

Decision Maker: **Schools Forum**

Date: **18 July 2013**

**TITLE: 2014-15 REVENUE FUNDING ARRANGEMENTS**

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Ward: Boroughwide

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1. Reason for report

- 1.1 This report outlines the findings from the DfE review of the new school funding arrangements and details the proposed changes for 2014-15.
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2. **RECOMMENDATION**

**The Schools' Forum is asked to consider the proposed changes and to agree how these might be implemented.**

3. **COMMENTARY**

- 3.1 The DfE has recently issued further guidance to assist local authorities and Schools Forums in planning the local implementation of the reformed funding system for 2014-15. Full details of the guidance notes are attached at the following link.

<https://www.gov.uk/government/publications/2014-to-2015-revenue-funding-arrangements-operational-information-for-local-authorities>

- 3.2 The main changes are highlighted below:

- Required minimum value for AWPU set at £2000 for primary schools and £3000 for secondary schools. Bromley values for 2013/14 were in excess on the minimum requirement.
- The upper limit for the lump sum has been reduced to £175,000. As the Bromley lump sum was set at £180,000 in 2013/14 this will need to be reviewed.
- For 2014/15 a different lump sum can be used for primary and secondary schools.
- A new sparsity value has been introduced. Bromley schools data to be reviewed to see if any schools would be eligible.
- The attainment measure for secondary schools has changed to target pupils achieving level 3 or below in either English OR Maths as opposed to English AND Maths in 2013/14

- Where schools are amalgamating, they can retain the equivalent of 85% of two lump sums for the financial year following the year in which they merge.
- LA must ensure that at least 80% of delegated funding is allocated through pupil-led factors. The Bromley formula for 2013/14 exceeded this at 89%.
- The DfE are not prescribing any restraints on the primary/secondary ratio for 2014/15. However they have not ruled this out for future years and are advising LA to be aware of where they sit within the range.
- For high needs funding, the threshold has now been set at £6,000 as a mandatory level, whereas in 2013/14 this was the recommended level. Bromley has worked to the recommend level of £6,000.

3.3 Since this point there have been no further regulations affecting Schools Forums. The DfE has issued a new Authority Proforma Tool to allow schools to model funding for 2014/15. The LA is required to submit the provisional 2014/15 school budget proforma to the EFA by 31 October 2013.

3.4 It is proposed that the LA will produce modelling data during the summer to be presented to the Schools Forum for consideration in September. The Schools Forum is therefore asked to discuss and to agree the following bases for the modelling:

- (i) Primary lump sum to be modelled at £175,000 with the remaining funding being allocated through AWPU. It is estimated that this will generate around £15 per pupil and as a result of this schools with more than around 300 will benefit and schools with fewer than 300 pupil will lose.

Example 1 – school with 350 pupils

2013/14 lump sum	£180,000
2014/15 lump sum plus additional AWPU	£180,250

Example 2 – school with 210 pupils

2013/14 lump sum	£180,000
2014/15 lump sum plus additional AWPU	£178,150

- (ii) Secondary lump sum to be modelled at £175,000 and £0 as it was the view of some members of the Schools Forum that there was no requirement for a lump sum in the secondary sector. Any remaining funding will be allocated through AWPU. It is estimated that if the lump sum is reduced to £175,000 it will generate around £5 per pupil whereas if it is reduced to £0 it will generate around £182 per pupil. As a result of this schools with more than 1000 pupils will gain and schools with fewer than 1000 pupil will lose.

Example 1 – school with 1250 pupils and £175,000 lump sum

2013/14 lump sum	£180,000
2014/15 lump sum plus additional AWPU	£181,250

Example 2 – school with 850 pupils and £175,000 lump sum

2013/14 lump sum	£180,000
2014/15 lump sum plus additional AWPU	£179,250

Example 3 – school with 1250 pupils and zero lump sum

2013/14 lump sum	£180,000
2014/15 additional AWPU	£227,500

Example 4 – school with 850 pupils and zero lump sum

2013/14 lump sum	£180,000
2014/15 additional AWPU	£154,700

- 3.5 The Schools Forum is reminded that the Minimum Funding Guarantee will protect schools from any significant gains or losses.
- 3.6 The Schools Forum is asked to agree that modelling will be produced on this basis and secondary schools will be consulted on these two options only.

<b>Non-Applicable Sections:</b>	Policy, Financial, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	N/A