

Schools Forum Agenda

Date: Thursday 12 July 2012		Time: 14.30 -16:30pm
Venue: Committee Room 2, Civic Suite, Town Hall, Catford		
Order of Business		
1.	Minutes of Meetings: - Minutes of the meeting held on 17 May 2012.	
2.	Matters Arising	
3.	Balance Control Mechanism To review the schools carry forward balance at the end of the financial year (as at 31 March 2012) and to consider whether any school should have their balance capped.	For discussion and decision
4.	Schools Funding reforms – changes to the school funding formula To discuss and consider the proposals of the sub-group to amend the formula in line with the DFE’s proposals and to agree the consultation process with schools.	For discussion and decision
5.	Scheme of Delegation To review the scheme of delegation to ensure that it is in line with the requirements of the DFE	For discussion and decision
6 .	Any Other Business	

Dates of Future Meetings

20-September 2012
15-November 2012

LEWISHAM SCHOOLS FORUM

Minutes of the meeting held on Thursday 17th May 2012

In Civic Suite

Membership (Quorum = 40% i.e. 8)

✓ = present ✗ = absent

		Attendance
Primary School Headteachers		
Irene Cleaver	Athelney	✓
Steve Davies	Coopers Lane	✗
Liz Booth	Dalmain	Apologies
Paul Moriarty	Good Shepherd	✓
Helen Johnston	Launcelot	Apologies
Nursery School Headteacher		
Nikki Oldhams	Chelwood	✓
Secondary School Headteachers		
Anne Potter	Addey & Stanhope	Apologies
Bob Ellis	Conisborough College	Apologies
Erica Pienaar (Chair)	Prendergast	Apologies
Carolyn Unsted	Sydenham	✗
Special School Headteacher		
Tim Stokes	Pendragon	Apologies
Primary & Primary Special School Governors		
Keith D'Wan	Athelney	Apologies
Brian Lymbery (Vice-Chair)	Lucas Vale	✓
Mark Simons	Coopers Lane	Apologies
Secondary & Secondary Special School Governors		
Simon Nundy	Trinity	Apologies
Nick Day	Sydenham	✗
Academies		
Declan Jones	Haberdashers' Aske's	✓
14-19 Consortium Rep		
Dympna Lennon	Addey & Stanhope	✓
Early Years Rep		
Diocesan Authorities		
Rev Richard Peers	Southwark of Diocesan Board of Education	✗
Michael Cullinane	Archdiocese of Southwark Schools Commission	✗

Observers	
Frankie Sulke	Executive Director For Children & Young People
Alan Docksey	Head of Resources
Kim Knappett	ALT (standing in for Martin Powell-Davies NUT)
Also Present	
Dave Richards	CYP Group Finance Manager
Hayden Judd	Principal Accountant School's Team
Chris Threlfall	Head of Education Development
Sue Tipler	Head of Standards and Achievement
Denise Castle	Clerk
Janita Aubun	Schools Accountant

Apologies for Absence

Apologies were received from Erica Pienaar, Liz Booth, Helen Johnston, Anne Potter, Bob Ellis, Tim Stokes, Keith D'Wan, Mark Simons, John Russell, Conrad Hall, Jan Shapiro and Adam Higgins.

1. Minutes of Meeting held on 1st March 2012.

The minutes were agreed and signed by the Vice-Chair.

2. Matters Arising

There were no matters arising from the minutes that were not covered by the agenda.

3. Consultation on School funding reform : Next steps towards a fairer system

Alan Docksey presented the background to the consultation on school funding reform. The latest consultation is the third paper that has been issued and runs from 26th March until 21st May. The period for consultation does not last the usual 12 weeks limiting the time that Schools Forum has to consider the proposals. The shorter timeframe will enable the DFE to make an earlier announcement in the summer about the outcome to achieve deadlines for April 2013. The changes proposed are complex and technical and the DFE are proposing to introduce a national funding formula during the next Spending Review period (2015-16). 29 factors are currently used in the local funding formula and this will be reduced to 10 for 2013-2014.

The main concern was one of timing, not only will the new formula be radically different but Lewisham will need to make a return to the Education Funding Agency at the end of October detailing the new simplified formula and its operation in Lewisham. Forum agreed to set-up a working group to meet during June to look at the current formula factors that are no longer permissible under the new regulations and to consider how Lewisham converts these into new allowable factors. The group will also look at how some of the current central services that have to be delegated are allocated to schools. It will then be possible to model and to determine what level of turbulence there might be and to agree transitional arrangements.

Forum expressed that the following concerns should be included in the response:-

Proposal to switch the formula grant that is currently paid to councils for some education services into the schools funding system. The top slicing of this grant for Academies before it is devolved to authorities is unfair as authorities have varying numbers of Academies.

Small schools and infant schools may face financial difficulties with the proposed lump sum across all schools. Primary and secondary phases have different fixed costs.

Forum agreed that there are different levels of support between reception and Key Stage 1 and they supported the current differential of £800 in Lewisham. This level of funding would enable the £10,000 threshold for High Needs to be more easily managed by primary schools

High level funding for pupils and students: This is perhaps the most radical of the proposals within the consultation document and the document implies that there will be further consultation in this area. Forum wanted to see more detail from DFE before it could be clear as to the implications of the changes.

The meeting addressed the proposals around the future role of the schools forum and that the reduced potential for decision making and the possibility of electoral blocks within the forum for voting would mitigate against the collective decision making that takes place now.

Action : Dave Richards to set up a Sub Group

4. School Budgets

The report updated Forum on the latest budget position following the setting of schools budgets at the last meeting on 1st March and provided further information on the recommendations to allocate the temporary funding of £1m.

Forum agreed the recommendations to allocate the £1m funding to:-

1. Fund the capital cost of bulge classes with an allocation of £500k
2. Support school improvement activity through federation arrangements with an increased allocation of £220k.
3. Assist the increasing number of schools managing capital projects with an additional allocation of £50k.
4. Allocate £230k to all schools through the pupil led element of the formula on a one-off basis.

Decision : Agreed by Chairs action

Capital

Lewisham will be opening 25 bulge classes in September 2012, and Lewisham is the second highest in the country. This has significant capital implications for schools. Lewisham currently has a shortfall of £15.5m to September 2015. Secondary schools are looking at the future needs of meeting pupil numbers and some secondary are proposing expansion to meet these needs.

Postal Services

Forum noted the response to the survey conducted by Alan Docksey regarding the options to reduce the costs of the Customer Services SLA which provides a daily mail service for schools.

The Chair of the Schools Forum approved, under delegation, that a reduction of service to an alternate day service was the preferred option. It was also noted that the SLA would increase by inflation of 5% in line with other SLAs.

Decision : Agreed by Chairs action

5. Balance Control Mechanism

Dave Richards presented the report on the school's carry forward position for 2011-2012. Forum were asked to note that balances have increased to £13.4m, from £8.7 in 2010-2011. Members expressed concern about increased levels of

balances and asked for a more detailed report to be brought back to the next meeting to enable members to make decisions on whether claw-backs from the balances were justifiable. Balances should not include Federation allocations or collaborative funding. If schools are saving for a particular expenditure, this should also be included in the report. Forum asked for the Academies balances be included also in next report.

Decision : Dave Richards to present report on 12/07/12

6. Any other business

None.

Date of next meeting 12th July 2012

SCHOOL FORUM ACTION SUMMARY – from School Forum held on 17th May 2012

ITEM	ACTION TO BE TAKEN	OFFICER(S) RESPONSIBLE FOR ACTION	OUTCOME / CURRENT POSITION
4	Sub Group to be set up for consultation on formula changes	Dave Richards	
5	Balance Control Mechanism report	Dave Richards	

SCHOOL FORUM ACTION SUMMARY – from School Forum held on 1st March 2012

ITEM	ACTION TO BE TAKEN	OFFICER(S) RESPONSIBLE FOR ACTION	OUTCOME / CURRENT POSITION
4	Primary and Secondary Head volunteers required for School Therapies consultation	Warwick Tomsett	

Balance Control Mechanism - School Carry Forwards as at 31 March 2012

1. Purpose of the Report

To consider whether the Schools Forum wish to cap any schools carry forwards

2. Recommendation

- i) The Forum note the school surplus and deficit budgets.**
- ii) The Forum agree to all the applications from schools to carry forward their excess balance**

3. Schools Carry Forwards.

- 3.1 The total of school carry forwards at the end of the 2011/12 financial year (31 March 2012) came to £13.4m, the balance at the end of the previous year stood at £8.7m (31 March 2011). At the last meeting the Forum considered the individual school balances and noted that 29 schools had made an application to exceed the capping levels (8% for Primary and Special schools and 5% for secondary schools). There were 9 schools which had exceeded the capping level but had not made an application.
- 3.2 Officers were asked to contact the 9 schools who had not applied to exceed the cap and ask for the reasons for their excess balance. The Forum also asked for further details from all schools with excess balances on how they have planned to use the funds they have set aside.
- 3.3 These details are shown in the attached appendix, the excess balances over the 8% limit in Primary and 5% limit in Secondary schools is £3.7m. In some instances schools have explained the reason why they are holding their whole of their carry forward rather than just the excess balance. This is reflected in the table below which summarises the reasons but comes to a total higher than £3.7m.

Ref No.	Reason	£
1	Federation and partnership funding	1,062,483
2	Capital expenditure	1,316,321
3	Enhancements to new builds from BSF/PFI programmes	570,000
4	Cover temporary drops in pupil numbers	341,000
5	Single status.	177,000
6	Joint schools collaboration project	307,351
7	Accruals that should have taken place	271,525
8	Any administrative error in the accounts.	30,000
9	Other	333,244
		4,408,924

All the reasons numbered 1 to 8 are permissible purposes under our scheme of delegation for carrying forward funding in excess of the capping limits.

3.4 The dilemma in capping any schools remains that schools have been given significant warnings of the funding difficulties that lie ahead and it is probably only natural that schools will look at protecting themselves from this by increasing balances in the short term. In the paper on schools funding reforms, presented elsewhere on the agenda, the size of this challenge will be demonstrated. Further, the change anticipated in April 2015, with the introduction of a national funding formula is likely to result in even greater turbulence in the funding system and will add to the challenge faced by schools. It would, therefore, seem difficult to apply a cap when there is so much uncertainty. However the problem still remains that the funding is not being spent on the pupils it was provided for..

3.2 Surplus balances should not be seen as just a year-end issue. Instead, it should be integrated within the multi-year school budget planning and monitoring cycles. The most significant element of the excess balance relates to capital expenditure and while it may be natural for schools to delay this until the Easter or Summer breaks it is a question that needs to be raised as to whether this should with proper planning have been brought forward. Shortly schools will start to see some of the impact of the schools funding changes and may need a financial buffer if they are to plan for this sensibly..

4 Conclusion

4.1 Schools face challenging financial circumstances in the future. Funding growth has already slowed and changes to the schools funding system suggests schools, particularly in Lewisham, could face even tighter settlements. It would seem wise until the outcome of the consultation

on the national arrangements for schools funding formula is known to take a cautious approach on capping schools carry forwards. Having said that, it is important schools have strong financial management controls in place, if funding is not spent on the pupils in the schools it puts at risk their educational achievement

Dave Richards

Group Finance Manager – Children and Young People

Contact on 0208 3149 442 or by e-mail at Dave.Richards@Lewisham.gov.uk

Balance Control Mechanism - School Carry Forwards as at 31 March 2012

Cost centre	Summary Of 2011/12 School Balances	Funding 2011/12	Budget Balances 2011/12	Excess Balances	Balance Percentage	Total requested to be carry forward	Federation and partnership funding	Capital expenditure	Savings made to make enhancements to new builds from the Building Schools for the Future programmes and Private Finance Initiatives.	To cover funding shortfalls for future temporary drops in pupil numbers or planned expansion of school.	Single status.	Holding the funds for joint schools collaboration project which run over more than one year.	Accruals that should have taken place but it was not possible to action them in time for closing the accounts.	Any administrative error in the accounts.	Other
Code	School	£	£	£	£	£	£	£	£	£	£	£	£	£	£
EMBA	Adamsrill Primary School	2,556,367	295,941	91,432	12%	115,000		95,000			20,000				
EMJE	All Saints' CE Primary School	975,743	6,978	0	1%	0									
EMBC	Ashmead Primary School	1,426,780	117,267	3,125	8%	3,125	3,125								
EMBE	Athelney Primary School	2,640,376	603,581	392,351	23%	396,000	371,000	25,000							
EMBH	Baring Primary School	1,561,738	112,549	0	7%	0									
EMGA	Beecroft Primary School	1,865,210	445,906	296,690	24%	345,009	215,009	50,000		50000	30000				
EMCR	Brindishe Green Primary School	3,179,896	136,586	0	4%	0									
EMBK	Brindishe Lee Primary School	1,338,265	212,516	105,455	16%	219,447	202655								16792
EMBM	Childeric Primary School	2,687,406	288,557	73,565	11%	188,500							188500		
EMJH	Christ Church CE Primary School	1,480,484	56,194	0	4%	0									
EMBP	Cooper's Lane Primary School	2,793,505	103,613	0	4%	0									
EMBR	Dalmain Primary School	2,083,205	152,356	0	7%	0									
EMBV	Deptford Park Primary School	3,697,270	440,776	144,994	12%	129,900		129900							
EMCA	Downderry Primary School	2,479,240	168,341	0	7%	0									
EMCC	Edmund Waller Primary School	2,384,744	41,496	0	2%	0									
EMGH	Elfrida Primary School	2,559,589	284,792	80,025	11%	80,025	80025								
EMCE	Eliot Bank Primary School	2,496,120	396,710	197,021	16%	222,600	70000	77600							75000
EMCH	Fairlawn Primary School	2,410,930	430,801	237,927	18%	57,440	57440								
EMCK	Forster Park Primary School	2,782,408	285,126	62,534	10%	125,000		55000							70000
EMJK	Good Shepherd RC Primary School	1,324,122	76,742	0	6%	0									
EMGR	Gordonbrock Primary School	2,650,077	215,578	3,572	8%	180,000		180000							
EMCM	Grinling Gibbons Primary School	1,619,405	182,782	53,229	11%	53,229	53229								
EMCP	Haseltine Primary School	1,899,314	188,782	36,837	10%	50,000					50000				
EMCV	Holbeach Primary School	2,709,743	136,704	0	5%	0									
EMJM	Holy Cross RC Primary School	1,285,436	128,480	25,645	10%	25,645						25,645			
EMJP	Holy Trinity CE Primary School	1,132,493	119,111	28,512	11%	28,525		23000					5525		
EMDA	Horniman Primary School	1,384,185	153,276	42,541	11%	115,000						115000			
EMDC	John Ball Primary School	2,219,840	33,652	0	2%	0									
EMDE	John Stainer Primary School	1,607,134	165,975	37,405	10%	97,196		30973				47671			18552
EMDH	Kelvin Grove Primary School	2,636,845	85,959	0	3%	0									
EMDK	Kender Primary School	1,479,589	85,315	0	6%	0									
EMDM	Kilmorie Primary School	2,171,218	166,248	0	8%	0									
EMDP	Launcelot Primary School	2,321,184	124,350	0	5%	0									
EMGV	Lee Manor Primary School	2,085,025	71,200	0	3%	0									
EMDV	Lucas Vale Primary School	2,030,716	172,231	9,773	8%	13,650		13650							
EMHC	Marvels Lane Primary School	2,090,358	59,510	0	3%	0									
EMEE	Myatt Garden Primary School	2,337,096	243,967	56,999	10%	95,050		23250			30000			30000	11800
EMJV	Our Lady and St Philip Neri RC Prima	1,609,267	108,030	0	7%	0									
EMEH	Perrymount Primary School	1,755,612	150,188	9,739	9%	10,000	10000								
EMEK	Rangefield Primary School	2,315,709	398,741	213,484	17%	214,355		159755				6500			48100
EMEM	Rathfern Primary School	2,101,232	160,691	0	8%	0									
EMEP	Rushey Green Primary School	3,025,266	195,387	0	6%	0									
EMHK	Sandhurst Infant School	1,768,899	113,293	0	6%	0									
EMHH	Sandhurst Junior School	1,572,634	60,710	0	4%	0									
EMER	Sir Francis Drake Primary School	1,660,654	242,039	109,187	15%	119,035						119035			
EMKC	St Augustine's RC Primary School and	1,214,881	11,704	0	1%	0									
EMKE	St Bartholomew's CE Primary School	1,494,876	69,814	0	5%	0									
EMKH	St James Hatcham CE Primary School	1,163,985	33,121	0	3%	0									
EMKK	St John Baptist CE Primary School	1,196,871	65,363	0	5%	0									

Balance Control Mechanism - School Carry Forwards as at 31 March 2012

Cost centre	Summary Of 2011/12 School Balances	Funding 2011/12	Budget Balances 2011/12	Excess Balances	Balance Percentage	Total requested to be carry forward	Federation and partnership funding	Capital expenditure	Savings made to make enhancements to new builds from the Building Schools for the Future programmes and Private Finance Initiatives.	To cover funding shortfalls for future temporary drops in pupil numbers or planned expansion of school.	Single status.	Holding the funds for joint schools collaboration project which run over more than one year.	Accruals that should have taken place but it was not possible to action them in time for closing the accounts.	Any administrative error in the accounts.	Other
EMKM	St Joseph's RC Primary School	1,317,549	-25,295	0	-2%	0									
EMJR	St Margaret's Lee CE Primary School	1,335,795	90,769	0	7%	0									
EMKP	St Mary Magdalen's RC Primary School	1,158,690	87,900	0	8%	0									
EMKR	St Mary's CE Primary School	1,583,511	111,860	0	7%	0									
EMKV	St Michael's CE Primary School	1,462,181	83,319	0	6%	0									
EMLA	St Saviour's RC Primary School	1,221,118	29,372	0	2%	0									
EMLC	St Stephen's CE Primary School	1,302,168	99,269	0	8%	0									
EMLE	St William of York RC Primary School	1,186,175	99,326	4,432	8%	11,000							11000		
EMLH	St Winifred's RC Junior School	936,404	48,271	0	5%	0									
EMLK	St Winifred's RC Nursery and Infant School	944,409	32,652	0	3%	0									
EMHP	Stillness Infant School	1,643,411	190,488	59,015	12%	108,423		88423			20000				
EMHM	Stillness Junior School	1,504,916	29,142	0	2%	0									
EMHV	Torrison Infant School	1,739,791	145,081	5,898	8%	29,370		27370							2000
EMHR	Torrison Junior School	1,757,441	115,964	0	7%	0									
EMJC	Turnham Primary School	2,575,539	20,474	0	1%	0									
		120,932,040	9,757,621	2,381,387	8%	3,032,524	1,062,483	978,921	0	50,000	150,000	307,351	211,525	30,000	242,244
EMSA	Prendergast Vale College	1,927,497	444,955	290,756	23%	291,000				291000					
				-		0									
				-		0									
EMQA	Addey and Stanhope School	4,772,431	346,952	108,330	7%	160,000			160000						
EMQH	Bonus Pastor Catholic College	4,819,499	93,646	-	2%	0									
EMMA	Conisborough College	7,061,014	848,164	495,113	12%	500,000		17000	410000		19000		54000		
EMNA	Deptford Green School	7,606,825	91,988	-	1%	0									
EMNH	Forest Hill School	8,951,707	102,965	-	1%	0									
EMRP	Prendergast Hilly Fields College	5,389,304	475,830	206,364	9%	206,000		206000							
EMMP	Prendergast Ladywell Fields College	6,147,596	312,639	5,259	5%	6,000							6000		
EMPH	Sedgehill School	10,758,671	319,408	-	3%	0									
EMPP	Sydenham School	9,161,766	139,387	-	2%	0									
EMRH	Trinity Lewisham School	3,462,586	-398,225	-	-12%	0									
		68,131,399	2,332,753	815,066	3%	872,000	0	223,000	570,000	0	19,000	0	60,000	0	0
EMTC	Crossways Sixth Form	3,385,860	-284,662	-	-8%	0									
				-		0									
				-		0									
				-		0									
EMVA	Brent Knoll School	2,840,250	144,917	-	5%	0									
EMVC	Greenvale School	2,782,397	128,643	-	5%	0									
EMVE	Meadowgate School	2,126,922	310,550	140,396	15%	103,000		88000							15000
EMVK	New Woodlands School	2,123,138	156,862	-	7%	0									
EMVH	Pendragon Secondary School	2,475,311	-5,322	-	0%	0									
EMVP	Watergate School	2,746,274	146,363	-	5%	0									
		15,094,293	882,013	140,396	6%	103,000	0	88,000	0	0	0	0	0	0	15,000
EMAA	Chelwood Nursery School	878,813	36,782	-	4%	0									
EMAC	Clyde Nursery School	996,664	239,027	159,294	24%	110,400		26400			8000				76000
		1,875,477	275,809	159,294	15%	110,400	0	26,400	0	0	8,000	0	0	0	76,000
				-		0									
TOTAL		211,346,567	13,408,489	3,786,898	6%	4,408,924	1,062,483	1,316,321	570,000	341,000	177,000	307,351	271,525	30,000	333,244

Schools Funding Formula

1. Purpose of report

This report considers the work of the sub-group that the Schools Forum set up to consider the new funding formula proposed by the DFE. It is not intended that this report will repeat those discussions but will highlight the main areas of concern and summarises the conclusions the sub-group reached. The Forum are asked to endorse these as being suitable for the basis of consultation with schools.

2. Recommendations

1. To note the proposals made by the sub-group.
2. To agree that schools should be consulted
3. To endorse the sub group conclusions as described in the consultation document(booklet) on
 - A) The new formula as described in Section 1a
 - B) Conversion of our current formula factors into the new factors in section 1b
 - C) The SEN Matrix funding proposals in section 2
 - D) The delegation and de-delegation of central budgets and the setting up a mutual fund / growth fund as described in section 3
4. The changes to the Early Years Single Funding Formula in section 4
5. Support the proposal to set up a group to look at banding frameworks for SEN children and ask officers to bring terms of reference for this group to the next meeting.

3. Background

3.1 In the spring of 2011 the Department for Education consulted stakeholders on reforming the schools funding system. Their aim is to create a funding system that is fair, logical and distributes funding towards pupils who need it most. They felt the current funding system makes the objective to raise the aspirations and attainment of

all pupils difficult to achieve. They wished to see good schools expand more easily so that more pupils can benefit, funding to follow pupils, for pupils with additional needs to attract additional funding and for schools to understand how their budgets have been calculated by making the formula as simple and transparent as possible.

3.2 This was then followed by a second and finally a third consultation in March 2012. This consultation ran until 21 May 2012. The DFE asked Local Authorities to undertake a review of their funding formulas in June accepting the response to the consultation may not be available when starting this work but that many parameters for reform had been set.

3.3 The Schools Forum at its meeting on the 17 May 2012 set up a small working group to consider the proposals and how a new simplified formula could be introduced in Lewisham. A consultation with schools in September would lead to a final formula proposal for the September meeting of the Forum. This would meet the deadline set by the DFE to return to the Education Funding Agency a description of the new funding formula by the end of October.

4 Overall Principles

The sub group established some overriding principles in order to design the formula

- Unless prevented by the regulations the funding quantum in Primary and Secondary schools should stay the same.
- That wherever possible any turbulence in schools funding should be minimised.

The sub-group approached the task by looking at the Formula factors that are currently used and will no longer be allowed under the new regulations. Appendix 1 shows these factors, a description of how they operate now and a proposal from the sub-group of how they will be handled in the future.

The final Lewisham formula proposals are show in the Appendix 3, which is a draft of the schools consultation document. This also shows details of the central budgets that now need to be delegated to schools and whether the sub-group feel they should be de-delegated and held centrally. The financial modelling of the proposals will be tabled at the meeting.

5. Main areas of debate

One of the overriding concerns of the sub-group was that the DFE had set the new requirements in a way that allowed little scope for local discretion to the formula, the

only scope was to change the funding rates that attached to the formula factors. The other concern relates to the times scales involved in undertaking the work.

6. Mainstream funding formula

6.1 Deprivation Funding – The balance between free meals and the IDACI.

DFE proposals provide that deprivation funding can be based on two indicators:

- a. free school meals (FSM) data (which could be either straight FSM or Ever 6 as used for the Pupil Premium);
- b. IDACI (Income Deprivation Affecting Children Index) data; or
- c. both

If the IDACI indicator is used then it must be allocated on a banding system

Band 1	IDACI score lower limit	IDACI score upper limit
1	0.20	0.24
2	0.25	0.30
3	0.30	0.40
4	0.40	0.50
5	0.50	0.60
6	0.60	1.00

The sub-group discussion was mainly around the balance of the funding between the two allowed indicators of Free Meals (ever 6) and the IDACI. Modelling has been undertaken in line with the initial principle that any changes should create as little variation as possible from the current funding. The rates of funding quoted in the attached consultation document seem to find this “best fit”. However that it is not to say they are right.

The funding allocated through the deprivation factor is £15m currently and does warrant close scrutiny. The data sources and funding calculations are given in Appendix 1.

The Income Deprivation Affecting Children Index (IDACI) is an area based (post code area) measure that covers children aged 0-15 living in income deprived households. This is defined as either families receiving Income Support or income-based Jobseeker's Allowance or Pension Credit (Guarantee) or those not in receipt of these benefits but in receipt of Child Tax Credit with an income (excluding housing benefits) below 60% of the national median before housing costs. The Income Deprivation Affecting Children Index is expressed as the proportion of all children aged 0-15 living in income deprived families. Appendix 2 shows two charts, Chart 1 maps Key Stage 2 attainment by IDACI score. It shows that as the IDACI score rises (which denotes higher levels of deprivation) the proportion of pupils achieving Level 4 at both English and maths falls. From the data underpinning this analysis, 68.8% of pupils with an IDACI score greater than 0.18 achieve the national average, which is 12.1% lower than pupils with an IDACI score of less than 0.18, where 80.9% of pupils achieve the national standard.

Chart 2 shows that it is only pupils with an IDACI score of around 0.15 where the percentage of pupils achieving 5+A*-C at GCSE, including English and maths is at or above the national average of 59%. From the data underpinning this analysis 50% of pupils with an IDACI score greater than 0.15 achieve the national average of 5 A*-C at GCSE, which is 19.5% lower than pupils with an IDACI score of less than 0.15, where 69.5% of pupils achieve the national standard.

6.2 Nursery Abatement

The level of funding required in primary schools is currently subject to a nursery abatement. This abatement will no longer be possible and consideration will need to be given to the implications of this. The original abatement ensured that the Early Years Single Funding Formula had a consistent funding methodology across all the providers: nursery schools, nursery classes and the private, voluntary and independent sectors. To ensure consistency all settings had funding built into them for management costs. This caused a problem with Nursery classes in primary schools as the mainstream funding formula also had management costs for the nursery built into it, hence there was an element of double funding. To overcome this an abatement was made to the mainstream funding formula.

If the funding for these costs were transferred from the Early Years formula it would remove the double funding that would otherwise occur, but would introduce

inconsistencies in the Early Years formula as PVI and nursery school rates would be unaffected.

If the Early Years formula rates are left unchanged and the adjustment is made to the Primary formula, this will see the movement of funding from schools with nurseries from those without and some double funding will remain.

6.3 Post 16 funded through the DSG

6.31 Post 16 abatement

The purpose of this adjustment is to make sure that no double funding occurs between ISB allocations and 6th form grant from the EFA. The current allocation method removes a proportion of funding, equal to the proportion of 6th form pupils in the school, from allocations whose data cannot be adjusted to exclude 6th form costs. For example, the business rates bill covers the whole school it is then abated by the percentage of the pupils in the sixth form, as this funding is provided for by the Education Funding Agency (formerly YPLA) in the per student funding rates.

6.32 Former standards funds given to Post 16 students

These funds were formerly distributed via School Standards Grant, School Development Grant, School Lunch Grant, Ethnic Minority Achievement Grant and part related to post 16 students. The method of allocation is through Pupil Numbers and FSM Eligible Pupil Numbers

6.33 The proposed method of allocation

The removal of the abatement will mean that extra funding has to be found for Post 16 schools. There are two possibilities; this can either be offset against 6th form funding these schools already receive or it can be taken from non 6th form secondary schools. It is proposed in the consultation to do the former, as this creates the least turbulence.

6.4 MFG and capping gainers

6.4.1 The DfE accept that the new funding system will cause considerable turbulence in the funding system and have agreed that in order to make any formula changes affordable schools gains at a per pupil level can be capped or scaled back. The DfE feel this would avoid the situation where gaining schools inevitably take time to incur extra expenditure, and balances rise as a result. At present, transitional

arrangements can be applied to changes in specific factors, but there is no general equivalent to the MFG to limit gains. DFE believe that setting a prescribed maximum gain should be a local decision, taking into account the affordability of protection.

The problem we have is that under the current MFG calculations there are so many schools losing that the protection becomes very expensive. Currently, the protection needed is £2.4m and the only way to fund this is by reducing the basic entitlement, which would subsequently require more protection.

It would seem some form of capping is needed in order to fund the protection for schools with falling budgets. A similar scenario existed when we merged the former standards funds into the Dedicated Schools Grant. The way the calculation worked then was that no school was permitted to gain more than 4% and it was this figure that was built into the funding models.

In this instance it is proposed that a cap be applied to schools whose increases exceed both (a) a set percentage increase of the schools 2012/13 budget and (b) a set percentage increase per pupil. This recognises the differences between small and large schools and takes into account budget increase caused by expansion.

The percentages will be set at a level that provides sufficient resources to fill the funding gap caused by the MFG protection.

6.4.2 Exclusion from the Minimum Funding Guarantee (MFG)

There will be an opportunity to request exclusions from the MFG although they will only be approved for exceptional cases and on a much more limited scale than in previous years.

The guidance explains exclusions will only be considered if there is a significant change in a school's circumstances or pupil numbers. For example, if there has been additional funding in a school's 2012-13 formula budget for pupil number growth in the following academic year. In this case, the pupil numbers to which the funding relates are not included in the count on which the MFG is based.

The EFA will only consider applications where the inclusion of a factor in the MFG will lead to significant and inappropriate levels of protection. The DFE have not as yet defined inappropriate.

The examples that we are consulting on are as follows

- 1) Curriculum Protection
- 2) Expanding schools
- 3) Transitional Protection

7. Special Education Needs – High Needs Block

7.1 SEN Matrix

This proposal has caused more concern than most and as we discussed at the last meeting, the DFE wish to see schools contribute the first £10k to the needs of a pupil with high needs. Such pupils may or may not have a statement of special needs.

The DfE have confirmed that the consultation documents refer to the total cost of the support for the pupil, including basic provision. If a pupil needs additional support of £12,000, the total cost of the pupil will be that plus AWPU say £16,000, assuming the AWPU is £4K. DFE say that the school has to make the basic provision it makes for all pupils and then contribute £6,000 to the additional cost. The discussions in the sub-group treated the £6,000 in the same way; as if it is part of the core provision support of the school. Thus rather than add just the £4000 to the statement (or our matrix level) in order to reach the total cost, we would add the full £10,000.

The sub group looked at the two examples below and felt example 1 offered the least funding turbulence for schools. In example 2 it was felt that parents would not understand that part of the matrix or financial support for the statement had been delegated to schools and the funding provided by the school was £20k rather than the £10k quoted in the DFE documents

7.2 Example 1

Current Method	Revised Method												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">AWPU</td> <td style="text-align: right; padding: 5px;">£4,000</td> </tr> <tr> <td style="padding: 5px;">AEN + Collab.</td> <td style="text-align: right; padding: 5px;">£6,000</td> </tr> <tr> <td style="padding: 5px;">School Contribution</td> <td style="text-align: right; padding: 5px;">£10,000</td> </tr> </table>	AWPU	£4,000	AEN + Collab.	£6,000	School Contribution	£10,000	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Basic Entitlement</td> <td style="text-align: right; padding: 5px;">£4,000</td> </tr> <tr> <td style="padding: 5px;">Deprivation & Lo Need SEN</td> <td style="text-align: right; padding: 5px;">£6,000</td> </tr> <tr> <td style="padding: 5px;">School Contribution</td> <td style="text-align: right; padding: 5px;">£10,000</td> </tr> </table>	Basic Entitlement	£4,000	Deprivation & Lo Need SEN	£6,000	School Contribution	£10,000
AWPU	£4,000												
AEN + Collab.	£6,000												
School Contribution	£10,000												
Basic Entitlement	£4,000												
Deprivation & Lo Need SEN	£6,000												
School Contribution	£10,000												

Matrix	15,700
Total Funding	£25,700

Matrix	15,700
Total Funding	£25,700

7.3 Example 2

Current Method	Revised Method
AWPU £4,000	Basic Entitlement £4,000
AEN + Collab. £6,000	Deprivation & Lo Need SEN £6,000
School Contribution £10,000	School Contribution £20,000
Matrix 15,700	Matrix 5,700
Total Funding £25,700	Total Funding £25,700

The difference between the funding of the current matrix level and the new matrix level would come from the extra delegation of the first £10,000 of all statements, but when allocated on the basis of indicators like FSM and prior attainment, the school would not necessarily receive exactly £10,000

7.4. Special Schools and Resource Bases in mainstream settings

The funding reforms for special schools and resources bases are probably the most radical as this provision will no longer be funded under a formula. The sub-group asked that we hold separate meetings with the Headteachers of these two groups to

discuss the proposals and gain their views. A meeting was held on the 25 June 2012 with the representatives of Resource Bases and on the 27 June 2012 with Headteachers of Special Schools

The current proposals by the DFE are very tightly defined and there is little scope for local discretion. Longer term the DFE feel there will be a need for banded funding frameworks with local tariffs to ensure the effective operation of the place-plus funding approach. The DFE are encouraging authorities to work with maintained and state-funded providers, as well as with other authorities that commission provision from the same settings, to develop effective, transparent banded funding frameworks with local tariffs. We already have some form of local banding frameworks in relation to high-level SEN provision in schools but not to the extent the DFE now suggest, but we would need to develop local banding frameworks in areas such as Alternative Provision and Learning Difficulty and Disability (LDD) settings.

The groups felt that it was important that this work should commence but urged caution and would wish to see the outcomes before any decision was made on implementation. It would seem appropriate that the Schools Forum set up a High Needs sub group. It would also seem appropriate that this group looks at the technical matters as to how the pupil led element of the proposals will be funded. Whether this will be on a monthly basis, half termly or termly basis and how the administration of the payments are best handled to avoid unnecessary back office costs.

Discussions with other local authorities will also take place to consider the local tariffs.

8. De-delegation and Mutual Funds

One of the proposals of the DFE is to delegate as much funding as possible to schools. The DFE defined the current central budgets that now have to be delegated to schools but some of these could be de-delegated and handed back to local authority to manage if the schools forum and schools wished. The sub-group discussed the budgets that operate in a similar format as an insurance fund for schools. They are currently held centrally but during the financial year they are given to schools. These funds include the contingency, bulge classes, schools in financial difficulty and maternity. The sub-group in discussing these felt that these were best handled by the Schools Forum operating a mutual fund on behalf of schools.

If the Forum agree to this, the terms of the mutual fund will be brought to the Forum meeting in November. It will comprise three funds: contingency, maternity and a growth fund to cover expansion in planned places in all schools.

The full proposals for delegating and de-delegating budgets can be seen in the consultation document (Appendix 3 section 3).

9 Early Years Single Funding Formula

The consultation document asks Local Authorities to review their EYSFF to consider whether they can be simplified. The Lewisham formula is relatively straight forward in that it comprises a funding per hour element, a derivation factor and a quality factor, although some difficulties around the quality factor have emerged from its operation.

Some settings have found that their OfSTED judgements have changed from good or outstanding to satisfactory. Consequently the funding is reduced at the start of the following financial year. The impact of this has been to create a cliff edge effect for the funding. In the case of PVI's, this is more difficult for settings to manage if the OfSTED judgement is late in the financial year as there is a sudden and potentially significant drop in funding. If the judgement is made in the Summer Term then the setting would have two terms in which to manage the situation.

To avoid this disparity it is proposed to allow the provider to have the higher funding level to the end of the next full term following the OfSTED judgement, then it would reduce to the lower level.

For example

- | | | |
|-------------|---|--|
| Spring Term | - | OfSTED Judgement – setting is judged Satisfactory rather than Good |
| Summer Term | - | Funding still based on good judgement and setting in receipt of quality factor |
| Autumn term | - | Funding changes to remove the quality factor funding |

There would also be the possibility if sufficient capacity exists within the School Improvement Team for a setting to buy in an assessment of whether they have improved their satisfactory rating .

10. Other items

10.1 Pupil Led Funding

The DFE are not, at this stage, going to prescribe that there should be a minimum percentage to be allocated through age-weighted funding or a minimum percentage to be allocated through all pupil-led factors. They believe the new delegation

requirements will lead to significant increases in funding at school level and the impact of this should be understood first before making this change.

10.2 Primary/secondary ratio

The DFE are not, at this stage, prescribing constraints on the primary/secondary ratio, but state that authorities should be aware of where they are within the range in case the ratio is limited from 2014-15. We cannot say at this stage what constraints might be set in future as we will first need to review the 2013-14 data.

Under our formula proposals the ratio is 1:1.36. In the original consultation the DFE quoted that they would like to see the ratio at 1:1.27. This equates to a movement of £3.25m between sectors. The DFE proposal was based upon the average position across the country at the time of preparing the consultation on funding reforms.

10.3 Free early education for two year olds

The funding of early education for two year olds will transfer to the DSG from 2013-14. The DFE will issue a separate consultation on how this funding could be allocated to local authorities.

11 Consultation

The timescales imposed by the DFE are extremely tight and will mean that the consultation will need to be undertaken in way that we would want to promote. Legally the Forum does not need to consult schools but it would be best practice to do so.

However, it will probably not feel like a consultation as schools will not have genuine choice about the formula and the factors used. The discretion is about attaching appropriate funding rates to the given factors.

It is important that schools are fully aware of these proposals, as not only will they create radically different budgets for some schools but they will be implemented next April and so the consequences will need to be addressed and planned for without delay.

The timetable would be to

- Send out the consultation papers on 13 July 2012
- Hold four consultations meetings during the period 10th to 18th September 2012. (Schools will be encouraged to complete the questionnaires at the meetings.)
- Feedback will be tabled at the Schools Forum meeting on the 20th September 2012.

- Submit funding formula for EFA proposal 31 October 2012.

The draft consultation documents are in Appendix 3.

12. Next steps

At the meeting on the 20th September the Schools Forum will need to agree the funding formula, this will allow the required return to be sent to the Education Funding Agency. Funding rates will be provisional until the pupil numbers from the October census are confirmed. The actual rates will then need to be finally confirmed to the EFA by mid-January 2013.

The Local Authority will also need to agree the Special Schools and Resource Base planned numbers. While these are not funded from the schools block, as the DSG in total still funds all the SEN provision and there are expected to be cross subsidises, final school funding rates cannot be set without knowing the High Needs requirements.

There is other work that, at this point in time, has not been undertaken but will need to be completed during the Autumn Term. These cover

1. The terms of reference for any mutual fund
2. Any new service level agreements for schools
3. Funding for the pupil referral unit
4. Funding for outreach

13. Conclusion

This consultation will fundamentally change the way all schools are funded across the country. The principle adopted by DFE is one of simplicity and transparency which overrides everything else and there is a concern that the needs of pupils will not be met. This is radically different and the timescales are such that full analysis of the impact on schools and standards has not been undertaken yet.

While the changes we will see implemented next April will change schools funding, we need to consider what could prove even more radical when the DFE start to implement a nationally run funding system, where the intention is to ensure that similar pupils, no matter where they go to school in the country, attract similar levels of funding. This first step in April is to pave the way for this broader reform.

Original Funding Level	Revised Funding FSM Ever 6	Revised Funding IDACI	Movement	Revised Funding FSM Ever 6	Revised Funding IDACI	Movement	Absolute Movement		Percentage Of The School Roll That Falls Within The IDACI Score Band Indicated							
	75%	25%		50%	50%		75:25	50:50	0-20	20-25	25-30	30-40	40-50	50-100		
							For example, 22% of Adamsrill's pupils live in postcodes where 30-40% of households with children have an income of less than 60% of the national median.									
PRIMARIES																
Adamsrill Primary School	229,442	177,087	55,062	2,707	118,058	110,124	- 1,260	2,707	1,260	1%	15%	12%	22%	45%	5%	100%
All Saints' Church of England Primary School	9,178	5,897	10,325	7,044	3,931	20,650	15,403	7,044	15,403	54%	5%	12%	18%	9%	3%	100%
Ashmead Primary School	59,655	52,450	25,836	18,631	34,967	51,672	26,984	18,631	26,984	2%	20%	15%	50%	8%	5%	100%
Athelney Primary School	236,899	195,083	51,132	9,316	130,055	102,263	- 4,580	9,316	4,580	3%	3%	4%	21%	18%	51%	100%
Baring Primary School	97,513	75,038	21,051	- 1,424	50,025	42,102	- 5,386	1,424	5,386	18%	9%	5%	34%	31%	3%	100%
Brindishe Lee Primary School	36,711	31,812	12,905	8,006	21,208	25,810	10,307	8,006	10,307	45%	17%	5%	27%	4%	0%	100%
Brockley Primary School	141,680	105,529	23,721	- 12,431	70,352	47,442	- 23,886	12,431	23,886	13%	14%	25%	31%	15%	2%	100%
Chilideric Primary School	231,736	166,767	46,492	- 18,477	111,178	92,984	- 27,574	18,477	27,574	0%	1%	5%	35%	44%	15%	100%
Christ Church Church of England Primary School	138,812	93,808	24,610	- 20,395	62,538	49,220	- 27,054	20,395	27,054	2%	2%	7%	36%	51%	3%	100%
Cooper's Lane Primary School	130,782	93,179	36,591	- 1,011	62,120	73,182	4,520	1,011	4,520	32%	2%	3%	16%	42%	5%	100%
Dalmain Primary School	149,711	105,931	30,428	- 13,351	70,621	60,857	- 18,233	13,351	18,233	24%	6%	12%	31%	23%	4%	100%
Deptford Park Primary School	391,199	262,227	71,873	- 57,099	174,818	143,745	- 72,635	57,099	72,635	1%	0%	3%	3%	42%	52%	100%
Downderry Primary School	192,158	167,074	49,061	23,976	111,382	98,121	17,346	23,976	17,346	3%	2%	4%	44%	27%	20%	100%
Edmund Waller Primary School	141,107	94,412	40,121	- 6,574	62,941	80,241	2,076	6,574	2,076	18%	1%	28%	30%	18%	5%	100%
Elfrida Primary School	239,193	186,705	50,072	- 2,416	124,470	100,145	- 14,579	2,416	14,579	3%	1%	4%	15%	34%	44%	100%
Eliot Bank Primary School	168,066	112,005	46,954	- 9,107	74,670	93,907	511	9,107	511	10%	4%	18%	34%	30%	3%	100%
Fairlawn Primary School	84,894	58,806	17,819	- 8,268	39,204	35,639	- 10,051	8,268	10,051	62%	5%	6%	24%	2%	0%	100%
Forster Park Primary School	258,122	212,548	53,294	7,720	141,698	106,588	- 9,836	7,720	9,836	2%	6%	8%	16%	26%	42%	100%
Good Shepherd RC School	91,777	68,884	27,740	4,847	45,922	55,480	9,626	4,847	9,626	3%	1%	2%	13%	60%	21%	100%
Gordonbrock Primary School	157,168	125,249	38,324	6,405	83,499	76,648	- 2,980	6,405	2,980	19%	33%	19%	10%	16%	3%	100%
Grinling Gibbons Primary School	150,284	117,370	32,138	- 776	78,247	64,277	- 7,761	776	7,761	0%	0%	0%	7%	33%	59%	100%
Haseltine Primary School	176,670	167,299	37,067	27,696	111,533	74,134	8,996	27,696	8,996	4%	2%	8%	23%	44%	18%	100%
Brindishe Green Primary School	63,858	221,916	59,265	17,323	147,944	118,530	2,615	17,323	2,615	3%	14%	14%	44%	6%	18%	100%
Holbeach Primary School	188,142	146,298	44,780	2,936	97,532	89,560	- 1,050	2,936	1,050	3%	26%	14%	39%	10%	8%	100%
Holy Cross Roman Catholic Primary School	44,741	30,966	18,492	4,717	20,644	36,985	12,888	4,717	12,888	12%	15%	30%	30%	7%	6%	100%
Holy Trinity Church of England Primary School	89,482	71,276	21,919	3,713	47,517	43,838	1,873	3,713	1,873	4%	4%	9%	30%	50%	3%	100%
Horniman Primary School	40,152	37,273	12,435	9,556	24,849	24,870	9,567	9,556	9,567	49%	9%	13%	24%	4%	1%	100%
John Ball Primary School	99,807	74,780	34,889	9,863	49,854	69,779	19,825	9,863	19,825	34%	4%	12%	33%	12%	5%	100%
John Stainer Primary School	84,894	59,724	27,182	2,013	39,816	54,363	9,286	2,013	9,286	5%	6%	18%	51%	18%	3%	100%
Kelvin Grove Primary School	255,254	203,856	54,732	3,333	135,904	109,464	- 9,887	3,333	9,887	5%	4%	7%	31%	51%	3%	100%
Kender Primary School	120,457	114,076	33,207	26,825	76,050	66,414	22,007	26,825	22,007	3%	1%	3%	17%	30%	46%	100%
Kilmorie Primary School	98,660	84,665	34,128	20,132	56,443	68,255	26,038	20,132	26,038	12%	22%	23%	31%	9%	4%	100%
Launcelot Primary School	223,706	176,201	47,867	362	117,467	95,734	- 10,505	362	10,505	6%	1%	3%	10%	55%	26%	100%
Lee Manor Primary School	135,944	89,280	34,171	- 12,493	59,520	68,342	- 8,082	12,493	8,082	20%	23%	4%	37%	10%	6%	100%
Lucas Vale Primary School	192,731	136,535	36,156	- 20,040	91,023	72,312	- 29,396	20,040	29,396	2%	6%	15%	34%	32%	11%	100%
Marvels Lane Primary School	182,980	140,248	43,206	474	93,499	86,411	- 3,070	474	3,070	4%	3%	2%	15%	74%	2%	100%
Myatt Garden Primary School	123,899	96,426	47,628	20,155	64,284	95,256	35,642	20,155	35,642	1%	8%	19%	63%	7%	3%	100%
Our Lady and St Philip Neri Roman Catholic Primary School	65,965	50,654	31,189	15,878	33,769	62,379	30,183	15,878	30,183	6%	14%	14%	31%	33%	3%	100%
Perrymount Primary School	96,366	62,004	21,517	- 12,844	41,336	43,034	- 11,995	12,844	11,995	4%	9%	5%	48%	32%	2%	100%
Rangefield Primary School	235,178	176,152	47,880	- 11,145	117,435	95,761	- 21,983	11,145	21,983	4%	0%	7%	23%	43%	23%	100%
Rathfern Primary School	148,564	136,084	41,499	29,019	90,722	82,998	25,157	29,019	25,157	7%	11%	17%	43%	17%	5%	100%
Rushey Green Primary School	202,483	148,296	50,460	- 3,727	98,864	100,919	- 2,699	3,727	2,699	2%	6%	40%	35%	11%	6%	100%
Sandhurst Infant School	75,716	54,851	25,760	4,895	36,567	51,520	12,371	4,895	12,371	2%	10%	48%	34%	3%	3%	100%
Sandhurst Junior School	94,645	77,753	30,891	13,999	51,835	61,781	18,972	13,999	18,972	1%	9%	46%	34%	6%	4%	100%
Sir Francis Drake Primary School	144,548	80,564	24,220	- 39,764	53,710	48,441	- 42,398	39,764	42,398	0%	0%	13%	7%	40%	41%	100%
St Augustine's Roman Catholic Primary School and Nursery	57,934	45,917	24,092	12,075	30,611	48,183	20,861	12,075	20,861	2%	2%	5%	27%	36%	29%	100%
St Bartholomews's Church of England Primary School	94,645	75,956	32,483	13,795	50,638	64,967	20,960	13,795	20,960	4%	10%	13%	46%	25%	2%	100%
St James's Hatcham Church of England Primary School	87,762	49,953	21,554	- 16,254	33,302	43,109	- 11,351	16,254	11,351	2%	2%	4%	41%	38%	13%	100%
St John Baptist Southend Church of England Primary	62,523	37,233	24,307	- 983	24,822	48,614	10,913	983	10,913	2%	2%	4%	57%	22%	13%	100%
St Joseph's Catholic Primary School	112,576	77,012	33,371	- 2,194	51,341	66,741	5,506	2,194	5,506	0%	1%	2%	14%	42%	41%	100%
St Margaret's Lee CofE Primary School	55,066	39,843	16,073	850	26,562	32,147	3,643	850	3,643	31%	3%	5%	55%	5%	1%	100%
St Mary Magdalen's Catholic Primary School	70,553	43,597	18,637	- 8,319	29,065	37,275	- 4,214	8,319	4,214	10%	17%	21%	26%	21%	5%	100%
St Mary's Church of England Primary School	118,062	70,994	23,918	- 23,149	47,839	47,837	- 22,896	23,149	22,896	3%	6%	13%	36%	13%	29%	100%
St Michael's Church of England Primary School	73,684	60,872	23,645	10,838	40,584	47,291	14,191	10,838	14,191	1%	20%	10%	31%	33%	5%	100%
St Saviour's Catholic Primary School	62,523	46,723	22,467	6,666	31,148	44,934	13,559	6,666	13,559	1%	5%	15%	34%	19%	26%	100%
St Stephen's Church of England Primary School	59,081	47,504	24,928	13,351	31,669	49,856	22,444	13,351	22,444	2%	12%	22%	25%	25%	13%	100%
St William of York Roman Catholic Primary School	47,036	43,167	17,997	14,123	28,775	35,993	17,732	14,123	17,732	26%	14%	19%	22%	17%	2%	100%
St Winifred's Catholic Infant and Nursery School	12,046	5,679	9,073	2,706	3,786	11,146	9,886	2,706	9,886	34%	22%	2%	25%	14%	2%	100%
St Winifred's Catholic Junior School	17,208	14,661	11,782	9,235	9,774	23,563	16,129	9,235	16,129	33%	23%	9%	18%	15%	3%	100%
Stillness Infant School	45,888	23,772	12,328	- 9,788	15,848	24,656	- 5,384	9,788	5,384	50%	9%	26%	9%	4%	1%	100%
Stillness Junior School	71,127	56,695	19,287	4,856	37,797	38,575	5,244	4,856	5,244	42%	11%	23%	15%	7%	2%	100%
Tidemill Primary School	247,797	173,083	48,510	- 26,204	115,389	97,021	- 35,388	26,204	35,388	2%	1%	6%	9%	54%	28%	100%
Torrison Infant School	82,599	50,750	28,642	- 3,206	32,834	57,285	8,519	3,206	8,519	5%	21%	21%	18%	18%	22%	100%
Torrison Junior School	103,822	98,279	32,590	27,046	65,519	65,181	26,877	27,046	26,877	9%	26%	15%	17%	18%	16%	100%
Turnham Primary School	277,625	206,313	53,506	- 17,806	137,542	107,012	- 33,071	17,806	33,071	5%	8%	11%	23%	50%	3%	100%
Haberdashers' Aske's Knights' Academy - Merlin	148,564	121,946	37,858	11,241	81,297	75,717	8,450	11,241	8,450	2%	0%	0%	7%	76%	15%	100%

Income Deprivation Affecting Children Index (IDACI) National Data

Chart 1 - KS2 attainment by IDACI score

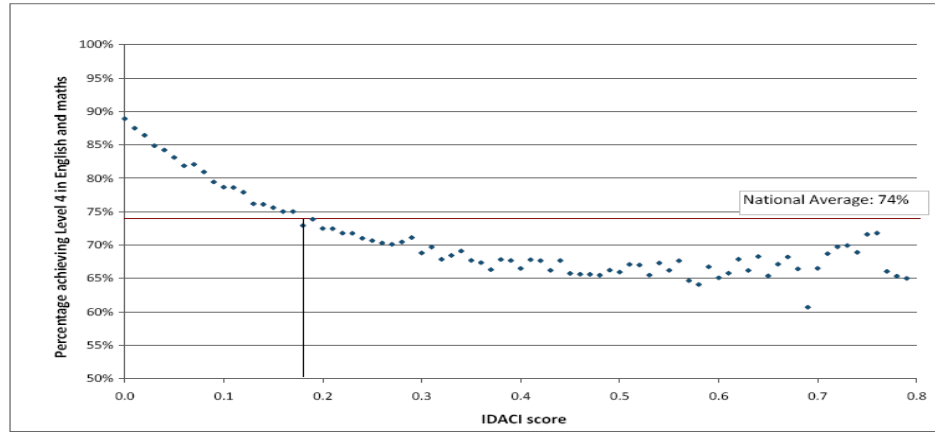
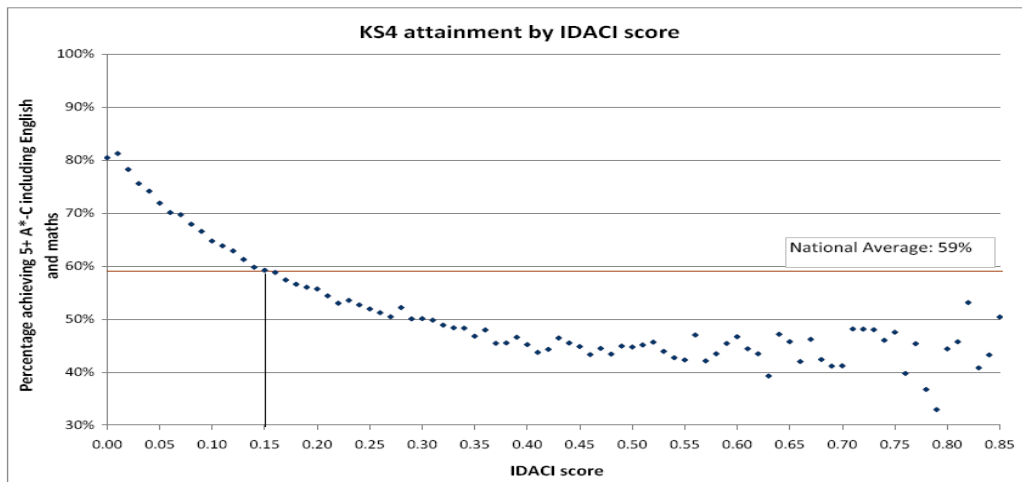


Chart 2: KS4 attainment by IDACI score



School Funding Reform Consultation

2013/14

London Borough of Lewisham

Schools Forum

Index

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Forward

The Government desire is to see funding reach pupils and schools that need it most. It believes that good, popular schools should find it easier to expand in response to demand from parents and that school leaders should have greater certainty over their budgets so they can plan ahead. In doing this they wish to see a funding system that is simple, transparent and fair. Of course there is a fine balance between simplicity and fairness. As you make funding systems simpler there is a compromise with what is fair.

The proposals in this document reflect the tight regulations that schools funding will operate under in the future. Local discretion is largely limited to setting the funding rates attached to each formula factor. In coming up with these proposals the Schools Forum had two overriding principles that, wherever possible, they wished to adhere to

- To keep the total primary funding level and total secondary funding levels unchanged, by preventing transfers between phases where possible
- To minimise turbulence in individual school funding levels.

Accepting there is no formula based funding system that is completely fair we believe that if the current system was replicated as far as possible it would ensure that the new simpler system was as fair as possible. While it has not always been possible to keep to these principles due to the tight regulations being imposed it is hoped the proposals in this document represent a reasonable compromise, but we do wish to hear your views on the matter and any alternatives you may have.

These reforms are planned to go ahead in April 2013. The timetable for the consultation is not ideal but I hope this document will improve your awareness of the changes ahead and help your planning for next year. Looking further ahead the Government wish to have a national funding formula in place by April 2015, with similar pupils being funded on similar funding rates across the country. What this means and the impact for London with its high cost base is an unknown. When we hear further proposals will keep you informed.

The consultation closes on the 18th September

Introduction - Reform of the Schools Funding Formula

The DFE wish to make the school funding system fairer and more transparent. The DFE has asked Local Authorities to work with their Schools Forum during June to draw up plans to implement their new funding formula. This was despite the fact the consultation ended on the 21 May and the final outcome was not notified to Local Authorities until the 28 June.

Some of these changes are planned for next year and some from 2015/16. The logic behind this is that the changes in April 2013 will see local authorities funding formulae converge into a similar but not identical format. This will lay the groundwork for the operation of national funding formula from April 2015 which raises the possibilities of movement of funding between different authorities. The proposals represent a radical change to the way schools are funded and some schools will see significant changes in their funding levels.

The Schools Forum, at their meeting on the 17 May, discussed the changes and agreed to set up a small sub-group to look at the way the DFE proposals could be implemented. The sub-group reported back to the Forum on the 12 July and it is these proposals that the Forum wish to seek your views on.

The Forum will take account of your views at the meeting on the 20th September as they will need to agree the funding formula, this will allow the required return to be sent to the Education Funding Agency in October. Funding rates will be provisional until the pupil numbers from the October census are confirmed. The actual rates will then need to be finally confirmed to the EFA by mid-January 2013. The Local Authority will also need to agree the Special Schools and Resource Bases planned numbers during September.

The DFE require that the schools funding formula should be both simple and transparent. They stipulate the 11 factors which can be used in the funding formula and supply all the data which we have to use. It is only the funding rates applied to these factors that are set locally. The DFE are also requiring that various central budgets are delegated to schools, but allow in some instances for schools to hand these budgets back to the Local Authority to manage. This document explains the new funding formula and discusses possible options for managing the budgets that are now required to be delegated to schools. This document also allows you to make comments and respond to the consultation.

All the comments will be analysed and will considered by the Schools Forum at the meeting on 20 September.

The information on the funding reforms provided by the Department for Education can be found on

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00205567/school-funding-reform-and-arrangements-for-2013-14>

Section 1a . New Funding formula

The following table shows the proposed funding formula for Lewisham. The column headed “**Factor**” details the funding factors that are allowed by the Department for Education. The second column headed “**Lewisham Proposal**” are the funding rates that the Schools Forum would now like you to consider to see whether you feel the proposed rates are appropriate. The final column allows you to make any observations or comments.

Ref	Factor	Lewisham Proposal	Do you agree with the proposal?
1.	<p>Basic Entitlement</p> <p>There will be a single unit for primary aged pupils and a single unit for secondary pupils (It is possible to have a separate funding rate for KS3 and KS4)</p> <p>The pupil numbers will be taken from the October census</p>	<p>Primary £ 3,600</p> <p>Secondary £ 4,950</p>	
2	<p>Deprivation</p> <p>The only factors available to fund deprivation are</p> <p>a) FSM data (which could be straight FSM or Ever 6 as with the Pupil Premium);</p> <p>b) IDACI data; or,</p> <p>c) both.</p> <p>The IDACI is the Income Deprivation Affecting Children Index. It is an area based (post code area) measure that shows the proportion of children aged 0-15 living in income deprived</p>	<p>Free school meals ever 6</p> <p>Primary £ 805</p> <p>Secondary £ 1,140</p>	

	<p>households. This is defined as with an income (excluding housing benefits) below 60% of the national median before housing. The index runs from 0 to 1.</p> <p>The IDACI must be funded on the following basis</p> <table border="1" data-bbox="271 612 656 991"> <thead> <tr> <th>Band</th> <th>IDACI score lower limit</th> <th>IDACI score upper limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0.20</td> <td>0.24</td> </tr> <tr> <td>2</td> <td>0.25</td> <td>0.30</td> </tr> <tr> <td>3</td> <td>0.30</td> <td>0.40</td> </tr> <tr> <td>4</td> <td>0.40</td> <td>0.50</td> </tr> <tr> <td>5</td> <td>0.50</td> <td>0.60</td> </tr> <tr> <td>6</td> <td>0.60</td> <td>1.00</td> </tr> </tbody> </table> <p>Separate rates can be used for primary and secondary schools</p>	Band	IDACI score lower limit	IDACI score upper limit	1	0.20	0.24	2	0.25	0.30	3	0.30	0.40	4	0.40	0.50	5	0.50	0.60	6	0.60	1.00	<p>IDACI Banding</p> <table border="1" data-bbox="902 612 1352 1018"> <thead> <tr> <th>Band</th> <th>Primary Funding Rate</th> <th>Secondary Funding Rate</th> </tr> </thead> <tbody> <tr> <td></td> <td>£</td> <td>£</td> </tr> <tr> <td>1</td> <td>63</td> <td>109</td> </tr> <tr> <td>2</td> <td>94</td> <td>164</td> </tr> <tr> <td>3</td> <td>118</td> <td>205</td> </tr> <tr> <td>4</td> <td>123</td> <td>215</td> </tr> <tr> <td>5</td> <td>123</td> <td>215</td> </tr> <tr> <td>6</td> <td>123</td> <td>215</td> </tr> </tbody> </table>	Band	Primary Funding Rate	Secondary Funding Rate		£	£	1	63	109	2	94	164	3	118	205	4	123	215	5	123	215	6	123	215	
Band	IDACI score lower limit	IDACI score upper limit																																														
1	0.20	0.24																																														
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	£	£																																														
1	63	109																																														
2	94	164																																														
3	118	205																																														
4	123	215																																														
5	123	215																																														
6	123	215																																														
3	Looked after children	No funding allocated																																														
4	<p>Low cost, high incidence special educational needs (SEN)</p> <p>Primary Schools – The indicator used is those pupils who have a score lower than 78 or 73 points on EYSFP.</p> <p>Secondary schools – The indicator will be</p>	<p>Primary £ 1,580 for scores less than 78%</p> <p>Secondary £ 3,984</p>																																														

	KS2 test results attainment below level 4 in both English and mathematics.		
5	English as an additional language (EAL) Funding is allowed for up to a maximum of 3 years only after the pupil enters the compulsory school system;	Primary £ 631 Secondary £ 1,144	
6	Lump sum This has to be a standard rate for all primary and secondary schools and a maximum limit of £200k is set	Funding rate £130,900	
7	Split Sites	We are proposing a simplified allocation which awards £33,000 to schools with a site split by more than 400m or £45,400 to schools with more than 2 year groups on their subsidiary site	
8	Rates	Actual costs which replicates the current arrangements	
9	Pupil Mobility This has been calculated using the school start date for each pupil from the October School Census. It will include pupils who started in the last three academic years, but did not start in August or September (or January for Year 1).	The DfE only added this factor on June 28 th and has not yet provided the data to calculate what the Lewisham rate will be. An update will be provided when available	
10	A pupil factor for post 16 students	It is proposed not to use this	

		factor.	
11	PFI	It is proposed not to use this factor..	
12	<p>Requested exceptions</p> <p>In addition, there is discretion to have exceptional circumstances if approved by the Education Funding Agency relating to premises such as listed buildings, buildings that are rented or boarding provision. Applications must:</p> <ul style="list-style-type: none"> a) Apply to less than 5% of the schools in the local authority; and, b) Account for more than 1% of the budget of the school or schools affected 	<p>We would like to use this factor but our rents do not fall within the category of being more than 1% of a schools budget. We will apply for exceptional circumstances but it is unlikely to be approved</p>	

Section 1b – Conversion of our current formula factors into the new funding formula

The tables that follow look at our current formula factors that are no longer allowable under the new regulations. It takes each one in turn and selects one of the following

Allowable Data –

- Primary Roll Number
- Secondary Roll Number
- FSM Or FSM Ever 6
- IDACI (Income Deprivation Affecting Children Index)
- Looked After Children
- Early Years Foundation Stage Profile Scores Below 78 Points
- KS2 Results Of Less Than Level 4 In English And Maths
- EAL For Up To 3 Years After Entering School System
- Lump Sum (Single Rate Across Primary & Secondary Up To £150k)
- Split Site
- NNDR (Rates)
- PFI Contracts
- Pupil Mobility (Casual Joiners)
- 6th Form Roll Number

When considering this the Schools Forum sub-group felt that the proposals below are not necessarily the best way to allocate the funding, but as they were constrained by the Department for Education into using one of the factors in the above list, they selected the most appropriate one from this limited choice.

The principles adopted

- Turbulence – Minimise the changes made to those required by regulatory changes in order to maintain principles previously agreed by Schools Forum and to avoid unjustifiable transfer of funding between schools. Achieved by mimicking existing allocation methods as much as possible.
- Sector Ring-fences – Avoid movement of funds between nursery, primary and secondary sectors where appropriate.

Allocation Name – AWPU (Re-named Basic Entitlement by DfE)	
Purpose – Funding for costs that vary in line with pupil numbers (principally classroom costs)	Current Allocation Method – Amount per pupil dependent on national curriculum year group
Proposed Allocation Method – Amount per pupil; one rate for primary and one for secondary.	Issue – Additional funding for a Nursery Nurse in Reception Year and Infant Class Size funding in Reception to Year 2 means that a single primary rate will cause a fall in the funding for infant schools (with a gain in junior schools)
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Curriculum Protection	
Purpose – Provide sufficient additional AWPU funding to cover 7 teachers in primary schools and 20 teachers in secondary schools.	Current Allocation Method – Additional AWPU amount for each additional pupil needed to bring a primary roll up to 210 and a secondary roll up to 600.
Proposed Allocation Method – Per pupil (Basic Entitlement).	Issue – None of the allowable formula factors would be able to recreate this factor. The DfE is seeking to maximise the link between pupil numbers and funding
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Overhead Protection	
Purpose – Ensure a minimum amount of funding for Headteacher, Deputy/Assistant Head (non-teaching time), SENCO, Admin staff and Premises staff	Current Allocation Method – Tops up a per pupil allocation in the AWPU to an amount based on bands of roll numbers.
Proposed Allocation Method – Basic Entitlement per pupil amount and a lump sum.	Issue – The amounts will be calculated to distribute no less than the total level of funding as at present and set to ensure the smallest schools do not face a reduction in funding. The DfE reforms allow only a single lump sum amount for both primary and secondary schools.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Irregular Admissions	
Purpose – Reflect unfunded classroom costs resulting from half form entry	Current Allocation Method – Provides AWPU for 15 additional places to schools with a half form intake. (Only 15 pupils as remaining year groups are expected to vertically group)
Proposed Allocation Method – Per pupil (Basic Entitlement).	Issue - None of the allowable formula factors would be able to recreate this factor. The DfE is seeking to maximise the link between pupil numbers and funding
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Upper Pay Spine Teachers	
Purpose – Contribution towards the additional costs of UPS staff	Current Allocation Method – Flat rate amount per FTE UPS staff member (no differentiation between UPS spine points)
Proposed Allocation Method – Per pupil (Basic Entitlement).	Issues – Of all the allowable formula factors, it is pupil numbers that has the greatest correlation with UPS numbers; the more pupils, the more teachers. Ring fenced by phase initially to reduce turbulence. However, teaching element of AWPU based on average teaching cost per phase. UPS to be subsumed within this calculation in subsequent years.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Advanced Skills Teachers	
Purpose - Contribution towards the additional costs of AST staff	Current Allocation Method – Flat rate amount per FTE AST staff member (no differentiation between AST spine points)
Proposed Allocation Method –Per pupil (Basic Entitlement).	Issues – Ring fenced by phase initially to reduce turbulence.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – NQT Induction	
Purpose - Contribution towards the induction costs of NQT staff	Current Allocation Method – Flat rate amount per term of NQT induction (pro rata by FTE)
Proposed Allocation Method – Per pupil (Basic Entitlement).	Issues – Ring fenced by phase initially to reduce turbulence.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Premises Officer Rent	
Purpose – Cover the rent costs of Premises Officers with residential contracts in schools without tied accommodation	Current Allocation Method – Actual cost
Proposed Allocation Method – Per pupil (Basic Entitlement).	Issue - Too small to apply for an exception to the formula
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Salary Safeguarding	
Purpose – Cover additional costs of staff taken on after school closures	Current Allocation Method – Actual cost
Proposed Allocation Method – No current allocation, so no action required.	
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – AEN – Protection	
Purpose – Provides an additional allocation to schools whose data does not result in an AEN allocation above a minimum level.	Current Allocation Method – A top up to the AEN allocation to reach the minimum level per pupil on roll.
Proposed Allocation Method – Free School Meals “Ever 6”.	Issue - None of the allowable data will target funding to schools with a lack of pupils with AEN
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – AEN – By Percentage	
Purpose – Reflect the additional costs associated with higher percentages of pupils with AEN (as opposed to higher pupil numbers)	Current Allocation Method – Numbers of pupils with FSM eligibility, poor test results on entry or mobility status is calculated as a percentage of roll. Funding allocated when the percentage is above a threshold.
Proposed Allocation Method – Merge into FSM eligibility, prior attainment and mobility allocations.	Issue - Old allocation used weightings for each of the three indicators, these will be used to calculate the split.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – AEN – Mobility – Per Pupil	
Purpose – To reflect the costs of pupils with additional needs.	Current Allocation Method – An allocation per pupil that joins or leaves outside the normal timeframe or has attended 3 or more schools in current phase.
Proposed Allocation Method – Allocate on the basis of DfE Casual Admissions data	Issue – The DfE has yet to make data for this formula factor available
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name - AEN – EAL – Per Pupil	
Purpose - To reflect the costs of pupils with additional needs.	Current Allocation Method – An allocation to pupils whose exposure to English is limited, banded by length of exposure.
Proposed Allocation Method – EAL using prescribed DfE data	Issue – The choice of whether to fund on the basis of the first, first and second or first to third years in the school system has been left to LA's. The existing allocation uses three year average data in order to provide stability to allocations, so it is proposed that funding be provided for all three years.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name - AEN – Prior Attainment – Per Pupil	
Purpose - To reflect the costs of pupils with additional needs.	Current Allocation Method – In Primary, an allocation for each pupil on roll whose FSP score puts them in the bottom 15% across the authority. In Secondary, an allocation for each pupil on roll with a Primary/Secondary transfer test result in Band 3.
Proposed Allocation Method – Prior Attainment using prescribed DfE data	Issue – The DfE is allowing LA's a choice of the FSP score below which funding will be allocated; either 78 or 73. The 15% threshold currently used has given a score which has been rising consistently, to the point where the option for a score of 78 is most in line with current funding
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name - AEN – FSM Eligibility – Per Pupil	
Purpose - To reflect the costs of pupils with additional needs.	Current Allocation Method – An amount per pupil eligible for FSM.
Proposed Allocation Method – FSM using prescribed DfE data for FSM Ever 6 and IDACI bandings	<p>Note – The DfE has provided LA’s with a choice of using one year’s worth of FSM data, FSM Ever 6 data or no FSM eligibility data. In keeping with the principal of minimising changes to the formula, the LA proposes (1) to continue using FSM data and (2) to use Ever 6 FSM data as the current allocation uses 3 years worth of data to provide stable allocations.</p> <p>Issue – The DfE has also provided LA’s with a choice over whether to use IDACI data to fund Social Deprivation/Low Level SEN costs. The data provided shows into which band of deprivation pupils’ home postcodes fall. The information is provided at school level. LA’s are free to allocate a separate rate per band. As this replicates the former AEN By Percentage allocation to some extent; the LA is therefore proposing to split the former FSM allocation between Ever 6 FSM and IDACI in the proportions 75:25 respectively.</p>
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Premises/Repairs & Maintenance	
Purpose – Site running costs and repairs and maintenance costs	Current Allocation Method – Amount per square meter of internal area
Proposed Allocation Method – Per pupil (Basic Entitlement)	Issue – Schools with large premises in relation to their pupil numbers will lose funding.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Energy	
Purpose – Energy costs	Current Allocation Method – Amount per square meter of internal area with an uplift for schools with higher than average usage
Proposed Allocation Method – Per pupil (Basic Entitlement)	
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Split Site	
Purpose – To reflect the additional costs of schools split over more than one site	Current Allocation Method – An allocation dependent upon distance between sites, how busy roads are dividing the sites and number of year groups on subsidiary site.
Proposed Allocation Method – An allocation based on the distance between the sites and the number of year groups on the subsidiary site.	Issues – The allocation based on how busy the roads between the sites are has been deleted as this is data that is not readily available. The funding made available will be recycled within the remaining split site allocations.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Split Site Travel	
Purpose - To reflect the additional costs of schools split over more than one site	Current Allocation Method – Based on the number of travel between sites of each teacher (based on individual teacher timetables submitted by schools)
Proposed Allocation Method – Deleted	Notes – The amounts allocated have proven immaterial and it is proposed that the available funding be recycled within the remaining split site allocations.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Special Facilities	
Purpose – Reflect the additional costs of special facilities	Current Allocation Method – An allocation for schools with swimming pools and for a school with exceptionally large grounds.
Proposed Allocation Method – Per pupil (Basic Entitlement)	Issue - Too small to apply for an exception to the formula.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Playing Fields	
Purpose - Reflect the additional costs of playing fields	Current Allocation Method – An amount per hectare.
Proposed Allocation Method – Per pupil (Basic Entitlement)	Issue – Unlikely to be agreed as an exception to the formula.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – NNDR (Business Rates)	
Purpose – Meet the costs of NNDR	Current Allocation Method – Actual Cost
Proposed Allocation Method – Actual Cost as per current system	
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name - Rent	
Purpose – Meet the costs of properties that school rent	Current Allocation Method – Actual Cost
Proposed Allocation Method – Rent is not an allowable factor under the current reform proposals	Issue - It would be possible to apply to the DfE for an exceptional factor but it is likely to be turned down. Three of the four schools currently receiving a rent allocation have benefited from the amalgamation of premises/R&M/energy into the AWPU by an amount greater than the rent. This is not unexpected given that the schools' smaller sites will no longer be reflected in their funding
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Buildings Insurance	
Purpose - Meet the costs of insuring school premises	Current Allocation Method – An allocation based on the rebuild value of the school.
Proposed Allocation Method – Per pupil (Basic Entitlement)	
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Catering Contract	
Purpose - Meet the costs of free school meal subsidies.	Current Allocation Method – Pupil numbers and free school meal eligibility (not meal provision)
Proposed Allocation Method – Pupil numbers and FSM Ever 6.	
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Staff Related Insurance	
Purpose - Meet the costs of staff related insurance premiums.	Current Allocation Method – Per pupil.
Proposed Allocation Method – Per pupil (Basic Entitlement)	
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – New And Expanding Schools	
Purpose – Provides additional funding for schools undergoing planned expansion or taking bulge classes.	Current Allocation Method – An amount per bulge class or an amount per additional place in a permanently expanding school.
Proposed Allocation Method – Removed from ISB and managed through Schools Forum controlled contingency (see section 3 of this document.)	
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Residual Standards Funds	
Purpose – Funds formerly distributed via School Standards Grant, School Development Grant, School Lunch Grant, Ethnic Minority Achievement Grant	Current Allocation Method – Pupil Numbers and FSM Eligible Pupil Numbers
Proposed Allocation Method – Delete	Note- We will no longer be able to abate the formula allocation for schools with 6 th form provision. This will lead to an increase in the level of funding for those schools. Deleting the Residual Standards Funds allocation will offset some (but not all) of this increase.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – 6th Form Abatement	
Purpose – Adjust for allocations where double funding occurs between ISB and 6 th form grant	Current Allocation Method – Removes a proportion of funding equal to the proportion of 6 th form pupils in the school from allocations whose data cannot be adjusted to exclude 6 th form costs.
Proposed Allocation Method – Delete no longer under regulations	Notes – The deletion of the 6 th form abatement will create some double funding in schools for with sixth forms. For example Business Rates – the post 16 element will be funded by the EFA also by ourselves.
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Transitional Protection	
Purpose – Protect schools from material cash reductions in their ISB allocations.	Current Allocation Method – Schools with a year on year fall of over 5% receive 2/3 ^{rds} of that excess in the year of the reduction and 1/3 rd in the subsequent year.
Proposed Allocation Method – Per pupil (Basic Entitlement).	Issue - None of the allowable formula factors would be able to recreate this factor. The DfE is seeking to maximise the link between pupil numbers and funding
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – Minimum Funding Guarantee	
Purpose – To protect schools from excessive budget reductions.	Current Allocation Method – DfE prescribed methodology. Guarantees no more than a 1.5% loss of funding per pupil.
Proposed Allocation Method – DfE prescribed methodology	Issue – The DfE have made some changes to the calculation which have led to significant increases in the amount of MFG being allocated. A decision will need to be taken with regard to any exceptional exclusions that should be applied to the DfE for, in order to avoid excessive and inappropriate MFG protection – see Section 5
Do you agree with the proposal? - Yes / No	
Comments	

Allocation Name – 6th Form Grant	
Purpose – To fund 6 th form provision.	Current Allocation Method – Lewisham passports the allocations calculated by the Education Funding Agency.
Proposed Allocation Method – No Change.	
Do you agree with the proposal? - Yes / No	
Comments	

Section 2 – High needs pupils.

2a General

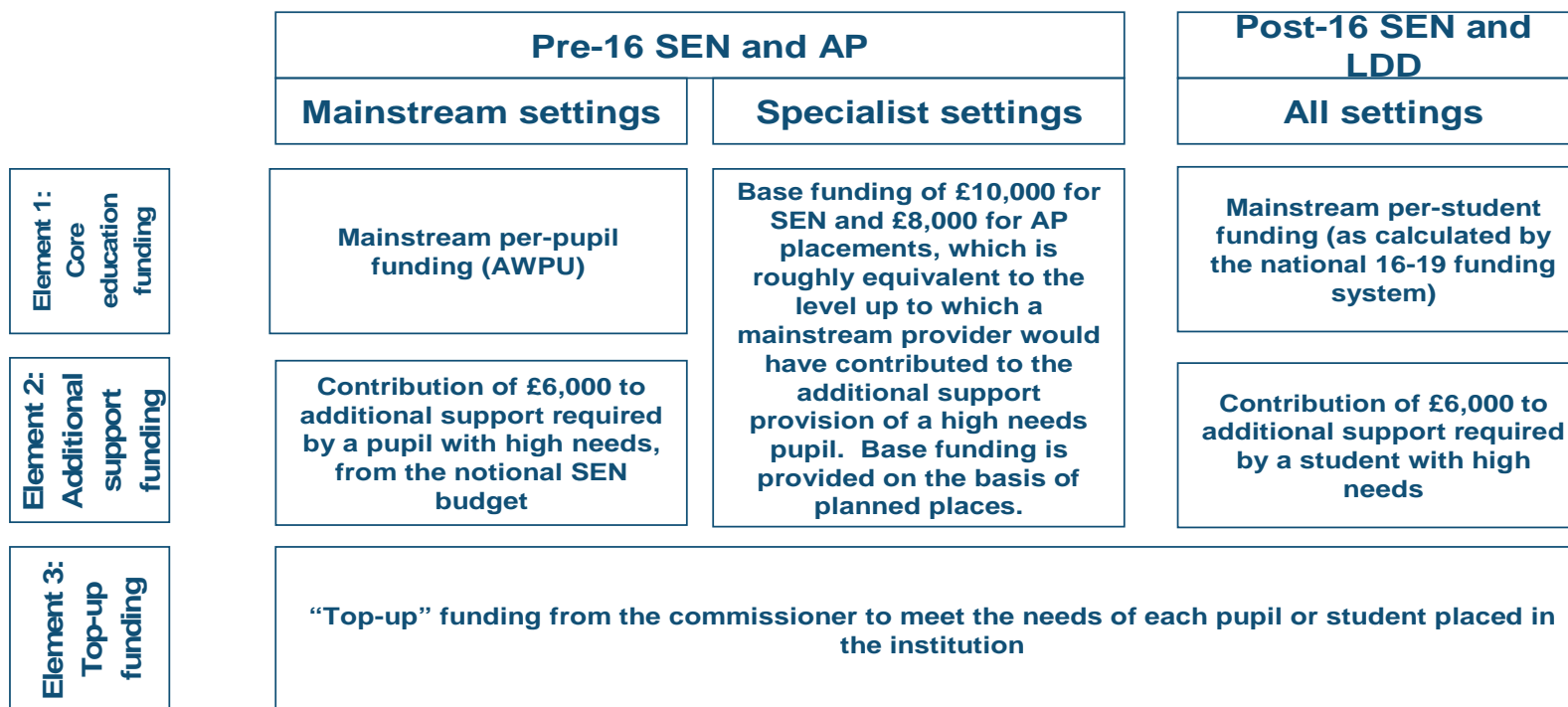
The DFE wish to see the funding of special educational needs pupils in Local Authority maintained schools based more on actual pupil numbers rather than planned places and to combine this with a base level of funding to offer specialist providers some stability. The new approach will see provision for high needs pupils and students funded on a mixture of a place- and a pupil-led basis. For this reason, they have called this approach “place-plus”. This place plus approach covers SEN matrix children, special schools, resource bases in mainstream settings and pupil referral units. Although within these settings the funding streams are slightly different, the principles are the same.

Under a place-plus approach high needs funding will comprise three elements, which can be applied across all provision for high needs pupils and students.

- Element 1, or “core education funding”: the mainstream unit of per-pupil or per-student education funding. In the school sector for pre-16 pupils, this is the age-weighted pupil unit (AWPU), while for post-16 provision in schools and in the FE sector this is the mainstream per-student funding as calculated by the national 16-19 funding system.
- Element 2, or “additional support funding”: an identified budget for providers to provide additional support for high needs pupils or students with additional needs up to an agreed level.
- Element 3, or “top-up funding”: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs.

Under a place-plus approach, all mainstream providers will receive elements 1 (core education funding) and 2 (additional support funding) as part of their standard school funding. This will mean that, in addition to mainstream per-pupil or per-student funding (element 1), providers will also receive a clearly-identified budget from which they will be expected to contribute up to a specified level for the provision required by high needs pupils or students placed with them (element 2). The following is a DFE slide on how the funding should operate.

Overview: Reform of high needs funding



Department
for Education

This diagram appeared as Figure 1 (p.43) of *School funding reform: Next steps towards a fairer system*.

7

2b Special Schools and Resources Bases

Currently special schools and resources bases are funded on the number of planned places they will have during the financial year. Each place has a pre-determined need which is funded according to a funding matrix. For specials schools further funding is provided to reflect the characteristics of their premises and other specific unique circumstances. This gives an element of certainty to their budgets

The new DFE funding proposals are very tightly defined and there is little scope for local discretion. These settings will be funded on the number of planned places at a rate of £10,000. So if the setting has 100 places they will receive 100 places funded at £10,000 or £1,000,000 at the start of the year. The funding will be topped up depending on the actual number of pupils within the setting and the needs of those children. There will be no count dates but the funding will follow the pupil in real time. Longer term the DFE feel there will be a need for banded funding frameworks with local tariffs in it to ensure the effective operation of the place-plus funding approach. As such they encourage authorities to work with maintained and state-funded providers, as well as with other authorities that commission provision from the same settings, to develop effective, transparent banded funding frameworks with local tariffs. We already have some form of local banding frameworks in relation to high-level SEN provision in schools but not the fullest sense the DFE now suggest, but we would need to develop local banding frameworks in areas such as Alternative Provision (AP) and learning difficulty and disability (LDD) settings.

Do you wish to see a banding framework operate from April 14

Do you have any comments?

Do you think the pupil led element should be calculate on either of the following basis

Monthly, Half termly or Termly

Do you have any comments?

2c SEN Matrix

Funding for pupils with Statements Of Special Need is delivered in two main ways. For those children who are regarded as having high incidence but low SEN needs the funding is provided via the collaboratives. The amounts are calculated using a formula. The factors used are Free School Meal Eligibility, Prior Attainment and Mobility. This funding under the new regulations will need to be given to each school and then it will be up to individual school whether they would like the funding managed by their collaborative. Statements where the pupil is deemed to have high needs (defined as Matrix 6 and above) will have built into their school budget the funding to provide for the staffing needs stated in the statement. The funding is provided on a term by term basis and the funding follows the pupils so can go up or down during the financial year.

Under the new proposals Schools will be expected to meet out of their budget the initial costs of the SEN support, this will be the pupil's basic entitlement of £4,000 plus a sum of £6,000. The sum of £6,000 has been established from a statistical analysis undertaken by PriceWaterhouseCoopers of schools' budgets and expenditure and represents the average level of support identified in their study. It is not an activity based costing of the support that might be expected to be put in place for a pupil with SEN. A local authority would then top up this sum if the assessed cost of the SEN support is greater. The assessment of costs of support may or may not be based upon a statement depending on local arrangements.

The Schools Forum considered two ways to fund schools

Current Method	Revised Method 1	Revised Method 2
AWPU £4,000	Basic Entitlement £4,000	Basic Entitlement £4,000
AEN + Collab. £6,000	Deprivation & Lo Need SEN £6,000	Deprivation & Lo Need SEN £6,000
School Contribution £10,000	School Contribution £10,000	School Contribution £20,000
Matrix 15,700	Matrix 15,700	Matrix 5,700
Total Funding £25,700	Total Funding £25,700	Total Funding £25,700

Method 1 is almost a “do nothing” approach in that it is saying the proposed funding system is in fact already in place. Schools use their basic entitlement (or AWPU) as part of the core funding for the children and like wise with their current funding for Deprivation and low needs SEN as it is assumed this provides mostly whole classroom support, for example it allows a teacher assistant in the class to provide general support. This method causes the least turbulence in school funding

Method 2

This method takes the first £10,000 of the matrix funding and delegates it to schools in order to provide schools with some funding to meet the top-up. This could cause problems as it might not end up in the school where the stated child is.

The sub-group felt that method 1 was the most appropriate.

Do you agree with the above proposals?

Section 3 Central services budgets to be delegated to schools

The DFE wish Local Authorities to delegate as much funding as possible to schools. The DFE defined the current central budgets that now have to be delegated to schools but some of these could be de-delegated and handed back to local authority if the Schools Forum and schools wish. The Schools Forum were concerned that a number of these budgets act as an insurance scheme for schools and avoids schools from being exposed to financial risk. The Forum in these cases has proposed setting up a mutual fund for schools. This will operate by the Forum holding the funding on the behalf of schools and will agree allocations to schools, at the end of each financial year the balance on the fund will be either passed to schools if it is in surplus or charged to schools if it is in deficit .

If schools are supportive of this approach the exact terms of the mutual fund will be agreed at the Schools Forum in the Autumn Term (November meeting)

The proposals are shown below

Budget	Brief description	£'000	Proposed delegation	Schools Forum recommendation to hold centrally	Management of central budget
14-16 practical learning	NEET reduction strategy and place planning	312	Secondary pupil numbers	NO – not permissible under the regulations	
Support for schools in financial difficulties	This fund exists to support schools that found themselves in financial difficulty and could not manage the circumstances in the short term without detrimentally affecting the standards within the school. It acts as a contingency fund.	500	Pupil numbers	Yes	Management through a mutual fund operated by Schools Forum(SF).
Allocation of contingencies	The general contingency is allocated out to schools when an unexpected event occurs that has a significant financial effect that it would not be possible for the school to manage the	2751	Pupil Numbers	Yes	Management through a mutual fund operated by SF

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	financial consequences of without causing damage to the curriculum delivery. The element allocated to collaboratives for the former extended schools standards funds will be delegated to all schools . Bulge class funding will be de-delegated and treated as separate mutual called a "growth fund"				
Free school meals eligibility;	This is the funding for officers who check whether a pupil is entitled to a free meal	66	Free meals	Yes	
Licences/subscriptions;	Cost of group subscriptions and licences.	138	Pupil numbers	No	Central service within the SLA booklet
Staff costs - maternity	This provides financial support to schools to help them meet the cost to schools maternity and public duties	675	Pupil numbers	Yes	Management through a mutual fund operated by SF
Staff costs – trade unions	This budget allows trade union officials to be employed to work on behalf of school staff to manage collective agreement. This supports management of employee relations.	156	Pupils Numbers	Yes	Centrally managed service
Support for minority ethnic pupils or underachieving groups;	The current funding supports the 'Lens' groups and the Pupil Ambassadors programme (including the Awards ceremony) and also covers some of development work on the links with Oxbridge, career aspiration, the lecture series and other partnerships	190	EAL	Yes	Centrally managed service
Behaviour support services	The budget has two elements 1. The cost of outreach work at New Woodlands Special School (£640K). 2. Social worker at Abbey Manor Pupil Referral unit (£100k) There is a choice of how this can be treated, it can either be allocated out to	740	Free meals	Yes	Transferred To high needs block

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	schools who then buy the service direct from the provider or it can be held in the High Needs funding block and then passed to the outreach				
Miscellaneous	Tutors for looked after children	200		Pupil numbers	Transferred To high needs block

Do you agree with the above proposals?

Section 4 - Early Years Single Funding Formula

The only change proposed is with regard to the quality factor.

Current allocation - The quality factor in itself is quite simple if a setting has a good or outstanding OfSTED judgement the setting has an enhanced basic rate of funding. The enhancement is £0.27p for primary schools and £0.83p for PVI settings per hour. For a primary school with 25 FTE places this would mean funding of £7,695 per year and for a PVI with 16 part time pupils the equivalent figure would be £7,570. OfSTED inspections have generally been every three years so the enhancement will be for the next three year period starting at the next financial year.

Some settings have found that their OfSTED judgements have changed from good or outstanding to satisfactory. Consequently the funding is reduced and happens at the start of the following financial year. This is more difficult for setting to manage if the OfSTED judgement is late in the financial year as there is a sudden drop in funding. If the judgement is made in the Summer Term then the setting would have two terms in which to manage the situation

To avoid this disparity it is proposed to allow the provider to have the higher funding level to the end of the next full term following the OfSTED judgement, then it would reduce to the lower level

For example

Spring Term - Ofsted Judgement – setting is judged Satisfactory rather than Good

Summer Term – Funding still based on good judgement and setting in receipt of quality factor

Autumn term – Funding changes to remove the quality factor funding

Do you agree with the above proposals?

Section 5 Minimum Funding Guarantee

The minimum funding guarantee (MFG) protects the per-pupil funding of schools from one year to the next against significant changes in funding formulae or changes in data not directly related to pupil numbers. The MFG has been set at minus 1.5% per pupil for 2013-14 and 2014-15.

The DfE accept that the new funding system will cause considerable turbulence in the funding system and have agreed that in order to make any formula changes affordable schools gains can be capped or scaled back. The DfE feel this would avoid a situation where schools inevitably take time to incur extra expenditure if they have a large increase in funding, and balances rise as a result. At present, transitional arrangements can be applied to changes in specific factors, but there is no general equivalent to the MFG to limit gains. They believe that setting a prescribed maximum gain should be a local decision, taking into account the affordability of protection.

The danger we have is that under the current MFG calculations there are so many schools losing it reduces the funding per pupil and then the protection become unaffordable. On the current proposed formula the protection needed is £2.4m. If this were met by reducing the basic entitlement, the level of protection required would subsequently increase.

It would seem some form of capping is needed to prevent schools from losing too much too soon. It is of course another subjective decision as to what level gains should be capped at. That judgement is helped by seeing the final set of figures but of course with many outstanding issues that is not quite possible.

We had a similar scenario when we merged the former standards funds into the Dedicated Schools Grant, the way the calculation worked is no school gained more than 4% and it was this figure that was built into the funding models.

Do you agree the those schools that are gaining should have their funding reduced to fund the cost of the MFG which protect those schools that are losing?

Exclusions from the Minimum Funding Guarantee (MFG)

There would be an opportunity to request exclusions from the MFG although they will only be approved for exceptional cases and on a much more limited scale than in previous years.

The guidance explains exclusions will only be considered if there is a significant change in a school's circumstances or pupil numbers for example, if there has been additional funding in a school's 2012-13 formula budget for pupil number growth in the following academic year. In this case, the pupil numbers to whom the funding relates are not included in the count on which the MFG is based.

The EFA will only consider applications where the inclusion of a factor in the MFG will lead to significant inappropriate levels of protection.

The examples that we are consulting on are as follows

- 1) Transitional Protection – By definition, a temporary allocation which we are seeking to avoid the MFG making permanent.
- 2) Curriculum Protection – Whilst we are in favour of the support this allocation provided to small schools, the growth in pupil numbers has led to a year on year reduction in this allocation. The MFG will effectively freeze the allocation at current rates and result in places being funded as empty even though they will actually have been filled.
- 3) Expanding Schools – This allocation provides funding for pupils that are not yet at the school. The MFG divides the funding by actual pupil numbers (not the future pupil numbers) and protects this level. The Expanding School allocation will artificially inflate the per pupil funding level which the MFG will seek to protect even after the period of expansion has come to an end.

Do you agree with the above proposals

FUNDING IMPACT PER SCHOOL - to be tabled at the School Forum meeting

Return of the questionnaire

Please indicate your responses to the questions by putting a tick or cross in the relevant box. It would be helpful to know the reasons for your response, particularly if you disagree with a proposal. If you have alternative suggestions please include them too.

Please email this response form to Hayden.Judd@Lewisham.gov.uk

Or post to: Hayden Judd
 1st Floor
 Town Hall
 1 Catford Road
 London
 SE6 4RU

Or please hand your response in at the consultation meetings.

Name:		
Position:		
Organisation:		
Type (please delete as appropriate):	Primary / Nursery School	Secondary School
	Special School	Academy
	Private	Independent
	Voluntary	Other – please specify

School Funding Reforms 2013/14 - Consultation Sessions

Booking Form

Name.....

School.....

Headteacher / Governor (please delete as appropriate)

Date	Venue	1st Preference (Please Tick)	2nd Preference (Please Tick)
10 Sep	Room 2, Civic Suite, Lewisham Town Hall		
11 Sep	Prendergast Hilly Fields College		
13 Sep	Council Chambers, Lewisham Town Hall		
17 Sep	Sedgehill School		

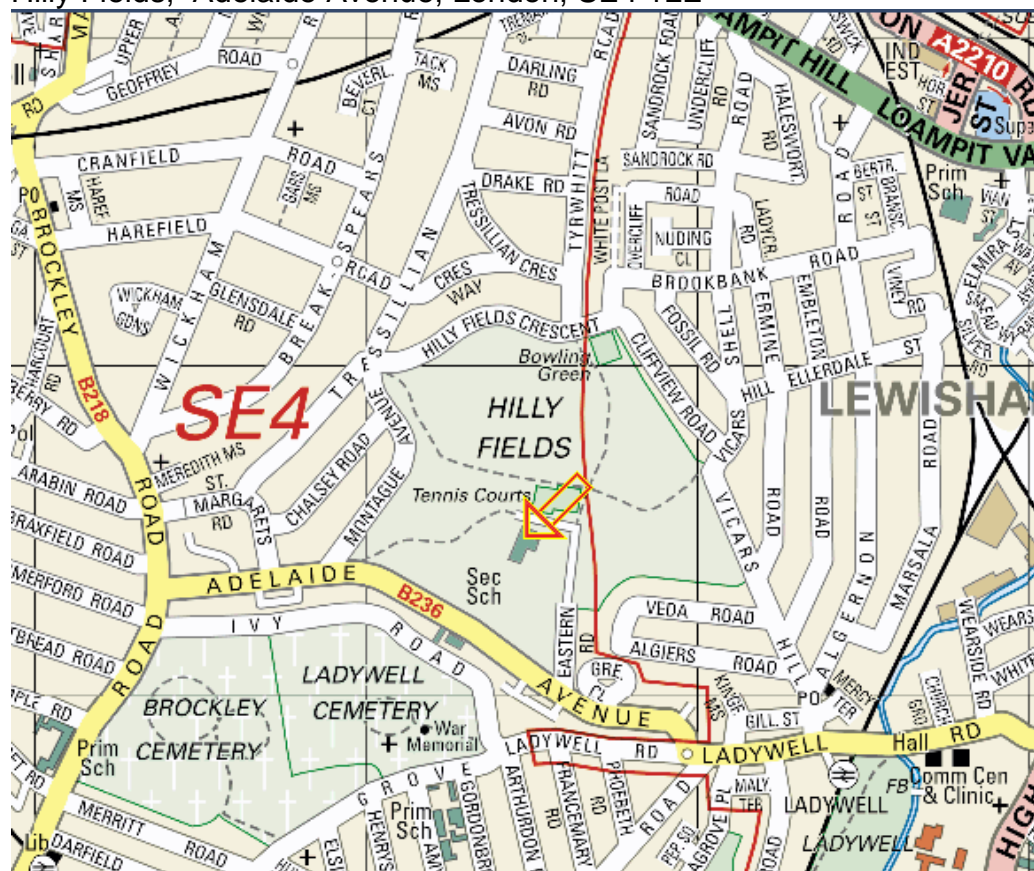
All sessions will start at 5.00 PM and will finish at the latest by 7.00pm

Please e-mail this form to Janita Aubun at Janita.Aubun@lewisham.gov.uk

or post it to Janita Aubun - Children & Young People Finance Team, 1st Floor Town Hall, Catford, London SE6 4RU

Venue locations and directions

Prendergast Hilly Fields College
Hilly Fields, Adelaide Avenue, London, SE4 1LE



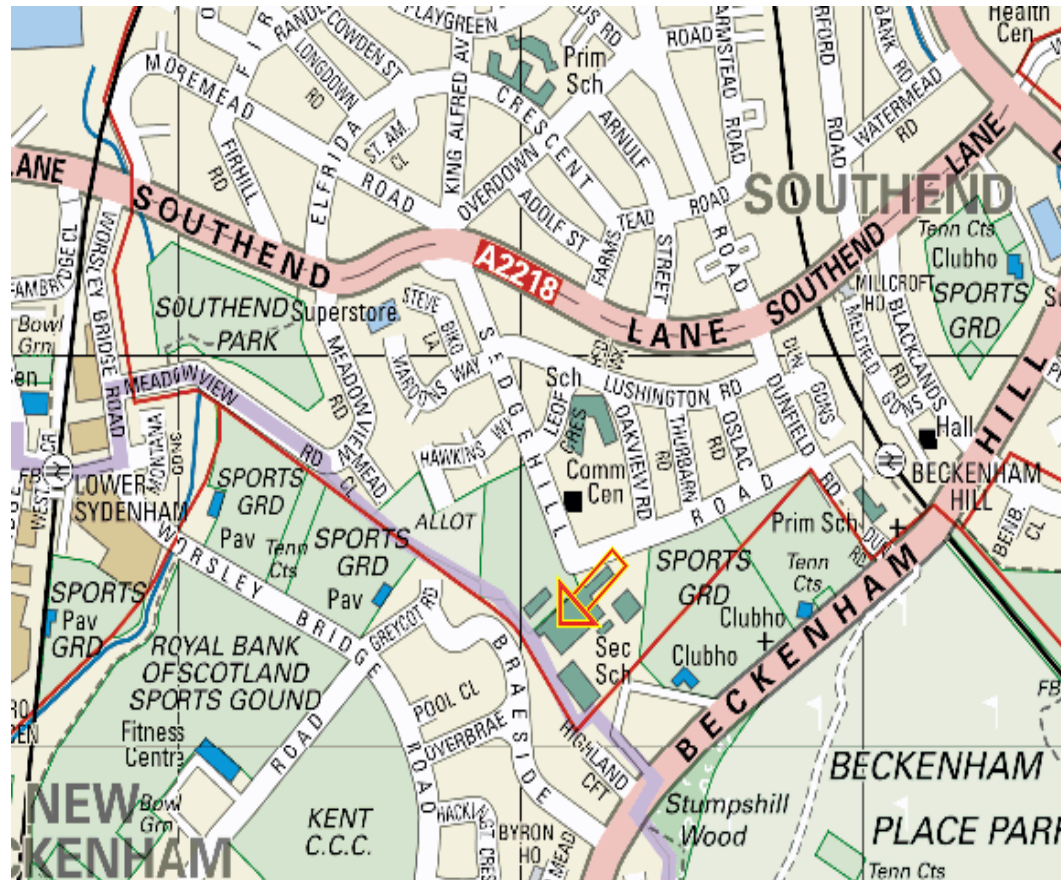
Brockley Rise : buses 171 & 172

Adelaide Avenue : bus 122

Nearest train station : Ladywell Station

Sedgehill School

Sedgehill Road, London, SE6 3QW

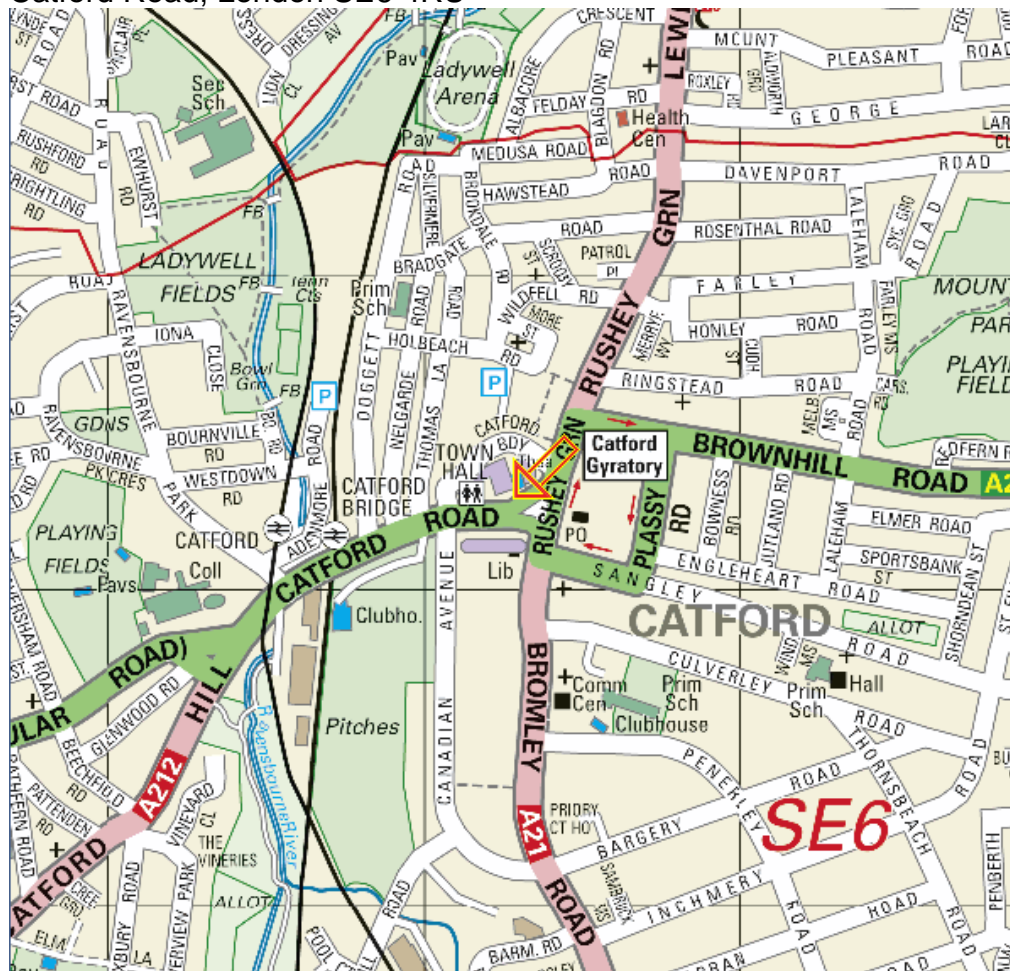


Beckenham Hill : bus 54

Southend Lane : buses 181 & 336

Nearest station : Beckenham Hill Station

Lewisham Town Hall
Catford Road, London SE6 4RU



Buses: 47 54 75 124 136 160 171 181 185 199 202 208 284 320 336 stop outside/opposite the Town Hall
Nearest stations: Catford Bridge & Catford station

Changes to the Scheme of Delegation

1. Purpose of the Report

To incorporate the changes to the Scheme of Delegation as directed by the Secretary of State

2. Recommendation

The Forum agree to incorporate the changes as detailed in the attached revised Scheme of Delegation.

3. Background

- 3.1 Under the Education Act 2011, the Secretary of State has the power to issue directed revisions to local authorities Schemes for Financing Schools.
- 3.2 The Department consulted stakeholders and interested parties on possible changes in the Spring and the consultation ended on 19 March 2012. Some of these changes have already been implemented at the Forum meeting in January 2012 when the annual review of the Scheme and the Finance Manual took place.
- 3.3 The Secretary of State can require the exact wording of the scheme and despite incorporating some of these changes there needs to be a tidying up of the wording.
- 3.2 The current scheme documentation has been reviewed and the amendments are shown in the attached revised scheme.

4. Proposals

The following sets out the directed revisions

4.1 General Teaching Council (GTC)

Direction	All references to the GTC must be removed from the scheme as it was abolished by the Education Act 2011 with effect from 1st April 2011.
Action	Section 6.4 of scheme to be deleted.

4.2 Efficiency and value for money (replaces current Best Value section)

Direction The scheme must include the following provision, which imposes a requirement on schools to achieve efficiencies and value for money, to optimise their resources and invest in teaching and learning; taking into account purchasing, tendering and contracting requirements. It is for heads and governors to determine at school level how to secure better value for money. The text for this provision is set out below.

“Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority’s purchasing, tendering and contracting requirements. It is for heads and governors to determine at school level how to secure better value for Money”.

Action 2.22 has been inserted into the scheme with the above wording

4.3 Schools Financial Value Standard

Direction The secretary of state has determined the precise wording to the section of the scheme

Action Section 2.2.1 has been amended to show the exact wording

4.4 Fraud

Direction The scheme must include the following provision, which requires schools to have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

Action The precise wording required has been added to 2.1.4

4.5 Other changes

The Secretary of State also required the removal of references to Best Value and the Financial Management Standard and this has already been actioned. Changes to the scheme have already been actioned regarding redundancy provision.

4.6 Effective Date

If the Forum agree to these changes the revised Scheme will be effective from 1 September 2012

Conclusion

These changes represent minor changes to the scheme of delegation and have resulted in a tidying up of some of the wording.

Dave Richards

Group Finance Manager – Children and Young People

Contact on 0208 3149 442 or by e-mail at Dave.Richards@Lewisham.gov.uk

