

Appendix 1 ~ Schools Funding Formula – options considered

Increasing the Growth Fund by £225,000 to £500,000.

1. The Growth Fund is an annual amount held back from schools funding and allocated out to schools experiencing in-year pupil growth following set criteria.
2. The criteria for the Growth Fund had been revised for 2015/16 and retained for 2016/17. It was expected that pupil growth would continue to place pressure on the fund resulting in low per pupil allocations for those not meeting the Published Admission Number (PAN) increase criteria.
3. This was discussed in terms of the impact on all schools (£3 - £5 per pupil) versus the considerable (albeit temporary pressure) faced by those with additional pupils.
4. On the basis that there was substantial housing growth in a number of areas the increase was accepted by the Schools Forum.
5. The proposal was accepted by the Schools Forum.

Reducing Low Cost, High Incidence (LCHI) funding in order to re-direct funds to targeted SEN support. Method to be agreed.

6. An element of the local formula targets funding based on low prior attainment.
7. LCHI was not thought to be effectively targeting areas of SEN need. It had been significantly increased in recent years to ensure all schools could provide the notional amount of SEN hours. However, the general feedback was that it was not sufficient although it was for schools to decide how their budget was allocated.
8. The links between low attainment and SEN were considered. It would not be possible to take any more funding out the Schools Block without an impact on the minimum funding guarantee. £320,000 was the maximum available.
9. This represented a relatively small transfer from the Schools Block to the High Needs Block to assist with certain pressures.
10. A project is being taken forward to review the base data on needs and how to improve the allocation of funding. The funding would be used to i) increase the in-year top-up funding for statemented pupils in schools and academies and ii) provide a new fund to better target SEN funding. Progress in terms of modelling was considered and agreed at the January 2017 Schools Forum.
11. The proposal was accepted by the Schools Forum.

Changing the IDACI rates

12. An element of the local formula targets funding based on deprivation.
13. The bandings for Income Deprivation Affecting Children Index (IDACI) had been changed for 2017/18 by the DfE. This had substantially changed some of the outcomes with £1m extra cost if the current rates were maintained. For example the cost of Band 6 would increase from £2,400 to £0.5m.
14. A revised set of rates were considered that aimed to:
 - Avoid cliff edges.
 - Continue to recognise higher costs for higher bandings.
15. This was accepted by the Schools Forum.

Removing the Looked After Children (LAC) element

16. An element of the local formula targets funding to LAC.
17. The LAC element of the formula resulted in £60,000 being allocated through the formula. This was not material when allocated out to schools.
18. On that basis it was agreed to recommend removal of the LAC element of the main formula.
19. This was accepted by the Schools Forum.

English as an Additional Language (EAL)

20. An element of the local formula targets funding to pupils where English is an additional language.
21. The EAL element of the formula resulted in less than £0.3m being allocated through the formula. It was proposed to introduce a lower value per child but for the schools to retain the funding for three years. (Acknowledging this may change with the national funding formula – which was not available at the time).
22. This was discussed and it was agreed that having greater funding initially and for a short time better matched the costs. Therefore, it was recommended the formula would not be changed.
23. This was accepted by the Schools Forum.