



Directorate of Children's Services

Consultation on School Funding Reforms: Funding Arrangements and Changes for 2014-15

'Putting children and young people first in Dudley'

Monday 2 September 2013

Jane Porter
Director of Children's Services

Dudley Metropolitan Borough Council
Directorate of Children's Services
Westox House
1 Trinity Road
Dudley
West Midlands DY1 1JQ



Directorate of Children's Services

Consultation Document

Consultation on: School Funding Reforms

Summary: To inform and consult on phase two of the Department for Education's national school funding reforms which are to be effective from 1 April 2014. In particular, this consultation sets out proposed changes in the Council's arrangements for the determination of mainstream school budgets via the Dudley school funding resource allocation formula and proposed actions related to the setting of school budgets in 2014/15. This consultation is required by regulations made under the education legislation relating to the operation of school budgets by local authorities and covers maintained mainstream schools and Academy schools.

Deadline: *All responses must be received **by 11 October 2013***

Public Access Consultations, plans and policies will be published as follows:

Public Libraries
Dudley MBC website www.dudley.gov.uk
Westox House

Responses to: CONSULTATION RESPONSES
Executive Support Team
Directorate of Children's Services
Westox House
1 Trinity Road
Dudley DY1 1JQ
director.children@dudley.gov.uk

Your responses will be co-ordinated by this team.

Any responses will be provided by the appropriate responsible officer for this consultation.

All responses may be published. A **large print version**, and translation into other languages is available on request to the above address.

Jane Porter
Director of Children's Services

Consultees:

Chairs of Governors (LA maintained schools)
Chairs of Governors (Academies)
Councillors
Private, Voluntary, and Independent Providers of Early Years Education
Members of Parliament

Headteachers (LA maintained schools)
Headteachers (Academies)
Roman Catholic Diocesan Schools Commission
Unions and Professional Associations
Worcester Diocesan Board of Education

Glossary of Abbreviations

ASCL	Association of School & College Leaders
ATL	Association of Teachers and Lecturers
DfE	Department for Education
DSG	Dedicated Schools Grant
DSLTT	Directorate Strategic Leadership Team
EAL	English as an Additional Language (funding for the first 3 years within the state school system.)
EFA	Education Funding Agency
EYFSP	Early Years Foundation Stage Profiles
EYSFF	Early Year's Single Funding Formula
FSM	Free School Meals
FTE	Full Time Equivalent
GMB	GMB General Union
HNB	High Needs Block
HOS	Head of Service
HTCF – BWG	Headteachers Consultative Forum- Budget Working Group
IDACI	Income Deprivation Affecting Children Index (an index of deprivation used in the United Kingdom. The index is calculated by the Office of the Deputy Prime Minister and measures in a local area the proportion of children under the age of 16 that live in low income households. The local areas for which the index is calculated are super output areas. It is supplementary to the Indices of Multiple Deprivation and is used for calculation of the contextual value added score, measuring children's educational progress.)
IMD	Index of Multiple Deprivation
LA	Local Authority
LACES	Looked After Children Education Service
MFG	Minimum Funding Guarantee
NAHT	National Association of Headteachers
NASUWT	National Association of Schoolmasters Union of Women Teachers
NQT	Newly Qualified Teachers
NUT	National Union of Teachers
PFI	Private Finance Initiative
RSC	Regional Staff College
SEN	Special Education Needs

Consultation on Dudley's School Funding Reforms: Funding Arrangements and Changes for 2014-15

Consultation on School Funding Reforms

1. The proposed changes contained within this consultation document relate to Local Authority (LA) maintained mainstream schools and Academies.
2. Whilst the L.A. is responsible for funding local maintained schools and the Education Funding Agency (EFA) is responsible for funding Academies, the local formula funding methodology used by Dudley is to be replicated for both sectors of maintained mainstream schools and Academy schools.

Purpose of the School Funding Reform Consultation

3. The Department for Education (DfE) commenced a process in 2012 to reform the school funding system, so that it is fairer, more consistent and transparent and so that funding intended for education reaches schools and the pupils that need it most. These reforms which were implemented for the 2013/14 financial year set out how the system would start to change ahead of introducing a national funding formula in the next spending review period from 2015/16.
4. Local authorities, working with their Schools Forums, developed new local formulae for 2013/14, using simplified and consistent formula factors.
5. 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.
6. Most of the arrangements the DfE put in place for 2013/14 will remain in place for 2014/15. However there will be a number of changes which will move the DfE closer to a national funding formula and which will address the unintended consequences which arose as a result of the 2013/14 reforms.
7. 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.
8. These changes will require all Schools Forums and local authorities to undertake a further review and to consider again how far the local approach is moving towards a pupil-led formula.
9. Taking into consideration the changes set out in their document, local authorities, working with their Schools Forum are now required to develop their local formula using the two mandatory factors and the optional factors which will be in place in 2014/15, selecting if appropriate the new optional sparsity factor.

10. Therefore this local consultation on behalf of Dudley Council 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.
11. This consultation commences with a Summary of the Department for Education's (DfE) proposed changes impacting upon Dudley's mainstream schools and Academy schools. Table 1 summarises the DfE permissible formula funding factors and the national changes for 2014/15. The Dudley proposed changes for 2014/15 and an impact assessment for Dudley schools' funding arrangements are highlighted in Table 1 and we seek to consult on these changes.
12. The proposals included within this consultation have been discussed by Headteachers Consultative Forum-Budget Working Group (HTCF-BWG) and their recommendations are included under the relevant headings.
13. 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.
14. The full DfE publication can be found at:
<https://www.gov.uk/government/consultations/school-and-early-years-finance-regulations-2013>.

Appendix A

Summary of the Department for Education (DfE) Proposed Changes Impacting Upon Dudley Local Authority

15. Table 1 summarises the DfE permissible formula funding factors for 2013/14 and 2014/15 and highlights those where Dudley is proposing to make changes for 2014/15 and therefore seeks to consult on these changes.

Table 1 - Formula Factors for 2013/14 and 2014/15

	Mandatory Discretionary Factor	Description of Factor	Detail Relating to Factor 2013/14	Detail Relating to Factor 2014/15	2013/14 Used by Dudley	2014/15 Proposal to be used by Dudley	Dudley Changes Proposed For 2014/15
1	M	Basic per-pupil entitlement	A single unit for primary aged pupils and a single unit for Key Stage 3 and Key Stage 4.	None – as 2013/14	Y	Y	N
2	M	Deprivation	Measured by Free School Meals (FSM), FSM Ever 6 and/or Income Deprivation Affecting Children Index (IDACI). There can be separate unit values for primary and secondary.	None - as 2013/14	Y	Y	Review Budget Allocated
3	D	Looked After Children	Use one of three measures, identifying children who have been looked after for one day or more, six months or	To use a single one day or more measure for both primary and secondary.	N	N	N

			more or 12 months or more.				
4	D	Prior attainment as a proxy measure for SEN	EYFSP scores below 78 and KS2 below level 4 in English and Maths Notional SEN budgets can still also include funding allocated through other factors such as pupil numbers and deprivation.	EYFSP under new Profile from Summer 2013 retain scores below 78 for earlier assessments. KS2 below Level 4 in English <u>or</u> Maths	Y	Y	N
5	D	English as an Additional Language (EAL).	For a maximum of 3 years after the pupil enters the statutory age school system. There can be separate unit values for primary and secondary	None - as 2013/14.	Y	Y	N
6	D	Pupil mobility	To support schools with high levels of pupil mobility which incur greater costs as a result	A 10% threshold will be applied to the mobility factor, so that it will only support schools which experience a significant change in their pupil numbers	N	N	N
7	D	A standard lump sum for each school	With an upper limit of £200,000. For 2013/14 Dudley allocated £130,000 to both sectors.	An upper limit of £175,000. The lump sum may be differentiated by phase for 2014-15, provided that for each phase the lump sum level does not exceed the £175,000 cap.	Y	Y	Y

8	D	Split sites	The allocations must be based on objective criteria, both for the definition of a split site and for how much is allocated. Where existing factors have been used for some years and the rationale is unclear, these should be reviewed	None.	N	N	N
9	D	Rates	Must be at actual cost but budget can be retained centrally outside of the delegated budget	None - as 2013/14	Y	Y	N
10	D	Private Finance Initiative (PFI) contracts	As currently permitted	None - as 2013/14	Y	Y	N
11	D	London Fringe area uplift	For the 5 local authorities, (Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex) who have some but not all of their schools within the London fringe area, an uplift to enable higher teacher pay scales in those schools to be reflected	None - as 2013/14	N	N	N

12	D	Post 16 per pupil factor	A per-pupil factor which continues funding for post-16 pupils up to the level that the authority provided in 2012/13, either through directly allocating per pupil funding, or indirectly through premises and other factors	None - as 2013/14	Y	Y	N
13	D	Exceptional circumstances factor	Application can be made to the EFA for exceptional circumstances relating to premises such as listed buildings where applications; a) apply to less than 5% of schools in the L.A and, b) account for more than 1% of the budget of the schools affected	None - as 2013/14	N	N	N
14	D	Sparsity factor	N/A 2013/14	New – DfE has introduced a sparsity factor which measures the distance pupils live from their second nearest school. DfE will identify schools that are eligible. No Dudley schools are eligible for 2014/15.	N/A	N	N

The DfE changes for 2014/15 are detailed below together with Dudley's proposed changes and an impact assessment for Dudley schools funding arrangements

Pupil-led Funding

16. All local authority areas must have a minimum of 80% of delegated schools block funding allocated through an appropriate and locally determined combination of the pupil-led factors.
17. For 2013/14 Dudley allocated 91.6% of the schools block funding based on pupil led factors, therefore this will have no impact on 2014/15.
18. All local authorities will be required to set a basic per-pupil rate which is at least £2,000 for primary and at least £3,000 for KS3 and KS4.
19. For 2013/14 Dudley allocated £3,126 per pupil to primary and £4,454 per pupil to secondary, therefore this will have no impact on 2014/15.

Prior Attainment

20. Primary - The previous Early Years Foundation Stage Profile (EYFSP) came to an end last year and a new framework has been introduced, the first assessments using the new profile will take place in the summer of 2013. This will include all those who have not achieved the expected level of development in all 12 prime areas of learning as well as maths and literacy. The EYFSP will be retained as the indicator for prior attainment for primary aged pupils for 2014/15. For pupils assessed using the old Profile, funding will be targeted to all pupils achieving fewer than 78 points on the EYFSP, for pupils assessed under the new Profile funding will be targeted at pupils who did not achieve the expected level of development.
21. Secondary – Pupils who achieved Level 3 or below in KS2 will continue to be used as the indicator for funding for prior attainment for secondary aged pupils in 2014/15. However in 2013/14 the DfE prescribed that only pupils who achieved Level 3 or below in English *and* maths were eligible for funding, this has been revised for 2014/15 to include pupils who achieve Level 3 or below in English *or* maths for 2014/15. The DfE expect such a change to mean that this revised measure would identify around 21% of pupils which effectively allocates funds to significantly more pupils at secondary school.

Impact on Dudley Schools

22. For Dudley the 2014/15 actual funding impact will be modelled when the DfE data set is made available in December 2013 based on the the Autumn 2013 school census. However, the DfE revised methodology, which will now fund secondary schools pupils achieving level 3 and below in KS2 English or maths (change from English and maths in 2013/14) means that funding will be allocated to more pupils; 4,786 pupils compared to 1,830 previously. It is therefore proposed that the prior attainment funding for the secondary sector is ring fenced in order to minimise

additional financial turbulence to schools.

Financial Modelling

23. In order to demonstrate the potential financial impact of this change for secondary schools in Dudley, the revised methodology has been applied to pupil data at October 2012 and a comparison made to show the revised funding for individual schools that would have been received in 2013/14 compared to actual funding received.
24. This is attached at Appendix 1 for information

Looked After Children

25. Currently local authorities can use one of three measures to allocate funding through this factor, identifying children who have been looked after for one day or more, six months or more, or 12 months or more. In 2013/14 most authorities selected the one day or more measure.
26. In 2014/15 the DfE will require local authorities which use the looked after children factor, to use a single one day or more measure for both primary and secondary sectors.

Impact on Dudley Schools

27. For 2013/14 Dudley did not use this formula factor. There is no proposal to introduce this formula for 2014/15 therefore there is no impact. However this is an area that will be reviewed for Dudley schools during 2014/15 and any proposals for change in 2015/16 will be consulted upon in due course.

Pupil Mobility

28. In 2013/14 the DfE introduced an optional factor for pupil mobility in order to support schools with high levels of pupil mobility which incur greater costs as a result. This factor was used by 58 local authorities in 2013/14.
29. Since the 2013/14 arrangements were announced, the DfE have been informed of some concerns that the current factor does not allow local authorities to target funding to schools with high volumes of mobile pupils.
30. Starting in 2014/15, a 10% threshold will be applied to the mobility factor, so that it will only support schools which experience a significant change in their pupil numbers.

Impact on Dudley Schools

31. For 2013/14 this factor was not used by Dudley, there is no proposal to change this for 2014/15. However this area will be subject to a review during 2014/15 for Dudley schools and any proposals for change in 2015/16 will be consulted upon in due course.

Sparsity

32. Since announcing the changes for 2013/14, the DfE are aware that the funding reforms and particularly the lump sum arrangements are causing concerns in some rural areas. They were keen to explore the issues for small rural schools in detail during the review and have now developed a sparsity factor which measures the distance that pupils live from their second nearest school.
33. This is based on the DfE prescribed model for 2014/15 under which a school may attract sparsity funding if it is:
- a) A primary school that has fewer than 150 pupils and an average distance greater than or equal to 2 miles.
 - b) A secondary, middle or all through school and has fewer than 600 pupils and an average distance greater than or equal to 3 miles

Impact on Dudley Schools

34. For 2013/14 this factor was not available. For 2014/15 the DfE have identified that no Dudley schools currently meet this criteria.

Notional SEN

35. For the introduction of the new high needs funding arrangements in 2013/14, the DfE strongly recommended that local authorities should delegate sufficient funding for schools to be able to pay for costs of additional support up to a threshold of £6,000. Therefore the School Finance Regulations will be amended for 2014/15 to make the £6,000 threshold a mandatory requirement.

Impact on Dudley Schools

36. For 2013/14 Dudley adopted the DfE recommended £6,000 value as notional SEN. This will have no impact on 2014/15.

Schools with Falling Rolls

37. The DfE note that in fulfilling their place planning function, local authorities may find that some schools in their area are no longer required, but in some cases, they will identify that the number of places required will increase in the near future and may therefore wish to ensure that required schools remain open and viable in the short term.
38. The DfE have recognised that a pupil-led system can cause difficulties in such circumstances and that head teachers will want to avoid the need to make expensive redundancies, only to need to recruit again in the near future. Therefore to ensure that good schools with short term falling rolls receive sufficient funding to deliver an appropriate curriculum and to avoid the need to take costly steps to reduce their capacity, when the demographic data shows that their capacity will need to expand again in the near future, they will enable local authorities to use

top-sliced Dedicated Schools Grant funding to create a small fund to support schools with falling rolls in exceptional circumstances.

39. The DfE expect that the use of this fund for schools with falling rolls is to be considered at planning area level and Schools Forums will assess applications. As with the basic need growth fund, the criteria and amount must be agreed by the Schools Forum and applied fairly to academies and maintained schools. The DfE do not intend that this funding is provided to support schools which have falling rolls because they are unpopular or of low quality and therefore will ask local authorities to apply criteria which restricts use of the fund to schools that are judged by Ofsted to be “good” or “outstanding”.

Impact on Dudley Schools

40. For 2013/14 this contingency funding approval was not available. For 2014/15 the requirement for a budget would need to be approved by Schools Forum during the Dedicated Schools Grant budget process for 2014/15.

Deprivation

41. The DfE consultation evidence has suggested that the proportion or quantum of funding for deprivation was determined based on historic approaches or a combination of the historic approach and an approach which minimised turbulence. This included using previously developed models and analysis and mapping old formula factors to the new allowable factors. Most felt a status-quo approach was taken because existing arrangements worked and were widely accepted as appropriate and fair. A small number of responses suggested there was a need to review the proportion of funding allocated for deprivation in their area and do more analysis but timing had not permitted this.
42. There were a small number of responses where the respondents stated that the local authority or Schools Forum were developing a new approach, considering afresh the deprivation distribution and needs in the local authority and redeveloping the evidence base.
43. During the review, the DfE also wanted to understand more about why some local authorities were unable to use the allowable deprivation indicators to prevent significant losses to schools with a high number of deprived pupils.
44. The DfE received a range of responses in relation to this question. A small majority (56%) of those responding did state that in their area there had been difficulties in preventing significant losses to schools with a high number of deprived pupils. Of those that stated this was the case, the majority of responses related to issues in using the allowable measures (free school meals, ever FSM and Income Deprivation Affecting Children Index) and included:
- a). not being able to use measures such as Index of Multiple Deprivation factors (IMD) or other place-based deprivation measures which had historically been used and which were considered to better identify where there are small pockets of deprivation in rural areas;

b). problems in applying the national bandings for IDACI and the limiting of bands to 1-6; *and*

c). schools which had received high levels of funding for deprivation through historic grants failing to recoup this funding through either an FSM measure (because of low take up) or IDACI (because of spatial masking of small pockets of deprivation) or a combination of both.

45. For 2014/15 the DfE are very keen that all local authorities continue to provide additional funding to schools with deprived pupils. They do not feel it is appropriate for local authorities to allocate funding for deprivation as a balancing figure or in order to minimise turbulence.

46. However, because of the variation in levels of deprivation across the country, the DfE feel that it would not be sensible to prescribe a minimum proportion of funding which should be allocated through the deprivation factor.

47. With a move towards a national funding formula the DfE have stated that an introduction of new measures for deprivation could be counter-productive and lead to greater turbulence in the future. So they are not therefore changing the allowable indicators for use with this measure in 2014/15. but they **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.**

Impact on Dudley Schools

48. For 2013/14 Dudley allocated £7.466m to schools for deprivation based on the IDACI data made available by the DfE following consultation with Dudley schools. However some schools which had previously received high levels of funding for deprivation through historic grants funding were adversely affected by this change. For 2014/15 it is proposed to continue to allocate funding based on the methodology used in 2013/14 however both the quantum of funding and the methodology used to allocate this funding will be subject to a review during 2014/15.

49. Question 1: Do you agree that both the quantum and methodology of allocating funding for deprivation should be reviewed during 2014/15?

Lump Sum

50. In 2013/14 local authorities were able to provide a single optional lump sum to all schools up to a maximum of £200,000.

51. Analysis of the 2013/14 pro forma returns shows that there were 32 authorities which allocated a lump sum above £150,000. The vast majority of these authorities were urban authorities.

52. For 2014/15 the DfE state that reducing the size of the lump sum supports their aim of moving towards a more pupil-led funding system, but they do want to ensure that small rural schools have sufficient funding to remain viable. It is clear from responses to the review that very few schools and local authorities believe that a lump sum over £200,000 is necessary. So they have taken the decision that in 2014/15 the maximum lump sum will be £175,000.
53. The DfE aim is to put more money through the pupil-led factors so that funding genuinely follows pupils. Now that there is a sparsity factor which will enable local authorities to target small rural schools, they believe that there is a strong case for lowering the lump sum cap.
54. The DfE are keen to provide additional flexibility to local authorities to make the right arrangements in their local area, so they will enable local authorities to differentiate the lump sum by phase for 2014/15, provided that for each phase the lump sum level does not exceed the £175,000 cap. With this change, they will enable local authorities to set a lump sum value for middle schools based on a weighted average between the primary and secondary value.

Impact on Dudley Schools

55. For 2013/14 Dudley agreed the lump sum at £130,000 would be reviewed for 2014/15. As part of the consultation for 2013/14 most secondary schools were in favour of a lower lump sum whilst primary schools were in favour of the £130,000 lump sum.
56. Therefore for 2014/15 the new DfE criteria for this factor will allow for the lump sum to vary between sectors. Due to impact of increasing the value of the lump sum effectively diverting funding from the pupil led funding there is no intention to increase the value of the lump sum for Dudley schools in 2014/15.
57. Following discussion at HTCF- BWG two options for Dudley were proposed and are shown in Table 2.

Table 2 – Lump Sum Formula Factor Options

		LUMP SUM OPTIONS FOR 2014/15	
	2013/14 Value	2014/15 Option 1	2014/15 Option 2
Primary Sector	£130,000	£130,000	£130,000
Secondary Sector	£130,000	£130,000	£100,000 + £30,000 redirected to secondary sector per pupil funding

Financial Modelling

58. The financial impact of each option for Dudley schools is attached at Appendix 2 for information.

59. **Question 2:**

a) **Do you prefer Option 1 or Option 2?**

Option 1 – Lump Sum of £130,000 for all sectors; or

Option 2 - Lump Sum of £130,000 for primary and a reduction in the lump sum for secondary schools to £100,000 with re-allocation of the £30,000 funding released back to secondary schools in the basic per pupil funding for KS3 and KS4 pupils.

Recommendations from Headteachers Consultative Forum- Budget Working Group

60. HTCF-BWG recommendation is that the Primary sector lump sum remains at £130,000 and views are sought regarding the options for the Secondary sector.

Notional SEN Additional Funding from HNB

61. In 2013-14 the DfE allowed local authorities the flexibility to use their high needs budget to make additional allocations outside the formula to mainstream schools and academies that have a disproportionate population of pupils with high needs. The DfE have stipulated that authorities should develop clear criteria for such allocations to their schools and academies, and that they should be applied equally to maintained schools and academies.

62. Although a majority of those responding to the DfE consultation thought that it was important to include a factor in the formula to reflect the incidence of high needs in a school, the DfE have concluded that more time is needed to consider how such a factor would work. In particular, they would not want a high needs factor to create a perverse financial incentive for schools to identify high needs pupils, when the costs of their additional support can be met from their budget. So for 2014/15 they will not be introducing a new high needs formula factor but will continue to consider the case for this in the future. Local authorities will continue to be able to target funds from their high needs budget, in cases where the notional SEN budget produced by the formula is comparatively low.

63. The DfE operational guidance specifies that the data used for this targeted funding in 2014/15 should primarily be the data available locally on pupils for whom the school receives top-up funding in October 2013, that the distribution criteria should be decided in advance on the basis of local authorities' experience in 2013/14, and expressed as a formula that minimises the perverse incentives, and that they will collect the information about the formula to be used as part of the pro forma return from each local authority.

64. For 2013/14 the assessment was based on a calculation taking account of the change in the way in which funding for High Needs pupils was allocated. This was based on funding received previously in 2012/13 for Notional SEN in addition to up

£6,000 per pupil with a statement of SEN. This was then compared to the actual Notional SEN funding received in 2013/14, where the funding for 2013/14 was less than the adjusted figure for 2012/13 then additional financial support would be made available. This showed that additional funding was required for only one school. As this method was based on actual funding received for 2012/13 it was appropriate for use in 2013/14 however an alternative method of calculation would be required for 2014/15 onwards.

65. For 2014/15 it is proposed that the notional SEN figure is calculated as shown in Table 3 below, where funding available (A) is less than funding required (B) then any shortfall will be in funding will be made available to that school

Table 3 - Notional SEN – Additional Allocation

<u>Funding available for High Needs pupils up to the first £6,000 of cost</u>	<u>Funding required for High Needs pupils *</u>
(A)	(B)
<ul style="list-style-type: none"> Value of Notional SEN for school (excluding Prior attainment funding) 	£6,000 less £988 already received per pupil for prior attainment = £5,012 per High Needs pupil x No. of High Needs pupils in school.

*(nb: assumes all High Needs pupils require the maximum contribution of £6,000)

Impact on Dudley Schools

66. The impact for Dudley schools based on the re-modelling of 2013/14 data is that additional funding of approximately £36,000 in total would be required by five schools.

Financial Modelling

67. To demonstrate this, a financial model based on 2013/14 data is attached at Appendix 3 for information.
68. **Question 3: Do you agree with the above methodology for 2014/15 in order to identify where additional funding is required by schools that receive insufficient funding to cover the first £6,000 of costs for High Needs pupils?**

Minimum Funding Guarantee

69. The DfE have stated that in the move towards a national funding formula they want to protect the per pupil funding for schools from one year to the next against significant changes in funding formulae or changes in data not directly related to pupil numbers. They intend to continue in 2014/15 to operate a MFG set at the same level as for 2013/14 - minus 1.5%. The exclusions from the calculation of the MFG will be as 2013/14:
- lump sum;
 - post-16 funding;
 - allocations from the High Needs Block, including those for named pupils with SEN;

- d). allocations made through the early years single funding formula,
- e). rates and;
- f) 2014-15 sparsity value

70. For 2013/14 Dudley's MFG was £1.582m. It was agreed that this would be fully funded in 2013/14 by a claw-back from schools receiving a financial gain compared to 2012/13, however this would be reviewed for 2014/15. This means that unlike in previous years where all schools contributed towards the funding of the MFG, in 2013/14 due to the significant gains and losses experienced by some schools as a result of implementation of the reforms to school funding, only those schools that received a cash gain at a per pupil level contributed towards the funding of the MFG, effectively all gains were scaled back by approximately 43%.
71. 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 regarding funding of the MFG ranging from 100% of MFG to be funded by a claw-back of gains to no claw-back of gains and 100% of MFG to be funded by all schools.

Impact on Dudley Schools

72. This will redirect approximately £750,000 of funding to those schools who were entitled to additional funding under the new school funding framework in 2013/14.

Financial Modelling

73. The financial models which are attached at Appendix 2 include the claw-back of gains to fund 50% of the MFG, and also consider the impact of changing the value of the Lump Sum for 2014/15.
74. **Question 4: Do you agree with the proposal alongside the recommendation from HTCF-BWG to fund 50% of the MFG in 2014/15 from a claw-back of gains and 50% from all schools?**

Recommendations from Headteachers Consultative Forum- Budget Working Group

75. HTCF-BWG recommended that for 2014/15, 50% of the cost of MFG be funded by a claw-back of gains and 50% of the cost be funded by all schools in order that those schools that are due to receive additional funding under the school funding reforms be allowed to progress towards doing so. It was also proposed that for 2015/16 further options be considered which further reduce the amount of MFG which is funded by a claw-back of gains.

De- Delegations

76. As part of the 2013/14 school funding reforms the DfE prescribed which services were to be delegated to schools from 2013/14. There are no planned changes for 2014/15.
77. However, recognising that authorities had centrally retained these services for the greater good of all schools, the DfE allowed any of these delegated services to be 'de-delegated' where maintained mainstream schools agree that a service should be provided centrally on the grounds of economies of scale or pooled risk.
78. De-delegation is only available to maintained mainstream schools. Academy schools will have their funding delegated automatically and can buy back the services of the local authority independently outside of the de-delegation arrangements for maintained schools.
79. The services detailed in Table 4 and their funding was delegated to schools in 2013/14. All services, except support for Minority Ethnic pupils, were allocated on a primary/secondary weighted per pupil funded basis. Ethnic Minority funding was based on EAL pupil data provided by the DfE.
80. It is the responsibility of Schools Forum, in a phase of primary or secondary school members, to collectively agree if any of these services are to be provided centrally and the funding 'de-delegated'. Thus mainstream maintained schools agreement is to return their funding to the local authority on an annual basis.
81. The final delegated budget available to each school will then exclude these amounts and the services would be administered centrally through the Director of Children's Services.
82. Schools Forum agreement to the 2013/14 de-delegations totalling £1.2m was for a single year only. Therefore it is a requirement of the DfE that Schools Forum consider these de-delegated services again for 2014/15.
83. This consultation invites responses to indicate whether each service budget detailed in Table 4 should be de-delegated in 2014/15. Alternatively the funding will remain with school within their delegated budget for allocation as required.
84. **Question 5: Do you have any comments regarding the de-delegation of funding for the services listed in Table 4?**

Recommendations from Headteachers Consultative Forum- Budget Working Group

85. 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.

Appendix A

Table 4 - Delegated and De-delegated Services for 2013/14

De-delegation for mainstream maintained schools for:	Value for 2013/14	UOR Prim	UOR Sec	Comments	Financial Details
Contingencies	£245,963	£5.71	£8.14	This “expenditure on the schools specific contingency” is central expenditure deducted for the purpose of ensuring that monies are available to enable increases in a school’s budget share after it has been allocated where it subsequently becomes apparent that a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school’s budget share	£145,709 closed schools contingency £41,004 Assigned rents £59,250 contingency general
Staff costs - supply cover – Union Facilities time	£226,457	£5.26	£7.50	Expenditure in making payments to, or in providing a temporary replacement - taking part in trade union activities	NASUWT £83,368 NUT £53,708 ASCL £14,889 ATL £24,734 NAHT £14,315 GMB £19,867 Teacher Union Representative £15,576
Staff costs - supply cover – NQT	£305,927	£7.11	£10.13	Expenditure in making payments to, or in providing a temporary replacement	£16,900 Primary Pool contribution £26,000 for RSC training £263,027 Payment to schools with NQTs
Support for minority ethnic	£256,485	£134.85	£134.85	Expenditure for the purposes of improving the performance of under-performing pupils from	6.91 FTE: 1 HOS

pupils/underachieving groups. Family Support Workers				ethnic minority groups; and meeting the specific needs of bilingual pupils Funding allocated on EAL numbers.	4.91 Family Support Officers 1 Admin
LACES	£28,095	£0.65	£0.93	Cost of providing or purchasing specialist behaviour support services, both advisory and teaching	1 member of staff supporting schools
School Library Service	£219,483	£5.10	£7.26	Expenditure on services to schools provided by museums and galleries.	Library service to Primary schools 5.88 fte
Total De-delegations	£1,282,410				
Licences/subscriptions	74,898			Copyright Licensing Agency & Music Publishers Association. New December 2012 introduced by the DfE. Expenditure on licence fees or subscriptions paid on behalf of schools.	Mandatory Centrally retained per DfE

Outcomes of the Consultation

- Consultation will close 11 October 2013.
- Provisional outcomes will be reported to Headteachers Consultative Forum - Budget Working Group (HTCF-BWG) 16 October 2013 and to Schools Forum on 24 October 2013.
- The Director of Children's Services will formalise decisions at Directorate Strategic Leadership Team (DSLST) on or before 29 October 2013.
- Final outcomes will be reported on the pro forma to the DfE which is due by 31 October 2013.

Consultation on School Funding Reform

Please return this form to:

CONSULTATION RESPONSES

Westox House
1 Trinity Road
Dudley
West Midlands DY1 1JQ

Email: director.children@dudley.gov.uk

Fax: 01384 814202

Name: Organisation:

If you wish to receive an acknowledgement of receipt for your response please provide an email or postal address:

Contact address

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Question 1 – Do you agree that both the quantum and methodology of allocating funding for deprivation should be reviewed during 2014/15? (paragraph 48 refers)

Yes

No

No opinion

Comments

Question 2 – Do you think that values of the Lump Sum allocated to schools in 2014/15 should be as Option 1 or Option 2 (paragraph 57 Table 2 refers)

Option 1

Option 2

No Opinion

Comments

Question 3 – Do you agree with the methodology outlined in Table 3 (paragraph 65) for 2014/15 in order to identify where additional funding is required by schools to cover the first £6,000 of costs for High Needs pupils?

Yes

No

No opinion

Comments

Question 4 – Do you agree with the proposal alongside the 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 refer)

Yes

No

Comments

Additional Comments:

Question 5 – Do you have any comments regarding the de-delegation of funding for the services listed in Table 4 ? (paragraphs 76 – 85 refer)

Yes

No

Comments

Additional Comments:

Customer Service feedback on the consultation for School Funding Reforms

We are grateful to your comments on the consultation.

To help us ensure that our community engagement and consultation process is working correctly and effectively we would be grateful if you would respond to the questions below and return with your consultation response.

Thank you for your help.

1. Did you find the information about community engagement easy to understand?

Yes		No	
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2. Was the consultation document and any appendices easy to understand?

Yes		No	
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3. If applicable, were the staff who dealt with your enquiry polite, friendly and helpful?

Yes		No	
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4. Were you satisfied with the overall process?

Yes		No	
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5. Do you have any further comments to make about the Council's Community Engagement and Consultation Process?

Equality monitoring of DMBC consultations

The information you give on this form will be used to enable Dudley Council to assess the impact of its policies on all sections of the community.

The details you provide will be treated confidentially and will be used to ensure that the views of a wide range of groups and individuals are included in the consultation process and given the opportunity to shape Council policies.

If you are completing this form on behalf of an organisation please try to answer the questions in general terms about the people your organisation represents.

1. Please indicate whether you are responding as an individual or on behalf of an organisation:

<input type="checkbox"/>	Individuals response
<input type="checkbox"/>	Organisations response

2. I would describe my ethnic group, or the ethnic group/s represented by my organisation as:

ASIAN OR ASIAN BRITISH

<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Any Other Asian background		

BLACK OR BLACK BRITISH

<input type="checkbox"/> African	<input type="checkbox"/> Caribbean	<input type="checkbox"/> Any Other Black Background
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CHINESE OR OTHER

<input type="checkbox"/> Chinese	<input type="checkbox"/> Other
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MIXED

<input type="checkbox"/> Asian & White	<input type="checkbox"/> Black African & White	<input type="checkbox"/> Black Caribbean & White
<input type="checkbox"/> Any Other Mixed background		

WHITE

<input type="checkbox"/> British	<input type="checkbox"/> Irish	<input type="checkbox"/> Any Other White Background
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RANGE OF ETHNICITIES

3. I would describe my religion/belief or the religion/beliefs of the people represented by my organisation as:

<input type="checkbox"/>	Buddhist	<input type="checkbox"/>	No Religion
<input type="checkbox"/>	Christian	<input type="checkbox"/>	Sikh
<input type="checkbox"/>	Hindu	<input type="checkbox"/>	Other
<input type="checkbox"/>	Jewish	<input type="checkbox"/>	A range of religions/beliefs
<input type="checkbox"/>	Muslim	<input type="checkbox"/>	Unknown

4. My gender or the gender of the people my organisation represents is:

<input type="checkbox"/>	Female	<input type="checkbox"/>	Male
<input type="checkbox"/>	Mixed		

5. My age or the age range of the people my organisation represents is:

<input type="checkbox"/>	Under 5 years old	<input type="checkbox"/>	26 – 35 years old
<input type="checkbox"/>	5 – 10 years old	<input type="checkbox"/>	36 – 45 years old
<input type="checkbox"/>	11 – 16 years old	<input type="checkbox"/>	46 – 55 years old
<input type="checkbox"/>	17 – 19 years old	<input type="checkbox"/>	Over 56 years old
<input type="checkbox"/>	20 – 25 years old	<input type="checkbox"/>	A range of ages

6. I consider myself or many of the people my organisation represents to be:

<input type="checkbox"/>	Disabled	<input type="checkbox"/>	Not disabled
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Note:

The Disability Discrimination Act, 1995 defines a “disabled person” as having “a physical or mental impairment which has a substantial or long term adverse effect on their ability to carry out normal day to day activities”.

Thank you for completing this form.

Please return this form with your consultation response