

**NORTH LINCOLNSHIRE COUNCIL**

**CHILDREN'S SERVICES CABINET MEMBER**

**SCHOOLS FUNDING FORMULA 2016-17**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To update Cabinet Member regarding the 2016-17 funding allocations for Dedicated Schools Grant and therefore the amount available for Individual School Budgets.
- 1.2 To seek Cabinet Member approval to the change in unit values for the 2016-17 schools funding formula.
- 1.3 The Schools Block allocation for North Lincolnshire 2016-17 is £100.276m of which 99.5% is used to fund maintained schools and academies.

**2. BACKGROUND INFORMATION**

- 2.1 In accordance with the Education Funding Agency's (EFA) Operational guide 'Schools revenue funding 2016 to 2017', Local Authorities were required to inform EFA by 30 October 2015 their indicative school funding formula details. The unit values were based on indicative levels of funding allocation for North Lincolnshire.
- 2.2 On 17 December the EFA published the 2016-17 Dedicated Schools Grant (DSG) Allocations for 2016-17. This is based on October 2015 School Census data. The allocation for North Lincolnshire is £122.468m.
- 2.3 The element of DSG which is available for the Schools Budget is £100.276m of which £99.659m is set aside for mainstream schools funding. The Operational guide sets out how individual school budget (ISB) shares can be calculated. The formula and unit values that were agreed in November 2015 have been used to calculate the individual school budgets. Due to changes in pupil numbers and some of the pupil data, the formula values require amending in order to align to the funding allocation.
- 2.4 This report sets out the final proposals for the North Lincolnshire schools funding formula 2016-17.

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

#### 3.1 **Option 1**

To update the unit values as follows:

- Increase KS4 Unit Value from £4,490 to £4,550 per KS4 pupil
- Increase Primary Unit Value from £3,085 to £3,090 per pupil
- Reduce Secondary Block Sum from £174,500 to £162,500
- Increase Primary Block Sum from £118,500 to £119,000

#### 3.2 **Option 2**

Retain existing proposed values of all formula factors for 2016-17.

### 4. **ANALYSIS OF OPTIONS**

4.1 The formula factors and values for the options are listed in Appendix 1; this also lists the 2015-16 unit values.

4.2 The formula factors meet the requirement of the DFE guidance.

4.3 The formula uses the data as prescribed by the DFE.

#### **Option 1**

4.4 This option maximises the proportion of funding that is distributed through pupil led factors and basic entitlement.

4.5 This option is affordable within the budget of £99.758m.

#### **Option 2**

4.6 This option produces a total ISB of £99.620m and does not distribute all of the available funding.

### 5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 The final Dedicated Schools Grant schools block allocation from the DFE has increased by £1.26m from the indicative allocation made in the summer 2015. The final allocation is £100.276m and continues to include the additional funding made under 'fairer funding' reforms in 2015/16.

5.2 As part of the Schools Budget central expenditure amounts to £617,000 leaving £99.659 available for distribution to schools. In addition, Schools Forum agreed that the exceptional items within the formula be funded from DSG reserves, therefore providing a total amount available for distribution to mainstream schools and academies of £99.758m.

### 6. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT**

6.1 None

## 7. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

- 7.1 The Schools Forum of the 13 January 2016, three options were presented for consideration.
- 7.3 Schools Forum members are in agreement with the option recommended in this report.

## 8. **RECOMMENDATIONS**

- 8.1 That Cabinet Member approves the updates to the formula factor values outlined in Option 1.
- 8.2 The factors under Option 1 in Appendix 1 are used to calculate the individual schools budget shares for mainstream schools within North Lincolnshire 2016-17.

DIRECTOR OF PEOPLE

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Date: 6 January 2016

### **Background Papers used in the preparation of this report:**

EFA Operational Guidance - Schools revenue funding 2016 to 2017  
Cabinet Member Decision of 2 November 2015 – Schools Funding Formula 2016-17  
Schools Forum 13 January 2016 – Schools Funding Formula 2016-17

## APPENDIX 1

	<b>2015/16 Actual</b>	<b>Option 1 2016/17</b>	<b>Option 2 2016/17 Proposed (based on Oct 2015 data)</b>
Age-weighted pupil unit (AWPU) - primary	£3,085	£3,090	£3,085
AWPU - key stage 3	£4,240	£4,240	£4,240
AWPU - key stage 4	£4,490	£4,550	£4,490
FSM 6 - primary	£280	£280	£280
FSM - secondary	£280	£280	£280
IDACI 1 - primary	£10	£10	£10
IDACI 2 - primary	£10	£10	£10
IDACI 3 - primary	£200	£200	£200
IDACI 4 - primary	£250	£250	£250
IDACI 5 - primary	£375	£375	£375
IDACI 6 - primary	£400	£400	£400
IDACI 1 - secondary	£10	£10	£10
IDACI 2 - secondary	£10	£10	£10
IDACI 3 - secondary	£200	£200	£200
IDACI 4 - secondary	£250	£250	£250
IDACI 5 - secondary	£375	£375	£375
IDACI 6 - secondary	£400	£400	£400
looked-after children	£500	£500	£500
Low prior attainment - primary 78	£365	£365	£365
Low prior attainment - secondary	£980	£980	£980
English as an additional language 3 - primary	£250	£250	£250
English as an additional language 3 - secondary	£250	£250	£250
Lump Sum - primary	£119,000	£119,000	£118,500
Lump Sum - secondary	£175,000	£162,500	£174,500
Sparsity - primary	£20,000	£20,000	£20,000
Sparsity - secondary	£30,000	£30,000	£30,000
<b>Total Schools Funding Distributed</b>	<b>£98,480,299</b>	<b>£99,620,302</b>	<b>£99,751,131</b>
<b>Funding available 2016-17</b>		<b>£99,758,000</b>	<b>£99,758,000</b>
<b>Pupil Numbers October 2014</b>	<b>22124</b>		
<b>Pupil Numbers October 2015</b>		<b>22399</b>	
<b>DFE Schools Block Unit of Funding</b>	<b>£4,475.39</b>	<b>£4,475.39</b>	

Local Authority Funding Reform Proforma

LA Name: North Lincolnshire  
 LA Number: 813

Appendix 2

Pupil Led Factors

Reception uplift		No	Pupil Units		0.00					
Description		Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£3,090.00		13,524.00		£41,789,160	£80,721,252	41.94%	5.00%	
	Key Stage 3 (Years 7-9)	£4,240.00		5,230.00		£22,175,200		22.25%	5.00%	
	Key Stage 4 (Years 10-11)	£4,550.00		3,682.83		£16,756,892		16.82%	5.00%	
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM6 % Primary	£280.00		3,809.69		£1,066,715	£3,093,324	3.10%	5.00%	
	FSM6 % Secondary		£280.00		2,480.75	£694,610			5.00%	5.00%
	IDACI Band 1	£10.00	£10.00	1,406.67	842.06	£22,487			5.00%	5.00%
	IDACI Band 2	£10.00	£10.00	1,508.46	796.75	£23,052			5.00%	5.00%
	IDACI Band 3	£200.00	£200.00	1,206.06	714.22	£384,056			5.00%	5.00%
	IDACI Band 4	£250.00	£250.00	969.98	661.43	£407,853			5.00%	5.00%
	IDACI Band 5	£375.00	£375.00	612.66	389.32	£375,742			5.00%	5.00%
IDACI Band 6	£400.00	£400.00	192.03	105.00	£118,810	5.00%	5.00%			
3) Looked After Children (LAC)	LAC X March 14	£500.00		137.13		£68,565	£587,352	0.26%		
	EAL 3 Primary	£250.00		913.59		£228,397				
4) English as an Additional Language (EAL)	EAL 3 Secondary		£250.00		124.01	£31,002				
	Pupils starting school outside of normal entry dates	£1,500.00	£1,500.00	166.33	6.60	£259,388		0.26%		
Description		Weighting	Amount per pupil	Percentage of eligible Y1-3 and Y4-6 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Prior attainment	Low Attainment % new EFSP	100.00%		37.11%		£1,405,126	£3,760,435	3.77%	100.00%	
	Low Attainment % old FSP 78		£365.00	19.34%	3,849.66					
	Secondary pupils not achieving (KS2 level 4 English or Maths)		£980.00		2,403.38	£2,355,309				

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)		
7) Lump Sum	£119,000.00	£162,500.00			£9,772,000	9.81%			
8) Sparsity factor	£20,000.00	£30,000.00			£121,623	0.12%			
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.									
Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed or tapered sparsity primary lump sum?	Tapered				
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed or tapered sparsity secondary lump sum?	Tapered				
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed or tapered sparsity middle school lump sum?	Fixed				
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?	Fixed				
9) Fringe Payments					£0	0.00%			
10) Split Sites					£10,000	0.01%			
11) Rates					£1,481,690	1.49%			
12) PFI funding					£0	0.00%			
13) Sixth Form					£0	0.00%			
14) Exceptional circumstances (can only be used with prior agreement of EFA)									
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)		
Additional lump sum for schools amalgamated during FY15-16					£0	0.00%	0.00%	0.00%	
Additional sparsity lump sum for small schools					£0	0.00%			
Exceptional Circumstance3					£95,200	0.10%			
Exceptional Circumstance4					£0	0.00%			
Exceptional Circumstance5					£0	0.00%			
Exceptional Circumstance6					£0	0.00%			
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>					<b>£99,642,476</b>	<b>100.00%</b>	<b>£7,951,164</b>		
15) Minimum Funding Guarantee (MFG is set at -1.5%)					£104,755				
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					No				
Capping Factor (%)		Scaling Factor (%)							
Total deduction if capping and scaling factors are applied					£0				
					Total (£)	Proportion of Total funding(%)			
MFG Net Total Funding (MFG + deduction from capping and scaling)					£104,755	0.11%			
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)					£0.00				
Additional funding from the high needs budget					£0.00				
Growth fund (if applicable)					£0.00				
Falling rolls fund (if applicable)					£0.00				
<b>Total Funding For Schools Block Formula</b>					<b>£99,751,131</b>				
% Distributed through Basic Entitlement					81.01%				
% Pupil Led Funding					88.48%				
Primary: Secondary Ratio					1 :		1.27		