



North Tyneside Council

# Briefing note

**To:** Schools Forum

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**Date:** 13 January 2016

**Title of Briefing:** Schools funding 2016/17 – including centrally retained and de-delegated items - ADDENDUM

## Purpose

1. This addendum is provided to supplement the main Schools funding report that was circulated earlier. It aims to provide updated information in light of the decision of the Early Years Sub-group and further analysis if IDACI data changes

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## 1. Changes to the Early Years requirement

Following the December Schools Forum meeting, the Early Years Sub-group met to reconsider the financial pressures for 2016/17 and the subsequent need to consider a transfer of funding from the Schools Block to support this.

This group met after the main Schools funding report was published and they will provide a formal update to the Schools Forum. However, in summary, the £0.313m budget pressure for 2016/17 has been largely removed meaning that the amount available in the Schools Block increases accordingly.

In the main report, the core option included the £0.313m pressure which reduced the amount available in the Schools Block to be taken through the formula.

The table below shows the impact of this change – it updates Table 3 from the original report (page 4 of the main report).

**Table 1**

<b>Base budget proposal</b>	<b>Schools Block (£m)</b>	<b>Early Years Block (£m)</b>	<b>High Needs Block (£m)</b>
<b>Settlement for 2016/17</b> (as per section 1 of the main report)	<b>116.379</b>	<b>7.674</b>	<b>16.412</b>
Forecast pressure for 2015/16	(0.749)	0	0.749
Continuation of High Needs budget pressure requirement from 2015/16	(0.604)		0.604
2016/17 forecast pressures – Early Years	<del>(0.313)</del>	0.313	
2016/17 forecast pressures – High Needs	(0.962)		0.962
Proposed centrally retained items	(3.161)		
DfE charge for a single national licence	(0.134)		
<b>Total budget to be allocated through the formula</b>	<del><b>110.455</b></del> <b>110.768</b>	<del><b>7.987</b></del> <b>7.674</b>	<b>18.727</b>

As can be seen, the amount applicable for Schools Block in the revised core option is £110.768m. By default, this will be allocated through the Age Weighted Pupil Unit (AWPU) factor, but as Schools Forum will be aware, there is not necessarily a direct correlation between changes in AWPU and the amount a school will receive due to the factors set out in the previous report (pages 6-7), notably Minimum Funding Guarantee (MFG).

Section 3 of this report updates the comparative table for the impact of this.

## **2. Deprivation changes**

The main report highlighted the changes to the IDACI information. Since that meeting, we have undertaken further analysis on this matter as well as consulting the Education Funding Agency (EFA) and neighbouring authorities.

Whilst the EFA has not responded (at time of writing), the consensus of our discussions with neighbouring authorities is that they are facing similar changes as a result of the new data and are looking to adjust the unit rates to try and mitigate the impact of this.

One of the challenges here is what the status quo position should be – as well as changes to the deprivation categorisation under IDACI, but pupil numbers have changed in totality year on year.

In order to demonstrate one approach, the following scenario has been modelled. However, Schools Forum should note that there are numerous variations that could be undertaken.

The assumptions used are as follows:

- The starting point for the assessment is to use the 2016/17 pupil numbers for free school meals ever (FSM6) as provided by the EFA
- As per the consultation on the formula, the FSM6 rates from 2015/16 are to be applied
- The 2015/16 ratio of FSM6 to IDACI funding was 50.9:49.1. The consultation confirmed that this ratio of funding was to be broadly maintained
- Using a goal seek function in excel, the IDACI rates have been calculated so that:
  - o The 2016/17 ratio of FSM to IDACI is held constant at the 2015/16 level

- The IDACI ratios between the individual bands are held constant at the 2015/16 levels
- The IDACI ratios between the primary-secondary phases (by band) are held constant at the 2015/16 levels

The outcome from these assumptions is that £9.3m is allocated through the deprivation factor (compared to £9.4m for the current year), but the other interrelationships are held constant.

Schools Forum could decide on alternative principles to apply. However, as it will not be possible to recalculate the impact of this on actual budget levels during the meeting, the discussion will have to be around the principles to apply rather than specific monetary amounts – but this is consistent with the approach adopted in the consultation process in the autumn term.

### 3. Impact on model options

Table 4 on page 7 of the main report set out the comparable amounts under the two options included in that report. The same approach is included here, showing revised figures:

**Table 4 ( revised )**

	<b>2015/16 Base budget</b>	<b>2016/17 Revised core option</b>	<b>2016/17 Alternative option (deprivation)</b>
Years R-6 AWPU rate	£2,690.25	£2,693.25	£2,673.95
KS3 AWPU rate	£4,014.88	£4,017.88	£3,998.58
KS4 AWPU rate	£5,024.63	£5,027.63	£5,008.33
Years R-6 AWPU total	£42.223m	£43.264m	£42.954m
KS3 AWPU total	£23.202m	£23.300m	£23.188m
KS4 AWPU total	£19.636m	£19.276m	£19.202m
AWPU total	£85.062m	£85.840m	£85.344m
Deprivation total	£9.405m	£8.754m	£9.300m
Prior attainment total	£2.825m	£2.681m	£2.681m
MFG total	£0.643m	£0.612m	£0.566m
Total funding for Schools Block	£110.585m	£110.764m	£110.768m
% through basic entitlement	77.30%	78.02%	77.53%
% pupil led funding	88.84%	88.80%	88.80%
Primary/secondary ratio	1:1.42	1:1.42	1:1.43

The revised core option is as per Section 1 of this addendum report – the £0.313m pressure on Early Years is removed. Appendix A shows the impact of this in the APT pro forma. The Alternative option (deprivation) applies the assumptions set out in Section 2 of this addendum report.

### 4. Recommendations

There are no additional recommendations arising from this addendum report. Section 5 of the main report remains applicable.

# Appendix A: 2016/17 Revised Core Option APT tool

## Local Authority Funding Reform Proforma

LA Name: North Tyneside  
 LA Number: 392

### Pupil Led Factors

Reception uplift		No	Pupil Units		0.00							
Description		Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)		Notional SEN (%)		
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£2,693.25		16,064.00		£43,264,368	£85,839,988	39.32%		5.00%		
	Key Stage 3 (Years 7-9)	£4,017.88		5,799.00		£23,299,686		21.18%		5.00%		
	Key Stage 4 (Years 10-11)	£5,027.63		3,834.00		£19,275,933		17.52%		5.00%		
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)		Primary Notional SEN (%)	Secondary Notional SEN (%)	
2) Deprivation	FSM6 % Primary	£562.08		4,363.24		£2,452,488	£8,753,732	7.96%		15.00%		
	FSM6 % Secondary		£866.10		2,634.06	£2,281,359					15.00%	
	IDACI Band 1	£0.00	£0.00	1,491.97	862.36	£0					15.00%	15.00%
	IDACI Band 2	£220.75	£327.03	1,335.42	833.12	£567,249					15.00%	15.00%
	IDACI Band 3	£331.13	£490.55	3,493.63	1,975.16	£2,125,760					15.00%	15.00%
	IDACI Band 4	£441.50	£654.07	936.05	455.65	£711,292					15.00%	15.00%
	IDACI Band 5	£551.88	£817.58	627.08	307.31	£597,326					15.00%	15.00%
	IDACI Band 6	£883.00	£1,308.13	6.00	9.91	£18,257					15.00%	15.00%
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)		Primary Notional SEN (%)	Secondary Notional SEN (%)	
3) Looked After Children (LAC)	LAC X March 14			176.00		£0	£425,611	0.00%				
4) English as an Additional Language (EAL)	EAL 2 Primary	£1,212.00		299.52		£363,016		0.37%				
	EAL 2 Secondary		£1,212.00		39.40	£47,750						
5) Mobility	Pupils starting school outside of normal entry dates	£250.00	£250.00	55.48	3.90	£14,845	0.01%					
Description		Weighting	Amount per pupil	Percentage of eligible Y1-3 and Y4-6 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)		Primary Notional SEN (%)	Secondary Notional SEN (%)	
6) Prior attainment	Low Attainment % new EFSP	30.17%		12.62%		£1,489,627	£2,680,956	2.44%		100.00%		
	Low Attainment % old FSP 73		£732.37	12.62%	2,033.98							
	Secondary pupils not achieving (KS2 level 4 English or Maths)		£647.34		1,840.35					£1,191,330		100.00%

### Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£150,000.00	£150,000.00			£10,650,000	9.68%	0.00%	0.00%
8) Sparsity factor					£0	0.00%		

Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.

Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed or tapered sparsity primary lump sum?	Fixed	
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed or tapered sparsity secondary lump sum?	Fixed	
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed or tapered sparsity middle school lump sum?	Fixed	
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?	Fixed	

9) Fringe Payments					£0	0.00%	
10) Split Sites					£0	0.00%	
11) Rates					£903,771	0.82%	0.00%
12) PFI funding					£774,606	0.70%	0.00%
13) Sixth Form					£0	0.00%	

14) Exceptional circumstances (can only be used with prior agreement of EFA)				Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Circumstance							
Additional lump sum for schools amalgamated during FY15-16				£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools				£0	0.00%		
Exceptional Circumstance3				£0	0.00%		
Exceptional Circumstance4				£0	0.00%		
Exceptional Circumstance5				£0	0.00%		
Exceptional Circumstance6				£0	0.00%		

<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>					<b>£110,028,664</b>	<b>100.00%</b>	<b>£8,286,016</b>
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15) Minimum Funding Guarantee (MFG is set at -1.5%)					<b>£612,732</b>		
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					Yes		
Capping Factor (%)	4.60%	Scaling Factor (%)	100.00%				
Total deduction if capping and scaling factors are applied					£0		
MFG Net Total Funding (MFG + deduction from capping and scaling)					£612,732	0.55%	

High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)							
Additional funding from the high needs budget							
Growth fund (if applicable)							
Falling rolls fund (if applicable)							

<b>Total Funding For Schools Block Formula</b>					<b>£110,763,663</b>		
<b>% Distributed through Basic Entitlement</b>					<b>78.02%</b>		
<b>% Pupil Led Funding</b>					<b>88.80%</b>		
<b>Primary: Secondary Ratio</b>					<b>1 :</b>	<b>1.42</b>	