

## SCHOOLS FORUM REPORT

### Subject: Schools Funding Formula Review 2018-19

#### Introduction

This report is to update Forum on the national funding formula (NFF) and the implications for schools. The Education Skills and Funding Agency (ESFA) has issued details of the national formula for calculating Schools Block DSG.

#### Summary

The indicative 2018-19 Schools Block DSG is based on the accumulation of individual school allocations under the NFF, LA's have the flexibility to allocate funding on a local formula for 2018-19 and 2019-20. The NFF is largely unchanged from the proposals outlined earlier in the year. The main changes are:

- A minimum basic per pupil amount for primary of £2,747, KS3 of £3,863 and KS4 of 4,386,
- An additional factor to provide a minimum pupil led funding amount (all pupil led factors) £3,300 for primary and £4,600 for secondary in 2018-19.
- Increase in the funding floor so that DSG funding to LA's provides for an increase of at least 0.5% per pupil in 2018-19 and at least 1% in 2019-20

The details of the NFF factors and values together with Rotherham's formula are outlined below:

Table 1 - Local and NFF Factors and Values

Factors	2017-18 Rotherham formula		National Funding Formula	
	Primary	Secondary	Primary	Secondary
AWPU Primary	£3,068.00		£2,746.99	
AWPU KS3		£4,835.00		£3,865.65
AWPU KS4		£5,034.00		£4,385.81
Dep FSM	-	-	£440.00	£440.00
Dep Ever 6	£548.00	£625.00	£540.00	£785.00
IDACI Band A	-	-	£575.00	£810.00
IDACI Band B	-	-	£420.00	£600.00
IDACI Band C	-	-	£390.00	£560.00
IDACI Band D	-	-	£360.00	£515.00
IDACI Band E	-	-	£240.00	£390.00
IDACI Band F	-	-	£200.00	£290.00
LPA	£537.00	£477.00	£1,050.00	£1,550.00
EAL 3	£367.00	£367.00	£515.00	£1,385.00
Lump sum	£117,000.00	£117,000.00	£110,000.00	£110,000.00

.Table 1 shows:

- A significantly higher basic per pupil funding in the local formula especially at KS3 and KS4
- Higher factor values for deprivation under the NFF
- Slight reduction in the lump sum value in the NFF

Based on October 2016 census data the 2018-19 indicative Schools Block DSG allocation is £184.822m, an increase of £2.339 over 2017/18 (1.3%).

LAs have the flexibility to allocate funding to schools either on the basis of the NFF or retain a local formula.

The LA has undertaken formula modelling to compare allocations to schools under the current formula, the NFF and a combination of both after taking into account the following:

- The proportion of funding allocated by the local formula is significantly different from that allocated by the NFF. (83% basic entitlement led & 6.5% additional needs led compared to 73% & 18%)
- The local distribution of funding between primary and secondary is 1:1.42, the national average ratio is 1:1.29 which has been kept by the ESFA in the NFF.

### **Recommendations**

The LA recommends a formula review with a Sub Group of Schools Members to consider options for the formula for 2018-19.

**Vera Njelic: Principal Finance Officer**