

School Funding Reform: Next steps towards a fairer system

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Schools Forum - 16 May 2012

Introduction

- 26 March – School Funding Reform: Next Steps Towards a Fairer System
- Move towards a national funding formula in next spending review period (1 April 15)
- Building blocks / components
- Proposed changes financial year 2013/14

And...

- DfE challenge = keep funding turbulence between schools / Academies to minimum whilst changing funding system
- April 2013 will see significant changes, with little time to implement
- Changes:
 - Simplification of local funding arrangements
 - Improving the way local areas are funded
 - Improving arrangements for funding pupils and students with high needs
 - Simplification of EY funding arrangements

Simplification of Local Funding Arrangements

- Maximise delegation to schools
- Fair funding formula:
 - 9 allowable factors
 - Possible primary / secondary ratio; per pupil / pupil led threshold
- Earlier indicative & final budgets
- MFG -1.5% annually 2013-15; limited exclusions
- Schools Forum – funding formula voting arrangements

And....

- Role of Education Funding Agency (EFA) – oversee arrangements & compliance
- Funding for Academies
 - No LACSEG (fully delegated)
 - No timelag
 - Consistent with free schools etc
- Funding 14-16YO in FE colleges – full time possible from April 13

Improving the way local areas are funded

- DSG:
 - split into 3 blocks (EY, HN & Schools)
 - Based on October pupil count
- ? Separate per pupil grant for non-DSG LACSEG to Academies & LA's
- EY block:
 - still based on January count, but updated retrospectively for pupil numbers
 - EYFSS, EY contingency, EY central spend

And....

- High Needs:
 - Education birth to 25YO
 - Adjustments for removal of recoupment
 - Additional DSG funding HN 16-25YO
 - Special schools, resource units, contingency for statements, Academy, independent and recoupment SEN, support for inclusion, PRU, EOTAS, post 16 SEN
- Schools Block – balance 2012-13 Schools Budget

Improving arrangements – High Needs

- Supports Green paper & Taylor Report (AP)
- All providers funded on equivalent basis
- Reformed funding = Place-plus:
 - Element 1 – Core
 - Element 2 – Additional Support
 - Element 3 – Top-up (assessed need)

Place-plus - Mainstream Schools

- Element 1 – Core – AWPU
- Element 2 – Additional Needs – Notional SEN budget delegated via formula
- Combined funding c£10k
- Schools provide / commission support

Place-plus – Specialist Settings

- Base £10k per commissioned place
- Element 3 - top-up – from commissioner (Slough or other LA)
- Not applicable to EY
- Further detail to come – independent / INMSS

Place-plus - Post 16 SEN & LDD

- Consistent funding for all providers
- Core and additional support funding via 16-19 system
- Top-up from commissioning LA

Place-plus - Alternative Provision

- Base funding £8k per commissioned place
- Top-up from commissioner:
 - Permanent exclusion – LA
 - Fixed term exclusion / preventative – school

High Needs - Other

- Hospital Schools - further details to come
- Role and responsibilities within place-led:
 - Defined for providers, commissioners, EFA
 - Removes need for recoupment
- Transitional protection for providers:
 - DfE recognise requirement
 - Distribute HN block 2013-14 on same basis as 2012-13

Simplification of Funding Arrangements for Early Years

- DfE to issue non-statutory guidance
- EYSFF:
 - Reduce formula factors
 - Distribute deprivation based on circumstances of child
- Floor reduces to 85% 3YO population 2013-14 (no floor 2014-15)
- All providers paid through EYSFF by LA

Implications - Blocks

Current Schools Budget c£92m

- ISB £82m (sum of all delegated budgets + PVI)
- Contingency £1m
- Local Authority Managed £9m

April 2013
c£92m + post
16
Schools Block
£67m
High Needs
Block £17m
Early Years
Block £8m

Schools Block

- Primary and secondary delegated budgets £63.8m
- New delegation £0.2m
- Possible maintained de-delegation £1.3m
- Historic LA managed budgets £1.4m
- Statutory LA managed budgets £0.3m

Implications – Fair Funding Formula

- Single AWPUP primary, KS3 & KS4
- Prior attainment – only EYFS & KS2
- Social deprivation – FSM (no banding) & IDACI
- Lump sum – maximum
- No longer allowed includes turbulence, small school protection, catering, new schools, partial class size, teachers pay grant, expansion funding, mainstreamed grants
- Full review with recommendations for consultation Sept 12 Schools Forum

Special Schools

Current

- **Annual review of place numbers**
- **Delegated budget:**
 - **Place-led £5.6m**
 - **Supplements £0.4m**
 - **Formula factors £2.7m**
- **LA manages recoupment**

New

- **Slough commissions x places; annual review**
- **Slough funds £10k per place**
- **School sets inclusive rate(s) for places**
- **School recovers top-ups from Slough & other LA**
- **Cash flow & admin implications**
- **Setting & per pupil reviews**

Alternative Provision

Current

- Devolved budget
- Additional allocations
- Recover AWPU

New

- Similar to special schools
- Place-led £8k
- Recover top-ups from Slough, other LA or individual schools

Conclusion

- Limited consultation – Slough draft response on agenda
- Communicating the changes
- Understanding the changes – LA, schools, Academies, others
- Implementing the changes
 - Review formula
 - Rebase Schools Budget, delegated budgets
 - SEN & EY arrangements
 - Model implications of all changes (MFG will limit movements)
 - Role of SSEF and Schools Forum