



**Nottinghamshire
County Council**

SCHOOL FUNDING 2015-16:

**CONSULTATION WITH SCHOOLS
ON THE
LOCAL FUNDING FORMULA**

SEPTEMBER 2014

**Consultation period:
22 September to 10 October 2014**

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Introduction

1. In July 2014, the Department for Education (DfE) published the ‘**Fairer schools funding – Arrangements for 2015-16**’ This paper is available in full on the Schools Forum website at the following address, under the “Fairer Schools Funding” heading <http://www.nottinghamshire.gov.uk/learning/schools/information-for-schools/schools-forum/> This details the changes required by the DfE and the requirement for all Schools Forums and local authorities to review their local funding formula. A full consultation must be held with schools and the local authority must submit a pro-forma detailing the new formula to the Education Funding Agency (EFA) by 31 October 2014.
2. The consultation (which this paper addresses) concerns the Dedicated Schools Grant (DSG) – Schools Block of funding for 2015-16 and the distribution of this through the local funding formula. It is relevant to all primary and secondary maintained schools and academies in Nottinghamshire.
3. There is widespread recognition that the current schools funding system is unfair and out of date. Whilst the DfE remain committed to addressing this, the introduction of a national funding formula - where pupils attract the same level of funding no matter where they go to school in the country - will not be addressed in the 2015-16 financial year. It is likely this will now be considered after the next general election in May 2015.
4. The changes required to local funding arrangements from 2015/16 can, therefore, be viewed as a further period of transition to support the move to a new national formula in the future.
5. Whilst the issue of fair funding has not yet been fully addressed, the DfE have announced an injection of £390m into the Schools Block of the DSG nationally. It is estimated that Nottinghamshire will benefit from this to the tune of £0.9m in 2015-16, an increase in per pupil funding of £9 per pupil (£4,360 from £4,351 in 2014-15). This will be passed on to schools through the formula as is shown in Appendix 1 to this report.

Approach to the Consultation

6. This document outlines the requirements set by the DfE for each of the factors that may be used in determining the local schools funding formula in 2015-16.
7. Changes to those requirements as they stand for 2014-15 are minimal. Proposals as set out, therefore are largely in-line with last year’s formula though, of course, this is the opportunity for schools to voice any concerns they have about existing arrangements & to suggest further tweaks to the formula, within the DfE requirements.
8. The aim of the consultation is to seek the views of all maintained primary and secondary schools and academies on the principles that should underpin the use of the factors in 2015-16. The consultation on these proposals will be open from 22 September to 10 October 2014.
9. Responses to the proposals in this consultation should be submitted by no later than Friday 10 October 2014 to: toni.gardner@nottsc.gov.uk
10. **At this stage, the local authority is unable to show exactly how making these changes would affect budgets for 2015-16 as data on changes in pupil numbers, demographics and the DSG settlement are not yet available. However, to help inform responses to the consultation questions, proposed changes to individual factors have been modelled to demonstrate the potential impact in adopting the proposals based on current year data.**

11. **A summary of the potential impact on the formula for each proposed change is included in the relevant section in this document. Further appendices are included to show the potential impact on individual schools. The models are based on October 2013 pupil numbers and datasets provided by the DfE and 2014-15 funding levels. They therefore do not reflect the funding that will be received by a school in 2015-16 and have been provided for the purposes of modelling only.**
12. **Models do include the indicative increase in per pupil funding as a result of the £390m national investment**
13. The responses to the consultation will be considered at an extraordinary meeting of the Schools Forum on 23rd October 2014, and used to finalise the local funding formula for 2015-16 for submission to the EFA by 31 October 2014. The formula will then subsequently be recommended to the County Council's Policy Committee for approval in November 2014.
14. The local funding formula for 2015-16 will then be finalised based on affordability of the 2015-16 DSG settlement and issued pupil data sets in late December 2014, for final submission to the EFA in January 2015. Individual school budget allocations will be confirmed to local authority maintained schools by 20 February 2014. The EFA will confirm academy budgets by 28 February 2014.

Summary of the changes for 2015-16

15. Below is a brief summary of the main changes that the DfE have made to the school funding system for 2015-16. As outlined in paragraph 1 above, full details of the changes required for 2015-16 can be accessed through the Schools Forum website.
16. Funding within the Schools Block must be delegated to schools with the exception of any approved de-delegation for maintained schools (exception 1) or where the authority continues to provide for historic commitments or statutory functions (exceptions 2 and 3). Where funding is retained under exceptions 2 and 3, the authority is not allowed to retain more than the 2013-14 budget without the permission of the Secretary of State. Where funding was previously retained through de-delegation (exception 1), this must again be agreed with the Schools Forum for 2015-16.
17. The local funding formula for 2015-16 will operate with a maximum of 13 allowable factors, as it did in 2014-15. Of the 13 factors, three remain not applicable in Nottinghamshire – Private Finance Initiative (PFI) contracts, London Fringe and Post-16 funded through the DSG.
18. The remaining 10 factors are listed with a brief reminder of how each factor operated for 2014-15 in the table below. Any changes for 2015-16 from the arrangements for 2014-15 are indicated in **bold**.

Factor		2014-15 Arrangement	2015-16 Changes
Pupil led factors			
1	Basic per pupil entitlement - age weighted pupil unit (AWPU) (Compulsory factor)	Single unit value for primary – the value of the primary AWPU must be greater than £2,000 Single unit value for each of KS3 and KS4 – the value of the KS3 and KS4 AWPU must be greater than £3,000	None

2	<p>Deprivation (Compulsory factor)</p>	<p>Continues to be measured by free school meals (either single year or Ever6 indicators) and/or Income Deprivation Affecting Children Index (IDACI).</p> <p>Separate unit values for primary and secondary phase are still permitted.</p> <p>Local authorities and Schools Forums are requested to determine an appropriate proportion of schools block funding to allocate through this factor.</p>	None
3	<p>Prior attainment (Low Cost, High Incidence SEN) (An optional factor that Nottinghamshire chose to adopt)</p>	<p>Primary pupils continue to be identified by Early Years Foundation Stage Profile (EYFSP). Pupils in Years 2 to 5 will be identified by a score of less than 78 or 73 points on the old EYFSP. Pupils in Year 1 will be identified as those not achieving a 'good' level of development.</p> <p>Secondary pupils continue to be identified by Key Stage 2 assessments, but will now be identified as achieving Level 3 or below in English OR Maths.</p> <p>Separate unit values for primary and secondary phase are still permitted.</p>	None
4	<p>Looked after children (An optional factor that Nottinghamshire chose to adopt)</p>	<p>A single unit value for both phases will remain.</p> <p>A single indicator will now be provided, covering all pupils who have been looked after for one day or more on 31 March 2013.</p>	None
5	<p>English as an additional language (EAL) (An optional factor that Nottinghamshire chose to adopt)</p>	<p>Pupils will continue to attract funding for a maximum of three years after the pupil enters the statutory age school system.</p> <p>Separate unit values for primary and secondary phase are still permitted.</p>	None

6	Pupil mobility (An optional factor that Nottinghamshire chose to adopt)	Pupils starting school at non-standard start dates (i.e. not August, September or January for Year R) in the last three academic years. A 10% threshold will now apply to attract funding. Separate unit values for primary and secondary phase are still permitted.	None
Non pupil led factors			
7	Sparsity (an optional factor that Nottinghamshire chose not to adopt)	A fixed or variable amount to a maximum of £100,000 may be applied to small schools where the average distance (as the crow flies) to pupils' second nearest school is >2 miles primary >3 miles secondary To be classed as a small school, primary schools must have a maximum of 150 pupils on roll and secondary schools must have a maximum of 600 pupils on roll to qualify.	For 2015-16, the average size of year groups within the school will determine eligibility. Schools will only qualify if total pupils divided by the no of year groups are below the threshold for the phase, which are: <ul style="list-style-type: none"> • Primary: 21.4 • Secondary: 120 • Middle: 69.2 • All-through: 62.5
8	Lump sum (an optional factor that Nottinghamshire chose to adopt)	Lump sum value may be different for primary and secondary phase, with an upper limit of £175,000. The value used for <u>each phase</u> must be applied to all schools in that phase. Merging schools will be permitted to keep 85% of the two lump sums for the next financial year in which they merge.	Local Authorities may apply for an exceptional factor to pay a further allowance to amalgamating schools in the second year after amalgamation. Local Authorities may also wish to apply to exclude the exceptional factor payment from the MFG baseline.
9	Split sites (an optional factor that Nottinghamshire chose to adopt)	The criteria used for this factor can continue to be determined locally but must clearly define what constitutes a split site and how much is paid.	None
10	Rates (an optional factor that Nottinghamshire chose to adopt)	Rates will continue to be funded at the latest estimate of cost.	None

19. In addition to the factors shown in the table above, it will be permitted to apply to use exceptional premises factors in the local funding formula. In 2013-14 Nottinghamshire was successful in the application to use exceptional factors for joint use arrangements and rental of premises. These approved factors can continue to be used in 2015-16 provided that the same criteria are applied. Permission for any new exceptional premises factors to be used must be applied for from the Education Funding Agency (EFA).
20. For 2015-16, of the total funding delegated to schools through the local funding formula, a minimum of 80% of this must be distributed through the locally determined combination of pupil led factors (numbered 1 to 6 in the table above). In Nottinghamshire, a total of 86.54% was allocated through the pupil led factors in 2014-15.
21. The DfE have not prescribed any constraints on the primary to secondary funding ratio for 2015-16, although they have again indicated that this may be considered for future years. However, local authorities are advised to identify how they compare nationally. The national average for the primary to secondary ratio in 2014-15 was 1:1.27; in Nottinghamshire the ratio was 1: 1.265.
22. The minimum funding guarantee (MFG) will continue to operate in 2015-16 at minus 1.5% per pupil. The MFG only applies to the funding received for statutory school age children and therefore excludes any early years or post 16 funding. As the protection provided by the MFG is based on per pupil funding, the MFG calculation will not include the lump sum, sparsity funding or rates. There is a clear commitment that the MFG will continue beyond 2015-16; however, the level at which it will be set has not been confirmed.
23. The additional funding delegated through the DSG to address minimum funding levels does not constitute a new delegation & should therefore not be excluded from the MFG calculation.
24. The opportunity to seek approval to disapply the MFG for individual schools remains for 2015-16, but requests will only be considered if there is a significant change in a school's circumstances or pupil numbers & where inclusion of the MFG would lead to significant & inappropriate levels of protection.
25. The ability to apply a local gains cap will remain for 2015-16 to make the implications of the MFG affordable. It will continue to be a requirement that any cap applied has to be at the same level and on the same basis for all schools, so cannot be differentiated by phase. The EFA will apply the local gains cap to academies on the same basis as for maintained schools. The total implication of any capping for the authority must not exceed that of the MFG.

Overview of Proposals for 2015-16

- To maintain the overall primary to secondary funding ratio at 1: 1.265 (page 8, question 1)
- To fund AWPU rates in 2015-16 at the level required to maintain the overall primary to secondary funding ratio of 1:1.265, taking into consideration the decision to fund proposals included in this consultation and the overall affordability of the formula (page 8, question 2)
- To continue to fund the deprivation factor using a combination of Free School Meals (FSM) Ever 6 and IDACI data using the same funding proportions and weightings as in 2014-15 (pages 8 & 9, question 3)
- To continue to use the Prior Attainment (Low Cost High Incidence SEN) factor, using the same proportion & method of funding as in 2014-15 (pages 9 & 10, questions 4 & 5).

- To continue to have a factor for Looked after Children using the same fixed rate of funding (£3,000) as in 2014-15 (page 10, questions 6 & 7)
- To continue to fund English as an Additional Language for up to 3 years from when a child enters the compulsory school system using the same proportion of funding as in 2014-15 (page 10, questions 8 & 9)
- To continue to use the Pupil Mobility factor using the same proportion of funding as in 2014-15 (page 11, questions 10 & 11)
- To continue to exclude the Sparsity factor from the Nottinghamshire formula, as per the 2014-15 arrangements (page 11, question 12)
- To maintain the Lump Sum at £100,000 for both primary & secondary schools (pages 11 & 12, questions 13 to 15) & to continue with the current arrangements with regards to amalgamating schools.
- To keep the criteria and rates for the funding factors for split sites, joint use and rental the same as in 2014-15 (pages 12 to 13, questions 16 to 19)
- To consult on increasing the amount of funding centrally retained for the existing growth fund to meet both basic need & infant class size (page 13, questions 20 & 21)
- To consult on de-delegating funding in 2015-16 for maintained primary and secondary schools (pages 13 & 14, question 22)
- To consult on applying 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 (page 14, question 23)

Primary to Secondary Funding Ratio

26. This ratio shows the comparative level of funding per pupil across primary and secondary schools in the local authority.
27. Based on the DfE analysis of all local funding formulae, and the comparison against both our statistical and local neighbours, the primary to secondary ratio in Nottinghamshire for 2014-15 of 1:1.265 is broadly in line with the national average of 1:1.27.
28. The DfE will not be prescribing constraints on the primary to secondary funding ratio for 2015-16; however they have not ruled it out for future years as they move towards a national formula.
29. In light of this direction of travel, the benchmarking data available and the desire to maintain as much stability in school budgets as the DfE requirements allow, it is the recommendation of the Schools Forum that the current primary to secondary ratio should be maintained for the 2015-16 financial year. It is assumed that in the modelling of all other proposals in this consultation and associated financial modelling that this ratio is maintained.

Question 1

Do you agree that the primary to secondary ratio should be maintained at 1:1.265 for the 2015-16 financial year?

Basic Entitlement – Age Weighted Pupil Unit (AWPU)

30. The DfE require that for AWPU funding in 2015-16, a single value must be applied for the primary AWPU and this must be at least £2,000. Separate values are permitted for KS3 and KS4, however the value of these must be at least £3,000. The current Nottinghamshire formula already complies with these requirements.
31. As the most significant proportion of funding is distributed through the AWPU factor, the value of the rates is key to maintaining the overall primary to secondary ratio of 1:1.265. It is therefore proposed that the AWPU rates for 2015-16 will be proportionally altered across all 3 values to maintain the existing primary to secondary funding ratio of 1: 1.265. This will be necessary if the following circumstances apply:
- The overall affordability (i.e. cost of the MFG) in 2015-16 requires the AWPU to be altered across any of the 3 given values
 - The decision to fund proposals included in this consultation, require the AWPU to be altered across any of the 3 given values

Question 2

Do you agree that the 2014-15 AWPU rates should be proportionally adjusted in order to maintain the overall primary to secondary funding ratio of 1: 1.265 for 2015-16?

Deprivation and the treatment of the Pupil Premium

28. The DfE is clear that deprived pupils should attract additional funding and, as such, local authorities are required to have a mandatory deprivation factor within their formula to do this. **There will continue to be an investment in support for deprived pupils over and above the amounts distributed through local formulae in the form of the Pupil Premium, which is to**

further expand for 2015-16. In order to ensure that the Pupil Premium remains an additional allocation to school budget shares to support deprived pupils, the Deprivation factor remains mandatory in the local funding formula.

29. Local authorities can continue to use free school meals (FSM) data, Income Deprivation Affecting Children Index (IDACI) data or a combination of the two. Where FSM data is used it can either be through eligible pupils or the Ever 6 model (which counts pupils who have been entitled to a free school meal at the January census point in the last 6 years).
30. It is proposed to continue to use a combined factor with funding at the same level (3.2% of total funding) and in the same proportion as in 2014-15, being 50% of the total funding distributed through Ever-6 FSM data and 50% through IDACI data.
31. The bandings for IDACI data are set by the DfE and remain the same as 2014-15. It is proposed to retain the same weightings as shown in the table below:

Band	IDACI score Lower limit	IDACI score Upper limit	Weighting
1	0.2	0.25	1.0
2	0.25	0.3	1.0
3	0.3	0.4	1.0
4	0.4	0.5	1.0
5	0.5	0.6	2.0
6	0.6	1.0	2.0

Question 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?

Low Cost, High Incidence SEN (Prior Attainment)

32. Local authorities have the option to target funding to schools for pupils with low cost, high incidence SEN through the prior attainment factor. The measurement differs for primary and secondary funding allocations. In 2014-15, Nottinghamshire targeted 4.33% of funding through this factor which gave a single unit value of £750.35 per eligible pupil in both the primary and secondary phase.
33. Funding for primary schools will continue to be based on the Early Years Foundation Stage Profile (EYFSP) for 2015-16. However, a new EYFSP was introduced in September 2012, with the first assessments taking place in Summer 2013. Therefore, year 1 & 2 pupils will be assessed on the new profile and pupils in years 3-6 will have been assessed on the old profile.
34. Local authorities will be able to target funding in the primary phase by either:
- The number of pupils in years 3-6 who achieved fewer than 78 points and pupils in years 1 & 2 who did not achieve a good level of development; or
 - The number of pupils in years 3-6 who achieved fewer than 73 points and pupils in years 1 & 2 who did not achieve a good level of development.
35. It is proposed to fund on the first of these options, as we did in 2014-15.
36. Secondary schools will continue to be funded for pupils not reaching level 4 at key stage 2 in either English or Maths, as prescribed by the DfE where this factor is applied.

37. The Forum last year voted to maintain a single prior attainment unit rate for primaries & secondaries. This was paid at £750.35 for the 2014-15 financial year, to keep the same proportion of funding overall as in 2013-14. It is proposed that this approach remains unchanged for 2015-16.

Question 4

Do you agree with retaining the Prior Attainment factor in the Nottinghamshire formula for 2015-16?

Question 5

If the factor continues to be included, do you agree to retaining the current proportion of funding, & method for distributing that funding?

Looked After Children

38. Local Authorities have the option to target funding at those children who are looked after through this factor, but the criteria, a single indicator, is defined by the DfE. If applied, single unit of funding for both phases must be given.
39. The indicator defined by the DfE identifies those children who have been looked after for one day or more as at the 31 March 2014 as recorded on the SSAD903 return. This return will then be mapped back to the children recorded on the school census as at January 2014 and applies as a percentage of the total school roll.
40. In 2014-15, Nottinghamshire applied this factor; a fixed unit value of £3,000 was allocated through the local funding formula at a cost of £1.545m. It is proposed to continue to fund this factor through a fixed unit value of £3,000 in 2015-16.

Question 6

Do you agree with retaining the Looked After Children factor in the Nottinghamshire formula for 2015-16?

Question 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?

English as an Additional Language (EAL)

41. The total funding distributed for EAL in 2014-15 represented 0.25% of the total funding, with a single unit value of £411.50 in both the primary and secondary phase and restricted for 3 years from when a pupil enters the compulsory school system.
42. It is proposed that funding for EAL will continue, at the same level and using the same criteria for 2015-16.

Question 8

Do you agree with retaining the EAL factor in the Nottinghamshire formula for 2015-16?

Question 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?

Pupil Mobility

43. The Pupil Mobility factor is intended to provide funding to schools that have higher levels of pupil mobility, and targets funding where there are pupils starting school at non-standard start dates in the last three academic years. A total of £149,686 (0.04%) of funding was distributed through this factor in 2014-15, using a single unit rate of £445 per pupil. In order to target this funding more effectively, a 10% threshold was applied by the DfE from 2014-15, which still applies.
44. It is proposed that funding for Pupil Mobility will continue at the same total funding level, but the single unit value will be adjusted to reflect the number of eligible pupils for the year.

Question 10

Do you agree with retaining the Pupil Mobility factor in the Nottinghamshire formula for 2015-16?

Question 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?

Sparsity

45. Sparsity was a new optional factor for 2014-15 to enable local authorities to target funding at small rural schools. It was intended to be set at a level to provide additional funding required by unavoidably small schools that could not operate on the basis of per pupil funding alone. Funding may only be targeted at schools that qualify under the DfE's sparsity criteria.
46. The DfE's criteria for 2015-16 has been amended (see factor 7 in the table on page 5), though the schools in Nottinghamshire that would qualify under them do not change significantly from those identified by the 2014-15 criteria (see Appendix 2).
47. It is proposed that we continue not to have a Sparsity factor as very few schools qualify, & application of this factor in Nottinghamshire would also divert funding from other small but not sparse schools.

Question 12

Do you agree with the proposal not to adopt a Sparsity factor for 2015-16?

Lump Sum

48. In 2013-14, local authorities had the ability to set a single lump sum for all schools and the upper limit was £200,000. The lump sum for Nottinghamshire was set at £100,000 which was estimated to be reasonable to cover fixed costs (Head teacher, Admin & Clerical support and Caretaking) in a small primary school in Nottinghamshire.
49. Since 2014-15, Local Authorities have been able to set a separate lump sum for primary and secondary schools for which the upper limit is £175,000. For 2014-15 this was maintained at £100,000 per school.
50. In order to maintain stability, it is proposed that the lump sum is maintained at £100,000 for both Primary & Secondary phases. However, when the County Council's Policy Committee approved the local funding formula for 2013-14, they requested that the options concerning the lump sum were kept under review.

51. For 2015-16 the DfE have introduced the ability of Local Authorities to apply for an exceptional factor in order to pay a further allowance to amalgamating schools in the second year after amalgamation. It is not proposed that we apply for this & change the current arrangements.

Question 13

Do you agree with retaining the Lump Sum factor in the Nottinghamshire formula for 2015-16?

Question 14

Do you agree with the proposal to keep the lump sum value at £100,000 in 2015-16 for the

a) Primary phase?

b) Secondary phase?

Question 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?

Split Sites

52. It is proposed that we do not change the existing arrangements, and retain the current criteria for split site allowances. The cost of the Split Site factor is estimated to be £856,630 in 2015-16, taking into account known changes in qualifying schools.

Question 16

Do you agree with retaining the Split Site factor in the Nottinghamshire formula for 2015-16?

Question 17

Do you agree to continue with the current methodology and funding for split site schools?

Rates

53. Funding for rates is currently delegated to schools and shown in the schools annual budget statement. By mutual agreement, these charges are paid centrally and are therefore deducted prior to schools' budgets being distributed. In the case of academies, the EFA pays the academy when the actual rates sum paid are known. It is proposed that this arrangement will continue for 2015-16.

Question 18

Do you agree to continue with the current arrangement to pay rates centrally?

Exceptional Factors

54. In 2013-14, Nottinghamshire received DfE approval to apply exceptional premises factors for schools which have official joint use arrangements for shared leisure facilities and schools where costs are incurred through the rental of school accommodation. These factors can continue to be applied in 2015-16, providing that these factors continue to meet the qualifying criteria of applying to less than 5% of the schools in the authority and account for more than 1% of the budget of the school(s) affected.

55. It is proposed to continue to fund both of these exceptional factors in 2015-16. The estimated cost of these factors in 2015-16 is £526,901 (0.12%) for joint use and £55,019 (0.01%) for rental.

Question 19

Do you agree to continue with the exceptional factors for joint use and rental?

Growth Fund

56. The growth fund must be agreed by the Schools Forum and is deducted from the Schools Block before calculating budget shares. In 2014-15, the growth fund was set at £750,000 to provide a contingency of £600,000 to support the maintenance of infant class sizes, & of £150,000 to support basic need provision, both subject to schools meeting the agreed criteria.

57. Based on the latest data from the Children's Place Planning and Admissions Team, it is proposed to increase the growth fund held to support the maintenance of infant class sizes to £800,000 & the fund for basic need to £200,000 to meet anticipated demand based on the criteria agreed for 2014-15. Based on October 2013 census data, the estimated cost of increasing the growth fund overall by £250,000 is approximately £4.50 per primary pupil.

Question 20

Do you agree that the growth fund should continue?

Question 21

Do you agree that growth fund should be increased to £1m, to provide for anticipated demand?

De-delegation

58. The DfE continues to require that any funding that was subject to de-delegation in 2014-15 should be re-approved by schools forum if the de-delegation is to continue in 2015-16. Maintained schools in each phase will need to agree collectively, through the Schools Forum, whether to de-delegate funding to the local authority to meet certain permitted categories of expenditure centrally. The rationale for de-delegation is to achieve economies of scale and to pool risk across schools for these costs.

59. De-delegation will be an option for maintained primary and secondary schools for the following allocations in line with 2013-14, & 2014-15 delegation. The indicative rates for de-delegation in 2015-16 are shown in the table below:

	Primary per pupil de-delegation	Secondary per pupil de-delegation
Contingencies (pre-agreed amalgamation transitional support)	£1.11	nil
Free school meal eligibility assessment	£0.87	£0.91
Staff costs/supply cover (trade union facility time)	£3.22	£3.40
Support to underperforming ethnic minority groups and bilingual learners	£5.03	£5.03
Contingency for crisis communications	£0.75	£0

Question 22

As a representative of either a maintained primary or secondary school, do you agree to the de-delegation of the following in 2015-16:

- ***Contingencies for pre-agreed amalgamation transitional support?***
- ***Free school meals eligibility assessment?***

- **Staff costs / supply cover (trade union facility time)?**
- **Support to underperforming ethnic minority groups and bilingual learners?**
- **Contingency for crisis communications – inclusion of this in the consultation depends on the outcome of decisions on item 4a of today's agenda**

Gains Cap and Minimum Funding Guarantee

60. To minimise the impact of changes to school budgets and to allow schools time to plan for any changes in the level of funding they receive, the national minimum funding guarantee (MFG) will continue to operate at minus 1.5% per pupil in 2015-16. This is to ensure that no school loses more than 1.5% per pupil in delegated funding in comparison to the previous financial year's budget.
61. Certain items will be automatically excluded from the calculation of the MFG, as including them could result in excessive or insufficient protection for schools. The automatic exclusions are:-
- Post 16 funding
 - High Needs funding for pupils with SEN
 - Lump sum (set at 2014-15 value)
 - Early years funding
 - Rates
 - Sparsity factor if adopted by Nottinghamshire
62. The cost of the MFG protection has to be funded from the overall funding available within the Schools block. As there could be significant amounts of protection required in some areas as a result of formula changes, local authorities will be able to apply a gains cap so that schools cannot gain more than a certain amount per pupil as a result of the new formula. A gains cap works on the same principles as the MFG. However, instead of providing a 'top-up' to formula budget it makes a reduction on any per pupil gains over a certain level. The amount generated by a gains cap is then redistributed through the basic per pupil entitlement of the local funding formula.
63. The application of a gains cap was considered by the Schools Forum as part of the 2013-14 consultation, and it was agreed in principle that a scaled gains cap should be applied over a period of three years against the budgets schools received in 2012-13. The intention behind this transitional support was to allow schools that would lose funding under the new formula arrangements sufficient time to plan for this reduction, and also provide assurance to those schools that would gain funding that this would eventually be fully realised. A gains cap of 5% per pupil was applied in 2013-14, and the Schools Forum agreed in principle, that this should be increased to 7.5% in 2014-15 and 10% in 2015-16 (subject to a national funding formula).
64. As the gains cap works by comparing any change in per pupil funding between financial years, in order to achieve the cumulative gains cap of 10% per pupil, it is proposed to apply a further cap of 2.5% in 2015-16. The effect of applying this has been included in the modelling in appendix 1.

Question 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?

High Needs Funding

65. Schools will continue to be required to fund the first £6,000 of high needs pupils. The £6,000 has been mandatory since 2014-15.