

20 September 2017

**PRIMARY AND SECONDARY FUNDING FORMULA FOR 2018-19 –
UPDATE FOLLOWING NFF ANNOUNCEMENT**

Report of the Operations Director, Education

Author:- Jonathan Burberry
Tel:- 01992 555943

1. Purpose

- 1.1 The NFF was announced shortly after the Forum papers were sent out and the purpose of this note is to consider the implication of the NFF announcement for the 2018-19 funding formula.

2. Summary

- 2.1 DfE figures showing the impact of the NFF indicate that Hertfordshire's schools block of DSG will be around £7m higher in 2018-19 than estimated in the budget paper. (Please note that the figures published by the DfE are only provisional because they are based on pupil data from the 2017-18 budget shares. The final schools block DSG for 2018-19 will be based on 2018-19 pupil numbers.) This increase would provide a significant amount of "headroom" funding – i.e. resource above what is necessary to meet regulatory requirements (such as funding new free schools and the MFG) and maintain current unit funding rates.
- 2.2 The Forum will want to consider the process and timetable for deciding how the additional resource would be allocated.
- 2.3 In Item 6, Forum is asked to support retaining the current Hertfordshire formula in 2018-19. This is because of the short time scale between now and January 2018 when Hertfordshire's funding formula for 2018-19 has to be submitted to the DfE.
- 2.4 However, Forum is asked to support an additional recommendation regarding the allocation of the headroom in the schools block of DSG.

- 2.5 The DfE has announced that the NFF includes a guaranteed increase in funding between 2017-18 and 2018-19 of at least 0.5% per pupil for all schools. However, the DfE's baseline for this guarantee is the 2017-18 budget shares excluding the element that is funded from DSG carry forward. In order to provide Hertfordshire schools with an increase of 0.5% in pupil led funding between 2017-18 and 2018-19, Forum is asked to agree the following recommendation additional to those in item 6.

3. Recommendations

- 3.1 The Forum is asked to support the following approach in allocating the headroom from the schools block of DSG:
- Guaranteeing an increase of 0.5% in the unit funding rates of all primary and secondary pupil led funding factors (i.e. AWPU plus additional needs factors) as compared with the 2017-18 budget shares (including the element funded by carry forward),
 - That the Forum should consider at its November meeting how the remaining balance of the additional resource should be allocated.