

NATIONAL FUNDING FORMULA

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National Funding Formula Overview

- ‘Soft’ introduction of National Funding Formula for DSG Schools Block, High Needs Block and Central School Services Block from April 2018.
- Provisional Local Authority (LA) allocations for 2018-19 announced followed by final allocations in late December 2017 (based on the October 2017 pupil census data).
- Government’s additional £1.3 billion for schools and high needs means all LAs have received an increase of approx 0.5% in 2018-19 over 2017-18 allocation.
- For 2018-19 and 2019-20, the DfE has set notional allocations for each school using the NFF, which will be aggregated, and used to calculate the total schools block received by each local authority.
- LAs will continue to determine final funding allocations for schools through a local formula in 2018-19 and 2019-20.
- The DfE expects all LAs to undertake a consultation with all their schools and academies in the autumn to inform final decisions about changes to their local funding formula.

Significant changes (1)



- Creation of the Central School Services Block (CSSB) - comprises funding for ongoing LA responsibilities and a cash sum for historic commitments.
- DSG will comprise of **four** blocks: Schools, High Needs, Early Years and CSSB - critically *each* determined by a separate national funding formula.
- Baselines for each block adjusted to reflect the pattern of 2017-18 planned spending by local authorities within overall DSG allocation (protected in each block).
- Within the schools block, the government will provide for at least a 0.5% per pupil increase for each school in 2018-19 through the NFF.
- Schools allocations will be expressed as separate per-pupil primary and secondary rates and then aggregated into total schools block.
- Schools allocations will also include local authority level funding for premises, mobility and growth based on historic spend.

Significant changes (2)



- The NFF will provide LAs with per-pupil funding of at least £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in years 10 and 11 in 2019-20.
- There is at least a 0.5% increase in proportion to population changes in 2018-19 within the High Needs Block.
- The minimum funding guarantee (MFG) for schools will continue but LAs have the flexibility to set a local MFG between 0% and -1.5% per pupil.
- The schools block will be ring-fenced from 2018-19. However LAs are able to transfer up to 0.5% of their schools block funding out with the agreement of Schools Forum and having demonstrated that local consultation with all maintained schools and academies has taken place.
- An exceptions process will require Secretary of State approval for considering transfers above the 0.5% limit and for transfers opposed by the Schools Forum.
- All other blocks are not subject to limits on transfers but consultation with schools are strongly encouraged with Schools Forum agreement on any other proposal to move funding between blocks.

Other smaller changes



- Current free school meals (FSM) and free school meals over the last 6 years (FSM6) measures within their deprivation factors can now be used (local authorities could previously use one of these measures but not both).
- Increase of Pupil Premium Plus rate to £2,300 for 2018-19 instead of including a looked-after children factor in the NFF. LAs need to consider how to reflect this in the local formula.
- Deduction to schools block pupil numbers for High Needs places in mainstream schools **will not** be made. The school's budget share based on the total number of pupils on the roll of the school includes those in the special unit or resourced provision. An adjustment between the High Needs Block and Schools Block has been made to the provisional allocations to reflect this change.
- Schools budget share will include £6,000 per place, where the place is occupied by pupils on the roll of the school at the time of the October school census return.
- The balance of funding for places in mainstream schools will come from the High Needs Block, decided in accordance with the LA's commissioning decisions and the top-up funding for individual pupils.
- Places in Special Schools will still be funded at £10,000 per place.

Schools Forum are asked to :



- Note the tight timeline for engagement with Schools to enable the successful submission of the Local Schools Funding Formula to the Department for Education by 19 January 2018.
- Agree to the Schools Funding Review Group to progress the detailed work and consultation with stakeholders.
- Agree to an extraordinary meeting of the Schools Forum in November (proposed date 14 November).