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# Schools Funding Formula Working Group

## Summary of findings

16 November 2016



# Agenda

## Summary of responses

Summary of responses  
Size of the challenge

## Sub-group views

Reviewed areas requiring change  
AWPU and Deprivation  
Lump sum  
Other changes

## Next steps

Discussion and Schools Forum views  
Further work to be agreed if required

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## Summary of responses

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- 7 responses received, 1 joint response
- No primary responses, but representation at the sub-group
- Various views – general consensus across most areas, but not all aligned
- As a minimum changes to deprivation and AWPU required due to new IDACI data



## Size of the challenge

- 2016/17 formula – total allocation was £111.805m
- 2017/18 draft formula based on 2016/17 position other than new deprivation levels
  - 2017/18 draft allocation is £112.305m
- All other things being equal, size of the challenge is £0.500m
- New deprivation figures alone add £0.947m
- Difference in overall allocation is largely due to the impact of the minimum funding guarantee (MFG)

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## Size of the challenge

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- But – “extra” funding of £0.575m from the centrally retained items pot
- And – decision on the falling rolls and potential for increasing headroom
- Not forgetting – the pressure on the high needs block



## Sub-group views – summary of responses

Factor	Change required?
AWPU	✓
Deprivation	✓
Looked after children	×
Mobility	×
Prior attainment	×
Lump sum	✓
PFI	✓
Falling rolls and headroom	✓
Other factors	×

## Sub-group views – proposed approach

- Schools Forum agreed to support the 2015/16 High Needs pressure over 2 years
  - Continued support of circa £0.700m to continue in 2017/18, before new pressures are added
- Schools Forum agreed that an additional £0.575m would come into the formula (from centrally retained items) with the expectation that this would help fund the High Needs pressure
- Sub-group considered revising the lump sum approach
  - Proposed increase in secondary rate to £0.170m per school, no change to primary



## Sub-group views – proposed approach

- Sub-group considered deprivation
  - Concluded to maintain the 2016/17 monetary value of this factor at £8.7m
  - No change proposed to use a combination of FSM6 and IDACI elements
  - Proposed IDACI rates change as set out in the following slide
- Whilst the rates per pupil have reduced significantly, especially at the highest level band, the sub-group considered the impact of this by reviewing several scenarios. When the overall funding formula was run – taking into account the impact of MFG – the proposed approach did not have a material impact individual schools with the higher level band pupils.
- By contrast, a scenario with inflated bands but reduced AWPU had a detrimental impact of creating wide variations across the majority of schools.

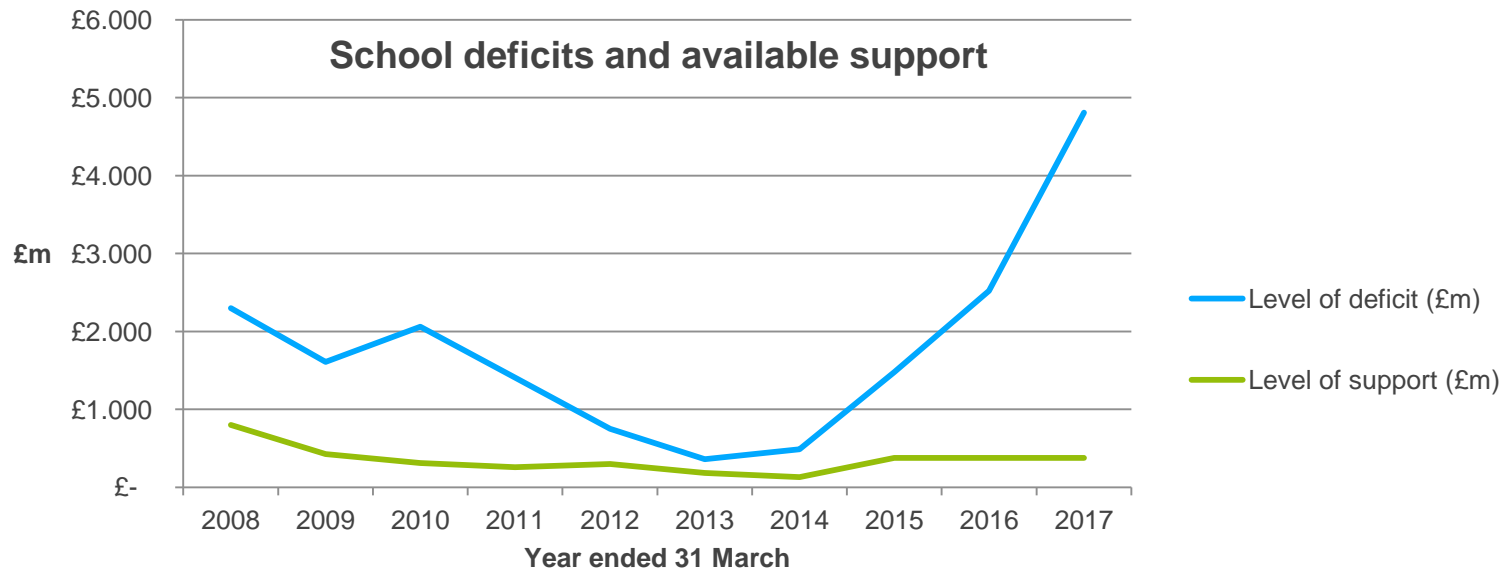


## Sub-group views – proposed approach

Band	2016/17 primary £	2016/17 secondary £	2017/18 primary £	2017/18 secondary £	Primary decrease £	Secondary decrease £
F	0	0	0	0	0	0
E	221	327	221	327	0	0
D	331	490	296	437	(35)	(53)
C	441	654	371	547	(70)	(107)
B	551	817	446	657	(105)	(160)
A	883	1,308	521	767	(362)	(541)

## Sub-group views – proposed approach

- Sub-group agreed the need to increase the level of support to vulnerable schools
  - Maintain falling rolls at £0.250m but look to support vulnerable schools more generally
  - Need to increase “headroom” funding to reflect increasing levels of deficit budgets
  - No specific proposals were made but it was recognised that the level of support required did need to increase significantly



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## Sub-group views – proposed approach

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- Sub-group agreed to maintain the AWPU ratios (Primary/KS3/KS4) at the same level as 2016/17, with absolute values only changing marginally to balance overall formula
- Sub-group agreed to hold the PFI factor at 2016/17 levels (i.e. no indexation) but is subject to review re: legal commitments. Maximum impact on the DSG is circa £20k.



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## Next steps

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- Schools Forum has several options
  - Agree all recommendations proposed and run formula in late December when EFA announces NTC's allocation
  - Ask Sub-group to reconvene and discuss specific factors further and then report back to December Forum meeting
  - Propose alternative approaches at meeting and vote on the principles to be applied (vote would be open to all)

