

ALTERNATIVE SOLUTION FOR PROPOSED CHANGES TO FUNDING FORMULA FOR 2014/15 – CIRCULAR NO: 055/13

The further guidance issued by the Department of Education (DfE) to assist local authorities and Schools Forums in planning local implementation of the reformed funding system for 2014-15 is detailed at <https://www.gov.uk/government/publications/2014-to-2015-revenue-funding-arrangements-operational-information-for-local-authorities>.

Circular no: 055/13 detailed these changes and suggested significant change in the funding system for secondary schools. Following feedback from Secondary Heads this paper details an alternative solution to the change in guidance.

The main issue is the change in the description of attainment measure for secondary schools to target pupils achieving level 3 or below in either English OR Maths as opposed to English AND Maths in 2013/14. The circular identifies that under this new descriptor a further 940 pupils fulfil the attainment criteria. The original proposal was to reduce the attainment value to half of the 2013/14 value of £2,500 so that students not achieving English AND Maths would attract the same level of funding, this however creates an issue where further funding for the additional 940 pupils at £1,250 requires additional funding in excess of £1m to support this.

The circular limits the resolution with 'only with secondary schools' however a lack of prior attainment develops in the primaries. Additionally, as this situation has arisen due to changes in definition by the DfE this initiative should be funded appropriately by them and the LA should request an additional allocation. Notwithstanding the above there is a simpler, fairer, more appropriate solution. The £2,500 is intended only for specific 'under achieving' students and has created a total and specific allocation.

We should not be using AWPU nor lump sum to fund this 'one off' change for a relatively small number of students. This has always been the Forum's guiding principle. The alternative solution therefore is merely to reallocate funds attributed to attainment over the greater number of students who fall within the new descriptor. The calculation and redistribution would be as follows:

1.	Original students eligible	=	1249 x £2,500
		=	3,122,500
2.	New eligible students	=	3441
			3,122,500 ÷ 3441
	Per student	=	907.44

3. £907 per student allocated to each school as appropriate and MFG applied as necessary.

4. Obviously, there will still be also winners and losers, compared with 2013/14 budgets, but this is always the case when the DfE introduce changes, but with no increase in basic 'allocation'.

We should not be trying to create 'additional' money by impacting negatively upon all other students, as the two options already provided ask us to do.

Only 940 additional students are eligible and can be accommodated within the original 'pot'.

5. A longer term consideration is that by tinkering with Secondary AWPU and removing lump sum weakens our position regarding funding in other areas and in 2015/16. We would not wish to set a precedent in attempting to solve a relatively small problem.

6. As we await a National Funding Formula making such major change is inappropriate at this time.

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