



## SCHOOLS FUNDING FORUM AGENDA

8.30 am

Thursday  
5 December 2013

BEST CENTRE  
BRITTONS SCHOOL

Members 26: Quorum 10

**MEMBERSHIP:**

**Head Teachers (12):**

Nigel Emes (Chair) (Primary)  
Margy Bushell (Primary)  
Christine Drew (Primary)  
David Denchfield (Primary)  
Chris Hobson (Primary)  
Angela Winch (Primary)  
Emma Field (Primary Academy)  
Bill Edgar (Secondary)  
Julian Dutnall (Secondary Academy)  
Simon London (Secondary Academy)  
Keith Williams (Secondary Academy)  
Geoff Wroe (Special)

**Governors (7):**

Joe Webster (Vice Chair) (Secondary)  
Sheila Clarke (Primary)  
Richard Shaw (Primary)  
Tracey Walker (Primary)  
Daniel Gricks (Secondary Academy)  
John McKernan (Secondary Academy)

**Pupil Referral Units (1)** Vacancy

**Non-School** Vacancy (Diocesan Board)

**Representatives (4):** Trevor Sim (Vulnerable Children)  
Maria Thompson (14-19 Partnership)  
Katrina Karwacinski (Early Years PVI Sector)

**Trade Unions (3):** Keith Passingham (NASUWT)  
Dave Thomas (UNISON)  
Ray Waxler (NUT)

Please contact David Allen [david.allen@haverling.gov.uk](mailto:david.allen@haverling.gov.uk) Tel: 433851 to give apologies for absence or to raise queries on the agenda.

## AGENDA ITEMS

### 1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

### 2 TO AGREE THE NOTES OF THE MEETING HELD ON 24 OCTOBER 2013 (Pages 1 - 8)

The notes are attached at Appendix A.

### 3 MATTERS ARISING

*Item 81- De-Delegation refers* - The decision on behalf of maintained secondary schools is not to de-delegate the funding for the Attendance and Behaviour and EAL services.

### 4 MEMBERSHIP (Pages 9 - 10)

- (i) To note the vacancies for a representative from Pupil Referral Units and from Governors of Primary and Special Schools.
- (ii) To note the balance of representation between maintained schools and academies. See Appendix B attached.

### 5 SCHOOL FORUM GUIDANCE (Pages 11 - 14)

In October 2013 the DFE published an update to its Schools Forums Operational and Good Practice Guidance.

A summarised version is attached at Appendix C and the full document will be tabled for discussion at the meeting.

Should members wish to read the guidance in advance of the meeting it can be found at:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrvenuefunding/schoolsforums/a0070290/guidance-for-schools'-forums-on-their-role>

### 6 FREE SCHOOL MEALS FOR KS1 PUPILS

To consider the impact of the Government decision to provide free school meals to all Reception, Year 1 and Year 2 children and to disadvantaged students in Further Education Colleges and Sixth Form Colleges from September 2014.

**7 PUPIL PREMIUM** (Pages 15 - 16)

- (i) To note that the Pupil Premium for 2014-15 has been announced as follows to pupils from Reception to Year 11:

Primary age pupils:	£1,300
Secondary age pupils:	£935
Looked After Children:	£1,900

The criteria for the £1,900 as been extended to children who:

- have been looked after for 1 day or more
  - are adopted
  - leave care under a Special Guardianship Order or a Residence Order.
- (ii) To receive a DFE report on undeclared eligibility of free school meals. A summary of the research report is attached at Appendix D and the full document will be tabled for discussion at the meeting. Should members wish to read the guidance in advance of the meeting it can be found at:
- <https://www.gov.uk/government/publications/pupils-not-claiming-free-school-meals>
- (iii) To consider the introduction of an evaluation of schools' use of Pupil Premium.

**8 CONSULTATION ON 2014-15 FUNDING CHANGES** (Pages 17 - 28)

A consultation paper has been sent to schools and academies on the school funding changes for 2014-15 based on October 2012 data. This is attached for information at Appendix E.

**9 ESTIMATE OF DSG ALLOCATION FOR 2014-15**

The DFE process for LAs' preparation for the Schools Block allocation 2014-15 includes an estimate by LAs of their DSG based on October 2013 data. This estimate will be tabled at the meeting as the data has not been published at the time of preparing this agenda.

## 10 NEXT MEETINGS

The next meetings have been arranged as follows:

<b>Key Actions</b>	<b>Deadline</b>	<b>Meeting Date</b>
DfE confirms DSG Schools Block allocations for 2014-15 (prior to academy recoupment)	18 December 2013	
LAs to gain Schools Forum / political approval for final 2014-15 funding formula	By mid-January 2014	Thursday 16 January
Deadline for LAs to submit final 2014-15 school budget proforma to EFA	21 January 2014	
Deadline for LAs to confirm budgets for their maintained schools	28 February 2014	Thursday 13 February
Funding Issues 2014-15, Capital Allocation announcement 2014-15, Year end Issues 2013-14		Thursday 20 March
Section 251 statement 2014-15, LA comparative data		Thursday 24 April
Hold for urgent issues		Thursday 22 May
Commence funding cycle for 2015-16		Thursday 10 July

## 11 ANY OTHER BUSINESS

**Andrew Beesley**  
**Committee Administration Manager**

# Public Document Pack Agenda Item 2

## MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM MY PLACE HAROLD HILL 24 October 2013 (9.00 - 11.30 am)

- Headteachers:** Nigel Emes (Chair) (Primary)  
Margy Bushell (Primary)  
David Denchfield (Primary)  
Christine Drew (Primary)  
Chris Hobson (Primary)  
Angela Winch (Primary)  
Emma Field (Primary Academy)  
Simon London (Secondary Academy)  
Keith Williams (Secondary Academy)
- Governors:** Joe Webster (Vice Chair) (Secondary)  
Sheila Clarke (Primary)  
Daniel Gricks (Secondary Academy)  
John McKernan (Secondary Academy)  
Tracey Walker (Primary)
- Non-School  
Representatives:** Trevor Sim (Vulnerable Children)
- Trade Unions:** Keith Passingham (NASUWT)  
Ray Waxler (NUT)  
Jennifer Kingaby (UNISON)
- Officers in Attendance:** David Allen (LBH)  
Mary Pattinson (LBH)  
Nick Carter (LBH)  
Martin Shipp (LBH)  
Lorraine Hunter-Brown (LBH)
- Observer:** Chris Vaughan School Business Manager  
Campion School

### 77 **APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS**

Apologies were received for the absence of Geoff Wroe (Special Schools), Bill Edgar (Secondary), Julian Dutnall (Secondary Academy), Maria Thompson (14-19 Partnership), Katrina Karwacinski (Early Years PVI Sector) and David Thomas (Unison).

The Chairman welcomed David Denchfield to his first meeting of the Funding Forum as representative of Primary Cluster E, to Jennifer Kingaby

who was substituting for David Thomas as the UNISON representative and to Chris Vaughan the School Business Manager from Campion School who was attending as an observer.

**78 NOTES OF THE MEETING HELD ON 12 SEPTEMBER 2013**

The Forum considered and agreed the notes of the meeting held on 12 September 2013.

**79 MATTERS ARISING**

The DFE regulations stated that Local Authorities may hold a falling roll fund but only for 'Good' or 'Outstanding' schools. The Schools Funding Forum had previously agreed to hold a budget for schools in financial difficulties that would allow them to consider applications for support from schools that were not 'Good' or 'Outstanding'.

**80 4. SECTION 251 BUDGET STATEMENT 2013-14 BENCHMARKING**

It was noted that in comparison to other London boroughs Havering was one of the lowest funded. However, the Forum was reassured that although generally towards the lower end of per pupil rankings, the financial decisions made in the allocation of resources were not out of line with other authorities. Government cuts in spending had effected reductions in core spending and also the transfer of funding to academies. Members were asked to note that further cuts to Council budgets were planned in May 2014 although it was not yet known what the impact would be on Children's Services and Education. From DSG funding, Havering remained one of the highest delegators to schools. Because of changing demographics in Havering the authority was gathering data in order to challenge government levels of funding.

**81 EARLY YEARS**

The Forum was asked to consider the report provided by The Early Years Providers Reference Group (EYPRG) and to note Model G contained in the table of Appendix C.

The report contained the proposed revisions to the Early Years Single Funding Formula following new statutory guidance to Local Authorities on early education and childcare. Local Authorities must have regard to this Statutory Guidance when seeking to discharge their duties to provide the free Early Education Entitlement and should not depart from it unless they have good reason to do so.

The recommendations from EYPRG for consideration by the Schools Funding Forum were as follows:

- Revise the Early Years Single Funding Formula for the current financial year to amend the Quality Supplements to reflect Ofsted Inspection

judgements as follows – Outstanding £0.33 per hour per child; Good £0.17 per hour per child; Satisfactory/Requires Improvement £0.03 per hour per child;

- Implement a Transition Arrangement whereby no setting losses funding in the current financial year;
- Agree no Quality Supplement Funding for settings with a Satisfactory/Requires Improvement Ofsted Inspection judgement with effect from the 2014/15 financial year;
- Increase the Quality Supplements for an Outstanding Ofsted Inspection judgement to £0.39 and for a Good Ofsted Inspection judgement to £0.29, with effect from the 2014/15 financial year.

Members of the Forum unanimously agreed to accept the recommendations of the EYPRG.

## 82 **DE-DELEGATION**

### EAL and Attendance and Behaviour Service

Members were referred to Appendix D which contained the letter and attached papers sent to all primary school head teachers on 2 October 2013 regarding the consultation on de-delegation of the budgets for Attendance and Behaviour Support and the EAL services for 2014-2015.

When asked about the de-delegation of the budget for Attendance and Behavioural Support, 23 schools in the Primary Sector agreed and 4 disagreed which equated to 85%. On the matter of EAL Service, 24 Primary Schools agreed and 3 disagreed equating to 89%. The number of schools to respond was 49%.

Only representatives of the maintained primary schools were asked to vote on the matter which was unanimously carried.

In relation to secondary schools, the letter sent to schools had stated that although de-delegation had not been agreed in the current year, a decision was required for 2014-15, In the absence of Bill Edgar, the sole head teacher representative from maintained secondary schools, it was agreed that this matter would be discussed outside the meeting.

### Trade Union Facility Time

The DFE had launched a review of public money spent on trade union facility time and raised issues around accountability and the level of union activities funded by subscription only and not the public purse. Officers were of the view that it was likely that the decision would impact on 2014-2015 expenditure. The outcome of the review was awaited.

Members were referred to Appendix E which provided a breakdown of the trade unions (teaching and non-teaching) membership, unit costs, additional days and the amount spent on for facility time as a percentage of the total pay bill compared to the private sector. The total estimated cost of facility time in Havering was £200k.

All teacher trade union representatives had provided membership figures and current allocations of facility time were remodelled on that basis, changing the apportionment and reducing unit costs.

The Chairman stated that it had been useful to see the breakdown but no decision could be made at the meeting. It was agreed that the matter be deferred to the December meeting pending further guidance from the DFE, all information had been received and discussions with head teachers and trade union representatives.

**83      SCHOOLS FORMULA 2014-15**

The Forum were asked to approve the provisional 2014-15 funding formula for submission to the DFE by 31 October 2013.

Members were advised that there would not be sufficient monies to fund schools at current levels. Officers summarised changes to funding that had already been agreed at previous meetings as well as the changes introduced by the DFE. Officers stated that there would still be a £1.1 million shortfall for 2014-15 and had carried out an exercise in drafting formula values based on October 2012 data and would update the Forum upon receipt of October 2013 data.

LA modelling included some further changes since the agreement of formula changes at previous meetings. These were as follows:

Reinstate the primary lump sum to £150k (from £100k as previously agreed). This would protect Havering's smaller primary schools from further loss and also release some funding as less was needed to fund the Minimum Funding Guarantee;

Change the values in IDAC\_2 and IDACI\_3 for primary and secondary schools respectively to match those in the other sector;

Reduce the secondary school free school meal factor and transfer funding into KS3 and KS4 AWPU. This provided a more even spread across secondary schools of funding and brought the value closer to that used for primary schools.

To meet the shortfall in funding, modelling was presented with recommendations to reduce the values of formula factors by 1% and to apply a 0% gains cap. No school would therefore receive additional funding per pupil if calculated by the formula and all reductions would be held at -1.5% per pupil. The impact on schools of these changes would be as follows:



Sector	Funding Increases	Funding Decreases	Capped at 0%	Protected	Reduction within -1.5%
Infant	0	5	7	2	3
Junior	0	4	8	1	3
Primary	0	26	9	14	12
Secondary	0	11	7	8	3
Total	0	46	31	25	21

In capping schools at 0% and reducing all funding factors by 1% would force some schools into MFG. Schools already protected would not lose more than 1.5%. Officers advised that the formula did not work well for smaller schools. It was noted that the DFE would not allow a negative cap.

There were large cash differences between schools in the secondary sector and there were concerns about the size of loss. A transfer in funding from the free school meals factor to KS3 and KS4 was agreed to spread the funding between schools more evenly.

The Chairman remarked that officers had carried out a lot of work and at the present time, could not see any other option but stated that the loss should not be any more than 1.5%.

Officers advised that at this stage the proposals were based on draft data and draft values but they had tried to “set the scene” with minimum turbulence. Once the data had been received, values could be applied and any additional funding could be added back.

Forum members were advised that in 2015-16 the National Funding Formula will be applied and the local authority will receive the same amount per pupil. Officers warned that there could be a long transitional period and were awaiting details to be released by the DFE.

The Chairman thanked officers for exploring all avenues and for an informative presentation.

#### 84 **FREE SCHOOL MEALS AT KS1**

The Forum agreed to defer this item to the meeting in December.

#### 85 **LOCAL AUTHORITY SCHOOL IMPROVEMENT INSPECTIONS**

Members of the Forum received a presentation from Mary Pattinson on the new OFSTED Education Inspection Functions that came into effect as of 1 June 2013, and on the document outlining Effectiveness Descriptors in the arrangements for supporting school improvement.

Members were asked to note that the aim of the inspection is to hold Authorities to account for the outcomes of all children and young people aged 0 - 19 years including up to 25 years for people with special educational needs or learning disabilities. OFSTED will consider outcomes

in Local Authority maintained schools, academies including free schools and UTCs, local colleges, PRUs and AP providers.

The Local Authority statutory duties were as follows:-

- to work with education partners including all head teachers and governors
- to promote prevention, early intervention, and narrow the gaps, and ensure the wider wellbeing of children and young people
- to promote the interests of children, young people, parents and families and to stimulate and support a diversity of school, early years and 16-19 provision
- to promote educational excellence for all children and young people including tackling underperformance

The inspection process would involve meetings with Local Authority officers including the Chief Executive and the Director of Children's Services. There would be further meetings with the Lead Member as well as with Overview and Scrutiny members. OFSTED would also meet with Head Teachers and Governors and would interview representatives from other groups such the Children's Trust, Schools Funding Forum, Local Safeguarding Children's Board and the Education Strategic Partnership. In addition, OFSTED would talk to representatives in all school categories to determine what Local Authority support they receive.

The Authority would be judged on the following:-

- The provision of effective and strategic leadership to education providers
- The clarity and transparency of policy
- The knowledge of education providers, their performance and practice.
- Effective identification of underperforming providers and intervention
- Improving education providers and narrowing geographical and pupil performance gaps.

Other areas that would be inspected are promotion of support between schools, effective leadership and strategies, support and challenge to school governing bodies and how the use of funds effect improvements in areas of greatest need. There would be a written report that would be published resulting in the Authority being judged effective or not effective. Members were advised that OFSTED would only inspect where concerns about performance had been raised or where data had signalled possible problems. The Local Authority would be provided with 5 days' notice prior to the inspection commencing.

Members were informed that the Authority's relevant processes and documentation were currently being reviewed including a data dashboard

for all education providers to support early intervention. The Local Authority would also be visiting all providers.

The Forum noted the presentation and that there would be further updates.

86 **NEXT MEETINGS**

It was noted that the next meeting would be held on 5 December 2013 and that members would be notified of the venue and time in due course.

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**Chairman**

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## School Representation on the Schools Funding Forum

School representatives as at December 2013			
	Head Teachers	Governors	Total
Primary Maintained	6	3	9
Primary Academies	1	0	1
Secondary Maintained	1	1	2
Secondary Academies	3	2	5
<b>Total</b>	<b>11</b>	<b>6</b>	<b>17</b>

Draft October 13 census	
Primary Maintained	19,296
Primary Academies	1,263
Secondary Maintained	2,788
Secondary Academies	13,524
<b>Total</b>	<b>36,871</b>

Current Apportionment of pupils per representative			
Primary Maintained	19,296	9	2,144
Primary Academies	1,263	1	1,263
Secondary Maintained	2,788	2	1,394
Secondary Academies	13,524	5	2,705
<b>Total</b>	<b>36,871</b>	<b>17</b>	

Scenario of 2 more Primary Academies and 1 more Secondary			
Primary Maintained	18,827	9	2,092
Primary Academies	1,732	1	1,732
Secondary Maintained	2,022	1	2,022
Secondary Academies	14,290	6	2,382
<b>Total</b>	<b>36,871</b>	<b>17</b>	

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# Schools Forum

**A guide for schools and academies on its  
role and their responsibilities**

**June 2013**

## Introduction

1. The reform and simplification of local authority formulae has raised the profile of the work of Schools Forums. There is still widespread misunderstanding about the role of forums. The aim of this note is to give schools and academies a clear understanding of the role of their local Schools Forum and how to ensure the voice of the school is heard. This note applies to both academies and maintained schools.

## The role of Schools Forum

2. Schools Forum is made up of representatives from schools and academies, but with some representation from other non-school organisations, such as nursery and 14-19<sup>1</sup> education providers. The forum acts as a consultative body on some issues and a decision making body on others.
3. The forum acts in a consultative role for:
  - Changes to the local funding formula. (The local authority is responsible for the final decision, although in some cases it may delegate the decision-making power to the Schools Forum)
  - Proposed changes to the operation of the minimum funding guarantee
  - Changes to or new contracts affecting schools (e.g. school meals)
  - Arrangements for pupils with special educational needs, in pupil referral units and in early years provision
4. The forum is responsible for decisions on:
  - How much funding may be centrally retained within the Dedicated Schools Grant (e.g. for the Admissions Service, prudential borrowing costs, additional funding available for growing schools)
  - Any proposed carry forward of deficits on central spend from one year to the next
  - Proposals to de-delegate funding from maintained primary and secondary schools (e.g. for staff supply cover, insurance, behaviour support)
  - Changes to the scheme of financial management

## Schools' representation

5. Schools and academies representatives on the forum should be roughly proportionate to the number of pupils in each sector and would generally include representatives from:
  - Maintained nursery schools
  - Maintained primary schools
  - Maintained secondary schools

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<sup>1</sup> The requirement for a 14-19 representative will be replaced by a requirement for a Post-16 representative in the autumn of 2013



- Maintained special schools
  - Maintained pupil referral units
  - Academies and free schools
6. Middle schools do not form a category of schools in their own right and should be treated in accordance with their deemed status.
  7. Where there is at least one school in a particular category, there must be at least one representative for that group on the forum.
  8. Representatives should be elected by their peer group. In the case of maintained schools, representatives should be head teachers (or their representatives) or governors, elected by their appropriate phase. Academies members should be elected by the Academy Trusts in the local authority area.

## **Responsibilities of schools and their representatives**

9. Schools can expect to have their views canvassed and to receive feedback from their representatives, who have a responsibility to represent the interests of their peer group rather than the interests of their own individual school.
10. When electing an individual to represent the interests of their respective group, schools should satisfy themselves that their chosen representative(s) is competent to act as their advocate.
11. School staff and governors should ensure that they are aware of business under discussion at Schools Forum and should provide feedback to their elected representatives to ensure that their views are considered when decisions affecting schools' finances are being made

## **Responsibilities of Local Authorities**

12. Local authorities are required to publish all papers on a publicly-available website well in advance of the meeting. Papers should contain clear recommendations and the responsible officers should attend the meeting to provide further information and advice. Local authority officers should not dominate the meeting.
13. All meetings of the Schools Forum must be open to the public. Observers do not have an automatic right to speak at the meetings, although the Chair may allow contributions if it seems appropriate.

## **Further information**

14. Further information on Schools Forums, including a simple table which shows the decision making responsibilities of the Schools Forum, can be found on our website [Schools forum guidance](#).



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## Pupils not claiming free school meals

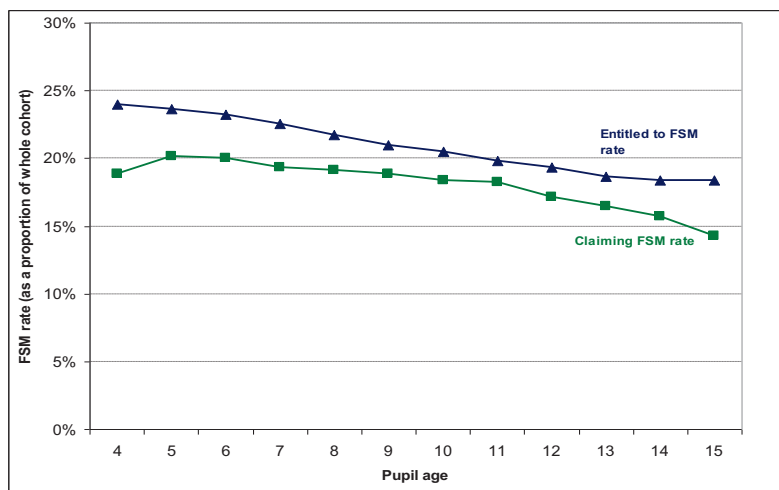
Samaira Iniesta-Martinez and Helen Evans – Department for Education

The aim of this paper is to present estimates of the numbers and proportions of pupils who are **entitled** to receive free school meals (FSM) but are not currently **claiming**.

### Key findings

- Benefits data from Her Majesty's Revenue and Customs (HMRC) suggests that around 1.4 million (21%) of children aged 4-15 in England are entitled to receive FSM.
- School Census data shows that around 1.2 million (18%) of 4-15 year old pupils in maintained schools are registered to claim FSM.
- Therefore around 200,000 pupils (**3% of all pupils aged 4-15**) appear to be entitled but are not claiming FSM.
- This means **14% of pupils entitled to FSM are not claiming them**.
- The proportion of pupils entitled to FSM decreases with age: 24 % of 5 year olds are entitled compared to 18% of 15 year olds.
- Of those pupils entitled to FSM, the proportion not claiming FSM is the same for both primary school and secondary school aged pupils.

### The proportion of pupils entitled to FSM, compared to the proportion claiming FSM, by age



Source: School Census 1989 – 2012.

- In the South East and East of England nearly one quarter of entitled pupils are not claiming FSM, which contrasts sharply with the North East where the equivalent figure is 2%.
- At local authority (LA) level under-registration rates range between 0% and 33%. LAs with the highest under-registration rates are Buckinghamshire and Richmond (both 33%), and Suffolk and Surrey (32%).
- Analysis using survey data suggests that pupils with the following characteristics, which are not directly linked to the FSM criteria, have lower likelihoods of claiming FSM. This is after other characteristics have been taken into account:
  - pupils living in a less deprived area;
  - pupils attending schools with a lower school FSM rate;
  - pupils from families with higher status occupations (i.e. professional rather than routine occupations);
  - pupils living in a family with higher parental qualifications; and
  - pupils of Chinese ethnic origin.
- There is some evidence to suggest that families entitled to FSM while in some part-time work are less likely to claim FSM than those on out-of-work benefits.

## Terminology

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- **Entitled to FSM** – Pupils are entitled to receive FSM if they live in households claiming qualifying benefits
- **Registered and claiming FSM** – This relates to those who meet the entitlement criteria and register at the school to claim FSM. This is what is reported by the School Census and described in DfE publications as “known to be eligible for and claiming FSM”
- **Taking FSM** – This relates to how many of the pupils registered to claim FSM actually take the meal on any given day.

### Additional Information

The full report can be accessed at <http://www.education.gov.uk/publications/> Further information about this research can be obtained from Emily Knowles Sanctuary Buildings, Great Smith Street, London, SW1P 3BT [Emily.KNOWLES@education.gsi.gov.uk](mailto:Emily.KNOWLES@education.gsi.gov.uk)

The views expressed in this report are the authors’ and do not necessarily reflect those of the Department for Education.



To Head Teachers and Chairs of Governors  
of all Havering Schools and Academies

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**Date:** 26<sup>th</sup> November 2013

Dear Colleague

## Changes to Schools Funding 2014-15

I am writing to consult with you on arrangements for the funding of schools for financial year 2014-15.

The issues set out in the attached document have already been discussed at School Funding Forum meetings but do require wider consultation with schools before final decisions are made.

This consultation paper is being sent to Head Teachers and Chairs of Governors of maintained schools and also of academies as the same formula factors are used to calculate their General Annual Grant. For maintained schools the funding changes will apply to the financial year April 2014 to March 2015 and for academies, the financial year September 2014 to August 2015.

I will be attending the Lead Member's consultative meeting with Chairs of Governors on 28<sup>th</sup> November to present the paper. The School's Funding Forum meets again on 5<sup>th</sup> December and on 16<sup>th</sup> January before the final calculation of school budgets for 2014-15.

If you have any comments please send them to me at the above address (email or postal) by 20<sup>th</sup> December 2013.

Yours sincerely

David Allen  
Finance Manager

## **SCHOOLS FUNDING**

### **CONSULTATION ON CHANGES FOR 2014-15**

#### **2013-14 funding arrangements**

In 2013-14 the Government implemented its School Funding Reforms as a first step towards a national funding formula which is planned for 2015-16. Among other changes this restricted the funding that LAs could hold centrally and limited the number of factors through which funding could be distributed to schools.

The factors for distribution of funding to schools were prescribed by the DFE although the values attached to these factors could be determined locally by LAs in consultation with their Schools Funding Forums.

In applying this new formula to school data in Havering there were significant differences for some schools to the funding they received in 2012-13. These were moderated through use of the Government's Minimum Funding Guarantee (MFG) and the locally agreed Gains Cap. The MFG ensured that no school had a budget reduction of more than -1.5% per pupil and the Gains Cap restricted increases in funding to 2% + a scaling factor of 12.5% of the difference between the funding allocated at the 2% cap and the funding that would have been funded without the cap.

#### **2014-15 changes**

Although relatively minor compared to 2013-14 there are some changes for 2014-15 that will impact on school funding. Some of these are from the DFE and some are proposals from the LA that have been agreed by the Schools Funding Forum.

This consultation is to seek views on these changes before they are finally implemented in 2014-15.

#### **1. Centrally Held Budgets**

Before the formula is applied to distribute funding to schools and academies, some funding is held centrally in support of schools and school related provision against a limited number of budget headings. These are shown below along with the budgets that have been agreed with the Schools Funding Forum.

- i. Pupil Growth Fund and Infant Class Size Funding      £2,400,000

In 2014-15 the need to expand capacity in the primary sector continues and there are ongoing commitments to fund the permanent expansions from September 2013 and earlier years in the primary and secondary sectors as the cohorts progress through the school. This pupil growth contingency funds schools for additional revenue costs for the remaining period in the financial year in which funding for the additional pupil numbers is not reflected in the schools' budget allocations. It also funds schools that have admitted more than 31 into a KS1 class.

- ii. Contribution to Combined Budgets      £249,536

This budget holds £196,000 of funding to support the 'schools supporting schools' programme and £40,000 for the LA to support schools causing concern. It is proposed to retain both sums.

This budget also holds a small sum of £13,526 for the LA to maintain redundant premises.

- iii. School admissions and appeals      £454,980

The LA retains statutory responsibility for the coordination of school admissions for all schools and academies and the allocation of places for maintained schools.

- iv. Servicing of Schools Forums      £42,410

The LA retains responsibility for servicing and providing support to the Schools Funding Forum.

- v. Termination of employment costs      £46,010

A small fund to support maintained schools in meeting the costs of ill health retirement

- vi. Capital expenditure from revenue      £87,490

A long running commitment following the provision of major energy reduction schemes several years ago at three secondary schools. The agreement was that the schools and the LA all make a contribution towards the overall costs and the schools receive the benefit of reduced energy costs.

vii. Falling Rolls Support Fund £500,000

One of the DFE changes for 2014-15 allows Local Authorities to create a fund to support good or outstanding schools and academies with falling rolls where local planning data shows that the surplus places will be needed in the near future.

The Schools Funding Forum has agreed the criteria for this and a budget of £500,000. This will support secondary schools and secondary academies with low intakes where numbers are expected to increase in future years.

The DFE also agreed that the administrative charge to LAs for the national contract with the Copyright Licensing Agency could be held as a central cost without the approval of the Schools Funding Forum.

Estimated cost £75,000

**Total central retention £3,855,426**

## **2. De-Delegation of Funding**

From 2013-14, a range of budgets that were previously held centrally were delegated into school budget shares. The Schools Funding Forum decides on behalf of maintained primary and secondary schools whether or not to de-delegate i.e. allow the funding to continue to be held centrally. De-delegation is not permitted for academies or special schools.

This Schools Funding Forum has made the following decisions for 2014-15 on behalf of maintained schools.

	De-delegated	
	Primary schools	Secondary schools
Newly delegated funding		
Attendance & Behaviour Service	Yes	No
Support to underperforming ethnic minority groups and bilingual learners (EAL Service)	Yes	No
Free school meals eligibility checking	Yes	Yes
Insurance	Yes	Yes
Licences/subscriptions	Yes	Yes
Staff costs - maternity cover & T.U. facility time	Yes	Yes
Support for schools in financial difficulty	Yes	Yes

The decisions made for the Attendance and Behaviour Service and EAL Service followed a wider consultation with schools. There was a 49% response rate and 85% were in favour of de-delegation for the Attendance & Behaviour Service and 89% in favour for the EAL Service.



De-delegation of the budget for trade union facility time is subject to any changes following the recent DFE review.

### 3. The Schools Funding Formula

#### 3.1 Unit Values

Part of the DFE's process for LAs setting their budgets for 2014-15 is to begin to calculate funding allocations based on October 2012 data. The new data based on the October 2013 census is due to be received from the DFE in December along with the DSG settlement for 2014-15. At that stage the funding will be recalculated.

**In modelling the formula at this initial stage based on October 2012 data, it is clear that there will be a shortfall in the amount required to maintain the current values that are applied to the funding factors.**

<b>Funding requirement based on October 2012 data</b>	<b>£158,524,577</b>
<b>Available funding based on October 2012 data</b>	<b>£157,371,505</b>
<b>Shortfall</b>	<b>£1,153,072</b>

**This was discussed with the Schools Funding Forum at their meeting in October and it was agreed that funding factor values would be reduced by 1% and a gains cap of 0% would be applied restricting any increases to the current funding per pupil.**

**Once the new data and DSG settlement are received it may be possible to reinstate some of the reductions that are required to balance this initial modelling of school funding.**

On this basis the reductions would be as follows:

	Factor	Unit Values (rounded)		Difference
		2013-14	2014-15	
Basic Entitlement	AWPU Primary)	3,105	3,074	-31
	AWPU (KS3)	4,552	4,542	-10
	AWPU (KS4)	4,750	4,740	-10
Deprivation	Free School Meals (P)	1,252	1,240	-13
	Free School Meals	2,786	2,238	-548

	(S)			
	IDACI_1_PRI	0	0	0
	IDACI_2_PRI	70	26	-44
	IDACI_3_PRI	135	135	0
	IDACI_4_PRI	600	594	-6
	IDACI_5_PRI	615	609	-6
	IDACI_6_PRI	630	624	-6
	IDACI_1_SEC	0	0	0
	IDACI_2_SEC	26	26	0
	IDACI_3_SEC	197	135	-62
	IDACI_4_SEC	600	594	-6
	IDACI_5_SEC	615	609	-6
	IDACI_6_SEC	630	624	-6
LAC	LAC	0	1,000	1,000
Low cost, high incidence SEN	Attainment (P)	489	489	0
	Attainment (S)	2,117	803	-1,314
English as an Additional Language	EAL (P)	233	230	-2
	EAL (S)	735	727	-7
Pupil Mobility	Mobility (P)	243	241	-2
	Mobility (S)	535	530	-5
Lump Sum	Lump Sum Pri	150,000	150,000	0
	Lump Sum Sec	150,000	175,000	25,000
	Rates (NNDR)		At cost	

Note: IDACI is Income Deprivation Affecting Children Index. The numbering relates to the likelihood of a pupil coming from an area of high deprivation e.g. a pupil in the IDACI\_6 banding has a 60 % chance of coming from an area of high deprivation.

There have been some changes to some of the above factors that have influenced the differences in the values above. These are explained in the following sections.

### **3.2 Secondary AWPU**

It can be seen from the above table that the reduction to the secondary AWPU value at KS3 and KS4 is not 10%. This is because some funding has been transferred from the free school meal factor to the AWPU factor. See section 3.3 below.

### **3.3 Free School Meals**

The impact of the funding changes set out in this document impact unevenly on some secondary schools and after modelling some alternative options it was found that there was a more even spread by redirecting some of the funding allocated through the Free School Meals factor into the secondary AWPU.

**The proposal is to reduce the Secondary School Free School Meal factor from £2,786 to £2,238 and increase the KS3 and KS4 AWPU by £35 and £37 respectively. This also has the affect of bringing the Free School Meal value closer to the value used for primary schools.**

### **3.4 IDACI (Income Deprivation Affecting Children Index)**

IDACI is a method of identifying deprivation that depends on the area in which children live. For example the highest banding of IDACI\_6 is used to allocate funding for children with a 60% chance of coming from an area of high deprivation.

Most of the values used in Havering's funding formula are similar for primary and secondary schools except for IDACI 2 and 3.

**For 2014-15 it is proposed to equalise the value of the factors between the primary and secondary sectors. This will reduce the primary IDACI\_2 rate from £70 to £26 to match the secondary rate and reduce the secondary IDACI\_3 rate from £197 to £135 to match the primary rate.**

### **3.5 Looked After Children**

For 2013-14 it was decided not to have a LAC factor in Havering's funding formula. This was because there was already an allocation of £900 per pupil through the Pupil Premium Grant and the basis of the data to be used was not straightforward.

Analysis of 2013-14 funding shows that 81 local authorities had a LAC factor, with 62 allocating below £1,250 per pupil in both primary and secondary phases.

The DFE has also changed the definition of the factor to apply to any child who has been in care for at least one day on 31st March 2013 (previously the factor was applied to children looked after for 6 or 12 months).

**For 2014-15 it is proposed to introduce a factor to reflect the schools' role in significantly improving the quality of life and the educational experiences of looked after children and the responsibilities and training of the designated teacher. The value to be set at £1,000 per LAC pupil.**

### **3.6 Attainment Factor**

The DFE has changed the attainment factor in its measurement at Early Years Foundation Stage and at Key Stage 2. For EYFS it will be 'not achieving a good level of development' for the 2013 cohort; for KS2 will be 'not achieving level 4 in English **or** Maths' for all cohorts (previously it was English **and** Maths). **The change in the secondary data will reduce the unit value applied to the factor.**

### **3.7 Low Cost, High Incidence SEN**

The funding formula must ensure it delivers £6,000 for each pupil with SEN to support the school in meeting the needs of the pupil. In 2013-14 the attainment factor alone was used in the allocation of SEN funding. Where this factor did not deliver £6,000 per pupil, it was topped up from a central contingency as SEN headroom.

e.g. 10 pupils with SEN x £6,000	= £60,000 funding requirement
Formula funding through attainment factor	= £50,000
Shortfall funded as SEN Headroom	= £10,000

32 schools received additional funding through SEN headroom at a cost of £755k.

The DFE has made it clear that for 2014-15 arrangements for topping up SEN funding outside the main funding formula should only be used for a minority of schools where the number of their high needs pupils cannot be reflected adequately in their formula funding. Similarly, additional funding can also be provided where there is a disproportionate number of pupils with a particular type of SEN. For example, a primary school may have developed a reputation for meeting the needs of high achieving pupils with autistic spectrum disorder, or pupils with physical disabilities, where it is not possible to target additional funding to the school through the attainment or other factors. The criteria to be used must be clear and transparent.

**The proposal is to increase the number of factors through which SEN funding is considered to be delivered. Based on DFE guidelines this will be as follows:**

**Attainment**            **100%**  
**Deprivation**        **16.5%**  
**Basic Entitlement** **1.2%**

**This will result in the required £6,000 for SEN being reached by more schools through the funding formula which will mean fewer schools will receive additional SEN headroom. On current data seven schools will be allocated headroom at a cost of £170,000. £585,000 previously allocated through this factor will be recycled from the High Needs Block into the overall Schools Budget for re-allocation.**

### **3.8 Pupil Mobility Factor**

The 2013-14 formula was based on the number of pupils being admitted other than in September (or January for Year R) over a 3 year period. For 2014-15 this changes to admissions other than in September (or January for year R) above a threshold of 10% of the pupil roll.

**This is a DFE change which will result in 10 primary and no secondary schools receiving funding through the mobility factor in 2014-15 compared to all schools in 2013-14.**

**In 2013-14 the allocations in primary schools range from £243 (1 pupil) to £19,050 (78 pupils) and in secondary schools from £1,070 (2 pupils) to £41,186 (77 pupils).**

**On current data this would reduce the range of funding to primary schools to £393 (2 pupils) to £9,427 (39 pupils) with no pupils qualifying for funding in the secondary sector. The funding previously used for this factor is recycled into the overall Schools Budget for re-allocation.**

### **3.9 Lump Sum**

In 2013-14 LAs were required to set the same lump sum for both the primary and secondary schools up to a maximum value of £200,000. In the previous (pre 2013-14) formula, secondary schools had received £350,000 as a lump sum, infant and junior schools £80,500 and primary schools £91,500. There were also some additional allocations for smaller schools through a curriculum protection factor and additional lump sums. For 2013-14 the value was set at £150,000.

**The proposal for 2014-15 is to revise the lump sums for 2014-05 as follows:**

**Secondary:        £175,000 (the new maximum permitted)**  
**Primary:            £150,000**

**This will reduce the impact that a smaller lump sum had on smaller secondary schools while maintaining the current sum for primary schools to reduce the impact of the new formula on smaller schools.**

#### 4. Early Years

Early Years providers are funded through a single funding formula from the Early Years Block. There are some changes in the factors used that have been prompted by a change in the Statutory Guidance to LAs on Early Years and Childcare. This requires LAs to base their decision on whether to fund a provider solely on the provider's Ofsted inspection judgement, and not undertake a separate assessment of the quality of the provider. Currently Havering uses a local RAG rating for its PVI (Private Voluntary and Independent) settings. The LA has also reconsidered the current quality supplement that allocates funding to settings that are judged "satisfactory" or "requires improvement".

**Following consultation with the Early Years Provider Reference Group and the Schools Funding Forum from 2014-15, quality supplements will be changed as follows:**

	2013-14	2014-15	Difference
	£	£	£
<b>Outstanding</b>	<b>0.33</b>	<b>0.39</b>	<b>0.06</b>
<b>Good</b>	<b>0.17</b>	<b>0.29</b>	<b>0.12</b>
<b>Requires Improvement</b>	<b>0.03</b>	<b>0.00</b>	<b>-0.03</b>

#### 5. High Needs

The High Needs Block funds special schools at £10,000 per place, pupil referral units at £8,000 per place, top ups above the place funding and allocations to mainstream schools. This block also funds SEN support services and post 16 provision including independent specialist provision.

There is increasing pressures on special school places and it is proposed to increase the place number at Corbets Tey School by 2 from 108 to 110 from September 2014 and at Dycorts by 10 places from 70 to 80 from April 2014. These additional places will form part of the LA data return to the DFE for additional funding through the High Needs Block.

No funding changes are proposed for special schools or pupil referral units as they are funded entirely from the High Needs Block and the provider/commissioner model is still being developed.

## **Responding to the Consultation**

Comments on the proposals for 2014-15 are welcome and will be considered by the Schools Funding Forum at its meeting on 16 January 2014 prior to final submittal to the DFE on 21<sup>st</sup> January.

By e-mail to:

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By post to:

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All responses should be returned by 20<sup>th</sup> December 2013.

### Further Information

If you require any further information about any item included in the consultation paper please contact:

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