

## LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	<b>SCHOOLS FORUM</b> <b>14 January 2015</b>	Agenda Item	<b>5</b>
Report Title	<b>Local Funding Formula for 2015-16</b>		
Decision/ Discussion/ Information	For Information and decision		
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Appendices	Appendix A – Proposed changes to LFF funding rates in 2015-16 Appendix B – LA & school pupil characteristics Appendix C – Funding rates within the LFF Appendix D – Individual school budget shares 2015-16 Appendix E – Comparison of overall school funding 2014-15 and 2015-16		

### 1. SUMMARY

- 1.1 At its meeting on 12 November 2014, Schools Forum was informed that the Local Authority [LA] would present to this meeting information on the proposed allocation of funding for 2015-16 taking account of:
- (a) Actual numbers on roll in the October 2014 Schools Census.
  - (b) Changes agreed at the meeting on how funding is allocated through the Local Funding Formula [LFF].
  - (c) The amount to be retained for the Growth Fund and for the scheme for schools with falling rolls.
  - (d) The inclusion of the three new recoupment academies.
- 1.2 This report explains that a total of **£189.007m** is available for delegation to schools – an increase of **£9.770m** of which **£6.966m** is the additional funding given to Waltham Forest for the three new

recoupment academies. Overall, funding per pupil through the LFF rises **by £46 or 0.9%**.

- 1.3 Proposed changes to the LFF mean that the average funding per pupil for primary pupils will rise from **£4,456** to **£4,527** – a rise of **£71** or **1.6%**; whilst for secondary schools the comparable figures are **£6,299** to **£6,261** – a fall of **£38** or **0.6%**. As a consequence, the average per pupil funding ratio between primary and secondary schools narrows from **1: 1.413** to **1:1.383** which should make Waltham Forest less of an outlier LA.

## **2. RECOMMENDATIONS**

- 2.1 The Lump Sum increase for primary schools from **£75,000** to **£90,000** was previously agreed by Schools Forum in November 2014.

### **2.2 Schools Forum to agree that:**

- 2.2.1 The AWPU for primary schools is raised by **£40** to **£3,440**.
- 2.2.2 The AWPU for secondary schools is reduced by **£40** to **£4,760**.
- 2.2.3 The funding rate for FSM6 for secondary schools is reduced by **£20** to **£1,180**.
- 2.2.4 Split-site funding is changed so that the level of funding is a fixed rate as set out below. The rates for levels 1- 4 are those agreed by Schools Forum in November 2014. However, the rate for level 5 has been increased from **£100,000** to **£110,000**:

<b>Level</b>	<b>£</b>
1	£15,000
2	£40,000
3	£20,000
4	£40,000
5	£110,000

- 2.2.5 Rates for 2015-16 are the actual rates for 2014 adjusted upwards by **1%**.
- 2.2.6 PFI allocations for 2015-16 are those for 2014-15 adjusted upwards for **2.5%**.
- 2.2.7 The minimum funding guarantee is set at **MINUS 1.5%** (set by the government) and that gains are capped at **2.45%** (set by the LA within the guidelines from the government).

### 2.3 **Schools Forum to note that:**

- 2.3.1 **Appendix B** sets out LA and individual school pupil characteristics which form the basis of over 90% of funding allocations for 2015-16.
- 2.3.2 **Appendix C** sets out the comparison between funding rates within the LFF for 2014-15 and 2015-16.
- 2.3.3 **Appendix D** sets out the individual school budget shares based upon the proposed funding rates within the Local Funding Formula for 2015-16.
- 2.3.4 **Appendix E** provides a comparison between overall funding for 2014-15 and 2015-16. It includes LFF, MFG adjustments, Growth Fund and scheme for falling rolls, High Needs funding and forecasted pupil premium.

## 3. **REASON**

- 3.1 The LA is required to consult with the Schools Forum regarding any changes to be made to the agreed funding rates set out in the LFF.

## 4. **BACKGROUND INFORMATION**

### Determination of the Control Total

- 4.1 The factors contributing to the overall growth in Schools Block DSG Control Total between 2014-15 and 2015-16 are set out in Table 1 below:

**Table 1: Changes to Schools Block DSG Control Total for 2015-16**

Source of funding	2014-15	Changes	2015-16
Control Total 2014-15	<b>£179.237m</b>		
Provision for new recoupment academies		£6.966m	
Growth in pupil numbers / CRC adjustment		£2.529m	
Reduction in funding for Growth Fund		£0.250m	
Transfer of funding to High Needs Block		-£0.125m	
Transfer of funding from Early Years Block		£0.125m	
NNDR adjustment		£0.025m	
<b>Total changes</b>		<b>£9.770m</b>	<b>£189.007m</b>

- 4.2 The key issue is how this affects the distribution of funding between primary and secondary sectors. Table 2 below summarises the adjustments made.

**Table 2: Adjustment in funding for primary and secondary sectors**

<b>Adjustments to funding</b>	<b>Primary</b>	<b>Secondary</b>
Allocation 2014-15	<b>£103.959m</b>	<b>£75.259m</b>
New recoupment academies	£0.430m	£6.536m
NNDR Adjustments	£0.025m	
Growth in NOR	£2.415m	£0.114m
Growth Fund	£0.540m	-£0.290m
Transfer from Early Years Block	£0.125m	
Transfer to High Needs Block	-£0.025m	-£0.100m
Transfer from Secondary to Primary sectors	+£0.240m	-£0.240m
Allocation 2015-16	<b>£107.709m</b>	<b>£81.279m</b>
<b>Change</b>	<b>£3.750m</b>	<b>£6.020m</b>

*Changes to the Funding Factor Rates within LFF*

- 4.3 In November, Schools Forum agreed the following:
- The Lump Sum for primary schools to be raised from **£75,000** to **£90,000**.
  - The AWPU for secondary schools may be reduced by **£50** and that the money released is allocated to primary schools.
  - Split-site funding may be amended so that the allowance is based upon lump sums.
  - Funding for the expansion of schools may be based on actual NOR in the October Census rather than forecasted numbers.
  - All funding released from the above measures and unallocated balances arising from the increase in primary school population over and above (a) above should be allocated to the primary AWPU.
- 4.4 **Appendix A** to this report explains the changes proposed to the LFF for 2015-16 to achieve the above recommendations. It also explains the content of **Appendices B to E**.

- 4.5 There is a clear difference between primary and secondary schools. For primary schools, the per pupil funding rises from **£4,456** to **£4,527** – a rise of **£71** or **1.6%**; whilst for secondary schools the comparable figures are **£6,299** to **£6,250** – a fall of **£49** or **0.8%**. As a consequence, the average per pupil funding ratio between primary and secondary schools narrows from **1: 1.413** to **1:1.383**.
- 4.6 Any greater shift than **£0.240m** in funding from secondary to primary schools would have triggered off much higher levels of MFG for secondary schools which would have been funded by primary schools growth being capped, and therefore self-defeating. However, a change of this magnitude based on 2014-15 data, means that Waltham Forest is likely to be much less of an outlier LA as there could be 14 other LAs rather than just the 5 LAs which had a higher ratio than Waltham Forest in 2014-15. However, other outlier LAs may reduce their gap in 2015-16.
- 4.7 There are significant variations within each sector. Thirteen primary schools face a cash reduction in 2015-16, the biggest three being Barncroft Primary (-10.8%); Chapel End Infants (-10.4%); and Downsell Primary (-5.5%). On the other hand, some primary schools have significant increases e.g. Davies Lane Primary (17.0%); Mission Grove Primary (14.0%); and St Mary's CE Primary (12.5%). These changes are mainly due to changes in numbers on roll.
- 4.8 Ten secondary schools face a cash reduction in 2015-16, the largest three being Rush Croft (-5.6%); The Lammas (-4.3%); and Leytonstone (-4.2%). However, The Lammas benefits from an additional £60,690 paid under the scheme to protect good schools with falling rolls. At the other end the LFF rises for Willowfield (8.6%) and Norlington Boys (8.5%) again mainly due to rising rolls.
- 4.9 **Appendix E** is a guide to overall funding as in addition to LFF it also includes funding from the Growth Fund for expanding schools, for HNL pupils from the High Needs Block and provisional Pupil Premium based on October 2014 census data. Early years funding will not be available until the February meeting of Schools Forum.
- 4.10 The LA is aiming to provide further provisional information on school budget shares for 2016-17 and 2017-18 for the February meeting of Schools Forum. This will be based on forecasted change in rolls and the assumption that there will be no major change in funding arrangements for schools announced by the government in these two financial years.

## 5. CONSULTATION

- 5.1 The LA has consulted with all schools and academies on issues relating to the LFF. Schools Forum is being asked to agree the final allocation of funding for 2015-16 based on recommendations agreed at the November 2014 meeting.