

# **Schools Funding Forum 18<sup>th</sup> January 2017**

## **ITEM 14**

**Subject Heading:**

**School Funding 2017-18**

**Report Author:**

**David Allen – Strategic Finance  
Manager**

**Eligibility to vote:**

**All members**

### **SUMMARY**

This report summarises the decisions of the DfE on data changes to be used by local authorities in the calculation of school budgets for 2017-18 and proposes options on the values to be applied to the formula factors. The deadline for final budget submission to the DfE is 20<sup>th</sup> January 2018.

### **RECOMMENDATIONS**

To agree the rates to be applied to the schools formula funding factors for 2017-18.

### **REPORT DETAIL**

#### **1. Schools' Block**

The final DSG allocations for 2017-18 have been received from the DfE (see Item 10). This includes the Schools' Block from which the LA allocates school budgets. The Schools' Block allocation to Havering is £169.915 m.

This amount includes, for the first time, £589k of transferred Education Services Grant (ESG) which has previously been allocated to the Local Authority towards the cost of statutory duties. This was the subject of a previous item (Item 11).

## 2. Centrally Retained

At the meeting held on 22<sup>nd</sup> September, the School Funding Forum agreed to the central retention of budget for the following responsibilities permitted by the school finance regulations:

<b>Centrally Retained DSG</b>	<b>2017-18</b>
School Partnerships	200,000
School Admissions	499,734
Servicing of Schools Forums	43,250
Falling Rolls Fund	500,000
Capital expenditure from revenue (DERA)	87,490
Pupil growth / Infant class sizes	2,700,000
National Licences	164,789
	<b>4,195,263</b>

Assuming that the approval is given to retain the ESG, the total amount available for distribution to primary and secondary schools is £165 million.

## 3. School Data

The data to which the funding formula is applied is taken from the October 2016 census. The permitted factors and data sources are attached at Appendix A.

Changes to the data sets used in previous years are as follows:

### Income Deprivation Affecting Children Index (IDACI)

The table below shows the differences between 2015-16 to 2017-18:

IDACI Score	IDACI band 2016/17	% pupils in each band (2015-16)	% pupils in each band (2016-17)	IDACI band 2017/18	% of pupils in each band (2017-18)
Less than 0.2	0	53%	56%	G	56%
0.2 - 0.25	1	8%	10%	F	10%
0.25 - 0.3	2	7%	9%	E	9%
0.3 - 0.35	3	12%	14%	D	8%
0.35 - 0.4				C	7%
0.4 - 0.5	4	10%	8%	B	8%
0.5 - 0.6	5	6%	3%	A	3%
0.6 - 1	6	3%	1%		

For Havering, the differences are shown in the table below:

IDACI Score	IDACI band 2016/17	% pupils in each band (2015-16)	% pupils in each band (2016-17)	IDACI band 2017/18	% of pupils in each band (2017-18)
Less than 0.2	0	56%	50%	G	49%
0.2 - 0.25	1	7%	15%	F	15%
0.25 - 0.3	2	13%	12%	E	12%
0.3 - 0.35	3	13%	17%	D	9%
0.35 - 0.4				C	8%
0.4 - 0.5	4	10%	6%	B	7%
0.5 - 0.6	5	1%	0%	A	0%
0.6 - 1	6	0%	0%		

### Prior Attainment

Because of the more challenging tests at KS2, for Year 7 pupils, the first to take the new tests, a national weighting of 41% has been applied to reduce the data. The data for pupils in Years 8-11 is based on the previous KS2 SATs.

4. **Funding rates for 2017-18 formula funding**

Proposals for 2017-18 funding will be tabled at the meeting and will include retaining current formula values and the 1% gains cap and alternative options that move towards the funding rates proposed in the national funding formula.