

BRIEFING PAPER

SUBJECT: Analysis of Local Authorities Schools Block funding formulae
DATE: 24th April 2013
RECIPIENT: Schools Forum

THIS IS NOT A DECISION PAPER

SUMMARY:

1. This document provides an overview of the formula factor values chosen by Southampton and compares these to the ranges of unit funding chosen by other local authorities.
2. Given the analysis contained within this document indicates we are comparable with other Local Authorities we would not anticipate making and changes to our formula.

BACKGROUND and BRIEFING DETAILS:

3. In January 2013, Southampton submitted to the Education Funding Agency (EFA) the proposed formulae for allocating the Dedicated Schools Grant (DSG) Schools Block funding for 2013-14 to schools.
4. For 2013-14, schools are funded using a maximum of 12 clearly defined factors, it was agreed at schools forum that the Southampton formula would contain 9. Each of the principal formula factors are looked at in turn:
5. **Basic per-pupil entitlement**

This is a mandatory factor and local authorities were permitted to choose different Age-Weighted Pupil Unit (AWPU) rates for primary pupils, Key Stage 3 and Key Stage 4 pupils: Southampton allocates 70% of the total funding to the basic per pupil entitlement.

Primary AWPU Rate for Southampton **£2,662** (NOR 17,160)

1. 63% of primary AWPU's are in the range of £2,250 to £3,000.
2. The majority of LA's have set a rate between £2,500 and £2,750.
3. Maximum rate set £5,141 – Hackney (NOR 17,159)
4. Minimum rate set £2,122 – York (NOR 12,808)

KS3 and KS4 AWPU rate for Southampton **£4,131** (NOR 5,736 & 4,032)

1. 45% of KS3 AWPU's in the range of £3,750 to £4,250
2. 53% of LA's have set a KS3 rate below £4,000
3. Maximum KS3 rate set £7,496 – Isles of Scilly (NOR 60)
4. Minimum KS3 rate set £3,178 – Northumberland (NOR 9,280)
5. 20% of KS4 AWPU's in the range of £3,750 to £4,250
6. 78% of LA's have set a KS4 rate above £4,250
7. Maximum KS4 rate set £10,708 – Isles of Scilly (NOR 42)
8. Minimum KS4 rate set £3,414 – Leicester (NOR 6,543)

6. Overall the proportion of funding being spent on the AWPU ranges from 61% to 87%, with close to half of local authorities allocating between 75% and 80%.

7. **Deprivation**

This is a mandatory factor, however as there are different permutations of deprivation indicator selections available it is not straightforward to calculate per pupil funding amounts on a comparable basis. Therefore comparison is given to the % of funding allocated to schools through the deprivation factors. Southampton has allocated **12.29%** of total funding to deprivation.

1. This indicates that Southampton is a high funding authority for deprivation as only 21% of LA's have allocated in excess of 12% of their total funding on deprivation.
2. Therefore 79% allocate below 12% of funding on deprivation.

8. **Looked after Children**

This is an optional factor and 81 local authorities have chosen to use it. Most allocated below £1,250 per pupil in both primary and secondary phases. Southampton allocated **£679** per pupil which is in the majority of group of LA's who used this factor.

9. **Low cost, high incidence Special Educational Needs**

This is an optional factor, 93% of local authorities used the indicator for primary pupils and 95% for secondary pupils. Southampton set the following rates: **£847** for primary sector and **£2,342** for secondary.

1. The majority of LA's using this factor set a primary rate between £800 and £1,000.
2. Maximum rate set £7,211 – Warrington
3. Minimum rate set £115 – Kingston upon Hull

4. Most LA's using this factor set their secondary rate in banding £2,500 to £2,750.
5. However 58% of LA's using this factor set a rate below £2,250 whereas 37% of LA's set a rate in excess of £2,500.
6. Maximum rate set £10,687 – Warrington
7. Minimum rate set £159 – Kingston upon Hull

10. English as an additional language

This is an optional factor, 84% of local authorities have chosen to use it. Southampton set a rate of **£702** per pupil for both primary and secondary sectors.

1. Of the LA's using this factor, the highest number set a primary rate in the banding £250 to £500
2. 28% of LA's set a rate in excess of £750
3. Maximum rate set £3,000 – Liverpool
4. Minimum rate set £71 – Bury

5. Of the LA's using this factor, the highest number set a secondary rate in the banding below £500
6. 51% of LA's set a rate in excess of £750
7. Maximum rate set £4,400 – Islington
8. Minimum rate set £47 – Cheshire West

11. Mobility

This is an optional factor, only 62 or 41% of local authorities have chosen to use it. Southampton set a rate of **£679** per pupil for both primary and secondary sectors, from the data supplied this would indicate that Southampton is a higher funding authority for mobility.

1. Of the LA's using this factor the majority set a set a primary rate below £300
2. Maximum rate set £2,000 – Newham
3. Minimum rate set £10 – Sutton

4. Of the LA's using this factor 63% set a secondary rate between £500 and £800
5. Maximum rate set £4,900 – Islington
6. Minimum rate set £10 - Sutton

12. Lump Sum

All local authorities chose to use this factor within their formulae. The lowest lump sum recorded was £42,000 with the maximum being £200,000. The single most common lump sum amount was £150,000. Southampton lump sum was set at **£114,200**.

13. Primary: Secondary funding ratios

Local authorities 2013-14 Schools Block funding formulae has been used to calculate the relative difference in the per pupil funding allocated to secondary pupils compared to primary pupils. Southampton's ratio was reported as **1.34** which means that secondary age pupils in Southampton receive on average, 34% more funding per head than primary age pupils.

1. 27% of LA's had funding ratio's of between 1.30 and 1.35
2. 56% of LA's had funding ratio's of between 1.00 and 1.30
3. 17% of LA's had funding ratio's above 1.30 above 1.30

14. The redistribution of resource would indicate that there has been movement to address the funding balance, however the overall funding ratio nationally across all local authorities is 1.27 this would indicate that Southampton still has a way to go.

15. We would propose that any changes to school funding are kept to a minimum for 2014/15, the intention will be to focus on developing the Special Schools Formula.

Appendices/Supporting Information:

DfE publication - Schools Block funding formulae 2013-14

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