

Date of meeting:	Wednesday 13 December 2017
Title of report:	School Funding 2018-19, including outcome of the local consultation.
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	<p>This paper sets out the results of the recent local consultation on school funding for 2018-19.</p> <p>In that consultation, schools were asked if they supported the Partnership's views on using the National Funding Formula (NFF) as a basis for school budgets in 2018-19 and also in using some of the additional funding allocated to North Yorkshire to support pressures in the High Needs budget on a temporary basis.</p> <p>The results of the consultation show support among schools for those proposals and these feed into the recommendations at section 5.</p>
Budget / Risk implications:	Implications for individual schools, depending on approach taken.
Recommendations:	As set out in section 5, regarding the formula and one technical exception
Voting requirements:	Schools only
Appendices: To be attached	<p>1: Consultation Paper – for information</p> <p>2: Detailed responses to Q4 of the consultation</p>
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Presenting officer: If not the originator	

School Funding 2018-19, including outcome of the local consultation.**1.0 Purpose of the Report**

- 1.1 This paper sets out the results of the recent local consultation on school funding for 2018-19.
- 1.2 In that consultation, schools were asked if they supported the Partnership's views on using the National Funding Formula (NFF) as a basis for school budgets in 2018-19 and also in using some of the additional funding allocated to North Yorkshire to support pressures in the High Needs budget on a temporary basis.
- 1.3 The results of the consultation show support among schools for those proposals and these feed into the recommendations at section 4.

2.0 Background

- 2.1 At its meeting in October, the Partnership looked at issues arising from recent government announcements on school funding. There was a discussion on the National Funding Formula (NFF) and how it compared with the current North Yorkshire local funding formula.
- 2.2 Officers noted that in previous iterations of the NFF, our main concerns were around some individual factors (particularly sparsity and mobility) and the fact that although more funding would be allocated to North Yorkshire, a number of schools and academies would actually lose out.
- 2.3 The DfE announcements have confirmed that the final version of the NFF means that no school will lose. We continue to have some concerns around sparsity – particularly for small secondary schools, while mobility will be unchanged for the time being and note that the DfE has said that it “will continue to work on developing an accurate and robust indicator of mobility, in consultation with key stakeholders.” The NFF will also deliver additional funds to schools in North Yorkshire: £6.8m in 2018-19, increasing to a potential £14m with the implementation of the full formula sometime after 2020.
- 2.4 The Council's proposal to the Partnership was that we move to use the NFF as a basis for funding schools in North Yorkshire from April 2018 and that we continue to lobby DfE on the application of both the sparsity and mobility factors before the application of the “hard NFF” sometime after 2020.
- 2.5 The meeting also noted the financial pressures in High Needs budgets and noted the ability – subject to consultation with schools, and the approval of school forums – to use some of the additional funding to support these in 2018-19. The amount available is restricted to 0.5% of the Schools Budget – approximately £1.6m
- 2.6 At that meeting, the Partnership agreed:
- to support using the NFF as a basis for funding schools in 2018-19 and to consult all schools on this
 - to support the use of 0.5% of the increased funding in 2018-19 to assist the financial pressures being faced on High Needs and to consult all schools on this

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2.7 These recommendations have formed the basis of the consultation which lasted from Wednesday 1 November until Tuesday 28 November. A copy of the consultation paper is attached at Appendix 1 for information. Section 3 below sets out the results of this and section 4 shows what will happen next.

3.0 Results of the Local Consultation

3.1 There were 58 school responses, as shown below, plus one Diocesan response.

LA Maintained Primary	34
LA Maintained Secondary	7
LA Maintained Special	1
LA Federations - primary	2
LA Federations - cross-phase	1
Academy Trusts	1
Primary Academy	7
Secondary Academy	5
	<u>58</u>

3.2 There were four questions in the consultation. The first two dealt with moving towards the NFF and a summary of school responses is shown below.

	Yes	No	No answer	Yes	No	No answer
Q1 - Use the NFF as a basis for funding schools from April 2018?	53	5	0	91%	9%	0%
Q2 - Where required, a MFG of 0%, and any corresponding funding cap	46	12	0	79%	21%	0%

3.3 There were a number of comments which are shown in full in Appendix 2.

3.4 Three responses said 'no' to Q1 and 'yes' to Q2. Two of these were small secondary schools whose gains are lower in the NFF compared with the NYCC formula.

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3.5 Ten responses said 'yes' to Q and 'no' to Q2. Of these eight are schools which are part of two Harrogate-based MATs, one was another primary academy and one was a secondary LA-Maintained School. Only the last of these provided any commentary (School X in Appendix 2), which suggests that it was opposed to the cap on schools which is the complementary partner of any MFG, rather than on the MFG itself at 0%.

3.6 The third question related to High Needs and responses are as below:

	Yes	No	No answer	Yes	No	No answer
Q3 - Use 0.5% of the increased funding in 2018-19 to assist High Needs	42	15	1	72%	26%	2%

3.7 Although this still shows a significant level of support for the proposal, the comments show that concerns centred on:

- more money will not necessarily help without a review of the system
- lack of detail around how the money will be used
- a view that High Needs funding was a central budget (rather than being funding for schools)
- we have strategies to support these children and do not feel we should have to fund the support other schools require.
- schools already in deficit

3.8 A High Needs Funding sub-group has been established to review funding arrangements and opportunities to reduce the financial pressure across the system. Membership has been confirmed and a terms of reference will be drafted and agreed at the first meeting which is planned for January 2018. The sub-group will report into the Schools Forum and will consider:

- PRS funding arrangements
- Special School funding including E3 top-up funding
- Mainstream SEN funding
- Independent and Non-maintained placements
- Early Years SEN funding
- Inclusive Education Support Services

There may be some opportunities to amend the funding arrangements for the financial year 2018-19 although it is expected that some changes will only really impact from April 2019 or even later; the proposed transfer of £1.6m from the Schools Block to the High Needs Block effectively provides the LA and schools with time to consider and implement system-wide changes to meet the increasing demand pressures.

School Funding 2018-19, including outcome of the local consultation.**4.0 Exceptions for DfE Approval**

- 4.1 In addition to the formula exceptions approved by the Partnership at the October meeting, a further technical exception has been identified related to a disapplication of the Minimum Funding Guarantee for an individual school. Additional classrooms have been developed at Norton CP School which are located away from the main school site. The classroom development results in the school meeting the criteria to receive a split site formula funding allocation in 2018/19. The disapplication of the split site factor from the Minimum Funding Guarantee for this school is requested, if required, in order to ensure that the school receives the full benefit of the funding and is able to meet the additional costs associated with operating on two sites.

5.0 Recommendations

- 5.1 Following the consultation with all schools and academies in North Yorkshire, the Partnership is asked to agree the following:
- a) To recommend that North Yorkshire uses the values set out in the DfE's National Funding Formula, including the various transitional arrangements, and a Minimum Funding Guarantee of 0%, as a basis for funding schools in 2018-19
 - b) To agree that up to 0.5% of the Schools Block can be used to support High Needs and that a further report is brought back to the Partnership/Forum in due course reporting on how we will use this funding and also any support from other sources, such as reserves
- 5.2 The recommendation at (a) above will then be put forward to the Council's Executive in January for formal approval.
- 5.3 Meanwhile officers will – once we have final data from DfE which is expected later in December – begin work to model school budget allocations. A further report on progress will be brought back to next meeting of the Partnership/Forum in January.
- 5.4 To agree to support the technical exception outlined in section 4.

STUART CARLTON
Corporate Director – Children and Young People's Service



NORTH YORKSHIRE COUNTY COUNCIL

SCHOOL FUNDING FROM 2018-19

A CONSULTATION PAPER

November 2018

Deadline for responses: 6pm, Tuesday 28 November

School Funding 2018-19, including outcome of the local consultation.**1 Summary**

- 1.1 A briefing note sent to schools in September highlighted changes in school funding beginning in April 2018. That note suggested that the main decision that each LA and the schools within it needed to take was whether to simply adopt the new National Funding Formula (NFF) next year or continue with a North Yorkshire version during the period 2018-20.
- 1.2 This consultation paper addresses that particular question by setting out the implications – as far as we know them – of the government’s proposal and makes a recommendation on this issue. That recommendation, endorsed by the North Yorkshire Education Partnership (Schools Forum), is to move to the NFF as a basis for school funding in 2018-19. The reasons for this and impact are described in section 3 below.
- 1.3 This consultation paper also asks schools to agree to use some of the additional funding allocated to North Yorkshire in 2018-19 to support pressures relating to children and young people with High Needs. This is covered in section 4.
- 1.4 The views of schools will be fed back to the Partnership to take into account when we discuss this at an extra meeting to be held on December 13th. This consultation will begin on Wednesday 1 November and close on Tuesday 28 November.

2 Background

- 2.1 In recent weeks, Department for Education has released information relating to school funding for 2018-19 and beyond. This is the formal response to last December’s Stage Two consultation on a National Funding Formula (NFF) and confirms some of the announcements which were made in July.
- 2.2 That consultation proposed that the NFF would set every school’s budget (LA maintained and academies) in due course, but for a period before then the NFF would be used to calculate notional school budgets. These notional budgets would then give an overall total for each Local Authority area but that LAs and their Schools Forums would have some discretion in allocating funds at individual school level for a limited period. The announcements of recent weeks have confirmed this proposal, noting the period of local discretion (known as the “soft NFF”) would be in place for 2018-19 and 2019-20, with the “hard NFF” (where all school budgets will be set by the Department) taking effect sometime after April 2020.
- 2.3 Last year’s proposals suggested that while an extra £7m would be allocated to schools in the county, some schools would lose out – in fact the majority of secondary schools (55%) and 10% of primaries would receive less money under those proposals. However, we are pleased to see that the revised figures now show no school losing. The NFF proposals also

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mean that no primary school would be funded at an amount lower than £3,300 per pupil in 2018-19 (rising to £3,500 the year after) and secondary schools would have similar protection (£4,600 and £4,800 for the two years). An amount of £1.3bn will be moved from other DfE budgets into school funding to pay for the additional cost.

- 2.4 Schools are able to see their individual figures via on the DfE's website at <https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs> and looking at the spreadsheet called "Impact of the schools NFF."
- 2.5 That spreadsheet will show the overall gain for each school – but not the details behind each calculation. LAs now have access to additional data which enables us to see how the NFF differs from the current North Yorkshire formula.
- 2.6 As well as the components of the formula itself, the new arrangements contain a number of protections and transitional provisions which does make it difficult to predict exactly what will happen to each school's budget once we update the data – such as changes in pupil numbers – which will be used in next year's allocations. These include the Minimum Funding Guarantee (MFG), which schools will be used to, but which LAs are now able to vary between the current maximum loss of 1.5% per pupil on part of each school's budget and 0%. There is also a new Minimum Per Pupil Funding (MPPF) level, set at £3,300 for primary schools and £4,600 for secondary schools in 2018-19. These figures are respectively £3,600 and £4,800 for 2019-20. The MPPF is also based on part of each school's budget – but not exactly the same part as the MFG.
- 2.7 There is also a separate "funding floor" which guarantees schools an increase of 0.5% in 2018-19 and 1.0% in 2019-20 on their pupil-led baseline – this uses a different basis from both the MFG and MPPF.
- 2.8 Finally there are arrangements to ensure that schools which gain more than 1% under the NFF (including, as the guidance points out, "any schools with a negative transitional protection baseline") will be restricted to a maximum gain of 3% or – if this is higher – 20% of the change between the baseline for the transitional protection and the NFF pupil-led unit of funding, after the application of the MPPF but before the floor.
- 2.9 Nevertheless, despite these complications, we believe we have enough information to enable a decision to be taken to move towards the NFF sooner rather than later, and the rationale behind this is set out in section 3 below.

3 Moving to the National Funding Formula

- 3.1 The National Funding Formula contains a number of components which are almost identical to those currently allowable in local formulae. However the values allocated via

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each of those components are in most cases different from the North Yorkshire values. These are summarised below:

		Current	Final
		NYCC - £	NFF - £
AWPU - Primary	Primary	2,941	2,747
AWPU - KS3	Secondary	3,813	3,863
AWPU - KS4	Secondary	4,728	4,386
Deprivation - FSM	Primary	505	440
	Secondary	678	440
Deprivation - Ever 6 FSM	Primary		540
	Secondary		785
Deprivation (IDACI - Primary)	Band 1 (f)	650	200
	Band 2 (e)	780	240
	Band 3 (d)	936	360
	Band 4 (c)	1,123	390
	Band 5 (b)	1,348	420
	Band 6 (a)	1,617	575
Deprivation (IDACI - Secondary)	Band 1 (f)	623	290
	Band 2 (e)	773	390
	Band 3 (d)	935	515
	Band 4 (c)	1,056	560
	Band 5 (b)	1,151	600
	Band 6 (a)	1,220	810
LAC	All	2,403	0
EAL	Primary	953	515
	Secondary	921	1,385
Low attainment	Primary	509	1,050
	Secondary	637	1,550
Mobility	NFF to reflect current NYCC allocations		
Lump Sum	Primary	89,047	110,000
	Secondary	175,000	110,000
Sparsity	Primary		£0 - £25,000
	Secondary		£0 - £65,000
Other – Growth, Rates, Split Sites, Rents	NFF to reflect current NYCC allocations		

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- 3.2 The values above are those intended at this stage to be in the final NFF – i.e. sometime after March 2020.
- 3.3 As can be seen, the NFF has taken out the factor relating to Looked After Children (LAC). This will be partially compensated for by the increase in the Pupil Premium for LAC (from £1,900 to £2,300 per annum) which is a funding stream outside the main formula.
- 3.4 The full NFF, which will be implemented sometime after 2020, will therefore produce the following changes per component, compared with the current local formula:

Primary Schools

All figures are

£000s

	Current	NFF	Change	% change
AWPU	125,785	117,505	-8,280	-6.6%
Deprivation	8,784	7,470	-1,315	-15.0%
LAC	335	0	-335	-100.0%
EAL	1,236	669	-568	-45.9%
Mobility	549	549	0	0.0%
Prior Attainment	3,734	14,395	10,661	285.5%
Lump Sum	27,783	34,320	6,537	23.5%
Sparsity	1,653	1,781	127	7.7%
Split Site	50	50	0	0.0%
Rates	2,498	2,399	-99	-4.0%
PFI	244	253	9	3.8%
Rents	197	173	-24	-12.2%
Protection	-93	-3,615	-3,522	3784.8%
TOTAL	172,755	175,949	3,193	1.8%

Secondary Schools

All figures are £000s

	Current	NFF	Change	% change
AWPU	128,796	126,100	-2,696	-2.1%
Deprivation	5,526	7,295	1,769	32.0%
LAC	325	0	-325	-100.0%
EAL	207	314	107	51.8%
Mobility	248	248	0	0.0%
Prior Attainment	4,230	10,353	6,123	144.8%
Lump Sum	7,525	4,730	-2,795	-37.1%
Sparsity	1,300	399	-901	-69.3%
Split Site	450	450	0	0.0%
Rates	2,973	2,650	-323	-10.9%
PFI	0	0	0	
Rents	202	202	0	0.0%
Protection	93	2,772	2,679	2878.7%

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TOTAL	151,875	155,513	3,638	2.4%
All schools				
<i>All figures are £000s</i>				
	Current	NFF	Change	% change
AWPU	254,581	243,605	-10,976	-4.3%
Deprivation	14,311	14,765	454	3.2%
LAC	660	0	-660	-100.0%
EAL	1,443	982	-461	-31.9%
Mobility	797	797	0	0.0%
Prior Attainment	7,964	24,749	16,784	210.7%
Lump Sum	35,308	39,050	3,742	10.6%
Sparsity	2,953	2,180	-773	-26.2%
Split Site	500	500	0	0.0%
Rates	5,471	5,049	-422	-7.7%
PFI	244	253	9	3.8%
Rents	399	375	-24	-6.0%
Protection	0	-843	-843	
TOTAL	324,631	331,461	6,831	2.1%

3.5 Secondary schools therefore receive a larger increase on the original funding than primary schools (2.4% increase compared with 1.8%). Overall AWPU shows a reduction of nearly £11m, with significant reductions in sparsity, secondary school Lump Sum and English as an additional Language (EAL). The factor for looked After Children (LAC) has completely disappeared. These reductions are balanced by increases in Deprivation, Prior Attainment and primary school Lump Sum. The most significant of these is a 285% primary, and 145% secondary, increase in Prior Attainment funding.

3.6 At the last meeting of the North Yorkshire Education Partnership, officers noted that in previous iterations of the NFF, our main concerns were around some individual factors (particularly sparsity and mobility) and the fact that although more funding would be allocated to North Yorkshire, a number of schools and academies would actually lose out. As stated above, the final version of the NFF means that no school will lose. We continue to have some concerns around sparsity – particularly for small secondary schools, while mobility will be unchanged for the time being. The DfE has said that it “will continue to work on developing an accurate and robust indicator of mobility, in consultation with key stakeholders.”

3.7 Our recommendation therefore is that we move to use the NFF as a basis for funding schools in North Yorkshire from April 2018 and that we continue to lobby DfE on the application of both the sparsity and mobility factors before the application of the “hard NFF” sometime after 2020. At its meeting on 19 October, the NYEP endorsed this approach, but it will consider the responses of schools made in this consultation before making a final recommendation in December.

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- 3.8 We would therefore use the NFF formula factors and replicate the same transitional funding for 2018-19 and 2019-20 as that used by the DfE in the published notional budgets, within the constraints of the final agreed funding envelope. This envelope will be determined by changes to data as per the October census and by the impact of any decision to support High Needs funding as set out in section 4 below.
- 3.9 The elements within that transitional funding will include the Minimum Per Pupil Funding (MPPF) levels as set out in 2.6 above and a funding floor of 0.5% in 2018-19 and 1.0% in 2019-20 (as per 2.7).
- 3.10 We also need to consider the Minimum Funding Guarantee (MFG) and agree a rate, should that (and of course any funding cap for gaining schools to pay for it) be necessary. At this stage, and without seeing the impact of the final data changes and any support to High Needs, we are recommending that a Minimum Funding Guarantee of 0% is used. The current MFG is -1.5%, i.e. no school can lose more than 1.5% per pupil on a certain part of its budget. However, given the principle of no schools losing under the NFF, a MFG of 0% would be consistent with this.
- 3.11 Appendix 1 attempts to show a comparison between running the NFF in 2018-19 and continuing to use the NYCC formula. Both figures use the increased funding for that year but use 2017-18 data for pupil numbers, etc. As academies have a different financial year, it has not been possible to show a true comparison and therefore figures for academies are not quite correct.
- 3.12 It should also be noted that at its meeting in October the NYEP agreed to continue with the de-delegation from LA-Maintained schools for one more year in 2018-19.
- 3.13 De-delegation applies only to LA-maintained schools. Each relevant budget is technically initially delegated to all schools and academies and then, where approved de-delegated (or pooled across the whole Local Authority area) from maintained schools budgets before final school budgets are issued. Therefore the amount that can be de-delegated will depend on the number of academy conversions; if there are more conversions of schools to academies, it will reduce the total sum de-delegated for a service.
- 3.14 The figures below show the starting point for 2017-18 and therefore, as a result of further conversions will be lower in 2018-19. It should also be noted that for Ethnic Minority, as our current de-delegation is higher than the new (lower) amount allocated using EAL in the NFF, this figure will reduce will reduce by approx. £300k in 2018-19.

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	£k	% of total budget
Schools in Financial Difficulty	615	0.19%
Unreasonable School Expenditure	80	0.02%
Behaviour Support Services	195	0.06%
Ethnic Minority (see note in 3.13 above)	932	0.28%
Free School Meals Eligibility	16	0.00%
Trade Union Costs	75	0.02%
	<u>1,913</u>	

3.15 Therefore the two consultations questions relevant for this section are:

Q1: Do you agree that we should move to using the NFF as a basis for funding schools from April 2018?

Q2: Where required, do you support the move to now use a Minimum Funding Guarantee (MFG) of 0%, and any corresponding funding cap required?

4 Supporting High Needs

- 4.1 In North Yorkshire, as elsewhere in the country, the pressures on High Needs budgets continue to grow.
- 4.2 The rate of change in the number of Education, Health and Care (EHC) plans funded by North Yorkshire has increased steadily since the implementation of the new SEND reforms from September 2014. There are currently (September 2017) 2,424 Statements or EHC plans funded by North Yorkshire County Council. The biggest need is currently for ASD: 27% (SEMH: 18.5%, MLD: 16.5%, SLCN: 11%, PD: 9.5%, SLD: 8%). In the year to January 2017, North Yorkshire had a 15.7% increase in the number of plans, which was comparable to regional neighbours but higher than the national rate at 12.08%. If the current trend continues, North Yorkshire will have approximately 2,550 statements/plans by 2018. This is a trend experienced by other local authorities.
- 4.3 The local authority currently invests a total of £5.4 million in AP/Pupil Referral Services which includes 88 commissioned places for permanently excluded children at a cost of £19,000 per place. Additional funding is provided if numbers exceed commissioned places. £3.4 million of the overall funding supports the local authority duty to provide tuition for medical students unable to attend school and the remainder is LA financial support for preventative early intervention for children at risk of exclusion. This support

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may include outreach support to schools or packages of alternative provision. “Discretionary funding” is also provided to support early intervention for children at risk of exclusion. This support may include outreach support to schools or packages of alternative provision.

- 4.4 In 2016-17, 1,904 children experienced a fixed term exclusion and 521 (27%) experienced more than three exclusions during the academic year. The majority of exclusions were for secondary age children peaking in Years 9 and 10. If current trends continue fixed term exclusions in North Yorkshire will exceed the national average.
- 4.5 The impact of significant increases in funded EHC Plans and demands for special school placements places a recurring pressure on the local authority High Needs Block of £4 million. This needs a system-wide review of the whole High Needs Block to ensure that spending delivers financially sustainable and high-quality provision.
- 4.6 The Government is also introducing a NFF for High Needs. The details of this are set out at <https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>
- 4.7 In summary, this means that under the new arrangements 50% of High Needs funding will be allocated on the basis of historic spending. The other 50% will be allocated using a formula made up from proxy factors:

	National £m	
Population	1,400	51%
Deprivation	541	20%
Low Attainment	406	15%
Health and Disability	406	15%
	<u>2,753</u>	<u>100%</u>

- 4.8 It is this formula, and its high reliance on deprivation which means that North Yorkshire is at the bottom of the list in seeing any gain from the additional funding allocated nationally. In the context of the pressures outlined in 4.2 – 4.5 above, the extra £142k seems unlikely to provide much assistance.
- 4.9 The DfE has at least acknowledged the pressures faced across the country and has therefore allowed LAs, with the permission on their School Forums, to use up to 0.5% of

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the increased Schools Block to support High Needs in 2018-19. This may be replicated in 2019-20, but any continuation of such support for that year would need to be agreed separately. After that the funding will be passed back to the Schools Block for distribution to schools through the NFF.

- 4.10 This would therefore be a temporary measure to enable Local Authorities to work with schools and others to try and manage the financial issues. At its most recent meeting, members of the NYEP endorsed the proposal to use 0.5% (or £1.6m) for this purpose in 2018-19. Before taking its final decision in December, NYEP will consider the responses from schools received through this consultation.
- 4.11 Should approval be given to do this, we would still look to ensure that the principles of the transition set out in section 3 above (e.g. MPPF levels, floor and MFG) were applied. Therefore
- 4.12 The impact of this at school level is illustrated in Appendix 2 by showing 0.5% of the 2018-19 notional figures. This is however before any transitional protection is applied as set out above.
- 4.13 For this section therefore there is only one question:

Q3: Do you support the use of 0.5% of the increased funding in 2018-19 to assist the financial pressures being faced on High Needs?

5 Next Steps

- 5.1 Accompanying this consultation paper is a response form with four questions – the three set out above plus a more general one. We would be grateful if you could return this by email, or otherwise respond by email to the questions, by 6pm on Tuesday 28 November. Please send your responses to Deborah.wilbor@northyorks.gov.uk
- 5.2 The results of this consultation will be presented to members of the North Yorkshire Education Partnership for final decisions and recommendations to be made at its meeting on 13 December. Schools will be notified of the outcome of this before the end of term.
- 5.3 This will coincide with release by DfE of the data needed to calculate next year's budget (estimated to be mid-December). In the past we have succeeded in publishing primary and secondary school budgets mid-February and will be aiming once more to meet that timescale.

School Funding 2018-19, including outcome of the local consultation.**6 Consultation Questions**

6.1 The questions set out in the accompanying response form are as follows:

Q1: Do you agree that we should move to using the NFF as a basis for funding schools from April 2018?

Q2: Where required, do you support the move to now use a Minimum Funding Guarantee (MFG) of 0%, and any corresponding funding cap required?

Q3: Do you support the use of 0.5% of the increased funding in 2018-19 to assist the financial pressures being faced on High Needs?

Q4: Do you have any further comments relating to either the DfE's or the LA's proposals for school funding from April 2018-19?

6.2 Please could you send your response to these, by email, by **6pm on Tuesday 28 November** to deborah.wilbor@northyorks.gov.uk

Accompanying Appendices – can be found at <http://cyps.northyorks.gov.uk/nyep>

Appendix 1: NFF and NYCC formula comparison at school level

Appendix 2: High Needs Proposal: Proportionate 0.5% of budget at school level

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Appendix 2: Detailed responses to Q4 of the consultation

NFF/General

- The NFF is still not enough to sustain high quality education in North Yorkshire. Everyone is stretched to the limits and for the high quality education to be sustainable more funding will need to be made available. Whilst the lump sum has increased the AWPU has decreased and this cannot be making it a fair national funding formula!
- Providing that NYCC don't feel that early adoption will 'weaken' the lobbying possible re: sparsity and mobility factors (para 3.7 of consultation document)
- Small rural schools are struggling financially and this message needs to be reinforced with the government.
- The proposed practice of using performance data (prior attainment) to determine funding is as concept that I find deeply concerning on a number of levels and needs further explaining and guarantees that this system is not misused.
- I would like to see the Local Authority take the opportunity to consider how it can use the period between a LA formula and a NFF to ensure that the increase in funding is tilted in to the schools facing the biggest challenges. It would appear that large urban schools do not gain relatively as much as others across the county from the proposed interim changes.
- I found it difficult to answer the questions with protections and provisions difficult to predict in NYCC words.
- Responses made following consultation with the Governing Body who feel there are too many 'unknowns'.
- How are you going to organise prior attainment payments?
- Staying with the NYCC funding formula for 2017/2018 will give us extra funding of approx. £20000 for this year. We would then move to the NFF from 2018/2019 when agreement has been reached on all funding areas. We are told that no North Yorkshire School funding share would decrease using this combination.
- At present under the MFG no school can lose more than 1.5% per pupil on a certain part of its budget. However, given the principle of no schools losing under the NFF, a MFG of 0% would be consistent with this.
- In 2018-2019 and 2019-2020 school budgets will be set by NYCC, this is known as the "soft NFF". After that time all school budgets will be set by the DFE, known as the "hard NFF". We have very little information about the "hard NFF" going forward so feel unable to comment.

School Funding 2018-19, including outcome of the local consultation.

- The focus on mobility will need to be carefully planned out as this is a big factor for schools like ourselves. There will need to be a clear focus around this and how this then supports school who have a high mobility rate.
- Pay increases should be fully funded by the DfE – 2% M1 – M6 and 1% UPR
- It is almost impossible to have an unbiased view regarding Q1, when small schools will receive a lower amount as a result. We can only hope that, if this is adopted, appropriate compensation in terms of sparsity factor etc will be available, as in the majority of cases, these same schools would warrant an increase in this element.
- Re Q1, we would hope that split site funding will continue to be provided by NYCC for LA maintained schools under this option. In addition, we already are predicting a budget deficit next year, despite cutting our costs as much as we possibly can and identifying new sources of income, and would lose yet more funding under the NFF.
- Re Q2, we have ticked yes under the assumption that financially gaining schools will be capped so that other schools can be financially supported where they would otherwise receive reduced funding under the scheme. (We found the 0% MFG figure a little confusing as it suggests there would be no minimum amount a school could lose which we clearly hope would not be the case).
- The Governors of X School are aware of the financial pressures being felt across the educational sector, especially here in North Yorkshire, and would strongly urge the Government to fund all schools fairly and at a sufficiently high level. However, the Governing Body is not supportive of the proposal to cap the funding of certain schools; nor is it supportive of the proposed levy for High Needs. The financial information supplied by NYCC for this consultation lacks detail. Perhaps that is due to a lack of detail from central government but it makes a full consideration of the proposals impossible. In particular, the adjusted figures proposed by NYCC do not make clear the implied 11-16 funding level, nor do they show whether the minimum per pupil level funding level has been met. X School currently receives less than £4,600 per 11-16 pupil and does not benefit from additional funding to the same extent as many other schools. The school has taken very significant steps in recent years to address its low level of funding. This includes making four staff redundant in 2015-16 and not replacing other staff in 2016-17; operating without a Deputy Head Teacher for the past two years and dramatically reducing the number of managers within the school; increasing the workload of the teaching staff and operating with a support staff far below benchmarks; reducing the School's A-Level programme from four to three subjects; and withdrawing a number of subjects at A-Level and GCSE. The additional funding received by the Authority to meet the minimum per pupil level funding level of £4,600 in 2018-19 (and £4,800 in 2019-20) will be clearly identified school by school. This element of the funding is not subject to the 3% gains cap; therefore, the Governors hope that the Local Authority will honour the principle of minimum per pupil funding levels and set a local formula that mirrors the NFF and delivers the percentage increase shown in the tables.
- It is imperative in these times of financial constraints that we are funded appropriately in relation to our school numbers and the varied needs of the children. One solution does not fit all in respect of Y School.

School Funding 2018-19, including outcome of the local consultation.High Needs

- There is no information in the consultation paper to indicate what the implications would be if the 0.5% top slice from school budgets does not go ahead. There are no alternative options put forward for consideration and therefore it is very difficult to make an informed decision. The paper recognises the need for a system-wide review of the whole High Needs Block to ensure future financial sustainability and that the top slice would therefore be a temporary measure to buy some time for this to take place. It would be helpful to understand how much money is held in DSG reserves and whether there was scope to use these reserves to bridge the funding gap rather than rely on a top slice from school budgets. At a time when many schools are struggling to deal with deficit budgets, with no additional financial support available, it seems very harsh to cut those school budgets to help out a central budget that has overspent. If the 0.5% top slice is to be implemented for 2018/19, it should be restricted to a 1 year agreement only on the understanding that no further additional funding will be taken from school budgets in future years.
- At a basic level of understanding it would seem that the factors of the HN NFF are not producing sufficient funding to support the variety and number of EHCPs (eg. a relatively high 18.5% SEMH currently – are the types of formula factors used able to identify sufficiently well enough (leading to subsequent funding) that some of the HN will stem from areas of need such as these?)
- This consultation is simply around budget – pouring more money into a broken system SEND will not make it more effective and can at best be a short term fix.
- We, the Governing Body, accept the reasoning behind this consultation but being a school with a large deficit in our budget I feel that I have to disagree with Question 3 in the interests of our school in order to carry out my role of Chair of Governors effectively.
- Unable to reply to Q3 as have insufficient information as to how the 0.5% would be used – would it be to simply plug the deficit, or would it be used constructively to improve provision for children.
- No we do not support this. We feel we get very little help from NYCC in this area and we have put strategies in place to help our high need pupils for which we have to pay. We do not feel we should have to fund the support other schools require.
- These proposals were discussed at the Governors meeting on 15th November. The Governors were concerned that the proposals for SEN (question 3) would still mean that there wasn't enough money in the SEN pot.
- Re Q3, we believe that schools with students who have additional needs must have suitable and sufficient funding to adequately provide for these students' needs and support them to achieve the best possible outcomes.