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2 October 2013  
Our ref: JV/S251/14\_15

**To Head Teachers in Brent, Finance Directors, School Business Managers and Bursars**

Dear Head Teacher and colleagues

**Re: 2014/15 Provisional School Budget Shares**

Following the 18 September Schools Forum, it was agreed to consult all schools on the proposals for the 2014/15 Individual Schools' Budget. This approach offers schools a transparent and inclusive process so they can feed back based on how the proposals impact upon their particular school.

Accompanying this letter is an excel spreadsheet containing the following worksheets:

1. A breakdown showing all the funding factors for 2014/15 and pre and post MFG impacts (Appendix 1); and
2. A comparison with 2013/14 equivalent showing year on year changes (Appendix 2)

A key requirement for 2014/15 is to move the ratio of funding between primary and secondary phases towards the national average. For 2013/14 Brent currently has a primary to secondary ratio of 1: 1.09 which is the lowest in the country whereas the national average is 1: 1.27.

The DfE contacted the Council in May and asked what our proposals were to increase the ratio. At the current ratio the council has the highest value MFG in England at £28m which is unsustainable as it masks the true position of how the formula factors impact upon schools.

This was discussed with the Schools Funding Sub-Group on 10<sup>th</sup> September where the following issues were raised:

1. Whether to move in one step or a number of steps, for example, over the next two years
2. The level of change in the pupil led factors to achieve the desired ratio
3. The relationship between the capping on gains and the scaling factor
4. The impact on MFG
5. The opportunity to have different values for primary and secondary lump sums.

The sub group was concerned about the possible removal of MFG after 2015/16 and agreed to apply a ratio of 1:1.27 through a single step in 2014/15 and consult schools on the impact. It was felt that relying on such a large MFG insulates schools from the full rigour of the formula.

A summary of the key outputs from Appendix 2 is shown below.

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	2013/14				2014/15			
	Primary	Secondary	Total	Ratio	Primary	Secondary	Total	Ratio
Pupil Number	23,968	13,064	37,032		23,968	13,040	37,008	
	£	£	£		£	£	£	
Total Funding (Pre-MFG)	99,449,527	59,862,612	159,312,139		110,462,834	76,152,329	186,615,162	
<b>Per Pupil Funding</b>	<b>4,149</b>	<b>4,582</b>	<b>8,732</b>	<b>1:1.09</b>	<b>4,608</b>	<b>5,839</b>	<b>10,449</b>	<b>1:1.27</b>
MFG	9,017,884	19,347,552	28,365,436		-561,374	2,136,573	1,575,199	
Total Funding (Post-MFG)	108,467,411	79,210,164	187,677,575		109,901,460	78,288,902	188,190,362	
<b>Per Pupil Funding</b>	<b>4,526</b>	<b>6,063</b>	<b>10,589</b>	<b>1:1.34</b>	<b>4,585</b>	<b>6,004</b>	<b>10,589</b>	<b>1:1.31</b>

The above summary illustrates:

1. The significant reduction in the gap between pre and post MFG funding arising from the higher ratio.
2. The narrowing of the gap between and pre and post MFG ratios in 2014/15.

The attached Annexe 1 to my letter provides some further information on the construction of Appendix 2. If you require any clarification please contact Devbai Patel or John Voytal on 020 8937 3263 or 020 8937 3468 respectively in the schools finance team. We will also be offering a drop in session at the Civic Centre on the 10<sup>th</sup> October from 2pm to 4pm where further clarification can be provided. If you wish to attend please email Devbai at [Devbai.patel@brent.gov.uk](mailto:Devbai.patel@brent.gov.uk) by close of business on 8<sup>th</sup> October.

Please could you provide your comments on the proposed schools budget allocations by Monday 14<sup>th</sup> October to Devbai at the above email address. I apologise for the short deadline but the council has to submit this provisional budget by the end of this month to the DfE following consultation with the additional schools forum on 23<sup>rd</sup> October.

For your information, I attach in Annexe 2 lists of the current members of the Schools Forum and its sub-groups.

The council is committed to working with schools representatives through the schools forum to ensure the methodology that drives the distribution of budget shares is transparent and fair. I look forward to your responses.

Yours sincerely



**Sara Williams**  
Acting Director  
Children and Families

## **Annexe 1: Further Information Regarding Comparison of Funding Elements Included in Appendix 2**

1. AWPU
  - a. Increase reflects the impact of the higher ratio that reduces the dependency on MFG In order to move to a ratio of 1:1.27
  - b. To move to the national average the following uplift factors were applied to the 2013/14 AWPU
    - i. Primary 13%
    - ii. Secondary 25%
2. AEN
  - a. As for AWPU (a) and (b) above
3. School Specific
  - a. Reduction reflects the impact of the lower lump sum of £175,000 in 2014/15 offset by a small increase in business rates
4. Pre-MFG
  - a. Summarises the net impact of items 1 to 3 above
5. MFG
  - a. Shows the change in the value of MFG between the years and how some schools will no longer require this protection arising from the change in the ratio
  - b. Reflects an agreed position on capping and gains:
    - i. Gains (in line with the MFG) are restricted to 1.5%
    - ii. Scaling factor of 100%
      1. Means that all gains above 1.5% are not passed to schools i.e. they are scaled back
6. Post MFG
  - a. Illustrates the 'bottom line' comparison between years and the cash schools will receive in 2014/15
  - b. For 2014/15 this shows the reduced dependency on MFG to restrict year on year changes. The illustration shows a change in value of MFG from £28,365,436 to £1,575,199.

Please note that the budget illustrations are based on October 2012 data and this could change some schools' budgets when the October 2013 census data is available.

## Annexe 2

Name	Representing	Schools Forum Member	Schools Sub Group	Early Years Sub Group	SEN Sub Group
Martin Beard	Academy Governor	X	X		X
Mike Heiser – Chair	Academy Governor	X			
Titilola McDowell	Academy Governor	X			
Gill Bal GB	Academy Head	X			
Terry Molloy	Academy Head	X			
Matthew Lantos	Academy Head	X	X		X
Vacant	Nursery School Governor	X			
Lesley Benson	Nursery School Head	X		X	X
Alan Carter	Primary School Governor	X	X		
Herman Martyn	Primary School Governor	X			
Cllr Helga Gladbaum	Primary School Governor	X			
Umesh Raichada	Primary School Governor	X			
Cllr Lesley Jones	Primary School Governor	X			
Rabbi Yitzchak Freeman	Primary School Head	X			
Sylvie Libson (Vice-Chair)	Primary School Head	X	X	X	
Sabina Nettey	Primary School Head	X			
Rose Ashton	Primary School Head	X			
Vacant	Primary School Head	X			
Vacant	Secondary School Governor	X			
Andy Prindiville	Secondary School Head	X			
Janice Alexander	Special School Governor	X			
Kay Johnson	Special School Head	X			X
Paul Russell	Early Years PVI	X		X	
Maxine Henderson	Early Years PVI	X		X	
Narinder Nathan	PRU	X			
Maggie Barth	14-19 Partnership	X			
Lesley Gouldbourne	Trade Unions	X			X
Sue Knowler	Primary School Advisor	X			X
<b>Total Members</b>		<b>28</b>	<b>4</b>	<b>4</b>	<b>6</b>