**SCHOOLS FORUM –19TH MARCH 2014**

**DfE CONSULTATION PAPER - FAIRER SCHOOLS FUNDING IN 2015-16**

1. **Purpose**

The purpose of this paper is to provide school forum members with a brief overview of the above consultation paper which was issued by the DfE on the 13th March 2014. A link to the consultation papers has been provided to members. The deadline for consultation responses is the 30th April 2014.

1. **Background**

As part of the “School Funding Reform: Next Steps towards a Fairer system“ consultation paper the government’s intention was to move towards a national funding formula. This intention was confirmed in the EFA Paper: 2014-15 Revenue Funding Arrangements. The DfE Consultation Paper – Fairer Schools Funding 2015-16 provides government thinking in this area on which comments are invited. The proposals outlined are for one year only with 2016-17 being a matter for the next spending review. As such these proposals do not represent the implementation of the national funding formula but are a step along the way to this overall goal.

The key points arising from the review are detailed below. Overall DfE have identified 62 Authorities who are in need of extra funding. These Authorities are listed and will share additional funding of £350M in 2015-16. North East Lincolnshire is not listed as one of the Authorities who will benefit from this additional funding.

The consultation paper lists indicative minimum funding amounts for certain of the allowable factors. These are listed at Appendix A for information. The amounts currently used within NELC for the 2014-15 local formula are included then members can see how these compare.

1. **Key points**

The key points arising from the consultation document are listed below:

* All local authorities will be funded to at least the same cash level per pupil as in 2014-15.
* Setting a minimum funding level for 5 pupil characteristics. These are:
	+ AWPU
	+ Deprivation
	+ LAC
	+ Prior attainment
	+ English as an additional language
* Setting a minimum funding level for 2 school characteristics. These are:
	+ Lump Sum
	+ Spasity factor
* Minimum values will be reviewed following a review of the 2014-15 proforma submissions
* Hybrid area cost adjustment to be used to increase minimum funding levels for local authorities in areas with higher salary costs.
* Continuation of the minimum funding guarantee of -1.5% per pupil per year.
* Review of spasity factor to see if small changes to its operation would be helpful, potential a reduced sum to which tapering will apply.
* No requirement for local authorities to use all these factors.
* No proposals that local authorities need to weight unit values at the minimum funding level.
* No proposals for any changes in 2015-16 in the way local authorities allocate funding to schools.
1. **Recommendation**

No recommendation is made at this time. This paper is for information only.

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**Appendix A**

**Indicative minimum funding levels for 2015-15**

|  |  |  |
| --- | --- | --- |
| **Allowable Factor** | **DfE Indicative amount £** | **NELC current amount £ per 2014-15 formula** |
|  |  |  |
| Basic per pupil entitlement: Primary AWPU | 2,845 | 3,213 |
| Basic per pupil entitlement: Secondary AWPU KS3 | 3,951 | NELC chose one secondary AWPU value only (KS4) |
| Basic per pupil entitlement: Secondary AWPU KS4 | 4,529 | 4,565 |
| Deprivation – FSM eligibility - Primary | 893 | Following discussions with the Schools Forum Formula Funding Working Party the decision was made not to use this factor as a measure of deprivation. |
| Deprivation – FSM eligibility - Secondary | 1,080 | Following discussions with the Schools Forum Formula Funding Working Party the decision was made not to use this factor as a measure of deprivation. |
| Deprivation – IDACI 1 Primary | 237 | 142 |
| Deprivation – IDACI 2 Primary | 290 | 296 |
| Deprivation – IDACI 3 Primary | 387 | 450 |
| Deprivation – IDACI 4 Primary | 453 | 604 |
| Deprivation – IDACI 5 Primary | 511 | 759 |
| Deprivation – IDACI 6 Primary | 741 | 913 |
| Deprivation – IDACI 1 Secondary | 321 | 154 |
| Deprivation – IDACI 2 Secondary | 243 | 308 |
| Deprivation – IDACI 3 Secondary | 530 | 462 |
| Deprivation – IDACI 4 Secondary | 596 | 616 |
| Deprivation – IDACI 5 Secondary | 659 | 770 |
| Deprivation – IDACI 6 Secondary | 894 | 924 |
| Looked After Children - Primary | 1,009 | Following discussions with the Schools Forum Formula Funding Working Party the decision was made not to use this factor |
| Looked After Children - Secondary | 1,009 | Following discussions with the Schools Forum Formula Funding Working Party the decision was made not to use this factor |
| Low cost high incident SEN - Primary | 878 | 892 |
| Low cost high incident SEN - Secondary | 1,961 | 1050 |
| English as an additional language - Primary | 505 | Following discussions with the Schools Forum Formula Funding Working Party the decision was made not to use this factor |
| English as an additional language - Secondary | 1,216 | Following discussions with the Schools Forum Formula Funding Working Party the decision was made not to use this factor |
| Lump Sum - Primary | 117,082 | 102,000 |
| Lump Sum - Secondary | 128,189 | 102,000 |
| Sparsity factor - Primary | 53,988 tapered | 100,000 tapered |
| Sparsity factor - Secondary | 53,988 tapered | N/A |