

Lincolnshire's school funding formula 2013/14 and the national position

In April 2013, the DfE conducted a review of the 2013/14 funding formula to be used by LAs. Although this was based on information the DfE had at 15 March 2013, it is unlikely to have changed a great deal in the two week period up to publication of s.251 statements by LAs.

This information enables the LA to compare its new funding arrangements with other LAs.

The key outputs from the review are set out below.

Basic per pupil element

- This is a mandatory factor.
- Primary. Of the 152 LAs, the largest number of LAs (46) set the primary awpu within the £2,500 to £2,750 range. Lincolnshire's figure was within that range at £2,542. There were 33 LAs in the £2,750 to £3,000 range, 30 LAs in the £3,000 to £3,250 range and 3 LAs with awpus above £4,500. Lincolnshire's position is not surprising given the wide differences in DSG funding per pupil across the country. Those funding differentials are likely to be reflected most in awpus, as most of the school funding is distributed through them.
- Secondary. For KS3, of the 152 LAs, the largest number (37) had set the awpu between £3,750 and £4,000. The next greatest number of LAs (31) had set awpus between £4,000 and £4,250. Lincolnshire was in the next largest group (30) with an awpu of £3,580 falling between £3,500 and £3,750. There were 6 LAs with awpus above £5,500. For KS4, the largest number of LAs (42) had set the KS4 awpu between £4,250 and £4,500. Lincolnshire was in that group with an awpu of £4,388. The next greatest number of LAs (27) had set awpus between £4,750 and £5,000. There were 11 LAs with awpus above £5,500. Again, Lincolnshire's position is not surprising, given the relative DSG funding of LAs, although it seems that the LA may fund KS4 slightly more generously than KS3.
- Although the awpu is the largest formula factor, the percentage of the total school funding that LAs put through it can vary. For example, some LAs may choose to put more or less funding through factors for special needs, deprivation, etc. The % of funding put through this 'basic entitlement' factor demonstrates this. The largest number of LAs put between 75% and 80% of funding through it and Lincolnshire's was in that group at 76%. The next largest number of LAs (38) was in the 70% to 75% band and the next largest number of LAs (23) put 85% to 90% through it.
- In conclusion, Lincolnshire's awpus are lower than most LAs, but that is caused mainly by the DfE's DSG funding of LAs. The county's relative position for the funding of primary, KS3 and KS4 awpus is similar, so one phase doesn't appear to be funded more favourably. This suggests that the distribution of funding between the sectors is typical of other LAs.

Deprivation

- This is a mandatory factor.
- The national variation in the percentage of funding distributed through deprivation factors is significant, ranging from 1% to 25%. Lincolnshire is in the top quartile at 12.6%. The median appears to be c.8%. A degree of variation is to be expected, because some LAs have greater variations in deprivation within their boundaries than others, and so need to target more of the Schools block to help meet those needs.
- The government's 2013/14 funding reforms necessitated the removal of certain formula factors. The LA's general approach to the reforms was to minimise turbulence by assimilating funding from similar, previous formula factors in to those permitted under the new regime. In effect, no significant additional funding has been added to deprivation this year, or in recent years.

Looked After Children

- This factor is optional.
- Only 81 LAs chose to operate this factor and none were allocating more than 0.5% of the Schools block through it.
- Lincolnshire does not operate this factor. That decision was taken because Looked After Children already attract the pupil premium which is set to increase in value; many of them will also trigger SEN funding, and; there was no evidence that there was a shortage of funding that could help improve their outcomes.

Low cost, high incidence special needs

- This factor is optional.
- Interestingly, 6 LAs do not use it.
- The amounts allocated per pupil vary tremendously. In primary they range from £115 to £7,211 and in secondary from £160 to £10,688.
- The comparative figures for Lincolnshire are £1,841 per pupil in primary and £3,190 in secondary (this places both in the upper quartile).
- In terms of the percentage of the Schools block being distributed through this factor, the largest number of LAs (58) are in the 2% to 4% range, the next greatest number (49) are in the 4% to 6% range, and the next greatest number of LAs (19) are in the 6% to 8% range. That latter range is where Lincolnshire sits.
- These figures will not include SEN funded through the Higher Needs block.

English as an additional language

- This factor is optional.
- The majority of LAs (128) are using it.
- In the primary sector, the median allocation appears to be £500 per pupil. Lincolnshire allocates £1,000 per pupil.
- In the secondary sector, the median allocation appears to be between £750 to £1,000 per pupil and again, Lincolnshire allocates £1,000 per pupil.
- For the majority of LAs (104) the percentage of Schools block distributed through this factor ranges between 0% and 2%. Lincolnshire's figure is within this band at 0.6%. Until 2013/14, the LA was able to operate a qualifying threshold to restrict funding to those schools with the greatest numbers, but that was not possible from 2013/14, so more funding is being distributed through this factor than was previously the case.

Mobility

- This factor is optional.
- Only 62 LAs operate it. Lincolnshire chose not to. The LA had previously operated such a factor, but a threshold was applied to restrict extra funding to those schools with the highest turnover. The total sum allocated was modest (c.£0.130m), the allocations to individual schools were often below £5,000 and many were secondary schools with large budgets. Also, there appeared to be much less turbulence in schools than there used to be.
- Primary per pupils amounts range from between £10 and £2,000 and secondary per pupil amounts range from £10 to £4,900.
- Nearly all LAs allocate less than 2% of the schools' funding through this factor.

Total funding through pupil-led factors

- The factors listed above (basic entitlement, deprivation, Looked After Children, Low cost high incidence SEN, English as an Additional language and mobility are classified as 'pupil-led'.
- The largest number of LAs (70) are allocating between 85% and 90% of the Schools block through pupil led factors whilst the next greatest group (69) are allocating between 90% and 95%.
- Lincolnshire's percentage is 88% and is to be expected. This is because the element of schools funding that is not pupil-led, i.e. the lump sum, is likely to be larger for those LAs that,

due to rurality, have a relatively high number of schools and a relatively high number of small schools.

Lump sum

- This factor is optional.
- All LAs chose to operate a lump sum factor in 2013/14.
- The maximum permitted was £0.2m and LAs had to apply the same rate to both primary and secondary schools.
- Lump sums range from £42,000 to £200,000. The latter was chosen by 11 LAs, but the most common was £150,000 which was chosen by 27 LAs.
- Lincolnshire's lump sum was set at c.£115,000 and so was a little below the median range of £120,000 to £130,000.
- In reaching its decision on the lump sum for 2013/14, the LA recognised that setting a figure below £0.200m would adversely affect small secondary schools. However, the critical issue was that this negative aspect was far outweighed by the risks of setting it too high, e.g. at £0.200m. The smallest of primary schools could then have remained financially viable and that could have resulted in: poor educational outcomes; reduced opportunities for pupils; reduced value for money, and; very inefficient use of resource.

Primary: secondary ratios

- For 2013/14, the national ratio of primary to secondary funding is 1 : 1.27.
- The largest group of LAs (49) are in the band 1.25 to 1.30. Lincolnshire falls within this band at 1.25.
- The next largest group (41) are in the 1.30 to 1.35 band and the next largest group (26) are in the band 1.20 to 1.25.

As reported over many years, Lincolnshire's relative funding of the primary and secondary sectors remains in line with the national average.

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