

# DUDLEY SCHOOLS FORUM

TUESDAY 29<sup>TH</sup> APRIL, 2014

AT 6.00PM  
AT SALTWELLS EDUCATION  
DEVELOPMENT CENTRE  
BOWLING GREEN ROAD  
NETHERTON  
DUDLEY  
DY2 9LY

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HELEN SHEPHERD  
DEMOCRATIC SERVICES OFFICER

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## **IMPORTANT NOTICE**

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## AGENDA

1. INTRODUCTIONS BY THE CHAIR

2. APOLOGIES FOR ABSENCE

To receive apologies for absence from the meeting.

3. APPOINTMENT OF SUBSTITUTE MEMBERS

To report the appointment of any substitutes for this meeting of the Forum.

4. MINUTES

To approve as a correct record and sign the minutes of the meeting of the Forum held on 18<sup>th</sup> March, 2014 (attached).

5. MATTERS ARISING FROM THE MINUTES

Any other matters arising from the Minutes of the meeting of the Forum held on 18<sup>th</sup> March, 2014 not included on the agenda for this meeting.

6. DEDICATED SCHOOLS GRANT PLANNING PROCESS 2014/15 – FINAL UPDATE (PAGES 1 - 4)

To consider the report of the Interim Director of Children's Services.

7. FAIRER SCHOOLS FUNDING IN 2015/16 CONSULTATION (PAGES 5 – 43)

To consider the report of the Interim Director of Children's Services.

8. DATES OF FUTURE MEETINGS

3<sup>rd</sup> June, 2014

Saltwells EDC, Bowling Green  
Road, Netherton, DY2 4LY

8<sup>th</sup> July, 2014

Saltwells EDC, Bowling Green  
Road, Netherton, DY2 4LY

## **DUDLEY SCHOOLS FORUM**

**Tuesday 18<sup>th</sup> March, 2014 at 6.00 pm**  
**at Saltwells Education Development Centre,**  
**Bowling Green Road, Netherton, Dudley**

### **PRESENT:-**

Mr Ridley – Chair

Mr Patterson – Vice-Chair

Mrs Belcher, Mr Conway, Mr Derham, Mrs Hannaway, Mr Kelleher, Mr Nesbitt, Mr Platford, Mrs Quigley, Ms Rogers, Mrs Ruffles, Mr Ward, Mr Warren, Mr Weaver, Mrs Withers and Mrs Wylie.

**Person(s) not a member of the Forum but having an entitlement to attend meetings and speak**

The Interim Director of Children's Services

**Also in attendance**

Education Funding Agency Representative (Observer); Acting Assistant Director of Children's Services (Education Services) (Directorate of Children's Services); Children's Services Finance Manager, Senior Principal Accountant and the Democratic Services Officer (Directorate of Corporate Resources).

### 1. **INTRODUCTIONS BY THE CHAIR**

The Chair welcomed everyone to the meeting.

### 2. **APOLOGIES FOR ABSENCE**

Apologies for absence from the meeting were received on behalf of Mrs Garrett and Councillor Crumpton.

### 3. **MINUTES**

**RESOLVED**

That, the minutes of the meeting of the Schools Forum held on 25<sup>th</sup> February, 2014, be approved as a correct record and signed.

4. MATTERS ARISING FROM THE MINUTES

The Children's Services Finance Manager informed the Forum that further advice had been submitted by the Department of Education (DfE) in relation to the Universal Infant Free Schools Meals (UIFSM) initiative. A briefing note in relation to the information provided by the DfE was circulated to Members at the meeting.

It was confirmed that schools would receive a flat rate of £2.30 for the 2014/15 academic year for each meal taken by newly eligible pupils and that the provisional allocations would be based on an estimated national take-up of 87%. The allocation would be revised later on in the academic year and based on actual take-up data derived from individual School Censuses submitted in October 2014 and January 2015.

Further information would be provided to Primary Headteachers at the Primary Heads meeting on 9<sup>th</sup> April, 2014.

Arising from a question raised by a Secondary School Governor it was clarified that the £2.30 flat rate was to incorporate all expenditure including the additional staffing costs that may be accrued.

A Primary Headteacher re-iterated her concerns that had been raised at previous meetings in relation to the allocation of Pupil Premium and what incentive there was for parents to complete the relevant paperwork for a free school meal and the possibility that this issue could be addressed through the Local Authority Admission application forms. The Acting Assistant Director of Children's Services (Education Services) stated that he was aware that some discussions had taken place in relation to this issue, but had not been informed of the outcome.

The Education Funding Agency (EFA) Representative indicated that the EFA were aware of Schools concerns and that these issues were currently being addressed, but schools were to encourage parents to register eligible children for a free meal when starting school.

Clarification was sought in relation to the data that would be used when the funding allocation was revised. The EFA Representative confirmed that the data would be extracted from one particular day within the Schools Census and that the EFA would rely on Schools to be accurate when completing their School Census application.

5. EDUCATION FUNDING AGENCY (EFA) REPRESENTATIVE

Mr Howkins introduced himself to the Forum and gave a brief outline of his role as an EFA Observer.

RESOLVED

That the verbal presentation made by the Education Funding Agency Representative, be noted.

6. SCHOOLS FORUM MEMBERSHIP UPDATE

A report of the Interim Director of Children's Services was submitted to provide Schools Forum with a membership update.

The Chair, on behalf of the Forum, expressed his thanks and best wishes to Mr Platford who would be leaving the Forum and the Local Authority in the very near future.

RESOLVED

That the report, and Appendix to the report submitted, in relation to Schools Forum Membership, be noted.

7. DEDICATED SCHOOLS GRANT PLANNING PROCESS 2014/15 – FINAL UPDATE

A report of the Interim Director of Children's Services was submitted in respect of the Dedicated Schools Grant budget planning process for 2014/15 and on the carrying out of the annual consultation on financial issues, as required by the Schools Forum (England) Regulations 2012.

The Children's Services Finance Manager presented the report, making particular reference to paragraph 7 and stated that the adjustment information to the High Needs Block had now been received from the DfE and an updated Table 1 was circulated to members at the meeting.

It was stated that the information had remained relatively the same however some significant deductions had been identified and were highlighted in red within the updated Table 1. It was considered that some of these areas had been un-justifiably reduced and therefore further information in relation to the deductions were to be obtained from the Education Funding Agency.

A secondary school headteacher raised concern in relation to the value of funding allocated for a child with Special Educational Needs and how this allocation did not cover the cost it took to provide the required support.

A Nursery School Headteacher raised concerns in relation to early years children with Special Educational Needs, in particular those children who do less than 25 hours and the significant loss in funding in comparison to a full-time child with Special Educational Needs.

Arising from a question raised, the Acting Assistant Director of Children's Services (Education Services) stated that the Local Authority was currently in the process of converting to Education, Health and Care Plans instead of statements for children, but these would be for children with more complex cases.

#### RESOLVED

- (i) That the information contained in the report and the movement of the 2014/15 Dedicated Schools Grant between the three funding blocks as detailed in the updated Table 1, circulated to Members at the meeting, and paragraph 9 of the report submitted, be noted.
- (ii) That the Interim Director of Children's Services note the comments made by Members in relation to the financial issues for:-
  - Arrangements for pupils with special educational needs;
  - Arrangements for use of pupil referral units and the education of children otherwise than at school;
  - Arrangements for early years provision;
  - Administration arrangements for the allocation of central government grants.

#### 8. CONSULTATION ON SCHOOL FUNDING ARRANGEMENTS FOR 2015/16

A report of the Interim Director of Children's Services was submitted in respect of the ongoing review of the funding arrangements for Dudley mainstream schools and proposed changes for 2015/16.



The Senior Principal Accountant presented the report and informed Members that since the report had been discussed at the Headteachers Consultative Forum – Budget Working Group meeting on 14<sup>th</sup> March, 2014, further updates and a consultation in relation to fairer schools funding had been received from the Department for Education (DfE). A briefing note in relation to the updated information and consultation was circulated to Members at the meeting. A response to the consultation was required by the DfE on 30<sup>th</sup> April, 2014.

The Forum was informed that the proposal of the consultation was to allocate an additional £350m in 2015/16 to fund schools in the least fairly funded authorities, however Dudley had not been identified as one of the 62 Authorities listed that would benefit from this additional funding, but data was continuing to be validated.

The Senior Principal Accountant recommended that a Headteachers Consultative Forum – Budget Working Group meet, prior to 30<sup>th</sup> April, 2014, to discuss the detail and response to the consultation and that if Members felt it necessary an additional Dudley School Forum meeting be arranged to ratify the information prior to submission on 30<sup>th</sup> April, 2014.

In response to a concern raised as to how the list of 62 Authorities that would benefit from the additional funding had been comprised, the Education Funding Agency Representative stated that a formula approach had been used to calculate Authorities overall funding amounts.

#### RESOLVED

- (i) That the information contained in the report and as circulated at the meeting in relation to the ongoing review of funding arrangements for Dudley mainstream schools and proposed changes for 2015/16, be noted.
- (ii) That an additional Headteachers Consultative Forum – Budget Working Group meeting be arranged to discuss the implications for Dudley and prepare a response to the Fairer Schools Funding consultation on behalf of Dudley Schools Forum.
- (iii) That an additional Dudley Schools Forum meeting be arranged on 29<sup>th</sup> April, 2014 to ratify the response to the Fairer Schools Funding consultation prior to submission to the DfE on 30<sup>th</sup> April, 2014.

9. BUDGET FACT SHEET NUMBER 2 – FEBRUARY 2014

A report of the Interim Director of Children's Services was submitted in respect of the Budget Fact Sheet No 2 that had been issued to Schools and the allocation of funding from the Dedicated Schools Grant reserve.

The Senior Principal Accountant presented the report and stated that a copy of Budget Fact Sheet No. 2 had been circulated to all Headteachers and was also available on the Dudley Schools Forum website.

RESOLVED

That the information contained in the report be noted.

10. SCHOOLS FORUM TRAINING

The Children's Services Finance Manager reported verbally that a training event for current and newly elected Members would be held on 24<sup>th</sup> June, 2014 at Saltwells Education Development Centre. Further information would be circulated to all Members in due course.

RESOLVED

That the information presented verbally at the meeting in relation to Member's training, be noted.

11. DATES OF FUTURE MEETINGS

RESOLVED

That the dates of future meetings be noted.

The meeting ended at 7.15 pm.

CHAIR

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**Schools Forum 29 April 2014**

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

**Dedicated Schools Grant Planning Process 2014/15 – Final Update**

**Purpose of Report**

1. To provide Schools Forum with the final update in respect of the Dedicated Schools Grant budget allocation for 2014/15 as at 31 March 2014.

**Discussed at HTCF – BWG**

2. No.

**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. The 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

**Actions for Schools Forum**

5. To note the updated and final information in respect of the DSG before the commencement of the 2014/15 financial year.

**Attachments to Report**

6. None.

Karen Cocker  
Children's Services Finance Manager  
11 April 2014

**Schools Forum 29 April 2014**

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

**Dedicated Schools Grant Planning Process 2014/15 - Final Update**

**Purpose of Report**

1. To provide Schools Forum with the final update in respect of the Dedicated Schools Grant budget allocation for 2014/15 as at 31 March 2014.

**Background Consultation**

2. At the January, February and March 2014 meetings, reports have been presented to Forum in respect of the Dedicated Schools Grant for the forthcoming financial year of 2014/15.
3. The DSG can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance Regulations.
4. The DfE present the DSG is in three un-ring fenced funding blocks for the local authority:
  - Schools Block;
  - Early Years Block; and
  - High Needs Block
5. Forum have discussed and approved at previous meetings the necessary central expenditure controls for 2014/15.

**DSG Budget Update for 2014/15**

6. At the time of preparing the March report the DfE final DSG update for 2014/15 was outstanding. This was announced on 31 March 2014. Table 1 has been updated (bold and italic) and adjusted in respect of the following items:
  - i. Early Years Block - based on the estimated Spring 2014 pupil count additional budget of £0.414m is expected. This relates to 113 full time equivalent nursery pupils located in mainstream and the private and voluntary sector at January 2014.
  - ii. High Needs Block - the proposed adjustment in respect of 9.6fte nursery provision of £0.056m has now been restored after discussion with the DfE.
  - iii. High Needs Block - the post 16 schools negative adjustment of £0.352m reflects the fact that the equivalent funding will be returned to Dudley via the Education Funding Agency post 16 schools grant.

7. A further in year Early Years Block adjustment is expected in respect of the January 2015 early years pupil census.

**Table 1 -Dudley Dedicated Schools Grant 2014/15 at 31.3.14**

|  | Pupil Data | Unit of Funding | Schools Block<br>£m | Early Years Block<br>£m | High Needs Block<br>£m |
|--|------------|-----------------|---------------------|-------------------------|------------------------|
| Total Funding Pupil Led  | 42,822     | £4,459.29       | 190.956             |                         |                        |
| Total Funding Pupil Led  | 2,788      | £3,650.97       |                     | 10.179                  |                        |
| Newly Qualified Teachers   |            |                 | 0.065               |                         |                        |
| Carbon Reduction Commitment Tax DfE budget adjustment                                      |            |                 | -0.507              | -0.015                  |                        |
| 2 Year Olds Early Education Provider funding   |            |                 |                     | 4.144                   |                        |
| <b>Estimated early years funding from January 2014 census</b>                              | 113        | £3,650.97       |                     | <b>0.414</b>            |                        |
| 2 Year Olds Early Education Trajectory funding   |            |                 |                     | 0.506                   |                        |
| Baseline Funding   |            |                 |                     |                         | 27.913                 |
| Post 16 Schools SEN Funding<br><b>Adjustment 31.3.14 to post 16 schools grant via EFA</b>  |            |                 |                     |                         | 0.690<br><b>-0.352</b> |
| Post 16 SEN and 19 -25 LDD non school –base allocation                                     |            |                 |                     |                         | 1.352                  |
| Growth for planned places in the High Needs Block. Post 16 non schools 18 places at £5,000 |            |                 |                     |                         | 0.090                  |
| High Needs Block growth - flat rate allocation to all LAs                                  |            |                 |                     |                         | 0.226                  |
| Growth from 2013/14 at 5/12ths   |            |                 |                     |                         | 0.110                  |
| EFA deductions 2014/15 – advised 13.3.14:  |            |                 |                     |                         |                        |
| • <del>9.6fte nursery provision</del>  |            |                 |                     |                         | <b>-0.056</b>          |
| • 12 fte The Mere  |            |                 |                     |                         | -0.056                 |
| • 3.8 fte growth special pre 16  |            |                 |                     |                         | +0.022                 |
| • 3 fte red'n post 16  |            |                 |                     |                         | -0.020                 |
| • 3 special post 16 schools places removed EFA   |            |                 |                     |                         | -0.020                 |
| Virement Agreed 2013/14  |            |                 | 1.350               | -0.263                  | -1.087                 |
| Virement 2014/15   |            |                 | 0.014               | 0.226                   | -0.240                 |
| <b>Final Updated 2014/15 DSG Budget</b>  |            |                 | <b>£191.878</b>     | <b>£15.191</b>          | <b>£28.628</b>         |
| <b>Final DSG Total 2014/15 at 31.3.2014</b>  |            |                 | <b>£235.697m</b>    |                         |                        |

8. The virement between the blocks for 2014/15, summarised in Table 1, has not changed since Schools Forum met and discussed in March:
- Schools Block – Funding additional placements in independent schools for non-SEN pupils.
  - Early Years Block – Increasing the 3 and 4 year old nursery education provider rates requires an additional £250k , which is offset by the additional DSG funding for increased early years pupil numbers of £22k and small reduction on the central expenditure budgets in total.
  - High Need Block – Funding the Schools Block and Early Years Block additional budget requirements detail above.

### **Finance**

9. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.
10. Schools Forums are regulated by the regulated by the Schools Forums (England) Regulations 2012.
11. From 1<sup>st</sup> April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

### **Law**

12. 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**

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

### **Recommendation**

14. Schools Forum to note the contents of the report and the final updated 2014/15 Dedicated Schools Grant allocation, as detailed in Table 1.



**Pauline Sharratt**  
**Interim Director of Children's Services**

Contact Officer: Karen Cocker, Children's Services Finance Manager  
[Karen.cocker@dudley.gov.uk](mailto:Karen.cocker@dudley.gov.uk) Tel: 01384 815382

**Dudley Schools Forum – 29th April 2014**

**Report of the Interim Director of Children’s Services**

**Consultation on Fairer Schools Funding in 2015-16**

**Purpose of Report**

1. To inform Schools Forum of the DfE consultation in respect of proposed changes to school funding arrangements for 2015-16.

**Budget Working Group Discussed**

2. Yes – 10 April 2014.

**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 proposed response to the consultation on proposed changes to school funding arrangements in 2015-16 and provide any comments or views to the Interim Director of Children’s Services.

**Attachments to Report**

6. Appendix A – Letter from Director General of the DfE dated 13 March 2014.
7. Appendix B – Fairer Schools Funding in 2015-16 consultation document.
8. Appendix C – Proposed consultation response form for on behalf of Schools Forum.

Sue Coates  
Senior Principal Accountant  
9 April 2014

**Dudley Schools Forum – 29th April 2014**

**Report of the Interim Director of Children’s Services**

**Consultation on Fair Schools Funding in 2015-16**

**Purpose of Report**

1. To inform Schools Forum of the DfE consultation in respect of proposed changes to school funding arrangements for 2015-16.

**Background**

2. On 13 March 2014 David Laws made a statement to the House of Commons concerning fairer funding for schools in 2015-16 and launched a consultation. On the same day the Director General of the DfE (Infrastructure and Funding Directorate) issued a notification to all Directors of Children’s services in England. For information this letter is attached at Appendix A to this report.
3. The consultation will close on 30 April 2014.
4. Confirmation has been received that all local authorities will be funded at the same level in 2015-16 as in 2014-15, however a further £350m has been made available to fund the least fairly funded local authorities.
5. The consultation is seeking views in respect of the proposed methodology to be applied in determining the allocation of £350m as fairly as possible. The proposal is to set a Minimum Funding Level (MFL) that each authority should attract for its pupils and schools. If a local authority attracts less than these minimum funding levels its budget will be increased so that it meets the MFL identified for that authority.
6. The MFL has been set for five pupil characteristics:
  - i) a basic per pupil amount;
  - ii) an amount for each pupil from a deprived background;
  - iii) an amount for each pupil who is looked after;
  - iv) an amount for each pupil with low prior attainment;
  - v) an amount for each pupil with English as an Additional Language.
7. In addition to this a minimum funding level has been set for two school characteristics:
  - i) an amount for each school (lump sum);
  - ii) a minimum funding level for small schools that are essential to serving rural areas (sparsity sum).



8. Finally, the total MFL is uplifted by a factor to reflect an Area Cost Adjustment (ACA).
9. The full consultation document is attached at Appendix B to this report for information. Annex A to the consultation document provides detail of the indicative Minimum Funding Levels for 2015-16, Annex B to the consultation document provides indicative changes to local authority funding in 2015-16, and Annex C provides factors for the ACA.
10. Annex B to the consultation shows 62 authorities that would receive additional funding under the proposed indicative funding levels based on 2014-15 pupil numbers. These 62 authorities include 23 of the F40 group (lowest funded authorities nationally) and 10 authorities from London and the Fringe areas. Dudley is not one of the authorities that would receive additional funding and based on this methodology currently attracts approximately £1.2m above the MFL.
11. The consultation document was discussed at Headteachers Consultative Forum-Budget Working Group (HTCF-BWG) at the meeting on 10 April 2014 and comments from the group are included (**highlighted in bold**) in the proposed response form which is attached at Appendix C. Also included in the response form is additional information to support discussion at the meeting (**highlighted in italics**), however this additional information will be removed from the response form prior to submission to the Department for Education, once Schools Forum has agreed a final response.

## **Finance**

12. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.
13. Schools Forums are regulated by the regulated by the Schools Forums (England) Regulations 2012.
14. From 1<sup>st</sup> April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

## **Law**

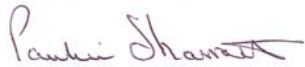
15. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

## **Equality Impact**

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

## **Recommendation**

17. Schools Forum to note the response to the consultation on the proposed changes to school funding arrangements in 2015-16 at Appendix C and provide any comments or views to the Interim Director of Children's Services.



**Pauline Sharratt**  
**Interim Director of Children's Services**

Contact Officer: Karen Cocker, Children's Services Finance Manager  
[Karen.cocker@dudley.gov.uk](mailto:Karen.cocker@dudley.gov.uk) Tel: 01384 815382

## Appendix A



Department for Education  
Sanctuary Buildings  
Great Smith Street  
London SW1P 3BT

Tel: 0370 000 2288  
Email enquiry form:  
[www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

To all Directors of Children's Services in England

13 March 2014

Dear Colleague,

### Reforms to the school funding system

I am writing to you because we have made an important announcement today about the next phase of school funding reform for 5 to 16 year olds. This will begin to address the unfairness of the current funding system and provide some help to authorities that are the least fairly funded.

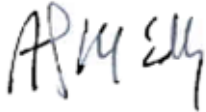
For 2015-16, the Government's first priority for schools funding is stability. The Department will fund all local authorities at least at the same cash level per pupil as in 2014-15 – continuing the protection that we have given since 2011. Once this commitment is met we plan to allocate an additional £350m to schools in 2015-16.

The document we have published today sets out proposals to distribute this funding to local areas most in need. To do so, we will ensure that every local authority attracts a minimum funding level for every pupil and every school. Where there is a gap between a local authority's budget and what it needs to meet our new minimum funding levels, the Department for Education will give the local authority additional funding to close that gap. Where a local authority's budget already exceeds those minimum funding levels, no change will be made to the amount of per pupil funding that it receives from DfE. **This means that no local authority's and no school's level of funding per pupil will fall as a result of this proposal.**

We are also proposing to continue the minimum funding guarantee, which means that for most schools, their funding per pupil cannot drop by more than 1.5% per year.

We do not plan to make any further changes to the way in which local authorities can distribute funding in 2015-16 – although we will carry out a review of the sparsity factor that we introduced in 2013, to understand if any small changes to its operation would be helpful.

You can participate online in the public consultation by filling in the form that is available at [www.education.gov.uk](http://www.education.gov.uk). The consultation will close on 30 April 2014. I look forward to hearing your views on our proposals during the public consultation period.

A handwritten signature in black ink, appearing to read 'AMCully'.

**Andrew McCully**  
**Director General –Infrastructure and Funding Directorate**



Department  
for Education

Launch date 13 March 2014  
Respond by 30 April 2014  
Ref: Department for Education

## Fairer schools funding in 2015-16

## Fairer schools funding in 2015-16

This consultation sets out the Department for Education's proposal to allocate an additional £350m in 2015-16, to increase the per-pupil budgets for the least fairly funded local areas. Our proposal will mean that in 2015-16, every local area will attract a minimum level of funding for each of its pupils and schools, making the distribution of funding to local areas fairer whilst ensuring that no area receives a cut to its per-pupil budget. This consultation invites views on how to set these minimum funding levels, and how we will distribute the additional £350 million funding.

We are inviting views on whether small changes to the operation of the sparsity factor would be helpful.

**To** Maintained schools; academies; local authorities; governors; bursars; parents; schools forums; trade union organisations

**Issued** 13 March 2014

**Enquiries To** If your enquiry is related to the policy content of the consultation you can contact the Department on 0370 000 2288

e-mail: [SchoolFunding.CONULTATION@education.gsi.gov.uk](mailto:SchoolFunding.CONULTATION@education.gsi.gov.uk)

### Contact Details

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's '[Contact Us](#)' page.

# 1 Introduction

## 1.1 Making school funding fairer

There is widespread recognition that the current school funding system is unfair and out of date. We are committed to addressing this so that, across the country, schools have a fair funding allocation that equips them to provide a world-class education.

Since we first consulted in 2011 on how to improve the school funding system, we have introduced a number of important changes to how local authorities distribute funding to schools. These changes have already led to a more transparent funding system with more money being allocated based on the needs of pupils. In 2013-14, local authorities allocated almost 90% of funding based on the needs of pupils, compared with 71% in 2012-13.

We are now determined to provide additional funding to the least fairly funded local authorities in 2015-16. After we have met our commitment to fund all local authorities at the same cash level per pupil as in 2014-15, we have decided to add a further £350m to fund schools in the least fairly funded authorities. This will be the first time in a decade that funding has been allocated to local areas on the basis of the actual characteristics of their pupils and schools, rather than simply their historic levels of spending. **No local authority or school will receive less funding as a result of this proposal.**

Although these proposals do not represent implementation of a national funding formula, this is the biggest step towards fairer funding for schools in a decade. The proposals we are announcing today put us in a much better position to implement a national funding formula when the time is right. This will be when the government has set spending plans over a longer period of time, allowing us to give schools and local authorities more certainty about how the formula will affect them over a number of years.

This proposal relates to 2015-16. Beyond 2015-16, the allocation of funding between local authorities will be a matter for the next spending review.

## 1.2 Allocating the additional funding fairly

1.2.1 We have carefully considered how we can allocate the £350m as fairly as possible – in a way that reflects the needs of pupils and schools. We are determined to avoid allocating it in a way that could perpetuate the flaws and inconsistencies of the current system, which we have been progressively reforming.

We propose to allocate the additional funding by setting minimum funding levels that a local authority should attract for its pupils and schools in 2015-16. If a local authority already attracts at least these minimum funding levels, then we will not make any change to the amount of funding per pupil that it receives. If a local authority attracts less than these minimum funding levels for the pupils and schools in its area, we will increase its budget so that it meets those levels.

We propose setting a minimum funding level for five pupil characteristics:

- a per-pupil amount ('age weighted pupil unit');
- pupils who are from deprived backgrounds;
- pupils who have been looked after<sup>1</sup>, for example in foster care;
- pupils with low attainment before starting at either their primary or secondary school;
- pupils who speak English as an additional language.

In addition, we propose setting a minimum funding level for two school characteristics currently used by local authorities to allocate money to schools:

- a minimum funding level for each school on top of its per-pupil funding ('lump sum'); and
- a minimum funding level for small schools that are essential to serving rural areas ('sparsity sum')<sup>2</sup>.

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<sup>1</sup> For 2015-16, a single indicator will be provided, covering all pupils who have been looked after for one day or more on the 31 March 2014. This is the same measure as was set out in the operational guidance for 2014-15.

<sup>2</sup> The sparsity factor is one of a number of permitted factors that local authorities can use in their local funding formula. This formula factor allows local authorities to allocate additional funding to small schools that are essential to serving small rural communities.



We propose setting our minimum funding levels based on the average amounts<sup>3</sup> that local authorities allocate to these characteristics in their local formulae at present. We propose to apply the minimum funding level for the basic per-pupil amount ('age-weighted pupil unit') at the average that local authorities currently allocate through this factor. In doing this, we will use roughly 75% of the £350m of additional funding<sup>4</sup>. We then propose to apply the minimum funding levels for the other characteristics using the rest of the additional funding (roughly 25%). This will mean that we can set each of the other minimum funding levels close to the level of its current local authority average<sup>5</sup>.

We propose to raise the minimum funding levels for local authorities in areas with higher salaries in line with a 'hybrid area cost adjustment'. This takes account of both teacher salary and general labour market data. We set out this approach in detail at Annex C.

Indicative minimum funding levels, based on the data currently available, are as follows. These are subject to revision when we have final confirmation of local authorities' local funding formulae for 2014-15.

### **Indicative minimum funding levels**

- A basic per pupil amount – primary: £2,845; key stage 3: £3,951; key stage 4; £4,529
- Deprivation – between £893 and £1,974 – full breakdown in Annex A
- Looked after children – £1,009
- Low prior attainment – primary: £878; secondary: £1,961
- English as an additional language – primary: £505; secondary: £1,216
- A lump sum for every school – primary: £117,082; secondary: £128,189
- Additional sparsity sum for small schools vital to serving rural communities – up to £53,988
- An area cost adjustment to increase minimum funding levels in areas

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<sup>3</sup> In order to calculate the indicative minimum funding levels shown in this document, we have used the published final 2013-14 pro forma data to calculate the average per pupil amounts – with the exception of the lump sum and sparsity sum, where we have used provisional 2014-15 school funding data. To calculate the average per pupil amounts for a particular characteristic, we have only included local authorities that allocated funding for the characteristic in question and the average amounts are calculated as a pupil-weighted average. When final 2014-15 pro forma data is available, we will review the minimum funding levels.

<sup>4</sup> In using the final 2014-15 data this proportion may change. For example, if the average age weighted pupil unit is higher in 2014-15 than in 2013-14, this proportion will increase.

<sup>5</sup> Each of the indicative minimum funding levels, with the exception of the minimum funding level for the basic per pupil amount, has been scaled back from the current local authority average proportionately to use the remaining share of the total available funding (roughly 25%). October 2014 census data will be used to calculate each of the minimum funding levels before Dedicated Schools Grant (DSG) funding is confirmed for 2015-16.

with higher labour market costs.

In order to calculate whether a local authority will attract additional funding to reach the minimum funding levels, we will first look at the amount each local authority would be due to receive in 2015-16 (Schools Block Unit Funding only), given our commitment to fund all local authorities at the same cash level per pupil as in 2014-15. We will then apply the minimum funding levels to calculate a new total. This will be done by:

- i. multiplying each of the minimum funding levels by the relevant number of eligible pupils or schools in the local authority<sup>6</sup>;
- ii. summing each of the totals in (i) to create a new funding amount for the local authority;
- iii. applying the area cost adjustment to the total in (ii);
- iv. if this total is more than the local authority's per pupil cash level in 2014-15, we will increase the local authority's funding to reach this new level;
- v. if not, the level of funding remains the same.

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<sup>6</sup> At the time DSG allocations are confirmed, the department will use October 2014 census data. The exemplification in this document uses October 2013 data.

A worked example of our proposed approach is set out below.

### **Worked Example: Authority X**

**The following example demonstrates how the minimum funding levels would be applied in imaginary authority X, which has 100,000 pupils. This authority only has KS3 pupils and every deprived pupil also lives in an IDACI 6 area.**

#### **i. Total funding 2014-15 £400,000,000**

There are 100,000 pupils in authority X and in 2014-15 this authority will receive £400m with each pupil attracting £4,000.

#### **ii. Apply each of the minimum funding levels:**

- KS3 AWPU MFL x [100,000 pupils in LA] =£3,951 x 100,000 =£395,100,000
- Deprivation MFL x [5,000 deprived pupils] =£1,974 x 5,000 =£9,870,000
- LAC MFL x [250 LAC pupils] =£1,009 x 250 =£252,250
- LPA MFL x [5000 LPA pupils] =£1,961 x 5,000 =£9,805,000
- EAL MFL x [250 EAL pupils] =£1,216 x 250 =£304,000
- Lump sum MFL x [100 schools] =£128,189 x 100 schools =£12,818,900
- Sparsity MFL<sup>7</sup> x [10 schools with 300 pupils ] =£26,994 x 10 =£269,940

#### **iii. New MFL total**

- The sum of each MFL calculation above is =£428,420,090.
- Authority x attracts an ACA adjustment factor of 1.1.
- The adjusted MFL total would be £428,420,090 x 1.1 =£471,262,099
- Divided by the number of pupils in the local authority =£4,713 per pupil

Authority X would receive the higher total budget of £471,262,099 and the higher per pupil amount of £4,713, because their current funding and per pupil amount is less than these new totals.

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<sup>7</sup> In this example, each school attracts 50% of the sparsity MFL. This is because the sparsity amount is a tapered sum. With 300 pupils, the secondary schools attract 50% of the MFL. More information on how the tapering works can be found in the operational guidance for 2014-15.

The table at Annex B lists the 62 local authorities that currently attract less than the indicative minimum funding levels for their pupils and schools. The table indicates the new level of funding per pupil for 2015-16<sup>8</sup> that would result from these indicative minimum funding levels. **Every other local authority will see its per pupil funding maintained in cash terms, consistent with funding decisions since the start of this Parliament. No school or local authority will lose money as a result of this proposal.**

Note that in most cases, we have used published 2013-14 local authority pro-forma data to calculate the indicative minimum funding levels shown in this document. When final 2014-15 data is available we will review the minimum funding levels and **it is possible some local allocations may vary in order to fit within the envelope of funding we have available.** For example, if the average AWPU turns out to be higher in 2014-15, a greater proportion of the £350m funding would be allocated through the AWPU minimum funding level, meaning a smaller proportion of the overall pot would be allocated through the remaining factors.

## 1.3 The role of local authority in 2015-16

1.3.1 Our proposal uses seven of the characteristics used in local formulae, but we are not proposing that local authorities should be required to use those seven factors in their local formulae in 2015-16 (with the exception of the basic per pupil amount and the deprivation factor, which are mandatory). Nor are we proposing that local authorities choosing to use any of these seven factors should be required to weight that factor at or above the minimum funding level. It will remain for the local authority to decide how best to apply its local formulae to meet its circumstances.

We are not proposing any changes for 2015-16 to the way in which local authorities can allocate funding to schools – except, possibly, minor changes to the sparsity factor. When we introduced the sparsity factor for 2014-15, we said that we would review how useful local authorities had found this factor. We would like to seek views on this through this consultation, particularly to understand if any changes would be helpful for 2015-16. We have set out a number of questions on the sparsity factor as part of the consultation response

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<sup>8</sup> Any additional funding allocated would be applied only to the schools block within local authorities' DSG allocations. Local authorities will continue to be free to move funding between their schools, high needs and early years blocks in 2015-16 provided they comply with the requirements of our Minimum Funding Guarantee (MFG).

form provided alongside this document.

We will retain the Minimum Funding Guarantee, which has been in place over many years and which dictates that for the vast majority of schools, funding per pupil cannot drop by more than 1.5% per year<sup>9</sup>.

## **2 Annex A: Indicative minimum funding levels for 2015-16**

- 2.1 Please click [here](#) to download Annex A, the Indicative minimum funding levels for 2015-16.

## **3 Annex B: Indicative changes to local authority funding in 2015-16**

- 3.1 Please click [here](#) to download Annex B, the Indicative changes to local authority funding in 2015-16.

## **4 Annex C: Area Cost Adjustment (ACA)**

- 4.1 Please click [here](#) to download Annex C, the Area Cost Adjustment (ACA)

## **5 Consultation**

- 5.1 To respond to our proposals go to [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations). The consultation closes on 30 April 2014.

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<sup>9</sup> Some funding is excluded from the calculation of the Minimum Funding Guarantee. Details of this are in '2014-15 Revenue Funding Arrangements: Operational Information for Local Authorities.

## **6 How To Respond**

**6.1** Consultation responses can be completed online  
[www.education.gov.uk/consultations](http://www.education.gov.uk/consultations).

by emailing: [SchoolFunding.CONULTATION@education.gsi.gov.uk](mailto:SchoolFunding.CONULTATION@education.gsi.gov.uk)

or send by post to:

Ministerial and Public Communication Division, Level 2, Department for Education, Mowden Hall, Staindrop Road, Darlington, DL3 9BG

## **7 Additional Copies**

**7.1** Additional copies are available electronically and can be downloaded from the Department for Education e-consultation website at:  
[www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)

## **8 Plans for making results public**

**8.1** The results of the consultation and the department's response will be published on the DfE e-consultation website in summer 2014.

# Annex A: Indicative minimum funding levels for 2015-16

1. The table below provides more information about each of the indicative minimum funding levels. These may change when we have final confirmation of local authorities' 2014-15 local funding formulae.

|  |         | Minimum funding levels |  |   |
|--|---------|------------------------|--|---|
|  |         | Primary                | Secondary  |   |
| Age-weighted pupil unit  |         | £2,845                 | Key stage 3:<br>£3,951<br>Key stage 4:<br>£4,529 |   |
| Pupils who have been eligible for free school meals in the past six years                                  |         | £893                   | £1,080   | For a pupil who is both eligible for free school meals and lives in an IDACI band 1 to 6 area, the local authority would attract both the FSM and relevant IDACI band minimum funding levels.   |
| Pupils who live in an area that is in one of the income deprivation affecting children index (IDACI) bands | IDACI 1 | £237                   | £321   |   |
|  | IDACI 2 | £290                   | £423   |   |
|  | IDACI 3 | £387                   | £530   |   |
|  | IDACI 4 | £453                   | £596   |   |
|  | IDACI 5 | £511                   | £659   |   |
|  | IDACI 6 | £741                   | £894   |   |
| Looked after children  |         | £1,009                 | £1,009   | The same measure would be used as is currently set out in the 2014-15 school funding arrangements. The minimum funding level would apply to the children reported to the Department, through the annual children looked after return and who are looked after children, for one day or more at the census point.                                      |
| Pupils with low prior attainment   |         | £878                   | £1,961   | For the primary measure, this would apply to pupils who did not reach the expected level of development on the new Early Years Foundation Stage Profile or who achieved fewer than 78 points on the old EYFSP.<br>For secondary pupils the minimum funding level applies to pupils not reaching L4 at KS2 in either English or maths.                 |
| English as an additional language  |         | £505                   | £1,216   | This minimum funding level would apply to pupils with EAL who entered the English state school system in the past three years.  |
| Lump sum   |         | £117,082               | £128,189   | Middle schools would attract a minimum lump sum weighted by their ratio of primary to secondary year groups in the school. All-through schools would attract the secondary amount.  |
| Sparsity sum   |         | £53,988                | £53,988  | A taper would apply, whereby the size of the sum is in inverse proportion to the size of the school. The criteria for attracting the minimum funding level would be the same as the criteria for the sparsity factor in local formulas. Details of this are in '2014-15 Revenue Funding Arrangements: Operational Information for Local Authorities'. |

## Annex B: Indicative changes to local authority funding in 2015-16

1. Figure B1 below lists the 62 authorities that would receive additional funding under our indicative minimum funding levels, assuming 2014-15 pupil numbers<sup>1,2</sup>. The minimum funding levels may change when we have final confirmation of LA's 2014-15 local funding formulae.

Figure B1: Indicative changes to local authority funding in 2015-16

| Local Authority           | Actual 2014-15 funding |               | Indicative funding under minimum funding levels proposal |               | Indicative increase in funding under minimum funding levels proposal |        |
|---------------------------|------------------------|---------------|--|---------------|--|--------|
|                           | Funding per pupil      | Total funding | Funding per pupil  | Total funding | Percentage   | Total  |
| Bromley                   | £4,082                 | £169.6m       | £4,543   | £188.7m       | 11.3%  | £19.1m |
| Cambridgeshire            | £3,950                 | £294.3m       | £4,225   | £314.8m       | 7.0%   | £20.5m |
| Brent                     | £5,066                 | £190.7m       | £5,416   | £203.9m       | 6.9%   | £13.2m |
| Sutton                    | £4,360                 | £124.7m       | £4,637   | £132.6m       | 6.4%   | £7.9m  |
| Northumberland            | £4,244                 | £166.2m       | £4,513   | £176.8m       | 6.4%   | £10.6m |
| South Gloucestershire     | £3,969                 | £137.5m       | £4,217   | £146.1m       | 6.3%   | £8.6m  |
| Shropshire                | £4,113                 | £143.6m       | £4,368   | £152.5m       | 6.2%   | £8.9m  |
| Merton                    | £4,534                 | £98.6m        | £4,812   | £104.7m       | 6.1%   | £6.0m  |
| Croydon                   | £4,559                 | £208.6m       | £4,830   | £220.9m       | 5.9%   | £12.4m |
| Bournemouth               | £4,154                 | £79.2m        | £4,393   | £83.8m        | 5.8%   | £4.6m  |
| Buckinghamshire           | £4,040                 | £275.4m       | £4,263   | £290.5m       | 5.5%   | £15.2m |
| Cheshire West and Chester | £4,129                 | £173.6m       | £4,352   | £183.0m       | 5.4%   | £9.4m  |
| Leicestershire            | £3,995                 | £339.7m       | £4,197   | £356.9m       | 5.1%   | £17.2m |
| Warwickshire              | £4,079                 | £281.3m       | £4,267   | £294.3m       | 4.6%   | £13.0m |
| Devon                     | £4,156                 | £358.1m       | £4,345   | £374.3m       | 4.5%   | £16.2m |
| Surrey                    | £4,096                 | £548.8m       | £4,282   | £573.5m       | 4.5%   | £24.8m |
| Bury                      | £4,230                 | £111.1m       | £4,418   | £116.1m       | 4.5%   | £5.0m  |
| Norfolk                   | £4,334                 | £432.9m       | £4,494   | £448.9m       | 3.7%   | £16.0m |
| North Lincolnshire        | £4,316                 | £95.0m        | £4,469   | £98.4m        | 3.5%   | £3.4m  |
| Westminster               | £5,663                 | £88.2m        | £5,862   | £91.3m        | 3.5%   | £3.1m  |

<sup>1</sup> The figures in the table above have been calculated on the basis of 2014-15 pupil numbers (using the October 2013 school census). For 2015-16 we intend to use data from the October 2014 school census.

<sup>2</sup> The methodology for calculating the indicative funding, as a total and per pupil, is set out in the worked example on page 6.



| Local Authority        | Actual 2014-15 funding |               | Indicative funding under minimum funding levels proposal |               | Indicative increase in funding under minimum funding levels proposal |        |
|------------------------|------------------------|---------------|--|---------------|--|--------|
|                        | Funding per pupil      | Total funding | Funding per pupil  | Total funding | Percentage   | Total  |
| Derbyshire             | £4,245                 | £405.0m       | £4,392   | £418.9m       | 3.4%   | £14.0m |
| Poole                  | £4,007                 | £68.3m        | £4,142   | £70.6m        | 3.4%   | £2.3m  |
| Redbridge              | £4,668                 | £199.7m       | £4,823   | £206.3m       | 3.3%   | £6.6m  |
| Rutland                | £4,087                 | £20.9m        | £4,214   | £21.5m        | 3.1%   | £0.6m  |
| Gloucestershire        | £4,203                 | £316.0m       | £4,331   | £325.6m       | 3.0%   | £9.6m  |
| Herefordshire          | £4,306                 | £90.9m        | £4,430   | £93.5m        | 2.9%   | £2.6m  |
| Stoke-on-Trent         | £4,507                 | £145.1m       | £4,634   | £149.2m       | 2.8%   | £4.1m  |
| Windsor and Maidenhead | £4,325                 | £77.5m        | £4,440   | £79.5m        | 2.7%   | £2.1m  |
| Central Bedfordshire   | £4,144                 | £145.7m       | £4,253   | £149.5m       | 2.6%   | £3.8m  |
| Cheshire East          | £4,077                 | £186.7m       | £4,180   | £191.4m       | 2.5%   | £4.7m  |
| Cumbria                | £4,449                 | £269.2m       | £4,560   | £275.9m       | 2.5%   | £6.7m  |
| Suffolk                | £4,241                 | £370.1m       | £4,347   | £379.3m       | 2.5%   | £9.2m  |
| Swindon                | £4,102                 | £117.7m       | £4,203   | £120.5m       | 2.5%   | £2.9m  |
| Salford                | £4,551                 | £131.2m       | £4,658   | £134.3m       | 2.3%   | £3.1m  |
| Bracknell Forest       | £4,187                 | £62.6m        | £4,284   | £64.1m        | 2.3%   | £1.4m  |
| North Yorkshire        | £4,338                 | £316.5m       | £4,435   | £323.7m       | 2.2%   | £7.1m  |
| Wiltshire              | £4,213                 | £249.1m       | £4,305   | £254.5m       | 2.2%   | £5.4m  |
| Reading                | £4,454                 | £71.1m        | £4,547   | £72.6m        | 2.1%   | £1.5m  |
| Northamptonshire       | £4,189                 | £395.2m       | £4,265   | £402.4m       | 1.8%   | £7.2m  |
| Worcestershire         | £4,231                 | £291.5m       | £4,302   | £296.4m       | 1.7%   | £4.9m  |
| Blackpool              | £4,459                 | £80.2m        | £4,530   | £81.4m        | 1.6%   | £1.3m  |
| Durham                 | £4,573                 | £281.1m       | £4,643   | £285.4m       | 1.5%   | £4.3m  |
| Cornwall               | £4,397                 | £285.0m       | £4,451   | £288.5m       | 1.2%   | £3.5m  |
| Telford and Wrekin     | £4,367                 | £97.0m        | £4,419   | £98.1m        | 1.2%   | £1.1m  |
| Medway                 | £4,352                 | £161.1m       | £4,402   | £163.0m       | 1.2%   | £1.9m  |
| Hertfordshire          | £4,320                 | £670.3m       | £4,365   | £677.3m       | 1.0%   | £6.9m  |
| Somerset               | £4,278                 | £273.2m       | £4,320   | £275.9m       | 1.0%   | £2.7m  |
| Lincolnshire           | £4,329                 | £392.0m       | £4,370   | £395.7m       | 0.9%   | £3.7m  |
| Dorset                 | £4,167                 | £202.3m       | £4,204   | £204.1m       | 0.9%   | £1.8m  |
| Peterborough           | £4,490                 | £124.7m       | £4,513   | £125.3m       | 0.5%   | £0.6m  |
| Barnsley               | £4,459                 | £126.7m       | £4,478   | £127.3m       | 0.4%   | £0.5m  |
| Bedford                | £4,466                 | £101.0m       | £4,484   | £101.4m       | 0.4%   | £0.4m  |

| Local Authority          | Actual 2014-15 funding |               | Indicative funding under minimum funding levels proposal |               | Indicative increase in funding under minimum funding levels proposal |       |
|--------------------------|------------------------|---------------|--|---------------|--|-------|
|                          | Funding per pupil      | Total funding | Funding per pupil  | Total funding | Percentage   | Total |
| Plymouth                 | £4,364                 | £140.1m       | £4,380   | £140.6m       | 0.4%   | £0.5m |
| Isle of Wight            | £4,489                 | £69.6m        | £4,504   | £69.9m        | 0.3%   | £0.2m |
| East Riding of Yorkshire | £4,258                 | £177.9m       | £4,271   | £178.5m       | 0.3%   | £0.5m |
| West Berkshire           | £4,359                 | £95.2m        | £4,372   | £95.5m        | 0.3%   | £0.3m |
| Walsall                  | £4,643                 | £183.3m       | £4,655   | £183.8m       | 0.3%   | £0.5m |
| Milton Keynes            | £4,440                 | £167.3m       | £4,448   | £167.6m       | 0.2%   | £0.3m |
| Oxfordshire              | £4,274                 | £333.1m       | £4,281   | £333.6m       | 0.1%   | £0.5m |
| Barnet                   | £4,988                 | £214.3m       | £4,994   | £214.5m       | 0.1%   | £0.2m |
| Hillingdon               | £4,820                 | £187.0m       | £4,824   | £187.2m       | 0.1%   | £0.2m |
| Derby                    | £4,544                 | £154.4m       | £4,546   | £154.4m       | 0.0%   | £0.1m |

## Annex C: Area Cost Adjustment (ACA)

1. This annex provides a detailed explanation of how we have developed the area cost adjustment that we are proposing is used to ensure that the allocation of additional funding reflects differences in area labour market costs.
2. The hybrid area cost adjustment would be applied to each minimum funding level so that in each local authority area, the minimum funding level reflects any disproportionate differences in labour market costs.

### A Hybrid ACA – how does this work?

3. The hybrid ACA has a teachers' pay element and a non-teaching staff element and we describe how both have been calculated below. Both elements are combined to provide an overall adjustment for each local authority and we describe how we do this and how the adjustment has been calculated for an example authority.

#### Teachers' pay element

4. There are four regional pay bands for teachers: Inner London, Outer London, the Fringe and the Rest of England. We do not think it is right to use the average pay for each of these four pay band areas, because in each, average teacher pay will be influenced by the way in which the local authorities in those areas are currently funded. So we have used the following method:

- From the most recent published School Workforce Census (autumn 2012), we have looked at each teacher's<sup>1</sup> basic pay<sup>2</sup> and calculated how far that teacher was up the pay ranges for their regional pay band. For example, a classroom teacher in the Rest of England with basic pay of £21,588 in autumn 2012 is at the bottom of the main pay range for the Rest of England, which extends from £21,588 to £31,552.
- We then calculated what the same teacher's pay would be if he or she were in an equivalent position on the pay ranges for the other pay bands. For example if that teacher were at the bottom of the main pay range in Inner London (which runs from £27,000 to £36,387) they would have a basic salary of £27,000.
- We have repeated this for every teacher and every regional pay band.
- For each regional pay band, we calculated the notional average basic pay as if all teachers in England were in that pay band. For example, to calculate the average

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<sup>1</sup> All grades of teachers were included in the calculation, including the leadership group.

<sup>2</sup> 'Basic pay' refers to the pay spines and pay scales defined in the [School Teachers' Pay and Conditions Document 2012](#) (which was in force at the time when the data was collected). Basic pay excludes items such as allowances for additional responsibilities.

pay in Inner London, we included not only the teachers in Inner London, but also teachers elsewhere, with their pay converted to Inner London rates. In this example, a classroom teacher in the Rest of England whose basic pay is £21,588 would be treated as having a notional basic salary of £27,000, purely for the purpose of calculating the Inner London average. The notional average basic pay for Inner London comes out at £41,388 and for the Rest of England £34,790. These notional amounts are purely for the ACA calculation and are not the actual regional averages.

- The adjustment for Inner London is the ratio of the two, 1.1897.

5. The average basic pay for each band, and the adjustment factors, are shown in figure C1 below.

**Figure C1: Notional average basic pay and adjustment factors for teachers' regional pay bands.**

|  | Inner London | Outer London | Fringe  | Rest of England |
|--|--------------|--------------|---------|-----------------|
| Notional average basic pay for ACA calculation | £41,388      | £38,256      | £35,827 | £34,790         |
| Adjustment factor                              | 1.1897       | 1.0996       | 1.0298  | 1.0000          |

### Non-teaching staff element

6. The non-teaching staff element of the ACA is based on the Department for Communities and Local Government's (DCLG) labour cost adjustment (LCA), a general labour market (GLM) measure that is used to allocate funds to local authorities.

7. DCLG's LCA is based on regression analysis<sup>3</sup> of pay data from the Annual Survey of Hours and Earnings<sup>4</sup>. The regression controls for variables such as age, gender, occupation, industry and public/private sector. The output is LCAs for 55 areas of England<sup>5</sup>.

8. DCLG has set a lower limit, to reflect the fact that national pay scales for public sector employees will not completely reflect the local labour market. The effect of the lower limit is that the 23 'cheapest' areas have their LCAs raised to the value of the threshold area, West Sussex Non-Fringe.

<sup>3</sup> Further information on [DCLG's LCA methodology](#) can be found on the CLG website.

<sup>4</sup> Further information on the [Annual Survey of Hours and Earnings](#) can be found on the Office for National Statistics website.

<sup>5</sup> Some local authorities fall into more than one ACA area. For example, Kent is divided into Fringe and Non-Fringe ACA areas. In these cases, a weighted average ACA for the local authorities could be calculated on the basis of the number of pupils in each area.

9. Some local authorities fall into more than one ACA area. For example, Kent is divided into Fringe and Non-Fringe ACA areas. In these cases, a weighted average ACA for the local authorities could be calculated on the basis of the number of pupils in each area.

### **Hybrid ACA**

10. We have used recently published data on local authority expenditure on education (section 251<sup>6</sup>) to calculate the proportion of total school funding that was spent on (1) expenses related to employing **teachers** (the teacher proportion – 54.4%) and (2) expenses relating to employing **non-teaching staff** (the non-teaching staff proportion – 27.4%). The remaining 18.2% of expenditure was on non-staff costs. These splits have been calculated by apportioning the cost lines according to figure C2 on the following page.

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<sup>6</sup> The most recent Section 251 data (Apprenticeships, Skills, Children and Learning Act 2009) can be found on the Department's website.

**Figure C2: Assumed apportionment of spending between teachers, non-teaching staff and non-pay**

| Spending by schools                                | Teachers | Non-teaching staff | Non-Pay | Excluded | Total | References to notes below |
|--|----------|--------------------|---------|----------|-------|---------------------------|
| Teaching staff (E01)                               | 100%     |                    |         |          | 100%  |                           |
| Supply teaching staff (E02)                        | 100%     |                    |         |          | 100%  |                           |
| Education support staff (E03)                      |          | 100%               |         |          | 100%  |                           |
| Premises staff (E04)                               |          | 100%               |         |          | 100%  |                           |
| Administrative & clerical staff (E05)              |          | 100%               |         |          | 100%  |                           |
| Catering Staff (E06)                               |          | 100%               |         |          | 100%  |                           |
| Cost of other staff (E07)                          |          | 100%               |         |          | 100%  |                           |
| Indirect employee expenses (E08)                   | 69%      | 31%                |         |          | 100%  | Note 1                    |
| Development and training (E09)                     | 69%      | 31%                |         |          | 100%  | Note 1                    |
| Supply teacher insurance (E10)                     | 100%     |                    |         |          | 100%  |                           |
| Staff related insurance (E11)                      | 69%      | 31%                |         |          | 100%  | Note 1                    |
| Building maintenance and improvement (E12)         |          | 35%                | 65%     |          | 100%  | Note 2                    |
| Grounds maintenance and improvement (E13)          |          | 35%                | 65%     |          | 100%  | Note 2                    |
| Cleaning and caretaking (E14)                      |          | 65%                | 35%     |          | 100%  | Note 2                    |
| Water and sewerage (E15)                           |          |                    | 100%    |          | 100%  |                           |
| Energy (E16)                                       |          |                    | 100%    |          | 100%  |                           |
| Rates (E17)  |          |                    | 100%    |          | 100%  |                           |
| Other occupation costs (E18)                       |          |                    | 100%    |          | 100%  |                           |
| Learning resources (not ICT) (E19)                 |          |                    | 100%    |          | 100%  |                           |
| ICT learning resources (E20)                       |          |                    | 100%    |          | 100%  |                           |
| Examination fees (E21)                             |          |                    | 100%    |          | 100%  |                           |
| Administrative supplies (E22)                      |          |                    | 100%    |          | 100%  |                           |
| Other insurance premiums (E23)                     |          |                    | 100%    |          | 100%  |                           |
| Special facilities (E24)                           |          |                    | 100%    |          | 100%  |                           |
| Catering supplies (E25)                            |          |                    | 100%    |          | 100%  |                           |
| Agency supply teaching staff (E26)                 | 100%     |                    |         |          | 100%  |                           |
| Bought-in professional services - curriculum (E27) |          | 40%                | 60%     |          | 100%  | Note 2                    |
| Bought-in professional services - other (E28)      |          | 40%                | 60%     |          | 100%  | Note 2                    |
| Loan interest (E29)                                |          |                    | 100%    |          | 100%  |                           |
| Community focused extended school staff (E31)      |          |                    |         | 100%     | 100%  | Note 3                    |
| Community focused extended school costs (E32)      |          |                    |         | 100%     | 100%  | Note 3                    |

Notes

1. Divided between teachers and other staff in the same proportions as E01, E02, E03, E04, E05, E06 and E07 combined.
2. Based on assumptions derived from a sample of company accounts of firms contracted by local authorities to supply these services.
3. Excluded, as not part of the school budget.

11. Figure C2 produces a ratio of Teachers' Pay to Other Pay and Non-Pay expenditure of 54%:27%:18%<sup>7</sup>. In other words, of the expenditure on labour, 66% was spent on teachers and 34% was spent on non-teaching staff. Therefore, for a combined ACA the teacher pay band data will take a weighting of 66% and the general labour market (GLM) will carry a 34% weighting.

12. This approach provides a solution to the geography mismatch between the GLM geographies and the teachers' regional pay bands, as those authorities who are in Outer London but who pay their teachers at Inner London rates have this reflected in the teachers' pay section of the ACA. The hybrid ACA for each local authority, based on the combination of the teaching and non-teaching staff pay data, in the ratios described above, is shown in figure C3.

### Example calculation

13. Ealing is in the Inner London teacher pay band, and it has a Labour Cost Adjustment of 1.1671 for non-teaching staff. The ACA for Ealing is calculated as follows:

| <b>Example – The area cost adjustment for Ealing</b> |   |
|--|---|
| ACA =  | 1 + teacher proportion * (teacher cost adjustment – 1)<br>+ non-teaching staff proportion * (LCA – 1) |
| =  | 1 + 54.4%*(1.1897 - 1) + 27.4%*(1.1671 - 1)   |
| =  | 1.1489  |

### Area cost adjustment figures by local authority

14. Figure C3 provides the adjustments we are proposing for each local authority. Using the methodology above, the ACA for a local authority area is greater than 1 if either the teacher pay element or the non-teaching staff pay element of the hybrid ACA is greater than 1. The teacher pay element is greater than 1 if all or part of the local authority is in the Fringe, Outer London or Inner London teachers' pay bands. The non-teaching staff pay element is greater than 1 if the GLM labour costs are greater than a

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<sup>7</sup> More precisely, the proportions are 54.4% : 27.4% : 18.2%.

lower limit that has been set by the Department for Communities and Local Government to be equivalent to the West-Sussex Non-Fringe GLM labour cost adjustment<sup>8</sup>.

15. Authorities that are partly in the Fringe teachers' pay band and partly in the Rest of England teachers' pay band appear twice in figure C3, as 'Fringe' and 'Non-Fringe'.

### Table of area cost adjustment by local authority

Figure C3: Area cost adjustment by local authority

| Local Authority              | Teachers' regional pay band | Teacher cost adjustment | Non-teaching staff element (LCA) | Hybrid ACA |
|------------------------------|-----------------------------|-------------------------|----------------------------------|------------|
| Barking and Dagenham         | IL                          | 1.1897                  | 1.1081                           | 1.1328     |
| Barnet                       | OL                          | 1.0996                  | 1.1671                           | 1.1000     |
| Barnsley                     | Rest                        | 1.0000                  | 1.0000                           | 1.0000     |
| Bath and North East Somerset | Rest                        | 1.0000                  | 1.0528                           | 1.0145     |
| Bedford                      | Rest                        | 1.0000                  | 1.0566                           | 1.0155     |
| Bexley                       | OL                          | 1.0996                  | 1.1081                           | 1.0838     |
| Birmingham                   | Rest                        | 1.0000                  | 1.0122                           | 1.0033     |
| Blackburn with Darwen        | Rest                        | 1.0000                  | 1.0000                           | 1.0000     |
| Blackpool                    | Rest                        | 1.0000                  | 1.0000                           | 1.0000     |
| Bolton                       | Rest                        | 1.0000                  | 1.0197                           | 1.0054     |
| Bournemouth                  | Rest                        | 1.0000                  | 1.0000                           | 1.0000     |
| Bracknell Forest             | Fringe                      | 1.0298                  | 1.1484                           | 1.0569     |
| Bradford                     | Rest                        | 1.0000                  | 1.0006                           | 1.0002     |
| Brent                        | IL                          | 1.1897                  | 1.1671                           | 1.1489     |
| Brighton and Hove            | Rest                        | 1.0000                  | 1.0061                           | 1.0017     |
| Bristol, City of             | Rest                        | 1.0000                  | 1.0528                           | 1.0145     |
| Bromley                      | OL                          | 1.0996                  | 1.1081                           | 1.0838     |
| Buckinghamshire Fringe       | Fringe                      | 1.0298                  | 1.1114                           | 1.0467     |
| Buckinghamshire Non-Fringe   | Rest                        | 1.0000                  | 1.1036                           | 1.0284     |
| Bury                         | Rest                        | 1.0000                  | 1.0197                           | 1.0054     |
| Calderdale                   | Rest                        | 1.0000                  | 1.0006                           | 1.0002     |
| Cambridgeshire               | Rest                        | 1.0000                  | 1.0464                           | 1.0127     |
| Camden                       | IL                          | 1.1897                  | 1.3034                           | 1.1863     |
| Central Bedfordshire         | Rest                        | 1.0000                  | 1.0566                           | 1.0155     |
| Cheshire East                | Rest                        | 1.0000                  | 1.0131                           | 1.0036     |
| Cheshire West and Chester    | Rest                        | 1.0000                  | 1.0131                           | 1.0036     |
| City of London               | IL                          | 1.1897                  | 1.5771                           | 1.2613     |
| Cornwall                     | Rest                        | 1.0000                  | 1.0000                           | 1.0000     |

<sup>8</sup>Further information on the methodology for [DCLG's area cost adjustment](#) can be found on the DCLG website.



| <b>Local Authority</b>      | <b>Teachers' regional pay band</b> | <b>Teacher cost adjustment</b> | <b>Non-teaching staff element (LCA)</b> | <b>Hybrid ACA</b> |
|-----------------------------|------------------------------------|--------------------------------|---|-------------------|
| County Durham               | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Coventry                    | Rest                               | 1.0000                         | 1.0122                                  | 1.0033            |
| Croydon                     | OL                                 | 1.0996                         | 1.1081                                  | 1.0838            |
| Cumbria                     | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Darlington                  | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Derby                       | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Derbyshire                  | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Devon                       | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Doncaster                   | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Dorset                      | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Dudley                      | Rest                               | 1.0000                         | 1.0122                                  | 1.0033            |
| Ealing                      | IL                                 | 1.1897                         | 1.1671                                  | 1.1489            |
| East Riding of Yorkshire    | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| East Sussex                 | Rest                               | 1.0000                         | 1.0061                                  | 1.0017            |
| Enfield                     | OL                                 | 1.0996                         | 1.1081                                  | 1.0838            |
| Essex Fringe                | Fringe                             | 1.0298                         | 1.0783                                  | 1.0377            |
| Essex non-Fringe            | Rest                               | 1.0000                         | 1.0128                                  | 1.0035            |
| Gateshead                   | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Gloucestershire             | Rest                               | 1.0000                         | 1.0227                                  | 1.0062            |
| Greenwich                   | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Hackney                     | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Halton                      | Rest                               | 1.0000                         | 1.0131                                  | 1.0036            |
| Hammersmith and Fulham      | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Hampshire                   | Rest                               | 1.0000                         | 1.0512                                  | 1.0140            |
| Haringey                    | IL                                 | 1.1897                         | 1.1081                                  | 1.1328            |
| Harrow                      | OL                                 | 1.0996                         | 1.1671                                  | 1.1000            |
| Hartlepool                  | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Havering                    | OL                                 | 1.0996                         | 1.1081                                  | 1.0838            |
| Herefordshire               | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Hertfordshire Fringe        | Fringe                             | 1.0298                         | 1.1114                                  | 1.0467            |
| Hertfordshire Non-Fringe    | Rest                               | 1.0000                         | 1.0566                                  | 1.0155            |
| Hillingdon                  | OL                                 | 1.0996                         | 1.1671                                  | 1.1000            |
| Hounslow                    | OL                                 | 1.0996                         | 1.1671                                  | 1.1000            |
| Isle of Wight               | Rest                               | 1.0000                         | 1.0512                                  | 1.0140            |
| Isles of Scilly             | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Islington                   | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Kensington and Chelsea      | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Kent Fringe                 | Fringe                             | 1.0298                         | 1.0783                                  | 1.0377            |
| Kent non-Fringe             | Rest                               | 1.0000                         | 1.0026                                  | 1.0007            |
| Kingston upon Hull, City of | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Kingston upon Thames        | OL                                 | 1.0996                         | 1.1671                                  | 1.1000            |
| Kirklees                    | Rest                               | 1.0000                         | 1.0006                                  | 1.0002            |

| <b>Local Authority</b>  | <b>Teachers' regional pay band</b> | <b>Teacher cost adjustment</b> | <b>Non-teaching staff element (LCA)</b> | <b>Hybrid ACA</b> |
|-------------------------|------------------------------------|--------------------------------|---|-------------------|
| Knowsley                | Rest                               | 1.0000                         | 1.0040                                  | 1.0011            |
| Lambeth                 | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Lancashire              | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Leeds                   | Rest                               | 1.0000                         | 1.0006                                  | 1.0002            |
| Leicester               | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Leicestershire          | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Lewisham                | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Lincolnshire            | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Liverpool               | Rest                               | 1.0000                         | 1.0040                                  | 1.0011            |
| Luton                   | Rest                               | 1.0000                         | 1.0566                                  | 1.0155            |
| Manchester              | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Medway                  | Rest                               | 1.0000                         | 1.0026                                  | 1.0007            |
| Merton                  | IL                                 | 1.1897                         | 1.1671                                  | 1.1489            |
| Middlesbrough           | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Milton Keynes           | Rest                               | 1.0000                         | 1.1036                                  | 1.0284            |
| Newcastle upon Tyne     | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Newham                  | IL                                 | 1.1897                         | 1.1081                                  | 1.1328            |
| Norfolk                 | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| North East Lincolnshire | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| North Lincolnshire      | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| North Somerset          | Rest                               | 1.0000                         | 1.0528                                  | 1.0145            |
| North Tyneside          | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| North Yorkshire         | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Northamptonshire        | Rest                               | 1.0000                         | 1.0119                                  | 1.0033            |
| Northumberland          | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Nottingham              | Rest                               | 1.0000                         | 1.0100                                  | 1.0027            |
| Nottinghamshire         | Rest                               | 1.0000                         | 1.0100                                  | 1.0027            |
| Oldham                  | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Oxfordshire             | Rest                               | 1.0000                         | 1.0802                                  | 1.0220            |
| Peterborough            | Rest                               | 1.0000                         | 1.0464                                  | 1.0127            |
| Plymouth                | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Poole                   | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Portsmouth              | Rest                               | 1.0000                         | 1.0512                                  | 1.0140            |
| Reading                 | Rest                               | 1.0000                         | 1.1255                                  | 1.0344            |
| Redbridge               | OL                                 | 1.0996                         | 1.1081                                  | 1.0838            |
| Redcar and Cleveland    | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Richmond upon Thames    | OL                                 | 1.0996                         | 1.1671                                  | 1.1000            |
| Rochdale                | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Rotherham               | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Rutland                 | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Salford                 | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Sandwell                | Rest                               | 1.0000                         | 1.0122                                  | 1.0033            |

| <b>Local Authority</b> | <b>Teachers' regional pay band</b> | <b>Teacher cost adjustment</b> | <b>Non-teaching staff element (LCA)</b> | <b>Hybrid ACA</b> |
|------------------------|------------------------------------|--------------------------------|---|-------------------|
| Sefton                 | Rest                               | 1.0000                         | 1.0040                                  | 1.0011            |
| Sheffield              | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Shropshire             | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Slough                 | Fringe                             | 1.0298                         | 1.1484                                  | 1.0569            |
| Solihull               | Rest                               | 1.0000                         | 1.0122                                  | 1.0033            |
| Somerset               | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| South Gloucestershire  | Rest                               | 1.0000                         | 1.0528                                  | 1.0145            |
| South Tyneside         | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Southampton            | Rest                               | 1.0000                         | 1.0512                                  | 1.0140            |
| Southend-on-Sea        | Rest                               | 1.0000                         | 1.0128                                  | 1.0035            |
| Southwark              | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| St. Helens             | Rest                               | 1.0000                         | 1.0040                                  | 1.0011            |
| Staffordshire          | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Stockport              | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Stockton-on-Tees       | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Stoke-on-Trent         | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Suffolk                | Rest                               | 1.0000                         | 1.0001                                  | 1.0000            |
| Sunderland             | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Surrey                 | Fringe                             | 1.0298                         | 1.1484                                  | 1.0569            |
| Sutton                 | OL                                 | 1.0996                         | 1.1671                                  | 1.1000            |
| Swindon                | Rest                               | 1.0000                         | 1.0259                                  | 1.0071            |
| Tameside               | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Telford and Wrekin     | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Thurrock               | Rest                               | 1.0000                         | 1.0783                                  | 1.0215            |
| Torbay                 | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Tower Hamlets          | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Trafford               | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Wakefield              | Rest                               | 1.0000                         | 1.0006                                  | 1.0002            |
| Walsall                | Rest                               | 1.0000                         | 1.0122                                  | 1.0033            |
| Waltham Forest         | OL                                 | 1.0996                         | 1.1081                                  | 1.0838            |
| Wandsworth             | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Warrington             | Rest                               | 1.0000                         | 1.0131                                  | 1.0036            |
| Warwickshire           | Rest                               | 1.0000                         | 1.0253                                  | 1.0069            |
| West Berkshire         | Rest                               | 1.0000                         | 1.1255                                  | 1.0344            |
| West Sussex Fringe     | Fringe                             | 1.0298                         | 1.1484                                  | 1.0569            |
| West Sussex Non-Fringe | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| Westminster            | IL                                 | 1.1897                         | 1.3034                                  | 1.1863            |
| Wigan                  | Rest                               | 1.0000                         | 1.0197                                  | 1.0054            |
| Wiltshire              | Rest                               | 1.0000                         | 1.0259                                  | 1.0071            |
| Windsor and Maidenhead | Fringe                             | 1.0298                         | 1.1484                                  | 1.0569            |
| Wirral                 | Rest                               | 1.0000                         | 1.0040                                  | 1.0011            |
| Wokingham              | Rest                               | 1.0000                         | 1.1255                                  | 1.0344            |

| <b>Local Authority</b> | <b>Teachers' regional pay band</b> | <b>Teacher cost adjustment</b> | <b>Non-teaching staff element (LCA)</b> | <b>Hybrid ACA</b> |
|------------------------|------------------------------------|--------------------------------|---|-------------------|
| Wolverhampton          | Rest                               | 1.0000                         | 1.0122                                  | 1.0033            |
| Worcestershire         | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |
| York                   | Rest                               | 1.0000                         | 1.0000                                  | 1.0000            |



Department  
for Education

Appendix C

**Consultation Response Form**

**Consultation closing date: 30 April 2014**  
**Your comments must reach us by that date**

## **Fairer schools funding in 2015-16**

If you would prefer to respond online to this consultation please use the following link: <https://www.education.gov.uk/consultations>

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

|  |                                     |
|--|-------------------------------------|
| <b>Please tick if you want us to keep your response confidential.</b>  | <input type="checkbox"/>            |
| Reason for confidentiality:  |                                     |
| Name: Schools Forum / Ms P Sharratt (Interim Director of Children's Services)  |                                     |
| Please tick if you are responding on behalf of your organisation.  | <input checked="" type="checkbox"/> |
| Name of Organisation (if applicable): Dudley Schools Forum   |                                     |
| Address:<br>Dudley MBC<br>Directorate of Childrens Services<br>Westox House<br>Trinity Road<br>Dudley<br>West Midlands DY1 1JQ |                                     |

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

Please mark the box that best describes you as a respondent.

|   |   |   |
|---|---|---|
| <input type="checkbox"/> Maintained school        | <input type="checkbox"/> Academy                  | <input checked="" type="checkbox"/> Local authority |
| <input type="checkbox"/> Governor                 | <input type="checkbox"/> Bursar                   | <input type="checkbox"/> Parent                     |
| <input checked="" type="checkbox"/> Schools forum | <input type="checkbox"/> Trade union organisation | <input type="checkbox"/> Other                      |

Please Specify:  
Combined response on behalf of Schools Forum and Director of Children's Services.

1 Do you agree that the existing distribution of schools funding is unfair?

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

Comments:  
**The current distribution is based on historical levels of funding which are not reflective of actual need.**

2 Do you agree with our proposed choice of characteristics to which to attach minimum funding levels?

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

Comments:  
**No comment**

*Basic per pupil £2,845 (Primary), £3,951 (KS3), £4,529 (KS4)*  
*Deprivation*  
*FSM6 £893 / £1,080*  
*IDAC1 1-6 (Primary £237 - £741), (Secondary £321 - £894)*  
*LAC £1,009*  
*Low Prior Attainment (LPA) £878 / £1,961*  
*EAL £505/ £1,216*  
*Lump Sum £117,082 / £128,189*  
*Additional sparsity schools serving rural communities up to £53,988 (NA for Dudley)*  
*ACA Various (Dudley 1.0033)*  
*Based on the above methodology Dudley Minimum Funding Level (MFL) per pupil is £4,432 compared to actual funding received £4,459. Dudley is currently funded at approximately £1.1m above the MFL.*

Given our proposal to set minimum funding levels such that we can afford to fund all local authorities at those levels or above in 2015-16, do you agree with the proposed values of the minimum funding levels?

3 a) Age Weighted Pupil Unit

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

3 b) Deprivation

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

3 c) Looked-after children

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|



3 d) English as an additional language

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

3 e) Low prior attainment

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

3 f) Lump sum

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

3 g) Sparsity

|   |                             |                                   |
|---|-----------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Not Sure |
|---|-----------------------------|-----------------------------------|

Comments:

**Agree with the proposed values for the above.**

4 Do you agree that labour market cost differences should be taken into account as we allocate the £350m?

Agree

Disagree

Not sure

Comments:

**A factor to reflect regeneration based on IDACI data should be used rather than a factor based on labour cost market differences.**

5 Do you agree this should be calculated using the hybrid approach we have set out?

Agree

Disagree

Not sure

Comments:

**See response to Question 4.**

*4 regional pay bands (Inner London, Outer London, the Fringe, Rest of England).*

*Based on School Workforce Census 2012, we place in salary range compared this value for Rest of England to value if in one of 3 other pay bands.*

*Ratios as below:*

*Inner London 1: 1.1897*

*Outer London 1: 1.0996*

*Fringe 1: 1.0298*

*Rest of England 1.0000*

*Non-teaching staff element (based on Department for Communities and Local Government (DCLG) labour cost adjustment.*

*A split between teaching and non-teaching ratio is calculated for each LA based on most recent S251 data.*

*Dudley Teacher cost adj. 1.0000 / non teaching 1:1.0122. Hybrid 1: 1.0033*

6 If you do not agree that we should use a hybrid approach, what would you prefer we used?

|   |   |   |
|---|---|---|
| <input type="checkbox"/> Use teacher pay bands only | <input type="checkbox"/> Use a general labour market measure only | <input checked="" type="checkbox"/> Use an alternative method |
|---|---|---|

Comments:  
**See response to Question 4.**

**Sparsity Review**

7 We introduced a sparsity factor for the first time in 2015-16. How helpful has this factor been in ensuring that sufficient funding is targeted at small schools serving sparsely populated areas?

|  |                                     |                                   |
|--|-------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> Useful | <input type="checkbox"/> Not useful | <input type="checkbox"/> Not sure |
|--|-------------------------------------|-----------------------------------|

Comments:  
**There should be additional support available for small schools serving sparsely populated areas.**

8 Do you think it would be useful to revise the criteria for the sparsity factor to take into account the average number of pupils in each year group, rather than the number of pupils in the school? If so how?

|                                 |  |                                   |
|---------------------------------|--|-----------------------------------|
| <input type="checkbox"/> Useful | <input checked="" type="checkbox"/> Not useful | <input type="checkbox"/> Not sure |
|---------------------------------|--|-----------------------------------|

Comments:  
**No comment.**

9 Are there any other changes you would like to suggest to improve the operation of this factor, and why?

Comments:  
**No comment.**

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

|  |   |
|--|---|
| <b>Please acknowledge this reply.</b>  | ✓ |
| E-mail address for acknowledgement: <a href="mailto:sue.coates@dudley.gov.uk">sue.coates@dudley.gov.uk</a> |   |

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

|   |                             |
|---|-----------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|-----------------------------|

All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: [aileen.shaw@education.gsi.gov.uk](mailto:aileen.shaw@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed responses should be sent to the address shown below by 30 April 2014

Ministerial and Public Communication Division, Level 2, Department for Education, Mowden Hall, Staindrop Road, DARLINGTON DL3 9BG

Send by e-mail to:  
[SchoolFunding.CONULTATION@education.gsi.gov.uk](mailto:SchoolFunding.CONULTATION@education.gsi.gov.uk)