

BRIEFING PAPER

SUBJECT: School and Early Years Finance (England) Regulations 2013
DATE: 12th December 2012
RECIPIENT: Schools Forum

THIS IS NOT A DECISION PAPER

SUMMARY:

1. The current school finance regulations expire on 31st March 2012. Consequently the Department for Education launched a consultation on the new Schools and Early Years Finance (England) Regulations 2013, which ended September 2012, they have now issued the regulations which will come into force by 1st January 2013.
2. Following the announcements made by the DfE about the reforms they are making to the schools funding system from 2013-14, the regulatory changes which give effect to the decisions set out in these announcements have now been updated.

BRIEFING DETAILS

3. **SUMMARY OF THE NEW FEATURES IN THE SCHOOL FINANCE REGULATIONS 2013 THAT AFFECT SCHOOLS FORUMS**
4. **Regulation 3 - The Schools Forum Regulations 2012**
 - (i) Amends the 2012 school forum regulations to provide for maintained school members of schools forums to approve de-delegation proposals for their phase for maintained schools only.
5. **Regulation 8 - Determination of the Individual Schools Budget**
 - (i) Specifies that expenditure on certain central services can only continue if the expenditure is already committed as a result of decisions made in a previous funding period.
 - (ii) Specifies that planned expenditure on each service in the central schools block cannot exceed the planned expenditure on that line in the previous year.
 - (iii) specifies that the schools forum must approve the criteria on which any funding retained for pupil growth is to be allocated
 - (iv) specifies that schools forum approval is required for central schools and early years block items.
 - (v) enables local authorities to apply to the Secretary of State to approve other central schools budget expenditure. This would only be considered in exceptional situations – for example, where an authority was using funding from outside the DSG for particular purposes such as universal free meals.
6. **Regulation 9 - Consultation**
 - (i) requires local authorities to consult all schools about changes to their school funding formula. The same applies to the early years formula, where there must be consultation with all providers.

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7. **Regulation 12 – Applications to the Schools Forum and Secretary of State**
 - (i) sets out the powers of schools forum and the Secretary of State to authorise central schools and early years block expenditure and de-delegation.
8. **Regulation 18 – Additional Requirements, Factors or Criteria**
 - (i) allow authorities to use factors set out in schedule 3 in their schools and early years formulae.
 - (i) allow authorities to cap or scale back gains under the new formula using the same comparisons between years as in the MFG calculation, and applied consistently to all schools in the authority.
9. **Regulation 19 – Minimum Funding Guarantee**
 - (i) set out the MFG requirements for primary and secondary schools (in conjunction with schedule 4).
 - (i) sets out the application of the MFG to the early years formula, which applies to base rates.
10. **Regulation 25 – Additional Arrangements Approved by Secretary of State**
 - (i) allows for authorities to apply to the Secretary of State to include exceptional premises factors in their formula, to exclude factors from MFG and to vary the basis of the pupil number count.
11. **Regulation 27 – Approval by the Schools Forum of Secretary of State of Proposals to Revise Schemes**
 - (i) sets out that changes to schemes for financing schools must be approved by maintained school members of the schools forum.
12. **Schedule 2 – Classes Or Descriptions Of Planned Expenditure Prescribed For The Purposes Of The Schools Budget Of A Local Authority Which May Be Deducted From It To Determine The ISB**
 - (i) sets out the services which can be retained centrally and is split between:
 - Part 1 – central services (where expenditure is restricted to what was planned in 2012-13)
 - Part 2 – central schools expenditure
 - Part 3 – central early years expenditure
 - Part 4 – high needs pupils
 - Part 5 – items which can be de-delegated for maintained schools
13. **SUMMARY OF THE NEW FEATURES IN THE SCHOOL FINANCE REGULATIONS 2013 THAT HAVE NO DIRECT AFFECT ON SCHOOLS FORUMS**
14. **Regulation 6 - The Schools Budget**
 - (i) Extends the definition of the schools budget to include expenditure on young people aged 19 to 25 with learning difficulties.
15. **Regulation 11 – Determination of Allocation of Budget Shares**
 - (i) requires budgets to be determined by 15th March for maintained schools and Pupil referral units, and by 31st March for budgets issued under the early years formula.

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(ii) provides for de-delegation for certain budgets

16. Regulation 13 – Pupil Numbers

(i) sets out the simplified requirements on the use of pupil numbers in the school formula, including the ability to use an October to January uplift for reception pupil numbers.

17. Regulation 14 - Places

(i) sets out the funding requirements of the place element for special schools and pupil referral units; we are still considering issues relating to hospital schools so these are not mentioned in the draft regulations.

18. Regulation 15 – Social Deprivation

(i) sets out how the mandatory deprivation factors in the schools and early years formulae may be calculated.

19. Regulation 17 – Differential Funding

(i) continues to allow differentiation between different types of early years providers.

20. Regulation 19 – Minimum Funding Guarantee

(i) set out the MFG requirements for primary and secondary schools (in conjunction with schedule 4).

(i) sets out the application of the MFG to the early years formula, which applies to base rates.

21. Regulation 21 – New Schools

(i) requires authorities to determine budgets for new schools, but only from their opening (any lead-in costs would need to be funded from a de-delegated contingency).

22. Regulation 24 – Correction of Errors and Changes in Non-Domestic Rates

(i) provides that any redeterminations of budgets due to errors would take effect in the following funding period.

23. Schedule 3 – Additional Requirements , Or Factors Or Criteria Which May Be Taken Into Account, In A Local Authority’s Formula Under Regulation 17

(i) sets out the formula factors which may be used in the schools and early years formulae.

23. Schedule 4 - Minimum Funding Guarantee

(i) sets out the simplified MFG calculation for primary and secondary schools.

Appendices/Supporting Information:

The School and Early Years Finance (England) Regulations 2013

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