

BUDGET WORKING GROUP - 11 OCTOBER 2013**RECOMMENDATIONS re NATIONAL SCHOOL FUNDING FORMULA**

It is recommended that for financial year 2014/15

CONSULTATION ON SCHOOL FUNDING

- a) The strategy of moving the primary secondary funding ratio from 1:1.18 to 1:1.23 over a five year period and the associated funding transfer of an annual £200,000 from primary to secondary schools so that Herefordshire's funding ratio is consistent with the family average of comparable local authorities be approved;
- b) The strategy be reviewed annually to ensure that further movement towards the 1:1.23 "family average" funding ratio is appropriate depending on DfE guidance;
- c) The lump sum values (proposed by the f40 group) of £75,000 for primary schools and £150,000 for secondary schools be phased in over five years as part of the five year strategy;
- d) The lump sum allocation for primary schools be reduced by £6,000 to £99,000 in 2014/15 as the first year of the five year strategy;
- e) The lump sum allocation for secondary schools be increased by £13,750 to £118,750 in 2014/15 as the first year of the five year strategy
- f) Herefordshire, as one of the most rural counties in England, will include the DfE's sparsity factor in the school funding formula for 2014/15;
- g) The principle that sparsity funding should be phased in over the same five year period as the lump sums and the primary secondary funding ratio be approved;
- h)
 - i) Primary sparsity be determined by a pupil threshold of 105 pupils, a sparsity distance of 2 miles and a tapered lump sum of £14,000 as the first year of a five year strategy to increase to the tapered lump sum to £70,000 in equal instalments (model A);
 - ii) Secondary sparsity be determined by a pupil threshold of 450 pupils, a sparsity distance of 450 pupils and a tapered lump sum of £14,000 as the first year of a five year strategy to increase to the tapered lump sum to £70,000 in equal instalments (model A);
- i) The cost of sparsity should be phase specific so that the cost of primary sparsity is funded by the primary schools budget and the cost of secondary sparsity by the secondary schools budget;
- j) The Notional SEN budget remains unchanged for 2014/15 at 6% of the lump sum, 6% of basic pupil entitlement, 100% of low prior attainment (as a proxy for SEN) and 40% of deprivation funding;
- k) Schools gaining funding through the national funding formula have their gains capped in order to fund the statutory MFG protection to schools losing funding and the percentage used as the gains cap should as far as possible be the MFG percentage set by the DfE;

l) The decision on the de-delegation of funding for

- a. Trade union facilities
- b. Ethnic minority support
- c. Free school meals administration

should be deferred until January 2014 pending the outcome of the current DfE consultation on funding of trade union facilities;

m) That the provisional national school funding values be submitted to the Education Funding Agency by the deadline of 31st October marked “ pending cabinet member approval” as follows;

i	Primary lump sum	£99,000	
ii	Secondary lump sum	£118,750	
iii	Basic entitlement per primary pupil		£2,765
iv	Basic entitlement per secondary (KS3) pupil		£3,589
v	Basic entitlement per secondary (KS4)pupil	£4,518	
vi	Deprivation per Ever-6 FSM pupil	£2,848	
vii	Looked After Children	£1,300	
viii	Prior Attainment –primary (EYFSP 78 points)	£228	
ix	Prior Attainment secondary		£148
x	English as Additional Language	£405	
xi	Mobililty	£0	
xii	Split site costs		£0
xiii	PFI contract costs	£190,000	
xi	Primary Sparsity – tapered lump sum	£14,000	
	Distance	2miles	
	Threshold	105 pupils	
Xii	Secondary sparsity tapered lump sum	£14,000	
	Distance	3 miles	
	Threshold	450 pupils	

CONSULTATION ON HIGH NEEDS FUNDING

n) The High Needs consultation proposals including

- a. The Assessment matrix
- b. The category weightings
- c. The funding tariff
- d. The implementation schedule

be approved in principle and that further work on the detailed consultation replies be considered by the High Needs working group and final proposals to be reviewed by Schools Forum at the meeting on 28th February 2014;

o) PRU funding – proposals for any minor adjustments to the PRU charges will be brought to the next BWG prior to Schools Forum in February 2014; and

p) SEN protection for small primary schools – that the existing scheme amended as per the original proposal so that additional school expenditure on Band 3 & 4 pupils is limited to 3.0% per pupil (was 1.5% per pupil in 2013/14) to be funded from the High Needs Block.

Note: Only School members of Forum can vote on the national school funding formula values and voting on de delegation is restricted to locally maintained schools only i.e. not academies.