

Dear Colleague

LEICESTERSHIRE SCHOOLS' FORUM

I would like to invite you to a meeting of the Leicestershire Schools' Forum to be held on **Thursday, 14 January 2016 at 2.00 pm at Beaumanor Hall, Beaumanor Drive, Woodhouse, Leicestershire** with the room being available from 1.30 pm.

Please see below for the agenda for the meeting.

Yours sincerely

Karen Brown / Bryn Emerson (Tel. 0116 305 6432)

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AGENDA

<u>Item</u>	<u>Paper</u>
1. Apologies for absence/Substitutions.	
2. Minutes of the Meeting held on 21 September 2015 (previously circulated) and matters arising.	1
3. Policy for Funding School Growth	2
4. Academy Financial Survey	3
5. School Funding 2016/17	4
6. Any other business.	
7. Date of next meeting.	

Monday 22 February 2016

Tuesday 21 June 2016

All the above from 2.00 – 4.00pm at Beaumanor Hall.

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Minutes of a meeting of the Leicestershire Schools' Forum held at Beaumanor Hall on Monday 21 September 2015 at 2.00 pm

Present

Kath Kelly	Secondary Academies Headteacher
Nick Goforth	Secondary Academies Headteacher
Mark Mitchley	Secondary Academies Headteacher
Callum Orr	Secondary Academies Headteacher
Suzanne Uprichard	Secondary Academies Governor / PRU
Bill Nash	Secondary Maintained Governor
Jane McKay	Primary Academy Headteacher
Stephen Cotton	Primary Academy Headteacher
Karen Rixon	Primary Academy Headteacher
Jean Lewis	Primary Academy Governor
David Thomas	Primary Academy Governor
Heather Sewell	Primary Maintained Headteacher
Jo Blackburn	Primary Maintained Headteacher
Karen Allen	Primary Maintained Headteacher
Jason Brooks	Special Maintained Headteacher
Simon Kibble	Post 16 Provider (for Nigel Leigh)
Chris Davies	Roman Catholic Representative

In attendance

Lesley Hagger, Director, Children and Family Services

Jenny Lawrence, Finance Business Partner, Corporate Resources

Ivan Ould, Lead Member, Children and Family Services

		Action
1.	<p>Welcome to New Members</p> <p>Jenny welcomed the new members to the first meeting of the Schools' Forum for the 2015/16 academic year. Everyone present introduced themselves to the meeting.</p>	
2.	<p>Apologies for absence/Substitutions</p> <p>Apologies for absence were received from Ian Sharpe, Sue Rath, Richard Spurr, Michael Wilson, Tony Gelsthorpe and Janet Thompson.</p>	

3.	<p>Election of Chair and Vice Chair</p> <p>Karen Allen was elected Chair of the Schools' Forum for the 2015/16 academic year.</p> <p>Suzanne Uprichard was elected Vice Chair of the Schools' Forum for the 2015/16 academic year.</p>	
4.	<p>Minutes of the Meeting held on 18 June 2015 and matters arising</p> <p>The minutes of the meeting held on 18 June 2015 were agreed as a true and accurate subject to the deletion of the word PRU against Tim Moralee's name in those present and moved to Suzanne Uprichard's name.</p> <p>Matters Arising</p> <p><u>2014/15 Schools Budget Outturn</u></p> <p>The Secondary Academy representatives asked if the decision to no changes to the school funding formula for 2016/17 was made at the last Forum meeting and did it include the £20M additional money. Jenny commented that no decision was necessary as the local authority was proposing no change to the funding formula for 2016/17 given there was information on the future direction of the government's school funding policy and the future of the national fair funding formula.</p> <p>Karen Allen added that any proposals for 2016/17 school funding was required to be completed by this point with decisions made by October.</p> <p>Kath Kelly asked if the additional money due to come had been built into 2015/16 and into 2016/17, Jenny Lawrence confirmed that it had. Karen Allen commented that there were a lot of discussions on the allocation of the additional funding and the decision was the right route to allocate that money.</p> <p>Jenny commented that it was difficult to pick out any key funding issues affecting secondary schools. A survey to secondary schools on financial data would be undertaken to inform any future school funding decisions. Jenny added that the returns from the survey would be shared with Schools' Forum.</p>	<p>JL</p>

	<p>David Thomas added that Schools' Forum agreed some principles on the basis of which the application was made and asked if there was any merit in having someone report back as to how near those principles were met and would it be helpful for Schools' Forum to come back with some analysis of what we achieved. Jenny commented that this was possible to do which would link in with what other financial information was collected through the school funding survey</p> <p>The Secondary Academy representatives asked therefore if decisions were made without access to secondary data. Jenny explained how the formula was arrived at and that national benchmarking information was used to compare where Leicestershire was with some other authorities. Jenny stated that the formula was defined with significant secondary school through a high presence in the working groups from the secondary phase and that secondary schools had not responded to the consultation.</p> <p>Karen Allen commented that it was difficult to represent the people they are elected to represent and that all schools needed to engage with the process and be aware of discussions and consultations that are happening.</p> <p>Jenny reported that with regard to reviewing the formula, direction and guidance was expected from the Government at the beginning of December with additional data. It was agreed to put the Funding Formula for 2017/18 onto the next agenda and if needed a working party would be pulled together at the January meeting.</p> <p><u>Oakfield Outreach Traded Service</u></p> <p>Karen Allen informed Schools' Forum that the Leicestershire Primary Outreach Traded Services Offer was due to be rolled out to headteachers. Karen added that it had been positively received and Oakfield required 60% of schools to 'buy-in' to break even otherwise the school would incur charges.</p> <p>Suzanne Uprichard commented that Oakfield had a substantial amount of support and expertise.</p>	<p>JL</p> <p>JL</p>
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5.	<p>Schools' Forum Self-Assessment</p> <p>Jenny explained that the DfE had issued a Schools' Forum Self-Assessment template to allow local authorities to assess the strengths and weaknesses of their Schools' Forum. The paper sets out the LA's assessment for the Leicestershire Schools' Forum which the meeting was asked to note and comment upon.</p> <p>Jenny commented that one weakness was the election process for academy representation and the need to define more clearly how academy representatives are elected. Forum members made suggested further comments to Jenny on the self-assessment which would be incorporated into the document.</p> <p>Suzanne Uprichard suggested that Governor Development Service send the link to the self-assessment in order for Chairs of Governors to pick this up.</p> <p>It was agreed that Jenny would make the amendments to the self-assessment and to circulate to Forum members to ensure it reflects the conversation held at the meeting.</p>	<p>JL</p> <p>JL</p>
6.	<p>2014/15 Maintained School Balances</p> <p>Jenny explained that the annual report comes to Schools' Forum detailing maintained school balances for the 2014/15 financial year.</p> <p>Jenny added that the same survey used for secondary academies should be sent out to primary academies.</p> <p>Suzanne asked what was being done about maintained schools in deficit when they have to be sponsored – does the Local Authority have to pick up the deficit? Jenny responded that the Local Authority does have to pick the deficit up for sponsored academies. Deficits in all maintained schools are monitored and depending on the size and reason for the deficit there are a certain set of actions including the issue of Financial Notice of Concern, monitoring and attending meetings of the Governing Body. Jenny added that where schools have a deficit and have to go into sponsorship they are issued with a notice of concern. Karen Allen asked if they would be split into bands. Jenny commented that there was an increase in the 8.1% balance and discussion would take place with some of these schools to find out what the situation is.</p> <p>It was noted that similar information was not published by the DfE and that academy financial statements are so old when they are published they do not provide any meaningful information on the reserves held by academies.</p> <p>The Schools' Forum noted the paper.</p>	<p>JL</p> <p>JL</p>

7.	<p>Early Years Call for Evidence</p> <p>Jenny informed the meeting that the report sets out the local authority's response to the recent consultation on the cost of providing childcare. Jenny felt it would be useful for Schools' Forum to note how Leicestershire is involved in dealing with funding issues through the Dedicated Schools Grant, in this instance to fund all places for the Free Entitlement to Early Education (FEEE).</p> <p>Jenny outlined the paper and in particular the introduction of the Living Wage and how this would have a huge impact on the childcare sector.</p> <p>Nick Goforth asked if this was the Forum to work together on this issue. Jenny said that some initial modelling on the data had been carried out and the possible impact of this. Jenny was happy to work across a section of schools to ascertain financial implications of this and other issues.</p> <p>Discussion took place on the impact the National Living Wage would have on childcare providers if they were unable to meet the additional wage bill. Lesley commented that this would also have implications on the local authority meeting the sufficiency duty around providing places for 2, 3 and 4 year olds.</p> <p>The Schools' Forum noted the discussions and it was suggested to them that they share school funding concerns with governors and with MPs.</p>	
8.	<p>Policy for Funding Schools Growth</p> <p>Jenny outlined that the report sets out the proposed Local Authority policy on funding school growth. Jenny explained that where there are new schools, the local Authority is required to fund those pupils and in addition to this, the local authority would provide additional revenue to schools expanding that meet the criteria set out in the policy.</p> <p>Jenny said that the overall impact of per pupil funding for the seven months before pupil funding is reflected in the DSG will be approximately £19.5m leaving a funding gap of £13M. There was one source of grant into the Local Authority and no possibility of a top up from the local authority. Financial planning needs to start to look at how the funding gap will be met. There is no underspend in SEN budgets and therefore discussions will have to take place with schools about top slicing budgets.</p> <p>Jenny referred to the policy which led to discussion regarding the instances where the local authority may make a one off payment to schools. Jenny noted the comments made by the Forum members and it was agreed to bring the policy back to Schools' Forum with amendments for approval. The Schools' Forum also noted the future financial implications for funding school growth.</p>	JL

9.	<p>SEN Overspend</p> <p>Jenny explained that the report sets out the forecast overspend for special educational needs and the reasons for this overspend. Jenny explained the current system of high needs funding whereby mainstream schools were required to contribute to ‘top up’ the funding and at the time the local authority had delegated the mainstream funding to schools.</p> <p>Jenny outlined that there was a need to understand what was happening in terms of places needed for the future, to have open dialogues with schools if they were meeting the needs of the high needs children and to start looking at alternative ways of making provision.</p> <p>The Schools’ Forum noted the paper and it was agreed that members would discuss issues that have been raised in the paper with their respective groups.</p>	All
10.	<p>Scheme for Financing Schools</p> <p>Jenny explained that the report presents changes to the Leicestershire Scheme for Financing Schools which are necessary as a result of a directed revision by the Secretary of State for Education.</p> <p>Jenny said that there were no local changes but outlined a revision in two areas. The Schools’ Forum approved the revised Scheme for Financing Schools.</p> <p>Jenny commented that key changes will be communicated to bursars.</p>	
11.	<p>Any Other Business</p> <p>a) National Fair Funding Formula</p> <p>Mr Ould made the Schools’ Forum aware of the Government’s manifesto pledge to introduce a national funding formula for schools in England. Mr Ould added that MP’s in the F40 group were in receipt of petition forms for parents to complete by 25 October 2015 which would be filtered to schools. Mr Ould agreed to forward information to Forum members and would contact Nicky Morgan in order to be guided by her response to the Loughborough area.</p> <p>b) Trade Union Facilities Time</p> <p>Jenny made Schools’ Forum aware of its prior decisions to delegate funding for supply cover costs which included trade union facilities time. Lesley Hagger had now received a letter from the trade unions asking for this to be considered again at Schools’ Forum. Jenny commented that as a local authority we are not proposing to go back to schools that the unions have requested this funding to be de-delegated, however it is not</p>	

	<p>possible to de-delegate funding for academies. Jenny asked if it was possible for maintained schools to read the letter and bring it back to the next Schools' Forum meeting for discussion around the benefit of going back. This was agreed.</p>	<p>JL</p>
<p>12.</p>	<p>Date of Next Meeting</p> <p>It was agreed to move the next meeting because of school commitments in December. Therefore the meeting scheduled for Thursday 10 December is cancelled.</p> <p><i>Following the meeting it was agreed that the next meeting would be Thursday 14 January 2016, 2.00 – 4.00 pm at Beaumanor Hall.</i></p> <p>Further meetings were agreed:</p> <p>Monday 22 February 2016, 2.00 pm at Beaumanor Hall Tuesday 21 June 2016, 2.00 pm at Beaumanor Hall</p>	

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SCHOOLS FORUM

Funding School Growth

14 January 2016

Content Applicable to;		School Phase;	
Maintained Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies		Secondary	X
Local Authority		Post 16	
		High Needs	

Purpose of Report

Content Requires;		By;	
Noting		Maintained Primary School Members	
Decision	X	Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

1. This report sets out the proposed Local Authority policy on funding school growth

Recommendations

2. That Schools Forum approve the policy on funding school growth
3. That Schools Forum note the future financial implications for funding school growth

Introduction

4. A policy for funding school growth was presented to the meeting of the Schools Forum on 21 September 2015 for approval. A number of queries and comments were made at the meeting and the policy was not approved. This report presents a revised policy for approval.

5. Local Authorities are able to topslice Dedicated Schools Grant (DSG) to create a Growth Fund for revenue support to schools which are required to provide extra places in order to provide extra school places in order to meet basic need growth. A growth fund may also include pre-opening and diseconomy and costs. Leicestershire is one of a few authorities that does not have this type of provision within its Schools Budget, adoption of this policy will bring Leicestershire in line with other local authorities'.
6. A Growth Fund cannot be used to support schools in financial difficulty or general growth due to popularity. EFA guidance states that a growth fund is a suitable manner in which to fund schools for short term increases in pupil numbers and bulge classes only.
7. Local authorities should submit a request to vary pupil numbers in situations of significant change to the Secretary of State, such as age range changes, as the scale of change is sufficiently great that it should be applied to all factors in the funding formula. Leicestershire does have this process in place, without undertaking this there is a significant risk that DSG is removed.
8. Where a new school is due to open the School and Early Years Finance (Regulations) require that authorities should estimate the pupil numbers expected to join the school in September and fund accordingly. The regulations also require that local authorities should estimate pupil numbers in all schools and academies that have opened in the previous seven years and are still adding year groups. Estimates may be adjusted each year to take account of the actual pupil numbers in the previous funding period.
9. The new school to serve Braunstone and Leicester Forest East is expected to be opened in September 2016, as Leicestershire County Council does not have a policy on the allocation of growth funding it is essential that one is in place for this school and for future schools expected to be delivered through the Sustainable Urban Extensions (SUE's) delivered over the medium to long term.
10. The decision on the local authority proposals on the allocation of a growth fund is vested with the Schools Forum, the local authority may seek adjudication from the Secretary of State if the Schools Forum does not agree with the local authorities proposal.

Background

10. Current planning information across Leicestershire's District Councils, including the new Braunstone/Leicester Forest East Primary school, suggests a total of 18 new schools – 16 primary and 2 secondary providing 7,620 additional places- will be built and require funding to 2024. This funding requirement is currently assessed at £21.2m but may change if and should developer plans for new homes change, any impact on the DSG reserve by future over and under spends and any future school funding changes affecting the level of resource within the school funding formula.
11. In accordance with 'Free School Presumption' legislation the DfE require that all new schools will be free schools and local authorities are required to enter into

competitive tendering to determine whom will operate the new school. The final decision on a school operator rests with the Regional Schools Commissioner acting on behalf of the Secretary of State for Education.

12. As for schools, local authorities receive DSG on lagged pupil numbers, a school opening or adding new year groups in September will have pupils for 7 months before DSG is received for the additional pupils but must be funded for those pupils from the point of admission. It is assumed that all pupils in the schools will be 'new' even if those pupils join from another school, in this instance therefore there may be an element of double funding where pupils leave other schools to join opening schools.
13. Leicestershire does not presently have a policy on funding school growth. It does have a policy to vary pupil numbers in schools as a result of age range changes which has previously been approved by the Secretary of State. These two issues are separate and should not be confused, a growth funding policy is now required for new and expanding schools.
14. The first new school in Leicestershire will open to serve the Leicester Forest East / Braunstone area in September 2016, it is imperative that firstly the operator of that school has some certainty about the funding they will receive and a policy in place to support its payment. Should Schools Forum not approve this policy the local authority will need to consider seeking adjudication from the Secretary of State for its adoption.

The Proposed Policy

15. The proposed policy is shown in Appendix 1.
16. The policy covers two areas;
 - New Schools – the policy sets out clearly for future potential school operators how the school will be funded, this will enable their early consideration when assessing whether to enter into, and inform, a competitive procurement exercise.
 - Expansion of Current Schools – There is no requirement for the local authority to provide funding for expanding schools outside the formula but is considered by the DfE to be best practice to do so. It will also ensure that where the local authority is requesting schools to add additional classrooms that the financial barrier for schools to expand is reduced and the provision of additional capacity as a result of basic need can be delivered in a co-ordinated manner.
17. The proposed policy is based upon guidance issued by the Education Funding Agency, and the experience within the local authority of managing a contingency for increased pupil numbers prior to its delegation to schools in 2013/14.
18. It will be necessary to review the policy as trends in pupil numbers and costs become clear. It is also essential that the objective of the policy is recognised as being the local authorities' response to the statutory requirement to provide sufficient school places and not to reflect general demographic changes and school popularity.

19. The revised policy clarifies in which circumstances it will be applied, and those that it won't. It has also been updated to more closely reflect the impact upon the school funding formula of an academy opening at the beginning of the academic year and an updated pre-opening allocation of £125,000 which is felt to be more reflective of the opening costs associated with a new school.
20. The revised policy makes it explicit that the growth fund will not be used for supporting schools to meet the infant class size regulations which was fully delegated in 2013/14 following consultation with schools.

Resource Implications

21. Based on modelling the 2015/16 school formula and the anticipated development of new schools the total cost to 2024 is anticipated to be £21.2m and a funding gap of £17.1m is estimated after the application of earmarked reserves. The lagged school funding system means that these costs will need to be met within the current level of DSG and may require a further short term reduction in school delegated funding from 2018/19 onwards if no headroom is available in the DSG settlement and / or the ability to create a reserve is restricted. For 2015/16 the DSG reserve is reducing as a result of overspending SEN budgets.
22. If a reduction in school funding is the only way the current shortfall can be met this would equate a reduction in AWPU as detailed below;

	2018/19	2019/20	2020/21	2021/22	2022/13	2023/24	2024/15
Primary	-1.1%	-1.2%	-2.6%	-1.2%	-1.4%	-0.7%	-0.4%
Secondary	-	-	-1.4%	-0.5%	-0.5%	-0.5%	-0.0%

23. Currently £3.5m is held within the DSG reserve and is earmarked to meet the costs of deficits arising from schools that are required to enter into sponsored academy arrangements. This is a notional value and whilst academy conversion has slowed down and Leicestershire currently has no schools in deficit within that process, the government's intention to move coasting and underperforming schools into sponsored arrangements may move schools into that position. It may however be possible to reduce that provision in 2016/17 to assist with funding pressures and that will be reviewed within the final stages of the budget process.
24. The precise cost of funding new school growth is dependent upon a number of factors;
- The funding formula in place at the point a new school is opened
 - The ability to set aside any DSG underspend within reserves
 - The speed and extent of new housing developments
 - Demographic growth and the general need for school places

These factors will be reviewed on a regular basis. However on current projections it will be necessary to reduce school funding on a temporary basis in order to meet these costs.

25. A clear balance needs to be achieved between ensuring that an opening school has sufficient revenue to operate and the impact that may have on other budgets including those delegated to schools. No reduction in the funding rates used within the formula are proposed for 2016/17 as the modelling suggests that there is sufficient DSG reserve for the schools estimate up to and including September 2018. This will need to be monitored closely as the DSG reserve is impacted by income and expenditure for each year and the opening dates for new schools.
26. The costs relating to the direct commissioning of a new school are met from the local authority budget.
27. It is anticipated that the capital costs associated with a new school build in most cases will be fully funded from developers S106 contributions. The cost of expansion of existing schools is within the Basic Need capital grant payable to the local authority by the EFA.

Equal Opportunity Issues

28. The local authority has a statutory duty to ensure the sufficient supply of school places for all pupils. The adoption of this policy has no specific equal opportunities issues which are considered both within the school place planning strategy and within the evaluation of tenders from potential providers of new schools.

Background Papers

Schools Forum 21 September 2015 – Funding School Growth

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4358&Ver=4>

Schools Forum 18 June 2015 – 2014/15 Schools Budget Outturn

[http://politics.leics.gov.uk/Published/C00001018/M00004357/AI00044231/\\$Paper2201415SchoolsBudgetOutturnV22.docxA.ps.pdf](http://politics.leics.gov.uk/Published/C00001018/M00004357/AI00044231/$Paper2201415SchoolsBudgetOutturnV22.docxA.ps.pdf)

Cabinet 19 November 2014 – ‘In the Right Place’ – Strategy for the Provision of School and Other Learning Places in Leicestershire 2014/18

<http://cexmodgov1/ieListDocuments.aspx?CId=135&MID=3995#AI39945>

Officer to Contact

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Leicestershire County CouncilPolicy for Funding New Schools and Pupil GrowthPolicy Background

Maintained schools and academies receive funding for pupils registered on the October school census only. This means that an increased pupil number reflected in that count is not recognised for funding until the following financial year. Schools therefore have a funding lag where costs may be incurred but revenue is not reflected in the school budget until;

- April of the following year for maintained schools
- September of the following year for an academy

This policy sets out the instances in which revenue funding may be allocated in schools outside the delegated budget for meeting the costs of additional pupils in new classes.

Local authorities are able to retain funding from the Schools Block Dedicated Schools Grant (DSG) to allocate funding to schools where in the view of the authority it is essential to establish additional classrooms, this may be in newly opened or existing schools. Such funding must be allocated on an objective basis and must retain equality between maintained schools and academies. In creating such a fund a balance must be achieved between retaining sufficient funding to allow planned expansion in schools, either as a result of overall demographic growth or housing development, and ensuring that delegated school budgets are maximised.

The school funding system operates on a single pupil count, no school ever receives funding for every pupil for the period in which they are registered on a school roll, all schools will encounter some changes in pupil numbers in any given financial year.

This policy makes provision in limited circumstances to provide additional funding for schools by setting a one off contribution to schools in addition to the delegated school budget in the year additional classes become operational. For the following year schools will receive additional funding via the school funding formula for the additional pupils.

This policy makes provisions only for the following circumstances;

Opening schools – a new school opening or adding additional year groups until its opening age range is met. Funding is allocated to meet the cost of pupils prior to the school receiving funding based on the school census data for those pupils. Diseconomies of scale funding will also be provided in the years the school is adding year groups until its full age range is achieved.

Additional school places – open schools, where the local authority agrees, there is a need for additional classrooms as a result of demographic or housing growth where the local authority that meet the criteria set out within this policy. If the criteria of the policy are met schools a one off payment in lieu of additional costs a school may incur from the additional pupils prior to the school receiving funding based on the school census data.

The policy only provides for growth funding for schools for which Leicestershire County Council is required to fund under the School and Early Years Finance (England) Regulations.

This policy makes no provision for;

Schools, Academies and Free Schools funded by other bodies - The policy does not apply to any schools that are directly, on a temporary or permanent basis, funded by alternative bodies such as the Education Funding Agency (EFA) or the Skills Funding Agency (SFA)

Schools expanding age range – in this instance there is no increase in the overall need for school places. The school growth policy does not apply and schools will be funded in accordance with the requirement to request approval to vary pupil numbers in accordance with the Schools and Early Years (England) Finance regulations and the agreed local authority process in place for the appropriate year.

Infant class sizes – funding for ensuring that schools are not in breach of the infant class size regulations was, following consultation with schools, fully delegated to all maintained schools and academies in 2013, schools are expected to accommodate the requirement within the schools delegated budget.

Opening Schools

1. In accordance with the School and Early Years Finance (England) Regulations the funding for an opening school will be by the application of the local authority's school funding formula for each pupil estimated to be on roll in the September of each year until such time the school has a full contingent of year groups.
2. The number of pupils to be funded will be agreed with the operator of each school on an annual basis. This estimate will be agreed in January immediately preceding the opening of the school or the addition of new classes in order to be reflected in the local authority's school budget formula submission to the EFA.
3. The agreed pupil estimate will be adjusted each year, until the school has admitted all year groups, to reflect actual admissions i.e. if actual pupils exceed the estimate a positive adjustment will be made to the following funding period. Conversely if the estimate is higher than actual pupil numbers a negative adjustment will be made to the following funding period.
4. The basis for the pupil number estimate will be taken from the tender documents submitted by the operator of the schools in their application. This may be adjusted for relevant data held by the local authority and / or the school operator.
5. A start up grant of £125,000 will be provided to the school in its first year of opening.
6. A diseconomies of scale grant of £9,525 will be paid to reflect the cost of equipping a new classroom to ensure a suitable teaching and learning environment for each year group added in year two and each subsequent year where these items are not provided through the capital investment in the school. This reflects the provision of the following equipment;

	£
Whiteboard	£70
Interactive whiteboard	£3,500
Teacher laptop	£800
2 computers for pupils	£1,400
Classroom desks and chairs	£1,350
Teacher desk and chair	£325
Trays and cabinets	£270
Bookcases	£620
Cupboards	£890
Filing cabinet	£75
Art rack	£225
Total	£9,250

7. The above list is not a recommendation for the equipment required to create a suitable learning environment (where not already provided) nor is the school required to use the grant in this manner. The school is free to use the funding in the way they feel will best meet the needs of the incoming pupils.

Additional Places / Classes in Open Schools / Academies

8. The local authority may make a one off payment to maintained schools and academies in the following instances;
- Where the local authority carries out a formal consultation and approves an increase in the capacity of a school
 - Where a school/academy carries out a formal consultation and approves an increase in capacity at either the request of the local authority or supported by the local authority
 - Where a school / academy admits significant increase of 15% in pupils from that recorded on the preceding October school census to meet demographic demand and / or demand from new housing developments at the request of the local authority. The increase in numbers will be calculated by the net movement taking into account pupils leaving and joining
 - Where the local authority is making capital provision with its Medium Term Financial Strategy to deliver additional classroom space
 - The provision of additional classroom space meets the local authorities priorities as set out within its school place planning strategy
8. No allocation will be made to a maintained school/academy where the maintained school/academy;
- Has surplus places and then takes children up to the Planned Admission Number (PAN)
 - Admits over PAN at their own choice

- Adopts a PAN which will result in pupil numbers in excess of the Net Capacity Assessment
 - Admits extra pupils where those pupils have a reasonable alternative school place with or without an associated increase in PAN
 - Is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc.
 - Provides an additional infant class to meet class size legislation
 - The increase in pupil numbers are the result of mid- term admissions from other Leicestershire schools
 - The increase in pupils is the result of an age range change and the school is admitting a new year group
9. A one off grant of £50,000 will be allocated to schools that meet the following criteria;
- The school has considered the organisation of classes and the local authority agrees that the set-up of an additional class is the only option available
 - Where the admission of additional pupils over 10% of the October census creates a cost pressure within the school that cannot be managed within the resources available in the school
10. Schools qualifying for school growth as a result of expansion for basic needs purposes will be assessed through the school place planning processes by the application of the criteria detailed in this policy. The approval of funding will take place in the local authorities Corporate Schools Group which considers all aspects of school place planning.
11. Grant allocations will be reported to the Schools Forum, the report will detail the grant and also the criteria under which it is allocated.

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SCHOOLS FORUM

Academy Funding Survey

14 January 2016

Content Applicable to;		School Phase;	
Maintained Primary and Secondary Schools		Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies		Secondary	X
Local Authority	X	Post 16	
		High Needs	

Purpose of Report

Content Requires;		By;	
Noting	X	Maintained Primary School Members	
Decision		Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

1. This report presents the outcome of the academy financial survey undertaken in the autumn term and some of the conclusions that may be drawn from the responses.
2. The report also sets out the situation on funding age range changes and addresses the misconceptions regarding funding which can be seen from the consultation responses.

Recommendations

3. That Schools Forum notes the outcome of the academy financial survey and the issues arising from it.

Introduction

4. The local authority does not see financial data for academies, as a result this leaves a significant gap in the financial information available to the local authority which in turn hampers strategic financial planning and the local authorities lobbying position in respect of fairer school funding. To address this gap in knowledge a survey was issued asking secondary academies to set out the financial issues they are facing, this was widened to primary academies following the meeting of the Schools Forum on 21 September.

The Survey

5. 27 schools responded to the survey;

Maintained Special	1
Maintained Primary	1
Maintained Secondary	1
Primary Academy	7
Secondary Academy	17

6. The full survey responses are shown as Appendix and are summarised below;

a)	81.5% of responses report a worsening financial position in 2014/15 from the previous financial year
b)	81.5% of responses report a worsening financial position for 2015/16, 18.5% report a breakeven position
c)	The current ratio assesses the ratio between current assets and current liabilities and is widely used an indicator of liquidity. This is widely used by the Skills Funding Agency within their assessment of the financial health of their providers, any ration under 1 identifies an inability of an organisation to fund its current liabilities. The lowest ratio was 1.58:1, the highest 6:1.
d)	73.7% of the responses identified a decreasing current ratio
e)	3 schools undertook teaching redundancies in 2013/14 and removed 16.1 FTE posts
	The survey collected information on redundancies but not the reasons for them so it is not possible to know whether these have been made as a result of changes in the number on roll or the prime driver is to reduce and / or contain costs within the budget envelope;
f)	1 school reports non-teaching redundancies in 2013/14 removing 1.3 FTE posts
g)	3 schools report teaching redundancies in 2014/15 removing 20.45 posts
h)	7 schools report non-teaching redundancies in 2014/15 removing 27.43 posts
i)	4 schools report teaching redundancies in 2015/16 removing 20 posts
j)	5 schools report non-teaching redundancies in 2015/16 removing 16.76FTE posts
k)	61.5% of schools expect to make redundancies in the next three financial years

7. The survey asked schools to set out the financial challenges and issues that had been encountered in the past two financial years and asked the same question for the next three to five years. Many of the issues reported occurred in both sections and identified the following financial pressures;

- a) the impact of increased salary payments, including pension, national insurance and the minimum wage
- b) funding changes aligned with age range changes, this is considered in more detail in the next section of this report.
- c) falling rolls, often mentioned alongside age range changes
- d) increased expenditure as a result of academy status
- e) reductions in both revenue and capital funding
- f) expectations on the allocation of the additional 'fairer funding' money in 2015/16

Funding Age Range Changes

8. The first age range changes in Leicestershire academies were in September 2013. These were instigated independently of the local authority by each academy and were approved by the Education Funding Agency (EFA). The academies undertaking the changes were fully aware that the school funding system in place at that time was based on lagged student numbers and therefore they would not receive funding for the additional pupils until the academic year following their intake. However age range change was implemented by six academies without any agreement being in place for funding the retention of the additional year group.
9. The local authority repeatedly informed both academies undertaking or planning age range changes and the EFA that the funding formula would not and could not be changed to reflect the change in pupils from the start of the academic years. The EFA subsequently provided additional funding for the September 2013 academy age range.
10. The EFA changed the financial position for the 2014/15 financial year, and therefore for academies undertaking age range change in September 2014. Following revised EFA guidance and pressure the local authority was required to seek approval from the Secretary of State under the School and Early Years Finance (England) regulations laid by the DfE to vary the pupil count for schools undertaking or affected by age range change. The alternative to this was that the EFA would remove such funding as it deemed necessary from the local authority to enable them to provide funding as they had for the 2013 changes.
11. The funding mechanism put in place was formulated and recommended by a working group that consisted of headteachers, business managers, governors and LA finance officers. It was;
 - Subject to two separate consultation exercises, the first saw 15 responses and the second 18
 - Discussed at 4 Schools Forum meetings
 - Agreed by the County Council's Cabinet
 - Approved by the Secretary of State for Education, 2014/15 and 2015/16
 - Reviewed during 2013/14 by a further formula review group who recommended no change
 - Unchanged since its introduction in 2014/15
12. No maintained school or academy is ever funded for 100% of the pupil that it ever has on roll for a financial year. The mechanism for funding age range changes has not, and will not, change this position. It will also not ever provide funding for other changes that affect an academies pupil numbers such as demographic growth or

decisions made by individual schools to increase admission numbers. Schools, whether undertaking age range changes or not, need to factor this type of issue into financial planning.

13. It must also be recognised however, that whilst age range schools feel that they should have funding for 100% which isn't possible, the local authority has responded to the academy led changes and does deliver funding appropriate and proportional to the changes which does allow financial planning both pre and post implementation.

Conclusions

14. It has been encouraging that 27 schools responded to the financial survey, however it is also essential that both maintained schools and academies actively engage with the local authority and the Schools Forum when school funding issues are being formulated, considered and decided.
15. The level of understanding of the financial implications of age range changes in schools is concerning. The finance service has, and will continue, to provide advice and guidance on the application of the funding mechanism to academies who require that support. However it should be recognised that the process has been in place for two years and a process will need to be in place until no further age range changes are present in Leicestershire. It is essential that academies fully understand what it may mean for them and factor it into their financial planning process.
16. The survey has highlighted that the issues being faced in academies appear to be little different to that in maintained schools. Issues such as increased salary costs and reducing income are issues that are prevalent across the public sector and are unlikely to be addressed by any additional funding until the austerity measures introduced by the former and current governments are fully implemented.
17. The announcement of the additional funding for 2015/16 was widely misinterpreted by schools, the local authority made a number of statements in the aim of managing school expectations of what this would mean in Leicestershire and why schools would not get the additional figure quoted widely in the media. There is no one single view of what is fair, every school will have a view of what this means to them. It is imperative in moving to whatever the next phase of school funding reform may be that schools buy into a vision of 'fair funding' for all Leicestershire schools and academies rather than on an individual perspective.
18. The local authority will use the relevant data, where appropriate to do so, within discussions regarding school funding in Leicestershire. Although it was hoped that the survey would provide specific information on specific issues, the findings relate largely to the overall financial pressures within the public sector and some issues pertaining to financial understanding and planning.

Background Papers

None

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Secondary School Financial Survey

Q1 .

Answered: 27 Skipped: 0

Answer Choices	Responses
Name of School / College	100.00% 27
Age range of School / College	100.00% 27

#	Name of School / College
1	Newbridge High School
2	Bosworth Academy
3	Rawlins Academy
4	Charnwood College
5	De Lisle College
6	South Wigston High School
7	Winstanley Community College
8	Ibstock Community College
9	Wreake Valley
10	Hall Orchard CE Primary School
11	Lutterworth High School
12	Riverside Primary
13	Langmoor Primary School
14	Manor High School
15	The Meadow CP School
16	King Edward VII Science & Sport College
17	Stonebow primary School
18	Shepshed Hind Leys
19	Red Hill Field Primary School
20	Ridgeway Academy
21	Woodbrook Vale School
22	Hastings High School
23	martin High School
24	The Roundhill Academy
25	Brockington College
26	Ashmount School
27	Castle Donington College

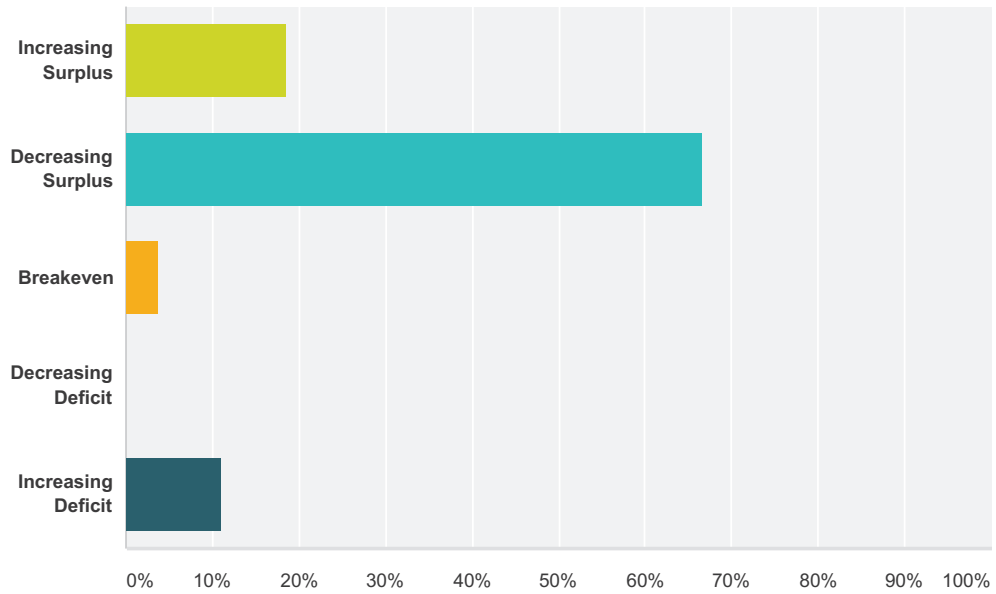
#	Age range of School / College
1	11-14
2	11-18
3	11-18
4	11-18
5	11 to 19
6	11-16
7	11 - 16

Secondary School Financial Survey

8	11-14
9	11-18
10	4-11 years
11	11-16
12	4 - 11
13	4-10
14	10 -14
15	4-10 (will be 4-11 from September 16)
16	14-19
17	4 to 11
18	10-14 and 14-19
19	4 - 11
20	PRIMARY
21	11-16
22	11-15
23	11-16
24	11 - 16
25	11-16
26	4-19
27	10 - 14yrs

Q2 What is the financial position for 2014/15 financial year compared to the previous financial year?

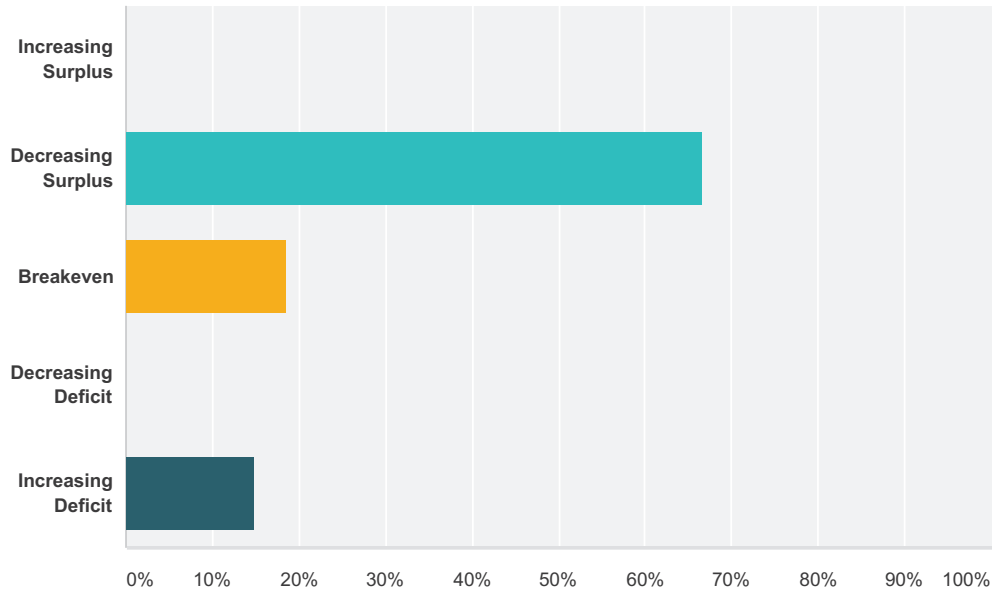
Answered: 27 Skipped: 0



Answer Choices	Responses	Count
Increasing Surplus	18.52%	5
Decreasing Surplus	66.67%	18
Breakeven	3.70%	1
Decreasing Deficit	0.00%	0
Increasing Deficit	11.11%	3
Total		27

Q3 What do you project your 2015/16 financial position to be?

Answered: 27 Skipped: 0



Answer Choices	Responses	Count
Increasing Surplus	0.00%	0
Decreasing Surplus	66.67%	18
Breakeven	18.52%	5
Decreasing Deficit	0.00%	0
Increasing Deficit	14.81%	4
Total		27

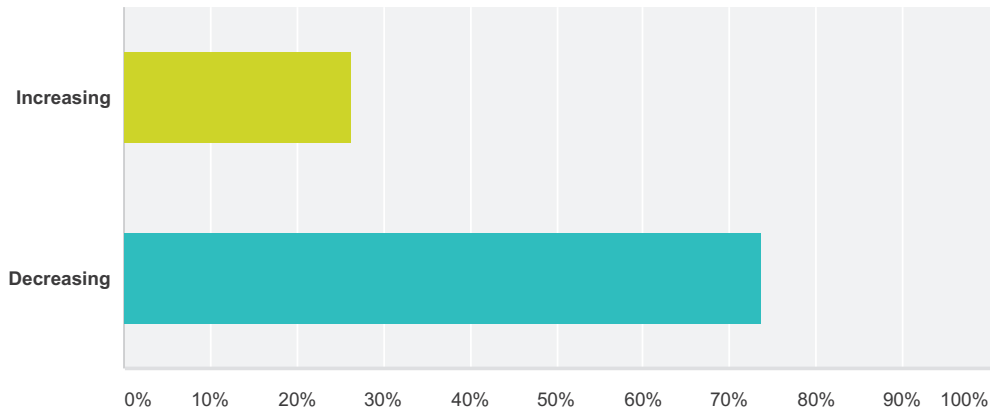
Q4 What is your Current Ratio (Current Assets / Current Liabilities) taken from your latest set of accounts?

Answered: 24 Skipped: 3

#	Responses
1	2.82 (should you not also ask for the Net Current Assets, which is an indication of reserves - these are reducing for most academies)
2	5/1
3	4.81
4	Unable to provide information
5	6.08
6	?
7	1.2
8	1:18
9	2.01
10	5/1
11	13/14 £448000 Net Current assets/£604000 Pension Liability
12	?
13	60/40
14	3.5
15	2014-15 accounts still being prepared - unable to answer
16	3.7
17	n/a
18	11:24 (hope that makes sense)
19	2.08
20	1.11 to 1 (31/08/15)
21	1.58 : 1
22	£959,000 to £266,000
23	LMSS does not work in this way
24	8.15%

Q5 Is your Current ratio

Answered: 19 Skipped: 8



Answer Choices	Responses	
Increasing	26.32%	5
Decreasing	73.68%	14
Total		19

Q6 Have you undertaken redundancies in the last two financial years? If so please indicate the number of FTE for teaching / non teaching staff.

Answered: 21 Skipped: 6

Answer Choices	Responses
Teaching (2013/14)	90.48% 19
Non-teaching (2013/14)	85.71% 18
Teaching (2014/15)	90.48% 19
Non-teaching (2014/15)	95.24% 20

#	Teaching (2013/14)
1	0
2	None appointment made with temporary reduction in numbers in mind
3	9.9
4	0
5	0
6	0
7	No
8	No
9	0
10	0
11	0
12	none
13	No
14	0
15	0
16	5 as at 31/08/2015
17	0
18	No
19	1.2

#	Non-teaching (2013/14)
1	1.3
2	None but carefully appointed to temporary contracts
3	0
4	0
5	0
6	0
7	No
8	No
9	0
10	0

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11	0
12	none
13	No - but have reduced total hours
14	0
15	0
16	0
17	No
18	0
#	Teaching (2014/15)
1	0
2	None appointment made with temporary reduction in numbers in mind
3	0
4	7.55
5	0
6	11.9
7	0
8	No
9	No
10	0
11	0
12	0
13	none
14	No - but we have reduced by 1 teacher through natural loss
15	0
16	0
17	0
18	No
19	1
#	Non-teaching (2014/15)
1	0.8
2	None but carefully appointed to temporary contracts
3	1.5
4	7.0
5	FTE 2 leavers not replaced
6	0
7	17.23
8	0
9	No
10	No
11	0
12	0.4
13	0
14	none
15	No - but have reduced total hours

Secondary School Financial Survey

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16	0
17	0
18	0
19	No
20	.5

Q7 Please describe the financial challenges and issues that have affected your financial position in the past two financial years. Please state the financial impact of each issue.

Answered: 25 Skipped: 2

#	Responses
1	Lack of funding for increase in salaries, Pension and NI has caused significant issues. There will need to be further redundancies as a result of this. Additional funding if distributed differently could have assisted with this and avoided future planned teaching and student support staff redundancies. An 3% additional funding or £100 per pupil could have secured this.
2	- Age Range Change - no financial support from EFA / LA - Transport (local authority transport plan changes) - Low funded authority - salary increases no uplift in budget to accommodate
3	National squeeze on education funding, especially P16 Leicestershire fair funding issues and decision to allocate most new money to primary schools unfunded age range changes - KS4 to KS3
4	Falling rolls as a result of age range change
5	Lower student numbers due to Loughborough schools reorganisation. Loss of lagged funding circa £120k Published increase in employer contributions for Teacher Pensions, Support Staff Local Gov't Pensions, end of employer NI rebate of 3.4% April 2016 –approximate 5% unfunded increase in staffing costs New GCSE & A Level Courses
6	Reduced income: Insurance funding: This reduction has meant we have had to review the level of cover we have in place and we don't now have the level of cover we did two years ago. Reduction in ESG: This has meant that we have seen less services being brought back as we have less funding per student. Reduction in Maintenance funding: We are able to undertake less work around school to maintain the up keep of the building. Clear calculation of the Deprivation funding, hard to forward plan as there is not a simple way of calculating it. Hard to forward plan how to cater for these students? Lump Sum payment is not pro-rata, primary schools get the same as a secondary, is that fair and consistent? We could use the increased funding for further intervention or student enrichment. The consistency of regular rules around funding: Makes 5year planning crazy. Each year the amounts we get per student are changed and the manner in which we are judged alters how can we be consistent and forward plan with confidence?
7	Age Range Change Increased Competition
8	Fall in student numbers Increase in staffing costs Small increase in government funding for secondary schools in 2014/15 Income lost from LA for extended services, e.g Adult Education and Youth Services. Students lost to other local schools through parent choice. Staff skill shortage - lack of suitable applicants which is driving up salaries.
9	Age range changes have meant that we will not be funded for students that we teach this year, and we will not be funded for the current student numbers next year. On top of this we have increased costs associated with pay awards, changes to NI and Superannuation, the new living wage and general cost pressures.
10	Pupil premium funding as less pupils applying because of UIFSM Top-up funding from SEN children, school having to find funds to cover their contribution. Converting to an Academy and the additional costs incurred with this which maintained schools are not required to. Our conversion costs were significantly higher than the contribution that we were given by the EFA.
11	During age range change we are not funded for pupils until the following year. In 15/16 we have a budget based on 694 pupils - we have 762 pupils in school! This is an obvious financial strain as there is no transitional funding for High Schools, despite the fact that in year 3 we lose funding for year 7's moving to the Upper school yet we do not get funding for Year 10's as we already have 5 year groups by then. Transitional funding of 90% should be applied in year 3 of transition of High Schools to allow financial parity with Upper Schools. The SEN clawback over the last 2 years was another impact on the school budget! AWPU level very low in comparison to other authorities. EHCP - funding changes have impacted on the amount of top up received to support vulnerable students. Capital Funding (DFC) so small it is not useful for any significant capital works! ACMF process encourages schools to spend money on consultancy without any guarantee of funding - this process needs to be reviewed. NI Contributions increase have had approximately £50k per annum effect on budget!! No additional income (other than £2k grant!) Reduction in MFG Reduction in ESG Removal of the insurance top up funding - schools wanting same cover and service having to meet this cost from own budgets!
12	Changing to an Academy has increased level of expenditure due to charges from all services. Lucky to receive CIF Funding for a new mobile.

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13	Significantly less capital funding relying on decreasing reserves for development. Increase in revenue costs with little or no increase in funding.
14	Rising staffing costs. Also planning for the return of Year 6 to the school.
15	Fall in NOR, 80 X c£4k = £320k Non Funded Pay Award = £40k Multiple Aged Buildings and unsuccessful capital bids resulting in excessive un-funded remedial works c £70k
16	Since becoming an academy, increased costs of buy backs, insurance, utilities etc Staffing costs - higher % of overall budget as fewer less experienced staff
17	Lack of information about pupil numbers in future years - difficult to plan classes/predict income Increasing staff cost in particular pensions contributions
18	We are trying to avoid a deficit budget and despite cuts each year is more challenging. Increase in on-costs and salaries are the biggest factor. We have reduced our total classroom support assistant hours despite an increase in SEN children (having to pay the first £6000 of a statement has caused us considerable problems) and have reduced the teaching staff by 1 although number on roll is still similar. reductions have been made in all budget areas including premises, resources and training.
19	Unfunded pay awards NI rate changes Pension rate increase Contributions from Revenue to Capital Projects
20	Money is very tight and we have had to cut back on staff training, resources and site developments to ensure we stay in the black.
21	1. changeable pupil numbers with conversion to 11-16, bulge years requiring extra staff but then need to cut down. Cost of redundancies met by the academy c£137k. 2. Not enough financial support to change the infrastructure to fit a 11-16 school. Some support from the LA and EFA and investment from s106 and the academy but still no sports hall, adequate dining facilities, office space, small classrooms. Need a further £2million. 3. Pupil numbers lower than forecast due to market forces (local school outstanding, we are RI, transport policy changes expensive for our parents, Groby GCSE results better than ours). Funding 15/16 £273000 lower than budget (this also fed into the redundancies). 4. Numbers on roll this September are 16 lower than expected - this will trigger further redundancies to save £75k 16/17 and £236k 17/18. We are unsure whether we can do this and are analysing the curriculum models. 5. Government changes to the curriculum are expensive in terms of resources but no additional monies are given. 6. Pay rise announced by the government costs us £24kpa but no additional monies in the budget. This is 1/2 a teacher being redundant in reality. 7. Academies are not able to borrow or take out finance leases. We cannot be expected to operate in a commercial world with such restraints. We have to take out operating leases and then do not own the goods. This is more expensive for the tax payer.
22	Not being funded for actual numbers on role during period of increasing age range change. Currently 675 on role being funded on 630, with no reserves. Negotiations on-going with EFA for support. Negative cash position projected at December 2015.
23	11-16 age range change has meant that we have had to spend a surplus that we had been building up for age range change. We have spent the surplus and have had to agree to a building loan, meaning a commitment of £156K in each of the next 7 years. What is concerning is that this has come at the same time as a decreasing net budget (due to staff wage increases, pension changes, NI increases), failure to receive the full amount of 'fairer funding' that we were informed by central government that we would receive and not receiving the AWPU for all children joining the school. We have only managed to breakeven due to our strong financial budgeting, savings made and because of income from lettings. I am concerned that we may incur a deficit budget in the near future.
24	New school has meant that salaries have exceeded income for a number of years - LA agreed deficit
25	Reduction in EFA funding over the last two years Not filling staff places as they become vacant

Q8 Have you undertaken redundancies in the current financial year (2015/16)? If so please indicate the number of FTE for teaching / non-teaching staff.

Answered: 21 Skipped: 6

Answer Choices	Responses
Teaching	100.00% 21
Non-teaching	95.24% 20

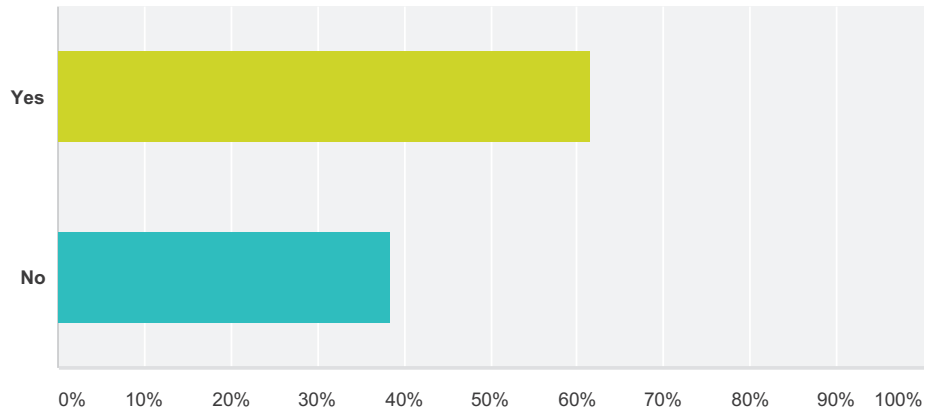
#	Teaching
1	planned for 2016/17 (although we predicted a 14% above PAN intake)
2	N/A
3	not yet, but may have to
4	7.0
5	0
6	7 fte expected
7	0
8	No
9	No
10	0
11	0
12	0
13	None
14	0
15	NO
16	0
17	0
18	5 as at 31/08/15
19	0
20	No
21	1
#	Non-teaching
1	1.56 (2 members of student support staff)
2	N/A
3	not yet, but may have to
4	8.8
5	2 (Potentially)
6	Currently reviewing again
7	0
8	No
9	No
10	0

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11	0
12	0
13	In process - 1 post, 0.4 due to office restructure
14	3
15	NO
16	0
17	0
18	0
19	No
20	0

Q9 Do you expect to undertake redundancies in the next three financial years?

Answered: 26 Skipped: 1



Answer Choices	Responses
Yes	61.54% 16
No	38.46% 10
Total	26

Q10 Please describe the financial challenges and issues that will affect your financial position over the next three - five years. Please state the financial impact of each issue where possible.

Answered: 24 Skipped: 3

#	Responses
1	Pension charges and auto enrol will have a detrimental effect - need to reduce staffing to accommodate additional costs. No real increase in funding to pay for those staff who met the criteria for pay progression will mean fewer staff and a need for reduction. The delay in funding and no reserves (predicting only £50k this year) will cause significant problems with an increasing number on roll and no funds to pay additional teachers required - even when planned optimum contact ratios, we are still short of funds. Our pupil numbers are set to continually rise over a number of years. We are unable to fund this lag of funding. Reducing Net Current Assets due to in-year deficit budgets being set. This is a question your survey should be asking. Hope this is of some use.
2	- Transport - Salaries
3	many issues which will be common to all Leicestershire Secondaries. The single biggest issue is P16 numbers. Ironically in a year in which A-level results are outstanding, Y12 has dropped by 100. This is a result of age range changes, competition from Loughborough College which has invested heavily. Impact is £400K next year, over £1M the following year and for 2 years beyond.
4	Non funding of staff pay rises/ increased pension & NI costs. Incremental pay rises £305k 15/16 £123k additional cost in 16/17 and a further £110k in 17/18 Further diminishing GAG funding - ESG & Lump Sum Predicted £391k in year deficit 2016/17 and £471k 2017/18 This is despite predicted student number increases in the 6th form
5	In the next 3-5years we will have to alter our curriculum model to cope with redundancies otherwise we will be in a negative position. I would like to be able to meet like secondary heads or school forums as business managers to ensure that we get told consistently the changes in the finances. I would be interested in trying to make things better county wide if opportunities appeared. Funding for LAC and PP in different for each authority (amounts per students, how to claim it, frequency to receive it). This causes lots of work as there is not a standard process. If there was such as system we could make this a lot easier and transparent. Surely we could get county to complete building surveys across the county and the maintenance funding is handed out based on need not a formula? The delay on decisions with regard to funding formulas - hard to forward plan... Happy to explain further if required.
6	Age Range Changes Increased Competition
7	The financial challenges seen over the last 2 years will continue and increase. EFA grants are unlikely to increase and staff costs will raise with the shortage of teachers and the rise to minimum wage. Based on the 5 year forecast we are projecting a £230K deficit by 2017/18 which will grow by an additional £200K pa if not addressed. Student data shows the numbers increasing with the impact on new housing however until these have actually started to show in school we feel it is unwise to build into the model.
8	We anticipate a significant deficit, exceeded £1 million in 2 years time even after having taken action on redundancies and other significant cost savings.
9	Minimum wage Capital costs Cuts in funding
10	As previously discussed, age range change is putting significant financial pressure on the school, particularly in year 3 of the change when an adjustment will be made to transfer funding to the Upper School for any Year 7's that move there without any transition funding to support this movement. Pay awards, pay progression, increased cost of energy and the reduction in funding all contribute to making the financial situation unmanageable in the longer term despite really tough decisions to keep staffing to a minimum when timetabling.
11	Year 6 to come back to primary - Extra Staffing Unsure how UIFSM will change
12	Increasingly difficult to maintain an in-year balance whilst continuing to develop the school and staff.
13	Getting Year 6 back in September 2016 will make the budget for 16-17 tight The forthcoming rise in NI costs, plus rising pension contributions are also likely to present a significant challenge.
14	Fall in NOR, 40 X C£4k = £160k, Withdrawal of Insurance Top Up Funding = £8k Reduction in ESG = £63k Increase in NI & Pension Contributions wef 2015/16 = £50k, Min Wage Rise Oct 2015 = £8k
15	PAN is 48 so with infant class size needing to be below 30, this means additional class to incorporate pupils and avoid mixed key stage class. Staffing therefore more expensive. Reduction in amount of SEN top up funding as pupils move schools but staffing permanent. School needs updating and refurbishing to allow for increasing numbers. 1991 build not always fit for purpose so money needs to be allocated to capital projects.

Secondary School Financial Survey 42

16	Age-Range Change and consequent restructuring	
17	We feel that we have cut back so much in the last 4 years that we have nothing else we can reduce. We are hoping for an increase in pupil numbers or an improvement in the budget without which we will really struggle to avoid deficit whilst continuing to provide a good education	
18	We are working to maintain a balanced budget position for the period but some external factors that we have no control over such as unfunded pay awards, changes to funding formula will need to be factored in.	
19	We expect to be in a deficit situation in 3-4 years. We will have to make redundancies at that point.	
20	1. Problem of pupil numbers as described above. We need to hit 900 pupils to become a viable school. Numbers now are 843, 16/17 833, 17/18 830, 18/19 849 and 19/20 873 and that is assuming we take on 180 in year 7 from Sept 16 onwards. Work on £4500 per pupil on average. 2. How to finance a rolling programme of ICT and Premises infrastructure. Shortfall c £60kpa 3. Reliance on CIF bids to do any major work. Restricted to 2 bids each year and no guarantees that they will be successful. Bids c£150kpa 4. Changes to KS4 structures in GCSEs and KS3 curriculum. c£30k required. 5. School kitchen is on the verge of being condemned. We can't replace any equipment until a new extraction unit is installed c£20k. Meanwhile chef has to keep oven doors shut with a large pan! Need £80k for a refurbishment.	
21	Robust financial good health projected by financial year 2017/18, when return to lag funding ensures a full school is once again funded appropriately.	
22	Please see question 7. We will also need to replace our artificial pitch in 5 years at a cost of £200K, so that we can continue to generate income. Further concerns are around needing to receive the full amount of fairer funding in the future and cuts being made to our budget by central government or the continuation of staff pay increases coming from school budgets.	
23	Maintaining quality of provision once the school is full	
24	EFA continual reduction in funding Increased staff costs (annual rises & oncosts) Minimum wage	



SCHOOLS FORUM

School Funding 2016/17 and Onwards

14 January 2016

Content Applicable to;		School Phase;	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies		Secondary	X
Local Authority		Post 16	
		High Needs	

Purpose of Report

Content Requires;	By;
Noting	Maintained Primary School Members
Decision	Maintained Secondary School Members
	Maintained Special School Members
	Academy Members
	All Schools Forum

1. This report sets out;
 - the development history and constraints of the 2015/16 formula for funding maintained schools and academies in Leicestershire,
 - a comparison against the 2015/16 formulae in operation across Leicestershire's comparative authorities,
 - the short and medium term anticipated education funding environment and its impact on school funding

Recommendations

2. That Schools Forum note the content of this report
3. Consider the formula value comparisons and analysis within the report

4. Support the local authority in developing a 2017/18 funding formula should the introduction of a national funding formula retain any local flexibility in funding
5. Support the local authorities' intention to reduce the AWPU value by 1% to meet the additional High Needs costs for 2016/17
6. Note the local authorities' intention to charge schools for services provided by Specialist Teaching Services, the first of which will be Autism Intensive support from April 2016
7. Actively engage with schools and the local authority in setting out the expectations for school funding for 2017/18

Introduction

8. The current Leicestershire school funding formula was introduced in 2013 in response to national funding changes introduced by the Government. These changes were significant and included limitations on the factors which local authorities could use within the formula and the introduction of annual school funding timeline which required local authorities to agree their funding formula by the end of October the preceding calendar year.
9. The local authority is operating under the financial austerity measures introduced by the government in 2010. This result of this is that whilst it is necessary to meet increasing needs with reduced resources. It is therefore necessary to consider a whole systems approach to the allocation of resource which requires re-balancing of budgets.

Background

10. School funding has been, and remains, subject to significant policy changes by government which it would be useful to recap prior to opening a discussion on the future of school funding in Leicestershire. It is this national context which has framed the relative funding position of both the local authority and its schools and the context in which decisions have been made on school funding;

Pre 2006	<p>Local authorities received a cash backed spending settlement for all education services including schools. The Secretary of State had powers to enforce a level of expenditure on local authorities. Regulation governed the requirements for school budgets including minimum levels of delegation.</p> <p>Leicestershire provided funding in excess of the government's spending settlement of £2.2m</p>
2006/07	<p>The Dedicated Schools Grant (DSG) was introduced and paid to local authorities as a ring fenced grant, based simply on a monetary value being applied to the number of pupils within schools and early year's providers. The grant was to fund school delegated budgets and other education services defined by financial regulations. The introduction of the grant did not however make any assessment of the funding need for individual local authorities and was based purely on the level of expenditure in authorities for 2005/06 and locked into the system the additional education funding provided by Leicestershire .</p> <p>The changes had no impact on the manner in which the school funding</p>

	formula operated
2011/12	<p>Can be seen as the first stage in national school funding reform. Prior to this point schools had been in receipt of multiple individual grants, these were 'mainstreamed' into the school formula and delivered in a single formula budget.</p> <p>Timescales were short to achieve this change and grants were integrated into the formula following a 'best fit' methodology with the Minimum Funding Guarantee (MFG) moderating the changes</p>
2013/14	<p>National policy changes were implemented and declared by the government to be the first stage towards a national funding formula.</p> <p>DSG was effectively split into three discreet funding settlements. Schools and Early Years reflected changing pupil numbers but High Needs was based on the previous year's expenditure which effectively continued to freeze 2005 expenditure into the new grant.</p> <p>Restrictions were placed on the formula factors that local authorities were able to use within the school funding formula and changes were moderated by the use of the MFG and a ceiling to limit the gains schools were able to make.</p> <p>Initial information on requirements for school budgets was released for consultation in March 2012 and confirmed in July 2012 for October 2012 approval. The timescale for change to the school funding formula allowed only for 'best fit' methodology from the previous formula.</p>
2015/16	<p>Additional funding was announced by the government for 'lower funded authorities' in March 2014. The basis of the allocation was to ensure that authorities received funding at a minimum level across the allowable funding factors.</p> <p>School funding levels have been equally informed by decisions made by local authorities and the amount of per pupil funding received. As such authorities that have chosen to allocate lower levels of funding to schools but receive a higher per pupil rate than Leicestershire, such as a number of London Boroughs, have received additional 2015/16 school funding at an equal rate as those poorly funded authorities that have chosen to increase school funding levels such as Leicestershire.</p> <p>The Leicestershire funding formula was compared to those from statistically similar authorities using data on all local authority for the first time formulae published by the Education Funding Agency (EFA). Additional funding was allocated into the school funding formula into areas where that analysis showed Leicestershire schools were funded lower than comparative authorities.</p>

11. The Department for Education (DfE) has confirmed that there will be no changes to school funding for 2016/17 and their intention to continue to move to a school funding

system that is fair, explainable and transparent. It is important to note that they have consistently referred to this as being a system where all pupils with the same characteristics are funded equally irrespective of the local authority they are educated within and not an equal amount of funding for every pupil.

12. The 2015 Spending Review and Autumn Statement has announced that there will be a consultation issued in 2016, it is widely expected that will be January, on the implementation of a national funding formula in 2017 and that transitional arrangements will be in place. It is also expected that the consultation will consider a national early years funding formula and will move to a formulaic distribution for the High Needs Block.
13. The Spending Review also announced that it represented the next step towards the government's goal of ending local authorities' role in running schools and all schools becoming academies. In this environment it cannot be assumed that the local authority will have a future role in determining a funding formula for its schools.
14. However with no changes for 2016 there is an opportunity to take a holistic and objective review of the school formula for implementation in 2017/18 should the national funding policy allow. This will enable the consideration of issues that have not been possible to consider in the recent timescales for change which could include a review of the weighting between factors, consideration of allowable factors that haven't previously been used in Leicestershire, the values attached to the current factors etc.
15. Any review however will need to be aligned to the direction of the national funding formula and the transitional arrangements that will be in place to support its introduction. If a national formula exists with no local flexibility over its operation there is probably no role for local authorities in school funding decisions and a review of the Leicestershire formula becomes an academic and pointless exercise and time may be better spent preparing and advising schools on the implications of such a change.
16. A review would also need to consider the relativity of funding between the blocks, most significantly Schools and High Needs. In order to meet the requirements of the 2013 funding reforms it was necessary to remove funding from school delegated budgets to fund the new 'top-up' arrangements.

The 2015/16 Leicestershire Funding Formula

17. A comparison of the Leicestershire formula and those of statistical neighbours has been completed which can be seen at Appendix 1.
18. The circumstances and environment in which local authorities take decisions on their school funding formulae are influenced by numerous factors and are individual based on circumstances, priorities and policies. Leicestershire used the data issued by the EFA in 2014/15 to inform its thinking for the 2015/16 funding values, it was highly probable that other authorities had done the same. To get a view of the direction of travel of other authorities a further comparison was undertaken to identify what things had changes in the comparative authorities between 2014/15 and 2015/16. This can be seen at Appendix 2.

19. It is difficult to understand the individual starting points for authorities and factors and decisions making processes have informed decisions in individual authorities but the analysis shows;
- a) Of the group of 11 authorities, 7 were in receipt of additional funding for 2015/16.
 - b) The rate of funding received in Leicestershire per pupil is now in line with the comparator authorities.
 - c) Leicestershire's basic entitlement rates remain below average despite the additional resource. Primary and KS4 have improved but KS3 remains behind.
 - d) Comparator authorities appear to have increased AWPU and lump sum rates by a reduction in deprivation and prior attainment funding.
 - e) The % of pupil led funding in the Leicestershire formula has increased but decreased in the comparator group.
 - f) The value of the lump sum in Leicestershire remains at 2014/15 levels but has increased in the comparator group.
 - g) The ratio of primary to secondary funding has fallen in Leicestershire, however this appears to be affected by the rates differential and proportionality between mainstream schools and academies.
 - h) Leicestershire has not allocated funding for EAL or LAC in either year, comparator authorities reduced allocations in 2015/16 in these areas.
20. The analysis of funding rates provides some information on the relative funding priorities across the comparator group, it does not however provide any information on the issues each local authority is trying to address and what their priorities may be.
21. Further analysis has been undertaken comparing the 2015/16 Leicestershire formula with the units of funding used by the DfE in distributing the additional 2015/16 funding which can be seen in Appendix 3. Unsurprisingly given that the DfE took average funding from 2014/15 which included much higher funded authorities, the % differentials for many of the factors are much greater. This data also shows that Leicestershire allocations through the Income Deprivation Affecting Children Index (IDACI) and the lump sum are higher.
22. In moving to the 2013/14 school funding formula conscious decisions were made to:
- Increase funding through IDACI and reduce funding for Free School Meals (FSM), as Pupil Premium funding is based on FSM. IDACI was chosen as the factor for the core school budget deprivation allocation to avoid schools being overly funded on FSM
 - Include a higher lump sum to provide protection against the removal of small school protection
23. There are also issues to be considered in making any wide scale changes to the schools funding formula. MFG was originally introduced to ensure that school got a minimum increase in their per pupil funding, latterly it has operated to ensure that schools do not receive a per pupil funding level less than 1.5% below that from the previous year. Any revision in the funding rates and formula factors used will create turbulence in delegated school budgets which may take many years to work through the system, which is currently the case for a number of Leicestershire schools from previous changes over a number of years. Any change must be carefully managed to

reduce the turbulence in school budgets alongside the move to the national funding formula.

Funding Age Range Changes

24. Funding for age range changes rests outside the school funding formula and is effected by a variation in pupil numbers through application of the School and Early Years Finance Regulation which is approved by the Secretary of State on an annual basis. The pupil number change serves purely to account for the redistribution of pupils at the beginning of the academic year. It does not, and will not, provide funding for any other change that increases the number of pupils in the school such as demographic growth and / or changes in admission numbers that may be associated with an age range change. For these latter changes schools do not and will not receive additional funding until the following financial year under the normal lagged funding arrangements.
25. The process used was reviewed to inform the 2015/16 formula and no change was recommended. The mechanism continues to provide protection to schools, by providing funding for 80% of the net loss of pupil in the first year they are affected by a change in another school. Given the current financial climate it would be timely to review whether protection should continue.

Funding For Special Educational Needs

26. Leicestershire had an almost fully delegated funding system for SEN prior to 2013 and was implemented as a result of rising costs of SEN arising from an entitlement to funding if particular needs could be evidenced. The new national system re-introduced the perverse incentive for schools to access additional funding based on the identification of needs
27. It was recognised locally, and has also been recognised in the DfE commissioned research into the SEN funding system undertaken in 2013, that there is an inconsistency in the manner in which schools identify need and ability to manoeuvre through a system that allows access to additional funding.
28. A transfer from the Schools to High Needs has been present since the new funding system was introduced in 2013, this is largely as a result of the need to remove funding from delegation to implement needs lead 'top-up' funding. However the risk of an escalating budget requirement as a result of the national changes was recognised as a key risk for Leicestershire and that a further movement from the Schools Block to High Needs is now necessary.
29. In 2015/16 the school / high needs transfer was £2.8m, early analysis of the budget requirement for SEN in 2016/17 identifies an increased budget requirement of £7.5m, it is anticipated that £1.5m of this additional cost will be able to be met from headroom within the schools block settlement leaving a funding shortfall of c£6m.
30. The notional SEN budget is currently issued to schools to provide an indication of the funding delivered by the factors within the school funding formula which are recognised as a proxy indicator of SEN. Analysis of the additional costs in schools for pupils with SEN reflected in statements is £6.5m, however the notional SEN budget is £30.2m.

31. It is proposed that the funding gap is reduced by reducing the 2016/17 AWPU values by 1% which would further close the funding gap by an estimated £2.5m to £3.5m pending actions to reduce the overall demand and cost of SEN as discussed at the meeting of the Schools Forum on 21 September 2015.

New School Growth

32. A further call on the limited DSG is funding in order to commission new schools which is subject to separate report on today's agenda. Based on modelling the 2015/16 school formula and the anticipated development of new schools the total cost to 2024 is anticipated to be £21.2m and a funding gap of £17.1m is estimated after the application of earmarked reserves. The lagged school funding system means that these costs will need to be met within the current level of DSG and may require a further short term reduction in school delegated funding from 2018/19 onwards if no headroom is available in the DSG settlement and / or the ability to create a reserve is restricted. For 2015/16 the DSG reserve is reducing as a result of overspending SEN budgets.
33. If a reduction in school funding is the only way the current shortfall can be met this would equate to an equivalent reduction in AWPU as detailed below;

	2018/19	2019/20	2020/21	2021/22	2022/13	2023/24	2024/15
Primary	-1.1%	-1.2%	-2.6%	-1.2%	-1.4%	-0.7%	-0.4%
Secondary	-	-	-1.4%	-0.5%	-0.5%	-0.5%	-0.0%

34. Currently £3.5m is held within the DSG reserve and is earmarked to meet the costs of deficits arising from schools that are required to enter into sponsored academy arrangements. This is a notional value and whilst academy conversion has slowed down and Leicestershire currently has no schools in deficit within that process, the government's intention to move coasting and underperforming schools into sponsored arrangements may move schools into that position. It may however be possible to reduce that provision in 2016/17 to assist with funding pressures and that will be reviewed within the final stages of the budget process.

Resource Implications

35. This report has been completed based upon the national context of the austerity measures introduced by the government which has seen school funding remaining at a cash flat value with the exception of some authorities, including Leicestershire, where additional funding was delivered to schools in 2015/16. Since 2010 the budget for Children and Family Services has fallen by 47.3% (76.6% including the loss of grant income) and a further budget reduction of 19% expected over the following 4 years
36. School funding is a finite resource, without additional funding any changes in the formula will purely serve to redistribute current funding. A balance has to be maintained between achieving better outcomes for children which would need to be a key driver of any change, and the impact of the turbulence.
37. The DfE introduced the Minimum Funding Levels for the 2015/16 schools budget settlement and referred to this being the first step towards fairer funding and a

movement towards a national funding formula. Leicestershire received additional funding purely on the basis that it was funded below those national minimum levels.

38. The Spending Review announced no additional money to implement the 2017/18 national formula, it can therefore only be achieved by reducing funding for higher funded authorities in order to increase the funding for those lower funded. With Leicestershire being funded at the current DfE minimum level the chance of additional school funding in 2017/18 is unlikely. Any change carries a risk that the current minimum funding levels would need to be reduced to support transition, if this were to be the case then school funding in Leicestershire would reduce.
39. There is also a need to redefine both the schools and local authorities responsibilities for meeting the educational needs of vulnerable learners given the financial pressure being encountered within those areas, especially for special educational needs. It is necessary to consider what approach should be taken to ensure that the needs of vulnerable learners are met through universal services by setting clear expectations at which thresholds for more targeted funding is accessed. It is now necessary to charge schools for services currently provided, through for example Specialist Teaching Services that are currently provided at no cost given that all budgets for teaching and learning are held by schools. The first of these charges will be for Intensive Autism Support with details provided within the 2016/17 Schools Budget report at the February meeting of Schools Forum.
40. Pressure is currently being experienced within all budgets supporting other vulnerable learners, notably for children educated on medical groups and autism support services, in addition to budgets supporting SEN. School funding needs to be considered within a whole system approach i.e. is the right resource in place to allow for the commissioning of services at the earliest point to ensure that needs do not escalate. Escalating needs result in an escalating budget requirement which simply isn't available, a whole system approach needs to consider respective roles and responsibilities which need to be clearly aligned to funding expectations and the delivery of localised solutions which reduce costs and improve outcomes.
41. The school funding formula is an input based system designed purely to allocate resources through an agreed formula to schools. Previous modelling has unsuccessfully tried to identify correlation between budgets for individual schools, any factors within the formula that may produce anomalous outcomes, school performance and school location. Leadership and management however are factors that cannot be modelled and further consideration needs to be given to determining how schools achieve best value in the manner they deploy that resource and whether the local authority has a role to do so given the school to school support mechanisms that now exist. The Spending Review has stated that guidance will be issued to schools on the effective use of resources and commissioning services.

Equal Opportunity Issues

42. Any review of school funding must consider how the funding system can be used to ensure that the educational outcomes for vulnerable learners can be enhanced.

Background Papers

Report to Schools Forum 21 September 2015 – SEN Overspend
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4358&Ver=4>

Report to Schools Forum 20 February 2015 - 2015/16 Schools Budget
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4356&Ver=4>

Report to Cabinet 13 October 2013 – 2015/16 School Funding
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4268&Ver=4>

Report to Schools Forum 18 September 2014 – 2015/16 School Funding
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4043&Ver=4>

Report to Schools Forum 16 June 2014 – 2015/16 School Funding
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4118&Ver=4>

Report to Schools Forum 16 June 2014 – 2015/16 Funding Formula
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4118&Ver=4>

Report to Schools Forum 13 February 2014 – 2014/15 Schools Budget
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4117&Ver=4>

Report to Schools Forum 26 November 2013 – 2014/15 School Funding
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=4040&Ver=4>

Report to Cabinet 15 October 2013 – Funding Schools Affected by Age Range Changes
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=3635&Ver=4>

Report to Schools Forum 18 September 2013 – School Funding Formula 2014/15 and Funding Age Range Changes
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=3870&Ver=4>

Report to Schools Forum 20 June 2013 – School Funding Arrangements 2014/15
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=3871&Ver=4>

Report to Schools Forum 21 February 2013 – 2013-14 Schools Budget
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=3779&Ver=4>

Report to Schools Forum 4 December 2012 – School Funding Reform Update
http://www.leics.gov.uk/index/education/information_about_schools/support_for_schools/finance/schools_funding_forum/schools_funding_forum_report1.htm#20thsep2012

Report to Cabinet – 16 October 2012 – Proposed Funding formula for Primary and Secondary Schools 2013/14
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=3395&Ver=4>

Report to Schools Forum 7 September 2012 – School Funding Reform
http://www.leics.gov.uk/index/education/information_about_schools/support_for_schools/finance/schools_funding_forum/schools_funding_forum_report1.htm#20thsep2012

Report to Schools Forum 11 May 2012 – School Funding Reform

http://www.leics.gov.uk/index/education/information_about_schools/support_for_schools/finance/schools_funding_forum/schools_funding_forum_report1.htm#20thsep2012

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Leicestershire 2015/16 Funding Formula Comparison

	2015/16 Leicestershire		Statistical Neighbour		National Average		Comparison With SN Average
	£	%	£	%	£	%	
Schools Block Unit of Funding	4,289.09		4,286.86		4,612.11		0.1%
Basic Entitlement							
Primary	2,731.89	38.99%	2,756.50	39.91%	3,013.96	40.12%	-0.9%
Key Stage 3	3,624.19	20.75%	3,864.86	21.47%	4,158.45	20.46%	-6.6%
Key Stage 4	4,326.77	17.59%	4,470.40	17.16%	4,680.02	15.60%	-3.3%
Pupil Number Ratio;							
Primary	1:1		1:1		1:1		
Key Stage 3	1:0.41		1:0.41		1:0.37		
Key Stage 4	1:0.28		1:0.28		1:0.25		
Deprivation							
FSM - Primary	413.11		673.06		958.35		-62.9%
FSM - Secondary	413.11		704.89		1,141.69		-70.6%
IDACI 1 Primary	625.00		187.76		123.09		70.0%
IDACI 1 Secondary	634.00		226.20		158.12		64.3%
IDACI 2 Primary	625.00		309.18		176.32		50.5%
IDACI 2 Secondary	634.00		383.93		227.32		39.4%
IDACI 3 Primary	937.00		402.60		227.93		57.0%
IDACI 3 Secondary	951.00		501.29		359.62		47.3%
IDACI 4 Primary	1,250.00		635.24		418.96		49.2%
IDACI 4 Secondary	1,268.00		775.44		547.88		38.8%
IDACI 5 Primary	1,562.00		893.79		539.75		42.8%
IDACI 5 Secondary	1,584.00		1,063.95		693.04		32.8%
IDACI 6 Primary	1,875.00		1,082.51		692.63		42.3%
IDACI 6 Secondary	1,901.00		1,304.25		851.93		31.4%
Total % Deprivation		5.19%		5.03%		8.33%	
Looked After Children	-		427.69		636.41		
English as an Additional Language							
Primary	-		361.45		475.60		
Secondary	-		756.57		910.73		
Prior Attainment							
Primary	650.11		885.67		811.95		-36.2%
Secondary	947.58		926.76		1,040.41		2.2%
Total % Prior Attainment		4.83%		4.50%		4.36%	
Lump Sum							
Primary	150,000.00		132,913.77		127,951.84		11.4%
Secondary	150,000.00		140,874.90		139,739.38		6.1%
Total % Lump Sum		11.67%		9.82%		7.92%	
Total % Minimum Funding Guarantee		0.04%		0.21%		0.37%	
Basic Entitlement %		77.33%		78.54%		76.24%	
Pupil Led Funding %		87.35%		78.54%		90.00%	
Primary / Secondary Ratio	1.21		1.28		1.30		

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Analysis of Formula Movements 2014/15 to 2015/16

	2014/15 £	2015/16 £	Change %
Primary AWPU			
Leics	2,515.44	2,731.89	8.6%
SN Ave	2,700.38	2,756.50	2.1%
KS3 AWPU			
Leics	3,570.63	3,624.19	1.5%
SN Ave	3,769.94	3,864.86	2.5%
KS4 AWPU			
Leics	4,263.83	4,326.77	1.5%
SN Ave	4,379.61	4,470.40	2.1%
Leics			
FSM Primary	413.11	413.11	0.0%
FSM Secondary	413.11	413.11	0.0%
SN Ave			
FSM Primary	815.63	673.06	-17.5%
FSM Secondary	810.80	704.89	-13.1%
Leics			
IDACI 1 Prim	625.00	625.00	0.0%
IDACI 1 Sec	634.00	634.00	0.0%
SN Ave			
IDACI 1 Prim	344.48	187.76	-45.5%
IDACI 1 Sec	370.46	226.20	-38.9%
Leics			
IDACI 2 Prim	625.00	625.00	0.0%
IDACI 2 Sec	634.00	634.00	0.0%
SN Ave			
IDACI 2 Prim	294.88	309.18	4.8%
IDACI 2 Sec	393.86	383.93	-2.5%
Leics			
IDACI 3 Prim	937.00	937.00	0.0%
IDACI 3 Sec	951.00	951.00	0.0%
SN Ave			
IDACI 3 Prim	522.46	402.60	-22.9%
IDACI 3 Sec	636.57	501.29	-21.3%
Leics			
IDACI 4 Prim	1,250.00	1,250.00	0.0%
IDACI 4 Sec	1,268.00	1,268.00	0.0%
SN Ave			
IDACI 4 Prim	862.30	635.24	-26.3%
IDACI 4 Sec	1,071.97	775.44	-27.7%
Leics			
IDACI 5 Prim	1,562.00	1,562.00	0.0%
IDACI 5 Sec	1,584.00	1,584.00	0.0%
SN Ave			
IDACI 5 Prim	1,216.32	893.79	-26.5%
IDACI 5 Sec	1,489.92	1,063.95	-28.6%
Leics			
IDACI 6 Prim	1,875.00	1,875.00	0.0%
IDACI 6 Sec	1,901.00	1,901.00	0.0%
SN Ave			
IDACI 6 Prim	1,421.41	1,082.51	-23.8%
IDACI 6 Sec	1,738.41	1,304.25	-25.0%

	2014/15 £	2015/16 £	Change %
Looked After Children			
Leics	-	-	0.0%
SN Ave	940.29	427.69	-54.5%
Leics			
EAL Primary	-	-	0.0%
EAL Secondary	-	-	0.0%
SN Ave			
EAL Primary	649.03	361.45	-44.3%
EAL Secondary	1,358.85	756.57	-44.3%
Leics			
Prior Att Primary	358.01	650.11	81.6%
Prior Att Secondary	473.79	947.58	100.0%
SN Ave			
Prior Att Primary	1,036.40	885.67	-14.5%
Prior Att Secondary	1,179.15	926.76	-21.4%
Leics			
Lump Sum Primary	150,000	150,000	0.0%
Lump Sum Secondary	150,000	150,000	0.0%
SN Ave			
Lump Sum Primary	125,853	132,914	5.6%
Lump Sum Secondary	132,998	140,875	5.9%
Minimum Funding Gurantee %			
Leics	0.6%	0.4%	-33.3%
SN Ave	0.5%	0.2%	-57.1%
Basic Entitlement %			
Leics	78.4%	77.3%	-1.4%
SN Ave	78.3%	78.5%	0.3%
Pupil Led %			
Leics	86.6%	87.4%	0.9%
SN Ave	88.7%	78.5%	-11.5%
Primary : Secondary Ratio			
Leics	1.27	1.21	-4.7%
SN Ave	1.28	1.28	0.0%
Deprivation %			
Leics	5.58%	5.19%	-7.0%
SN Ave	4.97%	5.03%	1.2%

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Comparison to National Minimum Funding Levels				
Factor	Leicestershire Formula	2015/16 DfE Minimum Funding Levels	Difference	Comment
	£	£	%	
<u>Basic Entitlement</u>				
Primary	2,731.89	2,845.00	-4.0%	Leicestershire is closer to comparator authority funding levels
KS3	3,624.19	3,951.00	-8.3%	
KS4	4,236.77	4,529.00	-6.5%	
<u>Deprivation</u>				
FSM Primary	413.11	893.22	-53.8%	Leics uses FSM, MFL uses Ever 6
FSM Secondary	413.11	1,079.65	-61.7%	
<u>IDACI Primary</u>				
Band 1	625.00	236.53	164.2%	Statistical neighbour comparison also shows Leics funding to be high in this area
Band 2	625.00	290.18	115.4%	
Band 3	937.00	386.69	142.3%	
Band 4	1,250.00	452.65	176.2%	
Band 5	1,562.00	510.74	205.8%	
Band 6	1,875.00	740.88	153.1%	
<u>IDACI Secondary</u>				
Band 1	634.00	320.72	97.7%	Statistical neighbour comparison also shows Leics funding to be high in this area
Band 2	634.00	423.48	49.7%	
Band 3	951.00	530.21	79.4%	
Band 4	1,268.00	596.17	112.7%	
Band 5	1,584.00	659.21	140.3%	
Band 6	1,901.00	894.00	112.6%	
Looked After Children	0.00	1,009.09	-100.0%	Not Used
EAL	0.00	204.61	-100.0%	Not Used
<u>Prior Attainment</u>				
Primary	650.11	877.65	-25.9%	Higher than comparator authorities but less than national
Secondary	947.58	1,960.57	-51.7%	
<u>Lump Sum</u>				
Primary	150,000.00	117,082.19	28.1%	Higher than comparator authorities and national
Secondary	150,000.00	128,188.64	17.0%	
Sparsity	0.00	53,988.17	-100.0%	Only 7 Leics Schools Qualify

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