available at the links in 1.1 above) and are open until 22nd March 2017.
- 3.2 Following the meeting of a Schools Forum working group on the 11th May draft responses to the consultations have started to be developed to focus on a number of key themes:
- Although we welcome the overall uplift in funding for some Cambridgeshire schools, the potential reductions in funding for smaller schools (primary and secondary) is concerning.
 - There appears to be a lack of evidence to show that the basic level of funding the proposed formula allocates (excluding additional needs factors) would be sufficient to operate schools of varying sizes.
 - The proposed level of the lump sums (£110,000 to primary and secondary schools) is too rigid and does not reflect the varying costs to schools of different sizes.
 - The proposed sparsity factor is too rigid and does not necessarily reflect the need for small necessary schools within a community.
 - Growth funding still requires further consideration, with a consistent approach for funding growth and new schools across the country.
 - Given the existing pressures on the High Needs Block further analysis is being undertaken to try and understand why the current Cambridgeshire cohort does not appear to correlate to the proposed national proxy indicators.
- 3.2 The latest versions of the draft responses will be circulated prior to Schools Forum to help inform discussion further.

4.0 ACTIONS

- 4.1 ***Members of Schools Forum are asked to comment on and note the contents of the national funding proposals.***