

LONDON BOROUGH OF CAMDEN	
REPORT TITLE: Funding Update and Schools Funding Consultation: 2019/20	
REPORT OF: Director of Education, Supporting People	
FOR SUBMISSION TO: Children, Schools and Families Scrutiny Committee	DATE: 23 October 2018
<p>SUMMARY OF REPORT</p> <p>The report updates on the national funding position following the release in July 2018 of the latest ESFA guidance on schools funding for 2019/20. It provides estimates of the possible impact on resources in 2019/20. It then sets out a consultation document seeking the views of schools and other interested parties about any changes to the school funding arrangements for 2019/20.</p> <p>The report covers the latest government announcements concerning funding made in September 2017 and outlines the key updates following ministerial announcement on schools funding made on 24th July 2018. Reference is made to the new proposals on early years funding and 30 hours of free childcare for working parents of three and four year olds which were introduced in September 2017.</p> <p>The report explains that the schools national funding formula was introduced in April 2018/19 but following a series of government announcements In July 2017 and 2018 the option to maintain local funding formulas for the distribution of schools and high needs block grants has been extended to 2020/21 making 2021/22 the earliest year for the complete implementation of the national funding formula.</p> <p>The report also indicates the current budget pressures and the position regarding the drawdown from DSG reserves for the Early Intervention Pathfinder and hubs project. It also outlines the current proposals and impact of the recent Teachers pay award for September 2018 (section 1.9).</p> <p>The consultation section of the report outlines the current and any proposed changes to the local funding formula (primary and secondary schools) used for the distribution of the schools DSG block. The recommendation made at Schools Forum on 18th September 2018 was to maintain the current local formula to consolidate previous changes and to enable a focus on managing the real terms funding reductions to school budgets caused by freezes to per pupil funding in recent years. The report also explains the timetable leading up to a decision on the funding formula by the authority, which is required prior to the end of October in order to comply with a requirement to inform the government of any changes by 30th November.</p>	
<p>RECOMMENDATIONS</p> <p>Scrutiny Committee is asked:</p> <p>a) To note the developments regarding the planned implementation of the national funding formula, as set out in sections 1 to 5 and the pressures outlined in sections 6 to 9.</p>	

b) To note the draft 2019/20 budget consultation document prior to circulation to schools and other relevant parties, as described in sections 10 to 11 and set out in appendix 1.

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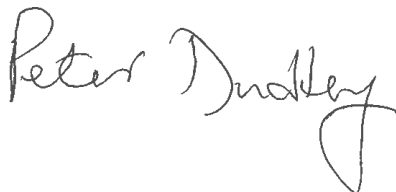
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Local Government Information Act 1972

The following documents which require listing were used in the preparation of this report:

- DfE Oral statement to Parliament by Justine Greening Sec of State for Education on Schools Funding dated 17 July 2017
- EFA: Schools Revenue Funding 2017 to 18 operational Guide, 7 Aug 2017
- DfE: An early years national funding formula – Government consultation August 2016
- Ministerial Statement of 24th July 2018 - Nick Gibb

Signed by: Pete Dudley, Director of Education (Achievement and Aspiration)



Dated: 9th October 2018

1.0 Update on the national funding formula proposals

- 1.1. The distribution of funding to individual primary and secondary schools in Camden is currently controlled by a local funding formula. Local authorities still have a statutory duty to maintain a local formula and consult with their schools forum and schools on any changes to the formula. Separate funding rules apply to high needs and for early years which are set in line with the government's national funding formula and new directive on working parents.
- 1.2. Following consultation a national funding formula was finally introduced in April 2018. The initial proposals would have resulted in a 2019/20 schools block reduction of £3.2m (- 2.8%) – one of the largest reductions in London.
- 1.3. Earlier, in recognition of public concern over school funding, on 17th July 2017 the Education Secretary Justine Greening had announced that an 'extra' £1.3bn would be provided over the next two years. The money was to come from elsewhere in the education budget.
- 1.4. The main features from the July 2017 arrangements are detailed in the September 2017 school forum paper with the key features as follows:
 - Confirmation of 2018/19 introduction of new national funding formula
 - Extra investment into the core schools budget over the next two years of an additional £1.3bn over 2018/19 and 2019/20
 - Per pupil funding maintained in real terms up until 2019/20
 - An increase in per pupil funding in every school in every local authority area
- 1.5. The main impact on Camden schools are that their NFF formula includes:
 - an increase in the basic amount that every pupil attracts through the formula in 2018/19 and 2019/20
 - for the following two years, gains of up to 3% a year for underfunded schools and a 0.5% a year per pupil cash increase for every school
 - continued protection for funding for additional needs
 - a minimum of £4,800 per pupil provided for every secondary school
- 1.6. In 2017 the Government intended to go forward with two years of transition and delayed the "hard" NFF until 2020/21 rather than the earlier intention of 2019/20. This has now been further reviewed see 1.8 below

Schools Funding written statement 24th July 2018

- 1.7. Following the appointment of a new Minister for Education and the current progress following the introduction of the NFF in April 2018 a further ministerial statement on schools funding was released on 24th July 2018. The main points were a confirmation of the following:
 - stating the minimum per-pupil funding level of £4,800 for secondary schools, and to £3,500 for primary schools;
 - increasing the funding floor so that all schools will attract at least a 1% per pupil gain against their 2017-18 baselines over the following 2 years

- enabling underfunded schools to gain a further 3% per pupil, on top of the 3% they gained in 2018-19 – this means that next year, underfunded schools will be attracting up to 6% more, per pupil, compared to 2017-18.
 - a new approach for allocating funding to local authorities to support schools with significant in-year growth in pupil numbers. This means that local authorities will be funded according to actual levels of pupil number growth, rather than on the basis of historic spending.
- 1.8. To provide stability through the transition to the NFF the government have previously confirmed that in 2018-19 and 2019-20 each local authority will continue to set a local formula, in consultation with local schools. These local formulae determine individual schools' budgets in their areas. In order to continue to support a smooth transition, the minister now confirmed that local authorities will continue to determine local formulae in 2020-21. This makes 2021/22 the earliest year for the implementation of the completed national funding formula.

Teachers pay award from September 2018

- 1.9. The July statement also confirmed the 2018 Teachers pay award from September 2018 at
- 3.5% uplift on the minimum and maximum of the main pay scale
 - 2% - uplift on upper pay scales
 - 1.5% - uplift on school leaders

To ensure that this is affordable, the government will be providing a teachers' pay grant of £187 million in 2018-19 and £321 million to all schools in England in 2019-20. This is intended to cover, in full, the difference between this award and the cost of the 1% award that schools would have anticipated under the previous public sector pay cap. The grant will provide additional support to all maintained schools and academies, over and above the core funding that they receive through the national funding formula.

- 1.10. It is estimated that the final 1% unfunded award once adjusted for the 0.5% increase to DSG funding for 2019/20 will leave Camden schools with an unfunded annual pay bill of approximately £0.425m.
- 1.11. At the date of September schools forum there was no clarity of how the award will be funded by government or as to how it would be allocated. However, a recent [DfE Notification](#) has indicated that the teachers' pay award grant will be calculated on a per pupil rate per school and be passed to Councils for distribution to schools. Full details are promised in October.
- 1.12. The Pay Grant rates for inner London Primary schools currently indicated by the DfE were £19.51 (from sept 2018/19) and £33.65 (2019/20) and for secondary as £31.57 (from sept 2018/19) and £54.20 (2019/20)
- 1.13. The rates for special and alternative provision schools will be based on approved place numbers (minimum of 40 places) at the rate of £78.10 (from sept 2018/19) and £134.97 (2019/20).

- 1.14. As the grant will be allocated from October 2018 it is assumed that the October 2017 census data will be used for numbers. Based on October 2017 rolls this would give Camden primary and secondary schools a total grant of £0.434m and £0.747m for 2018/19 and 2019/20 respectively.
- 1.15. The pay award grant decision will cost £508 million over two years, but this will not be funded from new money from the Treasury.
- 1.16. The funding has to come from existing DfE funds and it is widely thought that this will be diverted from the Teaching and Leadership Innovation Fund and the strategic School Improvement Fund which are both bid based funds to drive system led improvements.

2.0 Operational Guidance August 2017 - recap

2.1 The NFF operational guidance details the above government announcements. Its effects on Camden were detailed in the earlier September 2017 schools forum report. The key features were as listed below:

- The creation of the central schools services block (CSSB). This will be allocated to Local authorities to fund ongoing responsibilities.
- ESFA exercise to re-baseline DSG blocks for each local authority will ensure that that the total funding distributed through the DSG blocks will reflect the pattern of 2017/18 planned spending
- The government will provide at least 0.5% per pupil increase for each school in 2018/19 through the NFF.
- The minimum funding guarantee (MFG) will continue but councils will have the flexibility to set MFG between 0% to minus 1.5% per pupil to offer higher levels of protection locally. Camden has currently set its MFG at 1.5% in line with previous EFA direction, expected NFF levels and affordability
- The schools block will be ring-fenced from 2018/19 but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of schools forum
- The government will be increasing the Pupil Premium Plus rates in 2018/19 rather than including a looked after children's factor in the NFF

There will **no** longer be a deduction to schools block pupil numbers for high needs places in mainstream schools. Instead, the school's budget share (or the equivalent academy funding) will be determined on the basis of the total number of pupils on the roll of the school, including those in the special unit or resourced provision. A switching adjustment has been made between the funds to high needs block and schools block for each local authority to reflect this change.

3.0 2019-20 Onwards: The 'Soft' National Funding Formula Summary

- 3.1 The original December 2016 NFF proposals planned to make the shift to the new formula through a transition year in 2018/19 in which a “soft” DSG schools block would apply with funding distributed to schools by the Council’s local funding formula. This was to be followed by the introduction of a “hard” DSG from 2019/20 with each school receiving funding directly from the EFA according the calculated formula.
- 3.2 However, from September 2017 the Government indicated that it now intended to go forward with two years of transition and therefore the “hard” formula was delayed until 2020/21. As indicated in section 1.8 above the July 2018 announcement has now delayed this a further year to 2020/21 (rather than the original intention of 2019/20).
- 3.3 In 2019/20 and 2020/21, the national funding formula will set indicative budgets for each school, and the total schools funding received by each local authority will be based on the NFF.
- 3.4 Local authorities will allocate this total schools budget and continue to set a local formula, as they do now, for determining individual schools' budgets in 2019/20 and 2020/21, in consultation with schools in the area.

4.0 2021/22 Onwards: The 'Hard' National Funding Formula

- 4.1 In light of the 24th July 2018 announcement and based on earlier details it is now expected that by 2021/22 the national funding formula will be used to calculate the vast majority of each individual school’s budget. However, the ESFA also wants to ensure some opportunity for local flexibility in making provision for children and young people with high needs. In the current funding system, local authorities can use funding from their high needs budgets to support mainstream schools that are particularly inclusive. It is anticipated that they will still be able to do so under the national funding formula.
- 4.2 No commitment to national funding levels beyond 2019/20 has been made by the ESFA. It is expected that more detail will emerge following the next major government spending review expected in 2019.
- 4.3 The Institute for Fiscal Studies (IFS) has said that the changes represent a real-terms freeze on school budgets. The long-term impact of the formula remains likely to be that historically well-funded areas (like Camden) will see its funding restricted to compensate less well-funded areas.
- 4.4 The IFS has recently looked at per-pupil spending trends if cuts to local authorities and school sixth forms are taken into account. They show that, between 2009/10 and 2017/18, per-pupil spending fell by 8 per cent. The IFS states that “Total school spending in England has risen by around 1 per cent

in real terms between 2009/10 and 2017/18, but pupil numbers have seen a much steeper rise of around 10 per cent”.

5 Impact of NFF on Schools Block Spending Power

- 5.1 Following the political changes over the past year it remains difficult to fully estimate the precise financial impact of the NFF at school and local authority level. The ESFA have now published tables giving “notional “figures” for individual schools budgets for 2019/20 based on a 1% uplift of 2017/18 budget figures. Schools can visit these on the ESFA’s COLLECT portal
- 5.2 Camden Officers have also now remodelled the NFF rates into the Camden APT local formula for 2018/19 and the details are illustrated in **Appendix 3** – which contrasts the budget outcomes of the APT-Camden local formulas rates v NFF rates
- 5.3 These figures illustrate a slight reduction of £0.761m to the total schools budget using the NFF rate. However, the figures also indicate that the resources allocated to the Councils minimum funding guarantee MFG (1.5%) to protect schools historic budget levels rises from £0.667m under Camden’s local formula to £3.2m under the NFF rates
- 5.4 Work was also done to compare the notional NFF figures indicated by the ESFA for 2018/19 and 2019/20. in **Appendix 5**
- 5.5 The safety net figures indicate the level of protection contained within the “protected “ notional NFF figures when compared to the real Total NFF indicated in col 2
- 5.6 These safety net figures also indicate that this protection is being given to schools notional individual budget calculations to ensure that no school fall below the government NFF protection of 0.5% of its historic 2017/18 baseline budgets. They also indicate the gap of the notional budget from the basic NFF figure in percentage terms ranging from 0.3% to 8.6% of NFF.

6.0 Existing Spending Pressures Across the DSG

- 6.1. In addition to the uncertainty and risk associated with the NFF, the current pressures and potential calls on reserves and schools balances faced by Camden schools for 2019/20 are set out below:
 - (a) Early Years block: £0.47m pressure on DSG and £2.57m on general fund
 - Following the introduction of the new Early Years National Funding Formula (EYNFF) from April 2017 the Early Years Service response was to introduce a new alternative Camden offer to replace its old universal offer to all 3 and 4 year olds from September 2017. Camden’s new offer continued to deliver an enhanced offer above the statutory minimum, by offering disadvantaged 2 year olds in the borough (as identified by the Department for Work and Pensions) an

additional 15 hours of funded early education as 3 & 4 year olds in whichever provision they choose. Initial funding for this offer was from the DSG reserve in 2017/18 (£1.4m) and will require a further £0.47m from DSG reserves in 2018/19 with an additional general fund contribution of £2.57m.

- After depletion of Early Years DSG reserves, it is expected that a recurring annual funding pressure of circa £1.7m per year will be met from the general fund from 2019/20 (to be funded from general fund savings). Full details are contained in [the Early Years Funding paper to Cabinet on 5th April 2017](#) (SP/2017/14).
- (b) High needs 19 to 25 year olds £0.975m and Inclusion project drawdown from DSG reserves £0.225m:
- £0.975m – Responsibility for high needs has been extended to cover young adults up to age 25. We are now seeing growing numbers continuing with Educational Health Care plans from school to college. This growth in numbers with EHC plans is expected to create a potential £0.975m shortfall a year and will require progress in reducing the cost of individual placements.
 - £0.225m The SEN –Schools Inclusion Team’s June 2017 forum report on “Early Intervention in (i) Primary Exclusions and (ii) KS4 Alternative Pathways” proposed the use of up to £625k from DSG reserves to fund an invest to save scheme for these two areas. Because this is a schools based project funding schools activity the investment was approved from the high needs block DSG reserve rather than the general fund (June 2017). Following a drawdown of £0.225m of the approved amount in 2017/18 a further drawdown of the same amount is expected in 2018/19 from the DSG reserve.
- (c) Pupil premium – £10.21m total funding - the funding rate has been frozen in cash terms, which represents a reduction in spending power as with schools DSG.
- (d) 6th form funding - £10.97m grant - the combined impact of a reduction in roll numbers and reduced per pupil funding rates resulted in a further reduction in funding for 2018/19 with the Association of Colleges suggesting that this pattern may be set to continue.
- (e) Apprenticeship Levy - this new employer tax was introduced from April 2017. The levy means that employers with a pay bill that exceeds £3m will be charged 0.5% of their pay costs, but can claim back contributions for eligible apprenticeship training. Camden is deemed by HMRC to be the employer of schools staff in community schools and these schools are subject to the levy rate and increased pressures on their school budgets.
- (f) MTSF Savings - Consideration should also be given going forward to increasing pressure on the Councils general fund budgets and the potential impacts that the resulting Medium Term Financial Savings (MTFS) programme may have on some of the services and support provided by the Council to schools – for example see pensions back funding section (section 8.2)

- (g) Schools block cash freeze - the government's funding cash freeze since 2010/11 means that Camden schools have already suffered a real terms' reduction in their spending power of 16%. The NAO estimates that schools could see a real terms reduction of up to 8% between 2017 and 2020

7.0 Further Support to Schools

- 7.1. While adjustments or reductions in spending will need to be made across all DSG blocks, the majority of the potential reduction will fall on schools. Earlier work by the Council in conjunction with the schools led partnership resulted in the ISOS consultant's report, which identified potential areas for savings in preparation for potential real terms and cash funding reductions over the next 4-5 years.
- 7.2. The detailed findings from this project was presented to September 2016 schools forum under separate mainstream and high needs funding reports and recommendations centre around potential savings from some of the following areas:
- Staffing structures
 - Benchmarking
 - Camden schools led partnership
 - Back office / financial systems
 - Procurement
- 7.3. The High Needs review suggested the following areas for further ongoing review
- Achieving savings through the implementation of a peer moderation system in mainstream schools following demonstrations from other authorities in September 2016.
 - No major changes proposed for special schools
 - Proposal to consult on reviewing the use of places in resource bases

The results and progress to date of this review will be reported separately to this meeting by the SEN team.

8.0 High Needs Block Review

- 8.1. The high needs block has been subject to a HNB review. A report to June 2018 Schools forum outlined the following areas of development and for further ongoing review and consultation:
- **SEN trend data** – outlining a large increase in the number of requests for EHC needs assessments
 - Funding position – outlining the trend of increasing demand on budgets
 - **Developing a schools led exceptional needs framework (ENF)** - to reduce demand on the High Needs Block budget and to achieve savings through the implementation of peer moderation assessment system in mainstream schools

- **Post 16 High Needs Places** - change in the mechanism for allocating high needs post-16 places introduced from September 2017
- **Capacity in resource bases** - update on the review of the level of specialist provision made in resource bases

The review remains ongoing with proposals to consult on the use of places in resource bases.

Support Staff Pension Backfunding arrangements

- 8.2. It is anticipated that the LBC will consider passing the full cost of the support staff pension backfunding costs to schools budgets. A report outlining the full impact of this is expected at schools forum when finalised.

9.0 Early Intervention invest to save projects – Primary and Secondary

- 9.1. The SEN –Schools Inclusion Team’s June 2017 forum report on “Early Intervention in (i) Primary Exclusions and (ii) KS4 Alternative Pathways proposed the use of up to £625k from DSG reserves to fund an invest to save scheme for these two areas. Because this is a schools based project funding schools activity the investment was approved from the high needs block DSG reserve rather than the general fund (June 2017). Following a drawdown of £0.225m of the approved amount in 2017/18 a further drawdown of the same amount was expected in 2018/19 from the DSG reserve. This may now not be needed until 2019/20. Progress to date will be reported under separate cover at a later schools forum meeting.

10.0 Consultation Proposals

- 10.1. Significant changes were made in 2015/16 to the distribution of funding within Camden’s local formula to bring the Authority closer to the averages for all authorities in England (see appendix 2 for current formula). It is still expected that this action will serve to reduce the changes required when the national funding formula is fully introduced and provide a smoother transition. The government’s delay in fully introducing national funding formula (i.e. with no protection) now until after 2021/22 provides further time for school’s local formula budgets to transition to the new funding levels agreed by the earlier changes.
- 10.2. Consequently it is proposed to continue the transition in 2019/20, with gainers limited to 1% per pupil increases and losers limited to 1.5% decreases per pupil (see appendix 3 for current funding per school). The formula’s maximum reduction is currently in line with earlier government requirement of a 1.5% maximum reduction.
- 10.3. The 2017 operational guidance introduced flexibility for local authorities to set a local MFG between 0% and minus 1.5% per pupil. Local authorities can use the flexibility to offer higher levels of protection locally. It is not advised that Camden changes the MFG at this stage on the basis of reduced affordability from diminishing DSG reserves, and in continuation of the earlier work adjusting the local formula and reducing the DSG reserves contributions so as to move schools towards the expected NFF.

- 10.4. In view of the above comments, no further significant changes are proposed to the formula for 2019/20. This also supports the aim of not making changes to the funding formula which might have unforeseen long-term impacts on individual schools funding levels following the implementation of the “hard” national funding formula and means that schools can concentrate on addressing the real terms funding reductions. The draft consultation document is attached at appendix 1.
- 10.5. Appendix 5 contains the ESFA estimated funding per school in 2018/19 (col 3) and 2019/20 (col 6)

11.0 Timetable

- 11.1. The consultation with schools will run for a four week period beginning on Wednesday 19th September and ending Wednesday 17th October 2018. The responses to date will be reported to the schools forum meeting on 30th October for consideration and agreement on any changes to the proposed formula. This will enable the authority to inform the government of any requests for exemptions to normal formula rules, which must be submitted by the end of November.
- 11.2. Schools and others interested parties that require more information on the impact of the formula for their school will be able to contact the Authority during the consultation period for separate briefing. Time has been set aside for these meetings on Monday 1st October (morning) and Monday 8th October (evening). Other times can be arranged subject to availability.

12. LEGAL IMPLICATIONS

- 12.1. The Borough Solicitor has no comments to add to this report

13. RESOUCCE IMPLICATIONS

- 13.1. The comments of the Executive Director of Resources are included within the main body of the report



Consultation re: the allocation of funding to schools in 2019/20

For the attention of all Camden schools

The government introduced the national funding formula for schools in April 2018. In July 2018 it announced that it would be extending its 2 year transition period into 2020/21 where the formula is calculated for each school, aggregated and then passed to local councils to distribute according to their own local formulas. Since 2017 and now confirmed in July 2018 the government has indicated that per-pupil funding for each authority will not decrease as a result of the formula.

Camden has already made significant changes to its formula in 2015/16 to bring it in line with the expected impacts of the national formula. Consequently, there have been minimum adjustments since in order to allow schools to steadily transition to their new funding levels and to allow for a period of stability in order to concentrate on the real-terms funding reductions caused by rising costs. It is again proposed that no major changes are made to the formula for 2019/20.

As per ESFA requirements this consultation paper therefore requests school forum approval that the council makes no application to the EFA for variation to the schools funding formula. It asks to continue last year's decision that reduced the use of DSG reserves to nil in line with the amount of reserve available for schools and so that the formula becomes increasingly affordable and sustainable from the annual DSG grant alone.

The Council welcome comments from all schools, individuals and interested parties.

The consultation ends on the 17th October 2018. Comments cannot be accepted after this date due to the need to confirm the final formula with schools forum. Please include your responses in this document and e-mail back to Joe.Lynch@camden.gov.uk

SECTION A – Update on Government Policy Regarding Funding for Schools

1. Introduction

- 1.1 The government started a process in 2012 to reform the school funding system with the aim of providing a fairer, more consistent and transparent funding system nationally. Initially the reforms focused on changes to how local authorities determine the distribution of funding for individual schools including:
- separating the dedicated schools grant into three blocks – schools, high needs and early years
 - restricting the factors that can be used to determine the level of funding for individual primary and secondary schools that reflects the needs of pupils
 - implementing a place led funding system for pupils with special educational needs
- 1.2 The next stage of the government reforms was to change the distribution of funding to local authorities so that funding to schools is based on a standard formulaic approach (referred to as a 'national funding formula') rather than via local authorities based on historic spending. The implementation of this approach from historic to formulaic allocation would inevitably see a shift of funding between areas, creating significant turbulence in funding for schools in some authorities.
- 1.3 While the government has been keen to move ahead with a national funding formula as soon as possible, it has continually expressed concerns at the impact on the stability of individual schools. As a consequence the government announced on the 17th July 2017 that in 2018/19, all local authorities would receive some increase over the baseline amount they planned to spend on schools and high needs in 2017/18. In July 2018 it continued this with a further 0.5% minimum per pupil funding increase for 2019/20 based on 2017/18 per pupil funding rates.
- 1.4 Following the introduction of the national funding formula in April 2018 the Education & skills Funding Agency ESFA has now set out in July 2018 indicative / notional budgets for each school and hence the total schools funding to be received by each Local Authority based on a national funding formula NFF for the first time. It has based transitional protection for 2018/19 and 2019/20 on a minimum increase of 0.5% per year on 2017/18 planned spending levels (baseline). Local authorities will continue to set a local formula, as they do now, for determining individual schools' budgets in 2019/20 and now 2020/21 (extended in July 2018), in consultation with schools in the area
- 1.5 Camden has been historically funded above the expected NFF and in earlier consultation proposals prior to the July 2017 announcement of £1.3bn additional national funding it was expected to lose 2.8% of its school budget by 2019/20. This additional national funding has resulted in a transitional protection during 2018/19 and 2019/20 for Camden of an annual increase of 0.5% per year on 2017/18 per pupil funding rates. There has been no indication of funding levels beyond 2019/20. Whist

Camden had historically received per pupil funding above the national average it had however since 2011 until April 2018 continued to suffer a freezing on funding per pupil. It is also now expected that funding levels for high needs will similarly be increased by 0.5% per pupil for a further year whilst early years [funding is the subject of a recent national government consultation](#) with the Council's response and new offer reported in an [Early Years June Forum Report](#).

SECTION B – Primary and Secondary Schools Local Funding Formula

1. Introduction

This section of the consultation covers options to change the local formula used to distribute funding for pupils in reception to year 11. The local formula provides the main funding source for primary and secondary schools and is one of four funding streams that primary and secondary schools receive - formula funding + high needs + pupil premium + nursery / 6th form.

2. What was reviewed last year?

The consultation issued this time last year considered the review of only one area and the following decisions were taken:

- (a) **Reducing use of schools DSG reserves by £0.5m per year to nil** - approval was given to continue the policy of reducing the use of reserves each year and for the use of DSG reserve to balance the schools budget if final pupil numbers vary significantly from those used in estimates.

Items (a) did not required application to EFA for approval to “disapply from the EFA regulations”.

3. What is being reviewed this year?

A quite extensive review of the formula was taken in 2014/15. In line with the need for a period of stability in order to concentrate on the expected funding reductions at national level, no further major changes are being requested in the formula at this stage.

- (a) **No further major changes are being requested in the formula at this stage**

Question 1:	Please tick one box
(a) Do you agree that there should be no changes to the formula ?	
(b) Do you disagree that there should be no changes to the formula ?	
(c) I have no view on the proposal.	

Question 2: General	Please tick box
(a) Are there any changes that you would like to make to any of the proposals?	
(b) Do you have any comments relating to the local funding formula for primary and secondary schools?	
Comments:	

SECTION C - High Needs Pupils - For Information purposes only

1. Introduction – all schools

The high needs block continues to be subject to review in light of growing pressure and growing overspend. A report to June 2018 Schools forum outlined the following areas of development and for further ongoing review and consultation:.

- **SEN trend data** – outlining a large increase in the number of requests for EHC needs assessments
- **Funding position** – outlining the trend of increasing demand on budgets
- **Developing a schools led exceptional needs framework (ENF)** - to reduce demand on the High Needs Block budget and to achieve savings through the implementation of a peer moderation assessment system in mainstream schools
- **Post 16 High Needs Places** - change in the mechanism for allocating high needs post-16 places introduced from September 2017
- **Capacity in resource bases** -update on the review of the level of specialist provision made in resource bases

The work on the review remains ongoing with proposals to consult on the use of places in resource bases. As there is currently no proposal to change the current high needs funding rates this information is not for consultation but for information purposes only. The high needs funding stream covers pupils in the following education provision:

Education provision	Funding
Mainstream schools and early years providers – additional funding for pupils with high needs	<ol style="list-style-type: none"> 1. £10,000 notional funding in funding formula – place plus first £6,000. 2. Top up funding – equivalent to 10- 20 hours LSA per week provided via high needs formula 3. Top up funding over 20 hours per week – banded funding based on pupils individual needs
Mainstream schools – resource bases	<ol style="list-style-type: none"> 1. £10,000 notional funding in the funding formula - i.e place plus first £6,000 2. Top up funding – based on agreed rates per resource provision.
Special schools	£10,000 per place plus top up for individual pupils
Pupil referral units	£10,000 per place plus top up for individual pupils
Post 16 provision for special needs – all providers	£10,000 notional funding comprising basic entitlement plus £6,000 place plus top up for individual pupils

The government announced in 2017 that in 2018/19 no local authority will see a reduction in the schools block per pupil funding from their 2017/18 funding levels, and that neither will there be a cash term reduction in the high needs block". The ministerial announcement in July 2018 confirmed a further 0.5% per pupil increase for 2019/20. However, local issues around the need to contain the growth in needs and costs remain and squeeze, the authority is also likely to freeze funding rates to providers. The Council continues to work with a group of headteachers and governors to consider the future arrangements for the high needs block in the light of the potential for reductions in Camden's allocation as part of the government's fairer funding formula.

2. Primary and Secondary schools – funding for Special Educational Needs (SEN)

Funding to primary and secondary schools for pupils that require additional support is provided as follows:

- (a) **under £6,000 (roughly 10 hours)** – no additional funding provided as schools have to fund this cost from their formula allocation.
- (b) **10 to 20 hours** - £1.3m is delegated to individual schools and paid as a separate fixed amount from that included in the main formula. This funding only covers pupils who are resident in Camden. Schools must claim funding for out of borough pupils from the relevant borough. The amount each school receives is calculated using 60% prior attainment, 20% free school meals, and 20% number of pupils on roll (Camden residents only).
- (c) **Over 20 hours** – separate funding is provided on a per pupil basis to cover all support costs over the first £11,000. Funding is provided either as band A or band B.
- (d) **Exceptional needs grant** - From September 2018 mainstream schools are able to apply to Camden for an exceptional needs grant, to the same value as bands A and B but without the need for an EHC plan. Such funding would be agreed until a specified date at which time schools would have to apply for it's renewal explaining why this is necessary.

3. Special Schools and Resource Units

No changes are yet planned to the funding system for places in special schools and resource units. The funding system is driven by an early agreement as to the number of places to be provided for the coming year for both children resident in Camden and out of borough pupils. Proposals to open further resource provision, particularly for autism have been developed following an invitation to express an interest in hosting such provision was sent to all mainstream schools last year.

SECTION D - Early Years pupils in nursery provision (For Information purposes only)

1. From April 2017 local authorities were required to implement the Early years national funding formula proposals with national formula funding rates to all providers in effect from September 2017.
2. The hourly rates payable to all Camden providers has been now been revised from September 2017 to reflect the government's national formula funding rates for Camden. The new Camden offer and rates were reported in an [Early Years June Forum Report](#)
3. Local Authorities are required to apply the principles set out in national guidance in the development of a local funding formula. The table below shows how Camden's allocation for 3 and 4 year olds has been broken down into the elements required and the resulting hourly rates.

Table - Camden's Local early years funding formula

Rate Spend Breakdown	17/18		18/19		19/20	
LBC Rate Received EYDSG	£ 8.98		£ 8.51		£8.51	
Core Costs	£ 0.69	7%	£ 0.47	5%	£ 0.47	5%
Supplements	£ 0.92	10%	£ 0.89	10%	£ 0.89	10%
SEN Inclusion Fund	£ 0.19	2%	£ 0.18	2%	£ 0.18	2%
Contingency Fund	£ 0.13	1%	£ 0.13	1%	£ 0.13	1%
*Nursery School Supplement	£ 0.19	2%	£ 0.18	2%	£ 0.18	2%
*2yr old placement subsidy	£ 0.33	4%	£ 0.20	2%	£ 0.20	2%
3&4 yr funding rate (Average)	£ 6.53	73%	£ 6.47	76%	£ 6.47	76%
	£ 8.98	100%	£ 8.51	100%	£ 8.51	100%
*Use of funding compliance tbc with DFE						

Appendix 2

Camden's School Funding Formula 2018/19

Primary and Secondary schools only, reception to year 11	£m
Pupil lead factors	
(1) Base entitlement - number of pupils x fixed amount. Primary £3,557, secondary KS3 £4,950, secondary KS4 £5,446	80.15
(2) Deprivation – number of pupils FSM and IDACI x fixed amount. FSM = primary £860 secondary £1,031 IDACI 1 Band F = primary £244, secondary £335 IDACI 2 Band E = primary £303, secondary £440 IDACI 3 Band D = primary £405, secondary £545 IDACI 4 Band C = primary £492, secondary £642 IDACI 5 Band B = primary £556, secondary £712 IDACI 6 Band A = primary £789, secondary £950	16.59
(3) Special needs – number eligible pupils x fixed amount Eligibility measured by Prior Attainment using EYFSP in primary x £789 and key stage 2 at secondary, failure to achieve level 4 in maths <u>or</u> English x £1,109	4.84
(4) Looked after children – number eligible pupils x £1,185.	0.06
(5) English as additional language – number eligible pupils x £551 primary, £1,333 secondary. Payable for first three years.	2.46
Non pupil led factors	
(6) Split site (relevant schools only) – primary £106, secondary £385	0.66
(7) Rates –full cost of rates less charitable relief where applicable.	2.41
(8) PFI (relevant schools only) - additional cost of premises and related services compared to non PFI school.	0.34
(9) Lump sum per school – £150,000 primary, £175,000 secondary.	8.05
Total funding allocated before transition	115.55
(10) Transition – funding reductions and gains from changes to the local formula are capped at 1% per pupil per annum. No protection for reduction in pupil numbers or changes in funding for other separate funding streams (high needs, 6 th form, nursery).	0.63
Total funding allocated	116.18
Pupil count – determined by October pupil census in year prior to financial year rather than January. Schools will receive extra funding if the in-year September intake creates an overall increase in pupil numbers above 5% agreed percentage. Secondary/Primary ratio – funding levels set so that average funding per secondary pupil is 30% higher than primary.	

Appendix 3

Summary of Schools Block Funding 2018-2019 - APT Camden Formula Calculation compared with NFF Calculation

School	Actual 2018-2019	Allocation by NFF	Increase (Decrease) on NFF	MFG Camden Formula	MFG NFF
Argyle Primary School	1,793,384	1,773,891	19,493	0	47,440
Beckford Primary School	2,139,604	2,125,203	14,400	0	42,766
Brecknock Primary School	1,941,671	1,940,129	1,542	57,540	113,912
Brookfield Primary School	2,002,270	1,977,361	24,909	0	50,808
Carlton Primary School	1,778,551	1,776,643	1,908	2,453	30,218
Edith Neville Primary School	1,173,110	1,154,906	18,204	0	9,381
Fleet Primary School	1,124,830	1,101,366	23,464	(5,558)	15,567
Hawley Primary	1,047,423	1,050,155	(2,732)	41,681	88,847
Netley Primary School & Centre for Autism	2,183,378	2,183,181	197	4,730	42,187
New End Primary School	1,865,700	1,825,196	40,505	0	41,177
Primrose Hill School	2,138,782	2,124,147	14,635	0	61,959
Rhyl Primary School	2,113,585	2,112,170	1,415	30,574	87,605
Richard Cobden Primary School	2,208,065	2,166,430	41,635	0	9,350
Torriano Primary School	2,185,439	2,143,995	41,444	0	41,170
Gospel Oak Primary School	2,182,067	2,138,516	43,551	0	49,601
Fitzjohn's Primary School	1,026,760	1,019,741	7,019	0	54,283
Eleanor Palmer Primary School	1,058,858	1,036,993	21,865	0	43,175
Christopher Hatton Primary School	1,155,240	1,133,455	21,785	0	28,016
Kingsgate Primary School	3,364,341	3,363,342	999	(93,499)	0
Christ Church Primary School, Hampstead	923,621	917,263	6,358	0	51,651
Christ Church School	1,105,873	1,097,075	8,798	0	28,819
Emmanuel Church of England Primary School	1,167,580	1,168,701	(1,120)	9,024	86,111
Hampstead Parochial Church of England Primary School	1,083,036	1,059,385	23,651	(11,823)	35,558
Holy Trinity CofE Primary School, NW3	1,025,826	1,011,949	13,877	0	20,155
Holy Trinity and Saint Silas CofE Primary School, NW1	1,094,814	1,070,938	23,875	(33,813)	1,487
Kentish Town Church of England Primary School	1,133,668	1,120,380	13,288	0	30,048
Rosary Roman Catholic Primary School	1,531,041	1,496,824	34,217	(812)	20,362
St Alban's Church of England Primary School	1,104,768	1,083,561	21,208	0	16,009
St Aloysius Catholic Primary School	1,771,555	1,747,326	24,228	0	43,952
St Dominic's Catholic Primary School	1,225,024	1,200,939	24,085	0	12,034
St George the Martyr Church of England Primary School	1,102,503	1,099,510	2,992	0	40,135
St Josephs Catholic Primary School	1,065,717	1,043,278	22,439	0	22,303
St Mary's Kilburn Church of England Primary School	1,150,988	1,146,641	4,348	0	41,219

School	Actual 2018-2019	Allocation by NFF	Increase (Decrease) on NFF	MFG Camden Formula	MFG NFF
St Mary and St Pancras Church of England Primary School	1,176,903	1,163,779	13,124	0	39,439
St Michael's Church of England Primary School	1,015,901	992,543	23,358	(3,088)	9,088
St Patrick's Catholic Primary School	1,138,811	1,136,580	2,231	0	45,536
St Paul's Church of England Primary School	1,031,578	1,008,893	22,685	(816)	27,246
St Eugene de Mazenod Roman Catholic Primary School	1,163,268	1,155,902	7,367	0	37,632
Our Lady Roman Catholic Primary School	1,119,477	1,098,620	20,857	0	8,288
Haverstock School	7,008,332	7,003,560	4,772	201,986	266,643
Parliament Hill School	6,001,539	5,999,969	1,570	37,748	222,638
Regent High School	6,639,036	6,641,793	(2,758)	392,177	461,378
Hampstead School	7,087,661	7,075,158	12,503	0	110,776
Acland Burghley School	5,224,127	5,207,913	16,214	0	111,859
The Camden School for Girls	3,725,063	3,697,542	27,520	0	152,192
Maria Fidelis Roman Catholic Convent School FCJ	4,535,276	4,539,113	(3,838)	16,362	92,029
William Ellis School	4,135,533	4,135,151	382	21,152	151,190
La Sainte Union Catholic Secondary School	5,765,992	5,708,622	57,370	0	159,476
St Luke's Church of England Primary	580,908	579,570	1,338	0	36,606
Abacus Belsize School	777,520	782,210	(4,690)	3,295	57,052
Kings Cross Academy	1,106,115	1,101,821	4,294	0	64,399
The UCL Academy	5,979,510	5,893,625	85,885	(39,312)	0
Total APT	116,181,623	115,332,954	848,668	630,001	3,360,775
Total Camden Maintained	107,737,570	106,975,729	761,841	666,019	3,202,717

Appendix 4

National Funding Formula Factors for Schools

Basic per-pupil funding:	Unit Value	Area Cost Adjustment 17-18	Total Unit Value
	£		£
Age Weighed Pupil Unit (AWPU): Primary	2,746.99	1.18172	3,246.17
Age Weighed Pupil Unit (AWPU): Secondary KS3	3,862.65	1.18172	4,564.57
Age Weighed Pupil Unit (AWPU): Secondary KS4	4,385.81	1.18172	5,182.80
Deprivation:			
Primary FSM at last census	440.00	1.18172	519.96
Secondary FSM at last census	440.00	1.18172	519.96
Primary - FSM 6	540.00	1.18172	638.13
Secondary - FSM 6	785.00	1.18172	927.65
IDACI band F: Primary	200.00	1.18172	236.34
IDACI band F: Secondary	290.00	1.18172	342.70
IDACI band E: Primary	240.00	1.18172	283.61
IDACI band E: Secondary	390.00	1.18172	460.87
IDACI band D: Primary	360.00	1.18172	425.42
IDACI band D: Secondary	515.00	1.18172	608.59
IDACI band C: Primary	390.00	1.18172	460.87
IDACI band C: Secondary	560.00	1.18172	661.76
IDACI band B: Primary	420.00	1.18172	496.32
IDACI band B: Secondary	600.00	1.18172	709.03
IDACI band A: Primary	575.00	1.18172	679.49
IDACI band A: Secondary	810.00	1.18172	957.19
Low Prior Attainment:			
Low Prior Attainment: Primary	1,022.00	1.18172	1,207.72
Low Prior Attainment: Secondary	1,550.00	1.18172	1,831.67
English as an additional language:			
English as an additional language: Primary	515.00	1.18172	608.59
English as an additional language: Secondary	1,385.00	1.18172	1,636.68
Lump Sum:			
Lump Sum: Primary	110,000.00	1.18172	129,989.20
Lump Sum: Secondary	110,000.00	1.18172	129,989.20
Premises:			
Actual P/Y			

Basic per-pupil funding:	Unit Value	Area Cost Adjustment 17-18	Total Unit Value
Factors not used by Camden			
Mobility			
Sparsity			

Appendix 5

Summary of Camden Schools National Funding Formula and comparison with 2017-2018 Actual NFF

Col 1 School	Col 2 Total 17-18 National Funding Formula	Col 3 Illustrative NFF 18-19	Col 4 Safety Net 18-19	Col 5 Safety Net as % of NFF	Col 6 Illustrative NFF 19-20	Col 7 Safety Net 19-20	Col 8 Safety Net as % of NFF
Argyle Primary School	1,906,332	1,987,754	81,422	4.27%	1,996,790	90,458	4.75%
Beckford Primary School	2,096,482	2,165,445	68,963	3.29%	2,175,367	78,885	3.76%
Brecknock Primary School	1,976,763	2,094,498	117,735	5.96%	2,104,105	127,342	6.44%
Brookfield Primary School	1,917,029	1,997,381	80,352	4.19%	2,005,453	88,424	4.61%
Carlton Primary School	1,894,549	1,951,324	56,775	3.00%	1,960,194	65,645	3.46%
Edith Neville Primary School	1,136,680	1,169,142	32,462	2.86%	1,174,227	37,547	3.30%
Fleet Primary School	1,063,256	1,099,437	36,181	3.40%	1,104,156	40,900	3.85%
Hawley Primary School	778,971	843,915	64,944	8.34%	847,434	68,463	8.79%
Netley Primary School	2,289,762	2,348,843	59,081	2.58%	2,359,558	69,796	3.05%
New End Primary School	1,840,856	1,927,457	86,601	4.70%	1,935,818	94,962	5.16%
Primrose Hill School	2,099,935	2,189,379	89,444	4.26%	2,199,450	99,515	4.74%
Rhyl Primary School	2,133,156	2,266,660	133,504	6.26%	2,277,100	143,944	6.75%
Richard Cobden Primary School	2,206,543	2,261,166	54,623	2.48%	2,271,564	65,021	2.95%
Torriano Primary School	2,097,967	2,183,118	85,151	4.06%	2,192,936	94,969	4.53%
Gospel Oak Primary School	2,087,038	2,187,819	100,781	4.83%	2,197,772	110,734	5.31%
Fitzjohn's Primary School	973,639	1,036,851	63,212	6.49%	1,041,298	67,659	6.95%
Eleanor Palmer Primary School	985,786	1,051,717	65,931	6.69%	1,056,166	70,380	7.14%
Christopher Hatton Primary School	1,101,225	1,155,146	53,921	4.90%	1,160,119	58,894	5.35%
Kingsgate Primary School	3,281,899	3,338,192	56,293	1.72%	3,353,226	71,327	2.17%
Christ Church Primary School, Hampstead	858,884	920,763	61,879	7.20%	924,697	65,813	7.66%
Christ Church School	1,061,614	1,101,761	40,147	3.78%	1,106,595	44,981	4.24%

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8
School	Total 17-18 National Funding Formula	Illustrative NFF 18-19	Safety Net 18-19	Safety Net as % of NFF	Illustrative NFF 19-20	Safety Net 19-20	Safety Net as % of NFF
Emmanuel Church of England Primary School	1,029,863	1,118,426	88,563	8.60%	1,123,227	93,364	9.07%
Hampstead Parochial Church of England Primary School	1,032,232	1,090,733	58,501	5.67%	1,095,513	63,281	6.13%
Holy Trinity CofE Primary School, NW3	978,463	1,019,858	41,395	4.23%	1,024,285	45,822	4.68%
Holy Trinity and Saint Silas CofE Primary School, NW1	1,069,254	1,099,145	29,891	2.80%	1,103,792	34,538	3.23%
Kentish Town Church of England Primary School	1,100,955	1,147,936	46,981	4.27%	1,153,001	52,046	4.73%
Rosary Roman Catholic Primary School	1,469,306	1,505,920	36,614	2.49%	1,512,920	43,614	2.97%
St Alban's Church of England Primary School	1,093,251	1,133,647	40,396	3.70%	1,138,640	45,389	4.15%
St Aloysius Roman Catholic Primary School	2,193,454	2,194,215	761	0.03%	2,194,215	761	0.03%
St Dominic's Catholic Primary School	1,355,101	1,393,890	38,789	2.86%	1,400,178	45,077	3.33%
St George the Martyr Church of England Primary School	1,067,386	1,109,402	42,016	3.94%	1,114,274	46,888	4.39%
St Josephs Primary School	1,043,615	1,085,472	41,857	4.01%	1,090,226	46,611	4.47%
St Mary's Kilburn Church of England Primary School	1,103,292	1,152,103	48,811	4.42%	1,157,189	53,897	4.89%
St Mary and St Pancras Church of England Primary School	1,122,424	1,179,699	57,275	5.10%	1,184,921	62,497	5.57%
St Michael's Church of England Primary School	1,052,939	1,089,104	36,165	3.43%	1,093,876	40,937	3.89%
St Patrick's Catholic Primary School	1,123,930	1,167,289	43,359	3.86%	1,172,449	48,519	4.32%
St Paul's Church of England Primary School	1,015,379	1,053,114	37,735	3.72%	1,057,706	42,327	4.17%
St Eugene de Mazenod Roman Catholic Primary School	1,145,368	1,186,797	41,429	3.62%	1,192,055	46,687	4.08%
Our Lady Roman Catholic Primary School	1,115,151	1,149,662	34,511	3.09%	1,154,735	39,584	3.55%
Total Primary	56,899,728	59,154,180	2,254,452	3.96%	59,407,227	2,507,499	4.41%
Haverstock School	7,383,708	7,755,673	371,965	5.04%	7,795,193	411,485	5.57%
Parliament Hill School	5,872,388	6,215,663	343,275	5.85%	6,244,825	372,437	6.34%
Regent High School	5,713,514	6,267,016	553,502	9.69%	6,295,513	581,999	10.19%
Hampstead School	7,107,221	7,312,218	204,997	2.88%	7,346,825	239,604	3.37%
Acland Burghley School	5,182,710	5,369,216	186,506	3.60%	5,394,271	211,561	4.08%

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8
School	Total 17-18 National Funding Formula	Illustrative NFF 18-19	Safety Net 18-19	Safety Net as % of NFF	Illustrative NFF 19-20	Safety Net 19-20	Safety Net as % of NFF
The Camden School for Girls	3,532,359	3,726,124	193,765	5.49%	3,744,016	211,657	5.99%
Maria Fidelis Roman Catholic Convent School FCJ	4,090,262	4,211,964	121,702	2.98%	4,231,200	140,938	3.45%
William Ellis School	3,989,445	4,189,634	200,189	5.02%	4,209,831	220,386	5.52%
La Sainte Union Catholic Secondary School	5,557,297	5,815,534	258,237	4.65%	5,843,820	286,523	5.16%
Total Secondary	48,428,903	50,863,042	2,434,139	5.03%	51,105,494	2,676,591	5.53%
Total Camden Maintained	105,328,631	110,017,222	4,688,591	4.45%	110,512,721	5,184,090	4.92%

Report Ends
