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London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 26 November 2015**

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

Title: **REVIEW OF FUNDING FORMULA - 2017/18**

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Chief Officer: Director: Education (ECHS)

Ward: (All Wards);

1. Reason for report

This report provides feedback from the Schools Forum Working Group.

2. **RECOMMENDATION(S)**

The Schools Forum is asked to agree to initial consultation with all schools around the scope of the review of the funding formula for 2017/18.

i. COMMENTARY

3.1 At the September meeting, the Schools Forum agreed to establish a working group to undertake a review of the LA Funding Formula. It was agreed that the working group would be made up of the following members:

- Mandy Russell, Head of Schools Finance
- Andrew Downes, SF Chair (Cooper School)
- David Bridger, Vice Chair (C of E Diocese)
- Karen Raven, Head Teacher (Chislehurst School for Girls)
- David Dilling, Governor (Biggin Hill Primary/Charles Darwin)
- Patrick Foley, Head Teacher (Southborough Primary)

3.2 The working group met for the first time on 3rd November, with apologies from Patrick Foley. At the first meeting the group considered the scope of the review.

3.3 It was agreed that it was not feasible to carry out a full and fundamental review of the formula in view of the timescale available and also in view of the constraints around the DfE regulations and the impact of the minimum funding guarantee.

3.4 Members of the WG felt that one of the main areas to focus on was the primary : secondary ratio. Prior to the allocation of the additional Fairer Funding payment that was received for 2015/16 the Bromley primary : secondary ratio was 1 : 1.36, which was one of the highest ratios in the country. Following the allocation of the additional funding the ratio changed to 1 : 1.19, being one of the lowest in the country. It was agreed that this was an unintended consequence of the current formula allocation that was agreed by Members with support from the Schools Forum. Full details of the current allocations can be seen on the Bromley APT proforma at appendix 1.

3.5 The WG discussed this issue at length and the fact that any changes that Bromley may decide to implement for 2017/19 would need to be very mindful of any changes which may also come down from the DfE as part of the National Funding Formula. The WG felt that it was likely that any National Funding Formula would look at average funding levels and ratios, and that as an outlier Bromley could be severely impacted by that. It was therefore agreed that the review should focus on the ratios. The WG also acknowledged that any changes coming out of the review would likely be restricted by the impact of the Minimum Funding Guarantee.

3.6 The WG considered a detailed analysis of the Bromley Funding Formula elements compared to a number of neighbouring local authorities (appendix 2). This table also shows the ratios, total Schools Block spend, % allocation on basic entitlement and % pupil led funding. The WG group felt that they were able to draw a number of conclusions from this data as follows:

- Bromley primary : secondary ratio is low compared to other LAs
- Bromley % basic entitlement is in line with other LAs
- Bromley % pupil led is in line with other LAs
- Bromley AWPU allocations are generally in line with other LAs – if not necessarily in actual values , in terms of the primary : secondary splits.

- The Bromley lump sum was generally in line with other LAs in terms of both its allocation and its spread.

3.7 It was concluded from this that the review should therefore focus on the other elements within the formula, namely Deprivation, EAL and Low Cost/High Incidence SEN, but with particular focus on the last two elements where there is a differential between the primary and secondary amounts.

3.8 Some initial modelling was carried out looking at EAL and Low Cost/High Incidence SEN as follows (appendix 3):

- Primary EAL increased to £1129 in line with secondary
- Primary LC/Hi Sen reduced to £1,000 in line with secondary

3.9 The impact of this is such that it shifts the primary: secondary ratio from 1:1.19 to 1:1.24 which is more in line with other LAs. However, because of the impact of the MFG mechanism, no primary schools can lose more than 1.5% of their budget share/pupil and secondary schools do not benefit from this change. No detailed modelling has been provided at this stage as the Schools Forum is being asked to focus on the principles before looking at the impact on individual schools.

3.10 The Schools Forum is therefore asked to discuss the following specific points before the next meeting of the Sub Group in early December.

- i. Should the primary and secondary values for EAL and LC/Hi SEN be set at the same levels?
- ii. If the impact of this is to move funding around between primary schools, should these schools be protected by the MFG and if so, for how long?
- iii. If the impact of these changes is to adjust the primary secondary ratios, should any funds freed up from the MFG be transferred to secondary schools?
- iv. If yes, which secondary factor should be adjusted to reflect this?

v. FINANCIAL IMPLICATIONS

The impact of any changes to the formula will have to be met from within the overall Schools Budget.