

SCHOOLS FORUM

2018/19 Formula Changes from 2017-18 as at September guidance

1 Purpose of the Report

This report is to inform the Schools' Forum of the recent changes in the school block budget from 2017-2018 to 2018 -2019. The Department for Education (DfE) are still working on the guidance and recent information was published on the National Funding Formula allocation. The DfE will publish more guidance and adjustment at the end of November to the beginning of December. The actual allocation will be due out in December 2017.

2 Suggested Actions

The Forum is asked to note the contents of this report.

3 Background

The Department for Education (DfE) sent guidance with the changes from 2017-18 to 2018-19 in August 2017 where the majority of this update is taken from. Since then at end of September the DfE published National Funding Formula figures per school (this is not your draft budget) and National Funding Formulae (NFF) per local authority in the soft years.

The actual allocation will differ as the DfE has made the assumption that all new and growing schools are full, which they are not, therefore they most likely have more pupils in the estimate than that are currently in Wokingham schools.

The actual unit cost per child is the relevant information required which is the same for Primary and Secondary however in the 18-19 budget the DfE are proposing a Primary unit of funding (PUF) and Secondary unit of funding (SUF) this will provide the funding allocation in December which is based on the October 2017 census .

However it does indicate a significant increase in the funding allocation for 2018-19. These figures are being review in conjunction with South East of England Financial Organisation Group (SEFOG) and will be part of the modelling for Task and Finish group. The finance team will attend the National Fair Funding conference on 19th October 2017 which the DfE presents, to confirm the information sent.

A update will be give in the December Schools' Forum, with models of the impact of confirmed funding changes on the school block budget.

4 Financial Summary

Current Estimated allocations only for planning purposes

Description	Total funds	Growth fund	High need	Allocation
	£000	£000	£000	£000
School Base funding – DSG announced in August	95,077	(800)	(473)	93,804
National funding formulae (NFF) provisional allocation announced at end of September.	97,284	(800)	(486)	95,998

The actual funding will be given to local authorities to allocate according to their local factors with a expectation that the local authority will move closer towards the National Funding Formula model. Checks and validation will be carried out by the DFE.

5 Conclusion

The good news is that the Local Authority (LA) should see some increase in its school block budget; the increase will be between 0.5% to 2.3% as currently published by the government.

The School block is ring-fenced and is currently estimated at between 95.08m to 97.28m this does include the growth fund which needs to be approved each year.

The LA can transfer 0.5% from this block to other DSG blocks, with approval from the school forum and after consultation with all schools and academies. This year the LA thinks that the High Needs Block (HNB) is in the greatest need and has consulted schools on its proposal to move funding from the Schools' block to the High Needs Block.

Funding above the 0.5% as an exception, will need the Secretary of State approval.

The Minimum Funding guarantee (MFG) can now be flexible from 0 to -1.5% reduction. This is not new money and so will be funded if we move -1.5% from other schools in the school block. However the LA is working with the Task and Finish group to establish a fair funding model to apply to Wokingham in the 2 soft years.

The DFE wants to have minimum level of funding per Key stage in total and as per basic per pupil (AWPU) please see the table below for 2018-19:

Description	Basic per pupil (minimum)	Unit cost (all funding) per pupil (minimum)
Key stage 1 & 2	2,747	3,300
Key stage 3	3,863	4,600
Key stage 4	4,386	4.800

Wokingham 2017-18 basic per pupil and unit cost

Description	Basic per pupil	Unit cost (all funding) per pupil
Key stage 1& 2	2,781	Range from £3,308 to £4,428
Key stage 3	3,785	Range from £4,300 to £9,181*
Key stage 4	4,273	As above- current do not split the Pupil cost between Key stage 3 & 4

*Most Secondary school unit cost is between £4,300 to £5,300. The large unit cost relates to growing schools.

The DFE expect LA to start to move their formula nearer to the national funding formula, the table belows shows the National funding formula against WBC formula:

Description	Wokingham (17-18 budget)	NFF
Basic per pupil funding (AWPU)	79.59%	72.9%
Deprivation funding including Prior attainment, EAL and mobility	6.36%	17.8%
School led funding – lump sum, premises, growth etc	14.05%	9.3%
Capping the gains	0% (no capping of gains)	3%
Lump Sum at a maximum	£175,000	£110,000

There will no longer be any deductions in the number on roll for children in resource bases, instead the DFE has transferred some additional funding in to the school block to fund the additional pupils. The place funding for resource bases in the High Needs Block has reduced from £10k to £6k a place. The effect on schools depends on whether the unit cost per pupil is more or less than £4k.

Permanently excluded children would require the LA to deduct from the excluding school, all the pupil led factors and grants applicable not just the AWPU and grants. Grants include Pupil premium, 6th form grant and UFSM. We are assuming that the DFE will action the new rules for Academies.

The centrally retained items have been removed from the school block budget to a new centrally retained block. Approval by the School forum is still required.

The final formula decision lies with the LA, however the LA will be working closely with the Task and Finish group to achieve a formula that is as representative as in can be to the needs of Wokingham schools.

The DFE will check the APT.

This is just a brief update, there is lots more information available on the government internet with table and technical guidance etc, if you require any more additional information please see the link below:

https://www.gov.uk/government/publications/esfa-e-bulletin-28-september-2017-issue-189/esfa-e-bulletin-for-schools-colleges-local-authorities-and-other-16-to-19-providers-28-september-2017#information-high-needs-funding-operational-guide-for-2018-to-2019-and-updated-schools-funding-operational-guidance-for-2018-to-2019?utm_source=ESFA%20e-bulletin&utm_medium=Email&utm_campaign=General%20issue%20189

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