

Report No.
ED12049

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Education Budget Sub-Committee**

Date: **25 September 2012**

Decision Type: Non-Urgent Non-Executive Non-Key

TITLE: SCHOOL FUNDING REFORM : ARRANGEMENTS FOR 2013/14

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Ward: Boroughwide

1. REASON FOR REPORT

1.1 This report provides details of the Government's proposals for School Funding Reform arrangements for 2013/14.

2. RECOMMENDATIONS

2.1 **The Education Budget Sub-Committee are asked to note the proposed changes as detailed by DfE and the Local Authority's progress to date in implementing these changes.**

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Children and Young People:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 During 2012 the DfE has published a number of documents outlining their plans for School Funding Reform. This is the first step towards the introduction of a new national funding formula during the next spending review period which will ensure that similar pupils will attract similar levels of funding no matter where they go to school in the country. In preparation for this the DfE aims to simplify the local funding arrangements for 2013-14 and to introduce a new approach to high needs funding that will help to improve transparency, quality and choice for young people and their families.
- 3.2 The proposed timeframe for this is as follows:
- During the summer a revised funding formula needs to be produced by the local authority working with its Schools Forum, Schools and Academies.
 - By the end of October 2012 every local authority to submit is revised formula, set out on a prescribed pro-forma, to the Education Funding Agency with all the key parameters of the revised formula fixed, but with the possibility of later amendments to the values if the results of the October pupil count warrant it.
 - By the 18 January 2013 to submit a final proforma taking account of any changes driven by the data coming out of the October pupil census.
 - In parallel there will be significant work to be done on the high needs reform.
- 3.3 The first impact of these changes is that the Dedicated Schools Grant (DSG) will be divided into three separate blocks; the Early Years Block, the Schools Block and the High Needs Block. The amount of funding allocated to each of these blocks will be based on the local authorities Section 251 Budget statement for 2012/13. Funding for the three blocks will be separately identified, but will not be ring fenced allowing local authorities to move funding between blocks, with the agreement of the Schools Forum, to meet any additional funding pressures in each area.
- 3.4 Within the Schools Block, local authorities will be required to revise their funding formula to include only a limited number of factors as prescribed by the DfE. Details of the allowable factors can be seen at paragraph 3 of the LA guidance notes at **Appendix 1**. It is anticipated that moving to the new formula will inevitably cause some considerable turbulence to a number of schools, with some schools being very big winners or losers. However, this will be mitigated during 2013/14 and 2014/15 by the Minimum Funding Guarantee which will effectively prevent any school from losing by more than -1.5% per pupil.
- 3.5 Several budget items which can currently be retained centrally will have to be delegated through the formula from 2013/14. This will include items such as allocation of contingencies, staff supply costs (e.g. for maternity, trade union duties and jury services) and behaviour support services.
- 3.6 Once the costs of these services have been delegated to schools, maintained schools within each relevant phase will be able to decide whether they would prefer for these services to be retained centrally. The decision regarding this would be made by the Schools Forum representatives for each relevant sector and will then apply to all the schools in that sector.
- 3.7 Within the High Needs Block Authorities will need to determine the number of places in maintained special schools, in special units in maintained mainstream schools and to rework the budgets to be based on £10,000 base funding per place plus top up funding which will relate to individual pupils needs rather than conventional formula funding.

- 3.8 There are no major changes proposed with regard to the Early Years Block and most authorities Early Years Single Funding Formula (EYSFF) has only been in place for a couple of years. However, with regard to the Early Funding within the DSG, whereas previously authorities have received funding for 90% of early year's pupils regardless of actual numbers, this will reduce to either 85% or actual take up, whichever is the highest.
- 3.9 There will be some changes to the Schools Forum Regulations to look at the size and constitution of Forums to ensure that they are able to carry out their role in an effective and transparent way.
- 3.10 Bromley has already made some progress in addressing all of these issues. With regard to the review of funding, early consultation was carried out with all schools at the end of the summer term which included briefing sessions for Finance Officers, Head Teachers and Governors. The early formal consultation process has enabled officers to make some judgements with regard to the new funding formula and to carry out modelling on this basis. Full details of the early models will be presented to the Schools Forum and their meeting in September and will then be released to Head Teachers and Governors to enable the Schools Forum to make their final recommendations to the Portfolio Holder for the final decision by the end of October.

Non-Applicable Sections:	Financial Implications Policy Implications Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	None