



Schools Forum

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Training and Development
Centre

Paper

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Public

Fairer Schools Funding in 2015-16

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Summary

The Government announced on 13 March 2014 the launch of a consultation document setting out proposals for the next phase of school funding reforms for 5 to 16 year olds. This will begin to address the unfairness of the current funding system and provide additional funding to authorities that are the least fairly funded.

The consultation document 'Fairer Schools Funding in 2015-16' proposes allocating an additional £350m to schools in the least fairly funded local authorities in England in the 2015-16 financial year.

The consultation period runs until 30 April 2014.

Recommendation

Schools Forum is asked for views in response to the Government's consultation on Fairer Schools Funding in 2015-16.

REPORT

Background

1. There is widespread recognition that the current school funding system is unfair and out of date. Shropshire Schools Forum, Shropshire schools, Shropshire Council and Shropshire MPs have campaigned for many years for a fairer deal for Shropshire schools. Significant work has also been undertaken by the F40 campaign group, which represents the local authorities with the poorest funded schools in England.
2. The Government have consulted on reforms to the school funding system since 2011 and have introduced a number of significant changes to how local authorities distribute funding to schools in 2013-14 and 2014-15.

3. This next step in the Government's reforms aims to address the unfairness of school funding levels across local authorities from 2015-16.
4. The proposals provide additional funding of £350m in 2015-16 to fund schools in the least fairly funded authorities whilst ensuring all local authorities receive at least the same cash level per pupil as in 2014-15.
5. The Government has announced that the Minimum funding Guarantee (MFG) will remain at minus 1.5% per pupil in 2015-16.
6. The Government is not proposing to make further changes to local formulae for 2015-16 other than possible minor changes to the sparsity factor introduced in 2014-15. The consultation document seeks views on the usefulness of the 2014-15 sparsity factor within local formulae.
7. A copy of the full consultation document 'Fairer Schools Funding in 2015-16', including Annexes detailing the indicative minimum funding levels for 2015-16, indicative changes to local authority funding in 2015-16 and the proposed area cost adjustment, is attached to this report.

Proposed basis for the allocation of the additional funding in 2015-16

8. The consultation document proposes allocating the additional £350m funding by setting minimum funding levels that a local authority should attract for its pupils and schools in 2015-16. If a local authority already attracts at least these minimum funding levels then there will be no change to the amount of schools block funding per pupil that it receives. Where a local authority attracts less than these minimum funding levels for the pupils and schools in its area, their budget will be increased so that it meets those levels.
9. Details of the proposed indicative minimum funding levels are attached at Annex A to the consultation document.
10. Whilst the proposed minimum funding levels uses seven of the characteristics used in the local funding formulae, the Government is not proposing that local authorities should be required to use those seven factors in their local formulae in 2015-16, other than the basic per pupil amount and the deprivation factor which are mandatory. Nor is the Government proposing that local authorities choosing to use any of these seven factors should be required to weight that factor at or above the minimum funding level. It will remain for the local authority to decide how best to apply its local formulae to meet its circumstances.

Proposed impact on Shropshire's schools block funding in 2015-16

11. As reported to Schools Forum in January, Shropshire's actual schools block allocation for 2014-15 equates to £4,113 per pupil and totals £143.6m.
12. The proposals within the consultation document allocate indicative additional funding of £8.9m to Shropshire schools in 2015-16. This equates to an increase of £255 per pupil from 2014-15 levels, taking the proposed schools block total allocation for 2015-16 to £152.5m, a 6.2% increase.

13. In percentage terms Shropshire is the 7th highest gainer under these proposals. A full table of proposed indicative changes to local authority funding in 2015-16 is attached at Annex B to the consultation document.
14. This is clearly a significant potential increase to Shropshire schools funding and is beyond the expectations of local authority officers and schools representatives working on school funding in Shropshire. As such the work of the Task & Finish Group considering the sustainability of Shropshire schools and the very recent messages to CPG have not reflected the impact of these proposals on Shropshire schools funding from 2015-16.
15. It is important to understand the impact of new additional funding on schools currently in receipt of MFG. For many Shropshire schools new additional funding may either all, or in part, be offset by a corresponding reduction to their MFG protection funding initially.

Consultation Response

16. The Government is seeking views on the basis of their proposal to allocate an additional £350m to the least fairly funded local authorities based on the minimum funding levels detailed in Annex A of the consultation document and the basis for the inclusion of an area cost adjustment as detailed in Annex C to the consultation document.
17. Views are also sought on how useful local authorities have found the new sparsity factor introduced in 2014-15 to understand if any changes would be helpful for 2015-16.
18. The consultation questions are attached at the end of the consultation document. The closing date for responses is 30 April 2014.
19. The results of the consultation and the department's response will be published on the DfE e-consultation website in summer 2014.