

# **Proposed School Funding for 2014/15**

Consultation document

## Contents

<b>Section</b>	<b>Page</b>
<b>Introduction - key changes for 14/15</b>	<b>3</b>
<b>Proposed Formula Factors for Distributing the Schools Block</b>	<b>6</b>
<b>Centrally Provided Services</b>	<b>14</b>
<b>Early Years Block</b>	<b>17</b>
<b>High Needs Block</b>	<b>17</b>
<b>Financial Model</b>	<b>18</b>
<b>Consultation Process</b>	<b>19</b>

Please read this consultation document and then answer the questions on our proposals for school funding in 2014/2015 by completing our [online form](#). Paper copies of the form are available on request by contacting Gezim Leka on [gezim.leka@centralbedfordshire.gov.uk](mailto:gezim.leka@centralbedfordshire.gov.uk) or 0300 300 6162.

All responses must be received by Friday, 27 September 2013.

## Introduction and key changes

1. The Department for Education (DfE) has carried out a review to understand how the changes introduced to funding arrangements for schools in 2013/14 have been implemented. In light of the findings, changes will be made to the funding distribution for 2014/15.
2. The 2014/15 Funding Arrangements were announced on 4 June 2013, and set out the proposed changes to funding formulae for 2014/15 on which the council must consult with schools. These changes are seen by the DfE as a further development of the 2013/2014 arrangements. This document explains the main changes and specific proposals for Central Bedfordshire.
3. We are keen to hear your views before we make our final decision on the funding arrangements for 2014/2015. You will notice that we have included questions throughout this document to support you in thinking about these changes. To find out how you can respond to these questions, please read the consultation section at the end of this document.
4. A new optional factor for 'sparsity' has been introduced, which is aimed at supporting necessary small schools, mainly in rural areas. Specific criteria have been drawn up by the DfE to control how this factor operates. Further details can be found in paragraph 66. Where a sparsity factor is used by a council, the maximum allowable value is £100,000 per school. According to the data provided by the DfE, if this is applied, it only impacts on four schools in Central Bedfordshire.
5. The council can now choose to have different lump sums for Primary and Secondary (with middle schools getting a weighted average). This is capped at £175,000 per school. In the 2013 consultation process the maximum lump sum value was £200,000.
6. Where schools are amalgamating, the amalgamated new school will receive 85% of the total of the combined lump sum but only for the following financial year.
7. If a factor for Looked After Children is applied in a council's funding formula this must now apply to any child who has been in care for at least one day, whereas in the past this was set at six months.
8. The new guidelines change the way prior attainment factor is measured at the end of the Early Years Foundation Stage (EYFS) and Key Stage 2 (KS2). The new measures are:
  - EYFS – not achieving a good level of development (2013 cohort)
  - KS2 – not achieving level 4 in English or Maths for all cohorts.

9. The mobility factor if used can now only be applied when the number of 'mobile' pupils exceeds 10%. No threshold was set for 2013/14.
10. The basic entitlement for primary pupils (the Age Weighted Pupil Unit - AWPU) must be at least £2,000, and for secondary pupils (KS3 and KS4) at least £3,000. Central Bedfordshire figures for 2013/14 were well within these parameters.
11. Councils must ensure that at least 80% of delegated funding is distributed via pupil led factors (in Central Bedfordshire in 2013/14 it is 87%). There are currently no constraints on the Primary/Secondary ratio proposed in the latest guidelines but limits may be introduced in the future.
12. The 2013/14 guidelines required the creation of a Growth Fund to be used to resource demographic increases in basic need. This was agreed at £800,000. The new guidelines state that with the agreement of the Schools Forum, councils can now create a fund to cover temporary falls in a school's roll. This can only be applied to schools that have been judged by Ofsted to be 'good' or 'outstanding'. Schools Forum must also agree the criteria by which this will be applied and be consulted on allocations. This factor can only be applied if it relates to local place planning decisions and cannot be used to support unpopular or failing schools
13. The Operational Guidance for 2014/15 provides information regarding financing schools that are planning to change their age ranges. Councils are now able to request approval to vary the pupil numbers for specific schools where:
  - there has been, or is going to be, a reorganisation; or
  - a school has changed, or is going to change, its age range either by adding or losing year groups.
14. In these cases, a weighted average of pupil numbers can be used, taking into account the changes in pupil numbers from the new academic year. Due to the 'school-driven' nature of the age range changes in Central Bedfordshire where numbers will continue to be affected by parental preference, the council will need to apply for a variation in pupil numbers for specific schools for the funding period 2014/15. Councils' budgets will be adjusted to recoup budget so that the Education Funding Agency (EFA) can fund affected Academies.
15. There is a change to the membership in the Schools Forum Regulations. They now require one member from an institution that provides education to 16 – 19 year olds. This replaces the member from the 14-19 Partnership. The representative from the University Technical College (UTC) can continue to fulfil this role.
16. The council is now able to apply for exceptions from the finance regulations in relation to:
  - Premises factors
  - Minimum Funding Guarantee
  - Changes in pupil numbers as a consequence of reorganisation or changes in years of admission
  - Sparsity calculation
  - Variation to lump sum for amalgamated schools.

17. Schools will be required to fund the first £6,000 for High Needs Pupils. Central Bedfordshire agreed this figure when it was recommended for 2013/14 following consultation with schools.
18. The DfE will be consulting on setting the place value at £10,000 for Special Schools and Academies with post 16 pupils. This is currently split into two elements of £6,000 and £4,000. Setting the place value at £10,000 will make this consistent with the place element for pre-16 pupils.
19. All maintained schools and Academies must be treated equally when incurring central expenditure, with the exception of the figure that can only be de-delegated for maintained schools.
20. Pupil Premium will remain a separate grant in 2014/15 and will raise to £1,300 per pupil eligible for Free School Meals (in the last six years) for Primary and Looked After Children. The Secondary premium has not yet been announced. Service children (in the last two years) receive £300.
21. The table below provides a summary of the timetable for implementation of the 2014/15 Funding Arrangements.

When	Activity
30 <sup>th</sup> June 2013	First window for applications exclusion/variations to pupil numbers
16 <sup>th</sup> and 31 <sup>st</sup> July 2013	School Forum Technical Funding Group Meetings
13 <sup>th</sup> August 2013	CBC Executive Report School Funding Arrangements
3 <sup>rd</sup> September 2013	Overview and Scrutiny Committee – Review consultation and funding arrangements
4 <sup>th</sup> – 27 <sup>th</sup> September 2013	Consultation with Schools
30 <sup>th</sup> September 2013	Second window for applications exclusion/variations to pupil numbers
End of October 2013	Councils submit provisional pro-forma to Education Funding Agency.
18 <sup>th</sup> December 2013	DfE confirms DSG Schools Block for 2014/15
14 <sup>th</sup> January 2014	CBC Executive to approve the 2014/15 Funding distribution
21 <sup>st</sup> January 2014	Councils submit final pro-forma to Education Funding Agency.
28 <sup>th</sup> February 2014	Council issues Individual School Budgets

## Proposed Formula Factors for Distributing the 2014/15 Schools Block

## Mandatory Factors

### Basic per-pupil entitlement (AWPU)

22. This is a compulsory funding factor that assigns funding to individual pupils based on the October pupil census.
23. In 2013/14 funding was allocated according to age weighted pupil unit (AWPU), with different rates for Primary and Secondary (where there could be different rates for KS3 and KS4).
24. In 2014/15 a minimum value of £2,000 for Primary and £3,000 for Secondary (KS3 and KS4) has been set.
25. Central Bedfordshire Council and the School Forum believe that to set a minimum value strengthens the principles that the funding formula should be pupil led. It is proposed that there is no change to the 2013/14 AWPU rates other than to fund those factors that have not previously been included or to increase the centrally retained Schools Block where this has been agreed.

**Question: How far do you agree or disagree that the base level for the 2014/15 AWPU rates should be set at the 2013/14 levels? (Please answer Q6 on the consultation response form).**

### Deprivation

26. This is a compulsory factor. In 2013/14 councils could choose to use free school meals and/or the Income Deprivation Affecting Children Index (IDACI) to distribute deprivation funding. There could be separate unit values for Primary and Secondary and it could be weighted for IDACI data.
27. Both indicators direct funding through a unit rate per deprived pupil.
28. Central Bedfordshire Council and the School Forum propose no change to the methodology or unit rates for the distribution of the 2014/15 funding. However, they would like to seek views on how the deprivation funding has been applied in 2013/14.

**Question: How has your School's deprivation funding been applied in 2013/14? (Please answer Q7 on the consultation response form).**

1. It has been absorbed within the overall budget
2. It has supported deprived pupils in addition to the Pupil Premium

**If you said 'It has supported deprived pupils in addition to the Pupil Premium', is the impact of this spend evaluated by the Governing Body?**

**(Please answer Q8 on the consultation response form if applicable).**

### Optional factors

29. Any funding used for optional factors that are not currently in use would be deducted from the basic entitlement (AWPU).

## **Looked After Children (LAC)**

30. In 2013/14 Central Bedfordshire Council did not direct funding through this optional factor as concerns were raised regarding movement of pupils between schools and the funding not following the pupil. This factor used the March return completed by councils each year, mapped to schools using the January school census. Councils had a choice to select one of three indicators. It was agreed to exclude LAC as a factor for 2013/14 as it could not be proven to target individual pupils changing schools at any time during the academic year.
31. For 2014/15 only one indicator will be allowed, which is all those who were being looked after on 31 March 2013, regardless of how long they have been looked after. This provides consistency in the movement to a National Funding Formula. Evidence shows that children who have been looked after for one day are equally as likely to underperform at KS4 as those looked after for 12 months.
32. The spread of LAC across Central Bedfordshire schools (106) is significantly higher under the new criteria and would impact 48 schools.
33. Central Bedfordshire Council would like the inclusion of this factor to be considered, as data shows that these pupils underperform, and all available additional support should be provided in order to improve outcomes for LAC.

**Question: How far do you agree or disagree with the proposal to include Looked After Children as a factor in the funding formula?  
(Please answer Q9 on the consultation response form if applicable).**

## **Prior Attainment**

34. In 2013/14 Central Bedfordshire Council did not direct funding through this optional factor. It acts as a proxy indicator for low level high incidence special educational needs, with the Primary indicator for 2013/14 based on the Early Years Foundation Stage Profile (EYFSP) and Secondary indicator based on the number of pupils not achieving level 4 in English and Maths at KS2.
35. For 2014/15 the Primary indicator will include those who failed to achieve a good level of development for the cohort of pupils in the 2013 assessments. This will only apply to this cohort; for older year groups in the school EYFSP will apply. The Secondary indicator will be based on the number of pupils not achieving level 4 in English or Maths.
36. Central Bedfordshire Council and the School Forum propose that there should be no change to 2013/14. Changes to the assessment criteria make the data unreliable. It is felt that introducing this factor could be seen as allowing extra funding to be targeted at low performing schools rather than underperforming pupils, therefore rewarding schools for their poor performance.

**Question: How far do you agree or disagree with the proposal not to distribute funding based on prior attainment?  
(Please answer Q10 on the consultation response form if applicable).**

## English as an Additional Language (EAL)

37. In 2013/14 Central Bedfordshire Council did not direct funding through this optional factor. Pupils with English as an additional language could attract funding for up to three years after they enter the statutory school system. Councils could choose to use indicators based on one, two or three years. There could also be separate values for Primary and Secondary.
38. There is no change to these criteria for 2014/15.
39. The table below shows the number of pupils where English is an Additional Language and the years the pupil enters the statutory school system.

Number of Years in statutory Education	Lower	Middle	Upper
1st	243	32	8
2nd	423	68	17
3rd	570	84	24

40. The school with the largest number of pupils with EAL is in an area where their parents are at the local University, with the pupils achieving well and learning through the medium of English. The other areas of impact are mostly deprived and are already in receipt of funding through the Deprivation factor. While demographic growth may change over time, at present there is no effect or change to the need for an EAL factor. This can be revisited to accommodate any future changes in demographic profile.
41. Central Bedfordshire Council and the School Forum propose not to include a separate funding factor for EAL.

**Question: How far do you agree or disagree with the proposal to exclude English as an Additional Language (EAL) as a factor in the funding formula?  
(Please answer Q11 on the consultation response form if applicable).**

### Lump sum

42. This is an optional factor although it is used by all local authorities. The purpose of the lump sum is to provide all mainstream schools (including Academies but not including Special Schools), irrespective of size, with a contribution to the basic costs of operating a school. This had to be a single value applied to all schools with the maximum set at £200,000. Following consultation the lump sum for 2013/14 was set at £120,000.
43. For 2014/15 Councils can set different lump sums for Primary and Secondary with a maximum level set at £175,000. The maximum level has been reduced as a sparsity factor is now available. Where schools amalgamate they will retain 85% of



the total lump sums in the year after the amalgamation, rather than reducing to one lump sum immediately. The change responds to concerns that a single lump sum did not recognise the differences in school size between phases, and removes the previous financial disincentive to amalgamate.

44. Extensive modelling had been carried out to inform the 2013/14 lump sum value and illustrated higher lump sum amounts adversely affecting larger schools.
45. Central Bedfordshire Council and the School Forum propose no change to the 2013/14 lump sum value of £120,000.

**Question: How far do you agree or disagree with the continuation of one lump sum of £120,000?**

**(Please answer Q12 on the consultation response form if applicable).**

### **Split sites**

46. In 2013/14 Central Bedfordshire Council agreed to fund schools through a split site factor. The purpose of this factor was to support schools which have unavoidable extra costs because they have a split site. The allocation was based on objective criteria, both for the definition of a split site and for the amount funded. The EFA checked the definition submitted to ensure it was objective and transparent, and easily applied to Academies. This only applied to one school in 2013/2014 (Greenleas Lower School) and only from September 2013.
47. The proposed definition of a split site for 2014/15 is 'a single school, based on two or more sites that do not share a common boundary, where use of a public highway is necessary to travel between each site and where staff teach more than one curriculum subject area on a daily basis in order to support the principle of a whole school policy.'
48. Note: Federated schools are not eligible for this factor as they remain separate schools receiving individual delegated budgets for each within its federation and therefore each retaining a lump sum.
49. Central Bedfordshire Council and the School Forum propose to continue to allocate an additional lump sum (£120,000) to those schools meeting the definition of a split site. This will be revisited in future years as more schools may merge and work across more than one site.

**Question: How far do you agree or disagree with the continuation of funding schools through a split site factor?**

**(Please answer Q13 on the consultation response form if applicable).**

### **Rates**

50. This is an optional factor but used by all councils in 2013/14. It is funded on the basis of actual costs; Academies are reimbursed by the EFA separately from the main budget allocation.
51. There are no changes proposed for 2014/15.

**Question: How far do you agree or disagree with the continuation of funding rates on an actual basis?**

**(Please answer Q14 on the consultation response form if applicable).**

### **Private Finance Initiative (PFI) contracts**

52. There is not currently a Private Finance Initiative (PFI) factor within the local formula. The purpose of this factor is to support schools which have unavoidable extra premises costs because they are a PFI school and/or to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.
53. The funding gap for Central Bedfordshire's two PFI schools is not met by DSG contributions, as it is in many councils, but paid from the council's core funding that it receives through revenue support grant. It is not a requirement to delegate the PFI affordability gap as this can continue to be funded outside of the DSG.
54. Central Bedfordshire Council and the School Forum propose not to introduce a factor for PFI for 2014/15. However, it is recognised that this may need to be reconsidered in the future should the pupil numbers reduce to a figure below that specified in the contractual obligation, causing the schools additional costs in accordance with paragraph 51 above.

**Question: How far do you agree or disagree with the proposal to continue with excluding a Private Finance Initiative (PFI) factor from the funding formula for 2014/15?**

**(Please answer Q15 on the consultation response form if applicable).**

### **Pupil Mobility**

55. In 2013/14 Central Bedfordshire Council did not fund schools through a Pupil Mobility factor. This measure counted pupils who entered the school in the last three academic years, but did not start in August or September (or January for reception pupils). There could be separate unit values for Primary and Secondary.
56. For 2014/15 there is a 10% threshold so schools will only qualify for the measure if more than 10% of their pupils are counted as mobile. Funding would be allocated based on the proportion above the threshold e.g. if a school has 12% mobility, then 2% of its pupils would attract funding.
57. There were concerns raised in the consultation for 2013/2014 that the previous measure spread funding too thinly. The change enables greater targeting of those schools with the most mobile populations.
58. The table below shows the number of pupils in Central Bedfordshire Schools that were admitted to schools outside of the timelines specified above and applies the 10% threshold. The school level data has been provided by the Department for Education and is based on the academic year 2012/13.

Lower	Middle	Upper	Total
145	21	0	166

59. The issue of mobility in Central Bedfordshire has only been raised previously in relation to service children. This particular group of pupils will not be specifically targeted by this new threshold. In addition, service children receive Pupil Premium Grant.
60. Central Bedfordshire Council and the School Forum propose not to include a new factor for 2014/15 for pupil mobility given that it is not targeted at any particular group of pupils where mobility may be an issue.

**Question: How far do you agree or disagree with the proposal to continue excluding pupil mobility as a factor from the funding formula for 2014/15?  
(Please answer Q16 on the consultation response form if applicable).**

#### **Dedicated School Grant (DSG) spent on Post 16 pupils**

61. This is an optional factor but can only be used where the local authority used such a factor in 2013/14. It is a per pupil factor which continues funding for post-16 pupils up to the level that the council provided in 2012/13. Central Bedfordshire Council did not provide Dedicated School Grant for this purpose in 2013/14 and therefore a factor it is not permitted going forward.

#### **Exceptional premises factors**

62. In 2013/14 councils could apply to the EFA to use exceptional factors relating to premises. This had to relate specifically to premises costs. Councils were advised that applications should only be submitted where the extra factor would be more than 1% of a school's budget and covered fewer than 5% of the schools in the authority's area,
63. Central Bedfordshire Council made an application for those schools having to pay rent or a joint use agreement for their premises for curriculum use. The EFA approved the application regarding joint use but declined the rent application.
64. For 2014/15 CBC have applied 'in principle' in the first window for applications to the EFA for exceptional premises factors relating to both joint use and rent. The EFA have confirmed that the Secretary of State intends to approve the application for both joint use and rent (rent has only been approved for six out of the nine schools applied for). The three schools that were declined because they were well below the 1% threshold of school budget share.
65. Central Bedfordshire Council and the School Forum propose the continuation of funding the joint use arrangement and the inclusion of a rent factor for those schools as approved by the Secretary of State.

**Question: How far do you agree or disagree with the proposal to continue funding the joint use arrangement?  
(Please answer Q17 on the consultation response form if applicable).**

**How far do you agree or disagree with a new rent factor for six CBC schools?  
(Please answer Q18 on the consultation response form if applicable).**

## Sparsity Factor

66. This is a new optional factor introduced by the DfE for 2014/15. The DfE has identified the nearest school to pupils' home addresses. For each school, the average distance as the crow flies to those pupils' second nearest school has been calculated by the DfE. Schools can only qualify for sparsity funding if this distance is greater than two miles for Primary and three miles for Secondary and if they have fewer than 150 pupils for Primary or 600 for Secondary.
67. Councils can narrow the criteria (set at a greater distance or smaller maximum distance). The maximum amounts which can be allocated to an individual school through this factor is £100,000. Councils can also choose whether to use a single amount for all sparse schools, or to use a tapered amount which increases the smaller the school.
68. Should this factor be introduced, only four Central Bedfordshire schools would attract funding.
69. Central Bedfordshire Council and the School Forum propose not to include sparsity as a new factor for 14/15. The general consensus is that this factor is for supporting schools in rural or remote areas like North Yorkshire, Cumbria and Norfolk. Although it was recognised that some schools may be relatively isolated, all schools are protected by the lump sum. The measurement to the nearest school also has a 'cliff edge' approach whereby a school would qualify and be only 0.1 of a mile difference in distance to a school that would not qualify. The distances are also as the crow flies and do not take account of a walking route, which may be further.

**Question: How far do you agree or disagree with the proposal not to include a new sparsity factor for 2014/15?**

**(Please answer Q19 on the consultation response form if applicable).**

## Protections and limits to gains

70. The pre-16 Minimum Funding Guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2014/15, continuing with the simplified calculation. This applies to pupils in age ranges 5-16 and therefore excludes funding for early years children (see Early Years section below) and young people over 16.
71. The only factors which are automatically excluded from the MFG are:
  - Post 16 funding (sixth form factor)
  - The lump sum
  - Sparsity factor
  - Rates
72. As there could be significant amounts of protection required as a result of the formula simplification, the Department for Education allows overall gains for individual schools to be capped as well as scaled back to make it affordable to run the formula.

73. Capping and scaling must be applied on the same basis to all schools and cannot be differentiated by phase. It is applied by the EFA to Academy budgets on the same basis as for maintained schools.
74. Capping and scaling must not be applied to schools which have opened in the last seven years and have not reached their full number of year groups.
75. A commitment has been made that MFG will continue beyond 2014/15 but it is not possible to confirm at what level, as this is subject to the outcomes of the spending review.
76. Central Bedfordshire Council and the Schools Forums have considered the options and propose to cap those schools that gain in order to fund the MFG for those schools that lose.

**Question: How far do you agree or disagree with the proposal to cap those schools that gain in order to fund the Minimum Funding Guarantee?  
(Please answer Q20 on the consultation response form if applicable).**

### **Proportion allocated through pupil led factors**

77. For 2014/15 Councils must allocate at least 80% of the delegated schools block funding through pupil-led factors. In 2013/14 CBC funded 87% of the schools block through these factors. The proposals in this consultation and accompanying financial model demonstrating the effect of these proposal targets 87.88% of funding through the pupil led factors.

### **Primary/Secondary ratio**

78. There will not be a Primary/Secondary ratio at this stage but they have not been ruled out for future years. The ratio for Central Bedfordshire assuming the proposals in the financial model is 1:1.30.

## **Centrally Provided Services**

79. The 2013/14 reforms significantly reduced the number of centrally held budgets within the schools block. There are two groups that central services fit into:-
  - De-delegated Services. These have to be allocated through formula but can be de-delegated for maintained primary and secondary schools.
  - Centrally Retained Services. These can be centrally retained before allocating the formula with the agreement of the Schools Forum and include; Funding for pre-16 pupil growth and infant class size, Funding for falling roles and Copyright Licensing Agency (CLA) and Music Publishers Association (MPA) licenses. In addition Admissions and Servicing of Schools Forum are permitted, however, no new commitments or increases in expenditure are allowed from 2013/14.
80. The following services were delegated in 2013/14 but were able to be de-delegated from the Primary and/or Secondary maintained schools budget subject to a Schools Forum decision by the representative of each sector. **De-delegation is not an option for Academies, Special Schools, Nurseries or PRU's.**
  - Facilities Time (Union representation at meetings etc) and

- Schools Specific Contingency (Closing and re-organising, Schools in financial difficulty etc)

81. Any unspent de-delegated funding remaining at the year end is reported to the School Forum. Funding may be carried forward to the following funding period but its use is subject to the regulations operating in the new financial year.
82. The de-delegation provision is available in 2014/15 and arrangements need to be reviewed as decisions on de-delegation were for 2013/14 only.
83. The table below represents the maintained school contribution in 2013/2014

Services	Distributed through formula factor	Total Value	Per-pupil
Facilities Time	Basic entitlement	£58,829	£3.31
School Specific Contingency	Basic entitlement	£100,000	£5.63

84. Although maintained Nurseries and Special Schools could not be part of this arrangement, they agreed to pay into facilities time from their budgets at the same rate as other schools.
85. The per pupil unit rate will be calculated on the pupil numbers in maintained schools following the October 2013 census. The table below estimates the cost per pupil for 2014/15 and has taken into account any proposed Academy conversions prior to the 1 April 2014. However, it does not take into account changes to trade union membership numbers and therefore the unit rate is likely to change once pupil numbers and trade union membership numbers are known.
86. The table below illustrates the maintained school contribution should the items above be de-delegated, if the same unit rate was retained and all of those schools expected to become academies have converted by 1 April 2014.

Services	Distributed through formula factor	Total Value	Per-pupil
Facilities Time	Basic entitlement	£48,240	£3.31
School Specific Contingency	Basic entitlement	£82,000	£5.63

**Question: How far do you agree or disagree with the proposal to de-delegate Facilities Time?**

**(Please answer Q21 on the consultation response form if applicable).**

**Question: How far do you agree or disagree with the proposal to de-delegate School Contingency?**

**(Please answer Q22 on the consultation response form if applicable).**

### **Falling Rolls and Growth Fund**

87. New for 2014/15 is that funding can be retained centrally before the formula is calculated for falling rolls where a populations bulge is expected in the future but where a good and necessary school or academy currently has surplus places and faces unmanageable funding shortfall in the short term.

88. Funding can also be retained for a growth fund, and additional classes needed as a consequence of infant class size regulations.
89. The requirements of the falling rolls fund and the growth fund are that:
- The falling rolls fund should be restricted to population increases expected in 2-3 years in necessary schools which are classed by OFSTED as good or outstanding. It must not be used to prop up unpopular or failing schools.
  - The growth fund can be used only for the purpose of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools.
  - Both funds must be used on the same basis for the benefit of both maintained schools and recoupment academies.
  - Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained and academy schools through the formula.
  - Councils are required to produce criteria on which any falling rolls or growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of funding.
  - Councils need to propose the criteria for both funds to the Schools Forum and gain its agreement before funding is allocated. The Council also needs to consult School Forum on the total sum to be top-sliced from each phase. The EFA will check the criteria for compliance with the regulations.
90. The Growth fund should not be used to support schools which are undergoing reorganisations to change the age range and/or admitting additional year groups. The council is expected to apply to vary the pupil numbers in these cases, based on the estimated intake in September. However, councils may wish to add criteria for the use of the Growth fund where the estimated pupil numbers are significantly short of the actual September intake and where the additional pupils are admitted because of basic need requirements.
91. In 2013/14 Central Bedfordshire Council agreed with the School Forum the criteria for the Growth Fund and an amount of £800,000 to be retained centrally for this purpose, which also included a factor to assist lower and primary schools, to meet the infant class size regulations, where a breach is unavoidable. The EFA approved the criteria as being compliant with the regulations.
92. Central Bedfordshire is an area that will see significant growth in school aged children over the coming years, triggered by the increase in birth rate (which is impacting now and for at least the next five years), and by the rate of local housing development that is forecast over the next 25 years. The council's School Organisation Plan outlines the pattern of this growth across phases and its New School Places Programme establishes an investment strategy for major projects to ensure that the council continues to meet its statutory obligations to provide sufficient high quality school places. In addition the council will continue to utilise its programme of temporary accommodation where appropriate and will work with schools and academies in each of our planning areas to discuss school organisation and admissions issues and agree management options.

93. For 2014/15 it will be necessary to increase the Growth fund by £200,000, the criteria will be reviewed and agreed with School Forum and the EFA.
94. Central Bedfordshire Council and the Schools Forums have considered retaining centrally funding for schools with falling rolls. However, funding falling rolls is restricted to population increases in 2-3 years and affects maintained schools and academies. The general consensus was that the criteria would result in unfair treatment where schools predicted growth but were not considered good or outstanding. To introduce a new factor would result in the AWPU values being reduced to fund this. The impact on schools not recognised as good or outstanding would result in a reduction of funding through the basic per pupil entitlement but they would also not qualify for falling rolls funding.
95. Central Bedfordshire Council and the Schools Forums propose to increase the centrally held funding for the Growth fund by £200,000, to reflect the increased number of schools meeting the criteria for funding. However, it is proposed not to include a new fund for falling rolls and to leave the exiting funding within the AWPU values.

**Question: How far do you agree or disagree with the proposal to retain centrally £1,000,000 for the purpose of the Growth Fund?  
(Please answer Q23 on the consultation response form if applicable).**

**Question: How far do you agree or disagree with the proposal not to retain centrally funding for the purpose of Falling Rolls?  
(Please answer Q24 on the consultation response form if applicable).**

### **Requests to vary pupil numbers**

96. The EFA expect requests to vary pupil numbers to be submitted by councils where maintained schools or academies are changing their age range or are part of a reorganisation. Applications approved so far use a weighted average of pupil numbers, taking account of the increase or reduction in pupil numbers from the start of the new academic year.
97. As in year changes to budgets are not permitted, any proposals which involve adjusting budgets where actual numbers differ from estimates could only be agreed on the basis that the adjustment would not take place until 2015/16, subject to any restrictions imposed by a National Funding Formula. It is important therefore that a realistic estimate is made for the adjustment in 2014/15.
98. Where an Academy is part of the pupil number variation, then the full effect of the change will be incorporated in their 2014/15 budget, as this is effective from September 2014.
99. The Growth fund should be used where schools are being asked to take on extra classes within their existing age range because of basic need and not where the age range is changing. It could be used though where basic need growth results in actual numbers being significantly greater than estimated in schools changing their age range.
100. Central Bedfordshire Council has made an in principle application to vary the application of The School and Early Years Finance Regulations 2013 for the



financial year 2014/15 and disapply the use of October census data for specific schools, with the intention to more accurately reflect pupil numbers in schools and academies affected by changes of age range in the Dunstable and Houghton Regis area. The application detailed how the calculation would be made and how adjustments would be made where the actual numbers differ from estimates.

101. The EFA have responded to the application and advised that the Secretary of State intends to approve the request in principle, once the regulations are laid, for a variation to pupil numbers relating to the schools impacted. However, it is not possible to adjust the pupil numbers in year once the October 14 census information is available. This can only happen in the 2015/16 formula and will be subject to what is allowed under a National Funding Formula.
102. To inform the 2014/15 budget setting process for maintained schools and for Academies the council needs to be able to provide estimates in late January 2014 for numbers expected in each school affected by the implementation of age range changes (directly or indirectly) in the following September 2014.
103. Secondary/Upper transfer applications for September 2014 will be known by the admissions application deadline at the end of October 2013, which will provide clarity on numbers of pupils seeking a Yr 7 and a Yr 9 place at an upper/secondary (excluding late applications, in year transfers and subsequent changes in preferences). This data will be verified with assistance from middle schools in affected areas and surveys of parents of children in current year 6.
104. 15th January 2014 is the admission transfer application deadline for middle schools and will provide clarity on numbers of pupils seeking transfer to Yr 5 in a middle school (excluding late applications, in year transfers and any changes of preference) for the following Sept 2014. This data will be verified with assistance from lower schools/academies in December 2013 with surveys of parents of children in current year 4 to declare their intended year 5 transfer or retention into Yr 5 in the lower school/academy.
105. For those schools who are already offering a year 5 or a year 7 in September 2013 (i.e the Lower Schools in Houghton Regis, All Saints Academy etc) the council will assume a roll on in those schools of these numbers into years 6 and 8 in September 2014.
106. In addition, the council intends to establish a budget correction mechanism to ensure that schools are not significantly over or under funded on the estimates established in January 2014 through the process as set out above, versus actual admissions in September 2014. Any estimate that is +/- 10% different to actual pupil numbers in the new year groups will be corrected through a corresponding increase or decrease in funding in the next financial year (15/16). This assumes that national regulations in place at that time will allow this correction to be made and also reflects advice already received from the EFA that corrections cannot be made in 2014/15.
107. For budget modelling purposes (which accompanies this School Funding Consultation), the council has based the calculations on the latest information with a clear grid showing each affected school and the assumptions (for modelling

purposes only) we have made of the number of pupils anticipated in the new year groups created from September 2014.

## Early Years Block

108. There are no changes proposed for 2014/15.

## High Needs Block

109. The only change proposed in the High Needs Block is that schools will be required to fund the first £6000 for High Needs Pupils. Central Bedfordshire agreed this figure when it was recommended for 2013/2014 following the consultation with schools.

## Financial Model

110. Below is a summary of the proposed changes and the basis of the modelling attached:

Factor		2013/14	2014/15
A basic per pupil entitlement	Primary AWPU	£2,908	£2,905
	Key Stage 3 AWPU	£4,170	£4,167
	Key Stage 4 AWPU	£4,879	£4,876
Deprivation	IDACI Band 2 and 3	£554	£554
	IDACI Band 4	£1,108	£1,108
	IDACI Band 5	£1,662	£1,662
	IDACI Band 6	£2,216	£2,216
Looked After Children		£0	£468
Prior Attainment		£0	£0
EAL		£0	£0
Lump Sum		£120,000	£120,000
Split Site		£120,000	£120,000
Rates		Based on actual	Based on actual
PFI		£0	£0
Pupil Mobility		£0	£0
Post -16		n/a	n/a
Exceptional Premises factors	Joint Use	£98,330	£98,330
	Rent	n/a	£39,185
Sparsity		n/a	£0
Growth Fund		£800,000	£1,000,000
Falling Roles Fund		n/a	£0
School Admissions		£260,486	£260,486
School Forum		£3,000	£3,000
Copyright Licenses		£83,772	£83,772

111. The minimum funding guarantee has been calculated using the Department for Education's simplified calculation, the only exceptions being the lump sum, sixth form funding, rates and sparsity.

112. Winners have been capped to fund the required protection.
113. Lower Schools' Early Years, High Needs (SEN including Specialist Provisions) are as per 2013/14 funding.
114. Facilities Time and Contingencies has been assumed at the same unit rate as 2013/2014.
115. Statutory functions; coordinated admissions scheme and servicing of Schools' Forum assumed as at current levels.
116. The figures are illustrative and must not be taken as final allocations.

**Please give any further comments you have about the proposals for school funding for 2014/2015 by answering Q25 of the consultation form.**

## The Consultation Process

117. The council is consulting schools in the council area to ensure that you have every opportunity to have your say on the final funding scheme.
118. The consultation is open between Wednesday, 4 September and Friday, 27 September 2013. You can respond to the consultation through our [online response form](#). Paper copies of the form are available on request by contacting Gezim Leka on [gezim.leka@centralbedfordshire.gov.uk](mailto:gezim.leka@centralbedfordshire.gov.uk) or 0300 300 6162.
119. The feedback from the consultation will be presented to the council's Executive in January 2014 where a final decision will be made.



**A great place to live and work**

**Contact us...**

by telephone: 0300 300 6162

by email: [Gezim.Leka@centralbedfordshire.gov.uk](mailto:Gezim.Leka@centralbedfordshire.gov.uk)

on the web: [www.centralbedfordshire.gov.uk](http://www.centralbedfordshire.gov.uk)

Write to: Central Bedfordshire Council, Priory House, Monks Walk, Chicksands, Shefford, Bedfordshire SG17 5TQ