

Funding Arrangements 2018-19 Consultation – Narrative in Support of Modelling Options Spreadsheet

Details of the final National Funding Formula (NFF) arrangements for 2018-19 onwards, as announced by the Secretary of State in September, were presented to Headteachers and Chairs of Governors at a briefing event for Shropshire maintained schools and academies on Wednesday 11 October. At the same time a consultation was launched on the basis for distributing funding to Shropshire schools through the funding formula in 2018-19. Local authorities have the ability to fund schools through a local funding formula in 2018-19 and 2019-20 following consultation with schools.

The recommendation presented at the meeting was the distribution to individual schools in 2018-19 in line with the notional 2018-19 NFF funding provided by the DfE. This option ensures a per pupil increase to all schools compared to 2017-18 baseline funding levels and is a transitional step towards the full NFF allocations per school once fully implemented.

At the meeting a request was made for details of alternative options for distributing the funding through the local funding formula. The attached spreadsheet provides comparative figures for two alternative models:

- 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 received into the local authority under the transitional NFF formula in 2018-19 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 received into the local authority under the transitional NFF formula in 2018-19 on the basis of a flat rate increase of £19,325 to the lump sum across all schools. This would take the primary school lump sum from £59,500 to £78,825 and the secondary school lump sum from £111,000 to £130,325 within the local formula.

The 2017-18 Baseline and Notional NFF 2018-19 columns were provided at the Lord Hill event. The notional NFF allocations in 2018-19 provide overall percentage changes to the 2017-18 baseline allocations of between +0.4% and +6.7% and provide a 'smooth transition to the national funding formula when fully implemented.

Model A – using current local funding formula and distributing the notional additional funding in 2018-19 by increasing the basic per pupil element – provide overall percentage changes to the 2017-18 baseline allocations of between -1.3% and +2.2%.

Model B – using current local funding formula and distributing the notional additional funding in 2018-19 by increasing the lump sum element – provides overall percentage changes to 2017-18 baseline allocations of between -1.2% and +9.4%.

The Government is committed to implementing a 'hard' national funding formula from April 2020 where all schools will be funded under the NFF with no local flexibility. With this in mind, the final columns 'Variations to Full NFF' show the variations between the illustrative NFF if fully implemented (beyond 2019-20) and the 2018-19 models. The red figures highlight the schools where funding in 2018-19 would be in excess of funding delivered under the full NFF. These schools would see a potential reduction to their funding at the point the NFF is fully implemented and therefore models A and B do not provide the smooth transition for all schools that moving to the notional NFF in 2018-19 aims to offer.

In light of the additional modelling information provided we are **extending the funding consultation deadline to Friday 10th November**. The Schools Forum meeting will also be rescheduled to a later date to allow full consideration of the consultation responses. If you have already submitted a consultation response but want to amend it in light of this additional modelling information please send in another response and your original submission will be amended.

As a reminder, consultation responses should be emailed to schoolfunding@shropshire.gov.uk