

Schools Forum 17 May 2012

Schools Funding Reforms 2013/14 – Key Changes and Project Management

This report is relevant to both maintained and academy schools

Recommendation

The School Forum is recommended to:

1. Agree in principle to no movement of funding in the modeling of the impact of schools funding reforms between the nursery, primary, secondary and special schools sectors.
2. Comment on:
 - a. The project management approach being taken in this schools funding review and the progress of work to date .
 - b. Issues and implications identified within the report and offer any thoughts where additional analysis or scrutiny may be required.
 - c. the key milestones noted in the report.
3. An additional meeting being held on September 27th to receive an update on consultation and modeling of funding options.

1.0 Introduction

1.1 In March 2012, the Secretary of State for Education issued his latest consultation on funding for schools. While “School Funding Reform: Next steps towards a fairer system” is included under the consultation section of the Department for Education (DfE) website, the actual scope for feedback is quite limited. In fact, the document mainly details what steps should be taken, by Local Authorities, over the next year to have a revised schools funding formula ready for April 2013 and to support the DfE in the future implementation of the national Funding Formula.

1.2 Following the review of the local schools funding formula last year, Warwickshire has a much simpler and more transparent formula and the changes made have moved the authority along the direction of that required by the DfE. However, there is now a need to undertake a further review to make further changes to comply with the new guidance.

2.0 Key Issues

2.1 With the development of these latest funding reforms, it should be noted that there is no extra Dedicated Schools Grant (DSG) in Warwickshire; the reforms concentrate on how school funding will be allocated a) to local authorities and b) to schools and there are no plans at this stage to review the formula on which funding levels to Local Authorities are derived.

2.2 In addition, whilst this latest DfE document does not prescribe a range of funding ratios between the primary and secondary sector, it does refer to the potential for these to be introduced in 2014/15 and again mentions the national average rate of 1:1.27. Currently Warwickshire's funding ratio is 1:1.25 and, as such, it is recommended that as part of this review there is no movement of funding between the nursery, primary, secondary and special schools sectors.

2.3 The main changes, and implications, that are included in this new review, for implementation in April 2013, are as follows:

- A single primary core funding per pupil (AWPU) – currently Warwickshire has different AWPU levels for KS1 and KS2, a position found in many other local authorities. KS1 pupils have historically received more funding per pupil so this change is likely to cause funding turbulence for schools with KS1 pupils.
- Possibly a single secondary core funding per pupil (AWPU) – currently Warwickshire has different AWPU rates for KS3 and KS4. This is subject to the consultation as included elsewhere on this agenda.
- Funding allocated on the size of buildings is no longer allowed – Warwickshire currently allocates around £11m on the size and age of buildings. Under new rules, a premises factor will no longer be allowed, and allocating on AWPU basis seems logical at this early stage. .
- There needs to be a single lump sum allocated to all schools, regardless of sector – currently in Warwickshire, primary schools receive £95,000 and secondary receive £150,000. Financial modeling will be required to see the impact of equalising these lump sums. If we are to move in line with the principle of “more money following the pupil”, it is unlikely that we would want to increase the lump sum in a primary school. On the other hand, small secondary schools will be affected by a reduced lump sum rate.
- We need to use a Free School Meal (FSM) Ever 6 Years to allocate out deprivation funding – currently we use FSM ever 3 years. Work on this area last year showed that a move to a FSM Ever 6 Years should not have significant implications on individual school funding.
- One rate of funding per Looked After Child (LAC) – currently we have a primary rate and a secondary rate, the same as that of FSM pupils. This will need to be equal across the sectors but, as the number of LAC is relatively small, this should not be a significant funding issue for schools.
- English as an Additional Language included as a funding factor – Warwickshire does not currently have this as a heading in the schools formula but do have an Ethnic Minority Achievement funding mechanism, which we can no longer use. We will work with head teachers and governors to understand how much funding is needed here
- Change to the way Special Educational Needs (SEN) funding is allocated to mainstream schools – currently funding is based on the support hours required

to meet a child with SEN but the DfE is requiring local authorities to move towards using prior attainment data to allocate this funding to schools as there is often a link between low attainment and SEN. For Primary schools this relates to children who score less than 78 under the existing Early Years Foundation Stage Profile (EYFSP) across all areas of learning and development. For Secondary pupils Key Stage 2 data will be used and the threshold for funding will be any child achieving Level 3 or below in both English and Maths.

- Special Schools are to be funded purely on individual pupil needs – this will require a significant amount of work with the SEN teams and Special School Head Teachers to develop a new funding matrix that best provides funding to meet individual pupil needs.
- The Minimum Funding Guarantee is remaining at minus 1.5% - this protects schools from losing more than 1.5% funding per pupil on a year by year basis. Any other requests for transition arrangement would be subject to an exemption being agreed by the DfE.
- The October census will be used for pupil numbers to derive funding levels – historically this has been the January census. The date will be brought forward to the first week in October and will allow budgets to be issued to schools and academies by the end of January.
- There is a requirement to delegate a greater level of funds to schools - currently the Local Authority can retain funds centrally, such as contingencies. Schools, from within sectors, will need to vote on whether this remains the practice from April 2013 onwards or whether schools have all of this funding delegated within their core schools funding. The table below indicates the central budgets concerned and their values.

	Amount Section 251 2012/13 £
1.1.2 Contingencies	924,741
1.3.2 Behaviour Support Services	42,049
1.3.4 14-16 More practical learning options	378,662
1.4.1 Support to underperforming ethnic minority groups and bilingual learners	562,442
1.5.2 Free school meals eligibility	56,892
1.6.5 Miscellaneous (not more than 0.1% total of net SB)	7,554
1.6.7 Staff costs supply cover (including long term sickness)	225,492
	2,197,832

Views on the delegation or de-delegation of funding will form part of the initial consultation with schools in June.

2.4 The overall intention is that all local authorities will now be required to complete a consistent pro forma, which will detail each school budget, and submit this to the Education Funding Agency (EFA) by the end of October. This will be validated and can be amended up until the middle of January when funding should all have been

finalised. These budgets will then be issued to all schools and academies detailing funding relating to April 2013 for maintained schools and September 2013 for academies.

2.5 As in last years review, the impact of each of these changes on the geographical areas across the county will also be monitored and reported.

3.0 Project Management Approach

3.1 Following on from the work carried out last year to review the schools funding formula in Warwickshire, the Project Teams and Project Board have been re-convened and both will have met before this Forum to discuss the main changes and the way in which the implementation of these changes will be managed.

3.2 The Project Team is made up of the following:

Project Manager	Sara Haslam
Infant School	Stella Saje
Primary School	Cathy Clarke
Junior School	Andy Wardle
Academy and Governor	Diana Turner
Special School	Judith Humphries

There is currently a vacancy for a maintained secondary school.

3.3 The Project Board is made up of the following:

Executive	Councillor Heather Timms
Peoples Group (Schools)	Mark Gore
Resources Group	Simon Smith
Governors	Chris Smart
Maintained Schools	Peter Kent
Academy Schools	Iain Blaikie

3.4 At its last meeting, the Board considered the core project documentation and the timetable.

3.5 The key milestones of the project are as follows:

April	Communicate with all schools and academy head teachers and governing bodies regarding the reforms and the possible implications
May	Receive datasets and draft pro forma from the DfE to start modeling the formula changes
June	Consult and or communicate with schools and academies on the initial modeling and the expectations regarding delegation of central budgets
July	Receive back initial consultation responses from all schools and academies. Continue to model changes.

- September** Consult and or communicate with schools and academies on the final modeling. A Schools Forum meeting to understand the overall progress of the review
- October** Schools Forum to recommend revised changes to the Warwickshire local schools funding formula. Submission of the Pro Forma including all schools budgets to the EFA
- December** Report on the recommendations of the Schools Forum to the Cabinet. The Local Authority to receive its Dedicated Schools Grant funding figure from the EFA.
- January** Final amendments to the funding Pro Forma and distribution of budgets to all schools and academies.

3.6 Each month, a progress report will be issued to the Schools Forum members and key Learning and Achievement managers. In addition, monthly meetings have been arranged with a Local Authority SEN sub group to ensure that the changes being proposed to the funding in this area are consistent with the way in which SEN commissioning and monitoring is carried out in practice.

3.7 As in last years review, it is recommended that an additional Schools Forum meeting is booked for September so that the members can be updated fully with the outcome of the consultation and the funding modelling in advance of the final decision making meeting in October. This meeting has been booked for September 27th at 2pm in Building 1, Saltisford Office Park in Warwick.

Background papers

Department for Education publication: Consultation on schools funding reform: Next steps towards a fairer system. March 26th 2012

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