

Herefordshire National Funding Formula Consultation

Malcolm Green

National Funding Formula

- Introduction
- Detailed overview and points to consider – Malcolm Green
- Opportunity for questions
- Close
- Consultation responses by 3 October 2014

National Funding Formula

- Continued shift to a national formula
- Underlying principles:
 - Simpler
 - Pupils receive the same basis of funding wherever they are educated
- Continuation of last year's financial strategy to move closer to the expected national formula
- Proposals developed by officers from the local authority, school staff, Budget Working Group and Schools Forum
- Significant amount of detailed work – both last year and this.

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”

National Funding Formula

National Consistency 1

1. DfE Fairer Funding - additional £390m allocated to the least fairly funded authorities nationally for 2015/16
2. Herefordshire benefits by £2.7m – an increase of 2.9% - which has been added to per pupil funding values.
3. Local authority schools receive April 2015 – academies September 2015.
4. DfE minor change to sparsity eligibility - now based on average group size rather than whole school

National Funding Formula

National Consistency 2

1. No new requirements set by DfE for 2015/16
2. National minimum values not changed for any factor
3. DfE advise to continue benchmarking against national data e.g.
 - Primary/secondary funding ratio
 - Low prior attainment
 - Deprivation

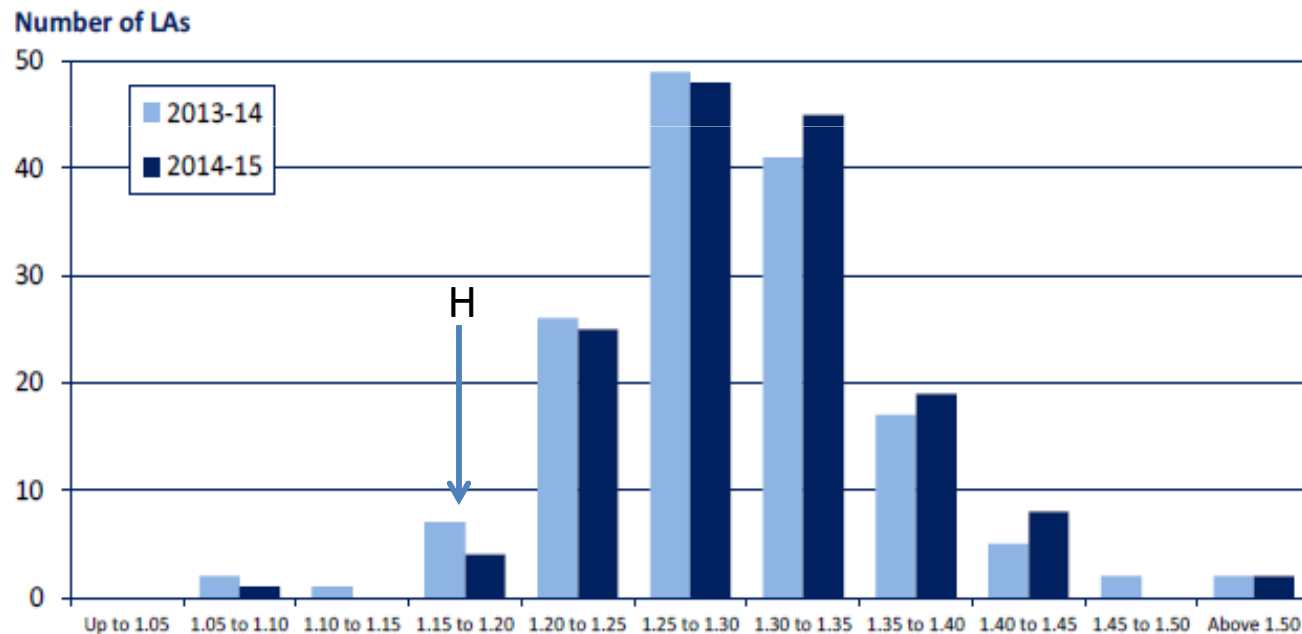
Herefordshire Proposals

Five year strategy

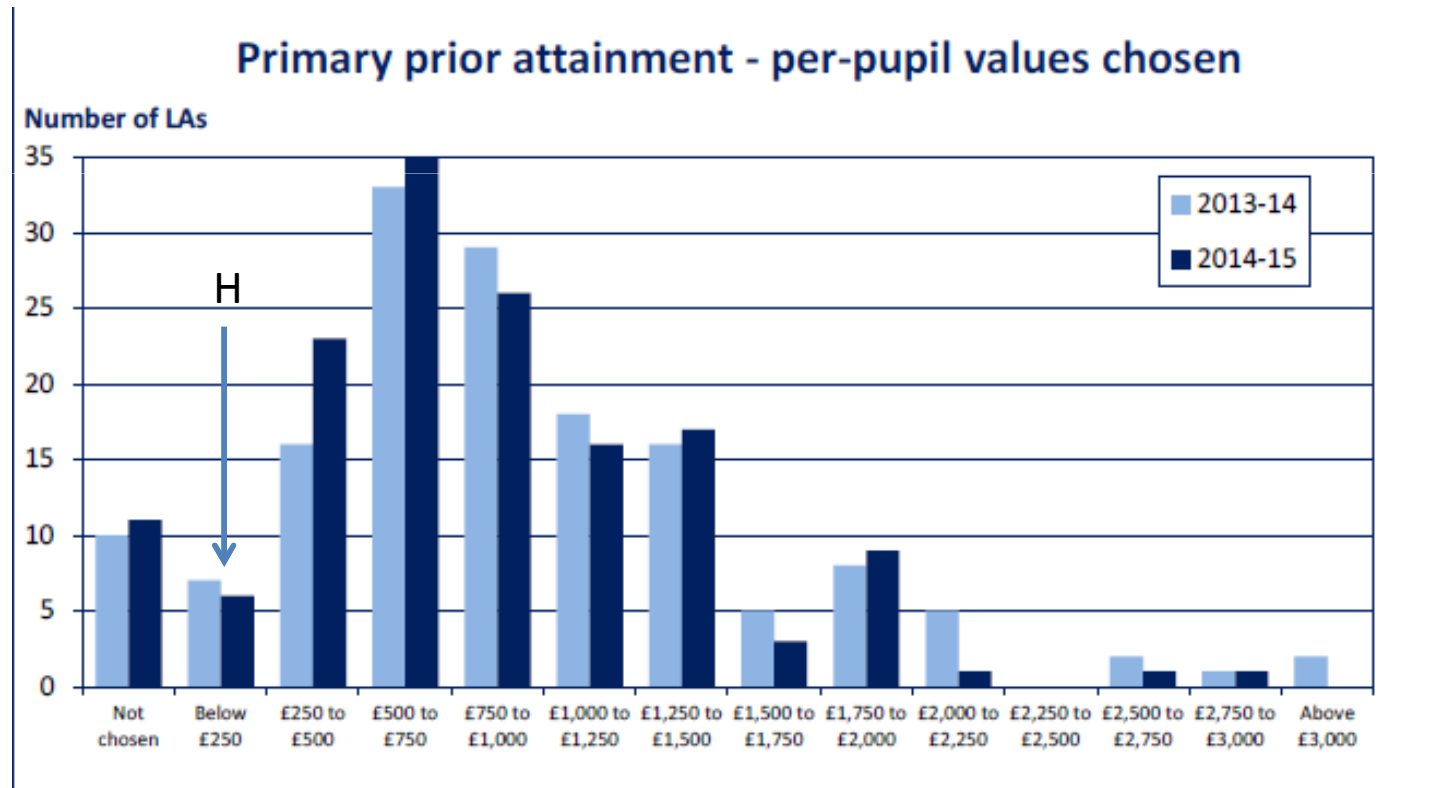
1. Second year of consolidation and planned but gradual change
2. Continued move towards 1.1:1.23 primary secondary funding ratio of our “family average” counties
3. Reduce primary lump sum gradually to £75,000
4. Increase secondary lump sum gradually to £150,000
5. Sparsity funding to change gradually
4. Review national funding comparisons – and amend as appropriate

Primary secondary funding 2014/15 data

Primary:secondary ratios; 1 to...

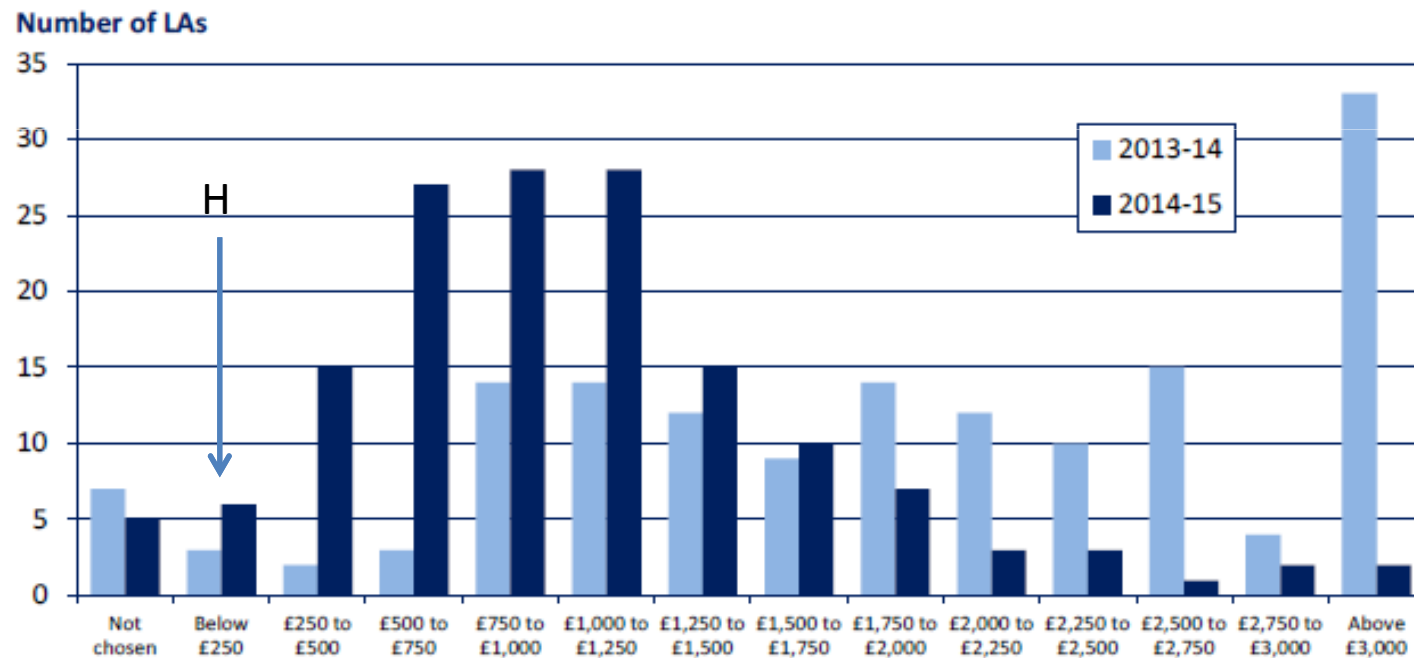


Low Prior Attainment Primary schools



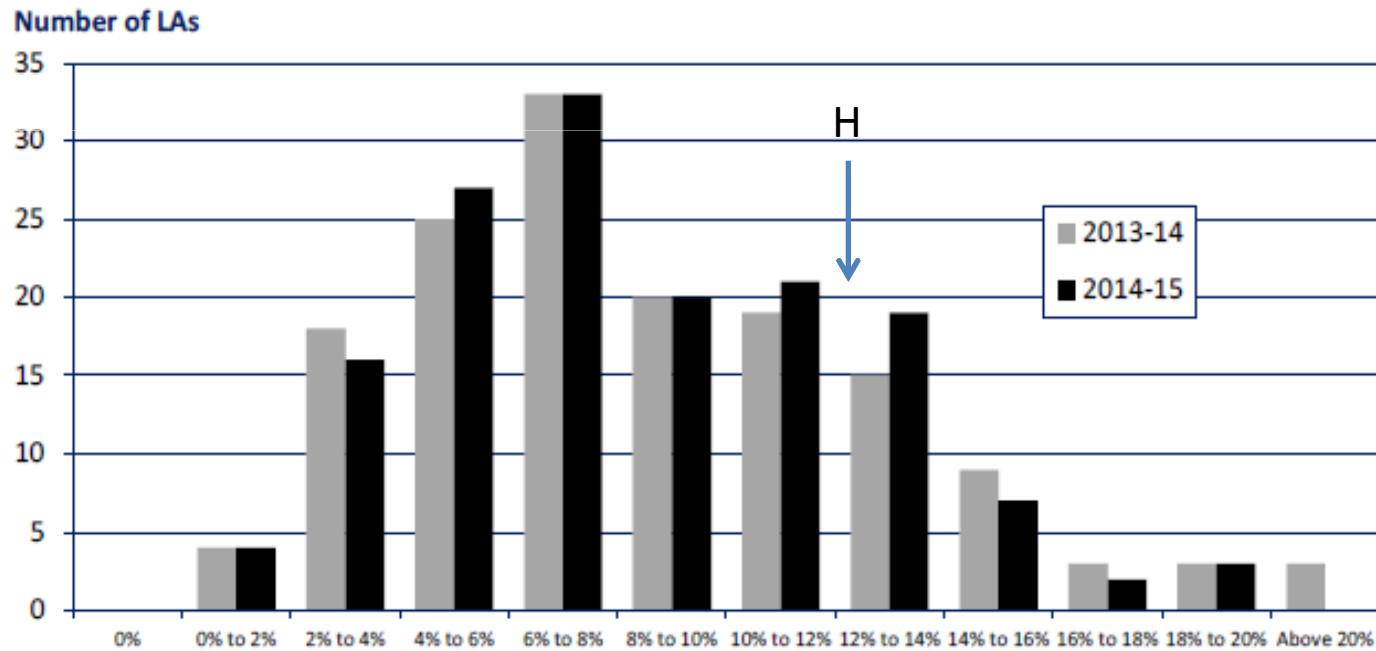
Low prior attainment High schools

Secondary prior attainment - per-pupil values chosen



Herefordshire deprivation funding

Deprivation - % of funding allocated through this factor



Funding Comparison Low Prior Attainment v Deprivation

School Funding 2014/15	Herefordshire school funding	DfE Fairer Funding Statement	Difference
Deprivation – Ever-6 FSM	£11m	£5.5m	+£5.5m
Prior Attainment	£1m	£3.8m	-£2.8m
Total	£12m	£9.3m	+£2.7m

Herefordshire 2015/16 Proposals - Lump Sum

Continuation 2014/15 strategy

1. Reduce primary lump sum to £93,000
2. Increase secondary lump sum to £130,500
3. Reduction in primary lump sum reallocated
 - £2,500 transfer to high schools re funding ratio
 - £1,500 to fund primary sparsity payments
 - £2,000 to boost primary per pupil funding

Low Prior Attainment Primary Options

	2014/15	School Budget	Option C(i) £200 increase in LPA			Option C(ii) £400 increase in LPA			
			per pupil	total funding	%	per pupil	total funding	%	
LPA funding	£228	£0.7m	0.8%	£428	£1.3m	1.4%	£628	£1.9m	2.0%
Deprivation	£2,860	£6.4m	7%	£2,550	£5.9m	6.2%	£2,260	£5.2m	5.4%

Low Prior Attainment Secondary Options

	2014/15	School Budget		Option C(iii) £500 increase in LPA			Option C(iv) £1,000 increase in LPA		
		Per pupil	Total funding	%	per pupil	total funding	%	per pupil	total funding
LPA funding	£148	£0.3m	0.3%	£648	£1.5m	1.6%	£1,148	£2.7m	2.8%
Deprivation	£2,860	£4.6m	5%	£2,113	£3.5m	3.7%	£1,430	£2.3m	2.4%

Impact on average pupil funding

- Primary per pupil
 - 2013/14 £4,016
 - 2014/15 £4,015
 - 2015/16 £4,070 (+1.3% from 13/14)
- Secondary
 - 2013/14 £4,774
 - 2014/15 £4,793
 - 2015/16 £4,984 (+4.4% from 13/14)

Note: 2015/16 includes the 2.9% Fairer funding increase

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

Does School A qualify for sparsity funding?

YES - Average distance to 2nd 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



1st nearest school



Distance to 2nd nearest school

Herefordshire Proposals

Sparsity

- Second year increase for in tapered lump sum from £14,000 to £28,000 for qualifying primary schools
- Abolish secondary sparsity payments band increase secondary lump sum by £1,750
- Evidence that small secondary schools need increase in lump sum to fund finance bursar - but not sparsity
- Separate decision by primary and secondary as
 - Primary sparsity funded by primary schools
 - Secondary sparsity funded by high schools

High Needs protection Primary schools

- Major concern in 2013 re primary schools ability to fund the £6,000 additional high needs threshold
- Particularly small schools and those with high numbers of high needs pupils
- Protection scheme designed to cap the cost by linking to Minimum Funding Guarantee
- Max cost in 2013/14 £60 per pupil, £120 per pupil in 2014/15 and £200 per pupil in 2015/16
- We received national recognition for our scheme
- Do we need a permanent scheme?

Proposed Formula 2015/16

	Primary	Secondary
Lump Sum – all schools	£93,000	£132,250
Sparsity for qualifying schools £28,000 taper & threshold 105 pupils (DfE now use year group basis of 15 pupils)	£266.67 per pupil subsidy up to threshold	Included in lump sum
Basic entitlement per pupil	£2,854	£3,689 re KS3 £4,645 re KS4
Looked After Children	£1,300	£1,300
EAL pupils – as per DfE minimum funding	£505	£1,216
Pupil Mobility – per mobile pupil	£0	£0
Split Site costs	£0	£0
PFI Contract	£0	£207,000
Business rates	At cost	At cost

Proposed Formula

2015/16 LPA Options

	Primary	Secondary
Option C(i) and C(iii) Prior Attainment - EYFSP 78 points (or equiv') KS2 Maths OR English not achieving level 4 Deprivation per Ever-6 FSM pupil	428 £2,572	£648 £2,162
Option C(ii) and C(iv) Prior Attainment - EYFSP 78 points (or equiv') KS2 Maths OR English not achieving level 4 Deprivation per Ever-6 FSM pupil	628 £2,260	£1,148 £1,430

2014/15 High Needs Final Top Up Tariffs

Tariff Group	Assessment Points	Tariff Value (£)
Local Offer	0-9	0
A	10-19	1,280
B	20-29	3,150
C	30-49	5,225
D	50-69	8,075
E	70-89	11,400
F	90+	15,200

- A post implementation review will be undertaken from January 2015

Timelines

1. Consultation meetings 18th – 25th September
2. Consultation response by 3th October (*earlier preferable)
3. Budget Working Group to review feedback on 13th October
4. Schools Forum to agree formula and values on 24th October
5. Provisional submission to EFA by 31st October
6. Adjust based on October pupil numbers and final DSG
7. Schools Forum to finalise 19th January
8. Final submission to Education Funding Agency 20th January
9. Issue of school budgets by 27th February

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