**CONSULTATION & INFORMATION ON PRIMARY & SECONDARY FUNDING FORMULAE 2015/16 FINANCIAL YEAR**

**1. Introduction**

**1.1** **The key message “DO NOT PANIC” has been communicated for the past two years and remains important in this year’s consultation, as the Minimum Funding Guarantee (MFG) will continue to protect schools and academies against sharp reductions in funding in 2015/16.**

1.2 However, please be aware that, all other elements being the same, schools and academies that were on the MFG in this current financial year will see a 1.5% reduction in formula funding per pupil in 2015/16. The expected introduction of a National Funding Formula in the future will, ultimately, result in a larger redistribution of funding between schools and academies. The Minimum Funding Guarantee is only a sliding scale protection that will be removed at some point. As we move towards a National Funding Formula it continues to be important to consider our DSG funding position, as well as the funding positions of individual schools and academies, against the national mean and median values. We might expect a national formula in the future to be constructed around these averages. Further work considering the possible impact on individual schools and academies will progress with the Forum as soon as more information is made available by the Department for Education (DfE).

1.3 To recap where we are in the transition to a National Funding Formula for primary and secondary:

* In March 2012, the Government announced significant changes to the education funding system. These changes were implemented by all local authorities at 1 April 2013 and included simplified formula arrangements for the calculation of delegated budgets and significant new restrictions on the central management of funds within the Dedicated Schools Grant (DSG).
* On 4 June 2013, the Government published a document entitled “[2014-15 Revenue Funding Arrangements: Operational Information for local authorities](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207611/2014-15_Operational_guidance.pdf)”, which set out further changes to funding arrangements for the 2014/15 financial year, which were designed to continue progress towards a national fair funding formula.
* **On 17 July 2014, the Government confirmed that a National Funding Formula would not be implemented at April 2015 as previously indicated**, and that authorities, with their Schools Forums, would still be required to set local formula arrangements within the regulatory constraints. The vast majority of the elements of the new Dedicated Schools Grant (DSG) funding system, implemented at 1 April 2013, and updated for 2014/15, remain unchanged for 2015/16. The [Schools Revenue Funding 2015 to 2016: Operational Guide](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/331368/Schools_revenue_funding_2015_to_2016_operational_guide.pdf) provides detailed information and guidance explaining the small number of changes that are being made to funding arrangements for 2015/2016, including:
  + The Authority must now calculate funding for all academies (including former non-recoupment academies) and free schools through our local formulae, including funding for in year growth. These funding calculations will be used by the EFA for the purposes of recouping sums from the DSG as the EFA will continue to fund academies and free schools directly on the basis of our local funding formulae.
  + The Government has confirmed that £390 million will be allocated to the least fairly funded authorities in England to ensure that every local authority attracts a minimum funding level for the pupils and schools in its area. The minimum funding level calculation is based on seven key formula characteristics (pupil numbers, deprivation, EAL, prior attainment, lump sum, looked after children and sparsity). This, unfortunately, does not affect the Dedicated Schools Grant (DSG) allocated to the Bradford District, as our funding is already above the minimum funding level.
* A National Funding Formula for primary and secondary schools and academies is now expected to be introduced sometime after the next Spending Review. 2016/17 is the first year that this could be implemented.

1.4 The proposals discussed in this document have been developed by the Local Authority in conjunction with the Formula Funding Working Group (FFWG) and the Schools Forum. Our proposals have been developed using the October 2013 Census dataset, updated for our estimate of October 2014 numbers on roll for individual schools and academies. The dataset taken from the actual October 2014 Census will be used to calculate school and academy budgets for 2015/16. Schools and academies are reminded therefore, that it is vitally important that their October 2014 Census submissions are accurate. The Authority will not be able to intervene to adjust census data once this has been submitted and confirmed with the DfE. Inaccuracies may lead to an under funding in 2015/16 that cannot be rectified.

1.5 The Local Authority must submit to the Education Funding Agency (EFA), by 31 October 2014, a pro-forma, which shows the structure of the formulae that will be used to calculate primary and secondary delegated budget shares for the 2015/16 financial year. To comply with this deadline, this consultation is concerned with setting the structure of the formula for 2015/16. The Schools Forum will then set the values of formula factors in it meetings in January 2015.

1.6 This consultation document focuses solely on the Schools Block funding of primary (Reception – Year 6) and secondary (Year 7 – Year 11) maintained schools, academies and free schools across the Bradford District. A separate consultation, concerning the funding of Early Years provision, is currently live and closes on Friday 10 October 2014; we do not anticipate any major changes in the Early Years Single Funding Formula (EYSFF) in 2015/16, subject to the outcome of the consultation. A further consultation, concerning the funding of High Needs in 2015/16, will be published at the end of October 2014. These consultation papers are, or will be, available from the [Bradford Schools Forum Consultation Papers](https://bso.bradford.gov.uk/Schools/CMSPage.aspx?mid=212) webpage on Bradford Schools Online (BSO).

1.7 In addition to these consultations, there are a number of significant discussions taking place within the Schools Forum that school and academy colleagues should keep track of ([Bradford Council Minutes website](http://councilminutes.bradford.gov.uk/wps/portal/cm)).as these are likely to have implications for delegated budgets in the future. If you are interested to understand more about these discussions, or would like to input into these, please contact Andrew Redding 01274 385702 [andrew.redding@bradford.gov.uk](mailto:andrew.redding@bradford.gov.uk):

* Value for money and more robust evaluation of the impact of funding decisions on pupil outcomes
* Analysis of schools spending of the Pupil Premium and how this impacts on educational outcomes (see September Schools Forum paper)
* Distribution of Additional Educational Need (AEN) funding and how this impacts on pupil outcomes
* The funding ratio between primary and secondary funding and the distribution of the DSG across phases
* Review of values of our funding factors in preparation for the expected implementation of a national fair funding formula against DfE Minimum Funding Levels (MFL) factors, national averages, and statistical neighbour averages
* How the Schools Forum and Local Authority can better support schools and academies with high numbers of children from new to English migrant families (see September Schools Forum paper).Values of funding allocated via the Pupil Mobility factor, which does generally support schools and academies with higher levels of new to English pupils, may be increased if this is an affordable option
* Review of the BSF Affordability Gap (PFI) factor – specifically whether to consider increasing the support allocated for BSF Phase 1 and 2 schools and academies to recognise annual inflationary increases on unitary charges.
* Review of the role of the DSG in financing services available for schools / organisation of services for schools, including such services as school improvement and trade union facilities time
* The impact of our higher level of funding of the 3 / 4 year old early years free entitlement, in comparison to national and statistical neighbour averages, and whether funding rates should be adjusted in preparation of the expected implementation of a national fair funding formula (see the Early Years consultation document for further information at this stage)
* Review of the Behaviour Strategy for the District
* Review of high needs provision across the District and the pressures on the DSG

1.8 In order to manage all cost pressures within the DSG in 2014/15, the values of certain formula variables were reduced. The Local Authority is currently working on the basis of seeking to maintain an overall ‘cash flat’ position for the funding of primary and secondary schools and academies in 2015/16, once the one off funding that was allocated in 2014/15 has been removed. However, it is highly possible that further reductions in formula variables may be needed to balance the overall DSG allocation. Recommendations concerning this will be made by the Schools Forum in January 2015. School and academy colleagues should keep track of discussions by monitoring Schools Forum papers and minutes available on the [Bradford Council Minutes website](http://councilminutes.bradford.gov.uk/wps/portal/cm).

1.9 Please note that the modelling shown in Appendix 1is illustrative only and does not represent a final view of 2015/16 allocations for each school or academy. Please see paragraph 8 for further explanation of what this modelling shows. 2015/16 delegated budgets are subject to October 2014 pupil numbers on roll and pupil data, and to overall affordability within the 2015/16 DSG, taking into account all cost pressures. The actual funding position for schools and academies may also be affected by further discussions within the Schools Forum on the relationship between primary and secondary levels of funding, our comparisons against minimum funding levels, the positions in other authorities and the national averages and the values of over or under spends of specific funds in 2014/15. There continues to be no prescribed ratio between primary and secondary levels of funding in 2015/16.

1.10 The deadline for responses to this consultation is **Friday 17 October 2014**. Please address all questions and responses to either Sarah North 01274 385701 [sarah.north@bradford.gov.uk](mailto:sarah.north@bradford.gov.uk)or Andrew Redding 01274 385702 [andrew.redding@bradford.gov.uk](mailto:andrew.redding@bradford.gov.uk). A response form is included at Appendix 3.

**2. Schools Block - Formulae Factors and other elements that remain unchanged in 2015/16**

2.1 The elements of the Schools Block framework that remain the same in 2015/16 are as follows:

* Delegated budgets will be calculated on the October (2014) Census.
* The simplified primary and secondary funding formulae arrangements continue, based on 13 allowable factors, plus exceptional premises factors individually approved by the EFA. As was the case for 2014/15, two of these factors (the basic amount per pupil and a deprivation factor) are mandatory. The remaining factors are optional. Local authorities continue only to have limited choices in how these factors operate.
* Local authorities must allocate at least 80% of the delegated schools block funding through the pupil-led factors, which include the base amount per pupil, deprivation, prior attainment, English as an additional language, pupil mobility and looked after children factors. We allocated 88.86% of the delegated schools block funding via the pupil-led factors in 2014/15, and the modelling included in this consultation indicates that we are currently allocating 88.97% in 2015/16.
* The Minimum Funding Guarantee (MFG) continues to be the only protection mechanism available for individual school and academy allocations and is set at MINUS 1.5% in 2015/16. We would expect then that, all other elements being the same, the budget of a school or academy on the MFG in this current financial year will reduce by 1.5% in 2015/16.
* The application of a ceiling (or cap) in 2015/16 to pay for the cost of the MFG protection for losing schools and academies will continue; this will cap the gains of the winning schools and academies so that they do not gain more than a specified % of funding per pupil. As the cost of the MFG reduces year on year, we would expect the value of the cap to also reduce.
* There continues to be no prescribed constraint on the primary to secondary funding ratio (the distribution of formula funding between phases).
* The strict restrictions on centrally managed funds continue and no new central commitments are permitted without Secretary of State approval. This continues to ensure maximum delegation of the DSG to schools and academies at the start of the financial year.
* A small number of named ‘de-delegated’ funds are still permitted for maintained schools. The decisions on the holding of ‘de-delegated’ funds will continue to be made by the Schools Forum on a phase by phase basis. Once these decisions are taken, they apply to all schools within each phase. Please see paragraph 6 for more information. De-delegation is not an option for academies and free schools, but where de-delegation has been agreed for maintained primary and secondary schools, the local authority may offer the service on a buy-back basis to academies and free schools.
* A small number of named ‘contingencies’ are also still permitted. Please see paragraph 7. Funding for expanding schools and academies and bulge classes, as well as safeguarded salaries remaining from previous re-organisations, will continue to be funded as contingency items.
* The 2014/15 framework for the funding of High Needs pupils continues. A High Needs pupil is still defined, for financial purposes, as one whose education costs more than £10,000 per year. The first elements of funding for High Needs pupils continue to be already delegated within budget shares. A top up is then allocated separately, on a monthly basis, for the cost of additional support above the £6,000 threshold. A ‘notional’ SEN budget will still be defined within budget shares. The Authority can still employ the ‘SEN Funding Floor’, which supports the costs in schools and academies with higher levels of SEN but where the normal funding formulae does not allocate sufficient resources. Schools and academies with resourced provisions will continue to have their number of funded places removed from their number of pupils funded under the primary or secondary formula; for 2015/16 the number of 2014/15 academic year funded places will be deducted from the school’s number on roll in October 2014. The SEN Reference Group is currently considering proposals for increasing the value of the SEN Funding Floor in 2015/16. Consultation on this, and possibly other smaller changes, will be included in the separate High Needs Block consultation document, which will be published at the end of October.
* The Pupil Premium is set to continue in 2015/16 still as a separate grant allocation to schools and academies. We anticipate that this grant will continue to be based on Ever 6 FSM numbers, Ever 4 Service Children, Looked After Children and Children Adopted from Care. Unlike formula funding, the Pupil Premium Grant is allocated on January Census pupil numbers. The Pupil Premium is currently set at £1,300 for primary-aged and £935 for secondary-aged pupils eligible under the ever-6 FSM criteria. Children who are looked after or adopted from care (since 2005) currently are allocated £1,900, and service children are allocated £300. The Pupil Premium rates for 2015/16 have not yet been confirmed, but the DfE has previously advised that the Pupil Premium will grow in real terms in 2015/16.
* Allocations for academies and free schools will continue to be paid directly by the EFA. The EFA will use the pro-forma submitted by the Authority to calculate individual allocations.

**3. Summary of our 2014/15 Primary & Secondary Funding Formulae**

3.1 The table below summarises the formula factors that have been used in 2014/15 to calculate primary and secondary delegated budgets and the values of these factors. Individual budget statements, published in March 2014, give more details of the calculation (and qualifying criteria) of each factor. The pro-forma shown in Appendix 2 also provides further information.

|  |  |  |
| --- | --- | --- |
| **Formula Factor** | **Primary Unit Value £**  **(2014/15)** | **Secondary Unit Value £**  **(2014/15)** |
| Base Amount per Pupil – Primary  *(\* includes £67.11 one-off funding)* | 2,945.04\* | N/A |
| Base Amount per Pupil - Key Stage 3 | N/A | 4,161.90 |
| Base Amount per Pupil - Key Stage 4 | N/A | 4,280.50 |
| Deprivation - Ever 6 FSM | 1,030.06 | 968.03 |
| Deprivation IDACI - Band 1 | 305.69 | 395.85 |
| Deprivation IDACI - Band 2 | 382.11 | 494.81 |
| Deprivation IDACI - Band 3 | 458.53 | 593.77 |
| Deprivation IDACI - Band 4 | 534.95 | 692.74 |
| Deprivation IDACI - Band 5 | 687.80 | 890.66 |
| Deprivation IDACI - Band 6 | 840.64 | 1,088.58 |
| SEN Low Prior Attainment | 242.46 | 509.65 |
| English as an Additional Language | 165.49 | 1,273.02 |
| Pupil Mobility | 1,313.08 | 1,925.59 |
| Lump Sum per school / academy | 175,000.00 | 175,000.00 |
| Split Sites | Funded on LA formula *(see paragraph 4.5)* | Funded on LA formula  *(see paragraph 4.5)* |
| Rates | Funded at actual cost | Funded at actual cost |
| Private Finance Initiative (PFI) contracts | Funded on LA formula  *(see paragraph 4.6)* | Funded on LA formula  *(see paragraph 4.6)* |

3.2 Colleagues are reminded that, in managing the changes that were required in formula funding arrangements at 1 April 2013, our agreed aim was to replicate our pre-April 2013 formula approach as closely as possible. This was in recognition of the robustness of our formula as it was then currently applied. The Schools Forum adopted the principle of ‘ringfencing’ of phase’s budgets i.e. not to increase or decrease the total amount of per pupil DSG spend on each phase at the expense of the other. This is the main reason for the differences in values of factors between the phases shown in the table above. *As mentioned in the introduction, the FFWG and Schools Forum plan to review the funding ratio between the primary and secondary phases during the autumn term and so the distribution of funding between phases may change for the 2015/16 financial year.*

3.3 In continuing arrangements for 2014/15, the aim of the Schools Forum was to seek to achieve as much continuity on 2013/14 as possible, recognising that significant changes had been implemented in 2013/14 and should be allowed to bed in, but also being aware that further wholesale change was expected with the introduction of the national formula at 1 April 2015; a formula that we are not able to predict. A national formula will not now be implemented in 2015/16, but may be in 2016/17, and we still do not have sound information on which to predict its direction of travel. As a result, we find ourselves in the same position as we were in last year, in seeking to determine a funding formula that may (or may not) be overridden in a year’s time by a new approach, where we cannot sensibly predict what this new approach will be and how this might affect the distribution of formula funding between schools and academies.

3.4 The Government does not require local authorities to make changes to their formulae factors or the operation of these factors in 2015/16 other than to the sparsity factor. However this factor is not relevant to the Bradford District as no school or academy is eligible for it.

3.5 Although the Schools Forum will consider further the values of formula factors, and this may alter the distribution of funding, in setting the structure of the funding formula itself (the types of factors and how these are used), it does not make much sense to make significant changes at this stage, especially when our assessment is that this structure continues to calculate delegated budgets in a sound and transparent way. The overriding view of the Schools Forum is to deliver as much structural continuity in 2015/16 as can be provided, by continuing to use the existing formula factors outlined in the table above and in Appendix 2 in the same way as used this year.

3.6 The FFWG has considered whether to adjust formulae factors in 2015/16, specifically whether to include a factor for Looked After Children, and whether the factors can be adjusted to better support schools and academies with high numbers of children from new to English migrant families (who are often not eligible for the Pupil Premium). After careful consideration, it is our view that the Pupil Premium should continue at this time to be the source of funding for Looked After Children in 2015/16, but that this should be reviewed as the framework for monitoring and evaluating spending of resources by schools on Looked After Children is developed, to ensure that any allocation of additional funding would have a specific clear impact on the educational outcomes of these children. We have also found that there is no simple way to adjust the factors so that schools and academies with higher numbers of new to English pupils receive a higher level of formula funding. An increase in the value of mobility funding, without a corresponding decrease in funding via another factor, would potentially have some additional benefit for primary, though this as an option will be significantly limited by overall DSG affordability. The Local Authority is therefore not proposing any changes to the formulae factors used to fund primary and secondary schools and academies in 2015/16.

**Question 1 – Do you agree with continuing to use the 2014/15 existing formula structure to calculate delegated budgets for schools and academies for the 2015/16 financial year? If not, please specify the reasons why not.** *The values of each formula factor will not be confirmed until January 2015 and will depend on the outcomes of the discussions that take place at the Schools Forum during the autumn term.*

**4. Summary of 2015/16 Proposed Formulae**

4.1 On the basis of continuing the 2014/15 agreed formula, the table below summarises the formulae factors, and the indicative values of these factors in 2015/16 as these currently stand. The pro-forma shown in Appendix 2 provides further explanation on the basis of the calculations. Please note that the values of factors shown below are subject to change, for the reasons explained in the introduction; the Schools Forum will make final recommendations in January 2015, once the October 2014 Dataset is available and the DSG is confirmed.

|  |  |  |
| --- | --- | --- |
| **Formula Factor** | **Indicative Primary Unit Value £ (2015/16)** | **Indicative Secondary Unit Value £ (2015/16)** |
| Base Amount per Pupil – Primary | 2,873.75 | N/A |
| Base Amount per Pupil - Key Stage 3 | N/A | 4,158.43 |
| Base Amount per Pupil - Key Stage 4 | N/A | 4,277.04 |
| Deprivation - Ever 6 FSM | 1,030.06 | 968.03 |
| Deprivation IDACI - Band 1 | 305.69 | 395.85 |
| Deprivation IDACI - Band 2 | 382.11 | 494.81 |
| Deprivation IDACI - Band 3 | 458.53 | 593.77 |
| Deprivation IDACI - Band 4 | 534.95 | 692.74 |
| Deprivation IDACI - Band 5 | 687.80 | 890.66 |
| Deprivation IDACI - Band 6 | 840.64 | 1,088.58 |
| SEN Low Prior Attainment | 242.46 | 509.65 |
| English as an Additional Language | 165.49 | 1,273.02 |
| Pupil Mobility | 1,313.08 | 1,925.59 |
| Lump Sum per school / academy | 175,000.00 | 175,000.00 |
| Split Sites | Funded on LA formula  *(see paragraph 4.5)* | Funded on LA formula  *(see paragraph 4.5)* |
| Rates | Funded at actual cost | Funded at actual cost |
| Private Finance Initiative (PFI) contracts | Funded on LA formula *(see paragraph 4.6)* | Funded on LA formula  *(see paragraph 4.6)* |

4.2 In 2014/15 the Base Amount per Pupil for primary schools and academies included a one-off allocation of £67.11, which was clearly identified in budget statements as being an additional sum that would not be repeated in future years. Budget guidance for 2014/15 advised schools and academies to remove this one-off allocation from any forecasts of funding for 2015/16 onwards. This is the main reason why the Base Amount per Pupil for 2015/16 is quite considerably less than in 2014/15.

4.3 The proposed approach means that we will continue to use the factors, where we have some choice about how these are used, in the following way:

* **Base Amount per Pupil – Primary**: including the Reception Uplift factor to support schools and academies taking in Reception pupils between the October and January Censuses; this also supports schools with higher levels of mobility.
* **Deprivation - Ever 6 FSM**: the % of pupils on roll where the FSM indicator is TRUE in any of the censuses in the last 6 years
* **Deprivation IDACI Bands 0 - 6**: the % of pupils with an IDACI score in each band 0 – 6. IDACI is calculated based on the postcodes of pupils recorded in the October Census. The proposed weightings are unchanged from 2014/15 and are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **IDACI Band** | **IDACI Score - Lowest** | **IDACI Score - Highest** | **Proposed Weighting** |
| Band 1 | 0.20 | 0.25 | 1.00 |
| Band 2 | 0.25 | 0.30 | 1.25 |
| Band 3 | 0.30 | 0.40 | 1.50 |
| Band 4 | 0.40 | 0.50 | 1.75 |
| Band 5 | 0.50 | 0.60 | 2.25 |
| Band 6 | 0.60 | 1.00 | 2.75 |

* **SEN Low Prior Attainment Primary**: the % of youngest appropriate year group that received less than 73 points on their Early Years Foundation Stage Profile (EYFSP) plus the number of pupils in year 1 and year 2 who did not achieve “a good level of development” under the new EYFSP
* **English as an Additional Language (EAL) 3**: the % of pupils whose first language is not English and who are appearing on the school census for the first, second or third year.

4.4 This proposed approach also means that we will not employ the following optional factors in 2015/16:

* Sparsity Factor - the sparsity factor is not applicable to any school / academy in the Bradford District
* Looked After Children - it is our view that the Pupil Premium should continue to be the source of funding for Looked After Children, as was the case in 2013/14 and 2014/15. The Pupil Premium is currently set at £1,900 for children who are looked after in 2014/15, which is above our previous value of £1,000. The Pupil Premium rates for 2015/16 have not yet been confirmed, but the DfE has previously advised that the Pupil Premium will grow in real terms in 2015/16.
* Post-16 Factor - we took the opportunity to remove post-16 funding factors from the secondary funding formula in 2013/14

4.5 There is no required change to the operation of the split sites factor in 2015/16; allocations of split sites funding in 2015/16 must continue to be based on objective criteria, both for the definition of a split site and for how much is paid.

a) The criteria used to define a split site are unchanged for 2015/16 and are as follows:

* *Essential* - two or more distinctly separate campuses where there is no single continuous boundary and where the campuses are split by a through road.
* Additional criteria (for weighting of funding):

*Category A* - where it is impossible not to move a proportion (either 25% or 50%) of total school / academy pupils between the campuses within the school day

*Category B* - where the campuses are more than 400 metres apart

b) The criteria used to allocate funding to a school / academy operating across a split site based on the categories defined above, are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **Primary Lump** | **Primary APP** | **Secondary Lump** | **Secondary APP** |
| *Essential* | 8,514.75 | 0.00 | 9,782.62 | 0 |
| *A* | 0 | 107.73 | 0 | 113.67 |
| *B* | 18,426.01 | 9.15 | 20,558.87 | 12.78 |

Additional Notes:

* Split sites funding is paid to all schools and academies that meet the above criteria.
* Federated schools are not eligible for split sites funding.
* Where 2 schools have amalgamated and the new school is operating across a split site, the school will not be eligible for split sites funding whilst it is in receipt of the additional lump sum (in the year immediately after amalgamation).
* Funding is only applicable for Reception to Year 11 mainstream provision.
* We would not expect split sites funding to apply to co-located or offsite behaviour centres.

4.6 The factor in our secondary funding formula for Private Finance Initiative (PFI) contracts allocates the DSG’s contribution to the total affordability gap of the Building Schools for the Future (BSF) programme for applicable schools / academies. The formula basis for splitting the total contribution between BSF schools / academies is as follows:

*(Total affordability gap to be funded by the DSG / Total cost of school unitary charges) x Individual school’s unitary charge as a % of the total unitary charge*

The FFWG and Schools Forum are considering whether to increase the support allocated to BSF Phase 1 and 2 schools and academies via this factor in 2015/16, in recognition of the increasing costs of unitary charges. The Schools Forum will make a recommendation on this during the 2015/16 DSG budget setting in January.

**Question 2 - Do you agree with the proposed factors outlined in section 4 to be used / not used in 2015/16? If not, please specify the reasons why not.**

**Question 3 - Do you have any comments on the way the factors are used, as described in the pro-forma and paragraph 4.4?**

**Question 4 - Do you have any additional comments on the proposed approach for 2015/16 that you wish the Schools Forum to take into consideration?**

**5. Maintained Schools - De-Delegated Funds in 2015/16**

5.1 The Finance Regulations significantly restrict the extent to which the DSG can be held and managed centrally in support of schools. The Government’s intention, in preparation for a national formula, is to ensure maximum delegation of the DSG to schools and academies at the start of each financial year. The Regulations do allow funding for certain types of expenditure to be ‘de-delegated’ from maintained school budgets to be managed centrally. This only applies to maintained schools (not academies or free schools) and the Schools Forum must agree to de-delegate on a phase specific basis, so Forum members representing primary and secondary maintained schools must decide separately for each phase whether the service should be provided centrally.

5.2 Previously, the Schools Forum has established de-delegated funds so as to:

* take advantage of the economies of scale brought about by central management and bulk purchase e.g. Fischer Family Trust subscriptions
* provide services that schools would find difficult or less cost effective to replace on an individual basis e.g. trade union facilities time, support for Minority Ethnic pupils
* protect schools, especially smaller schools, against unpredictable expenditure e.g. maternity and paternity costs

5.3 The paragraphs below provide information on the de-delegated funds that have been held in this current financial year. This consultation then asks for views on whether funding for these purposes should continue to be de-delegated in 2015/16 or whether funding should remain within school budgets for schools to provide for the cost of services from their own resources. The Authority is aware that the views of individual schools may be influenced by the extent of value they feel they receive from accessing these funds currently. In making final recommendations, the Schools Forum will consider specific responses to this consultation along with the overall most effective approach for maintained schools across the District. You are advised to speak with your Schools Forum representatives if you have any specific comments on these funds.

5.4 Please note that this consultation asks for views only on whether funds should be de-delegated, rather than the specific values of these funds. The values will be considered further by the Schools Forum in the autumn term. We would expect the values of funds to match anticipated cost pressures and to reduce for the impact of maintained schools converting to academy status.

5.5 The following ‘de-delegated’ funds have been held in the current 2014/15 financial year:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund** | **Early Years £** | **Primary**  **£** | **Secondary £** | **Total Value £** |
| ESBD School Support Team | £0 | £432,727 | £0 | **£432,727** |
| Minority Ethnic School Support Team | £0 | £203,790 | £75,234 | **£279,024** |
| FSM Eligibility Assessments | £0 | £90,079 | £33,255 | **£123,333** |
| Fischer Family Trust – School Licences | £0 | £24,511 | £9,049 | **£33,560** |
| School Maternity / Paternity ‘insurance’ | £61,881 | £1,054,793 | £255,898 | **£1,372,572** |
| Trade Union Facilities Time | £18,283 | £214,620 | £79,232 | **£312,135** |
| Trade Union Health and Safety Rep Time | £10,896 | £127,902 | £47,218 | **£186,016** |
| School Staff Public Duties & Suspensions Fund | £3,759 | £44,126 | £16,290 | **£64,175** |
| **Total** | **£94,819** | **£2,192,547** | **£516,175** | **£2,803,541** |

5.6 These total values have been ‘de-delegated’ from individual school budgets on a flat amount per pupil basis, with the exception of FSM Eligibility Assessments, which has been ‘de-delegated’ on an amount per Ever 6 FSM formula pupil, as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund** | **Early Years £app** | **Primary £app** | **Secondary £app** |
| ESBD School Support Team | £0 | £9.20 | £0 |
| Minority Ethnic School Support Team | £0 | £4.33 | £4.33 |
| FSM Eligibility Assessments | £0 | £5.80 | £5.14 |
| Fischer Family Trust – School Licences | £0 | £0.52 | £0.52 |
| School Maternity / Paternity ‘insurance’ | £15.44 | £22.42 | £14.73 |
| Trade Union Facilities Time | £4.56 | £4.56 | £4.56 |
| Trade Union Health and Safety Rep Time | £2.72 | £2.72 | £2.72 |
| School Staff Public Duties & Suspensions Fund | £0.94 | £0.94 | £0.94 |
| **Total** | **£23.66** | **£50.49** | **£32.94** |

Each maintained school therefore, has contributed from its delegated budget share the amount per pupil (£app) shown above multiplied by its number of pre-16 pupils, or by its number of Ever 6 FSM formula pupils for FSM Eligibility Assessments. If these amounts were not de-delegated, a school’s budget would increase, though the cost of replacing services would also fall to the school’s budget.

Purposes of these Funds

5.7 ESBD School Support Team:

As a specialist teaching support service, the ESBD Service provides:

* Experienced teaching and Inclusion Mentor staff, who offer practical support, advice and strategies to Primary school colleagues, in meeting the needs of pupils presenting with the most challenging behaviours
* Support to schools to develop their understanding of social and emotional behaviour, and the management of pupils experiencing difficulties. Wherever possible advice is given on the development of systems and skills that increase the capacity of the school to respond to issues in the future
* Peripatetic Inclusion Mentors, who work under the direction of specialist teachers to offer intensive, time-limited, focused support and training for staff dealing with ESBD
* A range of bespoke training

If this de-delegated fund is not held in 2015/16, primary schools will need to replace these services from their own resources, for example, by directly employing specialist staff, or by purchasing services, on an individual basis or as a cluster of schools.

5.8 Minority Ethnic School Support Team:

This fund supports the staffing costs of the Authority’s Ethnic Minority Achievement Team. Working in partnership with schools, this Team provides expertise and support at school level focused on advising and training school staff to meet the needs of minority ethnic pupils, including new to English pupils, and supporting schools in delivering strategies to close the achievement gap of EAL pupils. Examples of the types of support that schools access are:

* Personalised audit of school's provision for EAL learners with recommendations which will meet both the needs of the school and the requirements of OFSTED
* Developing whole school language development programme focusing on EAL but benefiting all learners
* Training for teaching and non teaching staff on working with EAL learners both in workshops and in the classroom
* Demonstration of resources and strategies which meet the needs of EAL learners and accelerate their achievement
* Assessing, targeting and tracking systems for EAL learners
* Developing effective school and community relationships
* Support to put systems & training in place for New Arrivals including; Induction; Assessment; Early Days Withdrawal & In-class Language Support
* Innovative speaking and listening strategies using new and emerging technologies
* Bespoke residency packages to work alongside Senior Leadership Teams
* Development of language across the curriculum for advanced bilingual learners
* Provision of parental engagement in school

As above, if this de-delegated fund is not held in 2015/16, maintained schools will need to replace these services from their own resources, for example, by directly employing specialist staff, or by purchasing services, on an individual basis or as a cluster of schools.

5.9 FSM Eligibility Assessments:

This fund covers the work the Local Authority’s Benefits Team does in relation to Free School Meals eligibility for pupils in schools. It covers staffing and ICT costs associated with:

* The processing of all applications for FSM for all maintained schools
* Checking & verifying claims, notifying parents of successful and unsuccessful claims
* Notifying schools of successful claims and changes to existing claims
* Assisting schools with eligibility, take up and administrative issues & providing guidance
* Promoting maximum take up of FSM eligibility, including cross checking pupil FSM data with other Authority benefits systems

The Local Authority makes use of a nationwide FSM checking system, which means that paper evidence does not have to be supplied by parents. Applications for all children who attend Bradford schools can be processed quickly via the Council’s website, telephone, personal visit or in writing. Currently, schools do not have direct access to this checking system.

If this de-delegated fund is not held in 2015/16, schools will either need to undertake FSM assessment themselves or purchase replacement services.

5.10 Fischer Family Trust – School Licences:

This fund pays for schools’ subscriptions to Fischer Family Trust (FFT). FFT provides a unique service to schools and the local authorities. This services analyses previous national end of key stage data and the contextual data of schools and uses this to provide estimates of outcomes at pupil level for the next key stage result. These pupil level results are aggregated at school and at local authority level. Over time these estimates have come to be held in high regard and the work of the FFT is valued by schools and local authorities. Government funding for the FFT was withdrawn at March 2012. As a consequence, the FFT restructured their pricing and data access policies. The purchasing of the data through the Local Authority offers significant savings.

If this de-delegated fund is not held in 2015/16, maintained schools will need to purchase their own licences to access FFT data, on an individual basis or as a cluster of schools.

5.11 School Maternity / Paternity ‘insurance’:

This fund has historically acted as an ‘insurance’ pot, where schools are reimbursed for the costs of the salaries of staff on maternity / paternity leave, so that the cost of cover / supply arrangements can be afforded from the school’s budget. The Schools Forum has discussed the delegation of this pot to schools on a number of occasions over the last ten years or so, and has always concluded that the protection this centrally managed fund offers, especially to smaller schools, against the disproportionate and unpredictable nature of maternity / costs is vital.

If this de-delegated fund is not held in 2015/16, maintained schools will not be reimbursed for the salary cost of staff on maternity / paternity leave and would have to make alternative arrangements to manage this cost, for example, by including maternity cover within the school’s supply insurance arrangements or by working in clusters to share the cost of staffing cover.

5.12 Trade Union Facilities Time:

There is a legal obligation (under The Trade Union and Labour Relations (Consolidation) Act 1992) for an employer to provide facilities for recognised trade unions to function within the workplace, including an obligation to grant time off with pay. The recognised unions in schools are:

* Teacher Trade Unions - NUT, NASUWT, ATL, ASCL, NAHT, VOICE, and
* The Trade Unions representing support and other professional school staff – UNISON, GMB and UNITE

To meet this obligation, the Council has agreed to release a number of staff for part or all of their time from their school duties to carry out their duties as elected lay officials. This applies to the recognised trade unions in schools with significant membership. Historically the agreed ratio for facility time has been 1 day per 400 members, which has been used as a mutually acceptable, in principle, starting point for the joint management and trade union discussions. Current Facility Time arrangements with respect to School Employees, agreed until 31 March 2015, are:

* NUT has 2.1 FTE lay officials (10.5 days per week)
* NASUWT has 2 FTE lay officials (10 days per week)
* ATL has 1 FTE lay official (5 days per week)
* NAHT has 0.4 FTE lay official (2 days per week)
* UNISON has 1.3 FTE lay officials (6.5 days per week)
* GMB has 0.6 FTE lay officials (3 days per week)
* ASCL has 0.1 FTE lay official (1 day a fortnight)

If this de-delegated fund is not held in 2015/16, individual schools will need to consider how they will meet their statutory obligations to allow trade unions to represent and consult with their members and with the school as the employer, as local branch trade union representatives would no longer be available without cost. For example, each trade union has the right to appoint a trade union representative within a school to carry out statutory functions, and seek time off for these representatives to be trained to carry out these duties.

5.13 Trade Union Health and Safety Rep Time

In order to comply with the letter and the spirit of the Health and Safety Regulations, the Council and the Teacher Trade Union Health and Safety Lay Representatives in Bradford made a Health and Safety Agreement in 1989. As part of this agreement still currently in place, nominated accredited Teacher Trade Union, lay Health and Safety representatives, carry out Health and Safety inspections in schools and are released for all or part of their time from their school responsibilities to carry out these duties. A total of up to 1,075 days per year are allocated to the Teacher representatives to carry out inspections and this includes appropriate training. The agreement states that:

* A “formal inspection of each workplace or part of it will occur not more frequently than once per term, twice in Upper Schools”.
* The trade union representatives draw up and agree with the Council a programme of school health and safety visits.
* The Trade Union health and safety inspections are arranged with the Head Teacher in advance and reports are sent to the Head Teacher on completion.
* The Teacher Safety representatives are responsible for representing members who are party to this agreement and also for representing UNISON in their schools (except those employed in kitchens).
* Wherever possible, where Safety Representatives from unions not party to this agreement (e.g. GMB) are responsible in the same workplace, the arrangement is for a joint inspection.

In addition, the Teacher Safety Representatives carry out site management visits in relation to building work and work with the Council’s Health and Well Being Team on occupational matters, such as stress and undertake the role of investigating accidents, disease and other medical matters. There is a trade union Health and Safety web-site, which is password protected but shared with the relevant Council Safety Officers.

The current facility time arrangements for these representatives are:

* NUT has 5.4 days per week (1.08 FTE)
* NASUWT has 5 days per week (1 FTE)
* ATL has 5 days per week (1 FTE)
* UNISON has 5 days per week (1 FTE)
* GMB has 3 days per week (0.6 FTE)

If this de-delegated fund is not held in 2015/16, individual schools will need to consider how they will meet their employer statutory obligations around health and safety.

5.14 School Staff Public Duties and Suspensions Fund

This fund has historically acted, on a similar basis to maternity / paternity payments, as an ‘insurance’ type pot for schools to be reimbursed for staffing costs associated with public duties (magistrates / court duties) and, more significantly, where an employee is suspended from duty following a Child Protection allegation and where the Police are undertaking an investigation. In the case of suspensions, schools are reimbursed for 50% of the cost of the salary of the member of staff suspended. Payments are authorised by the Strategic Director, Children’s Services.

If this de-delegated fund was not held in 2015/16, maintained schools would not be reimbursed for the salary cost of staff and would have to make alternative arrangements to manage this cost.

**Question 5 – Should sums continue to be de-delegated from maintained school budgets in 2015/16 for the purposes outlined above? If not, please specify the reasons why not.**

**6. DSG Schools Block Contingencies**

6.1 The Finance Regulations significantly restrict the types of funds that can be held centrally within the DSG. Where contingency funds are held, the Regulations require that the criteria for accessing these are clear and have been agreed with the Schools Forum.

6.2 In 2014/15, the Schools Forum agreed to hold the following permitted funds:

* A Growth Fund, to support expanding schools and academies
* A ‘Costs of Re-Organisation’ Fund, which allocates funding to match the cost of safeguarded salaries in maintained schools, where it has been previously agreed that the Local Authority will support the cost. This Fund also will meet the cost of deficits of closing schools or maintained schools converting to academy status under a sponsored arrangement.
* An Exceptional Costs / Schools in Financial Difficult Fund for maintained schools.

6.3 These funds support the achievement of the Bradford District’s educational priorities as follows:

* Enable additional financial support to be provided, in a transparent and controlled way, to specific schools that may face difficult circumstances and unreasonable cost pressures.
* Support schools that require immediate intervention around standards that may not be able to identify funds from their own budgets.
* Support schools, academies and the Local Authority to manage more effectively the financial pressures brought by places expansion.
* Collectively, help to maintain a stable financial platform for schools and academies across the District, in support of raising standards.

6.4 Our proposed Schools Block contingency fund arrangements for 2015/16 are detailed in paragraphs 6.5 - 6.7 below.

Details of these funds in 2014/15 and proposals for 2015/16

6.5 The Ringfenced Growth Fund

The value of the Growth Fund in 2014/15 was £1.7m, broken down between phases, and types of growth, as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Primary** | **Secondary** | **Total** |
| Existing Known Expansions | £1,089,641 | £0 | £1,089,641 |
| Existing Bulge Classes | £357,105 | £0 | £357,105 |
| New Expansions | £250,000 | £0 | £250,000 |
| Pre-Opening Costs | £0 | £0 | £0 |
| Diseconomies of Scale | £0 | £0 | £0 |
| **Total Value 2014/15** | **£1,696,746** | **£0** | **£1,696,746** |

The proposed criteria for allocating funding from this contingency fund in 2015/16 are as follows:

* **Schools / academies permanently expanding by increasing the size of existing year groups**:
  + For basic need purposes, where an established school or academy is permanently expanding by increasing the size of existing year groups, and has already begun to expand before the start of the financial year, the additional allocation will be included within the school’s / academy’s initial budget. Funding is calculated on the difference between the October 2014 census pupil numbers and a calculation of the composite 5/12 + 7/12 numbers, based on an estimate of the school’s October 2015 Census. The school will then be allocated 80% of the value of the additional base amount per pupil, for the difference between the actual and the composite calculation. On 2014/15 values this would give £2,302 per pupil Primary, £3,330 Key Stage 3 and £3,424 Key Stage 4.
  + For basic need purposes, where a school / academy is permanently expanding by increasing the size of existing year groups for the first time in September 2015, the school / academy is allocated 80% of the value of the base amount per pupil for the additional planned intake number, for the remaining proportion of the year (7/12ths). In the following full year, in 2016/17, the school / academy would then be funded as above.
* **Bulge Classes added to existing year groups**:
  + **Full classes**: For basic need purposes, where a school / academy is asked in year to admit a full class or Form of Entry (30) into / on top of an existing year group, funding is allocated on the same basis as a new permanently expanding schools above, at 80% of the base per pupil value for the planned additional admission number for the relevant proportion of the financial year. In the following financial year, no additional funding is necessary or allocated; this additional class is automatically funded within the school’s / academy’s normal revenue budget.
  + **Half classes:** For basic need purposes, where a school / academy is asked in year to admit an additional number of children that do not add up to a full class or Form of Entry into / on top of an existing year group, the additional sum for the current financial year is allocated as for a full class above, based on the actual planned additional intake number. In the following year, and in each year for the lifetime the half class is at the school / academy, an additional sum is allocated based on 80% of the value of the base per pupil amount for the difference between 30 and the actual number of children in the half class. So if the class had 15 pupils the funding would be 30 – 15 x £base app x 80%. The value of this funding is reviewed each year, for actual numbers.
* **Newly established School / Academy Provision additional support:** For basic need purposes, where a new school / academy is established by the Local Authority, or where an existing school / academy extends its provision into a new phase i.e. a Secondary school / academy establishes Primary-aged provision and vice versa, at the request of the Local Authority, and where the new school / academy does not yet have pupils in all planned year groups, the funding approach will be:
  + Pre-Opening support *(this is not applicable to non basic need Free Schools):* the Schools Forum will consider the allocation of a pre-opening budget based on previous methodologies but also taking account of the specific circumstances of the school / academy.
  + Post-Opening support for diseconomies of scale *(this is not applicable to non basic need Free Schools*): the Schools Forum will consider the allocation of a budget based on previous methodologies but also taking account the specific circumstances of the school / academy.
* **Newly established School / Academy Provision revenue formula funding** *(this does apply to non basic need Free Schools but only from the 2nd year of establishment)*: in the first financial year the school / academy will receive a full calculation of formula funding for the number of children planned to be admitted in September, based on estimated data, for the proportion of the year that the school / academy is established (e.g. 7/12ths for a September opening). For technical purposes, this will not be an allocation from the Growth Fund, but a formula funding allocation via the agreed formula – the Local Authority will submit an application to the EFA to vary pupil numbers on the basis of planned numbers. Any significant difference between estimated and actual intake numbers can be adjusted for retrospectively in the following financial year. In subsequent years, until all year groups are established, the school / academy will be funded on the basis outlined above, providing a full calculation of additional formula funding for the planned additional intake for the following September, with a retrospective adjustment where there are significant differences between estimated and actual intake numbers. *Please note that academy / free school will receive their allocations directly from the EFA, although these are still funded from the DSG.*

6.6 School Re-Organisation Costs - maintained primary and secondary schools

The value of this fund in 2014/15 was £0.15m, broken down between phases, and types of re-organisation costs, as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Primary** | **Secondary** | **Total** |
| School Staff Safeguarded Salaries | £146,637 | £7,159 | £153,796 |
| Deficits of Closing Schools | £0 | £0 | £0 |
| **Total Value 2013/14** | **£146,637** | **£7,159** | **£153,796** |

The proposed criteria for allocating funding from this contingency fund in 2015/16 are unchanged from 2014/15:

* School staff safeguarded salaries: funding is allocated, based on the actual cost of agreed safeguards for individual staff in schools. Only safeguards that have been previously agreed are funded from the DSG. So there is no ‘eligibility’ criteria as such, other than these safeguards must have been already established and agreed with the Authority following re-organisations. Every year, schools are asked to confirm whether or not safeguards for individual staff are still applicable e.g. where a member of staff has left, the safeguard ceases to be paid. The total cost of safeguards reduces year on year.
* Deficit of Closing Schools: where a maintained school closes with a deficit budget, or where a maintained school with a deficit budget converts to academy status under a sponsored agreement, the deficit returns to the DSG. The Forum has established the principle that provision for such costs are best met from one off available funds and / or retrospectively from the DSG in the following year

6.7 Exceptional Costs & Schools in Financial Difficulty - maintained primary and secondary schools

The purpose of this fund is to provide support for the budgets of maintained schools in the following circumstances:

* Exceptional growth in pupil numbers, not picked up within the terms of the ‘Growth Fund’
* 1 Form of Entry (or smaller) primary schools, where the cost of external HR investigations places the school in financial difficulty i.e. would reduce the forecasted carry forward balance below £20,000 \*
* Priority 1 schools, where additional intervention / support is required as recommended by SIG / SSMG and where the school’s budget cannot meet the costs without placing the school in financial difficulty i.e. would reduce the forecasted carry forward balance below £20,000 \*
* Local Authority Statutory interventions in schools e.g. costs of an IEB
* Any other circumstance, where the exceptional nature of this is agreed by the Schools Forum and where to not provide financial support would place the school in a financially difficult position that it is likely to have a detrimental impact on outcomes for children \*

\* £20,000 is a reasonable safety net to apply for all schools i.e. a school with £20,000 holds adequate reserve to meet additional unexpected costs

The value of this fund in 2014/15 was £0.1m, broken down between phases, as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Primary** | **Secondary** | **Total** |
| **Total Value 2014/15** | **£105,000** | **£0** | **£105,000** |

The proposed criteria for allocating funding for exceptional pupil numbers growth (the most common call on this fund) in 2015/16 are unchanged from 2014/15 and are as follows:

* The main factor taken into account is the extent of additional cost pressure faced by a school. This is assessed on the information provided by the school on what action has been needed to meet the growth in pupil numbers
* The extent of increase in numbers: actual numbers and % of roll (vs. the phase average)
* Whether the Local Authority has directed the additional pupils to the school
* How the additional pupils are distributed across the school
* Whether this is a one off issue i.e. the potential extent for exceptional growth and further cost pressure in future years?
* In judging exceptional funding for children admitted on appeal, what the specific circumstances are at the school which require the school to make additional provision in the first year
* The school’s carry forward balances position
* The change in the school’s expenditure shown in the Start Budget vs. Q1 vs. Q2 vs. Q3 monitoring reports
* The Priority category of the School (is the school in Priority 1?)
* Whether the school has received financial support or funding from elsewhere

**Question 6 - Do you agree with the contingency funds, and their criteria, that are proposed to be held in the DSG in 2015/16? If not, please specify the reasons why not**

**7. The MFG and the Ceiling**

7.1 The Minimum Funding Guarantee (MFG) will continue in 2015/16 at MINUS 1.5% i.e. the maximum reduction in funding for a school / academy will be limited to 1.5% of that school’s 2014/15 funding per pupil. The one-off funding allocated to primary schools and academies in 2014/15 will be excluded from the 2014/15 baseline used in the 2015/16 MFG calculation, so that schools do not receive a higher level of MFG protection in 2015/16 than they should.

7.2 The main reasons for schools or academies being on the MFG in 2015/16 are as follows:

* The MFG is protecting the school / academy against the impact of changes made in formula funding since April 2013 i.e. the school / academy was losing more than 1.5% per pupil due to the funding reforms in 2013/14 or the additional changes made in 2014/15, and this protection still has to fully work through.
* The MFG is continuing to protect a school / academy against the impact formula change prior to April 2013, for instance following the mainstreaming of grants in 2011/12, where a school / academy was protected by the MFG in 2011/12, 2012/13, 2013/14 and 2014/15 on a sliding scale which has still to fully work through.
* The school / academy data recorded in the October 2014 Census e.g. FSM%, is significantly different (lower) from that recorded in previous censuses. This will result in a reduced total amount per pupil funding for the school, and the MFG would then protect against the drop.

7.3 As we have established in our previous funding reviews, the MFG must be afforded by the application of a ceiling. This ceiling caps the winners under the funding formulae at a % per pupil, which releases the value needed to cover the cost of the MFG. This is the only way that change can be afforded. The effect of the MFG, combined with the ceiling, is to pull the distribution of funding between schools and academies back towards how this stands now and it means that it will take longer for the budgets of the schools and academies that gain to realise these increases.

7.4 As was the case in 2014/15, the ceiling must be calculated on the same basis as the MFG and the % cap must be the same for primary and secondary schools / academies. We can choose whether to implement the ceiling by capping all growth over a certain % per pupil or by scaling back gains of winning schools / academies by a set amount proportion to the school’s gain. It continues to be our view that the capping approach is much fairer and also follows the same approach that we have used previously. We are therefore, not proposing any change in the operation of the ceiling, but the value of the % cap cannot be set until the final cost of the MFG is known. Please note that the ceiling must not be applied to new and growing schools and academies (those with some empty year groups) which have opened in the last 7 years, so these schools and academies will not contribute to the ceiling in 2015/16.

7.5 The Government has made a commitment that the MFG will continue beyond 2015/16, but there is no information available to confirm at what level the MFG will be set, as this will be subject to the outcomes of the 2015 Spending Review.

**8. Further Explanation of the Indicative Modelling**

8.1 The modelling in Appendix 1 shows the impact of the proposals outlined in this consultation on primary and secondary schools and academies, based on maintaining a ‘cash flat’ position overall and using estimated October 2014 pupil numbers on roll and the October 2013 dataset from the EFA. The modelling is intended only to give an early estimate of individual allocations for 2015/16 from the Schools Block.

8.2 Please note that Appendix 1 focuses on the Schools Block and does not, at this stage, give a complete picture of individual delegated budgets. The modelling does not include Early Years Funding, Post 16 funding or funding from the High Needs Block. These are being / will be covered in separate consultations / communications.

8.3 The modelling shows the total ‘variance’ of 2015/16 estimated against 2014/15 actual funding. This total is also separated into formula funding, contingencies and Pupil Premium allocations so that the cause of variances can be better understood. The main factors behind these ‘variances’ are:

* A change in pupil numbers on roll (shown in the far right column)
* A reduction in (or ending of) the MFG for those schools that have previously been protected
* Changes in contingency allocations, in particular relating to the pupil numbers on roll at expanding schools / academies
* The removal of one off funding allocated in 2014/15 only for primary schools and academies

8.4 Whether a school / academy is protected by the MFG, or is capped by the ceiling, is shown in the modelling. Schools and academies on the MFG should plan for this protection to reduce over time. Schools and academies on the ceiling may expect to receive the sum by which their budgets have been reduced eventually in future years. However, any future projections will be significantly influenced by the introduction of the National Fair Funding Formula, which will override any previous arrangements.

8.5 If you would like to discuss the modelling in more detail, or discuss the data on which allocations are calculated, please contact Sarah North.

**Question 7 - Do you have any comments on the modelling?**

**9. Consultation Responses**

9.1 Please use the responses form Appendix 3 to submit your views on the proposals outlined in the consultation. There is space in this form for you to comment on any aspect of the proposals. If you wish to discuss these proposals in more detail, or have any specific questions, please contact either Sarah North, or Andrew Redding, using the contact details shown in paragraph 1.

9.2 Please ensure that your response is submitted by the deadline of **Friday 17 October 2014.**

**10. Next Steps**

10.1 Following consideration of the responses to this consultation and the agreement of the Schools Forum, the pro-forma, which will outline the structure of the funding formulae for primary and secondary schools and academies to be used to calculate budgets in 2015/16, will be submitted to the EFA by 31 October 2014. This pro-forma will then be checked for any areas of non-compliance by the EFA.

10.2 Schools and academies will complete the October Census on Thursday 2 October 2014. The dataset from this census will be available for us to analyse mid-December.

10.3 Discussions on the overall DSG funding position for 2015/16, the holding of de-delegated and contingency funds, the balance of funding between primary and secondary, whether to adjust factor values (e.g. Pupil Mobility), and the impact on schools of using the October 2014 Census dataset, will take place in the Schools Forum over the coming term. You are recommended to keep in touch with these discussions by visiting the Schools Forum webpage on the Council’s Minute’s site. It is anticipated that the Schools Forum will make its final recommendations on 2015/16 arrangements on Wednesday 7 January 2015.

**11. Appendices**

1. Appendix 1 – Illustrative Formula Modelling
2. Appendix 2 – Indicative EFA Pro-forma for 2015/16
3. Appendix 3 – Consultation Responses Form