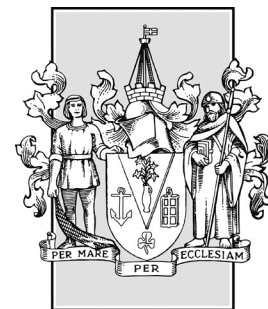


Southend-on-Sea Borough Council

Department of the Chief Executive

John Williams - Director of Democratic & Legal Services

Our ref: Rh/ Telephone: **01702 215106**
Your ref: Education Board Fax: **01702 215994**
Date: 13th January 2017 E-mail: **committeesection@southend.gov.uk**
Contact Name: Robert Harris DX 2812 Southend



Dear Education Board Member,

EDUCATION BOARD - WEDNESDAY, 18TH JANUARY, 2017

Please find enclosed, for consideration at the next meeting of the Education Board taking place on Wednesday, 18th January, 2017 at 8.15am, the following report that was unavailable when the agenda was printed.

Agenda No	Item
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8	<u>Implications of the NFF Consultation</u> (Pages 1 - 6) – Report attached
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Robert Harris
Committee Officer
Legal & Democratic Services

Southend-on-Sea Borough Council

Report of Deputy Chief Executive - People
and Director of Finance and Resources

to
Education Board

on
18 January 2017

Agenda
Item No.

8

Report prepared by: Ian Ambrose
Group Manager, Financial Management

Schools and High Needs Funding Reform

1 Purpose of Report

The Department for Education has recently launched consultations around the Schools National Funding Formula and the High Needs National Funding Formula. These consultations have a significant impact on mainstream schools, special schools, and the PRU. This change has been long awaited and it is important that all affected contribute to the consultation response.

2 Recommendation

Education Board is asked to;

- 2.1 Consider any key issues that they want to be taken into account in the Local Authority's response to the consultations and whether to;
 - 2.1.1 form a short life sub-group of the Board to assist in the response to the Schools National Funding Formula consultation;
 - 2.1.2 use the existing SEND Strategic Board to assist in the response to the High Needs Funding Reform consultation; and
- 2.2 Disseminate information about the consultation process through their networks, professional associations, partnerships and other channels to encourage all those affected to reply directly.

3 Background

- 3.1 Two consultations were launched by the DfE on 14th December, one on a schools national funding formula and one on high needs national funding

formula and other reforms. Both are available from:

<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/> and <https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

3.2 Both consultations have a closing date of 22nd March 2017.

4 The Proposals

National Funding Formula for Schools

4.1 As expected the Schools consultation sets out proposals for a single national funding formula that will be used to calculate all school's budgets. This is similar in structure to the current formula and will be based on:

- A basic level of per pupil funding,
- Additional needs funding for deprivation, low prior attainment, EAL and mobility,
- School led funding, with a lump sum, sparsity, premises costs and a growth funding mechanism,
- Geographic funding through an area cost adjustment.
- This stage of the consultation focuses on the relative weightings and values of the various formula factors.

4.2 Schools budgets will be set on the current basis in 2017/18, a 'soft' national formula will be used in 2018/19 with some local discretion but the schools block will be ring-fenced, and a 'hard' national formula will be used in 2019/20 with very limited local discretion, in areas such as growth funds.

4.3 Transitional arrangements will limit the loss of funding per pupil per year to 1.5% and the loss of funding overall to 3% per pupil.

4.4 These proposals are complex and will need some considerable analysis to fully understand the implications for Southend-on-Sea. **Overall illustrative figures show a decrease in funding of 2.56%**, which must also be taken in the context of numerous years with no inflationary funding whatsoever. Appendix 1 shows the illustrative impact of the Government's proposals.

4.5 The national proposals will also have the effect of changing Southend's primary to secondary ratio from 1:1.32 to 1:1.29.

4.6 The key issues that we must work through and address in our response to the consultation include:

- The impact on schools – every school is modelled to lose funding from the new formula.
- How baselines for schools will be calculated
- Whether the current transfer between the schools block and early years block will continue to be honoured, and if not the implications for early years
- The impact on LA central statutory functions and how these will be funded in future

- The persistent issue that the Area Cost Adjustment for Southend-on-Sea does not reflect actual cost pressures experienced by Schools and the Council
 - How in practice the arrangements for growth will work
- 4.7 It is suggested that the Education Board convene a short life sub-group of representatives of Academies and Maintained schools to assist the Council in producing a response to the consultation. Individual schools of course can submit their own responses.

High Needs

- 4.8 Proposals for High Needs Funding are different in that there is no proposal for direct funding of special schools or the PRU through a national formula but instead for Local Authorities to be funded on a formula basis that would replace the current historic allocations.
- 4.9 This formula would be based on the following:
- Population 2 to 18
 - Deprivation factors
 - Low attainment factors
 - Health and disability factors
 - Area cost adjustments
 - A factor to reflect the current level of the High Needs Block in each Local Authority.
- 4.10 The new formula will take effect in 2018/19, but there will be transitional arrangements in place so no authority loses any funding. This will slow down the pace of change and so any gain to Southend-on-Sea will take several years to be realised. We expect to gain by approximately 8.8%, worth about £1.5 million, should the proposals be implemented. However, this will be phased over several years; we would expect to gain by no more than £0.4 million in 2018/19.
- 4.11 We believe the key issues raised by this consultation include:
- The slow pace of change, with too much funding locked in at current levels, thus penalising authorities such as Southend-on-Sea which have historically low allocations
 - The total quantum of funding will not be sufficient to meet needs in Southend-on-Sea, as these are growing rapidly and the pace of funding growth is slow
 - As with the School Formula proposals, the persistent issue that the Area Cost Adjustment for Southend-on-Sea does not reflect actual cost pressures experienced by Schools and the Council
 - How the baseline is calculated
 - Our ability to change current funding arrangements for providers to ensure differentials are justified and all funding can be used efficiently to meet the needs of pupils

- No clear commitment to when full transition to the new funding formula will be achieved for those authorities who do not reach their new formula funding levels during the current parliament

4.12 It is suggested that the Education Board may wish to use the existing SEND Strategic Board to assist the Council in producing a response to the consultation. Individual schools of course can submit their own responses.

**Schools National Funding Formula
Illustrative Impact**

Appendix 1

School Name	Phase	Baseline funding	Illustrative NFF funding if formula implemented in full in 2016-17, without transitional protections				Illustrative NFF funding in the first year of transition			
		Funding the school received in 2016-17 or 2016/17	Change				Change			
			Illustrative total NFF funding	%	£	£ per pupil	Illustrative NFF year 1 funding	%	£	£ per pupil
Barons Court Primary School and Nursery	Primary	£912,000	£889,000	-2.5%	-£23,000	-£105	£901,000	-1.3%	-£11,000	-£50
Blenheim Primary School	Primary	£2,269,000	£2,250,000	-0.8%	-£19,000	-£32	£2,250,000	-0.8%	-£19,000	-£32
Bournemouth Park Primary School	Primary	£2,199,000	£2,194,000	-0.2%	-£5,000	-£10	£2,194,000	-0.2%	-£5,000	-£10
Bournes Green Infant School	Primary	£744,000	£725,000	-2.5%	-£19,000	-£104	£735,000	-1.3%	-£9,000	-£49
Bournes Green Junior School	Primary	£992,000	£966,000	-2.6%	-£26,000	-£98	£979,000	-1.3%	-£13,000	-£49
Chalkwell Hall Infant School	Primary	£1,178,000	£1,146,000	-2.7%	-£32,000	-£102	£1,162,000	-1.3%	-£16,000	-£51
Chalkwell Hall Junior School	Primary	£1,514,000	£1,472,000	-2.7%	-£42,000	-£100	£1,493,000	-1.4%	-£21,000	-£50
Darlinghurst School	Primary	£2,443,000	£2,381,000	-2.6%	-£62,000	-£96	£2,408,000	-1.4%	-£35,000	-£54
Earls Hall Primary School	Primary	£2,354,000	£2,310,000	-1.9%	-£44,000	-£70	£2,323,000	-1.3%	-£31,000	-£49
Eastwood Primary School & Nursery	Primary	£1,516,000	£1,475,000	-2.7%	-£41,000	-£122	£1,496,000	-1.4%	-£20,000	-£59
Edwards Hall Primary School	Primary	£1,409,000	£1,370,000	-2.7%	-£39,000	-£101	£1,390,000	-1.4%	-£19,000	-£49
Fairways Primary School	Primary	£1,571,000	£1,528,000	-2.7%	-£43,000	-£100	£1,549,000	-1.4%	-£22,000	-£51
Friars Primary School and Nursery	Primary	£1,716,000	£1,669,000	-2.8%	-£47,000	-£118	£1,693,000	-1.4%	-£23,000	-£58
Hamstel Infant School and Nursery	Primary	£1,859,000	£1,810,000	-2.6%	-£49,000	-£109	£1,833,000	-1.4%	-£26,000	-£58
Hamstel Junior School	Primary	£1,974,000	£1,948,000	-1.3%	-£26,000	-£54	£1,948,000	-1.3%	-£26,000	-£54
Heycroft Primary School	Primary	£1,494,000	£1,453,000	-2.7%	-£41,000	-£98	£1,473,000	-1.4%	-£21,000	-£50
Hinguar Community Primary School	Primary	£916,000	£894,000	-2.4%	-£22,000	-£107	£905,000	-1.2%	-£11,000	-£53
Leigh North Street Primary School	Primary	£2,274,000	£2,213,000	-2.7%	-£61,000	-£97	£2,244,000	-1.3%	-£30,000	-£48
Milton Hall Primary School and Nursery	Primary	£2,638,000	£2,563,000	-2.8%	-£75,000	-£127	£2,600,000	-1.4%	-£38,000	-£65
Our Lady of Lourdes Catholic Primary School	Primary	£1,480,000	£1,439,000	-2.8%	-£41,000	-£97	£1,459,000	-1.4%	-£21,000	-£50
Porters Grange Primary School and Nursery	Primary	£1,849,000	£1,842,000	-0.4%	-£7,000	-£18	£1,842,000	-0.4%	-£7,000	-£18
Prince Avenue Academy and Nursery	Primary	£1,566,000	£1,525,000	-2.6%	-£41,000	-£107	£1,545,000	-1.4%	-£21,000	-£55
Richmond Avenue Primary School	Primary	£1,584,000	£1,541,000	-2.8%	-£43,000	-£113	£1,562,000	-1.4%	-£22,000	-£58
Sacred Heart Catholic Primary School and Nursery	Primary	£981,000	£955,000	-2.7%	-£26,000	-£114	£968,000	-1.3%	-£13,000	-£57
St George's Catholic Primary School	Primary	£841,000	£819,000	-2.6%	-£22,000	-£105	£830,000	-1.3%	-£11,000	-£52
St Helen's Catholic Primary School	Primary	£983,000	£957,000	-2.7%	-£26,000	-£110	£970,000	-1.3%	-£13,000	-£55
St Mary's, Prittlewell, CofE Primary School	Primary	£2,092,000	£2,051,000	-1.9%	-£41,000	-£80	£2,064,000	-1.3%	-£28,000	-£55
Temple Sutton Primary School	Primary	£3,159,000	£3,110,000	-1.5%	-£49,000	-£63	£3,114,000	-1.4%	-£45,000	-£58
The Westborough Academy	Primary	£2,233,000	£2,213,000	-0.9%	-£20,000	-£36	£2,213,000	-0.9%	-£20,000	-£36
Thorpe Greenways Infant School	Primary	£1,634,000	£1,588,000	-2.8%	-£46,000	-£111	£1,611,000	-1.4%	-£23,000	-£55
Thorpe Greenways Junior School	Primary	£1,893,000	£1,841,000	-2.7%	-£52,000	-£109	£1,867,000	-1.4%	-£26,000	-£55
Thorpedene Primary School	Primary	£2,354,000	£2,287,000	-2.8%	-£67,000	-£124	£2,321,000	-1.4%	-£33,000	-£61
West Leigh Infant School	Primary	£1,289,000	£1,254,000	-2.7%	-£35,000	-£97	£1,271,000	-1.4%	-£18,000	-£50
West Leigh Junior School	Primary	£1,759,000	£1,710,000	-2.8%	-£49,000	-£95	£1,734,000	-1.4%	-£25,000	-£49
Belfairs Academy	Secondary	£5,703,000	£5,535,000	-2.9%	-£168,000	-£147	£5,619,000	-1.5%	-£84,000	-£73
Cecil Jones Academy	Secondary	£5,564,000	£5,401,000	-2.9%	-£163,000	-£177	£5,483,000	-1.5%	-£81,000	-£88
Chase High School	Secondary	£5,517,000	£5,355,000	-2.9%	-£162,000	-£171	£5,436,000	-1.5%	-£81,000	-£85
Futures Community College	Secondary	£3,358,000	£3,261,000	-2.9%	-£97,000	-£190	£3,309,000	-1.4%	-£49,000	-£96
Shoeburyness High School	Secondary	£7,623,000	£7,397,000	-3.0%	-£226,000	-£160	£7,510,000	-1.5%	-£113,000	-£80
Southend High School for Boys	Secondary	£3,674,000	£3,567,000	-2.9%	-£107,000	-£134	£3,621,000	-1.5%	-£53,000	-£66
Southend High School for Girls	Secondary	£3,549,000	£3,446,000	-2.9%	-£103,000	-£136	£3,498,000	-1.5%	-£51,000	-£67
St Bernard's High School	Secondary	£3,635,000	£3,530,000	-2.9%	-£105,000	-£144	£3,583,000	-1.5%	-£52,000	-£72
St Thomas More High School	Secondary	£3,789,000	£3,679,000	-2.9%	-£110,000	-£147	£3,734,000	-1.5%	-£55,000	-£74
The Eastwood Academy	Secondary	£4,352,000	£4,225,000	-2.9%	-£127,000	-£149	£4,288,000	-1.5%	-£64,000	-£75
Westcliff High School for Boys Academy	Secondary	£3,695,000	£3,588,000	-2.9%	-£107,000	-£135	£3,641,000	-1.5%	-£54,000	-£68
Westcliff High School for Girls	Secondary	£3,758,000	£3,649,000	-2.9%	-£109,000	-£133	£3,704,000	-1.5%	-£54,000	-£66
		£111,886,000	£109,021,000	-2.56%	-£2,865,000	-£115	£110,373,000	-1.35%	-£1,513,000	-£61

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