

# DARLINGTON SCHOOLS FORUM

12<sup>th</sup> January 2017

ITEM NO 5

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## SCHOOL FUNDING FORMULA 2017/18

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### **Purpose of Report**

1. To update the Schools Forum regarding the school funding formula for 2017/18

### **Background**

2. Schools Forum agreed at their meeting in 4<sup>th</sup> October to continue to use the same funding formula factors in the 2017/18 school budget share calculation as was used in the 2016/17 calculation.
3. The revised datasets and modelling tool (APT) were provided by the EFA on 15<sup>th</sup> December to enable Local Authorities to submit their revised funding formula in line with the 20th January deadline. The following paragraphs are provided to inform Forum members of changes to the funding formula, before final submission to the EFA.

### **The Formula**

4. The final funding formula uses the datasets provided by the EFA, collected at the October 16 census. The regulations stipulate that these datasets must be used in completing the funding formula.
5. In modelling the final funding formula the first step undertaken was to use the same unit values for all of the factors as per the 2016/17 submission, however due to changes in data some changes were required.

### **IDACI**

6. As reported to Forum in October, the EFA have amended the datasets for IDACI to revert to similar bands as was used in 2015/16. As Forum will recall modelling was undertaken on this change in the first issue of the formula tool and the effect of this change was minimal so no adjustments were required.
7. On receipt of the 2017/18 formula tool further checks have been made on this change to ensure that there is no material effect on schools budgets as a result of this change. Again this modelling has found that overall only minor changes to schools budgets have occurred due to this change in dataset. Therefore the same unit bandings for IDACI have been used in 2017/18 as was used in 2016/17.

## Prior Attainment

8. At primary level there has been a change in the data set for the prior attainment factor which has resulted in £90,000 less being distributed through this factor in the funding formula. In line with previous Forum decisions as this is a priority group of children it is proposed to keep the level of prior attainment funding in primary schools at the current overall level. Therefore the unit rate has been increased by £52.60 to reflect this
9. The following table illustrates the unit values used in the 2017/18 funding formula.

Funding Factor	Formula 2016/17 £	Final Formula 2017/18 (To be submitted to the EFA) £
AWPU - Primary	2,490.79	2,490.79
AWPU - Key Stage 3	4,332.99	4,332.99
AWPU – Key Stage 4	4,288.33	4,288.33
Deprivation – FSM – Primary	809.25	809.25
Deprivation – FSM – Secondary	996.03	996.03
Deprivation – IDACI - Primary Band 2	377.26	377.26
Deprivation – IDACI - Primary Bands 3 to 6	690.42	690.42
Deprivation – IDACI – Secondary Band 2	412.81	412.81
Deprivation – IDACI – Secondary Bands 3 to 6	556.39	556.39
Looked After Children	866.00	866.00
EAL - Primary	277.00	277.00
EAL - Secondary	240.80	240.80
Prior Attainment – Primary	756.81	809.41
Prior Attainment – Secondary	39.89	39.89
Lump Sum	175,000.00	175,000.00
Sparsity	35,000.00	35,000.00

10. In 2017/18 no school will have a per pupil decrease of more than 1.5% in line with the minimum funding guarantee. Gains have again been capped, for 2016/17 at 3.78% (the maximum cap allowable in line with the MFG funding) therefore no schools budget will increase by more than this in 2017/18 on a per pupil basis.
11. Appendix one details each schools budget share for 2017/18. Some schools budget position will have changed under the 2017/18 formula from the amount received in 2016/17. The reasons for this are a school may have had
- An increase/decrease in pupil numbers
  - An increase/decrease in the number of pupils in one of the funding factors (e.g. deprivation etc.)
  - The school was receiving minimum funding protection in 2016/17 which will have moved one extra year
  - The school was having their budget capped in 2016/17 which will have moved on one extra year

12. The figures presented in appendix one are the final budget shares for 2017/18 and will be submitted to the EFA in line with their 20th January deadline. Forum should be aware however, that the figures may change slightly for amendments that the EFA require prior to approving the formula. Any major changes required by the EFA will be notified to Forum at their next meeting.
13. Once the funding formula is approved the budgets shown at appendix one will be the school budget shares for 2017/18. Maintained schools will be informed of their budget share by the Local Authority in February. Academy and free schools are funded by the EFA direct. The EFA will use the budget share as calculated by the Local Authority to calculate academy and free schools budgets for 2017/18. The EFA will adjust the budget share in line with previous funding agreements made with the school, therefore the actual budget share received for academy and free schools may differ from those published in appendix one. The EFA will notify academy and free schools of their budget share for 2017/18 in line with their timetable.

### **De-delegation**

14. As reported to Forum in October the EFA are to stop paying local authorities Education Services Grant (ESG) for general duties in 2017/18. There is however the option for local authorities to de-delegate funding from maintained schools to replace this funding.
15. The EFA announced in the first stage of the national funding formula consultation that general (ESG) will cease in 2017/18, however they announced that transitional funding will be provided for the period April 17 to August 17. After this point, from September 2017 general ESG will cease.
16. The EFA have determined that the annual rate of funding for general ESG is £66 per pupil per year in mainstream schools (this is a reduction of £11 per pupil down from £77 in 2016/17) and have on that basis allocated the local authority £27.50 per pupil to cover the period April to August 17. This means that the local authority loses £49.50 per pupil from ESG in 2017/18
17. The EFA recognise that local authorities still provide the services previously paid for by general ESG and therefore have amended the regulations to allow local authorities to de-delegated funding through the school funding formula to enable authorities to still receive funding for these services.
18. General ESG is currently paid to the local authority for maintained schools only. Academies receive general ESG direct from the EFA. On that basis the de-delegation through the funding formula only applies to maintained schools. Academy schools will receive reductions in their ESG payments from the EFA direct.
19. As the authority still has to provide services currently funded through general ESG, it is proposed that there will be a de-delegation for maintained schools in the school funding formula in 2017/18. In line with the EFA rules on school funding this deduction will be made after the calculation of the minimum funding guarantee.
20. Although the Authority is losing £49.50 per a pupil of ESG in 2017/18 (after transitional grant), it is not proposed to recover all of this funding through the de-delegation. The EFA have indicated that the annual cost of general ESG is £66 per pupil and in 2017/18

are providing £27.50 per pupil in the form of a transitional grant, therefore the local authority is short by £38.50 from the EFA recommended ESG rate in 2017/18.

21. It is proposed that a de-delegation is made in the funding formula from maintained schools to provide funding for ESG general duties that the Local Authority is no longer funded for. Based on the EFA rate of £66 per pupil for ESG the Local Authority is short by £38.50 per a pupil, however it is recognised that school budgets are under pressure also, therefore it is proposed £20 will be de-delegated from maintained schools rather than the full £38.50. This means the Local Authority will lose £29.50 per pupil on the 2016/17 rate.
22. In line with the EFA rules any de-delegations must be approved by the relevant group that the de-delegation applies to on the School Forum. As this de-delegation only effects maintained schools, only the primary maintained representative can vote on this issue.
23. Although this de-delegation only applies to maintained schools, all schools will lose funding in 2017/18 as the EFA will remove funding from academy schools.

### **Recommendations**

24. That Forum agree to the proposed formula for 2017/18.
25. That maintained primary school representatives approve the de-delegation of £20 per pupil in maintained schools within the funding formula in 2017/18 to cover the loss of general ESG.

**Brett Nielsen  
Finance Manager,  
Resources Department**