

SCHOOLS FORUM

MONDAY, 27TH NOVEMBER, 2017

At 2.30 pm

in the

COUNCIL CHAMBER - GUILDHALL, WINDSOR,

SUPPLEMENTARY AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
4.	<u>NATIONAL FUNDING FORMULA CONSULTATION FEEDBACK & SCHOOLS BUDGET 2018/19</u> To consider the report.	3 - 26

This page is intentionally left blank

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	27th November 2017	AGENDA	4
		ITEM:	
Title:	National Funding Formula Consultation Feedback & Schools Budget 2018/19		
Responsible officer:	Kevin McDaniel, Director of Children's Services		
Contact officer:	James Norris, Head of Finance (RBWM) Achieving for Children	Tel:	01628 796000

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide the Schools Forum with:
- a summary and brief analysis of the results of the consultation
 - summarised comments from schools on the consultation
 - details from the consultation to enable a decision on which budget model should be approved
 - details to enable a decision on whether there is support for the proposed Schools Block transfer

2 RECOMMENDATIONS

- 2.1 That the Forum:
- note and comment on the contents of this report
 - approves the Schools Block budget transfer
 - approves model 2 as set out in the consultation

3 BACKGROUND

- 3.1 At the Schools Forum 2nd November 2017 it was agreed that a consultation would be undertaken on the principles relating to a number of formula factors impacting on the Schools Budget allocation, funding formula for 2018/19 and migration towards the National Funding Formula (NFF).
- 3.2 Consultation therefore focused on:
- changes to the local funding formula
 - support for growth fund allocations
 - transfer of block funding
 - the level of migration to the NFF methodology

- 3.3 There were a number of briefings provided to support the schools during the consultation in particular:
- Schools Forum - 2nd November Agenda Items 6 & 7
 - Head Teachers Conference - 9th November
 - Consultation Briefing - 16th November
 - Schools Drop In Session - 20th November
 - Bursar Support mailbox
- 3.4 The consultation period was open between the 8th – 22nd November 2017. A total of 38 responses were received representing 64% of schools. The primary sector accounted for 25 schools (57% of primary) and middle and secondary 13 (92% of middle and secondary). No response was received from the Special School. In total 13,492 (60%) of pupils were represented by their schools.

4 RESPONSES TO THE SCHOOLS CONSULTATION

- 4.1 For each question included in the consultation a summary and brief analysis of the results with schools feedback is set out in appendix A.
- 4.2 The original consultation document is attached as appendix B.

5 ANALYSIS OF CONSULTATION RESULTS

- 5.1 The findings from the consultation shows clear support for the maintaining of the Minimum Funding Guarantee and the new Minimum Per Pupil Level.
- 5.2 There was support for the Growth Fund with confirmation that current funding level are reasonable, although there was a suggestion that alternative funding sources should support the expansion programme rather than funding being top-sliced from the Schools Block.
- 5.3 Schools responded strongly in respect of the retention of a formula funding rate per looked after child with a number of schools expressing their desire to continue to support some of our most vulnerable pupils. It was agreed that during the soft years funding levels should migrate towards the NFF level.
- 5.4 There was support for the implementation of the new Free School Meals factor, alongside the Ever6. However, there was a difference within the sectors with 76% of primary schools in favour of the introduction whilst this fell to 54% of secondary schools. The greater support within the primary sector was due to several smaller schools indicating they viewed current changes in pupil cohorts needed to be reflected in a timelier manner than the Ever6.

- 5.5 Comments provided suggested that both factors would be useful as the new Free School Meals factor focuses on the most recent cohort of pupils, whilst the Ever6 provides stability and an historical viewpoint.
- 5.6 Responses to the proposed transfer of Schools Block funding to the High Needs Block was divided with 55% supporting the transfer and 37% against. There was a considerable difference in opinion between the sectors with 68% of primary and 31% of secondary schools supporting the transfer. Secondary schools commenting that they opposed the block transfer on the grounds that they viewed the Schools Block should be protected and they were concerned that the funding might be simply used to invest in consultants. Additionally, they expressed the need for specific monitoring of spend on any sum transferred.
- 5.7 One secondary school didn't support the transfer as they had understood that the High Needs Block was receiving a 3% increase in funding and therefore should be able to generate the funds themselves. Latest indicative allocations reflect a 1.3% increase in the baseline budget for 2018/19 which is still below the projected forecast for 2017/18.
- 5.8 The block transfer would support the Special Educational Needs & Disability (SEND) Action Plan to address the issues identified in the recent OfSTED inspection. Since the consultation there has been an agreement by the Local Authority and East Berkshire CCG for funding of £450,000 from the Better Care Fund. This will support a three year programme investing in the SEND transition to raise standards and performance.
- 5.9 It was viewed by 92% of schools that during the soft years the Royal Borough should take the opportunity of migrating towards the NFF. This can be seen within the responses to questions 1 to 5 as set out in 5.1 to 5.5.
- 5.10 In respect of the preferred models there were two clear favourites model 2 with 51% and model 3 with 40%. It was apparent that the results were sector driven with 72% of primary schools favouring model 2; whilst 76% of secondary schools opting for model 3. This correlated to the responses to question 6a in respect of the block transfer.
- 5.11 Within the two preferred models whilst both migrate towards the NFF Model 2 does result in a funding ratio between primary and secondary's of 1:1.28 compared to model 3 at 1.1.29. Representing a reduced transition from the current 1:1.27 leading to less turbulence across the sectors.
- 5.12 On reflection and taking the comments from all schools into consideration, acknowledging the partnership working with East Berkshire CCG, it is recommended that the transfer between the Schools and High Needs Block along with the adoption of model 2 be approved.

Appendix A

Minimum Funding Guarantee

Q1a It is proposed the Minimum Funding Guarantee (MFG) is to remain at (1.5%) and not increase the level of protection, which appears fairer to those schools who do not currently receive MFG top-up. Do you agree?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	33	87%	88%
No	3	8%	6%
Not Sure	2	5%	5%
Total	38	100%	100%

It can be clearly seen that the majority of schools 87% (88% weighted pupil numbers) support the proposal for MFG to remain at (1.5%).

A couple of schools did comment that whilst they recognised the merit in retaining the MFG it did result in those schools benefiting from historically high allocations still being protected at the expense of other schools and that the implementation of the NFF was anticipated to address such funding anomalies.

Q1b Should we set the MFG rate at nearer to zero and top slice further funding from non MFG schools?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	5	13%	7%
No	28	74%	78%
Not Sure	5	13%	14%
Total	38	100%	100%

The majority of schools 74% (78% weighted pupil numbers) supported retaining the current level of MFG.

Responses included two schools suggesting that in order for funding to be allocated on a fairer basis reflecting current pupil levels with less historical influence the MFG should be fully removed.

Three schools commented that reducing the MFG would lead to schools facing considerable financial pressures which would cause significant disruption to current pupils.

Minimum Per Pupil Level (MPPLs)

Q2 Do you support the introduction of Minimum Per Pupil Levels (MPPLs) for Primary and Secondary schools?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	32	84%	86%
No	1	3%	3%
Not Sure	5	13%	11%
Total	38	100%	100%

From the response most schools 84% (86% weighted pupil numbers) supported the introduction of the MPPLs.

Whilst supportive of the introduction of the MPPLs schools did raise concern over the affordability of such criteria. Comments also raised the need to ensure other formula factors still continue to attract funding.

Two of the schools that responded as being “not sure” due to the need for further modelling of the impact and concerns over whether the rate would become a target rather than the minimal level of funding.

Support for growth fund allocations

Q3a Do you support the growth fund allocation continuing for 2018/19?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	30	79%	82%
No	6	16%	16%
Not Sure	2	5%	2%
Total	38	100%	100%

Most schools 79% (82% weighted pupil numbers) supported the growth fund allocation for 2018/19.

Support for the growth fund allocation recognised the need for additional budget to enable expansion programmes to be adequately resourced, also growth funding addresses the funding lag burden that would otherwise be forced onto schools. Responses also suggested greater emphasis should be

applied to the impact of the expansion programme of future years requiring some further resourcing.

Schools opposed to the growth fund felt alternative funding sources such as the Royal Borough's capital programme should support the expansion programme. One school questioned whether schools really could justify the increased costs and whether the fund was necessary.

Q3b Do you support a greater or lesser growth fund allocation?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Greater	3	8%	19%
Lesser	8	21%	18%
No change	27	71%	63%
Total	38	100%	100%

Most schools 71% (63% weighted pupil numbers) felt the level of growth fund allocation was at the correct level.

The responses suggesting a change in the current funding levels reflected schools who felt the growth fund allocated should be more closely aligned to the additional cost incurred on a case by case basis. Also, schools raised concerns that there are schools with capacity that is being underused at the same time there is an expansion programme, therefore suggesting a more cross Borough joined up strategy should be implemented.

Looked After Children (LAC)

Q4a Do you agree that a formula funding rate per looked after child should be retained for 2018/19?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	27	71%	69%
No	9	24%	26%
Not sure	2	5%	5%
Total	38	100%	100%

Schools responded with 71% (69% weighted pupil numbers) supporting the retention of a formula funding rate per looked after child for 2018/19.

Responses supporting the retention of the formula funding for looked after children commented on the need to continue to support some of our most

vulnerable pupils and the additional resourcing required that needs to be funded.

The majority of “no” responses raised concern over the potential double counting within the formula as looked after children also receive funding through the pupil premium factor.

Q4b Do you agree that the funding rate should be reduced to reflect the migration to NFF and the increased rate of pupil premium plus?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	29	76%	80%
No	8	21%	18%
Not sure	1	3%	2%
Total	38	100%	100%

Schools responded with 76% (80% weighted pupil numbers) supporting the migration to NFF and the increased rate of pupil premium plus.

Those schools indicating “no”

Free School Meals (FSM)

Q5 Should we introduce the FSM factor within our local formula? For the avoidance of doubt, this would be in addition to the existing deprivation factors of current Ev6 FSM eligibility and IDACI.

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	26	69%	52%
No	7	18%	24%
Not sure	5	13%	24%
Total	38	100%	100%

The response showed 69% (52% weighted pupil numbers) of schools supporting the introduction of the FSM factor within our local formula. Overall schools expressed their support of having Free School Meals as a factor as this would result in both more current impact on the formula based on pupils needs and also supported the migration towards the NFF.

Three schools raised the concern that there was the potential for double counting and whether the range of deprivation factors already within formula should be sufficient.

There was a notable difference between the responses from the different sectors with 54% of middle and secondary schools supporting the factor, compared to 76% of primary. The table below sets out the responses per sector.

Reponses by Sector

	Primary			Middle & Secondary		
Response	No. of responses	All schools equally weighted	Weighted by pupil numbers	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	19	76%	67%	7	54%	46%
No	4	16%	22%	3	23%	22%
Not sure	2	8%	11%	3	23%	32%
Total	25	100%	100%	13	100%	100%

High Needs Block Transfer

Q6a In accordance with the Schools revenue funding 2018 to 2019: operational guide do you support the transfer of 0.5% funds between the schools & High Needs Block for 2018/ 19 financial year?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	21	55%	47%
No	14	37%	49%
Not sure	3	8%	4%
Total	38	100%	100%

In respect of the support for the transfer of 0.5% of funds between the Schools & High Needs Block for 2018/19 financial year the response was split between 55% (47% weighted pupil numbers) supporting the transfer and 37% (49% weighted pupil numbers) against.

Support for the block transfer recognised the need for investment in the SEND strategy to enable the Royal Borough to develop a new policy and approach to the provision of educational support within the High Needs Block.

Schools responding “no” to the block transfer stated whilst sympathetic to the pressures faced on the High Needs Block it was their view that the Schools Block should be protected. Two schools stated they did not want the funding to be committed against consultants and that in order to agree the funding it would require separate monitoring. One school referenced the Operational guidance that states there could be High Needs Block gains of up to 3% per head and so this should be able to fund the investment.

In response to the last point, indicative High Needs Block funding examples, released by the ESFA shows a baseline increase of 1.3% which does not allow for historical spend, increasing unit costs and expected pupil growth within high needs. The table below sets out indicative allocations 2018/19 compared to the adjusted projection 2017/18; this demonstrates a pressure of £520,000.

High Needs Block	Budget £000	Adjusted Projection 17/18 £000	Variance £000
Indicative NFF funding 2018/19	18,725	19,245	520

Those schools stated “not sure” reflected that they would require a greater level of detail before committing to such a significant level of funding to be transferred from the Schools Block and weren’t clear if the funding was one-off in nature. In response to this point, it is confirmed that under the terms of the Operational guide any transfer is for 2018/19 only.

The responses provided a significant difference between the sectors with 68% of primary schools supporting the transfer and 69% of middle and secondary opposed. The table below sets out the responses per sector.

Reponses by Sector

Response	Primary			Middle & Secondary		
	No. of responses	All schools equally weighted	Weighted by pupil numbers	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	17	68%	73%	4	31%	30%
No	5	20%	18%	9	69%	70%
Not sure	3	12%	9%	0	0%	0%
Total	25	100%	100%	13	100%	100%

Q6b Do you support a greater or lesser transfer between the schools & high needs?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Greater	3	8%	8%
Lesser	18	47%	55%
Not sure	17	45%	37%
Total	38	100%	100%

In respect of the level of block transfer the responses showed 47% (55% weighted pupil numbers) favoured a lesser sum than the 0.5% estimated at £416,000, a number of schools stating no budget transfer should be permitted. Schools responding as not sure” accounted for 45% (55% weighted pupil numbers).

Responses relating to both the “lesser” and “unsure” generally flowed from the responses to question 6a, additionally one school did comment on the success of previous similar proposed plans to review the costs of SEND.

Migration to NFF

Q7a Do you agree that the local schools formula should show a migration towards the NFF during the soft formula years?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	35	92%	92%
No	2	5%	7%
Not sure	1	3%	1%
Total	38	100%	100%

The majority of Schools 92% (92% weighted pupil numbers) supporting migration towards the NFF during the soft formula years.

Q7b Which of the above models do you support for 2018/19?

Response	No. of responses	All schools equally weighted	Weighted by pupil numbers
Model 1	3.5	9%	15%
Model 2	19.5	51%	35%
Model 3	15	40%	50%
Total	38	100%	100%

The two preferred models were model 2 with 51% (35% weighted pupil numbers) and model 3 with 40% (50% weighted pupil numbers)

The results were very much sector specific with 72% (74% weighted pupil numbers) of primary favouring model 2; whilst 76% (73% weighted pupil numbers) of the secondary sector demonstrating a preference for model 3. This closely correlated to the responses to question 6a in respect of the block transfer.

The overall view was that migration towards the NFF was a sensible approach and depending upon whether schools supported the block transfer models 2 or 3 were the preferred options.

Reponses by Sector

Response	Primary			Middle & Secondary		
	No. of responses	All schools equally weighted	Weighted by pupil numbers	No. of responses	All schools equally weighted	Weighted by pupil numbers
Yes	2	8%	11%	1.5	12%	15%
No	18	72%	74%	1.5	12%	12%
Not sure	5	20%	15%	10	76%	73%
Total	25	100%	100%	13	100%	100%

Appendix B

Consultation Document Schools Funding Formula 2018/19

Purpose of the Consultation

At its meeting on 2nd November 2017, Schools Forum agreed to consult all schools on the following four funding formula topics:

- migration to the NFF methodology
- support for growth fund allocations
- transfer of block funding

The consultation responses will be anonymised and reported to the Schools Forum on Monday 27th November.

The nature of this consultation is quite technical and so a glossary and brief explanation of how each factor works has been provided to help you understand the questions. Responses will be used to inform decisions about how money will be allocated to schools next year and this will impact on the cash that your school will have to spend.

If you would like to discuss the consultation please feel free to contact your Schools Forum representative or email your questions to the Bursar Support Team
bursar.support@achievingforchildren.org.uk

Schools are asked to complete and return the consultation document by **4pm on the 22nd November 2017**. Only one submission per school can be accepted.

- Appendix A provides a template for the response and full listing of all the questions
- Appendix B provides a glossary of terms used in this document
- Appendix C provides calculations of how the various questions could affect schools
- Appendix Di & Dii illustrates the changes in funding rates per factor between RBWM and NFF & models
- Appendix E Model 1
- Appendix F Model 2
- Appendix G Model 3
- Appendix H – Minimum Funding Guarantee

Please scan and email your completed consultation response to the Bursar Support Team
bursar.support@achievingforchildren.org.uk

Context

In November 2017, officers presented a detailed update to Schools Forum members on the arrangements for funding schools in 2018/19. If you would like to read these papers, item 7 on the agenda is published on the Council's website:

[Schools Forum Papers from 2nd November 2017](#)

Academies are reminded that although their funding comes directly from the Education Skills & Funding Agency (ESFA) it is based upon the local formula and so these changes will impact on their funding. Actual amounts received could vary once issued by the ESFA.

This consultation will concentrate on schools' opinions about the mechanism for allocating funding through the Schools Block. This block is the main source of funding for schools and is separate from the Early Years Block (provides funding for 0-5 year olds) and the High Needs Block (provides funding for pupils requiring additional support due to Special Educational Needs).

Schools Forum members and officers are seeking schools' views on the transitional arrangements for implementing the NFF. At this stage the consultation is restricted to the format of the local formula schools wish to employ and at what stage during the next two year period schools wish to implement NFF factors to transition towards the central formula.

To aid understanding of the changes proposed in this paper, primary and secondary maintained schools, academies and free schools will be provided with anonymised illustrations showing the estimated funding which their schools would receive in 2018/19 on the basis of the formula funding proposals in this report, if pupil numbers and other data were unchanged from 2017/18. These will be based on DfE data taken from the October 2016 census. Schools are reminded that actual funding for 2018/19 will be based on the October 2017 pupil census and year on year changes in data may have a significant impact. Therefore, in responding to this consultation, schools are advised to concentrate on the principles rather than simply on the illustrative cash changes.

National Funding Formula (NFF)

Schools will be aware of the Government's plans to transition the school funding methodology to a NFF based model, rather than the current Local Funding Formula based model. The Secretary of State has made several announcements on the NFF. This statement was accompanied by a release of illustrative funding figures for each school by the DfE.

The details of the parliamentary statement may be viewed at:

<https://www.gov.uk/government/speeches/justine-greening-statement-on-national-funding-formula>

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

The full implementation of the NFF will not occur until 2020/21. The preceding two years (2018/19 and 2019/20) are referred to as “Soft” years where the authority will receive its Schools Block funding based on an NFF calculation at a national level but the money will be distributed to schools based on a local formula that is similar to the current system. The DfE have also provided details of the proposed rates for the various factors that allocate funding within the formula.

The Secretary of State has said that there will be a 0.5% increase in local authorities per pupil funding in the first “Soft” year and a similar increase in per pupil funding in the second “Soft” year. She has also limited the funding that may be transferred from the School Block to 0.5%, with Schools Forum approval. Budgets such as Targeted High Needs will count as a transfer from the Schools Block and will be included within the 0.5% transfer limit.

Government have also announced a series of minimum values for the per Pupil funding received by a school to be applied to the NFF during the “Soft” years. These are £3,300 and £3,500 for the primary factor in the first and second “Soft” year respectively. Rates of £4,600 and £4,800 have been set for the secondary factor in the first and second “Soft” years.

The DfE have released a technical note which explains how the school level allocations have been calculated (Schools block NFF: technical note). It should be noted that the examples are illustrative and do not represent the actual amount that schools will receive as this is dependent on the local rather than NFF until 2020/21. The correlation between the examples and what is actually received will depend on how quickly schools wish to transition towards the NFF methodology. This consultation will inform decisions about that transition.

The information published by the DfE to date does provide clarity on the factors that make up the new NFF. Some differ from the allocation factor or methodology used within RBWM’s current local formula.

At the time of issuing this consultation, final grant allocation figures, for 2018/19, are not yet available. Officers have used the current 2017/18 school formula allocations as a baseline for this consultation. The tables in Appendix C provide illustrative examples of how the NFF’s use of factors may impact schools locally.

The intention of the consultation is to show schools the impact on distributed funding and what the migration towards NFF factors could mean in financial terms.

Consultation Areas

- **migration to the National Funding Formula (NFF) methodology**

A move from one funding formula to another can cause instability at individual school level. To avoid significant fluctuations in funding, local authorities are to manage the transition to the NFF during 2018/19 and 2019/20.

For 2018/19, the DfE has provided LAs with funding for schools calculated by applying the NFF at individual school level on the basis of:

- A minimum per pupil level of funding of £4,600 per secondary pupil and £3,300 per primary pupil (new optional factor in the soft formula years)
- A cap (ceiling) on any gains of 3% per pupil at individual school level

Although the funding is allocated to local authorities on one basis, the allocation to schools by local authorities in 2018/19 must follow separate DfE regulations as follows:

	DfE's funding to LAs based on:	LAs must determine allocations to schools on the following basis:
Minimum Funding Guarantee (MFG) (Additional funding provided to schools facing losses)	MFG of +0.5% per pupil	MFG cannot exceed zero and could be set at a loss of up to 1.5% per pupil
Minimum per pupil level (MPPL) funding (This overrides the ceiling)	Secondary £4,600 Primary £3,300	LAs may determine MPPL funding
Ceiling (Cap on gains)	Maximum gain per pupil of 3%	LAs may determine cap (although this cannot exceed the cost of the MFG)

The main principles throughout the consultation adhered to are as follows:

Minimum Funding Guarantee (MFG): The minimum funding guarantee will remain at -1.5%. This is the DfE's current MFG which protects schools to the level of a maximum 1.5% per pupil loss.

Minimum per pupil level (MPPL): RBWM will implement a minimum per pupil level of funding of £4,600 per secondary pupil and £3,300 per primary pupil in 2018/19. Note that this factor overrides any ceiling, so some schools may see a higher percentage increase than the ceiling, due to the impact of the MPPL. These tend to be the larger and, in practice, less deprived schools.

- **Minimum Funding Guarantee (MFG) (Appendix H)**

For the first time ever we have the option of setting a local percentage for the Minimum Funding Guarantee (MFG). Since 2011/12 it has been set nationally at -1.5%. For 2018-19, local authorities may set the rate anywhere between 0% and -1.5%. Offering 0% means that every school currently on the MFG will not see any reduction to the amount of funding they

currently receive per pupil. Whereas setting the rate at -1.5% would see a small reduction to the rate per pupil. It should be noted that some schools continue to attract a significant amount of MFG funding and therefore are funded at a higher level to similar schools that are not in receipt of MFG funding. There is clearly a choice between stability and greater fairness. The cost of setting an MFG rate at 0% is approximately £70,000 higher than setting it at -1.5%, this additional cost would be scaled back from non MFG funded schools, reducing the net funding to each of these schools.

Schools facing lower increases or remaining on the MFG tend to be those with higher deprivation levels. This is because the faster the transition to the full NFF from which those schools with lower deprivation benefit most. However, many of the schools with highest deprivation, or small in overall size, are on the MFG indeed would still be on the MFG even under the existing formula. This is often because they are being protected against losses as a result of the changes in the formula a number of years ago. Therefore the choice of transitional option has little impact on the majority of schools in receipt of MFG. See appendix H.

Schools are asked to respond to the following questions:
Q1a It is proposed that the Minimum Funding Guarantee (MFG) is to remain at -1.5% and not increase the level of protection, which is fairer to those schools who do not currently receive MFG top up funding? Do you agree
Q1b Should we set the MFG rate at nearer to zero and top slice further funding from non MFG schools?

- **Minimum Per Pupil Level (MPPLs)**

The Government is committed to ensuring that the lowest funded schools attract the minimum per pupil funding levels. They have set these minimum levels as follows:

DfE MPPLs per pupil	2018/19	2019/20
Primary	£3,300	£3,500
Secondary	£4,600	£4,800

The DfE is allowing local authorities to include a MPPL factor within their local funding formula. This factor is optional rather than mandatory and we can set the rate per pupil to be the same as the DfE rates or lower.

MPPLs are calculated by taking the total school budget (including MFG), subtracting National Non Domestic Rates funding, and then dividing this revised total by the total number of pupils in year groups Reception to Year 11.

Schools are asked to respond to the following questions:
Q2 Do you support the introduction of Minimum Per Pupil Levels (MPPLs) for Primary and Secondary schools?

- **Support for growth fund allocations**

RBWM has experienced significant growth in its Primary schools for the last few years. This trend is showing no signs of reducing and is now moving into the Secondary sector. As such we are asking Primary and now Secondary schools to expand to ensure enough school places within each district are available to pupils and their families.

The LA currently has a growth budget of £0.5m per annum, and this amount has been agreed with the Schools Forum and is supported by our Growth Policy. 100% of the growth budget is given out to schools.

The Royal Borough proposes a growth fund allocation of £402,076 in 2018/19.

Schools are asked to respond to the following questions:
Q3a Do you support the growth fund allocation continuing for 2018/19?
Q3b Do you support a greater or lesser growth fund allocation?

- **Looked After Children (LAC)**

The LA proposes to retain a formula factor for looked after children in 2018/19 but to reduce its value from £1,900 to £950 per eligible pupil. This recognises the increase of £400 in Pupil Premium Plus for looked after children from £1,900 to £2,300 and the DfE's decision that the hard NFF will not include factor for looked after children.

Schools are asked to respond to the following questions:
Q4a Do you agree that a formula funding rate per looked after child should be retained for 2018/19?
Q4b Do you agree that the funding rate should be reduced to reflect the migration to NFF and the increased rate of pupil premium plus?

- **Free School Meals (FSM)**

The Government has introduced a further FSM factor into the NFF alongside the current Ever 6 FSM eligible and IDACI deprivation factors (Income Deprivation Affecting Children Index). It is felt that no single factor adequately funds deprivation and this is why it has been decided upon a basket of indicators in order to ensure that schools attract adequate funding for deprivation.

The FSM factor includes all pupils who are currently recorded on a school Census who have been eligible for free school meals. The Ever 6 FSM captures all 6 previous years. The Ever 6 FSM factor will continue in NFF and the local formula, however the funding rate will change, along with the IDACI deprivation factors.

Schools are asked to respond to the following questions:
Q5 Should we introduce the FSM factor within our local formula? For the avoidance of doubt, this would be in addition to the existing deprivation factors of current Ev6 FSM eligibility and IDACI.

High Need Block

High Needs funding is now calculated through a separate block, known as the High Needs block. The Government has introduced a separate NFF for this block, the High Needs block is seeing an indicative budget allocation increase of £233,200 (1.3%).

In 2017/18, the council reported an over spend in High Needs for the financial year 2016/17. This is largely due to an increase in the number of CYP with Education Health Care Plans, an increase in cost of placements in independent Special schools and the demand for all types of provision.

The increasing pressures in High Needs were discussed at the Schools Forum on January 2017 and the recent meeting on 2nd November 2017. This is not just an issue for RBWM, many other local authorities are experiencing similar pressure on their High Needs budgets. Following changes in government funding regulations and the operational guidance, the DfE is allowing local authorities an option to alleviate some of the pressure on the High Needs block by transferring up to 0.5% of the Schools block across to the High Needs block. This would be an indicative allocation of £0.416m. The transfer would support the implementation of the SEND strategy implementation action plan being led by a working group of headteachers, SENCOs and practitioners from a range of services.

Given the constraints of the financial position schools' opinions are sought on whether they would support a transfer of £0.416m from the schools block (0.5%) in 2018/19 in order to allow time to develop and implement initiatives that will achieve long term savings. The views of schools will inform decisions at the Schools Forum and the discussions at council's Cabinet. However, the decision-making body for any such transfer is the Schools Forum.

The Royal Borough has modelled the transfer 0.5% from the schools block to the high needs block to support the pressure on this area of spend (as illustrated in models 1 & 2). The indicative transfer budget is £416,000 for 2018/19.

- **Block transfer**

Schools are asked to respond to the following questions:
Q6a In accordance with the Schools revenue funding 2018 to 2019: operational guide do you support the transfer of 0.5% funds between the schools & high needs block for 2018/19 financial year?
Q6b Do you support a greater or lesser transfer between the schools & high needs?

- **Migration to NFF**

In the 'soft' formula years 2018/19 and 2019/20 Local authorities will operate a local formula for all schools. The local Formula can incorporate all factors from the previous years and adopt or migrate towards the values in the individual NFF formula rates.

Proposed migration from Local Formula to National Formula

Factors	Model 1 (Appendix E)	Model 2 (Appendix F)	Model 3 (Appendix G)
	%	%	%
Age Weighted Pupil Unit (AWPU)	60.0	60.0	65.0
Pupil Led Factors	75.0	65.0	100.0
Looked After Children (LAC)	50.0	50.0	50.0
Minimum Funding Guarantee (MFG)	(1.5)	(1.5)	(1.5)
Block Transfer	0.5	0.5	0.0

Appendix C Lists per school the movement in funding from 2017-18 formula shares & the individual models

Appendix Di & Dii illustrates the changes in funding rates per factor between RBWM and NFF

Appendix E - G Details the proposed formula factor rates for models 1-3

Schools are asked to respond to the following questions:
Q7a Do you agree that the local schools formula should show a migration towards the NFF during the soft formula years?
Q7b Which of the above models do you support for 2018/19?

School Consultation Response

School Name	
Federation / Multi-Academy Trust Name	
Full Name	
Signature	
Position	
Have Governors been consulted?	

Minimum Funding Guarantee

Q1a It is proposed the Minimum Funding Guarantee (MFG) is to remain at -1.5% and not increase the level of protection, which appears fairer to those schools who do not currently receive MFG top-up. Do you agree?

☐

Yes

☐

No

☐

Not sure

Q1b Should we set the MFG rate at nearer to zero and top slice further funding from non MFG schools?

☐

Yes

☐

No

☐

Not sure

Minimum Per Pupil Levels

Q2 Do you support the introduction of Minimum Per Pupil Levels for primary and secondary schools?

☐

Yes

☐

No

☐

Not sure

Growth Fund

Q3a Do you support the growth fund continuing for 2018/19?

☐

Yes

☐

No

☐

Not sure

Q3b Do you support a greater or lesser growth fund allocation?

☐

Greater

☐

Lesser

☐

No Change

Looked After Children (LAC)

Q4a Do you agree that formula rate per looked after child should be retained for 2018/19?

☐

Yes

☐

No

☐

Not sure

Q4b Do you agree that the funding rate for LAC should be reduced to reflect the migration to NFF and the increased rate of pupil premium plus?

☐

Yes

☐

No

☐

Not sure

Free school Meals (FSM)

Q5 Should we introduce the FSM factor within our local formula? For the avoidance of doubt, this would be in addition to the existing deprivation factors of current Ever6 FSM eligibility and IDACI.

☐

Yes

☐

No

☐

Not sure

Block Transfer

Q6a The Royal Borough has modelled the transfer 0.5% from the schools block to the high needs block to support the pressure on this area of spend (as illustrated in models 1 & 2). The indicative transfer budget is £416,000 for 2018/19.

Do you support the transfer of 0.5% funds between the schools & high needs block?

☐

Yes

☐

No

☐

Not Sure

Q6b Do you support a greater or lesser movement of funding between the high needs block?

☐

Greater

☐

Lesser

☐

Not Sure

Migration to NFF

Q7a Do you agree that the local schools formula should show a migration towards the NFF during the soft formula years?

☐

Yes

☐

No

☐

Not Sure

Q7b Which of the above models do you support for 2018/19?

☐

Model 1

☐

Model 2

☐

Model 3

Please scan and email your completed consultation response to the Bursar Support Team
bursar.support@achievingforchildren.org.uk