

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	SCHOOLS FORUM 18 SEPTEMBER 2013	Agenda Item	8
Report Title	Proposed changes to Schools Block 5-16 Local Funding Formula for 2014-15		
Decision/ Discussion/ Information	For Decision		
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Appendices	Appendix A: Calculation of Schools Block DSG and Control Total for 2014-15 Appendix B: Provisional Individual School Budget Shares for 2014-15 Appendix C: Comparison between School Budget Shares for 2013-14 and 2014-15 Appendix D: Lump Sum Appendix E: Targeted Pupil Support (Prior Attainment, Mobility, EAL) Appendix F: Comparison with other Local Authorities and AWPU Appendix G: Other changes to the distribution of funding through the Local Funding Formula		

1. SUMMARY

- 1.1** Schools Block funding for 2014-15 is forecasted to be **£184.444m** compared with **£180.726m** in 2013-14, a rise of **£3.718m** (or **2.1%**). The amount available to be delegated is determined by the deductions for the 5-15 Growth Fund and other centrally retained functions plus any additional funding added by the Local Authority. This creates a Schools Block Control Total which is the maximum amount of funding that can be delegated through factors within the Local Funding Formula. For 2014-15 this is forecasted to be **£180.285m** compared with **£176.819** for 2013-14 – a rise of **£3.466m** (or **2.0%**) on 2013-14. However, because the school population growth in October 2013 is

forecasted to be 852 (or 2.2%) compared with October 2012; the average funding per pupil will marginally fall by **£21** per pupil or **0.4%**.

- 1.2** The DfE have made changes to the areas of discretion that Local Authorities can use in determining the factors in their Local Funding Formula (LFF) for 2014-15. This report recommends changes to factors within the Waltham Forest LFF for 2014-15 which can be funded within the forecasted Schools Block Control Total. A draft version of this report was considered by the Schools Block (5-16 Year Old Formula) Task and Finish Group at its meeting on 5 September 2013 and the recommendations set out below are those agreed by that Group, unless otherwise stated.

2. RECOMMENDATIONS

Schools Forum is asked to note:

- 2.1** The forecasted growth in size of the Schools Block DSG by **£3.718m** and Schools Block Control Total by **£3.466m** for 2014-15 as set out in paragraphs 4.1 to 4.3 below and in **Appendix A** to this report.
- 2.2** The provisional individual school budget shares amounting to **£180.384m** set out in **Appendix B** to this report based upon forecasted numbers on roll in October 2013 and proposed changes to factor rates as set out in recommendations 2.4 to 2.10.
- 2.3** Consultation with schools takes place in October and November 2013 to enable final draft school budgets shares to be completed in December 2013 for confirmation by Schools Forum at its meeting on 15 January 2014.

Schools Forum is asked to agree, subject to consultation with schools, that:

- 2.4** There should be a separate rate for the Lump Sum paid to primary schools and secondary schools in 2014-15
- 2.5** The Lump Sum rate for primary schools should be reduced from £125,000 to £75,000, with released funding used to raise primary AWPU by approximately £100. The secondary rate would remain at £125,000. **See Appendix D.**
- 2.6** The Prior Attainment rate for eligible pupils in secondary schools should be reduced from £800 per eligible pupil to £600 – the same rate as for primary schools. **See Appendix E(1).**
- 2.7** The EAL rate for eligible pupils in primary schools should be increased from £600 per eligible pupil to £800 – the same rate as for secondary schools. **See Appendix E(2).**
- 2.8** The Mobility rate for eligible pupils in primary schools should be increased from £750 per eligible pupil to £1,000 – the same rate as for secondary schools. **See Appendix E(3).**
- 2.9** Any shortfall or surplus funding arising from recommendations 2.4 to 2.8 should be balanced by adjusting the AWPU for primary and secondary schools accordingly.

- 2.10 AWPU rates are further adjusted so that the primary: secondary ratio is reduced from 1:1.425 to at least 1: 1.410 as part of a phased move to bring the ratio closer to the London average of 1:1.307. **See Appendix F.**

3. REASON

- 3.1 The timeline for decision-making for 2014-15 financial year was reported to Schools Forum at its meeting in June 2013. This is summarised below:

- **31 October 2013:** LAs submit provisional pro-formas setting out agreed LFF and provisional allocation of school budget shares based on LA's own forecast of October 2013 Schools Census data. Factors within the formula cannot be changed after this date although the rate may change.
- **15 January 2014:** Schools Forum agrees final Schools Budget Shares for 2014-15.
- **18 January 2014:** LAs submit final 5-16 Year Old School Budget pro-formas and underlying data to EFA.
- **28 February 2014:** Last date for LAs to inform their maintained schools of their budget shares for 2014-15.

- 3.2 This means that decisions to add or remove factors from our LFF have to be taken by Schools Forum at this meeting so that they can be reported to the EFA by the 31 October deadline. However, changes in the rates for factors in the LFF can be taken at the January meeting which allows time for consultation on recommendations in this report. The EFA do not expect to see significant changes to rates for individual factors between the October and January submissions. Therefore adjustments need to be provisionally agreed at this meeting, subject to the outcome of consultation with schools.

4. BACKGROUND

- 4.1 **Appendix A** to this report sets out the forecasted Schools Block funding for 2014-15 and compares that with 2013-14. The school population continues to grow at over 2% and DSG rises by **£3.718m**.

- 4.2 However, it is recommended in a separate report that for planning purposes the size of the Growth Fund for 2014-15 should be capped at £3.675, – an increase of **£1.000m**, offset by **£1.000m** from DSG Underspend in 2012-13. In addition, in 2014-15 there is the loss of the two one-off allocations from 2012-13: **£0.450m** DSG projected underspend in 2012-13 and the **£0.313m** transitional protection for 3YO funding.

- 4.3 These pressures are offset by the reduction in LA retained funding for Carbon Reduction Commitment and Termination of Employment Contracts which together release **£0.554m**.

- 4.4** Overall, after other minor adjustments, this means that on current projections there is an extra **£3.466m** to allocate to schools and recoupment Academies in 2014-15. The figures will be updated after the Local Authority receives provisional October Schools Census Data in late October 2013 with final DSG figures announced by EFA in late December 2013 along with updated datasets for pupil characteristics.
- 4.5** There are other changes that impact upon the distribution of funding (Premises; Disapplication of MFG for collaboration projects and BSF ICT contracts; and cap and scale of school budgets) which were discussed by the Task and Finish Group. These are outlined in **Appendix G**.
- 4.6** The provisional school budget shares for 204/15 is summarised in **Appendix B** to this report. This gives a breakdown for all factors within the formula at the rates proposed in this report.
- 4.7** **Appendix C to this report** shows the changes between 2013-14 and 2014-15. It shows the following
- Columns A to D summarise the changes in NOR
 - Columns E to H summarise the funding for 2013-14
 - Columns I to L show the same funding data proposed for 2014-15
 - Columns M to O show the change in budget share including the change per pupil
- 4.8** A summary of the impact after adjustments for MFG and capping is given in **Appendix G**. A small sum of money remains unallocated at this point in time. It should be borne in mind that some issues on funding have yet to be resolved and this could change the size of the Schools Block Control Total and the distribution of funding between sectors and individual schools and recoupment Academies.
- 4.9** Conditions are challenging for schools with 13 schools and recoupment Academies likely to experience a reduction in funding in cash terms – not surprising as 9 schools are expected to show a fall in their NOR of more than 1%. The number rises to 28 schools when calculating a reduction in funding per pupil.

5 CONSULTATION

- 5.1** Consultation has taken place with the Schools Block Task and Finish Group over three meetings including the last one held on 5 September 2013.
- 5.2** Further consultation will take place with all schools in October and November 2013 based upon this report and recommendations agreed by Schools Forum.