

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

SCHOOLS FORUM – 14 OCTOBER 2013

REPORT BY DAVE MCNAMARA

2014-15 REVENUE FUNDING ARRANGEMENTS – (Paper 1) SCHOOLS FUNDING FORMULA

This paper is to update each of the Tri-Borough Schools Forums on the second phase of changes being implemented by the Department for Education (DfE) in relation to the Schools Funding Reforms. The reforms must be in place for the funding period 2014/15 and build on the changes already implemented for 2013/14.

This paper is to update the schools forum on 2014-15 Revenue Funding Arrangements for 2014/15. The second paper discusses the current DfE consultation on proposed changes to the schools funding formula.

FOR INFORMATION

1. Introduction:

- 1.1 On 4 June 2013, the Department for Education published "*School Funding Reform: Findings from the review of 2013 to 2014 financial year arrangements and changes for the 2014 to 2015 financial year*". A further document was published in August 2013 "*Summary of proposed changes to regulations and conditions of grant 2014-15*". The two documents outline the proposals for 2014/15 which are currently in the process of consultation. The consultation will conclude on the 11th of October 2013 with outcomes to be introduced from 1st January 2014 (see paper 2 on Revenue Funding Arrangements). For the purpose of developing the 2014/15 funding model the proposals outlined in this report will be assumed to be implemented. Should any proposals be amended, the schools forum will be updated accordingly and if necessary the funding model revisited. The proposed school funding arrangements for 2014 /2015 affecting the schools funding formula are detailed in this report.
- 1.2 In summary the document provides details of additional changes that are expected to continue the momentum towards a national funding formula and to respond to concerns raised as part of the review of the 2013/14 implementations.
- 1.3 A further document was published on 8 July 2013, providing detailed guidance on high *needs place funding arrangements for 5- to 25-year-olds: 2014 to 2015 academic year*. High Needs funding is complicated across the 3 boroughs and an update elsewhere on this agenda will provide further information on additional High Needs reforms.

2. Key changes for 2014/15 Schools Funding Formula.

2.1 In summary the main changes which will influence the 2014/15 funding formula and its distribution of funding to schools are:

- Prior Attainment,(Low cost high incidence SEN)

Early Years Foundation Stage Profile

- The EYFS has changed in 2013, so a change in definition is unavoidable. For the purpose of the schools funding data, the DfE will map the data to be consistent with the 2012/13 definition.

English and Maths Level 4 Secondary

- From 2014/15 this is changing to English **OR** Maths. Currently the factor is English **and** Maths. Expectation from the DfE is that this factor will now have a greater reach and support more pupils. Consequential decisions for LA will be to determine the unit rates associated with each element and the overall value of funding to be distributed through this factor.

IN LBHF this makes up part of the deprivation funding calculation so will need modelling as a significant portion of the low needs SEN funding is driven through this area

- Looked After Children (LAC),

From 2014/15 any LAC will attract this funding. 2013/14 funding models allow LA to choose from

- LAC any length ,
- LAC 6 months or more,
- LAC 12 months or more.

Same value will continue to apply across primary and secondary schools.

In LBHF the formula captures any LAC child therefore this has no further impact

- Pupil Mobility

– Currently all levels of mobility are funded as such all schools receive some level of funding through this factor. From 2014/15 this is restricted to mobility in excess of 10%. So for example if a school has 12% mobility the school will attract funding at 2% (being 12% less 10% threshold). Consequential decisions for LA will be to determine the unit rates associated with this factor as less schools should be eligible for this funding.

In LBHF only a small element of the AEN funding is triggered by mobility £257k in total therefore the impact will be low, what it will do is target money to more disadvantaged schools

- A lump sum
 - From 2014/15 this is maximum of £175,000;
 - The Lump Sum Value can vary from 2014/15 for Primary and Secondary phases.

This will have no impact as our lump sums are £100k across Primary and Secondary respectively therefore below threshold

- 2.2 LA will also have an opportunity to review their Local Funding formula for 2013/14 and determine the appropriateness of both factors and associated funding linked to each factor. Including consideration of changes outlined above. The DfE has now published all LA funding formula data which is available for benchmarking purposes.

3 Submission of Pro -forma to DFE

- 3.1 The DfE has placed a two stage requirement on LA to submit a Proforma of their 2014/15 Schools Funding Formula

Stage 1 Deadline 31st October 2013

Local Authorities are required to submit their 2014/15 budget proforma to the DFE. It should be noted that LA will have an opportunity to change the unit rates but not the factors.

- 3.2 The proforma must be agreed with Schools Forum following consultation with all bodies affected by the changes

Stage 2 Deadline 21st January 2014

Local Authorities are required to submit their 2014/15 final budget proforma to the DFE.

4 Consultation Process

- 4.1 The deadlines imposed by the DfE restrict the consultation process to a 2 week process commencing following the Schools Forum meeting. Responses will be necessary for the third week in October to enable officers to meet the DFE deadline.

5 Proposed Funding Model

- 5.1 Officers have undertaken initial modelling work to assess the impact of the DFE changes in particular the impact on a school by school basis and the impact on the overall MFG.

- 5.2 The modelling work is based on the 2013/14 (October 2012 data sets). As such the information can only be used for exemplification and to assist in developing the 2014/15 formula. A final model will be presented to Schools Forum at the January Budget Setting meeting.
- 5.3 It should be noted that there will be an opportunity to review the funding rates associated with each factor once the October 2013 data is available and also the overall funding available to the schools block. *The changes prescribed above by the DfE, present very little change in the round to schools in LBHF.*

6 Recommendation

Schools Forum is asked to

Note:

- The new requirements on LA to review their schools funding formula as summarised in section 2 of this report
- The timelines for submission of the two stage process for submitting Schools Funding proforma as out outlined in section 3
- The requirement for consultation as outlined in section 4 of this report

Agree :

- Consultation based on the factors in Appendix A of this report
- Agree to the shortened time consultation as outlined in 4.1
- To receive further updates as appropriate.

Report Author: Dave Mcnamara [supported by 3BM] London Borough of Hammersmith and Fulham.

Andrew Christie
Tri-Borough Executive Director – Children’s Services

Contact officer: Remi Oladapo FD 3BM

Tel: 020 3436 2234 **E-mail:** remi.oladapo@3bm.co.uk

**Draft 2014/15 Local Schools Funding Formula
London Borough of Hammersmith and Fulham**

Closing date for consultation 29th October 2013

Local Schools Funding Formula – London Borough of Hammersmith and Fulham

2014/15 Consultation Process

Introduction

LBHF is required to submit a proforma return confirming the factors that the LA will utilise in the allocation of the Schools Budget Share for 2014/15.

The DfE has placed a requirement on LA to consult with Schools including Academies and Free Schools prior to submission of the proforma. The deadlines placed on LA are very tight to undertake a detailed review of the formula and gain agreement from internal approval process and with the Schools Forum.

A meeting was held with the LBHF Schools Forum to

- A) Agree a consultation period covering the 15th October 2013 to 29th October 2013.
- B) Agree an extraordinary meeting of the Schools Forum Working group to consider feedback from stakeholders if, in the opinion of the Chair of Schools Forum, required

It should be noted that the LA is required to make a formal submission to the DFE by the 31st October 2013 to confirm which factors will be used in the 2014/15 LBHF local schools funding formula.

Schools should note that the information provided for 2014/15 is modelled using

- **October 2012** data as the October 2013 data would not have been finalised.
- **2013/14** DSG levels.

Over the course of the next few months both the pupil data and the DSG will be updated. This may necessitate a revision of the unit rates. LA will be allowed to reconsider the values attached to the unit rates as part of the second stage submission in January 2014. However, LA will not be allowed to change the factors that have been agreed.

For your information Appendix A outlines the current 2013/14 Local Schools Funding Formula for LBHF

Consultation on Changes

1. DfE changes for 2014/15

Continuing on from the significant reforms to schools funding in 2013/14 the DfE has undertaken a review based on consultation with stakeholders and analysis of LA 2013/14 submitted Pro-forma data. The DfE has published additional guidance in July and August 2013 outlining further changes for 2014/15, which the DfE consider are necessary in developing a national formula.

In summary the main changes which will influence the 2014/15 funding formula and its distribution of funding to schools are:

- **Prior Attainment,(Low cost high incidence SEN)**

- **Early Years Foundation Stage Profile**

- The EYFS has changed in 2013, so a change in definition is unavoidable.

- **English and Maths Level 4 Secondary**

- From 2014/15 this is changing to English **OR** Maths. Currently the factor is English **and** Maths. Expectation from the DfE is that this factor will now have a greater reach and support more pupils. Consequential decisions for LA will be to determine the unit rates associated with each element and the overall value of funding to be distributed through this factor.

- Some modelling will be needed to assess the new rates in the final funding formula to reflect the different number of qualifying secondary pupils

- **Looked After Children (LAC),**

- From 2014/15 any LAC will attract this funding currently funding model allows for LAC any length , LAC 6 months or more, LAC 12 months or more.

- Same value will continue to apply to primary and secondary.

- LBHF formula is already compliant and therefore no further action is required.

- **Pupil Mobility**

- Currently all levels of mobility are funded as such all schools receive some level of funding through this factor. From 2014/15 this is restricted to mobility in excess of 10%. So for example if a school has 12% mobility the school will attract funding at 2% (being 12% less 10% threshold). Consequential decisions for LA will be to determine the unit

rates associated with this factor as less schools should be eligible for this funding.

- **A lump sum**
 - From 2014/15 this is maximum of £175,000;
 - The level for Primary and Secondary does not need to be same.

LBHF currently uses one lump sum (£100,000) for both Primary and Secondary Schools.

Appendix A - 2013/14 Local Schools Funding Formula

Current Funding Formula 2013/2014

Factors	LBHF		
	Units	Unit Rate	Total Factor Funding
		£	£
Number of Schools	41		
Recoupment Academies	6		
Mainstream	35		
Reception Uplift	Yes		
Basic Entitlement			
Primary	9,555	3,475	33,204,051
Key Stage 3	2,774	5,113	14,183,920
Key Stage 4			
	1,924	5,113	9,837,729
Deprivation			
Primary FSM			
Primary FSM 6	4,527	1,158	5,242,208
Secondary FSM			
Secondary FSM 6	2,003	1,706	3,417,496
Primary IDACI SCORE 0.2 - .25	408	600	244,560
Primary IDACI SCORE 0.25 - .03	602	650	391,365
Primary IDACI SCORE 0.3 - .4	1,354	700	948,080
Primary IDACI SCORE 0.4 - .5	1,473	750	1,104,675
Primary IDACI SCORE 0.5 - .6	1,549	800	1,239,360
Primary IDACI SCORE 0.6 - 1	2,118	850	1,800,640
Secondary IDACI SCORE 0.2 - .25	194	850	164,475
Secondary IDACI SCORE 0.25 - .03	316	900	284,400
Secondary IDACI SCORE 0.3 - .4	641	950	609,140
Secondary IDACI SCORE 0.4 - .5	653	1,000	653,300
Secondary IDACI SCORE 0.5 - .6	635	1,100	697,950
Secondary IDACI SCORE 0.6 - 1	864	1,150	994,060
Looked After Children	54	800	43,175
Low Attainment High Incidence			
Primary	1,892	810	1,532,608
Secondary	381	1,725	656,469
Mobility			

Primary	778	250	194,500
Secondary	250	250	62,500
Lump Sum	41	100,000	4,100,000
Split Sites			32,741
Rates			787,362
Sixth Form Funding			706,610
Minimum Funding Guarantee			504,199
Total Funding			83,637,548
Less De-delegation (per EFA)			-1,259,700
Total Funding			82,377,873

For reconciliation purposes: The De-delegated figure of £1,259,700 is included in the Basic Entitlement per Pupil at the rate of £68.18 for 9,238 Primary School pupils which excludes Reception Pupils Numbers uplift and £134.07 for 4,698 Secondary School pupil. The amount deducted from each sector is £629,850.34 (primary) and £629,849.74 (secondary).

The table below shows the allocation of funding across the relative factor headings:

	LBHF	
	Total Allocation	Proportion of Funding
	£	%
Basic Entitlement	57,225,700	69.47%
Deprivation	17,791,709	21.60%
Looked After Children	43,175	0.051%
Low Cost High Incidence SEN	2,189,076	2.66%
English as an Additional Language	0	0%
Mobility	257,000	.031%
Lump Sum	4,100,000	4.98%
Split Sites	32,740	0.04%
Rates	787,362	0.96%
Sixth Form	706,610	0.86%
Minimum Funding Guarantee	504,199	0.61%
De – Delegation	-1,259,700	-1.53%
	82,377,873	100%

Local Schools Funding Formula – London Borough of Hammersmith and Fulham

2014/15 Consultation Process (Phase 1)

Form for Completion and Return

Section A

Please complete the following details:

School Name	
Name	
Designation	
Email	
Phone number	

The LA is required to make a formal submission to the DfE by the 31st October 2013 to confirm **which factors** will be used in the 2014/15 LBHF local schools funding formula. The value to be applied to each factor will be the subject of a separate process that will allow schools to register their views

Section B

Consultation Questions:

1. DfE changes for 2014/15

QUESTION 1 -Prior Attainment : English and Maths Level 4

Secondary Phase Schools only	
Factor currently used for allocation of resources for prior attainment is English and Maths. DfE has redefined this factor for 2014/15 to be English <u>or</u> Maths.	
The revised data (using October 2012 for exemplification shows) that the number of pupils has changed from 172 to 470.25. As the change is significant, technically the definition is now a new factor.	
Do you agree to the continuation of SECONDARY ATTAINMENT as a factor for 2014/15?	
Schools Forum Recommendation is YES (?)	
Yes	No

QUESTION 2 - Prior Attainment: Primary Schools

Secondary Phase Schools only			
Do you agree to the continuation of PRIMARY ATTAINMENT as a factor for 2014/15?			
Schools Forum Recommendation is YES (?)			
Yes		No	

QUESTION 3 -Looked After Children

LBHF Formula remains compliant. Proposal is to continue to include Looked after Children in the 2014/15 formula			
Schools Forum Recommendation is YES (?)			
Yes		No	

QUESTION 4 - Pupil Mobility SECONDARY SCHOOLS

Do you feel that mobility should be used as a factor in the LBHF formula? If so, which of the following factors would you prefer to be reduced as a result?			
Our recommendation is to continue to use the mobility as a factor in the formula.			
Yes exclude factor from Secondary Formula		Include factor for Secondary Formula	
If your answer is to include the factor please advise suggested funding for secondary schools mobility			
Which Factor should be adjusted to fund pupil mobility?			

QUESTION 5 - Pupil Mobility PRIMARY SCHOOLS

The definition of mobility has changed to include only those schools where mobility is greater than 10% of the number on roll. Do you want to use this factor in the 2014/15 budget compilation or do you want it excluded?			
Our recommendation is to continue to use the mobility as a factor in the formula.			

Yes exclude factor from Primary Formula		Include factor for Primary Formula	
If your answer is to include the factor please			

advise suggested funding for primary schools mobility	
Which Factor should be adjusted to fund pupil mobility?	

QUESTION 6

LBHF lump sum is currently £100,000 for all schools . Under the new regulations for 2014/15 the lump sum can be a maximum of £175k, and can vary from the primary schools rate.

It is not proposed to increase the lump sum. However, there is an opportunity to review the lump sum.

What is your preferred lump sum level?

QUESTION 6 a -Lump Sum PRIMARY

£150,000-£125000		£125,000-£100,000	
£100,000- £50,000		£50,000 or lower	

QUESTION 6 b – Lump Sum SECONDARY

£150,000-£125000		£125,000-£100,000	
£100,000- £50,000		£50,000 or lower	

QUESTION 9 – IDACI as a factor

IDACI. IDACI is a measure of deprivation assessed on the location of the pupils postcode. All postcodes are ranked on their relative levels of deprivation based on a national scoring system. Under the IDACI ranking 7 bands of deprivation are identified. Band zero i.e less than a ranking of 20 is not deemed to be deprived and therefore does not constitute part of the factor. The remaining 6 bands are deemed as having deprivation. The table below shows the 6 bands and the relative associated deprivation.

LBHF currently uses all IDACI bandings with different rates per bands for both Primary and Secondary Schools.

As the funding targeted through this factor is £9,132,005 it is recommended that no change should be made to the current unit rates and this factor should remain at the same levels as 2013/14. If you think the rates should be changed please answer the questions below.

Q - Do you agree that IDACI should continue be included as a factor?			
Q- If yes, which bandings should attract more or less funding			
IDACI 1 (20-25)		IDACI 2 (25-30)	
IDACI 3 (30-40)		IDACI 4 (40-50)	
IDACI 5 (50-60)		IDACI 6 (60-100)	

Q - Do you support the redistribution of funding towards a relative greater weighting on bands 5 and 6

YES

No

Please return this section to :

Name

Address

Email

Phone number

Thank you for taking the time to complete this consultation