

## SCHOOL FUNDING REFORM: ARRANGEMENTS AND CHANGES FOR 2014-15

**SUMMARY OF THE MAIN POINTS** - *The shading reflects those areas of the funding formula's operation where we need to consider doing something different from 2014-15*

### 1 MINIMUM THRESHOLDS

- ***A minimum of 80% of delegated schools block funding must in future be allocated through an appropriate and locally-determined combination of the pupil-led factors (ie AWPU, deprivation, low prior attainment, looked-after children and English as an additional language)***  
In 2013-14 Kirklees' new schools block formula allocated 90.04% via pupil-led factors.
- ***Local authorities will be required to set an AWPU rate which is at least £2,000 for primary and at least £3,000 for KS3 and KS4***  
In 2013-14 Kirklees' AWPU rates are £2,535.49 for primary, £3,669.97 for KS3 and £4,530.30 for KS4.

### 2 PRIOR ATTAINMENT

- ***The Early Years Foundation Stage Profile will be retained as the main indicator for prior attainment for primary-aged pupils.***

The EYFSP methodology has changed, however. For the cohort of children moving into KS1, pupils will qualify for the prior attainment factor where they have not achieved a good level of development. This will include all those who have not achieved the expected level of development in all 12 prime areas of learning as well as maths and literacy.

- ***For secondary, pupils will be identified as having low prior attainment if they fail to achieve a Level 4 or higher in English OR a Level 4 or higher in maths.***

In 2013-14 pupils only counted as LPA if they failed to achieve Level 4 in English **and** maths. Nationally, this will increase the number of students picked up by the LPA measure from 10% of pupils to around 21%. For KS2 assessments from 2013 onwards English assessment against the required level will take into account reading test results and teacher assessed writing.

Locally, we will need to review the amount of funding attached to the LPA factor in the light of a potential doubling of the number of identified pupils.

### 3 DEPRIVATION

- ***Decided not to specify a minimum proportion of deprivation funding. No other deprivation measures to be introduced – Free School Meals and IDACI remain the only permissible deprivation factors.***

### 4 LOOKED AFTER CHILDREN

- ***In 2014-15 local authorities using a looked after children factor will be required to use the LACX measure only – children looked after for a single day or more – for both primary and secondary allocations.***

Kirklees 2013-14 formula method uses the LACX data set. The two measures that have been dropped counted looked after children once they had been 'looked after' for at least 6 months or at least 12 months. No action needed.

### 5 PUPIL MOBILITY

- ***Funding to be targeted only to those schools which experience the highest levels of pupil mobility. From 2014-15 a 10% threshold will be applied to the mobility factor.***

Kirklees new schools block formula only has a primary sector mobility factor. In 2013-14 there were just 17 primary schools scoring over the 10% mark. A good many of these were small primary schools where a relatively small turnover of children accounts for a large proportion of the school's roll. There are also examples of primary schools amongst the 17 which primarily draw their pupils from Council estates which themselves have a significant turnover of residents.

We need to review how this factor operates in future given the smaller numbers of schools that will trigger support.

## 6 SPARSITY

- ***An optional sparsity factor will be introduced for 2014-15. This will use the distance pupils live from their second nearest school.***

If the average extra distance for pupils to travel to their second nearest school is over two miles for primary and three miles for secondary the school would become eligible for sparsity funding. Local authorities will be given discretion to set distance thresholds above these minima. The maximum size of school that can receive sparsity support is 150 pupils for primary and 600 pupils for secondary, with authorities being able to set lower NOR “caps” if they wish. The maximum sparsity allocation to any school will be £100,000. The distance measurement will be ‘as the crow flies’ not actual travelling distance although exceptional applications can be made where this is felt to significantly underestimate travelling time.

We need to see the Government’s data set before considering whether to introduce a sparsity factor in Kirklees’ schools block formula.

## 7 LUMP SUM

- ***For 2014-15 the maximum lump sum value will reduce from £200,000 to £175,000.***
- ***Local authorities will be able to differentiate lump sum values between the primary and secondary phases within the maximum cap value. Middle schools would be funded at the weighted average of the two phase lump sum values.***
- ***The lump sum must be the same value for all schools in the sector- no variation according to size of school will be permitted.***
- ***In future, two merging schools will be able to keep 85% of the two lump sums for the next full financial year following the year in which they merge. EFA giving consideration as to whether further tapered lump sum protection should be provided for up to two further years.***

## 8 SCHOOLS WITH FALLING ROLLS

- ***From 2014-15 local authorities, using top-sliced DSG funding, will be allowed to create a small fund to support schools with falling rolls in exceptional circumstances.***

This acknowledges that there are some schools (temporarily) suffering a fall in their roll number but where demographic changes will mean that their spare places are required in the near future. The suggested fund would allocate financial support to ensure that the school would remain open and viable in the short term until the roll trend began to reverse. Use of the fund will need to be considered at planning area level and Schools Forum will assess any applications. Clear criteria will be required to judge applications against. The fund can only be used to support schools and academies that have a good or outstanding Ofsted rating.

## 9 SCHOOLS FORUM

- ***DfE will separately consult on a change to Schools Forum regulations to require that there be one elected representative from an institution (other than from a school or academy) providing education beyond age 16 (but may also be providing education for 14-16 year olds).***

This would replace the current representation from the 14-19 partnership (which has been vacant for some time on Kirklees Schools Forum).

## 10 HIGH NEEDS FUNDING

- ***For 2014-15, the EFA will not be introducing a new high needs formula factor for use in the Schools Block formula (but will consider the case for doing so in future)***

In the consultation there was support for such a factor being able to make additional allocations to schools with a disproportionate population of high needs pupils. Local authorities will continue to be able to target funds to such schools from their high needs budget in cases where the notional SEN budget allocation is comparatively low. There needs to be a formula basis to underpin any allocations, one that minimises any “perverse incentives”. Information about our local arrangements will be collected in the next funding formula return.

- ***The £6,000 SEN costs threshold value will be a requirement from 2014-15.***

Some authorities have used a different amount to determine the assumed (maximum) contribution a school will make towards the cost of supporting high needs pupils. Kirklees has already adopted the £6,000 threshold.

- ***Bringing pre- and post-16 high needs arrangements closer together – EFA is to issue operational guidance to explain how improvements to the high needs allocation process will be implemented over the next 12 months.***

## 11 TIMETABLE

Date	Action
“shortly”	EFA to issue improved funding pro forma to enable local authorities to model 2014-15 changes
31 <sup>st</sup> October 2013	Deadline for submission of provisional 2014-15 Schools Budget pro forma to the EFA
27 <sup>th</sup> November 2013	School census database closes
16 <sup>th</sup> December 2013	2014-15 DSG allocation to the authority confirmed (including funding from academies)
21 <sup>st</sup> January 2014	Deadline for submission of final 2014-15 funding pro forma to the EFA
28 <sup>th</sup> February 2014	Deadline for authorities to confirm 2014-15 budget allocations to maintained schools (EFA confirms academy budgets)