

## Consultation on the Schools Block funding formula for 2019-20

**A briefing session will be held on Wednesday 12<sup>th</sup> September, 4.30pm to 6.00pm in the Karalius Suite, Halton Stadium to try to answer your questions.**

### Introduction

As you will be aware the Department for Education introduced a National Funding Formula (NFF) for primary and secondary schools from April 2018. It was agreed in Halton to move to the NFF for 2018-19. We now need to consider our position for the 2019-20 financial year. We have the ability to use a different formula to the NFF if we so chose or to continue with the NFF until its full implementation. We have informed that local authorities can continue to set their own local formula up to and including 2020-21.

We are required to consult with all maintained schools and academies within the borough as well as with Schools Forum regarding any proposed changes to the local funding formula including the method, principles and rules adopted. The final decision on the local funding formula for 2019-20 again rests with the local authority. As we are expecting to have no reserves or even a deficit (overspend) due to demands on the High Needs Block from 2018-19 we can only use the grant allocated to us for 2019-20 for the formula.

In the most simplistic form, we are asking schools to let us know what funding formula you want us to use for 2019-20.

- Do we continue with the NFF with the transitional protection for 2019-20
- Do we look to an alternative funding formula moving away from the NFF – albeit for a temporary period until the NFF is fully implemented in a couple of years' time.

\* At the time of writing, no further details are known regarding the new Teachers Pay Award Grant which totals £187M for 2018-19 and £300M for 2019-20. How much Halton schools will receive, or the criteria for allocating the new grant is unknown. Therefore we cannot attempt to compare budgets with forecast expenditure.

### Comparison to 2018-19

How does 19-20 compare to 18-19? Using the October 2017 census data (used to build your 2018-19 budget) we have added 2.5% to LA Rates figures (as an estimate) and still have £99.2k left from the indicative allocation of Schools Block DSG. This has been added to Basic per pupil at £10.41 for ease of modelling. This increase in Basic per pupil is *after* we have deducted 0.5% from the indicative Schools Block DSG allocation so that we are comparing like for like with the current financial year.

Below are details of Schools Block funding for 2018-19 (before de-delegation) that you have received. We have modelled 19-20 budgets with a 0.5% transfer to High Needs to give you a like-for-like comparison. Please refer to the second consultation paper for information regarding the transfer to High Needs Block.

### Individual funding factors explained

#### Basic per Pupil

This is based on the number of pupils within each school on the October census. There is a primary rate, a Key stage 3 rate and a Key stage 4 rate.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£2,689.81	£2,700.22
The primary level cannot be less than £2,000.		
Key stage 3	£3,894.28	£3,904.69
Key stage 4	£4,417.40	£4,427.81
The secondary level cannot be less than £3,000.		

## Deprivation

We must use this factor but can decide which criteria. Under the NFF we are using the current Free School Meals eligibility, Free School Meals Ever 6 eligibility and the Income Deprivation Affecting Children Index (IDACI) which uses pupil's home postcodes. The postcodes are split into seven bands – A to G and we are allowed to fund bands A to F only. FSM is measured against the October census while FSM Ever 6 is measured against the previous January census. These are set by the ESFA and cannot be changed.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary FSM	£346.11	£346.11
Secondary FSM	£439.97	£439.97
Primary FSM6	£494.00	£494.00
Secondary FSM6	£779.00	£779.00
Primary IDACI band G	not funded	not funded
F	£180.00	£180.00
E	£220.00	£220.00
D	£345.00	£345.00
C	£380.00	£380.00
B	£410.00	£410.00
A	£565.00	£565.00
Secondary IDACI G	not funded	not funded
F	£260.00	£260.00
E	£370.00	£370.00
D	£505.00	£505.00
C	£550.00	£550.00
B	£590.00	£590.00
A	£800.00	£800.00

## Low Prior Attainment

The prior attainment factors act as proxy indicators for low level, high incidence, special educational needs.

Primary – applied for pupils identified as not achieving the expected level of development in the Early Years Foundation Stage Profile. As the EYFSP changed in 2013, from 2019-20 there will be no need for a primary weighting as all primary year groups will represent results under the new framework. In order to keep to the overall Primary LPA funding, local authorities are advised to consider adjusting the unit value. Until the October 2018 census data is received, we will not know what level of adjustment would be required.

Secondary – based on the number of pupils not achieving the expected level at KS2 in one or more of reading, writing or mathematics. The proportion of pupils funded through this factor is a mix of the old and new requirements with weighting applied to the new requirements introduced in 2015-16. For 2019-20 the weightings will be applied by the Education and Skills Funding Agency to Years 7, 8 and 9. We are not allowed to change the weightings applied but can adjust the cash value to keep within the overall Secondary LPA funding. Again, until the October 2018 census data is received, we will not know what level of adjustment would be required.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£900.00	£900.00
Secondary	£1,400.00	£1,400.00

## English as an Additional Language

For pupils recorded on the October census as having entered state education in England during the last three years and having a mother tongue other than English.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£515.00	£515
Secondary	£1,056.09	£1,056.09

### Looked After Children

Under the NFF there is no LAC factor as the DfE feel the funding should be through the PP Plus grant. As such, they have transferred funding from DSG to the PP Plus Grant for 2018-19. This is not done on an individual LA basis. The PP Plus grant was increased from £1,900.00 per pupil to £2,300.00 per pupil. As we no longer receive funding for this factor we recommended that this factor was not used for 2018-19. If we were to re-introduce it, we will have to take the funding from another factor. For information, we allocated more than £250k through this factor in 2017-18.

### Lump Sum

A lump sum amount payable to each school, paid at a single level under the NFF.

	<u>Current value</u>	<u>Indicative 19-20 value</u>
Primary	£110,000.00	£110,000.00
Secondary	£110,000.00	£110,000.00

### Pupil Mobility

This is where a pupil entered a school during the last three academic years, but did not start at the beginning of the Autumn Term (or January for Reception pupils). There is a 10% threshold and funding is only payable where the proportion of pupils entering a school exceeds 10%. Since the introduction of this factor, no schools in Halton have met the criteria to be eligible for funding.

### Sparsity

To be eligible for this funding, schools must

- a) be located in areas where pupils would have to travel a significant distance to an alternative school should the school close and
- b) be a small school.

No schools in Halton meet these criteria.

### Split sites

This factor is to support schools have unavoidable extra costs because the school buildings are on separate sites. No schools in Halton qualify for split site funding at the present time.

### LA Rates

Local authorities must fund rates at an estimate of the actual cost and can make adjustments to the rates funding during the year, outside of the funding formula. The effect on a school of LA Rates funding is zero as the funding would equate to that year's charge. LA Rates funding is specific to each school so is not listed here. For modelling purposes, we have applied an increase of 2.5% to the 18-19 estimated level of LA Rates.

### Private Finance Initiatives

This factor supports schools with unavoidable extra premises costs because they are a PFI school and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority. Only one school qualifies for this funding, at £197.82 per pupil for 2018-19. From April 2018 the NFF has applied inflation but there is no indication as yet of the level to be applied for 2019-20.

### London Fringe

This is not applicable to Halton.

### Exceptional Premises Factor

We are allowed to apply to the ESFA to use exceptional premises factors for joint-use sports facilities. They can only be applied where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the borough. In Halton we have one school funded at £139,000. We can use applications submitted for 2017-18 for 2019-20 if the qualification criteria are still met.

### Minimum per pupil funding

The ESFA have set minimum per pupil funding levels for 2019-20 at £3,500 for primary schools and £4,800 for secondary schools with pupils in years 10 and 11.

When we look at any capping or scaling of increases, these cannot take a school below the minimum value set in the local formula.

The minimum per pupil funding is calculated by adding together the pupil-led funding and school-led funding then dividing by the number of pupils. It isn't just the Basic Per Pupil factor.

### Per pupil increase (Funding Floor)

The Secretary of State confirmed in July 2017 that the NFF will provide for at least a 1.0% per-pupil increase for each school in 2019-20 through the national funding formula compared to their 2017-18 baseline.

To calculate this we use the 2017-18 baseline per pupil figure (similar to the minimum per pupil funding calculation above) and compare it to the 2019-20 per pupil figure AFTER the minimum per pupil calculation has been applied. If the difference is less than 1.0% then the funding floor is applied to ensure it reaches 1.0%.

### Minimum Funding Guarantee (MFG) / Gains cap

The MFG has been applied since the introduction of the revised funding formula in 2013-14 and has been set at minus 1.5% for the past few years. It is to ensure that a school's budget cannot fall by more than 1.5% for anything other than a reduction in pupil numbers. For 2019-20 local authorities have the flexibility to set their MFG between plus 0.5% and minus 1.5%.

We have also been allowed to set capping or scaling of increases to ensure the affordability of such. The total of any capping or scaling cannot exceed the total MFG. A cap sets a maximum on the amount of any increase a school can receive while a scale reduces all increases by the same percentage. The gains cap has been increased by the ESFA so that schools can attract gains of up to 6.09% against their 2017-18 baseline. The minimum per pupil levels are not subject to a gains cap.

In recent years we have had to apply capping and scaling to ensure school budgets equal the funding available. To merely reduce the value of a funding factor in the hope of reducing the overall budget total doesn't work due to the impact of the MFG.

For 2019-20 it is impossible to say at this point in time what level of MFG, capping or scaling will give the best fit for school budgets within the funding we are given. We will not know what level will be required until we get the October census and updated allocation in December. As such, given the timescales we must work to and the Christmas break we are asking once again that schools agree that Schools Forum be allowed to agree these levels at the January meeting, when we will have indicative budgets calculated for all primary and secondary schools.

### **What happens next?**

The deadline for this consultation is **Friday 21<sup>st</sup> September 2018**.

We can collate and analyse responses week commencing 24<sup>th</sup> September and write the report for Schools Forum by the deadline of Friday 28<sup>th</sup> September.

Schools Forum will then consider their responses at the meeting on Wednesday 10<sup>th</sup> October.

The funding formula decision needs to be made at Executive Board in November 2018 so that if we need to submit a disapplication request we can do so by the deadline of 30<sup>th</sup> November 2018

**Timescales**

Mid-December will see the release of the October census data and the Schools Block allocation (usually one week before Christmas).

Formula calculations completed for Schools Forum on 16<sup>th</sup> January 2019

Submission of Halton’s funding formula for 2019-20 to the ESFA by 21<sup>st</sup> January 2019

The funding formula will be reviewed and checked by the ESFA to ensure compliance with the regulations and we will be notified by 28<sup>th</sup> February 2019 if it is accepted.

We are required to notify maintained primary and secondary schools of their Schools Block allocations by 28<sup>th</sup> February 2019.

The ESFA will notify academies of their allocations during February and March 2019.

**Questions**

- 1. *Do we continue with the NFF with transitional protection in place for 2019-20, with the same criteria and funding factors as currently in use for 2018-19?*

*Yes / No*

*If No, please suggest alternative formula:*

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- 2. *Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee and any capping or scaling at the January meeting?*

*Yes / No*

*If No, please give reason:*

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**Deadline for responses:**

Please respond to [Anne.Jones@halton.gov.uk](mailto:Anne.Jones@halton.gov.uk) no later than **5.00pm on Friday 21<sup>st</sup> September 2018** to ensure your feedback can be included in the report to Schools Forum and Executive Board in November.

School Name	18-19 Post MFG Budget	19-20 Post MFG Budget	variance to 2018-19
	0.5% transfer to high needs		
All Saints Upton Primary School	£ 892,634.24	£ 895,058.00	£ 2,423.77
Astmoor Primary School	£ 728,816.70	£ 730,560.10	£ 1,743.39
Beechwood Primary School	£ 605,020.31	£ 606,781.71	£ 1,761.40
Bridgewater Park Primary School	£ 574,298.38	£ 594,911.47	£ 20,613.09
Brookvale Primary School	£ 1,164,253.06	£ 1,167,393.95	£ 3,140.89
Castle View Primary School	£ 648,310.52	£ 650,041.38	£ 1,730.85
Daresbury Primary School	£ 526,996.17	£ 529,543.21	£ 2,547.04
Ditton Primary School	£ 1,667,579.28	£ 1,672,728.49	£ 5,149.21
Fairfield Primary School	£ 2,147,469.89	£ 2,154,197.94	£ 6,728.05
Farnworth Primary School	£ 1,376,100.00	£ 1,459,500.00	£ 83,400.00
Gorsewood Primary School	£ 877,849.21	£ 880,173.92	£ 2,324.71
Hale Primary School	£ 640,115.06	£ 641,801.45	£ 1,686.39
Halebank Primary School	£ 473,418.89	£ 483,935.92	£ 10,517.04
Hallwood Park Primary School and Nursery	£ 661,740.13	£ 663,297.53	£ 1,557.41
Halton Lodge Primary School	£ 926,497.51	£ 929,244.81	£ 2,747.30
Hillview Primary School	£ 740,469.86	£ 742,811.18	£ 2,341.32
Lunts Heath Primary School	£ 1,234,087.25	£ 1,281,000.00	£ 46,912.75
Moore Primary School	£ 736,648.56	£ 739,052.04	£ 2,403.48
Moorfield Primary School	£ 989,455.02	£ 992,607.27	£ 3,152.25
Murdishaw West Community Primary School	£ 796,447.87	£ 798,665.09	£ 2,217.22
Oakfield Community Primary School	£ 1,236,624.15	£ 1,239,914.67	£ 3,290.52
Our Lady Mother of the Saviour Primary School	£ 819,603.01	£ 821,629.41	£ 2,026.41
Our Lady of Perpetual Succour Primary School	£ 818,963.29	£ 821,162.70	£ 2,199.42
Palace Fields Primary Academy	£ 871,845.11	£ 873,976.90	£ 2,131.78
Pewithall Primary School	£ 789,397.43	£ 791,816.81	£ 2,419.38
Runcorn All Saints Primary School	£ 477,780.00	£ 478,785.80	£ 1,005.81
Simms Cross Primary School	£ 1,197,135.85	£ 1,200,157.40	£ 3,021.54
Spinney Avenue Primary School	£ 809,983.68	£ 812,139.09	£ 2,155.41
St Augustine's Primary School	£ 461,871.13	£ 471,347.48	£ 9,476.35
St Basil's Primary School	£ 1,467,621.30	£ 1,471,591.94	£ 3,970.64
St Bede's Infant School	£ 894,620.01	£ 915,684.29	£ 21,064.28
St Bede's Junior School	£ 1,159,445.63	£ 1,162,688.86	£ 3,243.23
St Berteline's Primary School	£ 1,074,025.73	£ 1,077,204.14	£ 3,178.41
St Clement's Primary School	£ 771,473.70	£ 773,643.48	£ 2,169.78
St Edward's Primary School	£ 570,643.93	£ 572,023.53	£ 1,379.60
St Gerard's Primary School	£ 900,203.61	£ 902,293.88	£ 2,090.28
St John Fisher Primary School	£ 798,583.58	£ 800,828.01	£ 2,244.44
St Martin's Primary School	£ 882,066.76	£ 884,258.31	£ 2,191.55
St Mary's Primary School	£ 890,664.63	£ 893,079.84	£ 2,415.20
St Michaels Primary School	£ 962,457.85	£ 964,977.70	£ 2,519.85
The Brow Community Primary School	£ 811,247.98	£ 813,555.32	£ 2,307.34
The Holy Spirit Primary School	£ 544,859.52	£ 546,080.43	£ 1,220.91
Victoria Road Primary School	£ 909,553.69	£ 912,094.56	£ 2,540.87
Westfield Primary School	£ 665,516.43	£ 667,316.67	£ 1,800.24
Weston Point Community Primary School	£ 744,856.57	£ 746,748.47	£ 1,891.89
Weston Primary School	£ 786,504.10	£ 804,986.05	£ 18,481.95
Widnes Academy	£ 656,014.00	£ 671,074.80	£ 15,060.80
Windmill Hill Primary School	£ 726,009.36	£ 727,812.93	£ 1,803.57
Woodside Primary School	£ 831,285.22	£ 833,335.46	£ 2,050.24

School Name	18-19 Post MFG Budget	19-20 Post MFG Budget	variance to 2018-19
	0.5% transfer to high needs		
Ormiston Bolingbroke Academy	£ 4,926,964.80	£ 4,988,672.07	£ 61,707.27
Ormiston Chadwick Academy	£ 3,919,710.99	£ 4,035,035.08	£ 115,324.09
Saints Peter and Paul College	£ 7,033,547.91	£ 7,216,616.89	£ 183,068.98
Sandymoor	£ 2,114,751.13	£ 2,182,233.18	£ 67,482.05
St Chads High School	£ 4,122,404.27	£ 4,223,396.34	£ 100,992.08
The Grange School	£ 5,205,620.21	£ 5,217,733.54	£ 12,113.32
The Heath School	£ 5,586,687.07	£ 5,743,421.00	£ 156,733.94
Wade Deacon High School	£ 7,913,400.13	£ 8,135,635.17	£ 222,235.04
Total	£ 83,762,151.65	£ 85,008,257.65	£ 1,246,106.01