

Committee:	Schools Forum
Meeting Date:	17 January 2017
Title:	Schools funding proforma 2017-18
Author:	Fiona Heath
Decision making / consultative / information:	Decision making
Who can vote?	All those with voting rights

What is the Forum being asked to decide?

1. Schools Forum is asked to sign off the funding pro-forma for the schools block.

Reason for recommendation

2. Schools Forum is required to approve the schools funding proforma which is used to calculate individual schools budgets.
3. As part of the local authority's schools block pro-forma submission to the Education Funding Agency(EFA) there is a requirement for political approval after the Forum. This will be given by the Cabinet member, Education & Skills and Director of Children's Services.
4. The final proforma for 2017-18 must be submitted to the EFA by 20 January 2017.

Alternative options

5. Schools Forum could decide to make changes to the pro-forma but given the short timescale between the meeting and the submission deadline, the final approval would have to be passed to the Chair.

Who will be affected by this decision?

6. All schools, including academies, will be affected by the schools block proforma.

Main body of the Report

Summary of Changes from 2016-17

7. The funding arrangements for 2017-18 are similar to last year but there are some changes which are outlined below.
8. In 2016-17, the Education Funding Agency (EFA) undertook an exercise with local authorities to 're-baseline' the blocks of the DSG for each local authority to reflect the amounts local authorities put in their respective DSG blocks. However, local authorities still have discretion to transfer funding between the blocks and Schools Forum agreed on 13 October 2016 (paper B) to transfer £3m from the schools block to the high needs block.
9. As detailed in paper C presented at Schools Forum on 24 November 2016, the Education Services Grant retained duties element, has been transferred in to the schools block but Schools Forum agreed at the meeting, that the funding is, in effect, centrally retained, to continue to fund the costs of the local authority's role in supporting the provision of excellent education for all children of compulsory school age.
10. The centrally retained budgets which are top sliced from the schools block were also agreed by Schools Forum on 24 November 2016 (paper C). However, it should be noted that the redundancy budget within the centrally retained – central support heading has been reduced to £250,000 as it can only be used to meet commitments made prior to April 2013. The balance of the budget, approximately £770k, has been transferred to the schools block for allocation through the funding formula.
11. Other changes made by the EFA include the removal of the post 16 funding factor (with protection through the minimum funding guarantee), a national weighting for secondary low prior attainment factor and new bandings for the index of deprivation affecting children (IDACI).
12. There are no local changes to the funding formula.
13. In previous years, it has been an EFA requirement to produce a draft submission of the proforma in the autumn term but for 2017-18, local authorities are required to submit only one final proforma in January based on the October 2016 data sets and the DSG settlement announced in December. The proforma for 2017-18 is in Annex A.

14. It should be noted that the early years proforma for 2017-18 will be presented to Schools Forum following consultation with providers and Schools Forum on the local funding formula. The new early years national funding formula (EYNFF), will be implemented with effect from 2017-18 (albeit with a transitional period) to allocate the early years block funding to Suffolk. Local authorities are required to consult upon a local funding formula to be used for the allocation of funding to providers. The EFA submission date is 28 February 2017.

New IDACI bands for 2017-18

15. The IDACI dataset is updated every five years by the Department for Communities and Local Government. The most recent update to the dataset in 2015, took effect in 2016-17 schools block dataset and showed a markedly different distribution compared with the 2010 dataset. This in turn created unexpected and unhelpful turbulence in schools budgets.

16. In response to concerns raised by local authorities and replies to the first stage of the funding consultation, the IDACI bands have been revised to a similar size as used in 2015-16.

17. To ensure the same level of investment in this factor compared to 2016-17 levels the individual £ bandings have been reduced by 14% meaning more funding can be distributed through AWPU which benefits all schools.

National weighting for secondary low prior attainment factor for 2017-18

18. The 2016 dataset for the year 7 cohort included a much higher proportion of pupils identified as low prior attainment than other secondary year groups. This was because year 7 was the first to take the new, more challenging KS2 tests. To prevent year 7 from having a disproportionate influence on the total low prior attainment factor, the EFA have applied a national weighting to scale back the year 7 low prior attainment so that it is similar to that in years 8 to 11 under the previous KS2 results.

Minimum Funding Guarantee and Capping

19. As a result of the above changes, the transfer of £3m from the schools block to the high needs block and taking account of the non recurrent funding included in the 2016-17 school budgets (£1,781,537), the respective AWPU rates have reduced by £17 compared with 2016-17. The number of schools protected by the minimum funding guarantee (MFG) of -1.5% per pupil has increased to 64. To fund the MFG, it has been necessary to cap gains at 0.57% and as a result, the number of schools that have been capped has increased to 92.

MFG and capping analysis

Financial Year	MFG Minimum £	MFG Maximum £	Capping Minimum £	Capping Maximum £	Capping Applied %
2013-14	552	471,949	-43	-494,214	5.75
2014-15	334	368,801	-299	-105,282	6.25
2015-16	1,375	271,643	-862	-84,331	7.50
2016-17	755	240,861	-177	-89,220	4.61
2017-18	6	199,120	-14	-95,464	0.57

Schools on MFG

Financial Year	MFG £	Number of schools with MFG	Capping £	Number of schools with capping	Total schools block £
2013-14	4,626,640	96	-4,682,977	91	362,970,529
2014-15	2,189,180	45	-2,178,965	72	365,971,012
2015-16	1,285,141	30	-1,273,873	39	368,749,103
2016-17	1,390,063	37	-1,388,531	54	374,531,744
2017-18	1,489,196	64	-1,489,195	92	383,753,203

Next steps

20. Local authority maintained schools will be issued by Tuesday 28 February 2017 at the latest. The EFA will publish academies budgets at a later date.