

## School Funding Consultation 2013/14 - Frequently Asked Questions

### Basic per- pupil entitlement

1. Q Is AWPU now the Basic Entitlement as in various parts of the document it talks of AWPU and Basic Entitlement?  
A These are the same thing

### Deprivation

2. Q Can the indices FSM, Ever 6 FSM and IDACI be mixed?  
A No. Local decision making is to be much simpler, more transparent and efficient. Under the new arrangements the LA will be able to use a free school meals (FSM) indicator and/or an IDACI rating when distributing funding for deprived pupil.
3. Q Please can you confirm what is IDACI?  
A It is the Income Deprivation Affecting Children Index and is part of the indices of Multiple Deprivation (IMD). It is an area based measure defined at the level of Lower Super Output Area. It takes the form of a score between 0 and 1, which can be interpreted as the proportion of families in the LSOA, with children aged under 16, which are income deprived.
4. Q Is there any choice on the index used, can we stay with our current ACORN index of deprivation?  
A No. The DfE have restricted the deprivation factor to FSM, Ever 6 and IDACI.
5. Q How will the LA know which of our pupils are categorised into these various indices?  
A Data will be provided by the DfE. LAs are required to use only the DfE data. IDACI and FSM will be as at Autumn 2011 Census and Ever 6 Spring 2011.
6. Q Why IDACI?  
A The DfE are enabling LAs to use IDACI as it is the only national index of deprivation that is focused on children, using individual post code information. IDACI is calculated as Lower Super Output Area (LSOA) level. An IDACI score is the measure of probability that a child living in the LSOA will be deprived. In other words, a child with an IDACI score of 0.2 has a 20% chance of coming from a deprived family.

This means that whilst FSM can be used to target funding at specific pupils who come from deprived families, IDACI allows LAs to ensure that funding can also be distributed to schools

that have pupil living in the most deprived areas who might not be eligible for, or take up FSM.

### **Lump sums**

7. Q Why have these particular lump sums been identified?  
A The aim of the lump sum is to meet unavoidable fixed costs incurred by a school – that is a headteacher, a caretaker and some administrative support. Analysis carried out by the DfE showed that, for a primary school, the average lump sum required for this purpose is around £95,000. Because a number of other factors are being removed and it is required that a single lump sum be applied for both primary and secondary schools, it was agreed that this might need to be higher.
8. Q Can a different lump sum be set for primary and secondary?  
A No the same lump sum must be applied to both phases. The lump sum is predominantly aimed at supporting small schools that will not attract enough funding through their per-pupil funding. It is the DfE's view that the majority of funding should be distributed through the basic per-pupil entitlement or the remaining pupil characteristics factors so that funding can genuinely follow the pupil.
9. Q Is the protection for federated schools with a single budget share likely to continue i.e. will they get one lump sum or two?  
A LAs will still be able to issue a single budget share but this will be at least as great as if the schools had still been separate. In practice under the new system this will mean calculating the budgets separately and adding them together before issuing the budgets.
- 10.Q What is the impact on the AWPU value for primary schools of raising the lump sum?  
A The lump sums must be the same for all phases. The LA and School Forum agreed at the beginning of this process to ensure the same amount of funding that was directed to each phase, remained at 12/13 levels. The AWPU values for primary schools, after allowing for those factors that are no longer permitted, would be higher if the lump sum was lowered. Lower Schools were funded £95,000 in 2012/13 for lump sum.

### **Exceptional Items**

- 11.Q A number of schools pay for rent for curriculum classes. As this is no longer permitted as a factor, can this be applied for under exceptional items.  
A No. The LA are able to ask the Secretary of State for permission to include such items but they must affect no more

than 5% of schools and account for at least 1% of the budget. Rent does not meet this criterion.

### Central provision of services

- 12.Q If one or both phases of schools express a wish to de-delegate an element of their budget share does the LA have the option to refuse? Can the LA charge an administration fee for managing such budgets?
- A Either primary or secondary schools within the Schools Forum might take the initiative in requesting that a permissible item should be de-delegated, but there would be no obligation on the LA to accept the de-delegation, including charging any necessary administrative costs.
- 13.Q Can any of the newly delegated funding be de-delegated for Academies?
- A De-delegation does not apply to Academies but they can still buy into services from their delegated budgets
- 14.Q There are only three exceptions to the general rule that Schools Block funding is delegated to schools in the first instance. Does that mean the LA may not de-delegate funding even if there was a clear mandate from schools to do so or there are protocols in place based on continued central funding? The specific example is union facilities time?
- A That is correct. The DfE are limiting central services to those listed in Exception 1. Union Facilities does come under staff cover which means maintained schools can vote to de-delegate.
- 15.Q It has been confirmed that Trade Union time is included within Exception 1 so funding would be delegated to all schools and Academies in the first instance and maintained schools within a phase could agree for this funding to be de-delegated for this purpose. There are a number of trade union representatives that are currently employed by Academies and are unclear how this would operate under the proposed changes. Currently, Academies reclaim these costs from the LA. It is our understanding that under the proposed changes Academies would receive their 'share' of the budget and it is only maintained schools in a phase that can agree to de-delegate funding.
- A Yes, that is correct. De-delegation applies only to maintained schools and so funding is in Academies' budgets to start with.
- 16.Q Within Exception 1, contingencies can be retained for maintained schools for a limited range of circumstances, one being amounts for schools in financial difficulty. Can you clarify

how parity of treatment is ensured between maintained schools and Academies?

- A Academies will be responsible for managing their own budgets and are principally responsible for their own contingency. In the case of an Academy falling into serious financial difficulty, the Education Funding Agency will review the case and determine whether to provide support, and what form of support should be provided.

### **General**

- 17.Q Can you confirm that the pupil numbers collected in the Autumn School Census 2012 will be used to calculate the funding for 2013/14.
- A Yes, the Autumn 2012 census will be used to allocate funding for 2013/14.

### **Minimum Funding Guarantee**

- 18.Q How will the MFG be afforded?
- A LAs will be able to limit gains in order to make the MFG affordable.
- 19.Q Re a cap on gains, can a different cap be applied to primary and secondary sectors?
- A No. The proposal is to have a single percentage cap.
- 20.Q The level of the MFG has been set for two years, why only two years?
- A The funding parameters beyond 2014/15 are subject to the next Spending Review and decisions on the future level of protection will be made following that.

### **Early Years**

- 21.Q Does the lump sum applied to Nursery need to be the same as Primary and Secondary?
- A No
- 22.Q Does the Deprivation factor in the EYSFF need to change in line with the Primary and Secondary?
- A No. LA's can have a deprivation factor in the EYSFF which is different.

### **Updated 20<sup>th</sup> September 2012**

### **Rates**

- 23.Q What would an alternative be for funding rates on an actual basis?

- A The total amount of rates funded for all schools would be added together and converted into a per pupil rate and added to the basic entitlement (AWPU). The disadvantage of this would be those school with a high rateable value may not receive sufficient in the basic entitlement to cover the actual cost of the rates payable. Rates have previously been funded on an actual basis and so it was deemed to be fair and cause less turbulence to remain funding in the same way.

### **PFI**

- 24.Q Please clarify that a PFI factor is to fund the 'funding gap' for those schools.
- A No the factor permitted to be used is designed to deal with the additional costs incurred by the school as a result of their PFI status. The PFI factor should only cover net additional costs incurred by the school and should not result in a profit. The funding gap is not paid from DSG.

### **MFG**

- 25.Q How is the MFG being applied, we do not understand why the percentage loss in the first year varies for different schools and yet the rate of negative 1.5% has been applied?
- A The calculation for MFG has been substantially simplified and is clearly specified in Schedule 4 of 'The School and Early Years Finance (England) Regulations'. This applies to pupils in age ranges 5-16 and excludes funding for early years children and young people over 16.

### **Lump Sum**

- 26.Q Why are small upper schools having the same lump sum as large upper schools?
- A The 'Lump sum' is an optional factor and is provided to all mainstream schools (including Academies) irrespective of size and is aimed as a contribution to the basic costs of operating a school. The regulations do not allow different lump sums to be set.
- 27.Q The question on lump sum cannot be answered as it is not indicated where the extra funding will come from and which area of the formula will lose out?
- A There is no additional funding. Those factors that are no longer permissible have been converted into a per pupil amount per phase. If a higher lump sum is applied this would result in a lower basic entitlement per pupil.

## Rent

28.Q The school pays rent for the right to exist in the school building as there are no other possible school premises. The proposal is to exclude any consideration for rent. Please investigate some way around this.

A The regulations only allow an exceptional item to be applied for when it affects less than 5% of the LA schools (including Academies) and amounts to more than 1% of the School Budget Share. Rent did not meet this criteria. However, the LA has requested that the Department consider this particular circumstance.

## Deprivation

29.Q The change in methodology for 'Deprivation' will mean a significant loss in funding. Were any other alternative calculation methods considered?

A Yes, Free School Meals and Ever 6 (those pupils eligible in the past 6 years). Modelling showed that those schools currently receiving funding for 'Deprivation' would be affected greater than the use of IDACI. The current system of funding uses ACORN data and is no longer permitted.

## Looked After Children

30.Q A school with long term LAC has significant workload and provision costs. LAC also have difficulties that prevent them from maintaining good progress. What funding is being made available for these additional costs?

A There is no factor currently in the Individual School Budgets for LAC. LAC pupils receive Pupil Premium and this remains unchanged. The LA and School Forum considered introducing a LAC factor but data showed this applied to few schools and authority wide was few in number. Funding also would not follow the child should they move after the pupil census date.

## Early Years

31.Q Will Early Years also be based on the October Census.

A No. Early Years will be based on 3 January counts, e.g 13/14 estimates based on January 12, updated for January 13 in the summer 2013 and adjusted at year end for January 14 count.

## General

32.Q Why are schools only being presented with a one year budget?

A The Department are not prescribing a minimum percentage to be allocated through the age-weighted funding or through the pupil-led factors for 2013/14. However, they have stated that

this may change in the future once the 2013/14 data has been reviewed.

- 33.Q How will schools access/apply to the Growth Fund?  
A A criteria will be set and agreed with the School Forum. Further information will be provided once it is agreed.
- 34.Q It is unclear what will happen to statemented pupil funding, will this be unidentified in most cases, or will the funding still follow the pupil?  
A Funding for Statemented children will remain unchanged. Schools already fund the first 11 hours from their notional SEN budget and the LA provides the top up against the level of need which is linked to the Statementing funding bands.
- 35.Q What is the current amount received from Central Government for each pupil in Central Bedfordshire and how does this compare with the national average.  
A The Central Bedfordshire Unit of Funding for 2012/13, and will remain unchanged for 2013/14 is £4,658. Central Bedfordshire is ranked the 14<sup>th</sup> lowest funded authority out of 151 (including the City of London). Leicestershire is the lowest funded authority with £4,429 and the City of London the highest with £9,373. The national average is £5,247.

***Updated 2<sup>nd</sup> October 2012 following analysis of Consultation responses***

- 36.Q Where does the LAC funding currently go? Can it be shown separately?  
A Funding is sent direct to schools on a termly basis (1/3 of £600) on the number of LAC children. This is in addition to the schools individual budget.
- 37.Q Why cant Key Stage one results be used for HILLN?  
A The Government has determined that the only data that can be used for funding HILLN is Early Years Foundation Stage and Key Stage 2.
- 38.Q Why are the most deprived schools being penalised in this model, additional review needs to be undertaken?  
A The LA modelled the impact of using Free School Meals as this is the only other choice that was given to IDACI. The impact on the schools in the most deprived areas was significantly greater. There is no choice on the use of IDACI as opposed to ACORN. The current system used by Central Bedfordshire directs the funding only to those schools with 15% or more pupils in the most deprived categories. This disadvantaged schools that fell just beneath the 15% threshold (this could be 1 pupil). The Government are imposing a system of a unit rate per deprived pupil.

39.Q How can schools with a larger number of traveller pupils on role be supported to meet their specific needs?

A The new system does not allow a separate factor to be used for Traveller pupils, only EAL. The Forum reviewed the number of pupils with EAL across the council and the maintained sector. The current amount that was agreed by School Forum in 2012/13 to be retained, would be significantly reduced with the increase in the number of Academies who receive their proportion in their budgets. Data showed number of EAL pupils to be low across Central Bedfordshire Schools.

40.Q The school has an old building with significant maintenance costs. Can this be reflected in a different lump sum?

A The regulations only allow one lump sum. There is not currently a factor specifically for this requirement and the LA are not permitted to introduce new factors.