

SCHOOLS FORUM – 17TH MARCH 2015

FAIRER FUNDING FORMULA FOR SCHOOLS 2015-16 UPDATE

1. INTRODUCTION

The purpose of this note is to update and advise Schools Forum members of the impact on the APT October 2014 submission following receipt of the October 2014 Schools Census data. This data formed the basis of the FINAL APT submitted to the EFA on the 16th January 2015 which determine the 2015-16 Schools Funding Formula to be allocated to schools through the school block formula.

2. BACKGROUND

Members will recall that at the last Forum of the 9th December 2014 the model was still being worked on follow the issuing of the October 2014 School Census data. At this meeting Schools Forum voted to delegate authority in respect of the proposals to the Working Party with the changes being reported back to the next Forum.

The final model was submitted to the EFA on the 16th January 2015 in accordance with their timetable and following their checks confirmation was received from them on the 29th January 2015 that the submission met their requirements in all respects with no further clarifications required. Maintained Schools have been notified of their schools block budget allocation and we understand that the EFA have made available to academies there funding allocations.

The model was submitted in accordance with the principles and assumptions discussed and agreed with the Forum Working group and Schools Forum.

3. MAIN DATA CHANGES

Overall the number of pupils has increased by 169 across the borough, however within each phase the primary sector has increased by 290 while the secondary sector has seen a decrease in numbers of 121. The result of this has therefore seen a switch in funding between the sectors which is as to be expected. A breakdown of the amounts being allocated through each factor compared to our October 2014 DRAFT APT submission is fully explainable by these pupil numbers.

In respect of Deprivation the total amount being distributed through the formula is £6,442,624 representing 6.41% of the funding. In the October 2014 draft submission the corresponding amount was £6,336,472 (6.37%). Pupils counted as deprived is very marginally down in the secondary phase, which

reflects the falling roll while for the primary sector the number has increased reflecting increasing numbers of children in the primary sector.

Prior attainment has increased within the secondary sector. This was expected given the tightening of exam grade boundaries however there is no one significant change on any one school.

The impact of the changes on the Minimum Funding Guarantee (MFG) is relatively small resulting in a net cost of £256k, a reduction of £50k between the January 2015 submission compared to the October 2014 submission.

4. CHANGES MADE TO THE FORMULA ON THE RECEIPT OF THE UPDATED DATA.

Following a review of the impact of the October 2014 Schools Census data it has been decided to leave all unit values as per the October Proforma draft submission.

By doing this the formula remains affordable and the % amount distributed through pupil and basic led factors high.

Deprivation has reached the state where the unit payment for deprivation has been equalised for all children.

In respect of Prior Attainment the slight worsening of the data has resulted in an additional £97k being distributed through the formula. However in terms of % this only increases this by 0.04%

As members are aware the MFG is influenced by a number of factors each of which are inter-related. As stated above the impact of the revised data has had a minor impact on the MFG net cost however work has been undertaken to assess the impact of the new data on the MFG using both the current cap and scale rates of 0 and 45% respectively and revising these. Reducing / increasing the scale rate by 5% results in an additional cost / reduction of around £39k with no material change to any schools individual budget. As a result the view of officers is that the scale rate of 45% should be left unchanged. If adopted the net cost of the MFG will be £256k, a total of 0.25% of the total funding envelope, however within each phase the situation is:

- Primary MFG cost - £353k
- Secondary MFG contribution - £(97)k

A review of the DSG contingency factoring in the estimated 2014-15 outturn has been undertaken and the one-off payment has been increased from £2m to £2.5m. Should the assumptions hold the this will result in the central contingency being within the 5% recommended limit.

No changes to the two centrally retained contingencies (Growth in PAN and Falling Rolls) of £50k are proposed.

The principles and methodology adopted on previous submissions are retained with the acknowledgement of the restrictions the single cap and scaling allowance brings.

5. QA UNDERTAKEN

Various QA tasks over and above that required by the EFA model have been undertaken. These are detailed below:

	<u>Oct 2014 data – Jan 2015 FINAL Proforma submission</u>	<u>Oct 2013 data – Oct 2014 DRAFT Proforma Submission</u>	<u>Oct 2013 data – Jan 2014 FINAL Proforma Submission</u>	<u>Oct 2012 data – Jan 2013 FINAL Proforma Submission</u>
% Total Schools Block funding going through Secondary phase	44 (37 excluding the impact of non-recoupment academies)	44 (37 excluding the impact of non-recoupment academies)	37	38
% Total Schools Block funding going through Primary phase	55 (63 excluding the impact of non – recoupment academies)	55 (63 excluding the impact of non – recoupment academies)	63	62
Basic Entitlement %	81.91	81.80	81.57	80.92
Pupil led %	93.61	93.55	92.87	92.63
Deprivation funding per eligible pupil – secondary £	559	557	520	517
Deprivation funding per eligible pupil – primary £	557	557	557	569
% Total Schools	5.30	5.26	5.11	5.31

Block funding going through as attainment				
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The above shows that despite the movement in pupil numbers then overall the funding within each phase is being held.

As agreed with the Schools Forum the % of funding being distributed through basic entitlement and pupil led factors is marginally increasing.

As agreed with the Schools Forum last year the amount spent on a pupil who is classified as coming from a deprived area is now almost equal across each phase.

In respect of attainment a similar % amount of funding is being distributed through the formula.

In addition to the above tests overall on-going affordability was assessed. The total amount being distributed through the formula, after deducting the one off sum, is £98.4m. The schools block DSG funding, after adjusting for previously agreed centrally retained items, as advised by the DfE on the 17th December 2014 is £98.6m.

6. RECOMMENDATION

That Schools Forum confirm support for the final adjustments made.

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