



NOTICE OF MEETING

CABINET MEMBER FOR EDUCATION (SPECIAL)

TUESDAY, 30 JANUARY 2018 AT 10.00 AM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Lisa Gallacher 02392 834056
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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

CABINET MEMBER FOR EDUCATION

Councillor Hannah Hockaday (Conservative)

Group Spokespersons

Councillor Suzy Horton, Liberal Democrat

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

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Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

AGENDA

- 1 Apologies for absence**
- 2 Declarations of interest**
- 3 2018-19 School Revenue Funding Arrangements and Dedicated Schools Grant Budget (Pages 3 - 10)**

Purpose of report

The purpose of this report is to:

- a. Seek approval for the final stage submission to the Education Funding Agency (EFA), of the 2018-19 mainstream school revenue funding

pro-forma for the Primary and Secondary phases.

- b. Inform the Cabinet Member of the initial determination of the schools budget (including the individual schools budgets) for 2018-19 and to seek the necessary approvals and endorsements required.

RECOMMENDED that Cabinet Member:

- a. **Approve the proposed changes to the mainstream schools revenue funding formula as endorsed by Schools Forum on 17 January 2018.**
- b. **Approve the school revenue funding pro-forma at Appendix 2 for submission to the EFA.**
- c. **Endorse the amount of the growth fund for 2018-19 at £342,600.**

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Title of meeting: Cabinet Member - Education (Special)

Date of meeting: 30 January 2018

Subject: 2018-19 School Revenue Funding Arrangements and Dedicated Schools Grant Budget

Report from: Alison Jeffery, Director of Children Families and Education

Report by: Beverley Pennekett, Interim Finance Manager

Wards affected: All Wards

Key decision: No

Full Council decision: No

1. Purpose of report

1.1. The purpose of this report is to:

- a. seek approval for the final stage submission to the Education Funding Agency (EFA), of the 2018-19 mainstream school revenue funding pro-forma for the Primary and Secondary phases.
- b. inform Cabinet Member of the initial determination of the schools budget (including the individual schools budgets) for 2018-19 and to seek the necessary approvals and endorsements required.

2. Recommendations

It is recommended that Cabinet Member:

- a. **Approve the proposed changes to the mainstream schools revenue funding formula as endorsed by Schools Forum on 17 January 2018.**
- b. **Approve the school revenue funding pro-forma at Appendix 2 for submission to the EFA.**
- c. **Endorse the amount of the growth fund for 2018-19 at £342,600.**

3. Background and mainstream school revenue funding formula changes 2018-19

- 3.1. The Dedicated Schools Grant (DSG) is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 3.2. Under the updated 'School and Early Years Finance (England) Regulations 2018, by no later than 28th February 2018 the Local Authority must:
 - a. Make an initial determination of their school budget; and
 - b. Give notice of that determination to the governing bodies of the schools they maintain.
- 3.3. Cabinet Member has already received reports and has made or endorsed a number of decisions in respect of the revenue funding arrangements for 2018-19. The purpose of this report is to seek the necessary final approvals in respect of the remaining areas of the budget-.
- 3.4. At the Cabinet Member meeting on 15 January 2018, the Cabinet Member was informed of the late notification by the Department of Education of a correction to the pupil data set used to set the individual schools' budgets for 2018-19. This resulted in a reduction in the funding allocated to schools via the proposed Portsmouth Funding Formula.
- 3.5. Due to the late notification it was not possible to consult with schools on proposed options to allocate the funding released due to the change in data set. The Cabinet Member therefore invited Schools Forum to choose one of the following three options.

i.Option 1

Maintain the originally proposed formula factor rates as set in Appendix 4 and increase the growth fund by £59,400, providing greater flexibility to support in-year growth to mainstream schools who meet the growth fund criteria but who may have not been identified at the time of setting the budget.

This would allow for a Growth Fund of £402,000.

ii.Option 2

Use the released funding to increase the primary IDACI Bands E and F factors by £12.00 and £20.00 respectively, thus moving the Portsmouth funding formula towards the National Funding Formula.

This would allow for a Growth Fund of £342,600

iii.Option 3

Use the released funding to increase the primary free school meals factor by £26.80, thus increasing funding available to

deprived schools which is contrary to the direction of travel towards the National Funding Formula.

This would allow for a Growth Fund of £342,600.

- 3.6. At the meeting on 17 January 2018, Schools Forum agreed to endorse Option 2.
- 3.7. Subsequent to Schools Forum, the authority received confirmation of the acceptance of the disapplication request for Charter Academy. Once the update had been applied to the proforma, it released a further £6,000 of funding, which has been fed back in to the funding formula by further increasing the Primary IDACI Band E by a further £1.50 to £153.50 and Band F by a further £2.00 to £22.00, in line with the Schools Forum decision.
- 3.8. The revised determination of the 2018-19 schools budget (including the individual schools budgets) is shown in Appendix 1. The updated Proforma shown in Appendix 2 was submitted to the DfE by the 19 January 2018 deadline for initial checks, pending Cabinet Member approval.

4. Reasons for recommendations

- 4.1. Cabinet Member is recommended to approve the proposals contained within this report. Under the 'School and Early Years Finance (England) Regulations 2018, Local Authorities are required to make an initial determination of their schools' budget no later than the 28th February 2018.

5. Equality impact assessment (EIA)

- 5.1. This report and the proposals within form part of the national implementation of the schools and high needs national funding formula as directed by the Department of Education and set out in the School and Early Years Finance (England) Regulations.
- 5.2. As part of the implementation the DfE conducted an Equality Impact Assessment which identified that they were not aware of any evidence that the method of distributing school and high needs funding could impact on children or young adults of particular ages disproportionately.
- 5.3. The funding proposals targets funding to those groups which evidence demonstrates face barriers to their educational achievements.
- 5.4. Details of the Equalities Impact Assessment carried out by the DfE can be found via <https://www.gov.uk/government/publications/national->

[funding-formula-for-schools-and-high-needs-equalities-impact-assessment](#)

6. Legal comments

6.1. The School and Early Years Finance (England) Regulations 2018 require local authorities to make an initial determination of their schools budget by the 28th February 2018. The recommendations in this report have regard to the requirements of those regulations and in particular identify elements of the proposals in respect of which Cabinet Member's specific approval or endorsement is required.

7. Head of Finance comments

7.1. Financial comments have been included within the body of this report.

Signed by: **Alison Jeffery, Director of Children, Families and Education**

Appendices:

Appendix 1 - Dedicated Schools Grant Budget 2018-19

Appendix 2 - School funding pro forma 2018-19

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
School revenue funding 2018 to 2019 - operational guide (updated December 2017)	https://www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019
The School and Early Years Finance (England) Regulations	www.legislation.gov.uk
School revenue funding working papers	Education Finance

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member.

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Signed by:



Appendix 1 - Dedicated Schools Grant Budget 2018-19				
	2017-18 Revised (Including Academies)	Estimated Budget Revisions	2018-19 Schools Budget (Including Academies)	2018-19 Schools Budget (Excluding Academies)
	£000	£000	£000	£000
Schools Block				
Individual Schools Budgets				
Primary	62,597	2,068	64,664	34,230
Secondary	44,643	2,966	47,609	14,742
	107,240	5,033	112,273	48,972
De-Delegated and Central Budgets				
Growth Fund	275	67	343	343
De-delegated Budgets	454	(209)	243	243
Other Schools Block Sub Total	729	(143)	586	586
Total Schools Block	107,970	4,889	112,859	49,558
Central School Services Block				
Schools Forum	16	0	16	16
Admissions	252	42	294	294
Licences (negotiated by DfE)	120	(5)	115	115
ESG retained duties	374	0	374	374
Central School Services Block Total	762	37	799	799
Early Years Block				
3 & 4 Year Old Provision ¹	10,471	1,119	11,590	11,590
2 Year Old Provision	2,206	(264)	1,942	1,942
Central Expenditure on under 5's	623	49	672	672
Early Years Block Total	13,300	905	14,204	14,204
High Needs Block				
INDIVIDUAL SCHOOLS BUDGET				
Special School Place Funding	5,328	33	5,361	1,556
Resource Unit Place Funding	921	(371)	549	346
Alternative Provision Place Funding	1,190	12	1,202	1,082
	7,439	(327)	7,112	2,984
Element 3 Top-up funding	8,144	586	8,729	8,729
Out of City Placements	2,000	149	2,149	2,149
SEN Support Service	675	0	675	675
Medical Education	660	0	660	660
Outreach Services	187	0	187	187
Fair Access Protocol	60	0	60	60
Post-16 high needs places	290	120	410	0
	12,016	855	12,870	12,460
Total High Needs block	19,455	527	19,982	15,444
Total Expenditure	141,486	6,358	147,844	80,005
DSG Income ^{2,3}	(141,353)	(6,078)	(147,431)	(79,592)
One-off use of Carry Forward	(133)	(280)	(413)	(413)
Total Income	(141,486)	(6,358)	(147,844)	(80,005)

Due to rounding some columns may not add up exactly.

¹ Includes early years pupil premium.

² 2018-19 per EFA allocations 19th December 2017

³ includes reimbursement of Growth funding for academy schools

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Local Authority Funding Reform Proforma

LA Name:

Portsmouth

LA Number:

851

Premises costs to exclude from allocation when calculating the minimum funding level	Mobility	Rates	PFI	Split Sites
	No	Yes	No	No
Primary minimum per pupil funding level	Middle school minimum per pupil funding level for secondary pupils		Secondary minimum per pupil funding level	
3300			4600	

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units		20.00	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)
	Description	Amount per pupil	Pupil Units	Sub Total				
Primary (Years R-6)	£2,800.00	16,294.00	£45,623,200	£80,942,426	40.82%	6.00%		
Key Stage 3 (Years 7-9)	£3,863.00	5,336.00	£20,612,968		18.45%	6.00%		
Key Stage 4 (Years 10-11)	£4,386.00	3,353.00	£14,706,258		13.16%	6.00%		

2) Deprivation	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	FSM	£151.50	£440.00	3,057.33	1,584.17	£1,160,219				
FSM6	£388.50	£785.00	5,192.39	3,168.11	£4,504,207					
IDACI Band F	£22.00	£290.00	2,626.93	1,343.66	£447,454					
IDACI Band E	£153.50	£390.00	1,308.59	649.25	£454,077					
IDACI Band D	£460.00	£515.00	2,137.89	919.29	£1,456,859					
IDACI Band C	£785.00	£560.00	1,122.79	588.96	£1,211,203					
IDACI Band B	£1,100.00	£600.00	1,741.59	854.44	£2,428,412					
IDACI Band A	£1,415.00	£810.00	869.59	450.96	£1,595,757					

3) Looked After Children (LAC)	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	LAC X March 17				149.66					
4) English as an Additional Language (EAL)	EAL 3 Primary	£515.00		1,885.32		£970,937				
EAL 3 Secondary			£1,385.00		243.31	£336,989				

5) Mobility	Description	Weighting	Amount per pupil	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	Pupils starting school outside of normal entry dates				450.54	388.00				
6) Prior attainment	Low Attainment % new EFSP	100.00%	£1,050.00	33.69%	4,961.57	£5,209,643				
Low Attainment % old FSP 73				12.75%						

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
7) Lump Sum	£112,500.00	£110,000.00			£6,610,000	5.91%	
8) Sparsity factor					£0	0.00%	

Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.

Primary distance threshold (miles)	Secondary distance threshold (miles)	Middle schools distance threshold (miles)	All-through schools distance threshold (miles)	Fixed or tapered sparsity primary lump sum?	Fixed or tapered sparsity secondary lump sum?	Fixed or tapered sparsity middle school lump sum?	Fixed or tapered sparsity all-through lump sum?
				Fixed	Fixed	Fixed	Fixed

9) Fringe Payments	Total (£)	Proportion of total pre MFG funding (%)
	£0	0.00%

10) Split Sites	Total (£)	Proportion of total pre MFG funding (%)
	£0	0.00%

11) Rates	Total (£)	Proportion of total pre MFG funding (%)
	£952,747	0.85%

12) PFI funding	Total (£)	Proportion of total pre MFG funding (%)
	£158,837	0.14%

13) Exceptional circumstances (can only be used with prior agreement of ESFA)

Circumstance	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
Additional lump sum for schools amalgamated during FY17-18	£0	0.00%	0.00%
Additional sparsity lump sum for small schools	£0	0.00%	
Additional funding under the minimum per pupil level of funding factor	£0	0.00%	
Exceptional Circumstance4	£0	0.00%	
Exceptional Circumstance5	£0	0.00%	
Exceptional Circumstance6	£0	0.00%	
Exceptional Circumstance7	£0	0.00%	

Additional funding to meet minimum per pupil funding level

	£0
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Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
	£111,753,352	100.00%	£15,619,198

14) Minimum Funding Guarantee	Total (£)	Proportion of Total funding (%)
	£762,964	0.68%

Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)

	No
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Capping Factor (%)	Scaling Factor (%)	Total deduction if capping and scaling factors are applied
100.00%	100.00%	£0

MFG Net Total Funding (MFG + deduction from capping and scaling)	Total (£)	Proportion of Total funding (%)
	£762,964	0.68%

High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)	Total (£)
	£0.00

Additional funding from the high needs budget	Total (£)
	£342,600.00

Growth fund (if applicable)	Total (£)
	£0.00

Falling rolls fund (if applicable)	Total (£)
	£0.00

Total Funding For Schools Block Formula	Total (£)
	£112,516,316

% Distributed through Basic Entitlement	Total (%)
	72.43%

% Pupil Led Funding	Total (%)
	93.09%

Primary: Secondary Ratio	Ratio
	1 : 1.32

Total funding for schools block formula contains funding from outside of the 2018-19 Schools Block allocation?

	No
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