



CHOPPY WATERS

HAVING TROUBLE NAVIGATING YOUR WAY THROUGH THE SCHOOL FUNDING CHANGES PLANNED FOR 2014-15? FASNA'S PETER BEAVEN IS ON HAND TO HELP YOU STEER A COURSE...

Whilst the Government has to a certain extent protected school funding, budgets will remain tight for schools in the next financial year. This is most evident for schools with sixth forms, which face continued sharp cuts. Schools need to be aware of the changes planned for 2014-15 and must keep an eye on decisions made by their local Schools Forum as local decisions may have a greater impact on individual schools than those made at national level.

Despite Government's commitment to a National Funding Formula the changes to funding for 2014-2015 are timorous and designed to avoid turbulence – at this rate it will take decades to achieve a fair national funding formula. But what are the changes and what are the implications for schools and academies?

Base Level Funding

From 2014-15 Local Authorities will be required to allocate a minimum of 80% of their delegated schools block funding through “an appropriate and locally determined combination of the pupil-led factors”. This is relatively meaningless as only two LAs delegated less than this anyway.

Similarly, the minimum value for Age-Weighted Pupil Units for 2014-15 (at least £2,000 for primary and at least £3,000 for KS3 and KS4) is meaningless as these values are below the lowest values in use in 2013-14 anyway!

Other Pupil-Led Factors

The level of delegation and the value of the AWPU provide the base level of pupil-led funding. Other factors come into play to address low attainment, deprivation, mobility etc.

One of the major changes for 2014-15 is how prior attainment will impact on funding. In



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primary schools there is little change, as the Early Years Foundation Stage Profile will still be used as the main indicator for prior attainment for primary aged pupils. However, secondary age pupils will be identified as having low prior attainment, if they fail to achieve a level 4 or higher in English or a level 4 or higher in Maths. It is expected that this change will identify around 21% of pupils.

In 2012-13 the DfE required all local authorities to ensure that deprived pupils attracted additional funding, in addition to the pupil premium. However, it found that many LAs used this as a means of maintaining the status quo in school funding and avoiding turbulence.

However, despite this, the DfE is not changing the allowable indicators for use with this measure in 2014-15. Instead, it is relying on LAs and the School Forum to ensure that these measures are applied in the way intended!

However, there are some changes afoot. From 2014-15 local authorities which use the looked after children factor, will apply it if the child has been looked after for a single day or more. A 10% threshold will be applied to the mobility factor, so that it will only support schools which experience a significant change in their pupil numbers.

Lump Sums

The DfE has heard that the lump sum arrangements are causing concerns in some rural areas.

The DfE is introducing a sparsity factor, which measures the distance pupils live from their second nearest school. In rural areas where schools are few and far between, pupils could face the choice of either attending their nearest school or travelling a long way to the second nearest. In some cases, the distance to their second nearest school can be unacceptably long, putting a premium on ensuring that the pupil's nearest school stays open. Therefore, it is appropriate to enable local authorities to target additional funding to support these schools where per pupil funding alone may not be enough to ensure their viability.

Despite introducing the sparsity factor the DfE will retain the lump sum (which was intended to protect small rural schools). They will reduce the lump sum cap from £200,000 to £175,000 (the average was £174,000).

The DfE does not believe that the funding system should act as a barrier to schools that wish to improve their efficiency and educational offer by merging. It understands that it will not be feasible to realise all the possible savings from merging on day one. Therefore two merging schools will be able to keep 85% of the two lump sums for the next full financial year following the year in which they merge. This will afford these schools some funding protection while all efficiency savings resulting from the merger accrue.

The DfE will allow local authorities to use top-sliced DSG funding to create a small fund to support schools with falling rolls when the evidence shows that there will be a demographic upturn in the near future – but only as long as the schools have been graded by Ofsted as either good or outstanding.