



Delegated Decisions by Cabinet Member for Public Health & Education

***Wednesday, 10 January 2018 at 10.00 am
County Hall, New Road, Oxford***

Items for Decision

The items for decision under individual Cabinet Members' delegated powers are listed overleaf, with indicative timings, and the related reports are attached. Decisions taken will become effective at the end of the working day on 18 January 2018 unless called in by that date for review by the appropriate Scrutiny Committee.

Copies of the reports are circulated (by e-mail) to all members of the County Council.

These proceedings are open to the public

A handwritten signature in black ink that reads "Peter G. Clark".

Peter G. Clark
Chief Executive

December 2017

Committee Officer: **Deborah Miller**
Tel: 07920 084239; E-mail: deborah.miller@oxfordshire.gov.uk

Note: Date of next meeting: 19 February 2018

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

Items for Decision

1. **Declarations of Interest**
2. **Questions from County Councillors**

Any county councillor may, by giving notice to the Proper Officer by 9 am two working days before the meeting, ask a question on any matter in respect of the Cabinet Member's delegated powers.

The number of questions which may be asked by any councillor at any one meeting is limited to two (or one question with notice and a supplementary question at the meeting) and the time for questions will be limited to 30 minutes in total. As with questions at Council, any questions which remain unanswered at the end of this item will receive a written response.

Questions submitted prior to the agenda being despatched are shown below and will be the subject of a response from the appropriate Cabinet Member or such other councillor or officer as is determined by the Cabinet Member, and shall not be the subject of further debate at this meeting. Questions received after the despatch of the agenda, but before the deadline, will be shown on the Schedule of Addenda circulated at the meeting, together with any written response which is available at that time.

3. **Petitions and Public Address**
4. **Formal Approval of Schools Funding Formula 2018-19** (Pages 1 - 4)

Forward Plan Ref: 2017/103

Contact: Sarah Fogden, Finance Business Partner Tel: 07557 082613

Report by Director for Children's Services (**CMDPHE4**).

The final funding formula for schools and academies for 2018-2019 needs to be formally approved politically before submission to the DfE by 19 January. Schools Forum has been consulted in development of the funding formula for 2018-19 as a statutory consultee, but the decision on the final formula is made by the local authority, after considering Schools Forum views.

The Cabinet Member for Public Health & Education is RECOMMENDED to approve the final funding formula for 2018-19.

Division(s): All

CABINET MEMBER FOR PUBLIC HEALTH & EDUCATION 10 JANUARY 2018

FORMAL APPROVAL OF SCHOOL FUNDING FORMULA 2018-19

Report by Director for Children, Education & Families

Introduction

1. The local authority is required to set the pre-16 funding formula for each financial year, for all maintained schools and academies (including free schools, studio schools and university technical colleges), after consultation with Schools Forum about any proposed changes.
2. The local authority is responsible for making the final decisions on the formula but must gain political approval before the final formula for the 2018-19 financial year is submitted to the Department for Education (DfE) on 19 January 2018.

The National Funding Formula

3. In 2017-18 the government implemented a national Early Years Funding formula and indicated that national funding formulae for the Schools, High Needs and the Central Services Schools Block (CSSB) would be implemented from 2018-19.
4. During the summer the government published details of these new formulae and how these would be implemented. In September and October further details were published about the National Funding Formula including individual school data.
5. The Government has stated that its long-term intention is that schools' budgets should be set on the basis of a single, National Funding Formula (NFF). This "hard" formula would allocate funding to all schools based on the NFF factors.
6. In order to give stability to schools, for the next two years, period 2018-20, the DfE has implemented a "soft" NFF. The "soft" formula means that the total allocated to Local Authorities is based on individual school budgets based on the NFF factors. For the financial years 2018-19 and 2019-20 local authorities may continue to use a local formula to distribute their Schools Block funding, in consultation with their schools and their Schools' Forum

The National Funding formula: Impact on Oxfordshire Schools

7. When fully implemented, the NFF is expected to target around £14m extra to Oxfordshire schools. In 2018/19 as implementation of the NFF is phased, initial estimates identify approximately £7m extra.
8. The NFF applies different values to the factors in the funding formula compared to the current Oxfordshire formula and it introduces new factors.
9. The key issue for Oxfordshire is that the basic per pupil funding in the NFF is significantly lower than the basic per pupil funding in the Oxfordshire formula. There is a movement from basic per pupil funding to the additional needs factors of Deprivation, Low Prior Attainment (LPA) and English as an Additional Language (EAL).
10. Other differences can be summarised as:
 - The NFF introduces a new minimum per pupil level of funding at £4,600 for Secondary and £3,300 for Primary for 2018-19 (£4,800 and £3,500 when fully implemented);
 - The NFF has a lower lump sum of £110,000 than the current Oxfordshire figure of £125,000;
 - The NFF has a sparsity factor which the Oxfordshire formula doesn't;
 - The NFF introduces an Area Cost Adjustment to reflect the differing costs between Local Authorities;
 - Different protection methodologies.
11. Without protection, all Oxfordshire schools would lose funding under the lower basic per pupil funding and lower lump sum; whilst some schools with higher incidence of deprivation, LPA and EAL would gain.
12. To avoid instability in funding, the NFF builds in protection in 2018-19 such that there is:
 - A minimum gain of 0.5% per pupil
 - A minimum per pupil level of funding of £4,600 per secondary pupil and £3,300 per primary pupil
 - A cap (ceiling) on any gains of 3% per pupil at individual school level
13. These protections and the increase in funding to Oxfordshire of £7m mean that the numbers published by the DfE show all Oxfordshire Schools gaining under the proposed National Funding Formula. This results in individual school budgets showing gains in a range of 0.2% to 2.9%.

Outcome of Consultation with Schools and Schools Forum

14. Consultation with schools was carried out from 3 November 2017 to 20 November 2017. The results of the consultation were discussed at the School Forum meeting on 22 November 2017.

15. Schools were consulted on whether to move to the National Funding Formula in 2018-19 or whether to move towards the new formula in steps. The Local Authority preference was to move to the National Funding Formula. As the total funding from the DSG is not confirmed until late December 2017, Schools and Forum were asked to note that it may not be possible to implement the National Funding Formula in full and that scaling back of individual factors may be required.
16. The draft Minutes from Schools Forum record the following:

*A substantial majority of responders (over 80%) were in favour of fully adopting the principles of the National Funding Formula (*NFF) from 2018-19, rather than making a step change towards the NFF over the next two years.....*

*..... Forum **agreed, and recommended** moving directly to the NFF rather than making step changes.*

*A substantial majority of responders (70%) supported the proposal for the funding factor rates used in the local funding formula to be adjusted to an 'affordable' level each year. Forum **agreed and recommended** this, with the following caveat. Forum is concerned that the LA remains uncertain about funding from DfE, even at this late stage, and this decision has to be made without confirmed information which will not be available until December. Forum agreed that further discussion will be necessary if the information received results in a negative impact on schools.*

17. As the consultation outcomes coincided with the views of the Local Authority, budgets for schools have been modelled based on implementation of the National Funding Formula from 2018-19.
18. In line with timescales in previous years, the DSG settlement was announced on 19 December. This does not leave much time to assess the impact of the funding announcement and consult with Schools Forum on the final funding formula. At the meeting of Schools Forum on 9 January 2018, Forum will be consulted on a schools funding formula that moves as far as possible to the National Funding Formula within the constraints of the funding announced on 19 December 2017. Once this proposed formula is available, a summary of the factors will be circulated as Annex A to this report.
19. The outcome of the Schools Forum meeting will be presented to this meeting on 10 January.

Financial and Staff Implications

20. The report deals with the funding formula for schools and academies for 2018-19 and there are no further financial or staffing implications discussed in

this report. Schools and academies are responsible for managing the deployment of the delegated funding they receive.

Equalities Implications

21. Where the local authority continues to have discretion in funding decisions made, priority will be given to the needs of vulnerable pupils and the Council's aims of raising attainment, narrowing the attainment gap and safeguarding children.

RECOMMENDATION

22. **The Cabinet Member for Public Health & Education is RECOMMENDED to approve the final funding formula for 2018-19.**

LUCY BUTLER

Director for Children, Education and Families

Background papers: Schools Forum paper 3 from 22 November 2017

Contact Officer: Sarah Fogden 07557 082613

December 2017