



ADDITIONAL / TO FOLLOW AGENDA ITEMS

This is a supplement to the original agenda and includes reports that are additional to the original agenda or which were marked 'to follow'.

NOTTINGHAM CITY COUNCIL SCHOOLS FORUM

Date: Thursday 9 November 2017

Time: 1.45 pm

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG

Governance Officer: Phil Wye **Direct Dial:** 0115 876 4637

AGENDA

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Proposed High Needs Place Changes 2018/19 Academic Year

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Janine Walker & Kathryn Stevenson
9 November 2017

Agenda Item 11



Nottingham
City Council

Objective

To share with Schools Forum draft proposals for planned high needs places for the 2018/19 academic year

Linked to:

- Requirement for the LA to consult with Schools Forum over arrangements for high needs pupils
- Requirement for the LA to submit place change notifications relating to academies/FE colleges to the EFA by **17 November**
- LA simultaneously working with maintained settings on place numbers, although no requirement to submit to EFA

Background

- Purpose of the notification to the EFA is so that they can supply place funding direct to these settings, via a deduction to the LA's High Needs (HN) block allocation
- LAs also have the opportunity to submit to the EFA by requests for additional funding for growth in hospital education provision in the 2018/19 financial year, where there is evidence that this is linked to an increase in medical provision
- We will be submitting a request linked to the Hopewood Unit, a new 32 bed CAMHS in-patient unit which opens in Spring 2018

Approach

1. Identify where a place number change may be required taking into account;

- Current numbers
- Known leavers July 2018
- Anticipated/average new admissions
- Limits to physical capacity

2. Agree proposed changes with setting involved.
Discussions are still ongoing.

Key proposed changes

Setting	Place change	Comments
Nethergate Special Academy	+5	Post-16 places. Fund from existing post-16 FE budget.
Woodlands Special School	+6	Additional class of 6 (only 4 leavers in July)
Westbury Special School	+8	Additional class of 8
Rosehill Special School	+8	Additional class of 8 (only 3 leavers in July)
Bluecoat Primary SRU	+1	
TOTAL	+28	

Financial Implications

- The financial impact of the extra places and associated top-up funding on the high needs budget is estimated at **£0.317m** in **2018/19** . The full year effect in 2019/20 will be around £0.532m.
- This will be afforded from our gains under the new national HN funding formula.
- Our indicative HN funding increase for 2018/19 is **£1.049m**.
- Failure to provide sufficient places risks pupils having to be placed in more costly out of City provision.

Update on the NFF Schools and High Needs funding

Schools Forum 9 November 2017



Why this update?

- Dec 2016 – NFF Stage 2 consultation released.
- March 2017 – Consultation submitted – Schools/Parent/LA independent submissions.
- 14 Sept 2017 – Response to stage 2 consultation released. Letters re additional funding from Ministers J Greening and N Gibb. £1.3bn additional investment announced July 2017.
- Oct 2017– Models/data/implications issued.
- Dec 2017 SF – Feedback on consultation of formula for 2018/19.

Collectively what does this all mean.....

History

History (1)

What's been announced by the DfE?

- July 2017 - they would introduce **NFF for the 2018/19 allocations** of schools and high needs funding to local authorities.
- July 2017 - announced that the introduction of the formula would be supported **by additional investment of £1.3 billion** across 2018/19 and 2019/20.
- Confirmed that the additional funding **would be distributed in a way that would enable all schools and local areas to benefit.**
- Now have a full response to the consultation and the details of the final national funding formulae.

History (2)

The structure of the funding system from 2018/19:

- DSG will be allocated in 4 blocks (schools, high needs, early years and central schools services). Each will be calculated on the basis of a different national formula.
- The vast majority (99.5%) of the schools block will be ring-fenced and must be distributed through the local formula for schools. With agreement from their schools forum, LAs can move 0.5% into other blocks e.g. high needs.

It remains the DfE's long-term intention that schools' budgets should be set on the basis of a single, national formula (a 'hard' formula). To ensure some transitional stability, LAs will continue to set a local formula for schools in 2018/19 and 2019/20.



Impact for schools

Impact on Nottingham City (1)

1. **Nottingham's schools are amongst the biggest beneficiaries** of the decision to invest additional funding in schools and high needs over the next two years.

It is being used in part to guarantee that the schools block allocation is based on a **0.5% per pupil increase in 2018/19 and 1% by 2019/20** compared to baseline funding.

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Previously the majority of **Nottingham's schools were due to receive per pupil funding cuts of around 1.5% per year.**

2018/19 implications

2. From an overall schools block perspective, the final proposals provide illustrative allocations now showing:
 - A 0.6% (£1.167m) increase to the total schools block for 2018/19; this is compared to the consultation proposals of a 1.2% reduction (£2.384m).
 - This is a shift of **1.8% (c. £3.5m) increase in funding for Schools block** based on pupil numbers at a point in time.



Impact on Nottingham City (2)

3. The DfE claim that per pupil funding is now being maintained in real terms for the remaining two years of the Spending Review period. However, **schools have seen significant cost pressures** over the last 3 years - the 2015 spending review settlement did not provide for funding per pupil to rise in line with inflation.
4. The Minister states that for the first time the resources that the Government is investing in our schools will be **distributed according to a transparent formula based on the individual needs and characteristics of every school in the country.**

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The reality is that whilst there are now at national set of funding factors and rates, the final allocations are after applying complicated calculations around a funding floor, a gains cap and minimum per pupil funding levels.

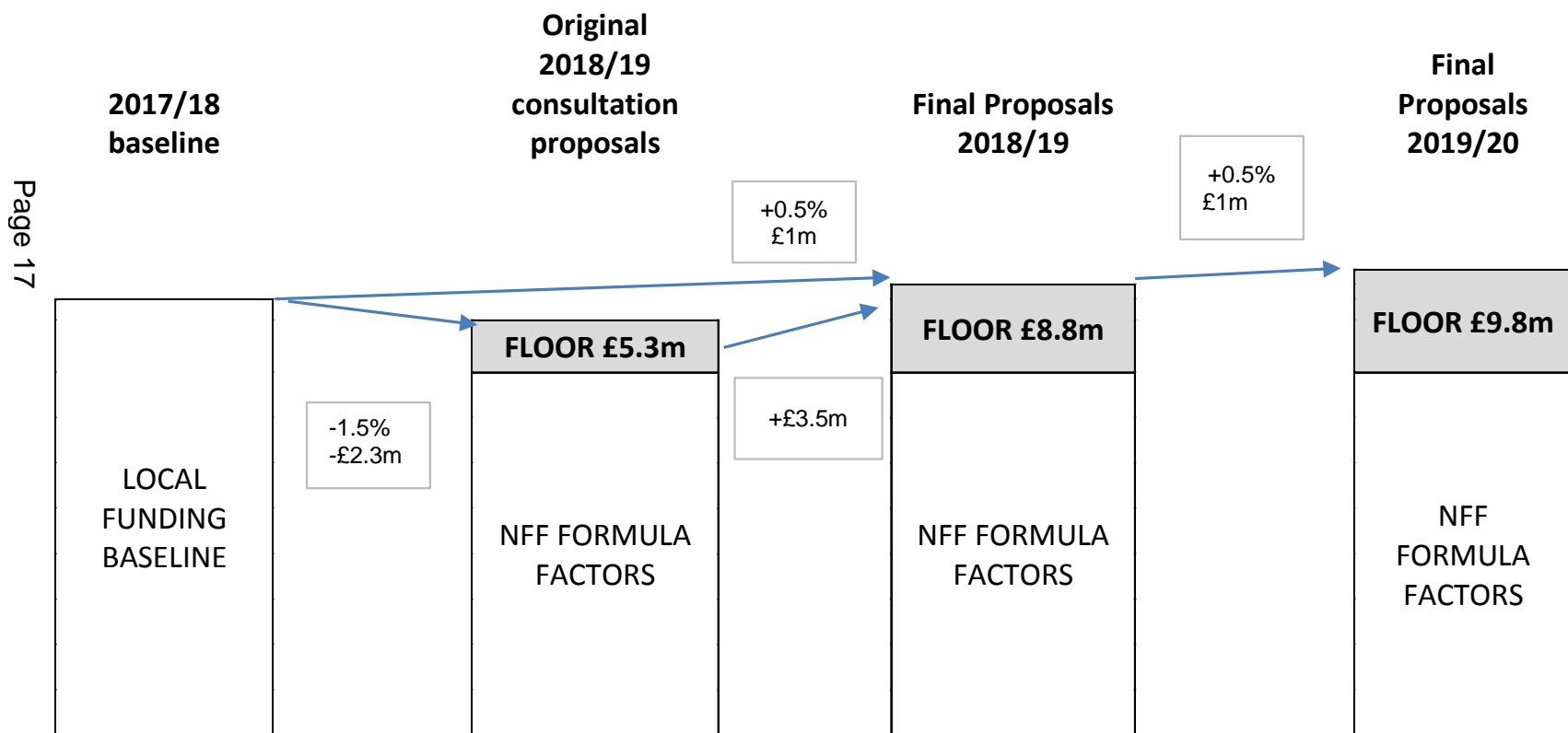


5. The funding floor means that **Nottingham's schools will continue to get significantly more than other similar schools nationally that were lower funded in the past.**



Impact on Nottingham City (3)

6. Based on the illustrative figures provided by the DfE in October 2017, in **2019/20 Nottingham City schools will receive £9.8m (as per the APT) protection as a result of the 1% funding floor.**



Impact on Nottingham City (4)

- On average our schools will be getting **£267 per pupil** extra through the floor, compared to the “raw” NFF result pre-floor.
- All but 2 of our schools are getting floor protection (1 primary, 1 secondary) and the table below summarises the extent they are being protected by the floor:

	Number of schools attracting floor protection at this level	
	Primary	Secondary
0-£50k	17	0
£50k-£99k	35	2
£100k-£149k	16	1
£150k-£199k	3	5
£200k-£299k	3	3
£300k-£399k		3
£400k+		1
Total	74	15

The 2 not receiving the floor funding are already gaining through the new formula.

Impact on Nottingham City (5)

Longer-term implications post 2019/20

4. In the past, Nottingham has received the **second highest funding per pupil outside of the London authorities** and consequently our schools have amongst the **highest baseline funding per pupil nationally**.
5. DfE took LA's formulae as the starting point for the NFF rather than reviewing the weighting of factors to generate a fair distribution - it was inevitable that Nottingham's schools would lose out.
6. However, the DfE have built the funding floor as a factor within their NFF - as opposed to presenting it as transitional protection.

Is there a future risk?.....

High needs funding

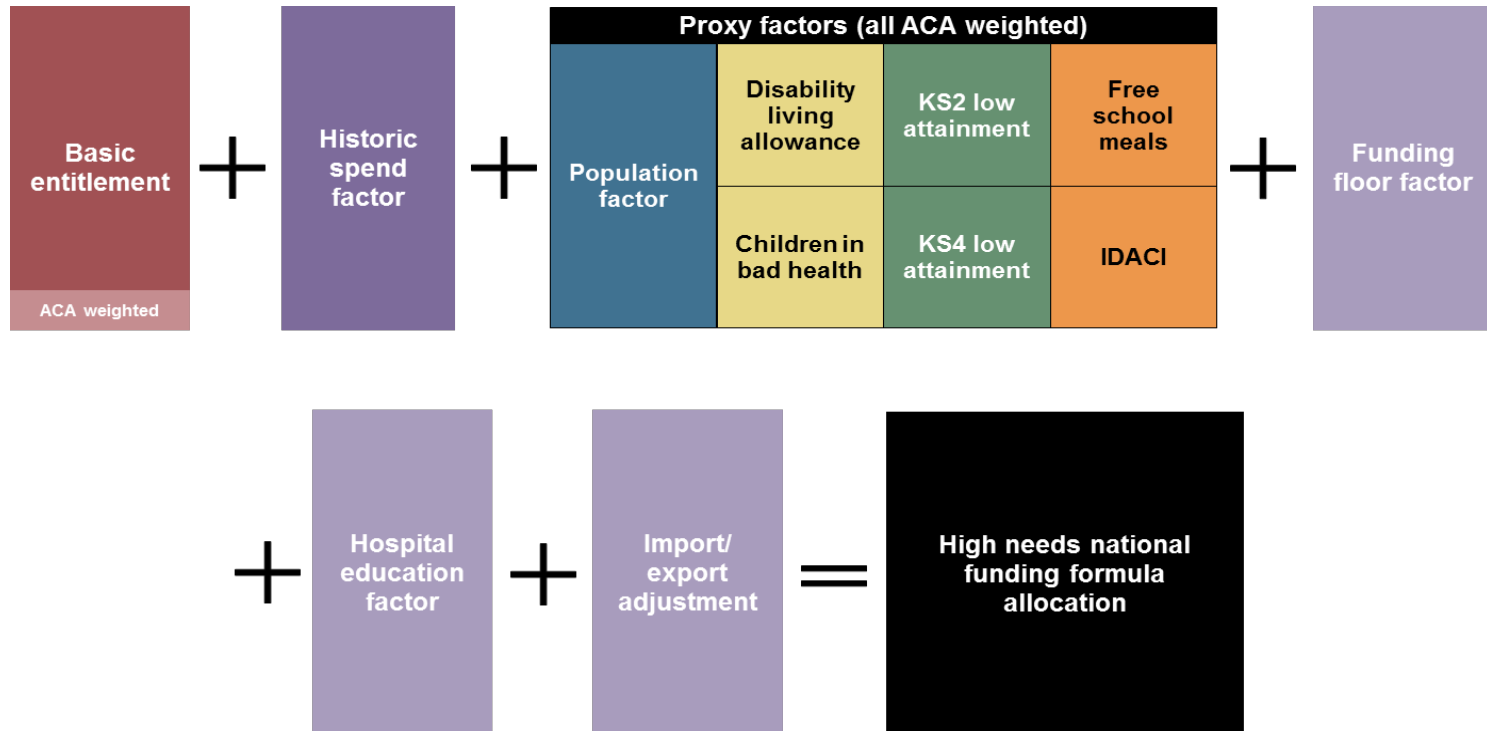
High needs national funding formula (1)

The formula proposed in December 2016 has been amended in 3 main ways :

1. The funding floor has been increased from 0% to 0.5% in 2018/19 and 1% in 2019/20.
2. Both the funding floor and the gains are being calculated on a per head of (2-18) population basis.
3. Later updates for some formula elements to reflect more precisely the movement of pupils and students (the basic entitlement factor and import/export adjustments).

High needs national funding formula (2)

- This is how each local authority's high needs allocation is calculated. We then add gains of up to 3% per head of population for those local authorities due to receive more than their 2017-18 baseline through the formula



See step-by-step calculation of each LA's provisional allocation

High needs national funding formula (3)

These are the final values and weightings for the factors and adjustments in the high needs funding formula. These are as proposed in the consultation, but the baseline has been updated for the historic spend factor.

- Basic entitlement factor
= £4,000 per special school and special post-16 institution pupil/student
- Import/export adjustments
= £6,000 per high needs pupil/student (net adjustment)
- Historic spend factor
= cash sum equivalent to 50% of 2017-18 spend baseline

Proxy factors	Proposed weightings		
	SEN (90%)	AP (10%)	Com-bined
1. Population	50%	50%	50%
2. Deprivation			
a. Free school meals (FSM) eligibility	8.3%	25%	10%
b. Income deprivation affecting children index (IDACI)	8.3%	25%	10%
3. Low attainment			
a. Key stage 2 (KS2) results	8.3%	0%	7.5%
b. Key stage 4 results	8.3%	0%	7.5%
4. Health and disability			
a. Children in bad health	8.3%	0%	7.5%
b. Disability living allowance (DLA)	8.3%	0%	7.5%



Impact on Nottingham City

- Nottingham is due to be the **highest gaining LA** in percentage terms (23%).
- Our full NFF high needs allocation is £6.745m higher than our 2017/18 baseline.
- **BUT** our **gains will be capped at 3% per head** of population for at least the next 2 years.
- **Projected increase of around £1.049m in 2018/19 and £1.869m in 2019/20,**
compared to 2017/18 baseline.
- **BUT** we are currently significantly overspending on high needs.
- Funding increases from 2020/21 subject to next Spending Review

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TIMELINES

Elements

Educational
Settings

Pupil Growth

Combined
Services

Central
Expenditure

De-delegated

Block Total

2018/19
Indicative Budget
Issued

Central Expenditure

£2.887m in
2018/19

£4.166m in
2018/19

£7.054m

£7.054m

Schools

£199.181m in
2017/18

TBC

£0.496m in
2018/19

£201.201m

£201.201m

Early Years

£20.632m in
2017/18

£1.195m in
2017/18

TBC

TBC

High Needs

£24.902m in
2017/18

£5.389m in
2017/18

£30.291m

Total

TBC

TBC

£2.887m

TBC

£0.496m

TBC

TBC

Timelines

Schools:

- Nov 2017 – Open consultation on FF for 2018/19 via Scene.
- Dec 2017 – Result of consultation and formula to SF.
- Dec 2017 – Funding issued including Oct 2017 census.
- Jan 2018 – Budget report to SF.
- Jan 2018 - Submit statutory returns to ESFA re schools budgets.

High Needs:

- Dec 2017 – Basic per pupil budget issued updated for Oct 2017 census.
- Jan 2018 – HN budget presented to SF.
- March 2018 – Import/export adjustments issued.

Early Years:

- Dec 2017 – EY budget presented to SF. Central Expenditure approval required.

END