

## Implementing the national funding formula in North Somerset

Whilst the national funding formula provides additional resources to North Somerset, the impact varies for different types of schools. **Were the national funding formula to be implemented fully** in North Somerset the broad implications for various types of schools are provided below:

- An overall increase in funding allocations to schools of £2,637,967 2.3%,
- An overall increase for Primary schools of £934,853 1.5%,
- An overall increase for Secondary schools of 1,703,113 3.4%,
- £669,252 and £914,878 allocated respectively to 12 primary schools and 5 secondary schools to fund them at the minimum per pupil level. This tends to be schools which have historically attracted low levels of funding for additional needs such as deprivation, special educational needs and English as an additional language. In primary schools this additional funding averages at £55,771 per eligible school with the allocations ranging from £2,889 to £161,776. In secondary schools this additional funding averages at £182,976 per eligible school with the allocations ranging from £16,895 to £377,240,
- £872,244 allocated to 30 primary schools to ensure they receive a minimum increase of 0.5% of their per pupil funding. This tends to be allocated as a protection mechanism to those schools that would otherwise lose funding as a result of the implementation of the national funding formula. This additional protection averages at £29,075 per eligible school with the allocations ranging from £172 to £265,098. Schools that lose through the national funding formula, and therefore receive protection, are generally smaller primary schools and primary school serving the most deprived areas. The inclusion of this increase in the national fair funding formula results in there being no requirement for a minimum funding guarantee (MFG) calculation and, therefore, the MFG is set at 0%,
- £429,252 and £1,321,467 has been held back (capped) respectively from 10 primary schools and all of the secondary schools to restrict their gain to 3% per pupil. This again tend to apply to schools which have historically attracted lower levels of funding for additional needs such as deprivation, special educational needs and English as an additional language. In primary schools this cap averages at £42,925 per eligible school with the cap ranging from £2,241 to £113,400. In secondary schools this cap averages at £120,133 per eligible school with the cap ranging from £13,119 to £299,600,
- Appendix A demonstrates the funding allocated to each school in North Somerset **were the national funding formula to be implemented fully** in North Somerset in 2018.

The table below shows the change between the current formula in North Somerset and the national funding formula:

Table	Primary			Secondary			With ACA @	1.01433	
	NSC 2017-18	DfE proposed	Diff		NSC 2017-18	DfE proposed	Diff	Primary	Secondary
Basic per pupil funding	£2,660.28	£2,746.99	£86.71	K S 3	£3,931.82	£3,862.65	£(69.17)	£2,786.35	£3,918.00
				K S 4	£3,931.82	£4,385.81	£453.99	£0.00	£4,448.66
Deprivation									
FSM ever 6	£1,126.51	£540.00	£(586.51)		£1,126.51	£785.00	£(341.51)	£547.74	£796.25
Current FSM	£0.00	£440.00	£440.00		£0.00	£440.00	£440.00	£446.31	£446.31
IDACI A	£1,385.69	£575.00	£(810.69)		£1,385.69	£810.00	£(575.69)	£583.24	£821.61
IDACI B	£520.95	£420.00	£(100.95)		£520.95	£600.00	£79.05	£426.02	£608.60
IDACI C	£87.45	£390.00	£302.55		£87.45	£560.00	£472.55	£395.59	£568.02
IDACI D	£87.45	£360.00	£272.55		£87.45	£515.00	£427.55	£365.16	£522.38
IDACI E	£0.00	£240.00	£240.00		£0.00	£390.00	£390.00	£243.44	£395.59
IDACI F	£0.00	£200.00	£200.00		£0.00	£290.00	£290.00	£202.87	£294.16
Lower prior attainment	£1,223.53	£1,050.00	£(173.53)		£1,662.49	£1,550.00	£(112.49)	£1,065.05	£1,572.21
EAL	£0.00	£515.00	£515.00		£0.00	£1,385.00	£1,385.00	£522.38	£1,404.85
Lump Sum	£125,018.02	£110,000.00	£(15,018.02)		£125,018.02	£110,000.00	£(15,018.02)	£111,576.30	£111,576.30

There is likely to be a need to remove funding from schools to fund exceptional pupil growth, the deficit recovery plan, and high needs expenditure. These are examples of why the national statement that all schools will not lose, or will gain a minimum of 0.5% increase in per pupil funding may not be possible at a local level.

The draft schools budget will be considered by the SSF on the 6<sup>th</sup> December and the requirement for removing funding from schools will not be known until that point in time. However, in order to support meaningful consultation estimated values have been included in the consultation document with schools and other stakeholders. Please be aware that these values are for demonstratives purposes only and are subject to significant change.

The table below includes the estimated resources that may need to be removed from schools budgets:

	Estimated removal from school budgets	Notes
Estimated additional requirement for exceptional pupil growth funding	£184,000	
Transfer to other blocks (0.5% limit)		
Deficit recovery	£315,000	0.57% of schools block so would require approval of the Secretary of State
To meet estimated high needs expenditure	£350,000	

Total estimated removal for demonstration purposes	£849,000	
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There are a number of ways that this can be achieved which will have a differing impact on individual schools depending on their circumstances. Examples of these options are provided below, but please be aware that a number of these options could be implemented alongside each other:

- The government has provided resources to enable schools to receive a minimum 0.5% per pupil increase. This minimum increase can be reduced to anywhere between 0% and 0.5% to fund the estimated resources required in table v above. This would remove funding from all schools except for those that are protected as they lose funding as a result of data changes or the implementation of the national funding formula,
- The value of factors within the formula such as AWPU or low prior attainment, for example, could be reduced to fund the estimated resources required in table v above. The schools affected would be different depending on which factors were reduced i.e. reducing deprivation funding would have a greater impact on those schools with the highest levels of deprivation. Schools that lose funding as a result of data changes or the implementation of the national funding formula would receive some protection against this reduction,
- The protection applied by the minimum funding guarantee (MFG) could be reduced. The national funding formula allows for each schools to receive a minimum 0.5% per pupil increase. As such the MFG is set at 0% (schools are protected against any loss to their per pupil funding). The MFG can be set at any level between 0% and -1.5% meaning that the maximum per pupil loss in funding that can be incurred by a school is 1.5%. Allowing schools to lose funding would provide a resource to fund the estimated resources required in table v above. The schools affected would be those that lose as a result of data changes or the introduction of the national funding formula,
- The national funding formula applies a cap so that a schools per pupil funding gains, as a result of changes in data or the implementation of the national funding formula, is no more than 3%. The cap can be set at any level between 0% and 3% meaning that the whole gain in per pupil funding by schools could be capped by applying a 0% cap. Not providing these gains in funding would provide a resource to fund the estimated resources required in table v above. The schools affected would be those that gain as a result of data changes or the introduction of the national funding formula,
- The national funding formula sets minimum per pupil funding levels in 2018-19 of £3,300 in primary schools and £4,600 in secondary schools. Not allocating funding in order to provide these minimum funding levels would provide a resource to fund the estimated resources required in table v above. The schools affected would be mainly those schools that have historically attracted low levels of funding for additional needs such as deprivation, special educational needs and English as an additional language.

We are currently consulting schools on how they would like to deal with this and this will be considered by the SSF on 6th December.