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**Dudley Schools Forum - 9 July 2013**

**Report of the Director of Children's Services**

**Report on the DfE School Funding Arrangements for 2014/15**

**Purpose of Report**

1. To provide Schools Forum with information in respect of the DfE School Funding Arrangements for 2014/15.

**Budget Working Group Discussed**

2. Yes – 8 July 2013.

**Schools Forum Role and Responsibilities**

3. From 1 April 2006, the Schools Budget has been funded by a direct Department for Education (DfE) grant: the Dedicated School Grant (DSG).
4. Schools Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.

**Action for Schools Forum**

5. To note the DfE publication issued on 5 June 2013 in respect of the School Funding Arrangements for 2014/15.

**Attachments to Report**

6. Appendix A – DfE letter dated 4 June 2013 from the Director of Education Funding.
7. Appendix B – School Funding Reforms: Finding From the Review 2013-14 and Arrangements and Changes for 2014-15.

Karen Cocker  
Children's Service Finance Manager  
24 June 2013

**Schools Forum 9 July 2013**

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**Purpose of Report**

1. To provide Schools Forum with information in respect of the DfE's School Funding Arrangements for 2014/15.

**Background**

2. At the 4 June 2013 Schools Forum meeting the Children's Services Finance Manager reported verbally in relation to the National School Funding Conference that was held in May 2013 and the DfE's review of the 2013/14 financial year school funding arrangements. A document highlighting the main issues raised at the conference was circulated at the meeting under agenda item 8.
3. The DfE published their document: School Funding Reforms: Findings from the Review 2013-14 and Arrangements and Changes for 2014-15 on the 5 June 2013. This is attached at Appendix B.  
<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00221523/review-of-2013-14-school-funding-arrangements>
4. The document gives details of the small changes that are being made which will allow the DfE to move them closer to a national funding formula and will also address concerns that have been raised over recent months.
5. The information presented to Schools Forum at the June meeting was a comprehensive account of the document published by the DfE the next day. *Those additional areas to note are in italics below.*
6. The document covers:
  - Chapter 1 - Review Findings and Approach for 2014-15
    - Introduction
    - Findings from the Review and Approach for 2014-15
    - Pupil-led Funding
    - Prior Attainment
    - Deprivation

*Because of the variation in levels of deprivation across the country, it would not be sensible to prescribe a minimum proportion of funding which should be allocated through the deprivation factor but the DfE are continuing to ask that Schools Forums and local authorities determine locally an appropriate proportion or quantum of their schools block funding to allocate through this factor*
    - Looked After Children

- Pupil Mobility and Service Children
  - Sparsity
  - Lump Sum Funding
  - Schools with Falling Rolls  
*The DfE will enable local authorities, using top-sliced DSG funding, to create a small fund to support schools with falling rolls in exceptional circumstances. They will expect the use of the fund to be considered at planning area level and Schools Forums will assess applications.*
  - Schools Forums
- Chapter 2 – High Needs Funding
    - Notional SEN budget  
*In 2013-14 the DfE has allowed local authorities flexibility to use their high needs budget to make additional allocations outside the formula to schools that have a disproportionate population of pupils with high needs. They have stipulated that authorities should develop clear criteria for such allocations to their schools and academies, and that they should be applied equally to maintained schools and academies.*
    - Pre- and Post-16 Arrangements and Dissemination of Good Practice.
- Chapter 3 – Next Steps
    - Introduction
    - Formula Factors for 2014-15
    - Minimum Funding Guarantee
    - Presumption of Delegation  
*The DfE will continue to allow school leaders greater choice over how to spend their budget, so most services within the notional Schools Block and the funding for them should be delegated to schools in the first instance. The seven exceptions will continue to be:*
      - *Where maintained schools agree that a service should be provided centrally (“de-delegation”);*
      - *Historic commitments;*
      - *Statutory functions of the local authority;*
      - *Equal pay back-pay;*
      - *Funding of non-SEN places in independent schools;*
      - *Infant class size funding; and*
      - *Basic need growth fund.*

In addition to these areas the DfE will be introducing an option for local authorities to top slice DSG funding in order to support schools with falling rolls in a small number of exceptional circumstances.

    - Pro-forma and Timing
    - Role of the EFA  
*The EFA will continue in 2014-15 in its statutory role on behalf of the Secretary of State to oversee the school funding system. The EFA will in the same way as set out last year:*
      - *continue to have the right to send an observer to Schools Forums;*
      - *review each local authority’s pro forma for 2014-15 to ensure it is compliant with the new arrangements and reasonable; and*

- *verify any complaints in relation to potential infringements of the regulations or DGS grant conditions.*

7. The DfE will be making the necessary regulations that will give effect to these changes in 2014-15. Draft finance regulations and Dedicated Schools Grant (DSG) conditions of grant will be issued for consultation shortly.
8. For Dudley schools it is proposed that a short consultation will be issued in the Autumn from 2 September to 11 October. This will enable decisions to be made at the October Schools Forum meeting in preparation for the provisional Schools Budget pro forma to the Education Funding Agency.
9. The consultation will cover those funding formula changes required for 2014/15 in respect of:
  - a. Lump Sum;
  - b. Funding of Minimum Funding Guarantee by clawback of gainers or basic per pupil funding;
  - c. Deprivation – view on the budget allocated;
  - d. Notional SEN funding criteria for schools that have a disproportionate population of pupils with high needs;
  - e. De-delegations
10. With the publication of the DfE document and the accompanying operational guidance, local authorities will be expected to re-work their local formula for 2014/15, working with their Schools Forum and consulting all schools and academies in their area.
11. The DfE timetable for the 2014/15 Dedicated Schools Grant and Funding returns is detailed in Table 1 below.

Table 1 - Dedicated Schools Grant and Funding Returns 2014/15

Date	Action
31 October 2013	Local authorities submit provisional Schools Budget pro forma to the EFA
27 November 2013	Schools census database closed
16 December 2013	EFA confirms DSG allocations for 2014-15 (prior to recoupment of funding for academies)
21 January 2014	Local authorities submit final data for Schools Budget pro forma
28 February 2014	maintained schools budgets confirmed by LA. EFA confirms academies budgets.

12. Schools Forum meetings for 2013/14 academic year have been arranged in order to meet the known DfE deadlines for the 2014/15 financial year.

## **Finance**

13. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2012.
14. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.
15. From 1 April 2006, the Schools Budget has been funded by a direct grant: Dedicated School Grant (DSG).

## **Law**

16. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

## **Equality Impact**

17. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

## **Recommendation**

18. Schools Forum to note the report and the DfE School Funding Arrangements for 2014/15.

A handwritten signature in black ink, appearing to read 'R. J. Porter', with a horizontal line drawn underneath it.

Jane Porter

### **Director of Children's Services**

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