

**Open Report on behalf of Debbie Barnes, Executive Director of Children's Services**

Report to:	<b>Cllr Mrs Patricia Bradwell</b>
Date:	<b>30 October 2013</b>
Subject:	<b>School Funding Arrangements 2014/15</b>
Decision Reference:	<b>I005426</b>
Key decision?	<b>Yes</b>

**Summary:**

In June 2013, the Government announced changes to school funding arrangements for 2014/15. The Local Authority (LA) has a duty to ensure that its local schools funding formula is compliant. Proposals have therefore been developed and have been the subject of consultation with various parties. They have commanded significant support and now need to be formally approved by the Executive Councillor. This will allow the LA to meet a key DfE' requirement, i.e. the submission to the Education Funding Agency (EFA) by 31 October 2013 of a proforma outlining Lincolnshire's proposed school funding formula for 2014/15.

**Recommendation(s):**

That the proposals for Lincolnshire's school funding arrangements in 2014/15, as set out in Appendix A, be approved.

**Alternatives Considered:**

1. The LA has no option but to ensure that its local schools funding formula complies with the Government's arrangements from 2014/15. The Government has made a number of refinements to the radical changes introduced in 2013/14. The LA considered various options before reaching the proposals set out in this report.

**Reasons for Recommendation:**

The LA has responded positively to the government's refinements to school funding arrangements in 2014/15. The LA has again based its proposals on an underlying set of principles which include the need for fairness in school funding. Stability in school funding has been another key principle and the degree of turbulence in school funding will be minimised once again by ring-fencing funding to each sector. The LA has undertaken extensive consultation with various parties, and the proposals have secured significant support.

## **1. Background**

The DfE introduced radical reforms to school funding arrangements in 2013/14. In June 2013, the Government announced plans to refine those arrangements for 2014/15. The LA has a duty to ensure that its local schools funding formula is compliant. Proposals were therefore developed and all schools were consulted from 5 September 2013. A report was presented to the Scrutiny Committee on 6 September 2013 to explain the position and outline the next steps in the process. Since then, the results of the consultation have been carefully considered, including by a working group of Schools Forum members on 24 September 2013. The Schools Forum formally considered the LA's proposals at its meeting on 9 October and supported the proposals.

A decision on implementing these changes is required before 31 October 2013, to enable the LA to submit a proforma to the EFA setting out how it plans to fund schools from next year.

## **2. Conclusion**

The LA has responded to the DfE's requirement to alter local school funding arrangements by developing proposals which have secured widespread support following various consultations that have taken place. The proposals should provide a fairer system of funding and help to minimise the degree of turbulence in school funding next year.

## **3. Legal Comments:**

The options detailed in the report are lawful and within the remit of the Executive Councillor for Children's Services and Adult Learning.

## **4. Resource Comments:**

The proposals in this report appertain to the Dedicated Schools Grant. There are no financial implications for other, Council funded budgets.

## **5. Consultation**

### **a) Has Local Member Been Consulted?**

n/a

### **b) Has Executive Councillor Been Consulted?**

n/a

### **c) Scrutiny Comments**

At its meeting on the 6 September 2013, the Scrutiny Committee considered a report which included the consultation document that was issued to all schools on 5 September 2013. The Scrutiny Committee did not express any major concerns regarding the LA's proposals.

#### d) Policy Proofing Actions Required

### 6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Proposed changes to School Funding Arrangements for 2014/15

### 7. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
School Funding Reform: Findings from the Review of 2013/14 & Arrangements and changes for 2014/15	County Offices Lincolnshire County Council Lincoln

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### Proposed changes to School Funding Arrangements for 2014/15

Set out below are the LA's proposals for altering the current school funding formula in 2014/15.

1. The LA proposes to increase the secondary school block allocation to £0.175m from 2014/15, with that being funded from the secondary sector's age weighted pupil unit value. This marks a partial reversal of the change made for 2013/14. One again, the minimum funding guarantee will continue to offer protection to schools. This proposal was supported by 80% of secondary schools and the School Forum.
2. The LA proposes to introduce a sparsity factor for secondary schools. This will be set at a rate of £0.1m per school and operate without tapering. This will be funded from the age weighted pupil unit value in the secondary sector. Like the proposed increase in the lump sum factor (see above), this will partially offset the loss in funding suffered by some small secondary schools in 2013/14. Unfortunately, not all small secondary schools will benefit due to the DfE's qualifying criteria (i.e. a school must have < 600 pupils on roll and an average sparsity distance of > 3 miles). This proposal was supported by 60% of secondary schools and the School Forum.
3. The LA proposes to maintain the current level of low cost, high incidence SEN funding in the secondary sector. Although more pupils will qualify for funding due to the DfE's amendment to the qualifying criteria (i.e. those that do not attain the expected level at Key Stage 2 in English or Maths) the impact upon individual secondary schools should be very modest indeed. This proposal was supported by 100% of primary schools, 80% of secondary schools and the School Forum.
4. The LA proposes to introduce a factor for Looked After Children. Funding released from the unwinding of transitional protection arrangements this year can be used to finance this additional cost, so there should be no negative impact upon schools' existing budgets. This proposal was supported by 79% of primary schools, 90% of secondary schools and the School Forum.
5. The LA proposes to set the rate for the factor for Looked After Children at £600. As indicated above, the funding released from the unwinding of transitional protection arrangements this year can be used to finance this additional cost, so there should be no negative impact upon schools' existing budgets. The original proposal to set the rate at £1,200 per pupil was supported by 79% of primary schools and 90% of secondary schools. The LA has since reduced the proposed figure to £600 in light of a recent announcement by government regarding the Looked After Children premium. The result will be that the same overall level of funding will be provided to schools as originally intended. The School Forum supported the revised proposal.