

<b>Sutton Schools Forum</b>  <b>National Funding Formula for 2018/19</b>		
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## PURPOSE OF REPORT

- 1.1. The purpose of this report is to discuss and agree the possible options for consultation with the wider schools sector on changes that could be applied to the formula factors in Sutton's local schools funding formula for the 2018/19 - prior to the full implementation of the National Funding Formula in 2020/21.

## 2. BACKGROUND / SUMMARY

### Overview

- 2.1. The Government is introducing a National Funding Formula (NFF). The local funding formula needs to move towards the NFF by 2020/21 but has two years of transition available to introduce the new arrangements.
- 2.2. The Department for Education (DfE) issued policy and operational guidance at the end of September 2017 for schools, high needs and central school services revenue funding for 2018/19 to help local authorities and their Schools Forums to plan the local implementation of the NFF. This can be found [here](#)
- 2.3. Although the NFF for schools is being introduced from 2018/19, the first 2 years will be a 'soft formula' whereby the local authority will continue to determine final funding allocations for schools through the local formula. It is for the Local Authority to set the funding formula but this must be done in consultation with the Schools Forum.
- 2.4. In broad terms, the Government has published data that suggests the NFF will have the following 'notional' impact for Sutton Schools over the next three years. It is important to note that these are not actual allocations for any specific year: they are illustrations based on 2017-18 data to support understanding of the NFF and what the implications would be (this is true of all the notional data published by Government). Percentages in brackets are calculated as an increase on the baseline figure.

	Sutton (All)
Baseline	£139.65m
Year 1 - 2018/19	£142.488m (2.03%)
Year 2 - 2019/20	£144,777m (3.67%)
Year 3 - 2020/21	£145,525 (4.2%)

- 2.5. The Government has published notional allocations for individual schools for illustrative purposes however actual school level allocations will vary. Whilst the government has stated that it will provide for at least a 0.5% per pupil increase for each school in 2018 to 2019 through the national funding formula, not all schools can expect an increase. For example, if the Local Authority stuck with the local formula the allocations would be very different from the notional allocations published under the NFF because the two methods for funding differ. The other issue is that schools remain protected by the Minimum Funding Guarantee which states that no school can lose by more than -1.5% in any one year. As is explained later in the report, this means that Sutton cannot afford to implement the National Funding Formula straight away because those that gain do so but those that lose only do so by a maximum of -1.5%.
- 2.6. Schools will be aware that the Government has indicated and allowed for Local Authorities to set a minimum per pupil funding level for primary and secondary schools at £3,300 and £4,600 respectively for 2018/19 and at £3,500 for primary and £4,800 for secondary schools in 2019/20. This calculation is based on the total budget including all funding such as premises, lump sum as well as the local formula factors. Local Authorities are not compelled to achieve these funding thresholds however officers have taken the view (and expects schools to take the view) that it should seek to achieve these levels unless there is a compelling reason not to.
- 2.7. There are also other considerations to take into account such as growth funding and high needs support which could also form part of the schools block and which should be factored into decisions about how funding should be allocated. These are discussed below.

### Growth

- 2.8. Schools Forum and the Local Authority must consider what funding from the schools block it will put towards growth. Growth funding supports those schools that are expanding. Growth funding is included in the LA's schools block NFF allocation and is based on historic spend. The growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools. It is expected that growth funding for the new secondary school (Harris Academy Sutton) opening in the academic year 2018/19 will be funded by the ESFA directly but in 2018 - Hackbridge Primary School is set to expand and Sutton Primary Heads Group have reiterated their desire for growth funding to be revisited following the reductions that were implemented last year.

- 2.9. Schools Forum's existing policy on growth fund is that schools that expand will receive £51k (full year equivalent) for the first year of expansion - defined as the year in which the PAN formally increases - provided that the project meets basic need. Based on the current expansion programme there will only be two schools eligible for growth funding in 2018/19 : (a separate item on the proposed support to Hackbridge Primary School's expansion on a split site is set out in Enclosure 5).
- 2.10. The Local Authority has not confirmed any primary or secondary bulge classes for 2018 at this stage. With the delivery of the new secondary school on the former hospital site, bulge classes in the secondary sector are not expected to be needed. Bulge classes may be needed in the primary sector and it is suggested that to err on the side of caution we plan on the basis that up to 2 bulge classes would be needed on top of the Hackbridge expansion for the purposes of identifying growth funding.
- Hackbridge Primary on £80 + 30k (7/12)
  - Westbourne £30k (7/12)
  - Primary 2 x bulge Class - £60k (7/12)
- 2.11. Decisions on growth rest with Schools Forum, however the Local Authority and Schools Forum received a number of representations on the financial difficulties that changes to growth funding presented for those schools that were most significantly affected (e.g. schools early on in their expansion and schools expanding by more than 1FE).
- 2.12. The Sutton Primary Heads Group have requested that Schools Forum reconsider proposals on growth now that there is an opportunity to provide additional support given the changes to the NFF (where this was not possible in 2017/18).
- 2.13. Officers recommended an option to the Formula Review Group in January 2018 to support those schools which were disproportionately affected by reductions in growth funding:
- Reduction from £80k to £51k remains
  - That full funding would be provided in Year 1 *and* half in Year 2
  - That the funding is *not* retrospective (first year is defined as first year of expansion) unless a school has expanded by more than 1FE in which case the first year would be considered to be 2017/18 to reflect the disproportionate impact on those schools.
  - That first year of expansion is defined as the date in which the school increases its PAN according to the prescribed alteration (e.g. any additional classes prior to this would be treated as bulge classes and funded at 51k).
- 2.14. Whilst this proved unaffordable in 2017/18 it is now possible to provide this funding support given the changes delivered through the NFF. If the above policy were to be agreed (and if the policy above was to be introduced retrospectively for those schools that have expanded by more than 1FE) then the following schools would receive funding support in 2018/19:
- Greenshaw - £59.5k
  - Bandon Hill - £119k
- 2.15. If Schools Forum did agree to this proposal this would set growth funding at £379k. Officers have been working on the basis that any transitional options to the NFF should

allow for this funding as a minimum and this would be recommended by officers as the minimum option to consider. Depending on which options are taken, further growth funding support could be provided in 2018/19 and this is something that could be discussed in the meeting on 19 October.

### SEN (High Needs Block)

- 2.16. Although the Schools block will be ring-fenced from 2018/19 local authorities will have limited flexibility to transfer funding to other areas such as high needs if they need to. The Local Authority can request up to 0.5% of the school block to the high needs block with agreement from Schools Forum and following a consultation process involving all schools in the Borough. Should Schools Forum not agree, the LA can 'disapply' and request to the DfE that this be implemented without Schools Forum agreement. It is also possible for the Local Authority to 'disapply' and request to the DfE that more than 0.5% from the schools block be transferred to another block where this is deemed to be needed.
- 2.17. SEN represents a significant risk to schools and the Local Authority in the future. The Council has been reviewing SEN in Sutton with a number of key statistics setting the scale of the challenge that lies ahead:
- The number of EHCPs (including statements) has gone up by nearly 40% since March 2014.
  - The number of referrals for SEN assessment from schools has increased by 92% over that same period
  - Sutton has a significantly lower % of children with Statements/EHC Plans in mainstream classes, compared with other outer London boroughs and nationally.
  - Sutton has the highest proportion of its budget spent on non-maintained or independent placements than anywhere else in the country (source: DfE SEN benchmarking data 2017)
  - Sutton spends more per head than any other Local Authority in the Country on SEN provision (DfE high needs baseline data).
  - Overspends in the DSG this year and last year are largely due to pressures from SEN, yet the revised National Funding Formula for high needs recently published by the Government (if it was implemented 'purely' and without protections) would provide £7.9m less funding than is currently received. Sutton cannot therefore expect any additional funding for SEN for the foreseeable future.
- 2.18. The budget for 2017/18 for SEN is £22.7m and as stated in the latest revenue report the LA is estimating that spend will be £23.2 at the end of the financial year - an overspend of about £500k. As such, the high needs block remains under pressure and is likely to do so for some time in Sutton given changes to the High Needs NFF outlined above.
- 2.19. The high needs budget for 2018/19 isn't finalised and won't be reported to Forum until December. However, some early work has been done to give a sense of the likely spend next year on SEN based on known information together with projections of likely additional numbers that will join the system. This early work suggests that the SEN budget (excluding place funding for special schools and bases) will be circa £23.6m - an increase of £0.9m against the budget last year. 0.5% of the schools block in 2018/19 would equate to £722k.

- 2.20. If Schools were to agree a 0.5% transfer from the schools block to the high needs block it won't cover the total expected SEN pressure but equally officers are of the view that there isn't a sufficiently strong case to disapply for greater than 0.5% at this stage - though this remains a possibility. To this end it has been seeking options set out below that would facilitate sufficient funding to allow this to happen. This would require consultation with all schools and it is noted that Local authorities must submit a disapplication request to the Secretary of State in cases where:
- The local authority wishes to move more than 0.5% of the schools block;
  - The Schools Forum has turned down a proposal from the authority to move funding out of the schools block, but the authority nevertheless wishes to proceed with the transfer;
- 2.21. A complications is that Government have stated that a disapplication request has to be submitted by 30 November 2017, using the best information available. This would be in advance of decisions made at Schools Forum scheduled for December (see timetable below). The timetable set by Government is unhelpful in this respect. One way of dealing with this matter is for the Local Authority to submit a disapplication request 'in any case' - it could then be confirmed to the Department for Education following the Schools Forum meeting on 6th December whether (i) there is an objection from schools or not, (ii) the Local Authority wishes to withdraw the disapplication request.

### **3. OPTIONS FOR CONSIDERATION**

- 3.1. Generally speaking Sutton's local formula is not 'close' to the NFF in terms of how the money is currently distributed and how it would be distributed under the NFF. However, because Sutton is a net gainer and because there is a 'Minimum Funding Guarantee' in place the transition from one system to the other is considered manageable. As is always the case, the Minimum Funding Guarantee limits the flexibility the LA has because it means that the losers don't lose as much as they might meaning that the total allocation could become unaffordable.
- 3.2. The Local Funding Formula is set out in Appendix A and the NFF Formula in Appendix B - these are included here for illustrative purposes only. These 'APT' documents have been provided to Local Authorities and are used to model the various different options that could be taken in the transition from local arrangements to the NFF.
- 3.3. The main difference between the NFF and the Local Formula is that a much greater percentage of funding is distributed through deprivation and prior attainment factors than Sutton's local formula allows. Generally speaking, the introduction of the NFF means that secondary schools will generally gain against the local formula arrangements whereas primary schools will generally see reductions (though not universally).
- 3.4. Given that a decision has been made to implement the NFF there is some sense in trying to implement that new formula (or a variant of it) as quickly as possible. Government has set out what it thinks schools should be funded at (rightly or wrongly) and therefore there will be an expectation that schools that benefit will see those benefits as quickly as possible. Furthermore, given that schools that will see reductions in funding from the NFF will remain protected by the MFG it make sense for those schools to adjust over time

rather than all at once in 2020/21. The clear danger in sticking with the Local Formula until 2020/21 (or a variant of it) is that schools that 'should' benefit won't and those that lose will have a much steeper cut to make in a smaller amount of time - this might push some schools into financial difficulty with inadequate time to prepare. It might also cause problems if schools remain protected by the MFG in 2020/21 (though it is not clear if this would be the case and there is no reason to believe that it would be at this stage).

- 3.5. The counter argument to this general view is that schools that lose by the NFF only lose in 2020/21 to give them time to adjust without having to deal with year on year reductions in the run up to that point - an argument to stick closer to the local formula in the next couple of years. Whilst both points of view are not unreasonable the Local Authority would be generally reluctant to 'tinker' with the old local formula year on year to achieve the minimum thresholds set by Government and in a way that could be seen as increasingly unfair or arbitrary. The Government has spent a lot of time working on the NFF, spent considerable time consulting on it and rightly or wrongly has devised a funding framework based on what it thinks schools 'should receive' nationally. To deviate from this in any significant way would put the onus on the Local Authority to explain why which would be difficult to do.
- 3.6. Prior to the Government announcement on the 14th September, officers met with the Formula Review Group (FRG) to discuss the issue in principle. There was a general consensus in this meeting that that moving towards the National Funding Formula with protection for those that lose was generally the preferred approach..
- 3.7. Given this general view, officers have tested a series of different options for 2018/19 to try and understand what the outcomes would be. Most of them are variations of the NFF but all would limit any losses based on the Minimum Funding Guarantee of -1.5%:
  - Option 1 - The continued use of the existing local funding factors for 2018/19 with MFG at -1.5% per pupil;
  - Option 2 - The use of new National Funding Formula factors with MFG @-1.5% per pupil;
  - Option 3 - The use of new National Funding Formula factors, excluding the FSM6 factor with MFG @-1.5% per pupil;
  - Option 4 - The use of new National Funding Formula factors with MFG@-1.5% FSM6 @50% and Lump Sum £100k
  - Option 5 - The use of new National Funding Formula factors but Cap gains at 3% and 'scaling' at 49% (the max)
  - Option 6 - The use of new National Funding Formula factors but gains cap of 2% and scaling of 37% (max)
  - Option 7 - The use of new National Funding Formula factors NFF with -£100 on Secondary Basic entitlement factor and with 3% gains cap and 'scaling' of 97%
  - Option 8 -The use of new National Funding Formula factors NFF with -£100 on secondary Basic Entitlement with 2% gains cap and scaling of 65%
- 3.8. Options 1 and 2 are considered the 'polar opposites' (Local Formula vs NFF) with option 3-8 variants of the national funding formula. The options above would yield different

results for each school and for each sector (primary and secondary). A summary of the aggregated outcomes from each each option are set out in the table in Appendix C.

- 3.9. It should be noted that all analysis undertaken to date is based on 2017/18 numbers on roll and therefore all figures are subject to change. The data and analysis is therefore for comparative purposes only - it does not represent actual allocations. Furthermore, until the actual allocation for the Borough is known (information usually coming through in December) it is difficult to say with certainty exactly what the formula factors should be. Final decisions will however need to be made in December as per the timetable below. It should also be noted that all references to 'gains' and 'losses' relate to a comparison between what the existing formula would allocate and what a revised option would allocate - it does not seek to calculate real terms gains and losses that include (say) inflationary factors.
- 3.10. The Government has indicated that (including an estimated amount for Harris Academy Sutton) that LBS would receive £144,461,000 in the Schools Block - this is irrespective of the funding formula the Borough chooses to go with. The table in appendix C illustrates how this funding would be distributed against each option as stated above, and the key differences between the different options as well as changes against the local formula. It also indicates the min and max losers/gainers under each option against the local formula and the amount of funding remaining that can be used for 'growth' and any sums that could be transferred to the high needs block pending decisions on disapplication or otherwise. The comparative analysis against the local formula needs to be treated with some caution because the different options allocate different amounts of funding but this gives a strong indication of what the main impacts of each option are going to be.
- 3.11. The data provided as part of this report is aggregated rather than at individual school level. For the purposes of the Schools Forum meeting on 19th October officers would like to discuss the principles that we should be working to in order to develop the options to consult with schools. Officers would recommend that when options for consultation are agreed with Forum, that school level funding outcomes be calculated as part of the consultation exercise so that schools are able to understand what the impact is on their individual schools for each option..
- 3.12. Option 1 - Local Formula - this is effectively the status quo - the factors used would be the current local factors which means no schools would lose or gain anything (other than what schools might ordinarily lose due to historical changes in the formula and the MFG). This is treated as the 'control option' when assessing all of the other options and calculating changes in funding positions.
- 3.13. Of all options, this option distributes the highest amount of money through the basic entitlement factor, distributes the least through the deprivation/prior attainment factors, distributes little through the MFG factor and leaves a substantial residual budget which would be available for growth high needs or reserves. Technically, it does not quite achieve the minimum funding criteria of £4,600 per pupil for every secondary school - one Grammar school would still be below the threshold but only by a very small amount and this could be easily resolved through the use of the 'minimum funding factor' (a factor that guarantees secondary schools the £4,600 per pupil). Under this option further funding could be provided to schools given that it leaves £3.2m residually for SEN and Growth and therefore to some extent this option and the 'gains and 'losses' of alternative options

should be considered in this context. A final point on this option would be that it would be possible in year two to set the minimum funding factor for secondary schools to £4.8k whilst sticking with the local formula.

- 3.14. Option 2 - NFF with MFG -1.5% - This is effectively what would happen if the NFF was implemented straight away but with schools still being subject to the MFG of -1.5%. This option distributes £8m less through the basic entitlement factor than the local formula, and channels considerably more through deprivation and prior attainment factors (all other options below being a variant on this theme). The total Secondary school allocation would increase by £4.4m in total (6.16% increase) with the greatest gaining secondary school receiving £574k more funding than the local formula would provide. Primary schools would see an overall reduction of £73.3k (-0.11% reduction) albeit the primary schools that lose the most would be protected to some extent by the MFG. All schools would receive the minimum funding per pupil as set by Government. Because of this total, MFG allocation increases to £1.176m. This option does provide all schools with the minimum funding per pupil rates **but critically this option is unaffordable as it allocates more funding in total than Sutton's allocation is set at (largely because of MFG)** and therefore leaves no funding available for growth and or high needs funding support. For these reasons this is not considered a viable option.
- 3.15. Option 3 - NFF with MFG -1.5% and removal of FSM6 - Given that if the LA tried to implement the NFF straight away it would be unaffordable, officers have looked at options to vary the NFF to see if there is a way of reducing the total allocation and in a way that would allow for some residual funding for growth and high needs. The distribution of funding through the basic entitlement would be the same as option 2 but the main difference with this option is that it takes out FSM6 (a factor that Sutton's local formula doesn't currently apply). This distributes £4.3m less through the deprivation factor creating a greater call on MFG but allowing a large amount of residual funding (£1.99m) for growth/SEN - this option would allow for a disapplication of circa 1%. All schools would receive the minimum funding per pupil as set by Government. Of all the options, this option distributes the most amount of funding through the Minimum Funding Guarantee which is indicative of a larger number of primary schools losing from this option. Whilst this option is a possibility, the effect of this would be to divert a significant money away from primary schools (£714k in total) and in particular to those that serve more deprived communities and is therefore problematic for this reason (secondary schools would still gain £1.98m on aggregate). There would be variations on this theme that could be tried but it is only really deprivation and prior attainment factors would make a sufficient difference to whether the formula was affordable or not (most other factors making less of a difference to outcomes).
- 3.16. Option 4 NFF with MFG -1.5% and FSM6 at 50% and Lump sum reduced to £100k - This option is essentially the same as option 3 but seeks to mitigate the amount of funding redistributed through FM6 by halving this factor and reducing lump sum from £120k to £100k (what it is currently). This increases funding distributed through deprivation factors by £2.1m over option 3, All schools would receive the minimum funding per pupil as set by Government but there would be residual funding of about £1m leaving some funding for growth and SEN. However this still takes a significant amount of money out of primary schools serving the most deprived pupils (£642k) and it remains questionable that this would be a fair way of transitioning to the NFF.



- 3.17. Option 5 NFF with MFG -1.5% Cap gains at 3% with 49% scaling - This takes the NFF factors but caps gains from any one school at 3% and thereafter 'scales' any further gains that the NFF would have provided beyond the 3% cap at 49% (this is the maximum scaling figure allowable by the formula as gains capped/scaled cannot exceed total MFG - note a scaling factor of 0% is effectively no cap). This reduces total funding to primary schools overall by £145k which represents an aggregated reduction of -0.21%, an average reduction of £3,600 per school but with the biggest 'losing' school receiving £54k less than the current formula and with the greatest primary 'gainer' receiving £88k. Under this option the secondary allocation would increase by £3.3m - equivalent to a £4.6% increase on aggregate - with the greatest gaining secondary school receiving £386k more than under the national formula. The main problem with this option is that it allocates a total of £144.345m which only leaves £116k for residual funding including high needs and growth which the LA considers to be insufficient.
- 3.18. Option 6 - NFF with MFG -1.5% and Cap gains at 2% and scale at 37% - This is a variant on the option 5 to try and create more residual funding by capping gains at 2% and scaling at 37% (again the maximum allowed). This has a very similar profile to option 5 in terms of outcomes and actually allocates more funding in total than option 6 leaving less for residual funding and is therefore problematic for this reason.
- 3.19. Option 7 - NFF with MFG -1.5% and 3% Cap gains with scaling of 97% with -100 on secondary Basic entitlement - This option uses capping and scaling but seeks to create additional funding by reducing the basic entitlement of secondary schools from the standard NFF rates (by £-100 per pupil 3% capped gains and scaling of 97%) to make the overall allocation affordable. The argument for reducing the basic entitlement for secondary schools only is that overall secondary schools still gain through this option given that it remains closely aligned to the NFF. This would be one way of managing the transition through to the 'hard' NFF that passes gains to the secondary sector but limits losses to primary schools. This option allocates a total of £142.883m and crucially leaves £1.587m for residual funding on growth/SEN and contingency. All schools would receive the minimum funding per pupil as set by Government. It would distribute an additional £1.874m to the secondary sector, an average increase of £134k but limiting the greatest gain to any one school to £198k. Under this option, Primary schools lose £214k in total which is an increase on some of the options above as it generally has the effect of limiting gains for some primary schools too. Of all the options considered, the Local Authority is of the view that this, or a variant of this option, is the most suitable in terms of getting close to the NFF but in an affordable way, protecting primary schools through the MFG, delivering the Government's desire for an increase in funding for secondary schools, meeting minimum thresholds whilst also retaining some residual funding for growth and SEN.
- 3.20. Option 8 NFF with MFG -1.5% and 2% Cap gains with scaling of 65% with -100 on secondary Basic entitlement - this is essentially a variant on option 7 above however it caps gainst at 2% with a scaling of 65%. This option is very similar to option 7 in terms of outcomes (see appendix C for details).
- 3.21. The Local Authority would not wish to consult on more than 3 to 4 options with schools in the Borough and some of the options above are either variants of the same basic option or do not work / are unaffordable. Following discussion at Schools Forum, officers are proposing to write a consultation document to be issued to all schools on 30 October that would cover the following areas:

- Background and context to the NFF
- A short summary of the 2018/19 operational guidance with links to further information.
- A description of the three broad options that the Local Authority would wish to seek views on - with a request that schools indicate which option they would generally prefer:
  - **Option 1** - to remain with the Local Funding Formula in 2018/19 (with any necessary adjustments required to deliver minimum threshold of £4.6k for secondary schools and to allocate all residual funding after SEN and Growth).
  - **Option 4** - to broadly move towards the NFF in 2018/19 but make adjustments to deprivation or prior attainment factors to make the overall allocation affordable to create residual funding for growth and SEN.
  - **Option 8** - to broadly move towards the NFF but to use capping and scaling and a reduction to secondary Basic Entitlement to reduce gains made by secondary schools and to ensure overall allocation is affordable and creates residual funding for growth SEN. This is the LA's preferred option.
- In thinking about the above options, to ask the following questions with a yes or no answer together with a commentary box so that respondents can explain answers:
  - Given that the NFF will come in in 2020/21 should the Local Authority seek to transition to the NFF (a) quicker - i.e. get as close as possible in 2018/19, (b) slower - stick with the Local Formula or a variant of it in 2018/19?
  - Given the pressures in SEN, do you agree with the LA request to transfer 0.5% from the schools block to the high needs block?
  - Do you agree that there should also be sufficient residual funding for growth as set out above?
  - Given that secondary schools gain overall, do you think it is fair to reduce secondary basic entitlement as a method of managing the transitional period (option 8)?
  - Do you agree that the Local Authority should stick with a Minimum Funding Guarantee of 1.5% to reduce the impact of any changes moving forward? Should there be greater protection? (note that the LA can set MFG at anything between -1.5 and 0%)?
  - What if any, adjustments to the three options would you wish to see?

3.22. Options 1, 4 and 8 do not represent 'final options' in the sense that they are locked and that one of the three options must be chosen at the 6 December Schools Forum meeting. Adjustments to any one of the options could be made and following feedback during the consultation period. For example, it could be that respondents agree with the Local Authority's preferred option but that they think some adjustments should be made to make the overall proposal fairer. Alternatively it could be that respondents feel that option 4 is

the preferable option to go with with but with adjustments to the value of the deprivation / prior attainment factors that are changed.

- 3.23. It should be noted that it will not necessarily be the case that the most 'popular option' will be agreed by the Local Authority. The Local Authority will have to weigh the responses it receives, from whom it receives them (which sector) and consider that against other policy aims or objectives to ensure an appropriate transition to the NFF.
- 3.24. Officers would welcome views from the Schools Forum on the approach outlined above and whether there are further questions that could be asked of schools to inform a decision in December.
- 3.25. One of the questions that will inevitably arise is what the Local Authority is proposing to do in 2019/20. Respondents may want to know what the Local Authority will propose in 2019/20 in order to inform their views on what is being proposed in 2018/19 - particularly if this provides a clearer trajectory to the NFF. In practice this is quite challenging to do with any sort of precision. It is not known what the value of the schools block will be in 2019/20 (though there is an indication), we don't know what the value of the MFG will be (which will in part be determined by decisions taken in 2018/19) and we don't know what the requirement will be for growth and SEN.
- 3.26. Whilst this is the case, officers would be generally of the view that arrangements in 2018/19 and then 2019/20 should represent a graduated transition towards the 'pure' NFF (whether that is a quicker or slower transition) and therefore schools should be mindful of that in any responses that they give to the consultation. In other words, it would be very unlikely for the LA to propose an option in 2019/20 that moves the local formula further way from the NFF than the option that was agreed in 2018/19.

#### 4. CONSULTATION / NEXT STEPS

- 4.1. The local authority is required to engage in an open and transparent consultation with all maintained schools and academies in the area, as well as with the Schools Forum about any proposed changes to the local funding formula.
- 4.2. There is likely to be diverse opinions on how and when the new funding proposals are introduced locally depending on whether individual schools/academies gain or lose by the new funding system.
- 4.3. Officers are aiming to work towards the following timetable:

Date	Activity
14 September 2017	Allocations issued by DfE/ESFA for Schools, Central School Services and High Needs blocks for 2018-19 (based on 2017-18 pupil numbers)
September/October 2017	Production of indicative Schools block budgets based on variations on the National Funding Formula (NFF) - as agreed at Formula Review Group (FRG) September 2017

19 October 2017	Schools Forum - to agree options for consultation on Schools block
30 Oct - 17 November 2017	Consultation with all local maintained schools and academies on Schools block
6 December 2017	Schools Forum - to agree local formula factors for 2018-19
14 December 2017	CFE Committee - to ratify local formula factors for 2018-19
Mid-December	DfE/ESFA APT issued to local authorities containing October 2017 census-based pupil data and factors.
Mid-December	DfE/ESFA publication of DSG schools block and high needs block allocations for 2018 to 2019 (prior to academy recoupment).
Mid-December	DfE/ESFA publication of provisional early years block allocations
Mid-January 2018	Schools Forum consultation/political approval required for final 2018 to 2019 funding formula
19 January 2018	Deadline for submission of final 2018 to 2019 APT to ESFA
28 February 2018	Deadline for confirmation of schools budget shares to mainstream maintained schools.

- 4.4. This represents a very tight timetable on a subject that will be controversial subject area but there is little discretion for Local Authorities in this regard as the timetable is in effect set by Government.

## 5. RECOMMENDATIONS

- 5.1. Schools Forum to consider and provide feedback on the options for consultation as set out in paragraphs in 3.21.
- 5.2. That Schools Forum agree that officers work up a consultation document setting out the options to be consulted on with schools and for that consultation to be published on 30 October allowing schools three weeks to respond prior to a final decision being taken on 6 December.

## APPENDICES

Appendix A - APT Local Formula Proforma  
Appendix B - APT NFF Proforma  
Appendix C - NFF options 2018/19