

Report to School Forum 28th of June 2012

Changes to school funding for April 2013 and beyond

Introduction

The DFE have issued instructions to all local authorities to change their formula for distributing money from the the DSG to primary, secondary, special schools and PRUs. These instructions signify a very significant change as all local authorities will have to simplify their formula using a much smaller number of factors in their formulas to distribute money.

The changes required by the DFE are a very considerable amount of work and will involve extensive changes to our current formula. (see appendix 1 for current formula factors)To support the modelling for April 2013 and inform and facilitate this process a formula and review (FAR) group was formed with representatives from a range of primary and secondary schools. A separate group for special schools was formed, special formula and review group (SFAR). The discussion and advice of these groups has been invaluable and the Local Authority would like to record its thanks for all the headteachers, school business managers and governors who have given their time to be part of these working groups.

Any formula changes, particularly ones as significant as these will produce significant changes in formula allocations to schools. In short it will produce winners and losers. To provide a safety net for schools which have a reduction in allocation the Minimum Funding Guarantee (MFG) has been set at minus 1.5% for April 2013. Conversely in order to keep the changes within the overall DSG allocation there will also have to be ceilings on the amount of funding that schools have as increases as a result of the formula changes.

The full consultation document can be read at :

<http://media.education.gov.uk/assets/files/pdf/s/school%20funding%20reform%20-%20next%20steps%20towards%20a%20fairer%20system.pdf>

Primary and secondary schools

The formula for distributing funding to primary and secondary schools will be simplified to only using 10 factors.

The factors which will continue to be allowed, and which will be included in the regulations are as follows:

- a) A basic per-pupil entitlement – which allows a single unit for primary aged pupils and either a single unit for secondary pupils or a single unit for each of key stage 3 and key stage 4;
- b) Deprivation measured only by Free School Meals eligibility and/or Income Deprivation Affection Children Index(IDACI);
- c) Looked after children;
- d) Low cost, high incidence SEN;
- e) English as an additional language for 3 years only after the pupil enters the school

- system;
- f) A lump sum of limited size;
 - g) Split sites;
 - h) Rates;
 - i) Private finance initiative (PFI) contracts; and,
 - j) For the 5 local authorities¹ who have some but not all of their schools within the London fringe area, we will allow flexibility to reflect the higher teacher cost in these schools.

See appendix 2 for revised formula factors.

The practical effect of reducing to these 10 factors is that the very large majority of funding will be distributed to schools on one of four factors

1. Age weighted pupil unit
2. Eligibility for free school meals
3. Income Deprivation Affecting Children Index
4. Prior attainment as measured by the Early Years Foundation Stage Profile and Key Stage 2 test results

See appendix 3 for how present factors might be distributed across new factors.

Statemented pupils funding April 2013 onwards

There is a significantly different way of allocating funding to support statemented pupils. From April 2013 the majority funding that is currently used to support individual statemented pupils will be distributed by formula to schools using a combination of the four factors above. This is to give schools the majority of funding equal to £10,000 to enable them to supporting statemented pupils via formula funding. The £10,000 is made up of an indicative £4000 AWPU and £6000 via formula allocations. This means that specific funding to statemented pupils from the high needs block within the DSG will only be for allocations above £6,000.

Schools with enhanced provision to provide additional resource for children with specific special educational needs will be allocated a specific sum for each pupil attending the enhanced provision.

Special schools

Changes to special school funding are even more fundamental. Special schools are currently funded on a mixture of place led funding which is linked to specific children's needs according to their SEN and school led funding according to the size and specific factors of an individual special school. From April 2013 this will change to a flat rate of £10,000 per pupil plus a specific top up according to the child's individual special educational needs and the special school they attend .

The PRU

The PRU will be funded on the same methodology as special schools with a flat rate of £8,000 per pupil plus a institution/pupil specific top up.

Early Years

There is a section in the DfE guidance on reviewing the early years single funding formula (EYSFF). The Torbay EYSFF is compliant with suggested changes but an early years group will be set up in early September to review the operation of the Torbay DYS FF alongside DfE guidance.

Next Steps

Over the summer further detailed modelling will be completed and when the final guidance on the MFG calculations is received this will be included with the modelling. A further FAR group meeting is scheduled for September 13th and then the complete changes for primary, secondary and special schools as well as enhanced provision and the PRU will have been modelled. There will then be an all schools and stakeholder consultation in late September and October. This will inform formula changes that need to be implemented for April 2013.

Recommendation

The recommendation is that Schools Forum schedule an additional meeting in late September to discuss the Formula changes consultation document.