



# Brent

## Schools Forum 17 September 2014

Report from the Strategic Director of  
Children and Young People

For Information

**Schools Funding Arrangements 2015-16**

### 1.0 Background

- 1.1 The past two years have seen major reform of the schools' funding system. This has been the result of the government's commitment to simplifying the funding system and to working towards the introduction of a national school fair funding formula with local discretion. The premise behind a national fair funding formula is that no matter where a child attends school in the country they should attract similar levels of funding and have the same opportunities to excel without financial constraints.

### 2.0 Fairer Schools Funding 2015-16

- 2.1 The DfE has announced an additional £390m of revenue funding to be distributed to the least fairly funded local authorities for 2015-16. This is therefore a further step towards a national formula but avoids the difficult issues associated with a redistribution of funding that is inevitable as a result of a national formula.
- 2.2 The result of this is that funding will be allocated to local authorities based on the actual characteristics of their pupils and schools rather than their historic levels of spending.
- 2.3 This is achieved by the DfE setting minimum levels of funding that each local authority should attract for its pupils within the five pupil characteristics which were identified as those that matter most to the attainment of pupils. These are:
- A basic per pupil amount (AWPU);
  - Pupils from deprived backgrounds;
  - Pupils that have been looked after;
  - Pupils with low attainment;
  - Pupils who speak English as an additional language.

In addition, the DfE has also set minimum levels for lump sums and sparsity factors.

- 2.4 The agreed levels are shown in Annex A of the Appendix A.
- 2.5 For clarity, the minimum funding levels represent an amount of funding that each local authority will attract for its pupils and schools. Schools should not expect to receive each minimum funding level directly – it remains for the local authority to set a local funding formula that reflects local circumstances.
- 2.6 As a result of these changes, Brent will gain an additional £11m in the schools funding block which the DfE expects to be passed on to schools. Officers will be working on modelling scenarios for distribution of this funding to schools to be discussed shortly with the Schools Funding Formula sub-group.

### **3.0 Other Reforms**

#### **3.1 High Needs**

- 3.1.1 There are no plans for substantial changes to High Needs for 2015-16 but there is a longer term plan to review this block of funding and possibly move towards a more formulaic method of distribution for these funds. The DfE are currently undertaking research into this area and will in due course consult on any changes identified, to be implemented beyond 2015-16.
- 3.1.2 As in 2014-15, there will again be additional funding distributed for High Needs in 2015-16. The DfE will first allocate funds for additional places and then distribute any remainder to local authorities in a similar manner to 2014-15.
- 3.1.3 Confirmation of the 2015-16 High Needs allocation for local authorities should be reflected in the DSG Allocations announcement in December 2014.
- 3.1.4 The DfE are currently consulting on regulations to increase the base funding for alternative provision places (Pupil Referral Units) from £8,000 to £10,000 per place from September 2015. If implemented, the expectation is that there would be a resulting decrease in the top-up rates and therefore there should be no cost implications for Brent.
- 3.1.5 There will also be some changes relating to the inclusion of independent special schools and new special Post-16 schools into the High Needs system. However there are currently no such institutions within Brent.

#### **3.2 Early Years**

- 3.2.1 The DfE is still committed to introducing a national early years' funding formula, but as with the High Needs more research and understanding needs to apply before this can be achieved.

- 3.2.2 The DfE has just consulted in relation to Early Years which incorporated consultation on the introduction of an Early Years Pupil Premium (discussed further in 6.2 below) and the move to participation funding in 2015-16 for 2 year olds in early years. If the latter is implemented, this would mean that instead of the local authority being funded on the estimated number of children who are eligible for a free place, the funding would be based on the actual number of 2 year old places that are funded locally. This is already used to fund 3 and 4 year old places. The outcome of the consultation is due to be published shortly.

## **4.0 Academies & Free Schools**

- 4.1 The majority of academies within Brent are classified as recoupment academies which means that they are included within the local authority's dedicated schools grant (DSG) and are then recouped by the EFA to be paid directly to those academies. However there are two academies within Brent which are not currently included within our DSG and are therefore not part of Brent's schools funding submissions. These are Ark and Capital City Academies.
- 4.2 Free schools are currently treated in the same manner as non-recoupment academies, in that funding for these are not included within the local authority's DSG and are therefore not included within the local authority's schools' funding submissions. There is one free school due to open in Brent in September 2014, Michaela Free School, with a further 3 expected to open in September 2015.
- 4.3 In an effort to simplify the school funding system the DfE has decided that it is necessary to convert non-recoupment academies to recoupment academies and to apply the same change for free schools except in the 1<sup>st</sup> year of opening. This means that both Capital City and Ark Academies and Michaela Free School will be included within our formula calculations for 2015-16.
- 4.4 The implications for this is that the local authority will have to apply for a variation in pupil numbers for these growing schools, in order to receive additional funding for the new pupils. E.g. Where a (formerly recoupment) academy is expanding by 1 form, in the first year the local authority will have to enter a 7/12ths variation of pupil numbers for the September intake to account for the time period before the new financial year. Currently this is normally funded by a contingency for an expanding school. However for a previously non-recoupment academy there would have been no contingency within the local authority's DSG to account for this. By applying for a variation of pupil numbers this would ensure funding for those pupils and alleviate any impact from these changes. The same applies for the opening of new free schools, but for the first year the EFA will fund these directly and the local authority would only need to apply this from their second year.
- 4.5 It may also be necessary to review membership of the Schools Forum in light of these changes.

## 5.0 Educational Services Grant (ESG)

- 5.1 The DfE has just confirmed that the ESG will be reduced by £200m in 2015-16. This does not affect DSG and is therefore for information only. ESG is paid to local authorities and academies on a per pupil basis and is an unringfenced grant. The reduction in ESG may require local authorities and academies to make different decision, in relation to how services are delivered.

## 6.0 Pupil Premium

- 6.1 There is not likely to be any announcement regarding the Pupil Premium until closer to the beginning of the financial year. However the premium is not expected to increase further, except possibly in line with inflation, having received huge increases in recent year. The current funding levels for 2014-15 are:

Type of PPG	All	Primary	Secondary
Ever 6 FSM		£1,300	£935
Ever 4 Service	£300		
Pupil Premium Plus: LAC Adopted from Care Special Guardianship/Residence Orders	£1,900		

## 6.2 Early Years

- 6.2.1 The DfE recently consulted on the introduction of an Early Years Pupil Premium and is due to publish the outcome shortly. The introduction of an Early Years Pupil Premium would build on the current pupil premium that is available for pupils from reception and above.
- 6.2.2 The rationale behind the introduction of this is that gaps between disadvantaged children and their peers are also apparent in the early years and tackling this earlier is fundamental to ensure that all children get the best start in life and go on to succeed at school.
- 6.2.3 The disadvantaged eligibility for attracting this premium would be the same as for the existing pupil premium:
- Children from low income families (eligible for free school meals);
  - Children looked after for at least one day;
  - Children adopted from care;
  - Children that have left care through special guardianship;
  - Children subject to a child arrangement order (formerly known as residence orders).
- 6.2.4 This will attract an additional £300 per year for each eligible child that takes up to the full 570 hours with the early years' provider. The funding will follow the child, and go to providers that are delivering the funded early education entitlement.

## 7.0 Timetable and Changes

- 7.1 The summary of the 2015-16 timetable for schools revenue funding is shown below. The full timetable is shown within Appendix B.

Date	LA
30 September 2014	LA: Deadline for submitting requests exclusions and variations.
Mid-October 2014	LA: Schools Forum consultation for provisional schools funding 2015-16
31 October 2014	LA: Deadline for submission of provisional APT to EFA
w/c 15 December 2014	EFA: Publication of DSG Schools Block allocations for 2015-16
Mid-January 2015	LA: Schools Forum consultation/ Executive approval for final schools funding 2015-16
20 January 2015	LA: Deadline for submission of final APT to EFA
27 February 2015	LA: Deadline for confirmation of schools budget shares to maintained schools

## 8.0 Recommendations and Consultation points

- 8.1 The Schools Forum is requested to:
- Note the schools' revenue arrangements for 2015-16.

### Appendices

- Fairer Schools Funding: Arrangements for 2015 to 2016 (July 2014)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/332652/Fairer\\_schools\\_funding\\_arrangements\\_for\\_2015\\_to\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332652/Fairer_schools_funding_arrangements_for_2015_to_2016.pdf)
- Schools Revenue Funding 2015 to 2016: Operational Guidance (v1: July 2014)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/331368/Schools\\_revenue\\_funding\\_2015\\_to\\_2016\\_operational\\_guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/331368/Schools_revenue_funding_2015_to_2016_operational_guide.pdf)
- The Education Services Grant: Statement of Final Arrangements for 2015 to 2016 (July 2014)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/335711/ESG\\_FINAL\\_FORMATTED.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335711/ESG_FINAL_FORMATTED.pdf)

## **Background Papers**

1. Early Years Pupil Premium and Funding for 2-year olds Consultation:  
<https://www.gov.uk/government/consultations/early-years-pupil-premium-and-funding-for-2-year-olds>
2. Consultation on Simplifying the Administration of Academy Funding:  
Governing Response (July 2014)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/331573/Simplifying\\_the\\_administration\\_of\\_academy\\_funding\\_government\\_response.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/331573/Simplifying_the_administration_of_academy_funding_government_response.pdf)

## **Contact Officer**

Norwena Thomas  
Senior Finance Analyst