

Schools Forum

Agenda

Monday 16 June 2014

2.00 pm

Hammersmith Academy, 25 Cathnor Road, London W12 9JD

MEMBERSHIP

Schools	Academies	Non-Schools
Michael Pettavel Gill Del Bravo Phil Cross (Chairman) Jude Ragan	David McFadden Sally Whyte	Dennis Charman Dave McNamara Ian Heggs

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Members of the public are welcome to attend.

Date Issued: 12 June 2014

Schools Forum Agenda

16 June 2014

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London Borough of Hammersmith & Fulham

Schools Forum Minutes

Tuesday 25 March 2014

PRESENT

Schools: Phil Cross (Chairman), Gill Del Bravo, David McFadden, Michael Pettavel, Cathy Welsh

Academies: Bernie Peplow, Sally Whyte

Non Schools: Dennis Charman

Officers: Craig Bowdery (Principal Committee Coordinator), Alison Farmer (LBHF) Tim Gibson (Head of Finance (Education and Commissioning)), Ian Heggs (Bi-Borough Director of Schools, Quality and Standards), David McNamara (Tri-Borough Director for Finance & Resources), Remi Oladapo (3BM), Andy Rennison (3BM), Adrian Williams (Head of Service, SEN).

22. MINUTES OF THE LAST MEETING

RESOLVED –

That the minutes of the meeting held on 20th January 2014 be approved as a correct record.

23. APOLOGIES FOR ABSENCE

There were no apologies for absence.

24. SCHOOL ORGANISATION AND INVESTMENT STRATEGY 2014

Ian Heggs presented a report on the School Organisation and Investment Strategy for 2014 based on projected pupil numbers. Since the report was written, school offers had been issued with secondary places broadly similar to last year with primary places down.

The Forum discussed the large developments in the area that had the potential to create additional demand for places. Officers explained that whilst it was difficult to plan precisely, all available information had been captured with two different population projections used. All major developments in the area (except Old Oak Common) had therefore been captured and planned

for. It was also suggested that the developments could release funding from developers through the Community Infrastructure Levy (CIL), however education funding appeared as a low priority on the draft development lists.

It was asked whether any consideration had been given to extending provision up to 25 year olds with Learning Difficulties and Disabilities. Officers explained that the Council would be reviewing this issue and carrying out a group analysis to address changing patterns of need.

RESOLVED –

That the report be noted.

25. SCHOOL FUNDING ARRANGEMENTS

The Forum received a report from Andy Rennison outlining the proposed school funding arrangements for 2014/15. He noted that the principles approved by the Forum at its January meeting had been agreed by the EFA (Education Funding Agency). It was also reported that the High Needs funding continued to be challenging with a change in how SEN pupils were funded. With funding for Special Schools tied to historical capacity numbers, top-up funding would be applied per unit, for example when there was a discrepancy between capacity numbers and expected numbers in Special Schools. Alison Farmer also informed the Forum that two High Needs Block Reference Groups had been established to fully discuss the allocation of top-up funding, and that more representation from secondary Special Schools was required.

RESOLVED –

That the report be noted and the deployment of the High Needs Block and Early Years Block be agreed.

26. TWO YEAR OLD PROGRAMME UPDATE

Tim Gibson presented a report updating the Forum on the expansion of the Two Year Old Programme aimed at supporting disadvantaged children and low income parents by providing early learning places. Further details would be presented to a future Forum meeting, but it was highlighted that there was currently an underspend for the programme.

It was asked whether there was a risk that the unspent funding could be at risk. Officers explained that there was a low risk of this happening and that the borough was currently broadly providing enough places to meet demand. In future it was proposed that the funding would be participation-based (ie according to how many places delivered rather than those provided), but the risk was still low.

The Forum expressed concern that there appeared to not be a strategy in place to guide the allocation of funding. One headteacher explained that he had bid for some funding in July 2013 to provide places, but he had still not

heard the outcome of his bid. It was asked how the funding could be decided without a clear strategy that could be communicated to providers, especially as the programme concerned the provision of places for a short twelve month period. Officers explained that a coherent strategy was being developed for two, three and four year olds with data still being collated. The Forum was of the view that working with two year olds was particularly complex (for example given the impact on required pupil/staff ratios) and that a report on a two year old strategy should be prepared for the June Forum meeting.

Action: Dave McNamara

RESOLVED –

That the report be noted.

27. FREE SCHOOL MEALS - KEY STAGE 1

The Forum received a report from Andrew Tagg, Head of Resources, Children's Services, updating on Government's announcement that every Key Stage 1 pupil would receive a free school meal from September 2014. The precise allocation of funding would be reported at the September Forum meeting, with discussions ongoing regarding whether funding should be targeted or spread to all eligible schools. Some Forum members suggested that if the funding was too little to make a difference, then it should be targeted to make a positive impact.

The Forum also discussed the current school meals contract and the work to develop a tri-borough contract for provision. The intention was to allow schools to choose a provider from a framework contract, but there were some issues as meals in Hammersmith & Fulham tended to be both more expensive and of a lower quality so there was a challenge to align the provision. Given the current provision, it was expected that H&F schools would therefore benefit from a levelling across the tri-borough.

Some concern was also expressed regarding the potential impact on the pupil premium, which was based on free school meals eligibility. It was reported that there were a number of consultations underway to identify alternative indicators for the pupil premium. Pupil premium eligibility was also based on a six year rolling average, so the impact for most schools would not be immediately apparent.

RESOLVED –

That the report be noted.

28. SCHOOL AUDIT PROGRAMME

Dave McNamara presented the School Audit Programme for 2014/15 and noted that with the service now tri-borough, there was less capacity for dates to be amended. He also explained that the audit programme presented was

the minimum audit activity for the year, with additional audits done when necessary (for example if a new Head was appointed).

The Forum welcomed the improved consistency of standards and expectations, however it was asked if greater clarity could be given regarding what was best practise and what was a formal requirement. Recommendations from auditors were not always clear and officers undertook to provide discuss with audit whether this was possible.

The consistency of the people making the judgements was also discussed, and it was asked how the auditors were quality assured. Officers explained that if a school disagreed with an audit, that audit was reviewed and assessed. As a tri-borough service, it was now a lot easier to manage the contract and demand consistency.

The Forum also requested that a checklist of all policies and strategies that required formal approval each year be prepared, which officers undertook to develop.

Action: Dave McNamara

RESOLVED –

That the report be noted.

29. DATE OF NEXT MEETING

It was agreed that the next meeting would take place at 2pm on Monday 16th June 2014 at the Hammersmith Academy.

Meeting started: 5.00 pm

Meeting ended: 6.15 pm

Chairman

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HAMMERSMITH AND FULHAM

SCHOOLS FORUM – 16 JUNE 2014

REPORT BY TRI-BOROUGH ASSISTANT DIRECTOR FOR SEN & VULNERABLE CHILDREN

HIGH NEEDS – FUNDING ARRANGEMENTS 2014

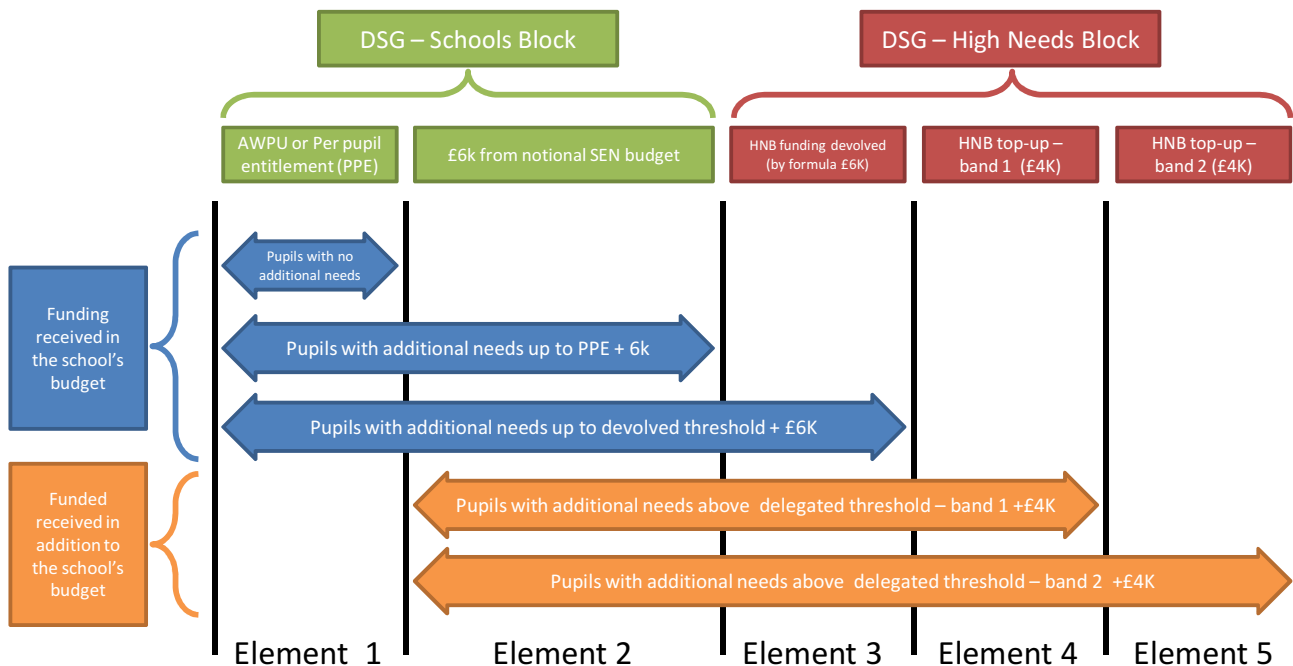
This report explains some of the proposals for changes to the High Needs Funding arrangements over the coming year.

FOR INFORMATION

Introduction

1. The Children and Families Act, when enacted, will place a duty on schools to publish a Local Offer of provision that is ordinarily available for children with SEN. A schools' local offer will describe what provision the school makes available from the notional SEN budget (Element 2 – see diagram) to address a range of learning needs.
2. Key principles underpinning the new legislation are greater involvement of parents/carers in decision-making about a child's plan and transparency and accountability for the deployment of resources (notional budget) to support a child or young person achieve specified outcomes using resources detailed in the schools Local Offer.
3. The tri-borough local authorities are keen to support schools in having a well resourced Local Offer to meet children's additional learning needs. The approach to High Needs Funding is based on the premise that the majority of children can have their needs met in mainstream schools from available resources and that provision for the children with complex needs such that they have an Education, Health and Care Plans (EHCPs) will be funded through a relatively small additional Top Up.

New funding model for SEN in Mainstream schools from September 2014



From April 2014:

4. In compliance with the funding regulations for 2014/15:
 - We have delegated the first £6000K of all statements to schools through schools block funding (Element 2 – 'notional SEN budget')
 - We have achieved the distribution of this funding through a formula based on a limited set of criteria (e.g. prior attainment and number on roll) and lump sum allocation by way of a transitional arrangement
 - Distribution through the formula will ensure little change for schools other than where there has been a significant change in numbers of children either on roll or with a statement of SEN

What have we agreed already?

5. Schools forum have already agreed to comply with the above requirement, which is essentially to redistribute the following money previously directed towards children individually funded through statements of SEN:
 - LBHF - £1.8 m via HNB
 - RBKC - £1.5m of which £864 via formula remainder via HNB

WCC - £2m of which £491K via formula and remaining via HNB formula

From April 2014 this will mean that across tri-borough mainstream schools a genuine High Needs Block Top Up model will be operational with the Local Authority making payments for provision over and above the notional £6K SEN budget.

High Needs Block Reference Groups

6. Mainstream school HNB Reference Groups

Following consultation with tri-borough Schools Forums each Borough has established a mainstream school High Needs Block reference group to support a partnership approach to decision-making about the distribution of the High Needs Block. The High Needs Block Reference Groups are a sub-group of schools forum, terms of reference are attached.

7. The membership of each Borough's HNB Reference Group is evolving, with need for further representation as follows:
 - RBKC – secondary head teacher(s)
 - WCC – primary head teacher(s)
 - LBHF – primary head teacher(s)

8. The initial meetings have focused on review of the distribution of the HNB, including consideration of information about commissioned services. Clarification about the quantum sum of HNB attributed to the following has been requested for future meetings:
 - Schools Block – Element 2

 - HNB mainstream (in-borough and out of Borough) total sum

 - HNB mainstream – contingency for Element 3 (to support inclusion of pupils' whose provision from the Local Offer is above £6K and below funding for statement of SEN or EHC through time-limited additional funding agreed by HNB reference group)

 - HNB elements 4 and 5

 - Special school

 - Independent/non-maintained

 - All other expenditure

9. Early Years HNB Reference Group

A tri-borough Early Years Reference Group to be established with membership being drawn from early years representation on mainstream HNB reference groups.

Recommendations from the EY HNB group to be reported back to mainstream HNB reference groups and then schools forum.

10. **Special school and resource base HNB**

The tri-borough special school and resource base head teachers group will fulfil the roll of HNB reference group for these schools. A key task of this group is to review the relative Top Up values of special schools and resources bases across the tri-borough. Timescales for review are summer and early autumn term with recommendations to be made to schools forum in the autumn term 2014

What more do we want to do – from September 2014?

11. We are keen to ensure that mainstream schools are able to provide a robust local offer for children with additional learning needs from resources that are available to support flexible and responsive planning between teachers and parents to address children's predictable learning needs and unless a young person has complex and significant education, health and/or care needs, without the need for a lengthy assessment.

12. We are therefore proposing some further changes to funding arrangements from September 2014 (please note these changes relate to tri-borough children in tri-borough schools).

13. From September 2014 we are proposing that the High Needs Block funding in Element 3 (above £6K and below current level of Statement of SEN (approx £9K) is distributed through a contingency fund managed by nominated HNB reference group members and the LA in response to requests made regarding individual children.

14. During autumn term 2014 and spring term 2015 the HNB reference groups will consider the options for further delegation to mainstream schools, so that the equivalent of up to £6K schools block 'notional SEN budget and £6K top up funding is available to support tri-borough children in tri-borough mainstream schools.

15. Under these arrangements and from September 2014 schools would claim Band 1 or 2 Top Up from the Local Authority for those young people who currently have a statement of SEN with more than 20 TA support hours. Eligibility criteria for Band 1 and 2 will be developed from existing criteria and as part of the preparation for the Education, Health and Care assessment process. The High Needs Block Reference Group would be invited to support review and moderation of Band criteria.

16. The table below sets out Tri-borough expectations of delivery of mainstream provision for students funded from the High Needs Block.

Top-Up payments

17. **Mainstream**

For mainstream schools during 2014/15 Top Up payments will be made on a half termly basis, unless a school's circumstances necessitate a more frequent payment schedule by agreement. From April-September 2014 schools will be

sent a schedule of those children for whom they are funding provision above the notional SEN budget level of £6K, this will be based on existing statements of SEN. The school will have a ten day period in which to return 'correct' or 'query' and on the basis of this information payments will be made.

18. Special

For special schools the authority will continue to agree with each school the number of places to be provided for the year ahead. An initial £10,000 funding per place funding will then be provided by the authority from the High needs Block, for maintained special schools and by the EFA for academies. The balance of funding, referred to as 'top up', will come from the home authority of each pupil and is intended to be paid on the basis of the actual pupils on school roll. The amount of top-up will be negotiated on an annual basis.

19. While special schools are themselves responsible for collecting the top up funding from relevant authorities, in the tri-borough it has been agreed that the Local Authority recover costs on behalf of schools and that this service is provided through a top-sliced funded service level agreement.

High Needs Block LA/School/Parent Contract – to be included as part of agreement for High Needs Students (funded from HNB)

The Local Offer for Children and Young People with High Needs – transparent and accountable

Parents as equal partners; Outcome Focused; Co-ordinated education, health and care assessment and planning

<p>School tracks progress, assesses child’s needs and implements intervention plan (adopting a plan, do, review and revise model).</p>	<p>* School communicates local offer for children with SEN/High Needs, focusing on achievement of outcomes through evidence-based approaches to provision planning.</p> <ul style="list-style-type: none"> • Local Offer includes interventions to address the following: literacy/learning; language and communication; social, emotional behavioural and sensory and medical needs; needs associated with ASD, dyslexia, dyspraxia etc. • School documents co-ordinated assessment of child’s educational needs and a resourced plan of intervention (including cost of provision) • Pupil progress in response to resourced plan is recorded, monitored and updated by a teacher working with parents/carers (e.g. using SIMS or CASPA to record and bench-mark) • Pupil’s SMART targets are based on prediction and challenge.
<p>Termly parent conversations -planned implemented and recorded. (Including feedback from parents)</p>	<p>* Dates for termly parent/teacher conversations are planned for academic year - parents/carers feel welcome and are encouraged and supported to attend.</p> <ul style="list-style-type: none"> • Multi-agency assessment and planning is co-ordinated by SENCo to inform education, health and care planning. Practitioners work collaboratively to implement EHC provision and monitor effect on attainment and well-being. • Outcomes of the parent/teacher conversations are recorded in child’s record and are used to inform goal setting and future planning • Parents report outcomes of structured conversations are positive.
<p>School measures and monitors well-being outcomes e.g. attendance, inclusion, peer relationships</p>	<p>* The school has systems in place to monitor and support pupil’s emotional, social well-being and inclusion (including patterns of attendance; exclusions and well-being).</p> <ul style="list-style-type: none"> • Pupils demonstrate attendance (98% or above), confidence, resilience, positive peer and adult relationships and motivation to learn – well-being. • School keeps a record of issues relating to a child’s well-being and includes parents and other agencies in planning to address issues such as attendance, exclusion, behaviour, anxiety, depression (e.g. pastoral support plan). • Designated safeguarding officer monitors issues relating to safeguarding and co-ordinates school/social work/community safety planning. • Pastoral support plans or behaviour improvement plans co-ordinated and recorded by school staff to plan support and engage pupils in improving behavioural self-regulation and promotion of engagement in positive activities. Assessment of well-being is used to inform understanding of pupil attainment and progress.
<p>Leadership & Governance</p>	<p>School Leadership Team and Governors set purpose and direction which inspires members of staff, parents and the broader school community to work together to ensure the sustained progress and achievement and well-being of pupils with SEN: paying attention to the pace and quality of progress, the provision of effective and efficient education and transparency and accountability for High Needs Funding.</p>

APPENDIX i

London Borough of Hammersmith & Fulham High Needs Block Reference Group

Terms of reference (March 2014)

The LBHF High Needs Block (HNB) reference group:

- Is a partnership between representatives from the Local Authority, 3BM, LBHF mainstream head teachers, Governor representatives and Post 16 providers
- Has been established to develop and have oversight of the distribution of High Needs Block (HNB) Funding
- Is accountable to Schools Forum

Membership:

- Head teachers - sub-group of the LBHF Schools Forum and primary and secondary consultative groups representing the range of schools (i.e. mainstream, nursery, primary, secondary; academy/free school; FE). Representation will be agreed by Schools Forum
- Local Authority representatives –Director of Finance (Dave Mcnamara) Head of Resources (Andrew Tagg); Assistant Director for SEN & Vulnerable Children (Alison Farmer)
- 3BM – Andy Rennison
- Membership is for the period of two years

Accountability:

- individual group members are responsible for reporting back to LBHF consultative and/or cluster groups
- LA officers will report on actions to schools forum.

Review:

- Terms of reference will be reviewed annually in the autumn term

Working methods / ways of working:

- The LBHF HNB reference group will meet half termly during the phased implementation of High Needs Funding distribution
- Meetings will be co-ordinated and Chaired by the Local Authority (AD for SEN & Vulnerable Children)
- The lead LBHF head teacher (contact for communication and co-ordination of head teacher group)
- LA will take notes and circulate after meetings

Agenda Item 6

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

SCHOOLS FORUM – 16 JUNE 2014

UPDATE ON THE 2 YEAR OLD PROGRAMME EXPANSION

The 2 year old programme is a targeted offer aimed at improving the attainment and life chances of some of the most disadvantaged children and supporting low income working parents. From 1 September, 2013, 20% of 2-year-olds nationally are eligible for funded early learning places, rising to 40% by September 14. The expansion of the programme (previously a pilot) is managed by a tri-borough steering group and this paper provides an update on the progress of the expansion in Hammersmith and Fulham.

For Information

1. Progress So Far

- 1.1 The level of expansion required to provide sufficient 2 year old programme places, for eligible families who meet the expanded criteria, means that all early years sector providers need to be engaged. In phase 1 of the expansion¹, which came into effect from September 13, place capacity building was mainly focused on the private, voluntary and independent (PVI) sector by mopping up spare capacity (e.g. unused afternoon sessions), with some maintained nursery schools also opting to participate. For phase 2 of the expansion², which comes into effect from September 14, there has been a focus on creating places through schools and with childminders as engagement with the PVI sector has reached saturation point.
- 1.2 Table 1 shows the current number of 2 year old programme places available against current demand. The Summer 14 termly release includes families who meet the 40% criteria to support boroughs who have introduced the expanded eligibility criteria earlier. The data release was meant to break down each eligible family by whether they met the 20% or 40% criteria to allow boroughs to filter. However, this has not been possible and the DfE hopes to rectify this in time for the next release, due in June/July 14. Therefore the Spring 14 data release, which only showed families meeting the 20% entitlement criteria, is also shown for comparison.

¹ Current eligibility is restricted to families who meet the free schools meals criteria and looked after children

² Eligibility expands to also include families in receipt of the working tax credit/universal credit up to an annual household income of £16,190, children with SEN and children adopted from care

Table 1: Current Capacity and Take Up of 2 year Old Programme Places

Borough	Eligible No. of Families - Spring 14 Termly Data Release	Eligible No. of Families - Summer 14 Termly Data Release	No. of available places for eligible 2 year olds (May 14)	No. of occupied places ³	No. of vacancies
LBHF	473	628	325	223	106
RBKC	259	307	305	227	73
WCC	532	675	398	358	42
TOTAL	1,264	1610	785	604	221

1.3 There is sufficient capacity for RBKC to meet demand for all eligible families, especially from September 14 when the majority of 3 year olds move into the maintained sector. There is still significant capacity building required for City of Westminster, although demand is on the whole being met from families who meet the 20% eligibility criteria and there are vacancies spread across all three boroughs although the expansion of the criteria is likely reduce this vacancy rate.

1.4 Initial analysis conducted on the Autumn 13 and Spring 14 termly data releases has identified several challenges that impact on capacity building:

- A high proportion of families from the termly data releases do not submit applications. This is apparent in RBKC where there is sufficient places and the data releases are used as comprehensive marketing tools to mailshot families of their entitlement but subsequent take up of these families is less than 30%
- Families who were initially included on termly data releases are not included on later versions, even though their child is still aged two. This may be because their benefits entitlement has altered and they are no longer eligible. However, the child is still entitled to remain in a place, therefore putting additional demand on local authorities
- Eligible families apply for places but are not included on the data releases. This may be because they are newly moved to the Borough or their benefits entitlement has now made them eligible

1.5 Further analysis will be carried out with the Summer 14 termly release and when it is refreshed in June 14, which will inform the marketing strategy that the tri-borough steering group is currently working on. An update will be provided in the next report.

2. Building Further Capacity

2.1 As the Summer 14 data release includes all eligible families, table 2 on the following page compares these numbers against the DfE targets released in December 13. Although it is not yet possible to separate those families into

³ This includes places occupied by children who have now turned 3 who are blocking new 2 year olds from accessing a place until they move to maintained nursery provision. Places that have been purchased in other boroughs are also included, which will continue to be purchased by each borough until funding is based on participation from April 15

each eligibility band it gives a good indication as to the number of eligible families for September 14 when the tri-borough introduces the expanded criteria.

- 2.2 As the table shows, the number of actual families has decreased significantly against the projected numbers. Although the number of eligible families has fluctuated from term to term since September 13, it has not been as high as the percentage decreases shown in the table. Comparisons will be made with the next data release figures to see if this is a continued downward trend. Clarification is needed from Housing as to whether this is linked to families affected by the benefits cap are moving out of the boroughs. From a place capacity perspective, this may reduce the pressure to create the number of places initially required.

Table 2: Summer 14 Data Release Figures Against Projected No. Of Eligible Families for September 14

Borough	Projected No. Of Eligible Families Sept 14(DfE)	Actual Number of Families meeting the expanded criteria (Summer 14)	% decrease from projected numbers
LBHF	738	628	17.5%
RBKC	403	307	31.2%
WCC	886	676	31.1%

- 2.3 Table 3 shows the Summer 14 data release figures against current and anticipated place capacity and the number of places required to meet this target.

Table 3: Estimated No. of Families and Places Required for Sept 14

Borough	Summer 14 Eligible Families	Current no. of places available	Potential place growth ⁴	Additional places required
LBHF	628	325	71	232
RBKC	307	300	28	0
WCC	676	400	36	240
Total	1,611	1,025	135	472

- 2.4 As the table demonstrates current place capacity now stands at 64% although this increases to 73% based on anticipated growth from proposed capital projects and expressions of interest. Although there is technically no need to further capacity build in RBKC, schools will be encouraged to participate in order to broaden the choice of provision available and because demand may grow beyond each termly data release due to family circumstances changing but the entitlement remains the same.
- 2.3 Significant capacity building is still required for the other 2 boroughs. Additional places through PVI providers and childminders are anticipated but this will yield a modest growth therefore the bulk of future place capacity will need to come from the schools sector.

⁴ Based on yet to be approved capital bids/schools expressing interest

3. Working with Schools

- 3.1 As well as local engagement through each Early Years Team, participation in the programme has been raised in two school bulletins. Through the DfE support funding available to LAs to deliver the programme, consultancy support is provided through Family and Childcare Trust (FCT). Eight primary schools across the tri-borough have expressed interest in participating in the programme. One school will definitely deliver places from September 14 and a further two schools may deliver places from January 14, dependent on capital works. Discussions remain on-going with the other five schools. A meeting is also scheduled next month with ARK to discuss delivering 2 year old places.
- 3.2 The childcare minister Liz Truss is also encouraging schools to deliver 2 year old places as part of an early years flexible offer to support working parents. The minister has stated that school nurseries already provide 45% of the three and four-year old places for London children but often sit empty for parts of the day. The Government wants local authorities to support more schools to expand their nursery provision, so that the best use of facilities can be made thereby making it easier for families to find the flexible, affordable and high-quality childcare arrangements that they need. The minister has asked the tri-borough to participate in joint working with the DfE to increase the number of schools delivering this offer and a meeting with DfE officers will take place in June 14. As part of the consultancy support provided to schools to participate in the 2 year old programme, developing this flexible offer will be explored to inform the joint working with the DfE.

4. How are other London Boroughs Performing?

- 4.1 Appendix 1 shows how six other London Boroughs are performing. All have less eligible families than originally projected but none have sufficient places to meet the number of families identified in the Summer 14 data release. Five of the boroughs currently have no or limited places delivered through schools. The exception to this is Islington, who have 32% of their current places delivered through schools and offer comprehensive financial and quality support

5. Funding Allocations for 14/15

- 5.1 Table 4 shows the revenue allocations for 14/15. Funding for Summer 14 is based on the data release of eligible families for Spring 14 and funding for the Autumn 14 and Spring 15 terms is based on the DfE projections of eligible families who will meet the expanded criteria. Table 5 shows the total capital allocation and the funding still available for schools and any remaining PVI providers to access.

Table 4: Funding Allocations for 14/15

Borough	Summer 14 statutory place funding		Autumn 14 and Spring 15 statutory place funding		Trajectory funding	London Childcare Fund ⁵	Total
	No. of places	£	No. of places	£	£	£	£
LBHF	473	546,202	738	1,704,426	264,423	£187,549	2,702,600
RBKC	259	299,083	403	930,737	144,393	£98,889	1,473,102
WCC	532	614,333	886	2,046,235	317,451	£209,338	3,187,357

Table 5: Capital Funding for the 2 Year Old Programme

Borough	Total Allocation	Approved so far	Remaining Funding Available
LBHF	£589,951	£82,825	£507,126
RBKC	£278,687	£75,083	£203,604
WCC	£528,547	£42,163	£486,384

5.2 The hourly rate remains at £6.07 but there is scope within the allocation, to incentivise schools by offering a start up grant of £1k per place (funded through the trajectory funding allocation, which will be increased to £2k per place if delivered flexibly (funded through the London Childcare Fund). All schools would receive a £2.5k resources budget in line with PVI providers. Spare capacity in both trajectory and unallocated statutory place funding could provide additional capital funding for schools to deliver the programme.

6. Future updates

6.1 Officers will return to the Schools Forum in October 2014 with an update on the targeted 2 year old offer including analysis of spend to date and forecasts.

Jacqueline Devine
Lead Commissioner, Children and Early Years

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

Contact officer: Jacqueline Devine

⁵ Additional DfE funding released in December 13 to support London LAs to deliver flexible nursery provision

Appendix 1 – Progress of Other London Boroughs

Borough	DfE Target for Sept 14	Summer 14 Data Release	Projected No. of Places for Sept 14	No. of places in schools	What Support is Offered to Schools
Brent	2345	1920	1200	10	They have access to capital funding for additional resources and for building works.
Camden	1043	838	TBC but not sufficient to meet Summer 14 demand	0	No additional support provided – schools still offer 25 hours nursery provision so there is limited scope to deliver 2 year old programme places
Hillingdon	1589	1418	TBC but not sufficient to meet Summer 14 demand	0 at present – but schools who have expressed interest could lead to 190 places	Schools can apply for grants in the same way as PVI's can towards the cost of opening a new provision.
Hounslow	1539	1378	800	32 at present rising to 96 by Sept 14	Hounslow provide regular support network sessions but no monetary incentives at this stage
Islington	1117	1051	700, but a further 200 places due in 2015 (subject to capital works)	227	Islington offer generous start-up funding during year 1 as well as support for design and planning, Ofsted registration, recruitment, resourcing, admissions, and quality improvement. The LA has also allocated additional capital funds on top of the government's capital grant; much of this has been spent on school capital projects

Tower Hamlets	2200	1980	Up to 900	20	Tower Hamlets are using the London Childcare Fund (approx. £450k) to develop proposals. They are looking more at partnerships between PVIs and schools rather than schools on their own.
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HAMMERSMITH AND FULHAM

SCHOOLS' FORUM 16 JUNE 2014

REPORT BY SCHOOLS CONTRACTS MANAGER

UNIVERSAL INFANT FREE SCHOOL MEALS (UIFSM)

Update on progress regarding UIFSM, including capital allocations for kitchen alterations and large equipment.

FOR INFORMATION

1. BACKGROUND

- 1.1 In September 2013, the government announced that free school meals would be extended to all infant aged pupils (reception, year 1 and year 2) in state-funded schools. This follows a recommendation in the School Food Plan, an independent review published in July 2013. The new legal duty has been placed on all statutory funded schools in England, including Academies and free schools, by the Children and Families Act 2014.
- 1.2 The previous government instigated pilot projects held between 2009-2011, that found that universal free school meals could have significant benefits for children and schools. Pupils in the pilot areas were found to eat more healthily and perform better academically – and these improvements were most pronounced among the poorest pupils. Schools also reported improved behaviour and atmosphere, as a result of all pupils (and an increasing number of teachers) eating together every day. There was also an increased take-up in other year groups that did not get a free meal.
- 1.3 Initial announcements about capital funding were made in December and about revenue funding in January but it was in March that details were published, including:
 - a general guidance document for schools
 - additional transitional funding for small schools and

- how this will be calculated
 - information about initial allocations of revenue funding for 2014-15 during the summer term and subsequent funding adjustments based on actual take-up (measured in October 2014 and January 2015 School Censuses)
 - information about national support targeted to help schools deliver the new offer, where they meet certain criteria
 - a general UIFSM toolkit that all schools, local authorities and school meals providers can access
- 1.4 DfE communications recognise that schools and local authorities will have some concerns about the logistical challenges of feeding more children every day but state that “with commitment on all sides and good planning, none of these challenges are insurmountable” and reassurance that “we are making available a package of help and advice targeted at those schools that will need it most.”
- 1.5 In H & F we already feed approximately 72% of Primary School Pupils and envisage an increase in take up from those pupils currently taking a packed lunch in Key Stage 1. This is likely to be approximately 87% of 480 pupils.
- 1.6 Note that nursery pupils are not included in any of these proposals including where they attend for a full day.

2. CAPITAL FUNDING

- 2.1 The capital funding for Community/Maintained schools is £194k. A separate amount has been allocated to VA schools.
- 2.2 The School Contracts Team have met and discussed with the incumbent school meals provider, Eden, as to the potential need for building works and additional items of equipment. There are no envisaged building works and a needs/volume basis will be used for the heavy equipment purchases. We will be contacting schools to discuss each ones needs. There are three schools (all VA’s) outside the Eden contract which will be “entitled” to some funding and we can discuss with them as to their possible needs. We are available to advise all the VA schools on their needs as well.

3. TRANSITIONAL FUNDING FOR SMALL SCHOOLS

- 3.1 There are no schools in H&F that meet these criteria.

4 REVENUE FUNDING

- 4.1 Revenue funding for the new statutory requirement will be at a flat rate of £2.30 per additional meal, take-up measured through new school census indicator in October 2014. Please note that the measure of take up funded from this grant will be for pupils over the FSM eligibility levels. The FSM eligibility element is to continue to be funded from the current schools funding formula allocations. DfE will inform LA and schools of provisional allocations for 2014-15 in June 2014; and funding for the first two terms made to local authorities based on data from January 2014 Schools Census and planning assumption that 87% of newly eligible pupils will take 190 school meals in the course of the academic year. Subsequent adjustment based on actual data from October 2014 and January 2015 Censuses (an average of the two counts). Payment will be made in June/July based on January 2014 count with any adjustments made in the spring term for the actual. If the result is an overpayment, the adjustment will be made in 2015/16 and schools will be required to make an adjustment as part of the end of year closure of accounts process.
- 4.2 A model showing an estimate of the amount of additional that each school will receive based on take up at 87% of those newly eligible and also at 100% take up of those newly eligible. Note that these are estimates only intended to assist schools in planning for the likely volume changes. The actual amount that a school receives will be based on future census counts and may differ from that modelled.

5 RECOMMENDATIONS

- 5.1 Schools Forum is asked to note the contents of the report.

**Lynne Richardson
Schools Contracts Manager**

**Tim Gibson
Head of Finance (Education and Commissioning)
Tri-Borough Children's Services**

**Andrew Christie
Tri-Borough Executive Director – Children's Services**

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School	LA	Reception , Year 1 and Year 2			Jan-14	
		FSM	Non FSM	Total	Funding based on 190 days	Funding based on 190 days
		Pupil Numbers	Pupil Numbers	Pupil Numbers	87% takeup	100% takeup
					£	£
2051106 The Courtyard AP*	LBHF	2	2	4	874	874
2052000 ARK Conway Primary*	LBHF	13	77	90	29,716	33,649
2052001 WLFS Primary*	LBHF	4	56	60	21,413	24,472
2052002 Addison	LBHF	73	106	179	40,641	46,322
2052003 ARK Swift*	LBHF	75	92	167	35,834	40,204
2052026 Avonmore	LBHF	25	57	82	22,287	24,909
2052045 ARK Bentworth*	LBHF	24	57	81	22,724	24,909
2052061 Brackenbury	LBHF	56	145	201	55,936	63,365
2052134 Miles Coverdale	LBHF	26	82	108	31,901	35,834
2052223 Flora Gardens	LBHF	36	63	99	24,472	27,531
2052286 Fulham	LBHF	31	90	121	34,960	39,330
2052309 New Kings	LBHF	30	35	65	13,984	15,295
2052350 Kenmont	LBHF	25	64	89	24,909	27,968
2052367 Langford	LBHF	36	33	69	13,110	14,421
2052383 Lena Gardens	LBHF	31	48	79	18,791	20,976
2052408 Melcombe	LBHF	47	105	152	40,641	45,885
2052444 Old Oak	LBHF	58	100	158	38,893	43,700
2052484 Queens Manor	LBHF	20	72	92	27,968	31,464
2052555 Sir John Lillie	LBHF	68	99	167	38,456	43,263
2052577 Sullivan	LBHF	32	91	123	35,397	39,767
2052632 Wendell Park	LBHF	59	108	167	41,515	47,196
2052660 Wormholt Park	LBHF	77	109	186	41,952	47,633
2052913 Greenside	LBHF	19	71	90	27,968	31,027
2053300 All Saints	LBHF	4	85	89	33,212	37,145
2053354 Holy Cross	LBHF	27	206	233	78,660	90,022
2053368 John Betts	LBHF	21	99	120	38,456	43,263
2053378 St Augustines (H&F)	LBHF	20	70	90	27,531	30,590
2053463 St Johns	LBHF	23	143	166	55,062	62,491
2053529 St Marys (H&F)	LBHF	20	69	89	26,657	30,153
2053566 St Pauls	LBHF	31	55	86	21,850	24,035
2053578 St Peters	LBHF	9	81	90	31,464	35,397
2053600 St Stephens (H&F)	LBHF	15	104	119	40,204	45,448
2053602 Good Shepherd	LBHF	21	94	115	36,708	41,078
2053645 Pope John	LBHF	25	65	90	25,346	28,405
2053648 St Thomas (H&F)	LBHF	34	128	162	49,381	55,936
2053649 Larmenier & SH	LBHF	16	166	182	63,802	72,542
2053650 Normand Croft	LBHF	32	55	87	21,413	24,035
2057014 Queensmill	LBHF	20	23	43	9,177	10,051
2057203 Jack Tizard	LBHF	6	6	12	2,622	2,622
Total LBHF		1,191	3,211	4,402	1,245,887	1,403,207

Note that each year (R, Yr1 and Yr2) have been rounded up seperately in the 87% calculation

Agenda Item 8

HAMMERSMITH AND FULHAM

SCHOOLS FORUM – 16 JUNE 2014

REPORT BY THE HEAD OF FINANCE

SCHOOLS FORUM FORWARD PLAN

This report recommends the cycle of Schools Forum meetings for the 2014/15 academic year, the proposed agenda items for these meetings and the scheduling these.

FOR INFORMATION

1. BACKGROUND

- 1.1 A review of the work to be covered by the Schools Forums in each of the Tri-Borough local authorities has been carried out by officers. This review has taken into consideration the Good Practice Guidance issued by the DfE, the times at which data is expected to be made available by the DfE and its agencies, the timing of information that needs to be made available to schools and other users, school holidays and the timing of other work priorities that may impact on officers capacity to service the work requirements of the Forums.
- 1.2 It is seen as desirable and efficient to coordinate the work and servicing of the three Schools Forums. This is because there is a large degree of overlap in the information that is needed in each of the boroughs with a more or less common timetable for a number of standing items.

2. FORWARD PLAN

- 2.1 As was the case in 2013/14, I am recommending an annual cycle of four meetings per academic year. The timing of these meetings is set out in Appendix 1.
- 2.2 Also in appendix 1 is a schedule of proposed standing agenda items that are consistent across all three boroughs.
- 2.3 The appendix also contains some specific work items being undertaken and the expected scheduling of these in the 14/15 academic year.

3. RECOMMENDATIONS

- 3.1 The schools Forum is asked to decide upon the scheduling of its 2014/15 academic year meetings.
- 3.2 The Schools Forum is asked to agree the standing agenda items to be included in each of these meetings.
- 3.3 The schools forum is asked to consider the specific agenda items proposed and to propose any additional items that they would like to be included on the forward agendas.

Tim Gibson
Head of Finance

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

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		October - First Week			January - Second Week			March - 2nd Week			June - First Week		
2014/15 Academic Year		H&F	RBKC	WCC	H&F	RBKC	WCC	H&F	RBKC	WCC	H&F	RBKC	WCC
Proposed Meeting Dates		Mon 13/10/2014	Thu 09/10/2014	Mon 06/10/2014	??	Thu 15/01/2015	Mon 12/01/2015	Mon 16/03/2015	Thu 12/03/2015	Mon 09/03/2015	Mon 15/06/2015	Thu 11/06/2015	Mon 08/06/2015
Clearance of Reports	Forum Chair	Mon 06/10/2014	Thu 02/10/2014	Mon 29/09/2014		Thu 08/01/2015	Mon 05/01/2015	Mon 09/03/2015	Thu 05/03/2015	Mon 02/03/2015	Mon 08/06/2015	Thu 04/06/2015	Mon 01/06/2015
	Cabinet member												
	Tri-b DoF												
Standard Agenda Items		DSG Budget Monitoring			Indicative DSG for the coming year			Early Years Budgets and Indicative allocations			Previous Year's DSG outturn		
		Confirmation of 2014/15 DSG			School Delegated Budgets			High Needs Budget Update			School Balances		
					High Needs Indicative Budgets			Agree Final DSG Budget allocations			Report on Final DSG allocation		
					DSG Budget Monitoring						Changes to the Scheme for Financing Schools		
		Two Year Old Programme Update (H&F, K&C, WCC)			Two Year Old Programme Update (H&F, K&C, WCC)			Two Year Old Programme Update (H&F, K&C, WCC)			Two Year Old Programme Update (H&F, K&C, WCC)		
		Changes to the Scheme for Financing Schools (H&F, K&C, WCC)			Changes to the Scheme for Financing Schools (H&F, K&C, WCC)								
		Nursery Funding Review Update (WCC)			Nursery Funding Review Update (WCC)								
		High Needs Funding (WCC, H&F, K&C)			High Needs Funding (WCC, H&F, K&C)			High Needs Funding (WCC, H&F, K&C)			High Needs Funding (WCC, H&F, K&C)		
		School Audit Update (WCC, H&F, K&C)											

HAMMERSMITH AND FULHAM
SCHOOLS FORUM 16 JUNE 2014
REPORT BY THE HEAD OF FINANCE
DFE CONSULTATION
FAIRER SCHOOLS FUNDING IN 2015-16 CONSULTATION

This report updates the Schools Forum on the recent DFE consultation – “fairer schools funding in 2015-16”. The consultation concluded on the 30th April 2014

FOR INFORMATION

1. Background

- 1.1 At the Schools Forum meeting in March 2014, Forum was advised that the DFE had circulated a consultation on schools funding. The consultation was a short 6 week consultation.
- 1.2 The consultation focused on the 2015-16 proposed funding. DFE guidance states that all local authorities will receive **at least** the same cash level per pupil as in 2014-15. The main focus of the consultation was the allocation of an additional £350m to schools in 2015-16. Within Tri-Borough Children’s Services, Westminster could potentially receive £3m of this funding.

2 Consultation Response

- 2.1 Schools Forum is asked to note the contents of **appendix A** which is a joint response by the London Councils on behalf of all London Councils. As the response is in line with Tri-Borough Children’s Services’ view’s a separate response was not made.

3 Exemplification of consultation

- 2.1 The DFE consultation proposed a methodology and included exemplification which used October 2012 data sets and 2013/14 Authority Proforma Tool (APT). **Appendix B** shows the results of the allocation of the £350m using these data sets. It should however be noted that Appendix B is purely for exemplification

and that the actual allocation will be based on 2014/15 APT tool and October 2014 data sets. Recognizing that the DFE changed definitions on many of the factors in 2014/15 including Attainment, Lump sum, and pupil mobility the exemplification is likely to change once the revised data is used by the DFE.

- 2.2 Appendix B shows that potentially 62 Local Authorities could receive a share of the additional funding, with only Westminster City Council potentially receiving funding from within the tri-borough (£3m). See caveat above on use of October 2012 data sets and 2013/14 APT tool –paragraph 2.1.
- 2.3 It should be noted that the consultation only applies to the “schools block” which currently incorporates the Schools Funding Formula share and centrally managed schools associated costs e.g de-delegated budgets, admissions etc The review does not cover Early Years or High Needs Funding.
- 2.4 The methodology works on the basis of average national rate per factor multiplied by eligibility per Local Authority within those factors. This provides an estimate of total funding for each LA which is then translated into a per pupil unit and compared with the current per pupil funding level. Where the 2014-15 per pupil funding level is lower the local authority will qualify for additional funding. See **appendix C** for DFE worked example.
- 2.5 Based on data provided 62 Local Authorities would gain a share of the £350m. Of this Westminster, could potentially receive £3m. Both Kensington and Chelsea and Hammersmith and Fulham are not expected to receive a share of this funding as they are deemed to be higher funded than the average model calculation.
- 2.6 In terms of the methodology applied, it should be noted that the DFE has determined specific factors and their subsets. For example, Free school meals, uses FSM not FSM6. Mobility has not been included as a comparator which would have been a preference of London Councils (albeit RBKC does not use mobility as a factor). Attainment data is not clear as the data changed last minute in finalising the 2014/15 APT tool.
- 2.7 The Area Cost Adjustment proposed is 1.1897 and is largely based on estimated salary variations. Inner London, does have high costs in areas outside of the labour market for example, rates. The ACA will need to be compared with ACA for other funding streams.

- 2.8 A wider concern is that whilst the DFE has guaranteed no LA will lose funding in 2015/16, if the proposal is accepted, this could potentially shape the single funding formula from 2016/17 onwards and impact adversely on some LA's including our Tri-borough partners. As more information is made available, Officers will undertake some modeling work to determine the potential effect on individual WCC schools.

2 RECOMMENDATION

- 2.1 That the Schools Forum to note content of this report and agree to receive updates as appropriate.

Tim Gibson
Head of Finance (Education and Commissioning)
Tri-Borough Children's Services

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

Fairer schools funding in 2015-16 Consultation

Response by London Councils and the Association of London Directors of Children's Services

The following response is on behalf of London Councils and the Association of London Directors of Children's Services (ALDCS).

London Councils represents all 32 London boroughs, the City of London, the Mayor's Office for Policing and Crime and the London Fire and Emergency Planning Authority. London Councils is committed to fighting for more resources for London and getting the best possible deal for London's 33 councils. We develop policy, lobby government and others, and run a range of services designed to make life better for Londoners.

ALDCS is the representative body of Children's Services Directors in London. It is a regional version of a national body – the Association of Directors of Children's Services.

Introduction

1. London Councils and ALDCS welcome the opportunity to comment on the Fairer Schools Funding in 2015-16 consultation which follows on from our engagement in previous consultations on schools funding.
2. The consultation raises a number of concerns about the future of schools funding and the allocations for 2015-16. London Councils and ALDCs call on DfE to:
 - Address the lack of flexibility within the proposals which undermines the role of the local authority in a national funding formula and its ability to address and respond to local, emerging issues
 - Reduce the heavy emphasis on per pupil factors as this does not sufficiently recognise local needs and the impact of multiple factors such as deprivation
 - Include pupil mobility as a characteristic. It is not clear why pupil mobility has been ignored, particularly when it is such a significant cost driver for schools in urban areas
 - Provide a more accurate area cost adjustment, and remove the LCA lower protection limit. The proposed ACA underestimates the cost of teacher pay and risks transferring funding from expensive areas to inexpensive area
 - Address the significant revenue and capital spending pressures London schools are facing
3. We are also concerned with the lack of detail about where this additional funding for schools has come from. It is understood that this funding has been earmarked from within the protected schools budget, but it is not clear how this decision will impact on wider schools funding. London Councils and ALDCS request further information on this and the potential impact on other funding streams to local government.

4. It should be noted that whilst this funding would benefit some schools, others could result in a real terms cut which would put them under significant financial strain in the current climate.
5. The allocations published as part of the consultation are indicative; this makes it difficult for local authorities and schools to plan. We ask that DfE announce the final allocations as early as possible to allow local authorities the time to budget for the funding.

Lack of Flexibility

6. The Fairer Schools Funding in 2015-16 consultation is part of a wider reform of Schools Funding.
7. The consultation has raised a number of concerns within local government about the purpose of the newly developed allocation method for the £350 million and the extent to which this could be a prototype for use in future years as part of a national funding formula.
8. As part of the wider reform, we are concerned about the lack of local flexibility within a national funding formula. Local knowledge and decision making is essential to ensure local authorities can respond to changing local needs. London has an extremely transient population, with a turnover almost double that of the rest of England for 2003-11 and a far greater rate than for any other region. As a result of this its needs and communities are constantly changing.
9. To address and respond to these challenges, local authorities need a flexible system to allocate funding.

Per Pupil Factors

10. The government is increasingly focusing on per pupil measures to create a national funding formula and compare funding across different areas.
11. A narrow focus on pupil factors does not take into account more complex, multi-dimensional issues affecting pupils. Highly populated areas often have a unique set of challenges such as multiple deprivation, neighbourhood and peer impacts which affect the resources needed. These factors cannot be accurately measured on a per pupil basis.
12. As such, London Councils and ALDCS believe that the allocation of funding to schools should not purely focus on pupil numbers, but a more holistic view of schools and communities would reflect the wider more complex characteristics.

Characteristics for allocating funding

13. London Councils and ALDCS are concerned that the consultation contains no justification for how the selection of 5 per pupil factors and 2 school factors were chosen. In particular, mobility is the only per pupil factor that has not been used within the current framework, and the rationale behind this decision is not explained.
14. Pupil mobility is a major issue and challenge in London. An Ofsted study found that pupil mobility in inner London secondary schools is 14.2 per cent, over twice as much as in any other area in the country whilst mobility in outer London (6.8 per cent) is also higher than other areas¹.
15. High mobility often appears alongside deprivation, lower attainment and family disruptions. High mobility levels make a considerable call on staff time and the level of planning and

¹ [Ofsted report - Managing Pupil Mobility](#)

resources required to react quickly to pupils' needs – all of which leads to additional staffing, administrative and support costs.

16. Research by the London School of Economics found that “pupils from lower social background are more likely to switch schools than other pupils, and this is true for pupils at all stages of schooling; pupils who change schools are more likely to have a low previous academic attainment record than pupils who do not change schools; pupils placed in schools with high Key Stage performance levels move less than pupils from lower performance schools; pupils who move school and home simultaneously are typically more socially disadvantaged than otherwise; pupil mobility is more marked in London than in other regions of the country²”
17. The recent publication of the Schools block funding formulae 2014 to 2015, shows that Mobility has been used as a funding determinant in 62 (21 in London) local authority primary schools formulae, and 43 (17 in London) local authority secondary schools formulae, with over £14 million being allocated on this basis in London.
18. In contrast, the sparsity factor only affects 21 (primary) and 20 (secondary) local authorities in England, but has been included in the characteristics for allocation. This seems inappropriate as mobility appears to be an issue affecting far more authorities than sparsity, not just in London. As such, London Councils and ALDCS urge DfE to reflect the importance of mobility in its funding allocation process.
19. On a more technical point, there is also a fundamental issue with using these factors, particularly averages as they could be misleading as a guide to an individual area. Most of these factors are optional and local authorities do not have to use them to allocate their schools block funding. Therefore, when a local authority chooses not to use one of these factors, it would be incorrect to automatically assume that this factor is not an issue in that area. For example, a local authorities may have high EAL in nearly all schools and so to differentiate between schools, it may make more sense not to use the EAL factor and instead to increase the AWPU factor. London Councils and ALDCS would, therefore, suggest that the method of using averages may not accurately reflect the local authorities with widespread high needs in itself.

Area Cost Adjustment

20. London Councils and ALDCS are concerned with the use of the area cost adjustment as currently constructed. The teachers' pay element of the ACA is based on notional average teacher costs as opposed to actual average teacher costs. This is not a reasonable approach to an adjustment which is meant to account for actual costs of teacher salaries. As highlighted in the table below, the notional average basic pay calculated in the consultation is much lower than actual pay.

	Inner London	Outer London
Average Teacher Salaries ³	£42,651	£40,237
Notional average basic pay for ACA Calculation	£41,388	£38,256

21. Use of this adjustment fails to reflect actual differences in pay and will place increasing pressure on school finances. This could apply downward pressure on salary levels for new teachers due to lower funding levels; potentially leading to difficulty in recruiting high quality teachers and a higher number of vacancies. London Councils would support the use of actual average teacher salaries as an area cost adjustment.

² [LSE Report: The Mobility of English School Children](#)

³ [Taken from School Workforce in England](#)

22. Whilst the CLG ACA Labour Cost Adjustment is consistent with other allocations of government funding, there are issues with this approach. In particular the lower protection limit which means the 23 'cheapest' areas have their LCAs raised to the value of the threshold area, West Sussex Non-Fringe. This means that areas below this area's ACA value are increased to 1,000, reducing the full relative difference for higher cost areas such as London and the South East from these cheaper input cost areas. The result is it transfers funding from expensive areas to inexpensive ones.
23. As set out in the table below, the Area Cost adjustment for London does not adjust the average minimum funding levels for the basic per pupil amounts to the average London amounts. On the basis that this adjustment accounts for 75 per cent of the allocation of the additional funding, London Councils believes that the Area Cost Adjustment is failing to fulfil its objective of addressing regional cost differences, particularly in London.

A basic per pupil amount	Primary	KS3	KS4
MFL	£2,845	£3,951	£4,529
Inner London Average	£4,003	£5,187	£5,446
Outer London Average	£3,203	£4,352	£4,817
MFL adjusted for IL ACA	£3,391	£4,710	£5,399
MFL adjusted for OL ACA	£3,148	£4,372	£5,012

24. London Councils and ALDCS ask for an Area Cost Adjustment which reflects actual teacher salaries and more accurately reflects and adjusts for the higher costs in London.
25. London Councils and ALDCS also remain very disappointed that calls for an area cost adjustment to be applied to the Pupil Premium continue to be ignored. Spend on deprived pupils is impacted by regional differences in cost and without an area cost adjustment, deprived pupils in London and other high cost areas are not able to access the same level of support from the pupil premium as deprived pupils in other areas of England.

Cost Pressures

26. Whilst London Councils and ALDCS welcome the additional £350 million for the lowest funded local areas and the flexibility in using it, this funding announcement should be considered in the wider financial context.
27. Schools are facing significant financial pressures. Rising salaries and pension contributions are pushing up revenue costs.
28. Pupil numbers are forecast to increase by 18 per cent in London by 2017/18, leading to a need for more pupil places and higher maintenance costs.
29. Whilst the Basic Need Allocations address this to some extent, London Councils estimates that the funding only provides enough to build 52 per cent of the total capacity local authorities have provided or plan to provide to meet their statutory duties from 2010-2016. Councils have to borrow, use asset disposals, maintenance funding and general council funds to meet the needs of their pupils.
30. This need is impacting schools block funding as shown in the 2014/15 funding formulae⁴ where 30 of the 33 London boroughs have set aside a growth fund totalling over £52 million to meet basic need pressures, support additional classes and to meet the costs of new schools.

⁴ <https://www.gov.uk/government/publications/schools-block-funding-formulae-2014-to-2015>

31. Given the financial pressures facing schools, the funding increase for pupils in some local authorities is unlikely to be significant.
32. London Councils and ALDCS have been raising their concerns with DfE about the financial pressures faced by the rising demand for school places. The level of funding for basic needs should be revisited to help local authorities deal with the pressures on school places.

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^{1,2}. 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

¹ 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.

² 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

DFE worked example			
Indicative minimum funding levels			
			worked example
		pupil numbers	100000
		2014/15 funding GUF	£4,000
		total funding	£400,000,000
A basic per pupil amount			
Primary	2845		
Key Stage 3	3951		395100000
Key Stage 4	4529		
		pupil numbers	
Deprivation	893-1974	5000	£9,870,000
FSM			
Primary	893		
Secondary	1080		
primary IDACI 1	237		
primary IDACI 2	290		
primary IDACI 3	387		
primary IDACI 4	453		
primary IDACI 5	511		
primary IDACI 6	741		
Secondary IDACI 1	321		
Secondary IDACI 2	423		
Secondary IDACI 3	530		
Secondary IDACI 4	596		
Secondary IDACI 5	659		
Secondary IDACI 6	894		
Looked After Children	1009	250	£252,250
Low Prior Attainment			
Primary	878		
Secondary	1961	5000	£9,805,000
EAL			
Primary	505		
Secondary	1216	250	£304,000
Lump sum			
Primary	117082		
Secondary	128189	100	12818900
Sparsity	up to 53988	10	269940
Area Cost Adjustment			
total of MFL			£428,420,090
ACA		1.1	£471,262,099
		PER PUPIL	£4,712.62
		Will receive	£471,262,099
		Gain	£71,262,099

HAMMERSMITH AND FULHAM SCHOOLS FORUM – 16 JUNE 2014

REPORT BY THE HEAD OF FINANCE

DfE CONSULTATION “SIMPLIFYING THE ADMINISTRATION OF ACADEMIES FUNDING”

This report informs the Schools Forum about the DfE consultation that proposes to convert non-recoupment academies to recoupment academies and to amend the funding of local authorities for free school pupils.

FOR INFORMATION

1. BACKGROUND

1.1 The DfE launched this consultation on the 1st of May with a closing date of the 2nd of June 2014.

1.2 The consultation contains proposals about:

- how recoupment for former non-recoupment academies would work
- how DfE would calculate additional dedicated schools grant funding for local authorities to take account of pupils in non-recoupment academies
- how to amend the funding of local authorities for free schools pupils

2. FINANCIAL AND OTHER IMPLICATIONS

2.1 We are concerned about the proposals contained in paragraph 2.3.4 of the consultation document which would in our view place an additional financial burden on local authorities (LA's) to fund from the DSG and will in effect shift costs that are currently the responsibility of the EFA to LA's. This could potentially have a significant financial impact in each of the Tri-Borough Children's LA's. We have raised this concern to the DfE in response to their consultation.

2.2 Although the consultation contains proposals for recoupment that would see LA's neither gaining nor losing in the first instance, there are no assurances given about how Guaranteed Unit of Funding (GUF) will be rebased once this changes to a per-pupil system as is currently in place for existing recoupment academies. If the GUF is

not rebased appropriately then there is a risk that LAs could lose out in the future when / if this was to become a pupil based funding model for schools block DSG.

- 2.3 It is also felt that the new burdens doctrine should apply to these proposals. This is a suite of proposals that seeks to ensure that the net additional cost of all new burdens placed on local authorities (including parishes, police and fire and rescue authorities) by central Government must be assessed and fully and properly funded.
- 2.4 We now await communication of the changes that the DfE will now seek to introduce following the consultation (likely to be in the Autumn).

3. RECOMMENDATIONS

- 3.1 That the consultation and the possible financial implications arising from this are noted by the schools forum.

Tim Gibson
Head of Finance

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

Contact officer: Tim Gibson, Head of FCS Finance, **Tel:** 020 7361 2773
E-mail: tim.gibson@rbkc.gov.uk



Department
for Education

Launch date 1 May 2014
Respond by 2 June 2014
Ref: Department for Education

Simplifying the administration of academies funding

Simplifying the administration of academies funding

Consultation on converting non-recoupment academies to recoupment academies and amending the funding of local authorities for pupils in free schools from 2015-16

To Finance contacts in all English local authorities and other interested parties.

Issued 1 May 2014

Enquiries To If your enquiry is related to the policy content of the consultation you can contact the team on:

01325 735 686 for changing all academies to recoupment academies and ask for Anthony Wilson; or

0207 2275 313 for amending the funding of local authorities for pupil in free schools and ask for Phil Dixon.

or email:

NRA.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 email: consultation.unit@education.gsi.gov.uk or by telephone: 0370 000 2288 or via the GOV.UK '[Contact Us](#)' page.

1 Introduction

1.1 This consultation document makes two proposals:

1. To convert non-recoupment academies to recoupment academies
2. To amend the funding of local authorities for free schools pupils

The first part of the document sets out:

- the background on the current system of recoupment and non-recoupment academies
- our rationale for proposing that non-recoupment academies become recoupment academies from 2015-16
- the technical detail of how recoupment for former non-recoupment academies would work, including how we would calculate additional dedicated schools grant funding for local authorities to take account of pupils in non-recoupment academies

It is important to note that this proposal would not affect the calculation and payment by the Education Funding Agency of each academy's budget. This is a completely separate process from recoupment of funding from the academy's local authority.

The second part of the document sets out:

- the way in which the current funding of local authorities for free school pupils differs from that of other pupils
- our rationale for amending this system of funding
- the way in which we propose to do this

We would like to hear your views on our proposals. To respond to this consultation go to www.education.gov.uk/consultations. In order to help with the analysis of consultation responses please use the online system wherever possible. If for exceptional reasons you are unable to use the online system, for example because you use accessibility software that is not compatible with the system, you may download a word document version of the form and email to NRA.CONULTATION@education.gsi.gov.uk or post to Anthony Wilson, Department for Education, Mowden Hall, Area 2B, Staindrop Road, Darlington, Co Durham DL3 9BG. The consultation closes on 2 June 2014.

2 Converting non-recoupment academies to recoupment academies

2.1 Background

Academies can be split into two categories based on how their funding is administered:

- recoupment academies
- non-recoupment academies

Most academies are recoupment academies. This means that funding for these academies is included in the dedicated schools grant that the Department for Education gives to each local authority to fund its schools and early years provision. The Education Funding Agency (EFA) funds academies and therefore recoups the academies' share of the dedicated schools grant from each local authority.

Some academies (around 10%) are non-recoupment academies. This means funding for these academies is not given to the local authority in its dedicated schools grant and therefore EFA does not need to recoup funding.

In the case both of recoupment and non-recoupment academies EFA funds the academy directly, basing an individual academy's budget on the schools funding formula specified by the academy's local authority. These arrangements would not change as a result of the proposals in this document. Individual academies would not see any difference to the way their funding is calculated or paid.

2.2 Proposal and rationale

This consultation seeks views on proposals for making all academies recoupment academies¹.

There are several advantages to making all academies recoupment academies.

- It would create a single funding system, which, we believe, would be simpler for schools, local authorities and EFA.

¹ City technology colleges, which are not funded with reference to the local authority formula, are excluded from these proposals and the EFA would continue not to recoup funding from the local authority for them.

- We could simplify data collection as we would not need separate collections for recoupment and non-recoupment academies. Currently EFA collects data on non-recoupment academies and local authorities collect data on recoupment academies. A single data collection in particular would reduce the administrative burden on multi-academy trusts with both recoupment and non-recoupment academies in their chains.
- It would ensure a consistent approach for all schools in the use of a local authority's central expenditure – including funding for fast-growing schools and for schools with a falling roll. Currently local authorities are not required to use their central expenditure for non-recoupment academies. Instead, EFA tries to match what local authorities do. There is a risk that in interpreting a local authority's criteria for their growth and falling rolls funds, EFA might treat non-recoupment academies differently from how the local authority would have treated a maintained school or recoupment academy in the same circumstances.
- It would provide additional assurance that local authorities and schools forums are taking full account of all of the features of non-recoupment academies in deciding on their local formula. Currently there is a risk that the process of setting formulas locally might not take full account of the circumstances of non-recoupment academies because the local authority's dedicated schools grant would not be affected by the way its formula applies to non-recoupment academies. This might be the case particularly in a local authority where non-recoupment academies are the only schools that receive funding from a particular factor – for example the only school that receives funding because it is located on two different sites.

2.3 Technical detail of our proposal

2.3.1 This section sets out detail on:

- how we would calculate additional dedicated schools grant funding for local authorities to take account of pupils in former non-recoupment academies
- how we would recoup funding from local authorities for former non-recoupment academies
- local authorities' role in administering central expenditure for former non-recoupment academies
- how we would treat the minimum funding guarantee in recoupment

This section also confirms that converting non-recoupment academies to recoupment academies would have no impact on the way an academy's funding is calculated and paid by the EFA, which is a separate process from recoupment. This includes no impact on an academy's minimum funding guarantee and no impact on whether an academy is funded on the basis of estimates of pupil numbers or pupil numbers recorded in the previous year's pupil census.

2.3.2 Including former non-recoupment academy pupils in the dedicated schools grant

As part of our proposal, we would increase local authorities' dedicated schools grant for 2015-16 to take account of the fact that EFA would start to recoup funding from local authorities for former non-recoupment academies. This additional funding would reflect the specific circumstances of the non-recoupment academies in a local authority's area – for example whether they are primary or secondary schools or whether they attract more deprived pupils than other schools in the area.

We propose to work out the increase as set out below.

1. We would calculate how much the EFA would recoup for the former non-recoupment academies in 2015-16 if the local authority's local funding formula were the same in 2015-16 as in 2014-15. This means that we would apply the local authority's 2014-15 funding formula to the academy using the 2015-16 schools block data set (which is based on the October 2014 pupil census).
2. If a local authority is due to gain from our "minimum funding levels" proposal² we would scale up this total in line with the local authority's gain.
3. We would add this total to the dedicated schools grant that the local authority would receive for pupils in maintained schools and existing recoupment academies in 2015-16³.

² Proposals for minimum funding levels are set out in our consultation document, Fairer Schools Funding in 2015-16. This is available from www.gov.uk/government/consultations/fairer-schools-funding-2015-to-2016. We will announce final minimum funding levels policy and 2015-16 levels of per pupil funding for local authorities in summer 2014.

³ We would initially do this calculation using the 2014-15 schools block data for the announcement in December 2014 of 2015-16 DSG allocations. In early 2015 we would recalculate using the 2015-16 schools block data set and make adjustments to the allocations.

For example:

1. Local authority X has two non-recoupment academies which become recoupment academies in 2015-16. If the local authority's local funding formula were the same in 2015-16 as in 2014-15, using information from the 2015-16 schools block data set, EFA would recoup £1 million for those academies.
2. Under minimum funding levels local authority X would receive 5% more funding per pupil (in maintained schools and existing recoupment academies) in 2015-16 than it did in 2014-15.
3. In 2015-16 local authority X receives £1.05m (£1m plus 5%) on top of the dedicated schools grant it receives for pupils in maintained schools and existing recoupment academies.

2.3.3 Recoupment

We propose that the calculation of how much EFA recoups from local authorities should work in the same way as it currently does for existing recoupment academies. EFA would recoup the funding that the academy would have received from the local authority through its funding formula.

Separately EFA would calculate and pay the former non-recoupment academy's budget. This calculation and payment would not be affected by the conversion of the non-recoupment academy to a recoupment academy. As with existing recoupment academies, EFA would fund any difference between the amount it recoups from the local authority and the amount it pays to the academy.

2.3.4 Administering central expenditure for non-recoupment academies

The local authority would become responsible for the administration and payment of any other central funding to former non-recoupment academies (just as they currently are for recoupment academies and maintained schools). This includes any funding for schools with significant growth in pupil numbers and for schools with falling rolls.

This should not affect the amount of funding a former non-recoupment academy receives from these funds. This is because currently EFA calculates growth and falling rolls funding for non-recoupment academies using the criteria for growth and falling rolls funding of the academy's local authority. It should also not impose a significant additional administration burden on local authorities because they already administer these funds and other central expenditure for recoupment academies and maintained schools.

2.3.5 Reflecting the minimum funding guarantee in recoupment

To help schools manage reforms to the funding system, we guarantee that school funding for 5 to 16 year olds allocated on a per pupil basis will not fall by more than 1.5%⁴ from one year to another. This means that some schools' actual funding is higher than the level decided by their local authority's funding formula alone. Local authorities can fund the minimum funding guarantee by capping increases in funding for other schools in their area.

If we converted non-recoupment academies to recoupment academies, our proposal is that EFA would recoup funding for the former non-recoupment academies in 2015-16 without making any adjustment for the minimum funding guarantee (because these schools would have no history of funding within the local authority's formula). From 2016-17 the amount the EFA recouped for the academy would take account of the minimum funding guarantee as calculated by the authority. The amount recouped could therefore not fall by more than 1.5% per pupil between 2015-16 and 2016-17⁵ and could be capped to help fund the minimum funding guarantee for other schools in the academy's local authority⁶.

This policy would only apply to the calculation of the amount EFA recoups from the local authority. It would not affect EFA's completely separate calculation of the amount of funding the academy receives, where the minimum funding guarantee is based on what the academy actually received in the previous year.

The table below shows an example of how the minimum funding guarantee is applied to recoupment, while independently from recoupment the minimum funding guarantee continues to apply to the calculation of an academy's actual budget.

⁴ Full details of the operation of the minimum funding guarantee in 2014-15 are set out in paragraph 35 of 2014-15 Revenue Funding Arrangements: Operational Information for Local Authorities. This is available from: <https://www.gov.uk/government/publications/2014-to-2015-revenue-funding-arrangements-operational-information-for-local-authorities>.

⁵ This is a simplification of minimum funding guarantee policy intended to help illustrate the principle of the proposed policy on recoupment for former non-recoupment academies. See footnote 4 for full details of MFG policy.

⁶ This assumes that our current minimum funding guarantee policy continues to 2016-17. We have not yet announced that policy.

	Recoupment	Calculating the academy's budget – separate process not affected by recoupment
2014-15	No recoupment	Academy X receives £1m from EFA
2015-16	The local authority calculates that academy X should receive £900,000 through its local funding formula. EFA recoups £900,000. The £900,000 is not adjusted as a result of the minimum funding guarantee.	Academy X's budget is due to fall from £1m to £900,000. However the minimum funding guarantee means that the academy's budget only falls to £980,000. EFA pays the academy £980,000.
2016-17 ⁷	The local authority calculates that academy X should receive £850,000 through its local funding formula. However the fall from £900,000 to £850,000 is protected by the minimum funding guarantee at £880,000. The EFA recoups £880,000.	Academy X's budget is due to fall from £980,000 to £850,000. However the minimum funding guarantee means that the academy's budget only falls to £960,000. EFA pays the academy £960,000.

2.3.6 Academies on estimates-based funding

Most schools are funded on the basis of the actual number of pupils that attended the school in the year before the year for which the school is being funded. Schools funded in this way will receive funding for 2015-16 on the basis of the actual number of pupils in the school in 2014-15⁸. Local authorities are also funded in this way: they will receive funding for 2015-16 on the basis of the number of pupils in schools in the local authority in October 2014.

Some non-recoupment academies are funded on the basis of the estimated number of pupils that will attend the academy during the year for which the academy is receiving funding. Academies funded in this way will receive funding for 2015/16 on the basis of an estimate of the number of pupils in the school in 2015/16.

⁷ School funding policy for 2016-17 onwards has not yet been decided. We have provided this part of the example only to illustrate how the minimum funding guarantee could have an impact on recoupment in the second year onwards after non-recoupment academies become recoupment academies.

⁸ Academies are funded on academic years so will receive funding for the 2015/16 academic year on the basis of the actual number of pupils in the academy in 2014/15.

The proposal to turn non-recoupment academies into recoupment academies would not affect these arrangements. EFA would continue to calculate former non-recoupment academies' actual budgets following the same arrangements as it would have done if the academy had remained a non-recoupment academy⁹.

2.3.7 Data on non-recoupment academies

Local authorities would need data on former non-recoupment academies in order to carry out their responsibilities. Pupil number data for non-recoupment academies is already prepopulated in the authority proforma tool (APT) that the EFA issues to local authorities. Local authorities already need to consider the impact of non-recoupment academies when setting their formula so should already be aware of any other factors not included in the APT, such as whether a school is located on split sites and information about special educational needs units. When local authorities need to refresh data that does not appear in the APT for future years, they would deal directly with the former non-recoupment academies just as they do now with recoupment academies.

3 Amending the funding of local authorities for pupils in free schools

3.1 Introduction

Local authorities receive their funding for a financial year (April to March) based on a lagged approach using the pupils who were on the previous October census. Most schools are also funded by local authorities on a lagged approach, but new and expanding schools can be funded on estimates in order to give them sufficient funding to operate while they are growing.

New and expanding free schools (and, for the purposes of this consultation, studio schools and UTCs) are funded by the EFA on the basis of estimated pupil numbers. This is because new free schools would not have completed a census, as they would not have been open at census time, and census data on expanding free schools would only show pupils in year groups that were present at the time of the previous census. To overcome this, during the period of expansion free schools provide estimates of the pupil numbers they expect to be in the school in each year and are funded on those estimates.

⁹ Separately from the proposals in this consultation document the Education Funding Agency is negotiating with academies and academy chains to reduce the extent to which academies are able to benefit from estimates that are higher than the actual number of pupils in the academy. This process will continue regardless of the outcome of this consultation.

Therefore, when a new free school opens, the department funds the local authority and the free school for the same pupils for seven months while the census catches up for local authority funding. The same is true for an expanding free school.

For example, if the October 2014 census showed that there were 100 pupils in local authority A, then local authority A would receive funding for financial year 2015-16 for 100 pupils. If new free school B is expected to open in September within local authority A, providing 10 places, the free school would receive funding for 10 pupils in academic year 2015/16. In this case, for the seven months from September 2015 to March 2016, we are providing funding for 110 pupils, where there are only 100 pupils.

This contrasts with the funding for maintained schools and recoupment academies, where local authorities can use a growth fund to provide funding for new places or apply to the Secretary of State for approval to fund on estimated numbers rather than census.

Where the number of pupils being funded by the local authority reduces because a new free school opens, the local authority would still receive funding for pupils expected to move to the free school until the census data catches up seven months later.

We are considering a proposal to amend this arrangement, to make the approach consistent with arrangements for other kinds of new and growing schools. This recognises the opportunity presented by the above proposal on making all academies recoupment academies, which would enable the recoupment of this funding for the first time.

3.2 Proposal

In this proposal, the department would recoup what the relevant local authority would have provided in funding for the pupils in the new free school if it had been a maintained school or a recoupment academy.

There is a strong rationale for recouping this funding:

- Consistency — currently, local authorities' census-based funding does not reflect the expected movement of some pupils to free schools in those local authorities. As a result, for seven months funding is provided by the Government for those pupils to the local authority and to the school.

- Standardisation – there is a contrast between the funding for growth in pupil places within local authorities for maintained schools and recoupment academies (where local authorities can use growth funds to cover the new need, or apply to use estimated numbers in their formula) and the funding for new and growing free schools.
- Simplicity – as set out above, we are proposing to make all non-recoupment academies recoupable, including free schools. Were all academies to be recoupable, all funding provided to local authorities would be recouped except the funding which related to pupil numbers expected to move to new local free schools. Recouping that amount would bring greater simplicity to the funding landscape by making all costs of funding recoupable from local authorities.

That amount would be recouped from that local authority following the agreement of financial plans with the new free school in the summer before opening. The local authority would know one year ahead of opening that a new free school was expected to open, with an estimate of the size of that free school (and therefore an estimate of the likely funding of that free school and consequent recoupment from the local authority's dedicated schools grant). The recouped amount could be adjusted at a later date to address over estimates of pupil numbers in free schools.

However, we propose that we would not recoup in the first year of a new free school opening.

This would limit the impact on local authorities and enable local authorities to plan more easily for the amount of recoupment they could expect from the second year onwards.

The amount recouped from local authorities would be limited to the cost of expansion of new free schools after the first year of opening, until the free school reaches capacity and is funded entirely on the basis of census statistics.

For example:

In 2015-16, local authority X is expected to receive the dedicated schools grant for 1500 pupil places, based on October 2014 census data. A new free school is expected to open in September 2015, providing an estimated 30 new places within local authority X, and to provide a further 30 new places each year thereafter.

When the free school opens and receives its funding, we do not recoup any amount from local authority X.

In the second year of opening, we would recoup the funding for 60 pupils from local authority X. 30 of these pupils would be reflected in the dedicated schools grant because they would have been in the free school in the previous year: the authority would be expected to fund the other 30 in the same way as for a new or expanding maintained school or recoupment academy.

4 How To Respond

- 4.1** In order to help with the analysis of consultation responses please use the online system wherever possible. If for exceptional reasons you are unable to use the online system, for example because you use accessibility software that is not compatible with the system, you may download a word document version of the form.

The consultation closes on 2 June 2014.

Consultation responses can be completed online at www.education.gov.uk/consultations

or by downloading a response form which should be completed and emailed to NRA.CONULTATION@education.gsi.gov.uk

or sent to:

Anthony Wilson, Department for Education, Mowden Hall, Area 2B, Staindrop Road, Darlington, Co Durham, DL3 9BG.

5 Additional Copies

- 5.1** Additional copies are available electronically and can be downloaded from GOV.UK DfE consultations.

6 Plans for making results public

- 6.1** The results of the consultation and the Department's response will be published on GOV.UK in Summer 2014.