

**EARLY YEARS AND SCHOOL FUNDING 2016-17:
AGREEMENT OF THE LOCAL FUNDING FORMULA FOR 2016-17**

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. The Department for Education (DfE) published the arrangements for 2016-17 in late July 2015. The Schools Forum was presented with a paper and models showing the effect of the proposed changes to the early years and schools 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 2015, and a formal consultation on the proposals was held from 21 September 2015 to 9 October 2015.
2. The Schools Forum is required to agree and recommend the 2016-17 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 30 October 2015.
3. In order to agree the local funding formula, Schools Forum members will need to vote on a number of proposals. The decisions that need to be made are based on the proposed models and responses to the consultation. Each of the proposals that require a vote to be taken are detailed in the main body of the report.
4. Forum members are reminded that, in accordance with the Schools Forum (England) Regulations 2014, 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. The Chair of the Forum has a casting vote in the event of a tied result.

Information and Advice

5. There were no changes to the requirements set by the DfE for each of the factors that may be used in determining the local schools funding formula in 2016-17 therefore the consultation proposed that the majority of formula factors continued to be applied on the same basis as in 2015-16. However, a request was made to include a proposal to increase the lump sum to benefit small primary schools. The DfE guidance only allows for a different amount per phase therefore any increase must apply to all schools in a phase i.e. all primary schools. Two options were modelled to show the financial impact of an increase for primary only of £10,000 and £20,000. The model can be found at **Appendix D**.
6. Changes were also proposed to each factor in the early years single funding formula and these were included in the consultation for the first time.
7. The Schools Forum agreement to apply a gains cap for a three year period, 2013-14 to 2015-16, has now lapsed and therefore will not feature in the local funding formula for 2016-17.
8. The full consultation documentation is available of the Schools Forum website at:

www.nottinghamshire.gov.uk/education/information-for-schools/schools-forum
9. 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, they are included at **Appendix A and Appendix B**. The response rate to the consultation was 13.5% of schools and 14.0% of Early Years Providers. From the responses received, the majority showed a clear indication of how those responding wanted individual formula factors to be applied in the local funding formula for 2016-17.
10. All factors requiring a decision for 2016-17 are outlined in paragraphs 12-20 below, along with the percentage of positive, negative or not sure/no responses from the consultation.

Early Years Single Funding Formula - Majority of Respondents in Favour of the Proposal

11. To inform any discussion relating to these proposals the modelling is included at **Appendix C**.

12. A vote is required on the following factors by **School, Academy, Governor, & PVI members**.

Early Years Single Funding Formula Consultation Question		Consultation Response for Information			Schools Forum Vote		
		Yes	No	Not Sure/ No Response	Yes	No	Abstained
1	Do you agree that if the government increases the per pupil funding, over and above the increase already proposed by this consultation that this is passed on to child care providers?	90%	2%	8%			
2	Do you agree that the base hourly rate for 2 year olds child care should be equivalent to the amount of grant funding that is received by the authority, currently £4.88 per hour?	48%	42%	10%			
3	Do you agree that the per pupil unit of funding for 3-4 year olds should be increased to £2,280 per annum. This equates to an hourly rate of £4.00 for PVI's and £3.90 for maintained primary schools?	66%	25%	9%			
5	Do you agree that the deprivation supplement is reduced from £0.55 per hour to £0.05p per hour for eligible children only?	48%	25%	27%			
7	Do you agree with ceasing the sustainability factor?	41%	24%	35%			

Early Years Single Funding Formula - Majority of Respondents Not in Favour of the Proposal

13. 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 the Schools Forum consider and vote on these individually. Votes are required by **School, Academy, Governor, & PVI members.**

Early Years Single Funding Formula		Consultation Response for Information			Schools Forum Vote		
		Yes	No	Not Sure/ No Response	Yes	No	Abstained
Consultation Question							
4	If you answered yes to question 3 do you agree that the increase should be funded on a temporary basis from the Schools (Non ISB) Reserve?	29%	43%	28%			
6	Do you agree with ceasing the meal allowance factor?*	37%	39%	24%			

Schools Funding Formula - Majority of Respondents in Favour of the 'No Change' Proposal

14.A vote is required on the following factors by School, Academy, Governor, & PVI members.

Schools Local Funding Formula Consultation Question		Consultation Response for Information			Schools Forum Vote		
		Yes	No	Not Sure/ No Response	Yes	No	Abstained
1	Do you agree that the primary to secondary ratio should be maintained at 1:1.265 for the 2016-17 financial year?	80%	9%	11%			
2	Do you agree that the 2015-16 AWPU rates should be proportionally adjusted in order to maintain the overall primary to secondary funding ratio of 1: 1.265 for 2016-17?	77%	5%	18%			
4	Do you agree with retaining the Prior Attainment factor in the Nottinghamshire formula for 2016-17?	84%	7%	9%			
6	Do you agree with retaining the Looked After Children factor in the Nottinghamshire formula for 2016-17?	96%	2%	2%			
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 2016-17?	87%	11%	2%			
8	Do you agree with retaining the EAL factor in the Nottinghamshire formula for 2016-17?	91%	2%	7%			
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 2016-17?	48%	7%	45%			
10	Do you agree with retaining the Pupil Mobility factor in the Nottinghamshire formula for 2016-17?	96%	2%	2%			
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?	84%	7%	9%			
12	Do you agree with the proposal not to adopt a Sparsity factor for 2016-17?	75%	11%	14%			
13	Do you agree with retaining the Lump Sum factor in the Nottinghamshire formula for 2016-17?	77%	2%	21%			

17	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?	79%	5%	16%			
18	Do you agree with retaining the Split Site factor in the Nottinghamshire formula for 2015-16?	89%	7%	4%			
20	Do you agree to continue with the current arrangement to pay rates centrally?	89%		11%			
21	Do you agree to continue with the exceptional factors for joint use and rental?	80%	2%	18%			
22	Do you agree that the growth fund should continue?	89%		11%			
23	Do you agree that the growth fund should remain at £1.0m as it was for 2015-16?	84%		16%			

Schools Funding Formula - Majority of Respondents Not in Favour or With No clear View of the No Change Proposal

15. 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 the Schools Forum consider and vote on these individually. Votes are required by **School, Academy, Governor, & PVI members.**

Consultation Question		Consultation Response for Information			Schools Forum Vote		
		Yes	No	Not Sure/ No Response	Yes	No	Abstained
3	Do you agree that the same percentage of total funding, deprivation indicators and weightings should be used to allocate deprivation funding in 2016-17 as were used in 2015-16?	27%	52%	21%			
5	If the factor continues to be included, do you agree to retaining the current proportion of funding, & method for distributing that funding?	39%	4%	57%			
16	Do you agree with the proposal to keep the lump sum value at £100,000 in 2016/17 for the secondary phase?	33⅓%	33⅓%	33⅓%			
19	Do you agree to continue with the current methodology and funding for split site schools?	41%	9%	50%			

Schools Funding Formula – Primary Lump Sum Change Proposal

16. This proposal is to increase the primary lump sum by either £10,000 or £20,000. The financial modelling for this is at **Appendix D**.

17. Should the Forum decide that a higher lump sum should be adopted for Primaries the amount will need to be determined by vote. Votes are required by **School, Academy, Governor, & PVI members**.

Consultation Question		Consultation Response for Information			Schools Forum Vote		
		Yes	No	Not Sure/ No Response	Yes	No	Abstained
14	Do you agree with the proposal to increase the lump sum for the primary phase?	54%	24%	22%			
15	If you answered yes to question 14 what value do you think the primary lump sum should be set at?						
	£110,000	5%					
	£120,000	54%					
	Other	41%					

De-delegation of funding for maintained primary and secondary schools

18. 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.

19. 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	Not Sure/ No Response	Yes	No	Abstained
24	As a representative of a maintained primary school, do you agree to the de-delegation of the following in 2016-17:						
A	Contingencies for pre-agreed amalgamation transitional support?	60%	10%	30%			
B	Free school meals eligibility assessment?	73%		27%			
C	Staff costs / supply cover (trade union facility time)?	65%	10%	25%			
D	Support to underperforming ethnic minority groups and bilingual learners?	68%	7%	25%			

E	Contingency for crisis communications? – a new de-delegation proposed for 2016-17 supported by the Schools Forum	70%	2%	28%			
---	------------------------------------------------------------------------------------------------------------------	-----	----	-----	--	--	--

20.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	Not Sure/ No Response	Yes	No	Abstained
24	As a representative of a maintained secondary school, do you agree to the de-delegation of the following in 2016-17:						
B	Free school meals eligibility assessment?	No Responses received					
C	Staff costs / supply cover (trade union facility time)?						
d	Support to underperforming ethnic minority groups and bilingual learners?						

RECOMMENDATION/S

That the Schools Forum

- 1) Notes the content of the report; and
- 2) Undertakes the votes required to agree the school and early years local funding formula for 2016-17 for submission to the EFA on 30 October 2015 and approval by the County Council Policy Committee on 11 November 2015.

Sue Summerscales

Acting Senior Finance Business Partner – Children, Families, & Cultural Services

For any enquiries about this report please contact:

Sue Summerscales

T: 0115 977 3468

E: sue.summerscales@nottsc.gov.uk