



**CABINET**

**6 SEPTEMBER 2016**

**CORPORATE DIRECTOR OF CHILDREN, FAMILIES AND EDUCATION:  
LESLEY HAGGER**

**CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE PERFORMANCE AND  
LGSS: COUNCILLOR ROBIN BROWN**

**CABINET MEMBER WITH RESPONSIBILITY FOR CHILDREN'S SERVICES AND  
EDUCATION: COUNCILLOR MATT GOLBY**

<b>Subject:</b>	School Funding Arrangements for 2017/18
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. To delegate authority to the Corporate Director for Children, Families and Education in consultation with the Cabinet Member for children's services, and the S151 Officer following consultation with the Schools Forum to determine:<ol style="list-style-type: none"><li>a) The 2017/18 school funding formula for Northamptonshire to enable the required submission to the Education Funding Agency in January 2017;</li><li>b) Northamptonshire's funding arrangements for 2017/18 for pupils with high needs in line with Department for Education guidance; and</li><li>c) Northamptonshire's funding arrangements for 2017/18 for the early years single funding formulae in line with Department for Education guidance.</li></ol></li><li>2. For Cabinet to note the work being undertaken in conjunction with Schools Forum and schools to:<ol style="list-style-type: none"><li>a) Consult with Primary and Secondary schools from September 2016 on options including introducing into the Northamptonshire schools formula in 2017/18 three additional factors - English as an Additional Language (EAL) , Prior Attainment and Sparsity that are allowed factors in the formula as per the DfE and used in the majority of other local authorities; and</li><li>b) Identify actions that can be taken in 2016/17 and 2017/18 to resolve the base overspend on DSG high needs compared to the allocated funding. This overspend was £2.1 million in 2015/16.</li></ol></li><li>3. Cabinet to note the latest position with the Government's</li></ol>

	announcements on the National Funding Formula for the DSG funding blocks, Schools, Early Years and High Needs and the potential implications on Northamptonshire schools and academies.
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**1. Purpose of Report**

- 1.1 The report provides an update to Cabinet on the Department for Education (DfE) Funding arrangements for the 2017/18 financial year.
- 1.2 Ultimately the purpose of the report is to seek delegated authority for the Corporate Director for Children, Families and Education in consultation with the Cabinet Member for children’s services, and supported by the S151 Officer to approve the 2017/18 final arrangements in respect of the school funding formula, the funding arrangements for pupils with high needs and the early years single funding formulae (EYSFF).
- 1.3 A glossary of terms appears at paragraph 10 of this report

**2. How this decision contributes to the Council Plan**

- 2.1 The Council’s vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county’s communities and/or safeguarding the county’s communities.

This initiative specifically delivers increased wellbeing and/or safeguarding by:
<ul style="list-style-type: none"> <li>• Contributing to creating safer communities</li> <li>• Contributing to creating prosperous communities</li> <li>• Provision of the personalisation agenda</li> </ul>
And Through:
<ul style="list-style-type: none"> <li>• Intelligence Led Services</li> <li>• Ambitious Partnerships</li> <li>• Commissioning and Market Developments</li> <li>• Self-Financing</li> </ul>

**3. The 2017/18 Funding Arrangements**

- 3.1 From 1<sup>st</sup> April 2013 the DfE implemented its reformed school funding arrangements with the intended focus being on ensuring the system is fairer, simpler, more consistent and transparent. As part of this it created 3 DSG funding blocks - Schools, Early Years and High Needs. In recent months the DfE have been consulting on changes to the school funding arrangements. These changes are outlined in this section.

**National Funding Formula 2017/18**

- 3.2 In March 2016 the DfE started a 6 week consultation on moving to a national funding formula for the DSG Schools and High needs funding blocks from April 2017.

- 3.3 As the current DSG funding from the DfE predominantly reflects historical spending patterns meaning Northamptonshire is a low funded authority, the consultation and commitment by the DfE to move to a national schools funding formula was welcomed. The consultation is a two stage consultation, Stage 1 consulting on the high level principles of a national funding formula with Stage 2 intended to consult on more detailed technical proposals.
- 3.4 Briefings for schools on the DfE proposals were held in Kettering and Northampton in April prior to the deadline for submissions to Stage 1 of the consultation. These briefings also encouraged as many of Northamptonshire schools as possible to engage in the consultation and submit their own responses to the DfE. Between 150 and 200 headteachers, school business managers and governors attended the two consultation briefing meetings.
- 3.5 The consultation responses have been collated by the DfE and the outcome from Stage 1 will be published in the autumn.
- 3.6 For various reasons including the volume of responses and recent changes within central government, the DfE announced at the end of July 2016 that:
- a) The national funding formula would be delayed to 2018/19;
  - b) The Government's full response to the schools and high needs 1st stage consultations and the Stage 2 proposals would be published when Parliament returns in the Autumn;
  - c) The DSG blocks for 2017/18 have been reset by the EFA to reflect the baselining returns from Local Authorities i.e. the blocks reflect what Northamptonshire budgeted on each (excluding DSG carry forwards) for 2016/17;
  - d) The EFA proposed in the first stage of the consultation to only fund local authorities' historic commitments in 2017 to 2018 where there was evidence the commitment was entered into before 2013 and there was strong evidence of an ongoing commitment. The EFA are reviewing responses and will be feeding back to local authorities in due course. The DfE have announced they will not be reducing local authorities schools block funding for 2017 to 2018 as a result of this exercise, but will expect authorities to use funding in 2017 to 2018 in accordance with the regulations. Funding no longer required for historic commitments should be allocated to other aspects of the DSG;
  - e) The Northamptonshire DSG High Needs block has been increased by £1.48 million for the transfer of funding from the national post 16 budget. It is currently assumed this increased funding will be recouped by the DfE so probable net nil financial impact on Northamptonshire in the short term;
  - f) The EFA are consulting on changing the responsibility for funding new free schools in their first year of operation. Currently this is funded by the EFA but the proposal is that the costs would fall onto the DSG from the date of opening. This would be without any additional DSG funding and would therefore put pressure onto the schools block. The consultation deadline is 21st September;

- g) Regarding the High Needs block 2017/18 the EFA have stated this will reflect pupil numbers in the October census. As we have growing pupil numbers this should give us additional funding to reflect the increasing numbers/pressures in this area;
- h) In 2017/18 there will not be a new DSG central schools block, or local flexibility on the Minimum Funding Guarantee (MFG) or ring-fencing on the schools block;
- i) Final allocations for the Schools and High Needs blocks for 2017/18 will be announced in December; and
- j) Individual schools formula calculations and budgets should be submitted to the EFA, taking account of October 2016 data, by no later than 20th January 2017.

3.7 Officers are currently assessing the impact of the announcements made to date although further Government announcements are expected in the autumn.

### **Education Services Grant (ESG)**

3.8 The Local Authority currently receives ESG grant for retained duties (£15 for all pupils in the county) plus £77 per pupil for general ESG funding for each pupil in maintained schools. The latest estimate is £4.4 million ESG income in 2016/17.

3.9 The DSG Schools block has been increased for 2017/18 by £1.67 million to reflect the movement of retained duties ESG funding into the DSG

3.10 In the 2015 Spending Review, the Government announced a saving of £600m from the ESG general funding rate by 2019/20. In July 2016 the Government announced Local authorities will receive transitional ESG funding from April 2017 to August 2017. The general funding rate will then be removed from September 2017. Further announcements on the transitional protection in respect of the general funding rate will be made by the DfE later in the year.

3.11 As proposed by the Government in Stage 1 of the national funding formula consultation, national regulations will be amended to allow local authorities to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG. Further detail of the split of former ESG duties to be included under this arrangement will be included in the DfE's forthcoming consultation on changes to the School and Early Years Finance Regulations.

3.12 The amount to be retained by the local authority will need to be agreed by the maintained schools members of the schools forum.

3.13 The Authority's Medium Term Financial Plan (MTFP) included assumptions in respect of the reducing ESG funding. These figures will be revised when there is greater clarity on the financial impact of the changes. Initial indications are that the impact of the change is greater than was previously estimated, impacting on the MTFP as the anticipated funding is less than was estimated prior to the July 2016 announcements.

### **Northamptonshire Primary and Secondary School Funding Formula**

3.14 It should be noted that the schools funding formula applies to all maintained and academy Primary and Secondary schools in Northamptonshire. The difference is that maintained schools receive their main schools funding through the Local Authority (funded from the DSG funding) for the April to March period and academies via the Education Funding Agency (EFA) for the September to August period.

3.15 The national schools formula contained three factors not currently used in the Northamptonshire funding formula. The local authority has consulted and discussed the impact of these with the schools forum in the context of the national funding formula proposals. Those factors not used in the Northamptonshire formula but which are likely to feature in a national funding formula were considered for inclusion in the Northants schools funding formula in 2017/18. These are:

- English as an Additional Language (EAL);
- Prior Attainment; and
- Sparsity.

3.16 These three factors are optional in the current formula arrangements and previous discussions with the schools forum concluded that they would not be used in the Northamptonshire formula. However it should be noted that these factors are used by the majority of other local authorities.

3.17 The proposed change, if applied in full in year one, could mean that £29 million would be distributed to schools on different formula factors to those currently used. This redistribution, creating winners and losers, would take place because funding would probably need to be removed from the existing Age Weighted Pupil Unit (AWPU), Deprivation or lump sum funding to fund the new formula factors. Schools that would lose through any change are protected through the national Minimum Funding Guarantee (MFG) arrangements that do not allow any school to lose more than minus 1.5% average per pupil funding between each year.

3.18 It was agreed with Schools Forum that it would be pragmatic to consult with Northamptonshire schools regarding whether these factors should be introduced into the local schools funding formula in 2017/18 as a transition to the national funding formula. Schools will be consulted on this potential change to their funding in September 2016. The responses will then be collated and discussed with Schools Forum on the 4<sup>th</sup> October prior to the Local Authority decision being taken on the formula factors to be used in 2017/18.

### **Early years**

3.19 The initial Government consultation on the national funding formula in March 2016 did not include specific DSG early years block proposals. It stated these were to be

published and consulted on subsequently. The Government did state there was an intention to move to a national funding formula for this block from April 2017, that average funding would be increased and that additional early years DSG revenue funding would be made available for the move to 30 hours entitlement for funded early year's education for working parents from September 2017.

- 3.20 On the 11<sup>th</sup> August the Government launched a consultation, with responses required by 22<sup>nd</sup> September, on "An early years national funding formula". The implications of this are currently being assessed but the change is proposed to be introduced from April 2017.

<https://consult.education.gov.uk/early-years-funding/eynff>

- 3.21 The Local Authority will model the implications and consult with providers and schools forum on the EYSFF for 2, 3 and 4 year olds for 2017/18 prior to the Local Authority decision on the formula factors and funding rates to be used in 2017/18.
- 3.22 The move to 30 hours has a significant impact in terms of sufficiency of provision in the County. The Government are making additional capital resources available to support the expansion of early year's provision required to meet the increased demand from moving to 30 hours. The Local Authority responded to an initial request from the Government to state we would be interested in bidding for this funding. Subsequently the Local Authority was 'approved' by the DfE to bid for up to 6 major early years capital projects. The deadline for submissions of these capital bids to the DfE by 31<sup>st</sup> August created challenges for the local authority and early year's providers but bids will be submitted. The DfE have stated the results from this bidding exercise will be announced in December 2016.

## High Needs

- 3.23 The March 2016 Government consultation included proposals on the DSG High Needs block being calculated on a revised basis.
- 3.24 The DSG funding for this block is currently predominantly historical i.e. based on previous spend. The proposals were for additional data factors to also be used but that the majority of each local authority's high needs funding would continue to be based on historical funding. See Appendix A for details on the proposed change. This also would be controversial as any change could create winners and losers between authorities in funding terms.
- 3.25 As reported in the schools outturn report to Cabinet in May 2016 the DSG High Needs block overspent by £2.1 million in 2015/16. This was offset by underspends in the other 2 blocks (Schools and Early Years) in the year. However these underspends were largely one off and therefore not continuing in 2016/17 and subsequent years. Although in 2016/17 high needs pressures of £2 million have been supported by one-off DSG carry forward funding the High Needs block is still projected to overspend in 2016/17.
- 3.26 This means that in 2017/18 either additional funding and/or savings of at least £4 million are required just to fund existing high needs commitments. However high needs pressures for Alternative Provision, mainstream high needs, early years high

needs panel and out county provision have been increasing so the 'gap' may be greater.

- 3.27 Since May 2016 Officers have expanded their review of high needs areas and work with schools and Schools Forum to identify actions that can be taken to reduce costs. One example of this is working with special schools on actions that could be taken to reduce out county numbers and keep more pupils in Northants maintained or academy provision.
- 3.28 In overall terms a £4 million gap on a high needs budget of £63 million would require 6.3% savings. This could impact on high needs top up rates paid to schools and other providers which would create challenges for both providers and the Local Authority placing of these pupils.
- 3.29 Part of the review will include looking at what is currently delivered in terms of statutory and non statutory services. Potentially this could impact on work on early intervention etc.
- 3.30 Part of the issue in common with other areas of the county council funding is that DSG high needs funding is not matching the rate of growth in Northamptonshire of numbers and high needs at a time of greater expectations from both the local authority, schools, OFSTED, the Government, pupils and parents.
- 3.31 Examples of the growth taking place in high needs provision is demonstrated by the planned opening of a new special school in the county at a rate of one per year. Daventry Hill School opened in September 2016, and there are planned opening dates for Purple Oaks (Northampton) September 2017 and Corby SEN free school September 2018.

#### **4. Consultation and Scrutiny**

- 4.1 The Government are consulting on the DSG National Funding Formula. The local authority and schools have responded to the first stage of this consultation. Further announcements are awaited in addition to the announcement that the schools and high needs National Funding Formula introduction would be delayed to 2018/19.
- 4.2 Officers have discussed the changes to the school funding arrangements with the Schools Forum. Feedback from these meetings has helped shape the Council's proposals.
- 4.3 The Local Authority are consulting with Primary and Secondary schools and academies on the possible funding changes outlined above during September before finalising the arrangements for 2017/18. The schools funding formula components are shown in Appendix B.
- 4.4 Further discussions with the Schools Forum will take place at the 4th October 2016 meeting in respect of the school funding formula approach for Northamptonshire. Consultation with the Schools Forum is a requirement of the School Finance and Early Years Regulations. The Schools Forum is required to vote on the schools funding formula proposals although the final decision is the local authority's.

- 4.5 Early Years providers will be consulted with on the EYSFF proposals for 2017/18 prior to bringing proposals to Schools Forum. The final decision on the EYSFF is the local authority's decision.
- 4.6 Schools Forum, the sector and any staff impacted on will be consulted with on proposed actions and savings to be made to bring the DSG high needs area back into balance.

## **5. Equality Screening**

- 5.1 The proposed schools funding formula changes could lead to a redistribution of funding between individual Primary and Secondary schools.
- 5.2 Schools will be protected by the national Minimum Funding Guarantee (MFG) which does not allow a schools average per pupil funding to reduce by more than -1.5% per annum. The DfE have deemed that with this protection funding reductions are not destabilising to a schools operations.
- 5.3 An Equality Impact Assessment is being produced as part of the consultation with schools. This will be included with the consultation for Northamptonshire primary and secondary schools in September 2016.

## **6. Alternative Options Considered**

- 6.1 Alternative options in implementing the proposed Primary and Secondary schools funding formula changes for 2017/18 were considered at the Schools Forum meetings. The options discussed are contained within the Schools Forum reports provided in Section 9.

## **7. Financial Implications**

- 7.1 The financial implications have been discussed with Schools Forum and this will continue at the meeting on the 4<sup>th</sup> October with the Schools Forum voting on the proposals for 2017/18.
- 7.2 In summary the key points to note in respect of the 2017/18 funding arrangements are that:
- a) The DSG will continue to be a ring-fenced grant. In 2016/17 the three blocks within the DSG are not ring-fenced so as to allow transfers between blocks if required. This will also be the case in 2017/18;
  - b) The minimum funding guarantee (MFG), a form of protecting individual school funding, is being continued within the arrangements for 2017/18. The MFG protects schools so that they lose no more than minus 1.5% per pupil compared to the previous year;
  - c) The September 2016 Northamptonshire consultation proposals will result in a redistribution of funding between schools if and where the changes are implemented in the 2017/18 financial year. The consultation materials clearly identify the likely financial impact of the different consultation areas on individual schools; and

- d) In respect of those schools continuing to gain under the reformed schools funding formula the Council may need to apply a cap to limit the gains in order to make the proposals affordable.
- 7.3 The DSG High Needs block is overspending and the report above highlights the need to take action including making savings to bring this area back into balance. Specific proposals have not been identified at this stage.
- 7.4 The Local Authority estimates to receive in 2016/17 £4.4 million through the Education Services Grant (ESG). The DfE have announced that the retained duties element of this grant (£1.67 million) will be included in the DSG schools block baseline for 2017/18. They have also announced that the general element of the ESG (£77 per pupil) will cease in April 2017 but a level of protection will be allocated to authorities for this to August 2017. We await further announcements on this including which services should be funded through the ongoing funding. These activities and funding levels will need to be approved by schools forum.

## **8. Risk and Business Continuity Management**

- 8.1 The school funding reforms introduced by the DfE in 2013/14 represented a significant change in funding and responsibilities for schools. Some schools may find it more difficult to adjust to the revised arrangements therefore requiring more support from the Authority when central DSG budgets are being constrained. Similarly the reforms do provide the opportunity for schools to take more control over the provision of education to their pupils.
- 8.2 Whilst there is no change to the level of protection in school budgets for 2017/18 there is a risk that the DfE could seek to reduce the level of protection in future years. This would create financial challenges for some schools.
- 8.3 The move to a national funding formula will mean further changes and uncertainty for both schools, early year's providers and the Local Authority. The proposal to introduce 3 formula factors that are in the proposed National Funding Formula into the Northants local schools funding formula from April 2017 will help to transition Northamptonshire schools towards the funding changes that will take place with the National Funding Formula determining each schools funding.
- 8.4 The change of ESG funding creates additional risks for the Local Authority in terms of uncertainty of overall Local Authority funding levels. In addition it creates risks and uncertainty for the activities that the ESG funding currently contributes to, particularly as a number of activities are currently statutory local authority responsibilities.
- 8.5 The EFA's review of Northamptonshire's, and other local authorities, Schools Block central expenditure has not impacted on the 2017/18 DSG funding. However the EFA are still to feed back on the results of their reviews. There is risk that this may lead to less funding being able to be retained for key local authority functions that are currently funded through the DSG.
- 8.6 Delays in announcements on the DSG arrangements for 2017/18 and National Funding Formula are making forward planning more difficult.

## 9. List of Appendices and additional information

Appendix A – The National Funding Formula High Needs block proposals

Appendix B – Summary of School Funding arrangements for 2017/18

a) Link to the DfE School Funding arrangements for 2017/18

<https://www.gov.uk/government/publications/schools-funding-arrangements-2017-to-2018>

b) Schools Forum papers on the proposed Primary and Secondary schools formula changes

[Schools Funding formula 2017-18 proposals for consultation](#)

## 10. Glossary

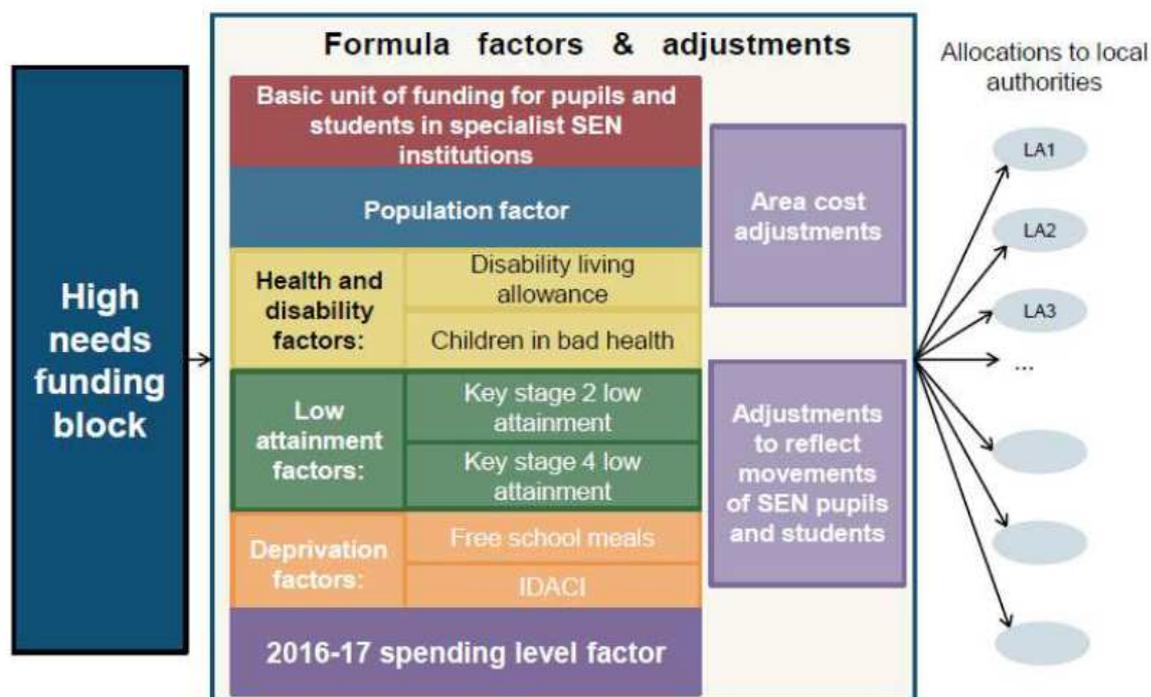
Description	Acronym
Age Weighted Pupil Unit	AWPU
Department for Education	DfE
Dedicated Schools Grant	DSG
Early Years Single Funding Formula	EYSFF
Education Funding Agency	EFA
Education Services Grant	ESG
English as an Additional Language	EAL
Minimum Funding Guarantee	MFG
Private Finance Initiative	PFI

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Background Papers:	
Does the report propose a key decision is taken?	NO
If yes, is the decision in the Forward Plan?	n/a
Will further decisions be required? If so, please outline the timetable here	NO
Does the report include delegated decisions? If so, please outline the timetable here	If delegated authority is approved by Cabinet the timetable for delegated decisions would be :  Schools formula –January 2017 Early years and high needs blocks – March 2017
Is this report proposing an amendment to the budget and/or policy framework?	NO

Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)?	YES Name of SFM: Jon Lee  n/a
Has the report been cleared by the relevant Director?	YES Name of Director: Lesley Hagger
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Matthew Golby YES Cabinet Member: Robin Brown
Has the relevant scrutiny committee been consulted?	NO
Has the report been cleared by Legal Services?	YES Name of solicitor: Laurie Gould  Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Joni Ager
Have any property issues been cleared by Property and Asset Management?	YES Name of officer: James Wheeler YES Name of officer Roger Moore
Are there any community safety implications?	NO
Are there any environmental implications:	NO
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	ALL



# Proposed Design of High Needs





<b>Schools Block / Schools Funding Formula</b>	
1	<p>Authorities must ensure that at least 80% of delegated funding is distributed by pupil-led factors – the Council currently allocates 89% and is therefore compliant with this requirement.</p>
2	<p>Age Weighted Pupil Unit (AWPU) values must be at least £2,000 for primary and £3,000 for Key Stage 3 and Key Stage 4. The AWPU is the amount of funding that is attached to all pupils in allocating funding through the basic per pupil entitlement of the funding formula, which is one of the mandatory school formula factors.</p> <p>The Council is compliant with this requirement as its AWPU values already exceed those required.</p> <p><b>The Northants consultation proposal is that the funding for this factor could be reduced to fund the possible new factors.</b></p>
3	<p>The deprivation formula factors available are free school meals and/or the Income Deprivation Affecting Children Index (IDACI).</p> <p>Free meals can be measured either at the previous October census or “ever 6” - which reflects pupils entitled to free meals at any time in the last 6 years – but not both.</p> <p>Deprivation is a mandatory school formula factor.</p> <p>The Council uses the FSMEver6 factor in its formula.</p> <p><b>The Northants consultation proposal is that the funding for this factor could be reduced to fund the possible new factors.</b></p>
4	<p>The Early Years Foundation Stage Profile continues as the main indicator for prior attainment for primary aged pupils. For secondary aged pupils the definition is those pupils failing to achieve a level 4 or higher in English or Maths.</p> <p>The Council does not use this factor in its funding formula in 2016/17</p> <p><b>The Council is consulting with schools in September 2016 regarding if this factor should be introduced into the Northamptonshire schools funding formula from April 2017.</b></p>
5	<p>The looked after children factor is based on a single one day or more measure for a child being in care.</p> <p>The Council does <b>not</b> use this factor in its funding formula.</p>
6	<p>English as an Additional Language (EAL) pupils may attract funding for up to 3 years after they enter the statutory school system.</p>

	<b>Schools Block / Schools Funding Formula</b>
	<p>The Council does not use this factor in its funding formula in 2016/17.</p> <p><b>The Council is consulting with schools in September 2016 regarding if this factor should be introduced into the Northants schools funding formula from April 2017.</b></p>
7	<p>The pupil mobility factor may only be applied when the number of mobile pupils exceeds 10%.</p> <p>The Council does <b>not</b> use this factor in its funding formula.</p>
8	<p>An optional sparsity factor is available which aims to support small schools in rural areas.</p> <p>The Council does not use this factor in its funding formula in 2016/17.</p> <p><b>The Council is consulting with schools in September 2016 regarding if this factor should be introduced into the Northants schools funding formula from April 2017.</b></p>
9	<p>Local authorities may have different lump sums for primary and secondary schools up to a maximum of £175,000.</p> <p>The Council set the base lump sum in its formula for 2016/17 at £125,000 for both primary and secondary schools.</p> <p><b>The Northants consultation proposal is that the funding for this factor could be reduced to fund the possible new sparsity factor.</b></p>
10	<p>The purpose of the split site factor is to support schools which have unavoidable extra costs because the school buildings are on separate sites.</p> <p>The Council uses a split site factor in its formula.</p>
11	<p>Although School rates factor is an optional formula factor it was used by all authorities in 2016/17.</p>
12	<p>The Private Finance Initiative (PFI) factor is to support schools which have unavoidable extra premises costs because they are a PFI school.</p> <p>The Council uses a PFI factor in its formula.</p>

	<b>Schools Block / Schools Funding Formula</b>
13	<p>The exceptional premises factor must relate to premises costs. Applications can be made to the Secretary of State but should only be submitted where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the authority's area.</p> <p>The Council does <b>not</b> use this factor in its funding formula.</p>
14	<p>Where two schools amalgamate the new school will receive 85% of the two lump sums for the next financial year following the year in which they merge. This is a requirement of the DfE arrangements and is being implemented by the Council.</p>

