

SCHOOL FUNDING 2015-16: REVIEW OF CONSULTATION RESPONSES & AGREEMENT OF THE LOCAL FUNDING FORMULA FOR 2015-16

Purpose of the Report

1. Since April 2013, all local authorities have been required to use a new simplified local funding formula to distribute the notional Schools Block of funding to all mainstream primary and secondary maintained schools and academies. Following a review of the 2014-15 arrangements conducted by the Department for Education (DfE), the arrangements for 2015-16 were published in late July 2014. The Schools Forum were presented with a paper & models showing the effects of the arrangements & proposals for the local funding formula for consultation with all parties affected by the changes. The models and consultation document were agreed by the Schools Forum on 15 September 2014, and a formal consultation on the proposals was held from 22 September to 10 October 2014.
2. The Schools Forum is required to agree and recommend the 2015-16 local funding formula for approval by the County Council Policy Committee. A pro-forma detailing the agreed local funding formula must be submitted to the Education Funding Agency by 31 October 2014.
3. In order to agree the local funding formula, Schools Forum members will need to vote on a number of key issues. The decisions that need to be made are based on the proposed models and responses to the consultation. Each of the issues that require a vote to be taken is detailed in the main body of the report.
4. Forum members are reminded that, in accordance with the Schools Forum (England) Regulations 2013, only the following members are allowed to participate in a vote regarding the local funding formula:
 - Schools (Primary, Secondary, Special and PRU)
 - Academies
 - Governors
 - Private, Voluntary and Independent providers

Other non schools members (14-19 partnership, Diocesan and Trade Union) can engage and participate in any discussions held, but are not eligible to participate in a vote.

Information and Advice

5. Detailed explanations of each of the factors are contained in the full consultation document, which is available on the Schools Forum website at:

<http://www.nottinghamshire.gov.uk/learning/schools/information-for-schools/schools-forum/>

6. Two changes to the way in which factors could be applied were set out in the DfE guidance for 2015-16. These were both optional changes to existing factors:

- **Sparsity** (an optional factor which Nottinghamshire chose not to adopt for the 2014-15 formula) - additional criteria were added to the DfE definition of a “sparse” school, but as demonstrated in the models presented to the Schools Forum in September this did not have any significant effect on the list of Nottinghamshire Schools that would qualify should they adopt the factor.
- **Lump Sum** (an optional factor which Nottinghamshire chose to adopt for the 2014-15 formula) – in addition to existing arrangements Local Authorities will have the option to apply for an exceptional factor to enable them to pay a further allowance to amalgamating schools in the second year after amalgamation.

7. The consultation proposed that the formula factors continued to be applied on the same basis as in 2014-15 & that we do not adopt the Sparsity factor in its new state, or apply for an exception to the Lump Sum factor for our amalgamating schools.

8. The responses to the consultation (which in addition to seeking a view on the above changes, also offered the opportunity to express opinions on the application of existing but optional factors) have been analysed and reported for consideration by members of the Schools Forum. The response rate to the consultation was low at 5.83% of schools, but from the responses received, in the majority of cases, they showed a clear indication of how those responding wanted individual formula factors to be applied in the local funding formula for 2015-16.

9. Full details of the responses received, including comments, are attached in appendix 1; all factors requiring a decision for 2015-16 are outlined in paragraphs 10-21 below, along with the percentage of positive or negative responses from the consultation, where one was expressed.

10. A vote is required on the following factors by **School, Academy, Governor, & PVI members**. As the majority of respondents to the consultation did not oppose the proposals on these factors, the Forum may wish to vote to apply all of the factors as proposed in a single vote:

Consultation Question		Consultation response for info		Schools Forum Vote		
		Yes	No	Yes	No	Abstained
1	Do you agree that the primary to secondary ratio should be maintained at 1:1.265 for the 2015-16 financial year?	75%	25%			
2	Do you agree that the 2014-15 AWPU rates should be proportionally adjusted in	75%	25%			

	order to maintain the overall primary to secondary funding ratio of 1: 1.265 for 2015-16?					
3	Do you agree that the same percentage of total funding, deprivation indicators and weightings should be used to allocate deprivation funding in 2015-16 as were used in 2014-15?	86%	14%			
4	Do you agree with retaining the Prior Attainment factor in the Nottinghamshire formula for 2015-16?	92%	8%			
5	If the factor continues to be included, do you agree to retaining the current proportion of funding, & method for distributing that funding?	92%	8%			
6	Do you agree with retaining the Looked After Children factor in the Nottinghamshire formula for 2015-16?	86%	14%			
7	If the factor continues to be included, do you agree that a fixed unit value of £3,000 should continue to be used to allocate this funding in 2015-16?	86%	14%			
8	Do you agree with retaining the EAL factor in the Nottinghamshire formula for 2015-16?	100%	0%			
9	If the factor is retained, do you agree that the same percentage of total funding should be allocated through the EAL factor with a single unit value in 2015-16?	93%	7%			
10	Do you agree with retaining the Pupil Mobility factor in the Nottinghamshire formula for 2015-16?	100%	0%			
11	Do you agree that the same percentage of total funding should be allocated through the Pupil Mobility factor in 2015-16, with a single unit value?	100%	0%			
13	Do you agree with retaining the Lump Sum factor in the Nottinghamshire formula for 2015-16?	83%	17%			
15	Do you agree that Nottinghamshire should not apply for an exceptional factor in order to pay a further allowance to amalgamating schools in the second year after amalgamation?	88%	12%			
16	Do you agree with retaining the Split Site factor in the Nottinghamshire formula for 2015-16?	60%	40%			
17	Do you agree to continue with the current methodology and funding for split site schools?	67%	43%			
18	Do you agree to continue with the current	100%	0%			

	arrangement to pay rates centrally?					
19	Do you agree to continue with the exceptional factors for joint use and rental?	100%	0%			
23	Do you agree with the proposal to apply a further gains cap of 2.5% per pupil in 2015-16 in order to achieve the cumulative gains cap of 10% per pupil proposed in the 2013-14 consultation?	89%	11%			

11. The consultation responses to the following questions showed that there wasn't a majority of respondents who were in favour of the proposals as they were, therefore it is suggested that Schools Forum members consider & vote on these proposals individually. Again votes are required from **School, Academy, Governor, & PVI members**.

Consultation Question		Consultation response for info		Schools Forum Vote		
		Yes	No	Yes	No	Abstained
12	Do you agree with the proposal not to adopt a Sparsity factor for 2015-16?	50%	50%			
14	Do you agree with the proposal to keep the lump sum value at £100,000 in 2015-16 for the					
a	Primary phase?	17%	83%			
b	Secondary phase?	83%	17%			

12. To inform discussions on question 12, the list of schools who would qualify under DfE definition of Sparse are shown in Appendix 2.

13. To inform discussion on question 14, the amounts proposed by respondents for alternative Primary Lump Sums of £115,000, £120,000, & £130,000 have been modelled, & indicative implications for schools versus £100,000 are shown in Appendix 3.

14. Some respondents requested that a separate lump sum for schools with less than 130 pupils be adopted, however this is not permitted under the DfE guidance. Differentiation in lump sum can only be made between Primary & Secondary phases.

15. Should the Forum decide that a higher lump sum be adopted for Primaries, an amount will have to be determined by vote by **School, Academy, Governor, & PVI members**:

£115,000	£120,000	£130,000	N/A

De-delegation of funding for maintained primary and secondary schools

16. As outlined in the consultation document, there will be a limited list of services that the local authority can continue to operate centrally for maintained schools only. The consultation responses showed that the majority of respondents felt that the services listed should be centrally operated. However, the final decision is made by the members of the Forum who

represent the maintained primary and secondary sector. As de-delegation decisions can differ between the sectors, separate votes will need to take place.

17. A vote is required by ***maintained primary school and governor members*** on the following:

Consultation Question		Consultation response for info		Schools Forum Vote		
		Yes	No	Yes	No	Abstained
22	As a representative of a maintained primary school, do you agree to the de-delegation of the following in 2015-16:					
a	Contingencies for pre-agreed amalgamation transitional support?	89%	11%			
b	Free school meals eligibility assessment?	67%	33%			
c	Staff costs / supply cover (trade union facility time)?	70%	30%			
d	Support to underperforming ethnic minority groups and bilingual learners?	90%	10%			
e	Contingency for crisis communications? – a new de-delegation proposed for 2015-16 supported by the Schools Forum	90%	10%			

18. A vote is required by ***maintained secondary school and governor members*** on the following:

Consultation Question		Consultation response for info		Schools Forum Vote		
		Yes	No	Yes	No	Abstained
22	As a representative of a maintained secondary school, do you agree to the de-delegation of the following in 2015-16:					
b	Free school meals eligibility assessment?	67%	33%			
c	Staff costs / supply cover (trade union facility time)?	70%	30%			
d	Support to underperforming ethnic minority groups and bilingual learners?	90%	10%			

Pupil growth fund

19. To support the local authority duty in place planning, a growth fund can be created from the Dedicated Schools Grant (DSG) in advance of calculating school budget shares. The growth fund will be ring fenced, only be used for the purposes of supporting growth in pupil numbers to support basic need and be for the benefit of both maintained schools and academies. It was proposed that a growth fund of £1m was established for the primary sector to support the maintenance of infant class sizes & support basic need within current regulations.

20. The allocation of funding for the maintenance of infant class sizes and basic need provision will be subject to the criteria agreed with the Schools Forum for the existing 2014-15 growth fund.

21. A vote is required by **maintained primary school and governor members** on the following:

Consultation Question		Consultation response for info		Schools Forum Vote		
		Yes	No	Yes	No	Abstained
20	Do you agree that the growth fund should continue?	100%	0%			
21	Do you agree that growth fund should be increased to £1m, to provide for anticipated demand?	90%	10%			

RECOMMENDATION/S

That the Schools Forum

- 1) Notes the content of the report; and
- 2) Undertakes the votes required to agree the local funding formula for 2015-16 for submission to the EFA on 31 October 2014 and approval by the County Council Policy Committee on 12 November 2014.

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