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North Tyneside Council

Briefing note

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Title of Briefing: Further Updates on National Funding Formula (NFF) 2018/19

Early Years Block

Background

Following the introduction of a new national Early Years Funding Formula in April 2017, the DfE have confirmed that the funding for the early years childcare offers will be maintained at the 2017-18 levels i.e. there is no additional funding available for 2018/19.

Formula in 2017/18

North Tyneside's Early Years Sub Group agreed the following funding formula for North Tyneside in 2017-18.

2 Year Old Base Rate		£5.20 per hour
3 and 4 Year Old Hourly Base Rate		£4.34 per hour
3 and 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.12 per hour
	Quartile 2	£0.06 per hour
Additional Payment to Maintained Nursery School		Pass through of full Maintained Nursery School funding

The sub group decided not to include any of the voluntary supplements within the formula reflecting only the mandatory deprivation factor. Voluntary factor were:-

- Rurality
- Flexibility
- Efficiency
- Delivery of additional 15 hours

Over the course of 2017/18 North Tyneside has seen a successful launch of the 30 hour entitlement with strong participation amongst providers and high levels of uptake amongst eligible parents. There has also been strong uptake of the 2 year old offer.

There has been positive feedback from providers regarding the decision to focus on maintaining a high base rate for all providers.

The current funding rate has secured a diverse and vibrant childcare sector, which is meeting demand for the Government funded childcare offers.

Proposal for 2018/19

Members of the Early Years Sub Group are being consulted on proposals to continue with the current funding rate for the forthcoming financial year with responses required by 22 December 2017. Responses will be fed back to Schools Forum in January 2018.

High Needs Block

Background

As reported previously to Forum, the High Needs block will be allocated to the Local Authority on a formula basis for the first time in 2018/19. Local authorities will be protected from losing under the formula and will see a minimum increase of 0.5% per head increase in 2018-19 and 1% per head increase in 2019-20 on their planned high needs spending levels for 2017-18.

A change which impacts on both the high needs allocation and school block allocation is the amount of funding allocated for Additional Resource Provision (ARP) places. Currently these places are funding from the high needs block at £10,000 per place. From 2018-19 ARP places will no longer be deducted from the schools pupil numbers in the mainstream funding formula. They will receive funding for the pupils on roll through the school allocation. All places occupied and recorded on the October 2017 census will receive £6,000 from the high needs block. The unoccupied places will continue to receive £10,000 per place allocated from the high needs block.

This change has been reflected in the baseline calculations with a movement into the school block and a reduction in the high needs block to take into account these changes. Table 1 below shows the indicative position for the high needs block.

Table 1

	Baseline funding	Provisional NFF funding in 2018-19	Illustrative NFF funding in 2019-20	Illustrative NFF funding if fully implemented
High Needs Block DSG				
HN block baseline	17,420,016	17,909,314	17,909,314	17,909,314
Excluded from funding floor and gains calcs	2,150,000	2,150,000	2,150,000	2,150,000
Total	19,570,016	20,059,314	20,059,314	20,059,314
Change from 2017-18 baseline		489,298	489,298	489,298
% change		2.5%	2.5%	2.5%

The DfE have undertaken an exercise with local authorities to 're-baseline' the blocks of the DSG for each local authority. This has ensured that previous movements of funding agreed by Forum from the Mainstream Block to High Needs have been reflected in the formula from 2018/19.

Indications are that the High Needs Block will be sufficient to meet requirements in 2018/19 and there is no plan to request approval for any further movement between blocks.

A new High Needs Commissioning Group has been established to replace the now defunct SEND Working Group. This purpose of this new group is to plan, review, reshape and monitor high needs provision so that it meets the needs of children and young people and is high quality and sustainable.

The group membership includes representation from Special Heads Operational Group (SHOG), Primary Learning Partnership (PLP), Education Improvement Partnership (EIP) and Tyne Met College. Local Authority Officers from Commissioning, Finance, Performance and SEND will also attend.

The inaugural meeting of this group was held on 6 December 2017 and terms of reference, representation and governance structures were agreed.

Proposal for 2018/19

The Commissioning Group is expected to meet termly and will feed into Schools Forum. An initial task will be the coordination of a strategic review of special and other high needs provision in line with DfE requirements. A Strategic Plan will be produced in Spring 2018 which will outline an attractive offer for parents and young people which will meet the needs of future cohorts, at a cost that is sustainable.

In the meantime, for 2018/19 it is proposed to roll forward funding arrangements for 2017/18 with any minor changes dealt with through the Commissioning Group.

Schools Block Funding – Allocation of £1.953m

It was agreed at the September 2017 Schools Forum that a schools forum funding sub group would be established to consider the changes following release of the published consultation response.

At the meeting held on the 6th December 2017 the sub group considered the responses made by schools to the questions posed. The overall consensus of the consultation was to maintain the stability of schools funding by using existing local funding formula for the next 2 financial years. Any modelling would also need to be equitable and transparent to all schools.

However, there was also an understanding that this would eventually mean significant changes for some schools upon implementation of the NFF in 2020/21.

The 2018/19 overall schools block budget is based on the NFF. As a result the schools block has an additional allocation above the baseline funding equivalent for 2017/18 of £1.953m. Further modelling has been produced based on the redistribution of this funding through the basic entitlement which has used proportionate values for each key stage. All other pupil led factors remain as per the 2017/18 rates.

It is important to note that at this stage until the final settlement has been received all modelling is indicative and does not represent final allocations for schools.

Table 2 gives details of the pupil led factors and the rates applied in 2017/18 and 2018/19.

	North Tyneside 2017/18		North Tyneside 2018/19		2017/18 to 2018/19 Movement	
	Primary	Secondary	Primary	Secondary	Movement	
Basic Entitlement	2,717.10	KS3 £4,041.73 KS4 £5,051.48	2,767.00	KS3 £4,125.17 KS4 £5,218.76	49.90	KS3 £83.44 KS4 £167.28
Ever 6 FSM	562.08	866.1	562.08	866.1	0	0
FSM Single Census	0	0	0	0	0	0
IDACI Band F	0	0	0	0	0	0
IDACI Band E	220.75	327.03	220.75	327.03	0	0
IDACI Band D	295.75	437.03	295.75	437.03	0	0
IDACI Band C	370.75	547.03	370.75	547.03	0	0
IDACI Band B	445.75	657.03	445.75	657.03	0	0
IDACI Band A	520.75	767.03	520.75	767.03	0	0
Low Prior Attainment	732.37	647.34	732.37	647.34	0	0
EAL	1,212	1,212	1,212	1,212	0	0
Lump Sum	150,000	170,000	150,000	170,000	0	0

The modelling has now been completed and is attached as Appendix A to this briefing.

Recommendations for the Forum

The forum is asked to:

1. Agree Early Years Funding
2. Agree High Needs Funding
3. Agree the redistribution methodology.

Appendix A

Summary of Schools Allocations by School Category

School Category	2017/18 Allocation	2018/19 Baseline including movement from HN for ARP Provision	Notional ISB	Notional Total NFF	School Category increase from baseline	% change compared to Baseline 2018/19	NFF comparison to 2018/19 Baseline	Funding movement
Primary	55,493,702	55,715,833	56,448,041	56,958,000	732,207	1.3%	1,242,167	509,959
Secondary	52,503,487	52,975,036	54,104,082	53,373,000	1,129,046	2.1%	397,964	(731,082)
All-through	4,456,872	4,461,925	4,553,878	4,775,000	91,953	2.1%	313,075	221,122
Grand Total	112,454,060	113,152,794	115,106,000	115,106,000	1,953,206		1,953,206	(0)

ARP provision now moved from HN Block and in AWPV 698,734
 Additional funding via basic entitlement uplift 1,953,206
 Indicative notional ISB funding for 2018/19 115,106,000

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Methodology

Ratio for Primary to Secondary 1 : 1.42

Pupil numbers at Oct 16 Census 26,085

Primary 16,174

Key Stage 3 6,105

Key Stage 4 3,806

Additional funding ratio 1,953,206

Primary 807,110 1

Secondary 1,146,096 1.42

Primary Additional Funding per pupil 49.90

Key Stage 3 Additional Funding per pupil 83.44 0.44 509,414

Key Stage 4 Additional Funding per pupil 167.28 0.56 636,682

1,146,096