



Shadow Authority

Bournemouth, Christchurch and Poole Shadow Executive Committee

Report Subject	Dedicated Schools Grant (DSG) Funding Formulae
Meeting date	12 February 2019
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Status	Public
Classification	For decision
Executive summary	<p>The Shadow Authority is required to set funding formulae for:</p> <ul style="list-style-type: none"> • Early education and childcare for those aged 2 and 3&4 • Mainstream schools for reception to age 15 <p>Consultation has taken place with all relevant providers, schools and the Shadow Schools Forum. This report includes the recommendations of the Shadow Schools Forum for approval.</p> <p>To support Members consideration, the Shadow Schools Forum Papers can be accessed by the link below:</p> <p>BCP Shadow Schools Forum</p> <p>The impact of the proposed funding changes is included in the report at summary level for early years providers as the sector is largely comprised of private, voluntary and independent settings. The mainstream formula is allocated only to public sector schools with the full details shown in Schools Forum papers.</p> <p>The Budget and MTFP report on the meeting agenda includes the decision to support the DSG High Needs budget with £2.4m of Council funds and £0.2m from Early Years funding.</p>

Recommendations	<p>The Executive to recommend to the Shadow Authority:</p> <p>a) The early years formula set out in Table 4 of paragraph 30.</p> <p>b) The mainstream schools formula set out in Table 8 of Appendix 2 for a 1.1% transfer of Schools Block funding to High Needs</p> <p>c) Delegate the final decision on the mainstream schools formula, when all DfE decisions are known, to the Bournemouth and Poole Directors of Children’s Services, in consultation with the Children’s Services Lead Members, taking into account the methodology recommended by the Shadow Schools Forum in Table 10 of Appendix 3.</p> <p>d) The Minimum Funding Guarantee for Specialist Providers is set at minus 1.5% to allow maximum budget flexibility.</p>
Reasons for recommendations	The recommendations (a) and (b) are supported by the Shadow Schools Forum. Recommendations (c) and (d) are necessary as all decisions needed to finalise the mainstream schools formula have not yet been received, the timing of which is outside the Council’s control.

1. Background

- The Dedicated Schools Grant (DSG) is allocated by the Department for Education (DfE) through 4 separate funding blocks – Early Years, Schools, Central School Services and High Needs with a total estimated for 2019/20 of £260m. Each funding block has its own National Funding Formula (NFF) methodology to allocate funding to the Local Authority (LA). The main driver of funding change is pupil numbers.

Table 1: BCP DSG Settlement 2019-20

Funding Block	2018-19 Budget	2019-20 Forecast	Annual Change		Reason for Change
	£000's	£000's	£000's	%	
Early Years	19,190	21,255	2,065	10.8	Demographic growth from policy change becoming embedded
Schools	190,988	197,315	6,327	3.3	Demographic and funding growth
Central School Services	2,083	2,062	(21)	(1.0)	Demographic growth offset by funding reduction
High Needs	38,343	38,885	542	1.4	Demographic growth
Total Funding	250,604	259,517	8,913	3.6	

Early Years funding for 2019/20 has been estimated by the DfE based on the January 2018 census. It will be finalised in summer 2020 based on the January census in the following two years. Final allocations in 2018/19 are expected to be higher than budgeted as take up of free childcare by working parents has been growing over time

since the introduction of the extended entitlement for working parents in September 2017. The estimated 10.8% funding increase therefore reflects demographic growth over more than one year.

Funding through the Schools and Central School Services Blocks is finalised each year in the December Settlement, based on the October school census. In 2019/20 the increase in pupils at October 2018 has generated £2.2m of additional funding with the remaining £4.1m delivered through higher funding values in the schools NFF.

The additional High Needs funding announced in December 2018 of £0.8m for BCP is included in Table 1 for both 2018/19 and 2019/20 as the existing LAs have also received an additional allocation in 2018/19.

2. The School Funding Statutory Framework governs the expenditure that can be met from each funding block.

2. Shadow Schools Forum

3. The Schools Forum is a statutory consultation body of the LA with its constitution and operation regulated by the DfE and its meeting held in public. It has oversight of all DSG budgets with a range of decision-making powers.
4. A Shadow Schools Forum for BCP was constituted in October 2018 to support the Shadow Authority in the budget setting process for school funding in 2019/20. This Forum includes representation from across BCP in the early years sector, each phase of school (primary, secondary, special, and alternative provision), and a 14-19 provider. Lead Officers and Children's Services Lead Members can contribute at meetings but are non-voting members of the Forum.
5. The Regulations set out the responsibilities for decision-making between the Schools Forum and the LA, including any consultation requirements.
6. The Schools Forum decides the level of LA central expenditure retained from each funding block, with the exception of High Needs, for which it has a consultation role only. The Forum also decides if funding can be transferred away from the Schools Block with a limit of 0.5%, with any higher level requiring the approval of the DfE.
7. Working groups of the Forum were set up to support the development of the early years formula, consider the high needs budgets in detail and advise how the Schools NFF should be adjusted to provide for a transfer to high needs.

3. High Needs Block

8. The High Needs Block largely funds individual pupils through top up funding for those in mainstream schools, special school funding and the cost of specialist provision. Current budget pressures have been acknowledged nationally with BCP identifying a high needs funding gap of £4.8m for 2019/20. Rising demand has been driven largely by the 2014 SEND Code of Practice which extended the age of those supported from 19 to 25. Further pressure has been added by an increasing number of permanent exclusions from mainstream schools. Action plans are in place across BCP and these include schools working in collaboration with the LA to manage the growing demand. The Forum decided by majority in January 2019 to transfer £2.2m (1.1%) from the Schools Block to support the High Needs Block to protect services. Further approval is required from the DfE for this level of transfer.

9. The LA can decide to transfer funding between the other 3 blocks or to top up DSG funding from its own resources. The 2019/20 Budget and Consolidated Medium Term Financial Plan (MTFP) Update paper on the meeting agenda includes the proposals to transfer £0.2m (1%) of Early Years funding and add £2.4m from Council resources for one year only to support expenditure within the High Needs Block. These proposals recognise the challenges in setting a balanced DSG budget to meet the needs of all pupils in the new LA.

4. Funding Formulae

10. After decisions have been made on the level of central expenditure and any transfer of funding between Blocks, then the balance of funding in the Early Years and Schools Blocks is available for allocation to providers and schools according to agreed funding formulae.
11. The statutory framework includes detailed regulations of how funding can be allocated between education and childcare providers through the local funding formulae and compliance is checked through detailed returns to the DfE.
12. It is for the LA to determine the funding formulae to be used and changes can be made only after consultation with all schools, providers and the Schools Forum.
13. The LA must fund all providers in a sector according to the same formula with BCP developing new formulae for 2019/20. Consultations took place in late autumn with each sector with the outcomes considered and recommendations made by the Shadow Schools Forum.
14. The proposed formulae for the Shadow Authority decision are those recommended by the Shadow Schools Forum.

5. Early Years Single Funding Formula (EYSFF)

15. The new BCP Council is required to operate a single EYSFF and this will mean funding changes for all providers. The formula is applicable for 2, 3 and 4 year old eligible education and childcare in pre schools, day nurseries, independent schools, childminders, and in nursery classes within a small number of maintained schools and academies.
16. The three existing LAs have the same funding rates from the DfE. These rates have been unchanged over the period 2017/18 to 2019/20 and although static now for 3 years the increases in the first year were significant compared with 2016/17. However, due the increases in the national living wage (a significant cost driver in this sector) and other pressures, providers will struggle to see real term increases by the end of this period.
17. Nationally by April 2019 each LA is required to transition all provider base rates (an amount per child per hour) to a single level within an area. This replaces the previous national requirement to fund providers according to differentiated typical sector costs. This means that a number of providers across BCP (and particularly childminders) are already expecting funding to reduce in 2019/20 compared with the current year.

2018/19 Local Formulae

18. Although each of the existing LAs has the same funding rates from government since 2017/18, different approaches have been taken in central retentions for LA statutory duties and in the EYSFF to fund providers.
19. The structure of the formula for 2 years olds is a mandatory single base rate (eligibility is restricted to children from low income families).
20. The formula for 3&4 year olds is to include a universal base rate for all providers, a mandatory deprivation supplement to differentiate funding with a number of additional discretionary and specific supplements permitted.
21. The main differences in the 3 current formulae reflect:
 - How much is allocated for deprivation and with different measurement approaches.
 - Mechanisms to manage sufficiency in rural areas (relevant only in Dorset)
 - Supplement to increase provider flexibility in the local market (need identified only in Poole).

Appendix 1 provides a summary of the different formulae across BCP

2019/20 Formula Development

22. A group of provider representatives from across the area and each sector have supported the development of the new BCP formula. A set of principles and proposals for consultation with the sector were agreed by the Shadow Schools Forum in November.
23. The principles agreed were:
 - Minimise the amount retained centrally, maximise funding to providers.
 - Deprivation supplement to be at a sufficient level to improve outcomes for children with a background of deprivation.
 - Set a formula that allows providers to better forecast and business plan (note this principle is aimed at minimising the use of supplements and using a measurement for deprivation with a high level of predictability).
 - Special Educational Needs & Disability top up funding is provided for every hour of attendance.

Formal Consultation and Recommendation from the Shadow Schools Forum

24. The consultation ran for 3 weeks ending in early December. A consultation paper was distributed to the 369 providers and 6 consultation events took place across BCP. Responses were provided via an on-line survey with a 27% response rate achieved.
25. The response to the consultation showed that the majority of providers broadly agreed with the principles set out above.
26. Not surprisingly, providers were less supportive of the 1% transfer to high needs as this takes funding away from the formula. To put this into context, the amount set aside for central functions and the transfer from 3&4 year old funding represent only 2% in total compared with the 5% permitted within the Regulations.
27. The Shadow Schools Forum considered the outcome of the consultation at the January 2019 meeting and by majority supported all proposals within the consultation.

Financial Impact of Proposals for Individual Early Years Providers

28. The impact for providers based on data for the latest complete academic year (2017/18) was included within the Consultation Paper. Due to the commercially sensitive nature of the information, individual providers were able to request an illustration for their setting across both age ranges.

(a) Children Aged 2

As funding remains a flat rate for all providers, impact depends on the existing LA area of the provider. This is because central retention policies and the profile of take up over the year compared with census led to different levels being available for providers in setting balanced budgets within the LA funding envelope.

(b) Children Aged 3&4

Table 2: Impact of EYSFF by Provider Type

Number of Providers	Provider Type	Deprivation %	17/18 Average Rate	Funding Change	19/20 Average Rate
72	Pre School	34%	£4.15	+0.7%	£4.18
12	Nursery class	27%	£4.19	-1.2%	£4.14
71	Day Nursery	22%	£4.19	-1.7%	£4.11
8	Independent	5%	£4.05	-0.9%	£4.03
163	Total Groups	25%	£4.17	-0.9%	£4.13
170	Childminders	19%	£4.42	-7.3%	£4.10

Table 3: Impact of EYSFF by Scale of Change

Change Compared with 2017/8	Childminder	Group Setting	Total
More than 3% reduction	133	37	170
Reduction 1.5% to 3%	9	26	35
Reduction 0 to 1.5%	7	30	37
Total with reduced funding	149*	93	242
Increase 0 to 2%	9	30	39
Increase 2-5%	4	33	37
Increase more than 5%	8	7	15
Total with increased funding	21	70	91

* Of the 149 childminders seeing reduced funding levels, 80 would have been expecting a greater reduction in 2019/20 than proposed as a result of the final transition to a universal base rate by April 2019.

29. In 2019-20 less funding is being allocated to providers through the main formula because of the growth in high needs. This is partly due to the increase in the amount set aside in the Inclusion Fund as well as the transfer to high needs. The Inclusion Fund is allocated to providers based on the individual needs of children with SEND. This is in addition to central LA high needs budgets.

30. Proposed BCP EYSFF for Council Decision

Table 4: BCP EYSFF - Hourly Funding Rates

Children Aged 2:

Funding Elements	Allocation from Funded Rate *	EYSFF Provider Rate	Note
Base Rate	£4.95	£4.95	Every child
SEND Inclusion Fund	£0.07	£2.00 or £6.30	Per eligible child
Transfer to High Needs	£0.05		Centrally Retained
Central Functions	£0.16		
DSG Funding Per Hour	£5.23		

Children Aged 3&4:

Funding Elements	Allocation from Funded Rate *	EYSFF Provider Rate	Note
Base Rate	£4.00	£4.00	Every child
Deprivation	£0.13	£0.53	Per eligible child
SEND Inclusion Fund	£0.11	£2.00 or £6.30	Per eligible child
Transfer to High Needs	£0.04		Centrally Retained
Central Functions	£0.02		
DSG Funding Per Hour	£4.30		

*The shaded allocations from the DSG funding levels of £5.23 (2 year olds) and £4.30 (3 and 4 year olds) are shown for context. The centrally retained elements for LA statutory duties have been agreed by the Shadow Schools Forum

6. Mainstream Schools Formula

31. The Schools Block is calculated according to two NFF, the Schools NFF based on individual school data and the Growth Fund NFF based on demographic data at ward level. The mainstream schools formula is funded from the Schools Block after amounts have been set aside in a central LA budget (Growth Fund) to provide for agreed in-year pupil growth in specific schools and after any agreed transfer to High Needs. Some pupil growth is provided to schools through the local formula and there is no expectation that the Growth Fund should match the related NFF allocation.
32. BCP has £194m available to allocate to mainstream schools through the local formula in 2019/20 as set out in Table 5.

Table 5: School Block Funding Allocations 2019/20

Allocation of Funding	£000's
Total Schools Block Allocation Table1	197,315
Growth Fund agreed by Schools Forum	(779)
Transfer to High Needs agreed by Schools Forum with application to DfE	(2,192)
Total for Individual School Budgets (ISB)	194,344

Schools NFF to Fund LAs

33. The Schools NFF to provide funding to the LA contains a number of factors as shown in Figure 1. The DfE expectation is that LAs will transition their local formulae towards this approach with the aim of all schools being funded by a national formula in 2021/22.

Figure 1: Factors in the schools national funding formula

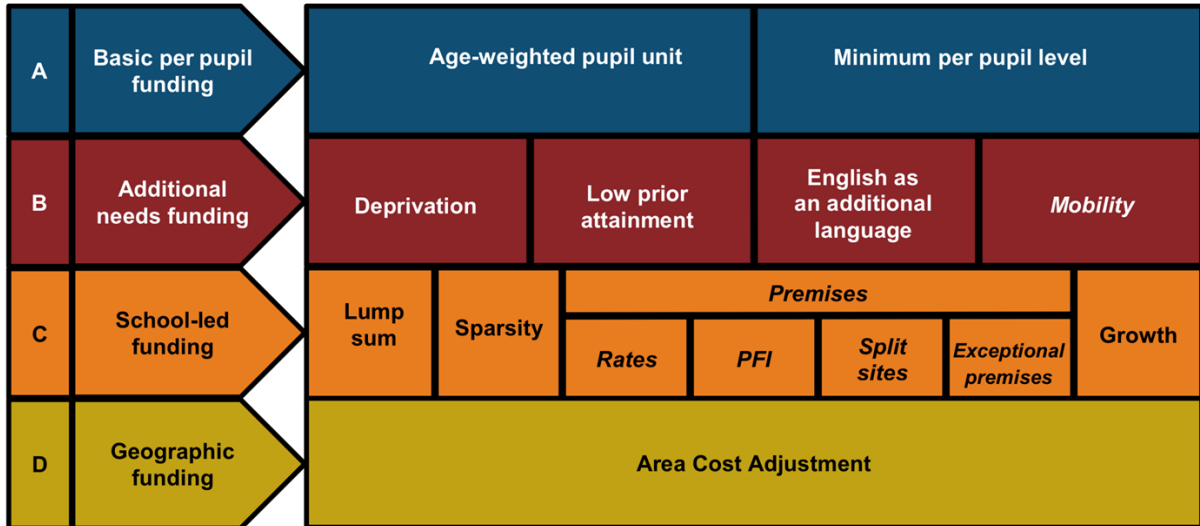


Figure 1: This shows the factors that are used when calculating schools block funding allocations through the national funding formula. It is not to scale. Funding for factors in italics will be allocated to local authorities in 2019-20 on the basis of historic spend (further details below).

34. The impact of the 2019/20 NFF for BCP to fund its 89 mainstream schools is as follows:
- **Minimum per pupil funding level (MPPFL)** impacting on 32 schools. MPPFL increase compared with 2018/19 of Primary 5.7%, Secondary 4.3%. An uplift is made where the **NFF allocations otherwise would provide less funding** than national minimum levels (typically for schools with high performing pupils from more affluent backgrounds). Higher MPPFL levels mean more schools are uplifted in 2019/20 than in 2018/19.
 - **Floor increase of a further 0.5%** (1% compared with 2017/18) for 19 schools where the **NFF provides less than local historic allocations** (typically schools with higher levels of deprivation).
 - **Capped funding release of a further 3%** (cumulative release of up to 6.09% compared with 2017/18) for 15 schools where the **NFF provides more than a 3%** increase per pupil compared with 2017/18 (cap not applicable to MPPFL schools).
 - The remaining 23 schools are fully formula funded with changes in NFF allocations compared with 2018/19 driven only by data changes from the October 2017 school census and change in NFF unit values.
35. The school level NFF allocations for each phase are totalled and divided by pupil numbers at October 2017 to derive the unit funding levels for 2019/20. These are then applied to October 2018 census pupil numbers to determine the final Schools NFF funding for all mainstream schools.

Local Formula to Fund Mainstream Schools

36. The local formula to pass funding on to mainstream schools must be designed to a DfE template, the Authority Pro-forma Tool (APT). This must be approved by the DfE prior to budgets being notified to schools. The DfE ensure the budget calculations adhere to the regulations and any variations (dis-applications of the regulations) have the appropriate approvals from the Schools Forum and / or the DfE.
37. This APT format is similar to the NFF, but there are a number of differences in how the local formula must operate and the two cannot match exactly. A significant difference is the minimum funding guarantee (MFG) which is a mechanism in the local formula to protect schools from a significant reduction in per pupil funding compared with 2018/19. The NFF does not use this mechanism but instead operates a funding floor that refers back to 2017/18. The local formula can use a funding floor (at the level of the NFF only) alongside the MFG.
38. Although the detail of the local formula is highly regulated, there remains local discretion concerning which factors to use (in addition to the mandatory basic entitlement and deprivation factors), and how much funding is allocated through each. Most of the data used in the final local formula is supplied by the DfE in mid-December each year with some limited local discretion in how it is used in a small number of cases.

2019/20 BCP Mainstream Formula Development

39. Each of the three existing LAs has made varying levels of progress towards the NFF in 2018/19. This was largely dependent on how different the previous local formulae were to the NFF and how much funding was transferred to high needs. These formulae are summarised in Appendix 2.
40. At its first meeting in October the Shadow Schools Forum recommended that the starting point for the local BCP formula was that the NFF should be adopted as closely as possible and as affordable.
41. The funding gap in high needs was considered at the same meeting and a working group of 6 mainstream school representatives (balanced by school phase and area) was established to consider with officers how the NFF could be adjusted to release varying levels of funding to transfer. The recommendations of the group were accepted at the Schools Forum meeting in November. These recommendations included that:
 - All schools should share the cost of any transfer as equitably as possible
 - The methodology developed by the working group to reduce NFF allocations for varying levels of transfer was to form the basis of the consultation with all schools.
 - A number of technical formula adjustments were also to be included

Formal Consultation and Recommendation from the Shadow Schools Forum

42. The consultation with schools was undertaken over 2 weeks closing on 7 December. A consultation paper and response forms were sent out to all schools by e-mail, with an opportunity to also respond on-line. Meetings were held in each of the three BCP areas, aided by a presentation, with these well-attended by schools.
43. A response rate from mainstream schools of 71% was achieved with 2 out of the 7 specialist providers also completing the questionnaire. A general letter of concern

regarding transferring funding to high needs was received from a Diocese with schools in BCP.

44. The responses included general agreement that all schools should give up NFF funding to contribute to any transfer to high needs with support for the mechanism proposed.
45. The Schools Forum received the outcome of the consultation with schools at the December meeting and made a recommendation as to how the Schools NFF should be adjusted to manage a funding transfer after the level had been finally agreed by the DfE. This recommended approach is summarised in **Appendix 3 with the final proposal added to demonstrate how this has been implemented.**
46. At the January 2019 meeting the Schools Forum agreed the level of transfer to High Needs it could support, with the DfE in the process of considering the request.

2019/20 Proposed BCP Mainstream Formula

47. The final formula for approval is included in Table 8 of Appendix 2, with a comparison with the existing three LA formulae and the 2019/20 Schools NFF for context.
48. This formula adopts the approach recommended by the Schools Forum as the most equitable across schools to achieve a level of transfer needed of £2.2m from the Schools Block to High Needs.
49. Should the DfE not agree this level of transfer then the methodology in Appendix 3 recommended by the Shadow Schools Forum will be used to adjust the NFF approach accordingly.

Financial Impact for Mainstream Schools by Phase

50. The phase impact of the proposal compared with 2018/19 school budgets and the 2019/20 NFF is shown in Table 6 below:

Table 6: Impact of the Proposed 2019/20 Mainstream Schools Formula by School Phase

Phase	2018/19 Per pupil Budget	2018/19 Budget	2019/20 Per pupil Budget	Per Pupil change against 2018/19	2019/20 Budget	NFF Per pupil Budget	Per Pupil change against NFF *
Infant/ First Total	3,627	17,461	3,673	1.26%	17,444	3,700	-0.73%
Junior Total	3,616	18,596	3,682	1.81%	19,248	3,711	-0.80%
Primary Total	3,684	60,746	3,759	2.03%	61,999	3,789	-0.79%
Primary	3,661	96,803	3,728	1.85%	98,691	3,758	-0.79%
Middle/Secondary	4,879	77,731	4,991	2.29%	81,367	5,018	-0.53%
All- through	4,468	13,502	4,477	0.21%	14,286	4,507	-0.65%

*The % are less than the 1.1% transfer level due to a level of surplus NFF Growth funding in the Schools Block and nuances of the local formula compared with the Schools NFF.

7. Minimum Funding Guarantee for Maintained and Academy Specialist Providers

51. The MFG must also be set for the funding rates of special schools and alternative provision between minus 1.5% and plus 0.5%. It can be set at a different level than for mainstream schools
52. If the 1.1% transfer from the Schools Block is agreed then there will be no need to reduce current funding levels for maintained and academy specialist providers. If there is to be a lower level of transfer then savings in high needs budgets may need to include reduced funding levels.
53. To maintain maximum flexibility in balancing the DSG budget it is proposed that an MFG is set at minus 1.5% for specialist providers.

8. Recommendations

54. The Executive to recommend to the Shadow Authority:
 - a) The early years formula set out in Table 4 of paragraph 30.
 - b) The mainstream schools formula set out in Table 8 of Appendix 2 for a 1.1% transfer of Schools Block funding to High Needs
 - c) Delegate the final decision on the mainstream schools formula, when all DfE decisions are known, to the Bournemouth and Poole Directors of Children's Services, in consultation with the Children's Services Lead Members, taking into account the methodology recommended by the Shadow Schools Forum in Table 10 of Appendix 3.
 - d) The Minimum Funding Guarantee for Specialist Providers is set at minus 1.5% to allow maximum budget flexibility.

9. Financial Implications

55. There are no financial implications for Council from the distribution methods to allocate funding between early years providers and schools as all funding is provided through the DSG.
56. The financial implications of the formula changes for early years providers and schools have been set out above in this report.

10. Legal Implications

57. The consultations undertaken and the recommended proposals are compliant with the School Funding Statutory Framework for 2019/20.

Table 7: EYSFF Current Hourly Funding Rates across BCP

	2018-19		
	Bournemouth	Christchurch	Poole
3 and 4 year Base Rate	£4.22	£3.89	£3.77 PVI
			£4.06 Childminder
			£3.82 Schools
Deprivation*	£0.01 - £0.20 Eligibility based on IDACI of provider	£0.11 - £0.77 Eligibility based on IDACI of children	£0.80 Eligibility follows child (2yo or EYPP)
Flexibility	-	-	£0.20
Sustainability	-	£0.50 - £1.00	-
Rurality	-	£0.19	-
SEND Inclusion**	£7.90	£500 per annum	£0.89
		£750 per term	£2.53
		£1,500 per term	£7.54
2 year	£5.00	£5.23	£4.88

Note:

IDACI = Income Deprivation Affecting Children Index (uses postcode data)

EYPP = Early Years Pupil Premium

PVI = Private, Voluntary & Independent providers

Deprivation Eligibility* is currently determined as follows:

Bournemouth: The IDACI score of the provider postcode determines eligibility, with several levels of deprivation supplement available. If the setting is eligible for funding, the supplement applies for every child.

Christchurch: An average of the IDACI score of all child postcodes is calculated with several levels of deprivation supplement available. If the setting is eligible for funding, the supplement applies for every child

Poole: The supplement is added for those children that had formerly accessed 2 year old funding or those that are currently eligible for EYPP as a 3 or 4 year old. No IDACI scores are used and the supplement is only added to the rate of the child entitled.

SEND Inclusion** is currently funded as follows:

Bournemouth: children are currently funded based on a funding scale, each point on the scale equates to £7.90. Evidence provided to an education officer panel distributes funding equitably depending on child's needs using SEND guidance.

Christchurch: providers receive three possible levels of funding per child agreed through a panel process; either £500 per annum, a maximum of £750 per term or a maximum of £1,500 per term dependent on hours attended and level of need.

Poole: providers are funded per hour for all early entitlement hours accessed, based on three levels of need which is determined by an Early Years Area SENCO; Band 1 £0.89p, Band 2 £2.53 and Band 3 £7.54.

Appendix 2

Table 8: Proposed BCP Mainstream Formula 2019-20 to allow for a transfer from the Schools Block of 1.1%

(a) Factors within the formulaic Schools NFF

Factor	B 2018-19	C 2018-19	P 2018-19	Proposed BCP 2019-20	NFF 2019-20
Basic Entitlement – Primary	NFF	NFF	NFF	99% of NFF	£2,747
Basic Entitlements Secondary	NFF	NFF	NFF	99% of NFF	KS3 £3,863 KS4 £4,386
Deprivation – FSM data	NFF	NFF	NFF	NFF	£440
Deprivation*- IDACI bands	NFF	Below NFF Range (£145 to £435)	NFF	NFF	Range (£200 to £600)
Prior Attainment Primary	Unit value £1,050 with 93% data scaling	Unit value £882 with 75% data scaling	Unit value £984. No data Scaling	NFF	£1,022 Data scaling not applicable
Prior Attainment Secondary	NFF	Below NFF (£1,240)	Below NFF (£1,453)	NFF	£1,550
LAC	Not used	Not used	Used (£600)	Not used	Not used
EAL Primary	NFF	Above NFF (£750)	NFF	NFF	£515
EAL Secondary	NFF	NFF	NFF	NFF	£1,385
Lump Sum Primary	NFF	NFF	NFF	NFF	£110,000
Lump sum Secondary	NFF	Above NFF (£130,000)	NFF	NFF	£110,000
Sparsity	n/a	NFF Method £14,500	n/a	NFF Method	NFF Method
MPPFL	At 2018/19 NFF	At 2018/19 NFF	Below 2018/19 NFF	2018/19 NFF plus £172	2018/19 NFF plus £200
Capping & Scaling	Cap only 3.5%	Cap 3% Scale 50.6%	Cap only 3.0%	Cap 2.5% No scaling	Cap 3% no scaling
Floor	Through MFG +0.5%	Through MFG 0%	Through MFG 0%	Not used	Plus 1% on 2017/18

(b) Factors and mechanisms outside the formulaic Schools NFF (funding provided at historic cost to the LA)

Factor	B 2018-19	C 2018-19	P 2018-19	Proposed BCP 2019-20	NFF 2019-20
Business Rates	At cost	At cost	At cost	At Cost	At cost
Exceptional (2 P schools)	n/a	n/a	£101,017	NFF	£101,017
Split sites (2 B Schools)	£230,288	n/a	n/a	NFF	£230,288
Mobility	£22,471	£9,514	Not used	NFF	£31,985

(c) Minimum Funding Guarantee

	B 2018-19	C 2018-19	P 2018-19	Proposed BCP 2019-20	NFF 2019-20
MFG (annual change)	plus 0.5%	0%	0%	Minus 0.5%	n/a

Table 9: Proposed 2019/20 Formula Outcome for Schools with 1.1% Transfer

Number of Schools	Floor	Formula	Cap	MPPFL	Cap<MPPFL	MFG	Total
Infant/ First Total	Not used	2	1	7	1	5	16
Junior Total		5	2	3	-	2	12
Primary Total		9	4	11	3	10	37
PRIMARY PHASE		16	7	21	4	17	65
Primary %		25%	11%	32%	6%	26%	100%
Middle/Secondary		4	5	7	-	5	21
All- through Total		1	2	-	-	-	3
OTHER PHASES		5	7	7	-	5	24
Other %		21%	29%	29%	0%	21%	100%
TOTAL SCHOOLS			21	14	28	4	22
Total %		24%	16%	31%	4%	25%	

Appendix 3

Achieving Varying Levels of Funding Transfer from the Schools NFF

A table similar to the one below was used in the Consultation with Schools and Schools Forum to illustrate how the Schools NFF could be adjusted for varying levels of transfer to high needs. Due to the level of surplus growth fund / business rates funding available and nuances in the detailed calculations of individual school budgets the total 1.1% transfer represents an adjustment needed to NFF unit values and mechanisms between the 0.5% and 1% of table values in the illustrations below. The final proposal for approval has been added for comparison (highlighted in yellow).

Table 10: Schools Forum Recommendation to Release Funding from the NFF at Varying Levels of Transfer

Transfer Level	Formula factors (Levers)				
Formula Changes / Levers	Premises in MPPFLs (1)	Floor / MFG (2)	Gains Cap % (3)	MPPFLs Lower (4)	% of Basic Entitlement (5)
No Transfer	Exclude all	Floor +1%; MFG -1.5%	3%	0	100%
(a) 0.5%	Inc. all but rates	No floor; MFG 0%	2.75%	-£15	99.40%
Proposal	Lever not used *	No floor. MFG Minus 0.5%	2.50%	-£28	99.00%
(b) 1.0%	Inc. all but rates	No floor. MFG Minus 0.75%	2.40%	-£35	98.82%
(c) 1.5%	Inc. all but rates	No floor; MFG Minus 1.5%	2.00%	-£50	98.00%
(d) 3.0%	Inc. all but rates	No floor; MFG Minus 1.5%	1.00%	-£170	95.00%
Max Possible gainst NFF £000's	Inc. all but rates	No Floor; FG Minus 1.5%	Gains Cap 0%	No MPPFLs	All schools on minus 1.5% MFG

* The Schools Forum recommended that Lever 1 is not used.