

BRIEFING PAPER

SUBJECT: Modelling options
DATE: 20th June 2012
RECIPIENT: SCHOOLS' FORUM

THIS IS NOT A DECISION PAPER

SUMMARY:

1. This paper provides a summary of the school funding options that have been modelled so far, in order to determine how funding would be allocated from 2013-14.

BACKGROUND and BRIEFING DETAILS:

2. The first task was to remove all elements from existing budget shares that would be funded under a different mechanism under the new funding reform. These areas include:
 - Funding added for primary review. An assumption has been made that this will be held as a separate contingency budget.
 - Funding for SEN units. This will be funded from the new High Needs Block.
 - Funding received from the EFA for post 16 pupils. Further guidance is awaited from the DfE on how this will be allocated.
3. Having now identified a new 2012-13 base we can begin to compare the various funding options against this.

ALTERNATIVE OPTIONS CONSIDERED – OPTION 1:

4. The objective for option 1 was to, as much as possible, keep the level of 2012-13 funding the same for each element of the new formula, but use the new DfE supplied data for distribution.
5. The Key Issues with option 1:
 - DfE prior attainment data was supplied for one cohort only. This will shortly be updated to whole school cohorts.
 - The modelling is based on the October 2011 pupil count which created variances within the per pupil funding, this should be corrected by changes to the MFG calculation.
 - The new formula has to allocate the same lump sum to both Primary and Secondary schools. In order to allocate the same total funding for 2012-13 through this factor, the new rate becomes £118,000 for each school. This compares to £89,000 for primary and £189,000 for secondary in the existing formula. This issue alone will shift funding from secondary to primary.
 - Where schools would have received Real Term Protection in the past this has now been removed, this only applied to 2 secondary and 1 primary school
 - Under this option 44 out of 61 primary schools and 5 out of 12 secondary schools would achieve a higher level of funding (before MFG calculation) when compared to 2012-13.

ALTERNATIVE OPTIONS CONSIDERED – OPTION 2:

6. The objective for option 2 was set at the first working group, who felt that the funding per pupil should be calculated at a rate of £3,000 for primary and £4,000 for secondary pupils. This moves a step closure to achieving DfE proposals of around £4,000 per pupil. It was also felt that there should be some recognition of the costs associated with Children Looked After.
7. The key issues with option 2:
 - Changing the amount per pupil moves a higher proportion of funding into the primary sector.
 - In order to fund the changes the lump sum rate has been reduced to £77,300 per school. DfE guidance sets the lump sum threshold between £100,000 and £150,000.

ALTERNATIVE OPTIONS CONSIDERED – OPTION 3:

8. The objective for option 3 was set at the first working group, who felt that deprivation funding should be targeted at the children who would have at least a 30% chance of coming from a deprived family. The feeling was that the DfE proposed bandings were too wide.
9. The key issues with option 3:
 - This change will now target a higher level of funding to the most deprived and this creates a slight movement between sectors.

OTHER OPTIONS AND IMPLICATIONS BEING CONSIDERED:

10. The DfE guidance recommends we achieve a per pupil amount of £4,000 per sector, this would result in 88% of the available funding being targeted in this way
11. If we add in a minimum £100,000 for lump sum this would result in 94% of available funding being allocated on a per pupil and lump sum basis.
12. The funding available therefore for deprivation and low cost high incidence SEN would be approx £6.9m or 6% of total budget compared to £21.6m or 18% as currently modelled.
13. We are investigating whether some of the SEN funding should be de-delegated to the High Needs block.

Appendices/Supporting Information:

Appendix 1 Comparison of Options to 2012-13 Revised Base

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