

Schools Forum 17th September 2013

Report of the Director of Children's Services

Consultation on School Funding Arrangements and Changes for 2014-15

Purpose of Report

1. To inform Schools Forum in respect of proposed changes to the local school funding arrangements for the 2014-15 financial year.

Budget Working Group Discussed

2. Yes – 9 September 2013.

Schools Forum Role and Responsibilities

3. From 1 April 2006, the Schools Budget has been funded by a direct Department for Education (DfE) grant: the Dedicated School Grant (DSG).
4. Schools Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.
5. A local authority must consult their Schools Forum and schools maintained by them about any proposed changes to the formula in relation to the factors and criteria taken into account and the methods, principles and rules adopted

Action for Schools Forum

6. To note the consultation on school funding arrangements for 2014-15 and to inform the Director of Children's Services of their views.

Attachments to Report

7. Appendix A – Consultation document published 2 September 2013.
8. Appendix 1 to Consultation document – Funding for prior attainment.
9. Appendix 2 to Consultation document – Proposals for value of Lump Sum and funding of MFG.
10. Appendix 3 to Consultation document – Additional funding for Notional SEN.

Sue Coates
Senior Principal Accountant
3 September 2013

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Consultation on School Funding Arrangements and Changes for 2014-15

Purpose of Report

1. To inform Schools Forum in respect of proposed changes to the local school funding arrangements for the 2014-15 financial year.

Background

2. In February this year, the DfE undertook a short review to understand to what extent they needed to make small changes in 2014/15 in order to move closer to a national funding formula for maintained mainstream schools and Academies. The DfE also wanted to understand whether any unintended consequences had arisen as a result of the arrangements for 2013/14.
3. On the 5 June 2013 the DfE published a document "School Funding Reforms: Findings from the Review 2013/14 and Arrangements and Changes for 2014/15", which included the findings from the Spring term review with the resulting proposals to be implemented from 2014/15. These were discussed at the June and July meetings of Schools Forum.
4. The DfE will be making the necessary regulations that will give effect to their school funding changes in 2014/15. Draft finance regulations and Dedicated Schools Grant (DSG) conditions of grant were published for consultation on 1 August 2013 with a closing date of 11 October 2013.
5. Our local consultation addresses those areas of the Mainstream School's funding formula which this Local Authority is proposing to amend from 2014/15, either because of the DfE changes published in their document dated 5 June 2013 or because local decisions made for 2013/14 were agreed by Dudley Schools and Schools Forum on a one year only basis.
6. The proposals included within the consultation have been discussed by Headteachers Consultative Forum-Budget Working Group (HTCF-BWG) and where recommendations have been made by this group they are included under the relevant headings.

7. The consultation is seeking views in respect of five specific issues;
- **A review of the quantum and methodology of allocating funding for deprivation.**
The DfE are continuing to ask that Schools Forums and local authorities determine locally an appropriate proportion or quantum of their schools block funding to allocate through this factor. (Paragraph 48 refers)
 - **The value of the Lump Sum for primary and secondary schools.**
HTCF-BWG recommendation is that the primary sector lump sum remains at £130,000 and views are sought regarding the options of either retaining £130,000 for secondary schools, or allocating £100,000 lump sum to secondary schools with re-allocation of the £30,000 funding released back to secondary schools in the basic per pupil funding for KS3 and KS4 pupils. (Paragraph 57 and Appendix 2 refer).
 - **The method of identifying schools that receive insufficient funding to cover the first £6,000 of costs for High Needs pupils.**
Detailed proposals are included within the consultation document at Appendix A (Paragraph 65 refers) and a demonstration of the potential financial impact at Appendix 3 to this document.
 - **The funding of Minimum Funding Guarantee (MFG) from a clawback of gains.**
It was agreed for 2013/14 that MFG of £1.582m would be funded from a clawback of gains from those schools receiving a financial gain under the new funding reforms. As the reason for a financial gain arising in 2014/15 compared to funding received in 2013/14 will no longer be as a direct result of the funding reforms but could be as a result of a number of changes within the school population or demography this issue was discussed in detail at HTCF-BWG. A number of options were considered resulting in a recommendation from HTCF-BWG to fund 50% of the MFG in 2014/15 from a claw-back of gains and 50% from all schools. (Paragraphs 69 -73 and Appendix 2 refer)
 - **De-delegation of funding for services which were funded centrally until April 2013.**
A decision was taken by Schools Forum in October 2012 for de-delegation of funding for 2013/14. Schools Forum will again be required to make a decision at the meeting on 24 October regarding de-delegation of funding for 2014/15. (Table 4 and paragraphs 76 - 85 of the consultation document refer).
HTCF-BWG recommended that the items proposed for de-delegation as detailed in Table 4 be accepted for 2014/15 with the exception of the Library service, where the secondary sector are not in favour of de-delegation.
8. A full copy of the local consultation document is attached at Appendix A and detailed financial models demonstrating the financial impact on individual schools are attached at Appendices 1 to 3.

9. The consultation document was published on 2 September and consultation closes on 11 October 2013. The outcomes from the consultation will be reported to Forum at the meeting on 24 October 2013.

Finance

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

Law

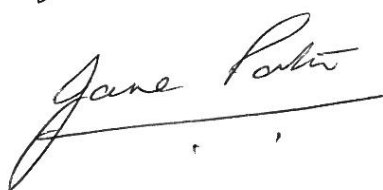
13. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

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

Recommendation

15. Schools Forum to note the Consultation on School Funding arrangements for 2014-15 and to inform the Director of Children's Services of their views.

A handwritten signature in black ink that reads "Jane Porter". The signature is written in a cursive style and is positioned above a horizontal line.

Jane Porter
Director of Children's Services

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