

**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

<b>Decision Maker:</b>	Executive Lead Member for Children’s Services
<b>Date of Decision:</b>	23 October 2012
<b>Decision Title:</b>	School Funding Reform – Schools and Early Years Funding Formulae 2013/14
<b>Decision Reference:</b>	4362
<b>Report From:</b>	Director of Corporate Resources – Corporate Services and Director of Children’s Services

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**1. Executive Summary**

1.1. The purpose of this paper is to seek approval for the new funding formula for primary and secondary schools (including academies) and the new Single Early Years Funding Formula (SEYFF). These formulae have to be agreed by 31 October and will apply to funding arrangements in 2013/14.

**2. Contextual Information**

2.1. In March 2012 the Department for Education (DfE) published “Next Steps towards a fairer system”. This detailed their proposals for a new national approach to school revenue funding for implementation in financial year 2013/14. Following the consultation on this document the DfE published the outcomes in its document “School funding reform: Arrangements for 2013-14”, which sets out how the arrangements should work. The DfE also published operational guidance for local authorities.

2.2. There are three notional ‘blocks’ to school funding – Schools, Early Years and High Needs.

2.3. Key changes to the main schools formula include:

- Restriction of the number of ‘factors’ that can be applied to the main schools funding formula. There are a maximum of 12 factors, of which only 9 apply in Hampshire. The current formula has over 30 factors that have been applied to meet local circumstances
  - Academies funding will be based on the local schools formula
  - There is a Minimum Funding Guarantee (MFG) of minus 1.5% per pupil that applies for 2013/14 and 2014/15, for those schools that lose funding under the new arrangements (on the pupil-based elements only). Schools that gain under the formula have those gains restricted through either ‘capping’ or ‘scale back’ (as determined locally)
  - No protection for whole schools budgets
  - October pupil count (previously January). This will enable data to be checked earlier and schools will receive their budget information earlier.
- 2.4. The main change to the Single Early Years Formula is that funding relating to deprivation must be based on the circumstances of the individual children rather than of the setting.
- 2.5. The DfE imposed a deadline of 31 October 2012 for local authorities to agree the formulae for primary and secondary schools (including academies) and Early Years providers. At its meeting on 9 July 2012 Schools Forum agreed an approach to dealing with the main school funding formula and the approach to a number of funding issues. These are covered in the attached papers.
- 2.6. The High Needs element of the funding reform relates primarily to Special Schools, Schools with resourced provision and Education Centres, although mainstream schools are affected by the need to have a notional Special Educational Needs (SEN) budget and there will be ‘top-up’ arrangements for additional assessed needs. Work is in progress on these areas. Schools Forum will need to agree proposals in due course.
- 3. Consultation and proposals**
- 3.1. On 9 July 2012 Schools Forum agreed an approach to prepare for more focussed and detailed consideration of the implementation of the new arrangements, including principles of retaining funding levels within school phases and broadly matching equivalent factors from the old formula to the new formula. This gave a good steer to enable wider consultation to focus on key areas.
- 3.2. The consultation processes and outcomes, including the proposed formulae, are described in the attached reports to Schools Forum (Appendix 1 – Schools Funding Formula, Appendix 2 – Single Early Years Funding Formula).
- 3.3. There is ongoing dialogue with the Education Funding Agency (EFA)

to agree the baseline figures and to iron out a few technical details, particularly in relation to high needs funding. However, the main formulae can now be agreed, as they are not dependant on the outcome of these issues.

- 3.4. Values to be applied to the formulae will be determined in January 2013 when the 2013/14 budget settlement is known and final data adjustments are made. However, Schools Forum will receive an update on progress at its meeting in December 2012.

#### **4. Recommendations**

- 4.1. Approve the schools funding formula for 2013/14 as set out in the report at Appendix 1.
- 4.2. Approve the Single Early Years Funding Formula as set out in the report at Appendix 2.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	Yes
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	Yes
Corporate Business plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
	<u>Reference</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>		<u>Date</u>
School funding reform: Next steps towards a fairer system		March 2012
School funding reform: Arrangements for 2013-14		July 2012

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1 Equalities Impact Assessment:**

- 1.1 The Department for Education has published an Equality Impact assessment relating to the two key publications – “School funding reform: Next Steps towards a fairer system” and “School funding reform: Arrangements for 2013-14”, which have determined how local authorities should implement the school funding reform. The department has consulted widely and the proposals reflect the outcomes of those consultations.
- 1.2 There are no equality and diversity objectives that are considered to be adversely affected by any proposals in this report.

### **2 Impact on Crime and Disorder:**

- 2.1 The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime.
- 2.2 The proposals in this report have no proven impact on the prevention of crime.

### **3 Climate Change:**

- a. How does what is being proposed impact on our carbon footprint / energy consumption?  
  
No impact
- b. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?  
  
No impact