

# Herefordshire National Funding Formula Consultation

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# National Funding Formula

- Introduction
- Detailed overview and points to consider – Malcolm Green
- High Needs Proposals – Les Knight
- Opportunity for questions
- Close
- Consultation responses by 4 October 2013

# National Funding Formula

- Part of shift to a national formula
- Underlying principles:
  - Simpler
  - Pupils receive the same funding wherever they are educated
  - Pupils with similar needs receive same funding wherever they are educated
- Chance to influence proposals that shape local implementation of the national formula
- Proposals developed by officers from the local authority, school staff, Budget Working Group. Significant amount of detailed work

# National Funding Formula

## DfE Background

“To reform the school funding system so that it is fairer, more consistent and transparent and so that funding intended for education reaches schools and the pupils that need it most”

“many schools and local authorities have welcomed these changes and look forward to the fairness and transparency a national funding formula will bring”

“In a move towards a pupil-led system, there will be changes to schools’ budgets and some degree of re-allocation of funds between schools”

“Under a national funding formula, it will not be possible to maintain the same level of local flexibility”

# National Funding Formula

## National Consistency

1. Maximum Lump Sum reduced from £200,000 to £175,000  
19 authorities must reduce their lump sum to comply
2. Minimum threshold for pupil-led factors set at 80%  
2 authorities below 80% in 13/14 – must comply
3. Minimum values for primary per pupil funding set at £2,000 and secondary (average) at £3,000  
No impact yet - lowest authorities at £2,122 and £3,178
4. Primary secondary ratio  
No constraints in 2014/5 but not ruled out in future

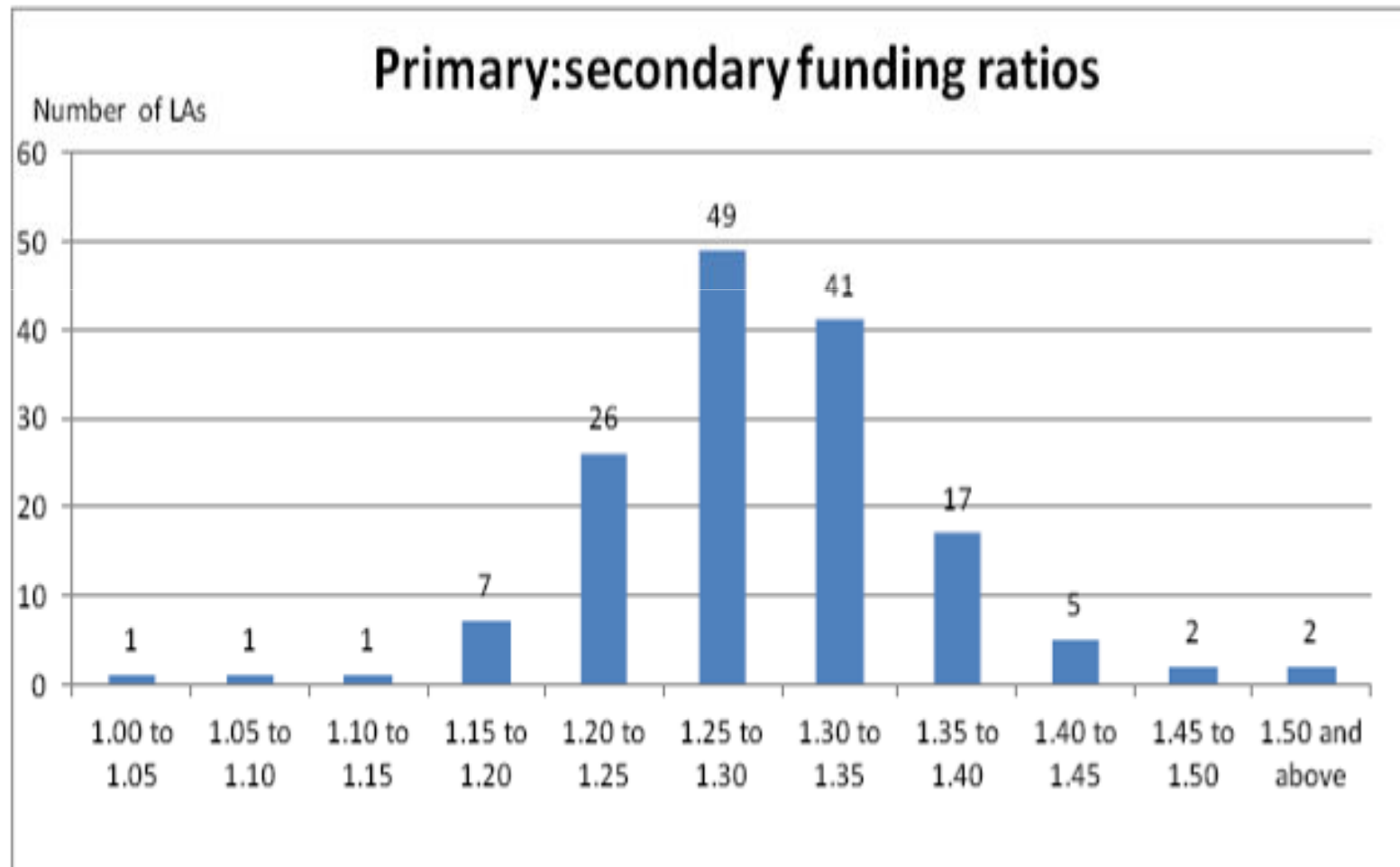
# Herefordshire Proposals

## Five year strategy

1. No new money - stand still DSG budget - £4,302 per pupil
2. Gradually move primary secondary ratio to 1:1.23 i.e. “family average“ by £200k transfer annually
3. Reduce primary lump sum by £6,000 pa from £105,000 to £75,000
4. Increase secondary lump sum by £13,750` pa from £105,000 to £150,000
5. Introduce sparsity funding gradually for qualifying schools

# Primary secondary ratio

## DfE benchmarking



# Herefordshire Primary secondary ratio 1:1.18

## Our family

- East Sussex 1.31
- Suffolk 1.28
- Cornwall 1.27
- Devon 1.25
- Shropshire 1.24
- Wiltshire 1.24
- Gloucester 1.22
- Somerset 1.21
- Norfolk 1.16

## Nationally lower than us

- Cheshire West 1.17
- Northumberland 1.16
- Norfolk 1.16
- Cumbria 1.12
- Brent 1.09
- North Yorkshire 1.21
- Worcestershire 1.25



# Herefordshire 2014/15 Proposals - Lump Sum

1. Reduce primary by £6,000 to £99,000
2. Increase secondary by £13,750 to £118,750
3. Reduction in primary lump sum reallocated
  - £2,500 to fund £200k transfer to high schools
  - £1,500 to fund primary sparsity payments
  - £2,000 to boost primary per pupil funding
4. Average per pupil funding
  - Primary £4,016 in 2013/14 and £4,015 in 2014/15
  - Secondary £4,774 in 2013/14 and £4,793 in 2014/15

5 miles

# How the sparsity factor will work

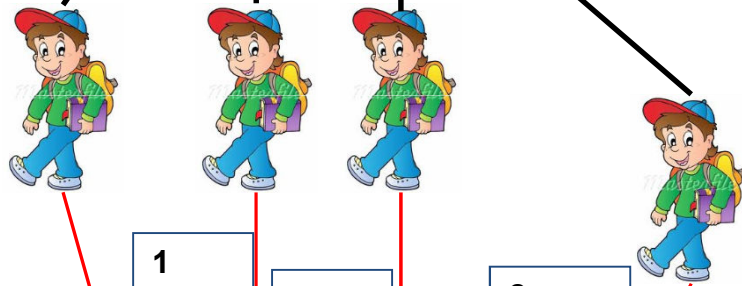
School B

4 miles

School A

2 miles

3 miles



1 mile

1 mile

2 miles

1 mile

School C



**Does School A qualify for sparsity funding?**

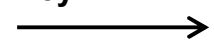
**YES** - Average distance to 2<sup>nd</sup> nearest school = 2.38 miles

**YES** – It has fewer than 150 primary pupils

**How much sparsity funding will it get?**

LA has set a sparsity lump sum of £100,000. School A has 50 pupils. It will therefore attract a sparsity lump sum of £66,666 under the tapering approach. Because the school is one third the standard size, it gets two thirds of the sparseness factor.

**Key**



1<sup>st</sup> nearest school



Distance to 2<sup>nd</sup> nearest school

# Herefordshire Proposals

## Sparsity - Primary

Costs of sparsity are

- Small classes in KS1 & KS2 and insufficient pupil funding
- Additional teaching costs for static workforce
- Assessed as £50,360 for typical 28 pupil school

Three options considered in detail

2 mile qualifying distance and £70,000 tapered lump sum

- 105 pupil threshold at total cost of £516k (A)
- 150 pupil threshold at total cost of £917k (B)
- 70 pupil threshold at total cost of £201k (C)

# Herefordshire Proposals

## Sparsity - Secondary

- Small schools working group (2009) proposed high school subsidy as cost of Bursar (£40k)
- Now included in lump sum proposals for high schools but subject to DfE cap
- Hence propose consistency with primary schools at £70,000 tapered lump sum , 3 mile qualifying distance at a total cost (after 5 years) of £39k
- Lots of options re sparsity - Budget Working Group narrowed down to handful

# Proposed Formula 2014/15

	Primary	Secondary
Lump Sum – all schools	£99,000	£118,750
Sparsity for qualifying schools £14,000 taper & threshold 105/450 pupils	£133.33 per pupil subsidy up to threshold	£31.11 per pupil subsidy up to threshold
Basic entitlement per pupil	£2,765	£3,589 re KS3 £4,518 re KS4
Deprivation per Ever-6 FSM pupil	£2,848	£2,848
Looked After Children	£1,300	£1,300
Prior Attainment - EYFSP 78 points (or equiv') KS2 Maths OR English not achieving level 4	£228	£148
EAL - 1 <sup>st</sup> year only EAL pupil	£405	£405
Pupil Mobility – per mobile pupil	£0	£0
Split Site costs	£0	£0
PFI Contract	£0	£190,000
Business rates	At cost	At cost

# High Needs Funding

- National approach from April 2013 – in Herefordshire sought to limit change in first year but commitment to implement from April 2014
- Underpinning principle that pupils/students with the same type and level of need will receive the same level of funding irrespective of educational setting.
- Potentially leading to a single national funding formula for high needs.

# Current Position

- Mainstream Schools – Band 3 and Band 4 via a Statement of SEN or Banded Funding.
- Special Schools - Standard and Enhanced.
- Standard funding in a Special School is broadly similar to Band 4 in Mainstream.

# Mainstream Schools and FE Providers

- Settings are already funded for first £10,000 (notionally this is £4,000 paid for every pupil plus up to £6,000 delegated for SEN in base budget)
- Local Offer to define what setting would be expected to ordinarily provide up to £10,000
- For costs over £10,000 an individually assigned 'top-up tariff' will be awarded. Intention is to link this to EHC Plans from September 2014



# Special Schools including Post 16

- Local Authority Commissioned Special School Places at £10,000 per place plus individually allocated 'top-up tariff' as per mainstream

# Development of New Arrangements

- Working group with a wide range of representatives from Early Years, Mainstream and Special School and FE providers
- A new High Needs Matrix developed to support and inform decision making
- Matrix based on the areas of need in the indicative SEN Code of Practice
- Scoring and weighting system developed
- A sample of 40 Mainstream and 40 Special School students used to test model
- Tariff system to convert scores to actual amounts of funding proposed

# 2014/15 High Needs Top Up Tariffs

Tariff Group	Assessment Points	Tariff Value (£)
Local Offer	0-9	0
A	10-19	1,350
B	20-29	3,500
C	30-49	5,500
D	50-69	8,500
E	70-89	12,000
F	90+	16,000

- Subject to review in January 2014 when full details of the Special School pupil assessments are available.
- Any revisions to the tariff values will be considered by Schools Forum in February or March 2014 prior to implementation.

# Implementation of new High Needs Arrangements (1)

## Primary and secondary mainstream schools

- Pupils with a Statement of SEN: Band 4 (new Tariff C) – to be assessed using the high needs assessment matrix on a rolling basis from 1st January 2014 as part of the Annual Review process. All funding changes will be effective from the date of Annual Review or 1st April 2014 whichever is the later (approximately 180 pupils)
- Pupils with a Statement of SEN: Band 3 (new Tariff A) – to be re-assessed only on change of school or change of Statement (approximately 180 pupils)
- Banded Funding – funding will continue at current rate until the end of the allocation.

# Implementation of new High Needs Arrangements (2)

## **Special Schools and resourced provision**

- All Special School pupils/students to be re-assessed between 1st October 2013 and 16th December 2013 either via the Annual Review process or through a phased programme of planned re-assessments.
- All assessments will be moderated by the Local Authority. All funding revisions will be effective from the 1st April 2014.

# Implementation of new High Needs Arrangements (3)

## **Post -16 students in FE providers (day placements only)**

- Given the low numbers of Post-16 students in further education providers, students will be assessed against the assessment matrix and the results will be discussed individually with each provider prior to implementation from 1st August 2014.

# Implementation of new High Needs Arrangements (4)

## Early Years

- There will be no change for private, voluntary and independent settings in 2014/15 proposals will be bought forward in conjunction with Early Years representatives for a simplified assessment matrix in 2015/16 more applicable to the early years sector and which will take account of the different funding arrangements for early years providers and the expectations that will be described in the Local Offer.

# Implementation of new High Needs Arrangements (5)

## **Pupil Referral Units**

- During 2014/15 it is intended to assess all PRU pupils for high needs tariff funding so that all Herefordshire pupils are funded on a consistent basis.
- Detailed proposals will be included in the consultation proposals next year for the 2015/16 school funding arrangements.



# Appeal

- For all high needs pupils/students, there will be an appeal process which can be used by schools for those exceptional cases where the High Needs Funding Tariff is considered insufficient to meet any pupil's individual needs.

# Timelines

1. Consultation meetings 19<sup>th</sup> – 26<sup>th</sup> September
2. Consultation response by 4<sup>th</sup> October (\*earlier preferable)
3. Budget Working Group to review feedback on 11<sup>th</sup> October
4. Schools Forum to agree formula and values on 25<sup>th</sup> October
5. Provisional submission to EFA by 31<sup>st</sup> October
6. Adjust based on October pupil numbers and final DSG
7. Schools Forum to finalise 21<sup>st</sup> January
8. Final submission to Education Funding Agency 25<sup>th</sup> January
9. Issue of school budgets end of February

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