

# DECISION PAPER

---

**SUBJECT:** Primary and Secondary School Funding Formula 2014-15

**DATE:** 11<sup>th</sup> September 2013

**RECIPIENT:** Schools Forum

## SUMMARY

This report recommends the proposed Primary and Secondary School Funding Formula to be put forward for consultation with all schools before final approval by the Cabinet Member for Children's Services in October.

## RECOMMENDATION

It is recommended that the Forum:

- i. Recommends the preferred allocation of the mobility factor (paragraph 3).
- ii. Notes the council's proposal to keep the PFI factor at £450,000 (paragraph 6).
- iii. Notes the proposed funding values for the 2014/15 School Funding Formula (Appendix A).
- iv. Notes that proposals for funding of the central expenditure items listed in paragraph 8 from the Schools Block will be brought to the Forum in October.
- v. Approves the updated contingency amount for the Primary Review Growth Fund of £734,800 (paragraph 11).
- vi. Agrees to de-delegate a contingency for maintained Primary and Secondary schools in financial difficulty of up to £346,000 (paragraph 11).
- vii. Notes the proposal to allocate any "headroom" funding within the 2014-15 Schools Block through per pupil funding (paragraph 17).

## REASONS FOR REPORT RECOMMENDATIONS

1. The Department for Education has set a deadline of the 31<sup>st</sup> October 2013 for Local Authorities to submit their proposed 2014-15 schools funding formulas. The Forum is therefore asked to recommend the proposals. The final decision on the formula rests with the local authority.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The Forum has reviewed the funding formula for 2013/14 against national benchmarked data. Discussions have taken place on various factors. Forum members have agreed that minimal changes should be made to the 2014/15 formula before the National Funding Formula is introduced in April 2015.

## **BACKGROUND and BRIEFING DETAILS:**

### 3. Mobility Factor

As discussed at the last Forum, the DfE has confirmed that funding under the mobility factor will only be targeted at schools with mobility of over 10%. A separate primary and secondary school level percentage will be provided based on the number of pupils whose entry date (start at current school) is within the previous 3 academic years and whose start month was not in August, or September. If the pupil started in Reception then start months August, September or January will not be counted. Pupils who started the school in nursery classes are not mobile.

### 4. Appendix B shows four options for targeting funding

- Option 1 – allocate £679 per mobile pupil, the same as 2013/14. Unallocated funding per phase is then redistributed through per pupil funding.
- Option 2 – increase the amount per mobile pupil to £2,073 for Primary and £5,920 for Secondary in order to allocate the same amount of money given to those schools with mobility over 10% in 2013/14. Unallocated funding per phase is then redistributed through per pupil funding.
- Option 3 – Mobility factor is not used. Unallocated funding per phase is then redistributed through per pupil funding.
- Option 4 - Mobility factor is not used. Unallocated funding per phase is then redistributed through prior attainment funding.

### 5. The Forum is asked to recommend the preferred option.

### 6. PFI Factor

In the light of the Council's budgetary position, it is proposed to continue to fund £450,000 of the PFI affordability gap through the PFI Factor. It is not proposed to increase this figure.

### 7. Funding Formula values 2014/15

Changes in the data for Secondary low attainment have resulted in much higher numbers of pupils counted. In this case the overall pot for the factor has been kept at the same level as 13/14 thereby reducing the unit value allocated. This unavoidably does cause some turbulence between schools.

### 8. The proposed formula factors and indicative values are attached at Appendix A. It should be noted that the values are currently based on October 2012 data and levels of funding. These will be updated after the October 2013 pupil count.

9. Contributions from the Schools Block to school focused services delivered by the Council

Schools Forum members will be asked to provide a decision on proposals to continue to fund the following central services from the Schools Block at the October meeting.

- Admissions function (£422,100)
- Family and Parenting Practitioners (£426,800)
- Preventative Social Care Workers (£200,000)
- Copyright Licensing Agency (CLA) and Music Publishers Association (MPA) licences purchased nationally by DfE (£44,300)

10. It should be noted that schools are no longer required to contribute to the council's Carbon Reduction Commitment from April 2014 so £160,000 will be delegated to schools through the per pupil factor.

11. Contingencies

It is proposed to continue to hold two contingency funds:

- Primary Review Growth Fund (£734,800) – Additional funding is based on a fixed amount of £33,400 per extra class required (based on 30 pupils per class). This was approved at the last Forum but the total amount has now been revised to include one additional class at Thornhill Primary.
- Support for schools in financial difficulties (£346,000) –The fund has reduced by £25,000 from 2013/14 as it excludes schools who have converted to academy status. This contingency covers unexpected expenditure where it is not thought reasonable for this to be funded from school delegated budgets. This contingency will be managed by the Head of Education.

12. Movements between blocks – Notional SEN block

The Schools Funding Regulations are being revised for 2014/15 to ensure that schools and academies will be responsible for the first £6,000 (plus per pupil funding) of a pupil's educational support costs before additional allocations are made from the High Needs Block. This currently equates to the first 12 hours of additional support at a rate of £10.98 per hour.

13. The current local authority Pupils with Statements budget is larger than required to fund this commitment. Therefore, a transfer will be made of some of this budget from the High Needs Block to increase the amount of money allocated through the Low cost, high incidence SEN factor which makes up the Notional SEN block. We will finalise this transfer in January, once we have two terms of data at the new rates.

14. Movements between blocks – High Needs Block pressures

The local authority is facing a number of pressures in the High Needs Block next year including increases in special school numbers, out of city and post 16 high needs placements. The Education Funding Agency has stated that they will be making limited inflationary increases to the High Needs Block. Although every effort will be made to try and balance these pressures with reductions in expenditure it is likely that a transfer will need to be made from the Schools Block to the High Needs Block.

15. Details of any proposed movements will be made at the January Forum before final figures are issued to the Education Funding Agency by 31<sup>st</sup> January 2014.

16. Targeting of growth funding (headroom)

In December the DfE will confirm the 2014-15 Schools Block based on October 2013 pupil data which will result in an increase in the overall budget if pupil numbers continue to rise. The majority of this funding will feed through the formula in terms of additional pupil numbers at individual schools, or changes in other data such as IDACI or Prior Attainment. However, once this has been completed and after any transfers have been made as mentioned above, any funds remaining, known as "headroom" can be targeted at any one, or a combination of factors.

17. It is proposed to allocate any headroom funds through the per pupil factor.

18. Special Schools and Pupil Referral Unit

The formula for special schools and the PRU will be similar to this year. Special schools and units will be allocated an amount of £10,000 per commissioned place, with the PRU receiving £8,000 per place. Proposed pupil top up rates will be brought to a Forum later in the year.

**Appendices/Supporting Information:**

Appendix A – Proposed 2014/15 formula values (before October 2013 data updates)

Appendix B – Mobility Factor options

Further Information Available From:

**Name:** Lynn Franklin

**Tel:** 023 8083 2196

**E-mail:** [lynn.franklin@southampton.gov.uk](mailto:lynn.franklin@southampton.gov.uk)

## Appendix A

### Proposed 2014/15 formula values

*Please note that 2014/15 figures are before October 2013 data updates*

#### Primary

Group	Factor	2013/14 Unit Value	Indicator	2014/15 Unit Value (indicative)
1) Age Weighted Pupil Unit (AWPU)	AWPU (Primary)	£2,662.49	NOR_Primary	£2,733.84
2) Deprivation	Free School Meals (P)	£470.55	FSM6_%_PRI	£470.55
	IDACI (P1)	£0.00	IDACI_1_PRI	£0.00
	IDACI (P2)	£0.00	IDACI_2_PRI	£0.00
	IDACI (P3)	£500.00	IDACI_3_PRI	£500.00
	IDACI (P4)	£800.00	IDACI_4_PRI	£800.00
	IDACI (P5)	£1,200.00	IDACI_5_PRI	£1,200.00
	IDACI (P6)	£1,500.00	IDACI_6_PRI	£1,500.00
3) Looked After Children	LAC	£679.12	LAC_6_Mar11	£679.12
4) Low cost, high incidence SEN	Low Attainment (P)	£847.33	LowAtt_%_PRI_78	£847.33
5) English as an Additional Language	EAL (P)	£702.91	EAL_3_PRI	£702.91
6) Mobility	Mobility (P)	£679.12	Mobility_%_PRI	TBC
7) Lump Sum	Lump Sum	£114,200.00	Lump Sum	£114,200.00
8) London Fringe	London Fringe	£0.00	London Fringe	£0.00
9) Split Sites	Split Sites	£28,452.00	Split Sites	£28,452.00
10) Rates	Rates	Actual Cost	Rates	Actual Cost

## Secondary

Group	Factor	2013/14 Unit Value	Indicator	2014/15 Unit Value (indicative)
1) Age Weighted Pupil Unit (AWPU)	AWPU (Secondary)	£4,131.42	NOR_KS3 & KS4	£4,202.77
2) Deprivation	Free School Meals (S)	£679.12	FSM6_%_SEC	£679.12
	IDACI (S1)	£0.00	IDACI_1_SEC	£0.00
	IDACI (S2)	£0.00	IDACI_2_SEC	£0.00
	IDACI (S3)	£500.00	IDACI_3_SEC	£500.00
	IDACI (S4)	£800.00	IDACI_4_SEC	£800.00
	IDACI (S5)	£1,200.00	IDACI_5_SEC	£1,200.00
	IDACI (S6)	£1,500.00	IDACI_6_SEC	£1,500.00
3) Looked After Children	LAC	£679.12	LAC_6_Mar11	£679.12
4) Low cost, high incidence SEN	Low Attainment (S)	£2342.52	LowAtt_%_SEC	£1,075.54
5) English as an Additional Language	EAL (S)	£702.91	EAL_3_SEC	£702.91
6) Mobility	Mobility (S)	£679.12	Mobility_%_SEC	TBC
7) Lump Sum	Lump Sum	£114,200.00	Lump Sum	£114,200.00
8) London Fringe	London Fringe	£0.00	London Fringe	£0.00
9) Split Sites	Split Sites	£28,452.00	Split Sites	£28,452.00
10) Rates	Rates	Actual Cost	Rates	Actual Cost
11) PFI funding	PFI funding	£450,000 allocated to 3 PFI schools	PFI	£450,000 allocated to 3 PFI schools