



Schools Forum

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Training and Development
Centre

Paper

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Public

Arrangements for School Funding in 2018-19 and 2019-20 Consultation Outcome

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Summary

Following the Secretary of State for Education's September announcement on school funding arrangements in 2018-19 and 2019-20, Shropshire Schools Forum agreed on 28 September 2017 to recommend to Shropshire schools, as part of the consultation process, the distribution of funding to individual schools in 2018-19 and 2019-20 in line with the transitional National Funding Formula (NFF).

The consultation with Shropshire schools was launched at the briefing session held at the Lord Hill Hotel in Shrewsbury on 11 October 2017 for Shropshire headteachers and chairs of governors.

The consultation period ended on Friday 10 November 2017. This report collates details of the responses received from Shropshire schools for consideration by Shropshire Schools Forum.

Recommendation

Schools Forum is recommended to consider the detail of the consultation responses received from Shropshire schools, in relation to the basis for distributing school funding to individual Shropshire schools in 2018-19 and 2019-20, and to agree a recommendation to Shropshire Council's Cabinet for approval.

REPORT

Background

1. The Government announced in July, and provided further detail in September, the introduction of a National Funding Formula (NFF) from April 2018. The NFF will be used to allocate Schools Block funding to local authorities from April 2018 but for the first two years of implementation, 2018-19 and 2019-20, local authorities will decide on the basis for distributing the funding to schools and academies in its area through a local formula, following consultation with schools.

2. The NFF will be phased in by the Government over at least the next two years, 2018-19 and 2019-20, by the inclusion of a funding floor and gains cap. There has been no announcement over the levels of funding provided through the NFF beyond 2019-20 as 2020-21 is within the next Comprehensive Spending Review period.
3. Schools Forum considered the arrangements for school funding for 2018-19 and 2019-20 at a meeting on 28 September and discussed the options available to the local authority for distributing funding to Shropshire schools from April 2018. The options considered included distributing funding in line with the NFF transitional allocations in 2018-19 and 2019-20 through the local funding formula or continuing with the current local funding formula weightings but allocating the additional funding (notionally £2.6m in 2018-19 and a further £1.0m in 2019-20 based on October 2016 census data) to schools by increasing the current factor weightings such as age weighted pupil unit (AWPU), lump sum etc.
4. After considering the impact on individual schools, Schools Forum agreed to recommend to Shropshire schools, through the consultation process, the distribution of funding to schools from April 2018 in line with the transitional NFF allocations. It was concluded that other options would result in winners and losers, could not deliver the guaranteed uplift in per pupil funding for all schools and would not provide a smooth transition to the NFF when fully implemented.
5. Actual allocations for 2018-19 will be based on October 2017 school census data and actual allocations for 2019-20 will be based on October 2018 school census data.

Consultation with Shropshire Schools

6. The consultation with the wider Shropshire schools community was launched at a briefing session held at the Lord Hill Hotel on 11 October 2017 for all Shropshire headteachers and chairs of governors attended by 138 people representing 100 Shropshire schools (67%).
7. At the briefing event schools were presented with the notional 2018-19 and 2019-20 funding allocations under the transitional NFF (based on October 2016 census data). A request was made, from a number of school representatives, for additional modelling information to be made available demonstrating the impact on individual schools from alternative models for distributing funding to schools through the current local funding formula.
8. Following the briefing session two further options for distributing funding to schools were provided and the consultation deadline extended until 10 November to allow schools time to fully consider the impact on Shropshire schools of the various options. Clearly there are many options and combinations of options that could be modelled but the two further options provided for consideration, chosen for their simplicity and transparency, were:
 - Model A – distributes funding in line with the formula factor values in Shropshire's current (2017-18) local funding formula and distributes the additional £2.6m notional funding on the basis of a flat rate increase of £80.80 to the basic per pupil element (AWPU) across all schools

- Model B – distributes funding in line with the formula factor values in Shropshire’s current (2017-18) local funding formula and distributes the additional £2.6m notional funding on the basis of a flat rate increase of £19,325 to the lump sum across all schools.

9. The additional modelling information provided to schools is attached as Appendix A to this report.

10. The consultation period ended on 10 November. In total, responses were received from 62 schools, 41% of Shropshire schools. A schedule of the full responses received from individual schools is attached as Appendix B to this report. The table below summarises the responses received.

Table - Summary of Consultation Responses Received

Option	Description	No of schools in favour	No of pupils in schools in favour
In line with transitional NFF	Transitional NFF formula factors and weightings	55	16,345
Model A	Current local funding formula with increase to AWPU across all schools	3	1,016
Model B	Current local funding formula with flat rate increase to lump sum across all schools	2	327

11. The majority of responses received, in terms of number of schools and number of pupils in the schools, support the option to allocate funding to schools from April 2018 in line with the transitional NFF allocations.

12. Information provided at a recent national school funding conference confirmed that local authorities deciding to allocate funding from April 2018 in line with the transitional NFF would have to apply for a disapplication to current finance regulations to enable this to happen. A letter received from the Deputy Director of the Department for Education’s Funding Policy Unit confirmed that he anticipates any such requests would be agreed.