LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	**SCHOOLS FORUM** **15 January 2014**	Agenda Item	**6**
Report Title	**Schools Block Funding for 2014-15 including funding set aside for Growth Fund**		
Decision/ Discussion/ Information	For Discussion and Decision		
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Appendices	Appendix A: School Pupil Data and Characteristics October 2013 Appendix B: School Budget Share 2014-15 Appendix C: Growth Fund Allocations 2014-15 Appendix D: Provisional Pupil Premium 2014-15 Appendix E: Comparison of Overall Funding 2013-14 and 2014-15 Appendix F: Information on individual school budget shares in 2014-15.		

1. Summary

1.1 This report updates Schools Forum on the school budget shares 2014-15. The Control Total determines the funding available for delegation to maintained schools and recoupment Academies (hereafter referred to as schools) through the Local Funding Formula (LFF). This is calculated by deducting the Growth Fund and centrally retained funding from the Schools Block DSG. For 2014-15 the figure is **£179.237m** – a rise of **£2.405m** on 2013-14.

1.2 Data on pupil numbers and characteristics determines how funding is allocated to individual schools. **Appendix A** to this report sets out how pupil data collected from School Census in October each year has changed between 2013-14 and 2014-15; both overall and for individual schools.

1.3 Funding for each school based on the current pupil data and the proposed rate of funding for each factor in the formula is set out in **Appendix B.**

1.4 Growth Fund allocations based on agreed criteria are set out in **Appendix C.**

1.5 **Appendix D** provides information on final Pupil Premium allocations for 2013-14 and provisional allocations for 2014-15.

1.6 **Appendix E** brings together all the funding streams other than that for early years which will be presented to Schools Forum in February. The appendix shows the changes in funding between 2013-14 and 2014-15.

1.7 **Appendix F** provides more details on how school budget shares have changed between 2013-14 and 2014-15.

1.8 Changes to the LFF will be agreed by Cabinet on 21 January 2014. This is also the date when the LA has to submit the APT Return which shows how the LA has calculated school budget shares to the EFA. The LA is required to inform schools of their final school budget share by the end of February 2014.

2 RECOMMENDATIONS

2.1 **Schools Forum is asked to agree that:**

2.1.1 The sum of **£4.880m** is retained for the Growth Fund (as set out in **Appendix C**) and centrally retained funding in 2014-15 (shown in **Table A** below). This is reduced to **£3.880m** after taking into account **£1.000m** from the Schools DSG Underspend in 2012-13.

2.1.2 The Schools Block Control Total for 2014-15 is set at **£179.237m**.

2.1.3 The funding rates for each factor within the LFF should be that set out in **Table B** to this report.

2.1.4 A funding gain cap of **1.72%** should be applied for 2014-15 to offset the cost of the Minimum Funding Guarantee to those schools where funding per pupil has been reduced by more than **minus 1.5%** between 2013-14 and 2014-15.

2.1.5 Schools Forum sets up a further Task and Finish Group to consider and report back on best practice in using Pupil Premium funding which amounts to approximately **£15.100m** in 2014-15.

2.2 **Schools Forum is also asked to note that:**

2.2.1 Overall, delegated funding for schools has risen by **£2.405m or 1.4%** since 2013-14. This represents a reduction in funding per pupil of about **£3.96** or **0.1%** per pupil after allowing for the growth in pupil numbers between October 2012 and 2013.

2.2.3 The difference in funding per pupil between primary and secondary sectors has fallen from **42.5%** extra funding for secondary pupils in 2013-14 to **41.05%** in 2014-15.

2.2.4 Pupil Premium rates rise from **£900** per qualifying pupil in 2013-14 to **£935** per qualifying secondary pupil and **£1,300** per qualifying primary pupil in 2014-15. This means that funding rises by **£3.269m** to **£15.100m.**

3. REASON

3.1 The Local Authority (LA) is required to consult annually with Schools Forum on how funding should be delegated. This process started in September 2013 with proposed changes being the subject of consultation with schools. The outcome was reported back to Schools Forum in November 2013.

4. BACKGROUND

Determination of Schools Block DSG for 2014-15

4.1 Schools Block DSG is determined by multiplying the Guaranteed Unit of Funding (GuF) by the school population. For 2013-14 this is **£183.117m.** Full details are set out in the earlier report to Schools Forum entitled *DSG Settlement 2014-15*.

Calculation of Control Total for 2014-15

4.2 The Control Total is calculated by deducting from the Schools Block DSG any funding agreed by Schools Forum for the Growth Fund and for centrally retained funding. This is set out in **Table A** below.

Table A: Calculation of Control Total for 2014-15

	2013-14	2014-15
Schools Block DSG	**£180,728,354**	**£183,117,385**
Change from prior year	£ 5,139,799	£ 2,389,031
% Change	2.93%	1.32%
Growth Fund	£ 2,675,000	£ 3,750,000
Admissions	£ 682,416	£ 682,416
Appeals	£ 62,608	£ 62,608
Schools Forum	£ 43,629	£ 43,629
Licensing	£ 75,815	£ 76,816
Carbon Reduction Commitment (CRC)	£ 226,825	£ 265,000
Termination of Employment Contracts	£ 229,628	£ -
Capitalise expenditure from revenue account (CERA)	£ 664,282	£ -
TOTAL DSG deductions	£ 4,660,202	£ 4,880,469
TOTAL DSG additions	£ 763,320	£ 1,000,000
CONTROL TOTAL	**£176,831,471**	**£179,236,916**
Increase in Control Total 2013-14 to 2014-15		**£2,405,445**

4.3 The Control Total is **£1.049m** smaller than the **£180.285m** reported to Schools Forum in November 2013 because of the smaller than forecasted growth in primary school population and the claw back in funding by the EFA for CRC.

School Census Data

4.4 **Appendix A** sets out the NOR and pupil characteristics for every school in 2013. The main changes have been brought about by previously reported adjustments made by the DfE in relation to Prior Attainment in secondary schools and Mobility in both primary and secondary schools. Secondary Prior Attainment now includes pupils who did not achieve a level 4 at KS2 in maths or in English whereas before only pupils who did not achieve both were included. Thus the number of qualifying pupils has risen substantially. For the Mobility factor, funding only applies now where the percentage of qualifying pupils is over 10% and this has dramatically reduced numbers and thereby funding.

4.5 Free School Meals saw a drop from **35.8%** to **35.1%** in percentage of qualifying pupils in primary schools but a rise from **41.6%** to **43.4%** in secondary schools. The LA uses FSM6 as the indicator. There were no other significant changes overall but **Appendix A** does highlight significant changes for individual schools where the percentage change is over 10% and these are shown in bold. A blue number indicates a rise and a red number indicates a fall in the percentage figure.

Funding Rates within the Local Funding Formula

4.6 **Table B** sets out the funding rates proposed by the LA for 2014-15. These were previously presented to and agreed by Schools Forum in November 2013 after consultation with schools. The AWPU rates have been further adjusted to:

- lower the primary – secondary funding ratio per pupil;
- take account of changes in funding required for other factors; and
- ensure that The Control Total is not exceeded.

Table B: Proposed funding rates for factors within the Waltham Forest LFF for 2014-15

Factor	Primary Schools		Secondary Schools	
	2013-14	2014-15	2013-14	2014-15
Lump Sum	£125,000	**£75,000**	£125,000	£125,000
AWPU	£3,240	**£3,400**	£4,850	**£4,800**
FSM6	£600	£600	£1,200	£1,200
IDACI 4	£200	£200	£400	£400
IDACI 5	£500	£500	£1,000	£1,000
IDACI 6	£750	£750	£1,500	£1,500
Prior Attainment	£600	£600	£800	**£600**
EAL 3	£600	**£800**	£800	£800
Mobility	£750	**£1,000**	£1,000	£1,000
Percentage Lump Sum	6.2%	**3.6%**	2.4%	2.5%
Percentage AWPU	72.8%	**76.0%**	76.2%	76.0%
Percentage Deprivation	8.3%	8.3%	12.9%	13.0%
Percentage AEN	9.4%	**10.5%**	3.8%	4.1%
Percentage premises	3.3%	**2.5%**	4.6%	4.5%

4.7 Changes to the distribution of funding are shown in **Tables C** and **D** below.

Table C: Changes to the distribution of funding for Primary Pupils

Factor	2013-14 £	2013-14 %	2014-15 £	2014-15 %	Change £	Change %
Lump Sum	6,250,000	6.2	3,750,000	**3.6**	**-2,500,000**	**-2.6**
AWPU	73,172,160	72.8	79,043,200	76.2	5,871,040	3.4
FSM6	4,853,638	4.8	4,896,379	4.7	42,711	-0.1
IDACI	3,507,631	3.5	3,632,586	3.5	124,955	0.0
Prior Attainment	2,819,182	2.8	2,943,275	2.8	124,093	0.0
EAL	4,598,526	4.6	6,319,098	6.1	1,720,572	1.5
Mobility	1,994,164	2.0	508,341	**0.5**	**-1,485,823**	**-1.5**
Rates	1,615,654	1.6	1,484,384	**1.4**	**-131,270**	**-0.2**
PFI	1,369,647	1.4	949,927	**0.9**	**-419,720**	**-0.5**
Split-Sites	263,633	0.3	252,498	**0.3**	**-11,135**	**0.0**
TOTAL	**100,444,235**		**103,779,688**		**3,335,453**	**3.3**
Funding Per Pupil	4,447.58		4,464.03		16.44	0.4

4.8 The main change in primary schools is the reduction in size of the Lump Sum and the resultant increase in allocation to AWPU coupled with the shift in funding between Mobility and Prior Attainment. For secondary schools there is shift in funding from Mobility into Prior Attainment and an overall reduction in funding per pupil of £41 which in part is due to the need to bring the average pupil funding ratio between primary and secondary pupils down to **1:1.41.05** from the current **1:1.42.5.**

Table D: Changes to the distribution of funding for Secondary Pupils

Factor	2013-14 £	2013-14 %	2014-15 £	2013-14 %	Change £	Change %
Lump Sum	1,875,000	2.4	1,875,000	2.5	0	0.1
AWPU	58,326,100	76.2	57,259,200	**75.9**	**-1,066,900**	**-0.3**
FSM6	6,007,901	7.8	6,206,381	8.2	198,481	0.4
IDACI	3,886,579	5.1	3,874,774	5.1	**-11,806**	**0.0**
Prior Attainment	1,357,600	1.8	2,023,545	2.7	665,945	0.9
EAL	785,627	1.0	751,663	**1.0**	**-33,964**	**0.0**
Mobility	799,269	1.0	104,050	**0.1**	**-695,219**	**-0.9**
Rates	1,626,028	2.1	1,621,892	2.1	-4,136	0.0
PFI	1,409,455	1.8	1,244,030	**1.6**	**-165,425**	**-0.2**
Split-Sites	498,062	0.8	504,583	0.8	£6,521	0.0
TOTAL	**76,571,621**		**75,465,118**		**-1,106,503**	**3.3**
Funding Per Pupil	6,367.17		6,326.19		**-40.98**	**-0.6**

4.09 **Appendix B** sets out the school budget share for each school. Recoupment Academies are funded from September to August and therefore there is a 5 month delay in them receiving this change in funding as their funding for the period April – August 2014 is based upon 2013-14 school budget shares.

Pupil Premium funding

4.10 **Appendix C** shows final allocations for 2013-14 which take account of updated pupil data. For 2014-15 national funding has risen from £1.875bn to £2.5bn. The EFA have published provisional allocations for 2014-15 based on January 2013 census data but this will be updated in due course for January 2014 census data.

4.11 The DfE forecast shows an increase in allocation from **£11.831m** to **£15.100m** – a rise of **£3.269m** or **28%**. For primary schools, the increase in rate from **£900** to **£1,300** represents an increase of **44%** whereas for secondary schools the rise in rate from **£900** to **£935** represents an increase of less than **4%**.

Funding allocated through the Growth Fund

4.12 A full breakdown on funding through the Growth Fund is set out in **Appendix C** to this report. Such allocations are over and above LFF funding and do not affect either MFG or gain capping.

4.13 The overall cost is **£3.750m** – a rise of **£1.075m** which is almost offset by the **£1.000m** Schools DSG underspend in 2012-13.

Overall Funding for 2014-15

4.14 **Appendix E** summarises the change in funding for each school and recoupment Academy between 2013-14 and 2014-15 through LFF, Pupil Premium, LA SEN commissioning fees and Growth Fund.

5 CONSULTATION

5.1 Schools and recoupment Academies were consulted on proposed changes to the LFF in the autumn term and the outcome was reported to the November meeting of Schools Forum.