

**School Funding Reform
FAQs from Briefing for schools – 9th May 2012**

Schools block

Q1 What will the -1.5% MFG cover?

A: The MFG for Infant, Junior, Primary and Secondary schools and academies in 2013/14 and 2014/15 will cover more factors than are currently protected, but is applied at a per pupil level rather than on the whole school budget. The main exclusions will be Early Years, High Needs pupil and EFA 6th form allocations. Schools that received formula factors that will no longer be available in 2013/14 are likely to be protected on the current level of funding triggered by those factors, e.g. mobility, EiC, EMAG. There will be some exceptions, notably expansion and ghost pupil funding.

However as the main schools block budget for Barnet will be at 2012/13 cash levels, some caps or limits on gains under the new proposals may need to be applied at a school level to ensure sufficient funds are available to cover the cost of the MFG.

Q2 Will schools continue to receive the maximum of the new formula funding or the minimum funding guarantee?

A: As discussed above, in order to ensure affordability within the total schools block funding available and to provide the minimum funding guarantee level to all schools, some caps or limits on gains may need to be applied over the transition period.

Q3 Will a ghost pupil (expansion/ bulge class) or 1 ½ FE factor be allowed in future?

A: No, these are not allowable under the new proposals.

Q4 What is the impact on expanding and growing schools?

A: Contingency funding may have to be agreed by the Schools Forum and held by the LA in order to fund bulge classes established at the request of the authority. However, London authorities have expressed particular concerns to the DfE that omission of an expansion/ bulge class factor is an issue in this area.

Future Reception to Y11 funding allocations will be based on the October census data, but as ghost pupil funding (expansions/ bulge classes) will not be allowed under the new proposals, any increase in pupil numbers after census date will not be funded.

Q5 What data will be used to track EAL eligibility?

A: EAL funding will be allocated for the first 3 years of a child's statutory education, most likely to be Reception to Y2 entrants but with a small number of EAL children that start late in UK education. The DfE will extract EAL data from school census returns, and this will determine future allocations.

Q6 What will happen to LACSEG monies (spend on LA central services)?

A: Centrally retained budgets will be extremely limited under the new proposals, so a greater amount must be delegated to schools and academies through the new formula factors. Maintained schools will either need to agree (via the Schools Forum) any de-delegation for provision of central services - such as Educational Psychologists, S&L therapists etc. - or alternatively, buy in to these as a new traded service option.

There will therefore no longer be any need for the DfE to recoup a proportion of LACSEG budgets when calculating academy or academy converter allocations as the new formula allocations will include former LACSEG monies.

Q7 Will the AWPU inevitably increase to distribute the same amount of money overall?

A: Yes, the total amount distributed through the AWPU will increase in future. However the new funding proposals only allow a single primary age AWPU and a maximum of two secondary age AWPU rates (KS3 / KS4) as opposed to the different key stage AWPU rates Barnet uses at present.

High Needs block

Q8 Will High Needs pupil funding be linked to inflation or increased costs year-on-year?

A: The High Needs block funding to Barnet is a flat cash settlement for 2013/14 and 2014/15 and therefore an automatic increase will be unmanageable. However, providers and commissioners should be in discussions when there are changes in the needs of individual pupils, and this should inform regular cost negotiations and agreements between both parties.

Q9 What will happen to statement funding for children arriving in September 2012?

A: The current statement funding system continues for the autumn 2012 and spring 2013 terms; the new arrangements start w.e.f 1st April 2013. The SEN team will be working closely with schools to ensure revised funding agreements and processes are in place ready for the new financial year.

Q10 How does the MFG work for Special schools and ARPs?

A: Special schools and ARPs still receive MFG protection, but it is applied at a per pupil/per place level. Special schools and ARPs will be funded at £10,000 per planned place, with top-up funding above this coming from the local authority that places pupils in the school. If all the high needs pupils in a Barnet special school or ARP are placed by Barnet, the school's total funding for 2013/14 would be no less than 98.5% of the total funding received in 2012/13.

Q11 Is the 98.5% minimum funding level also a maximum allocation for Special schools and ARPs?

A: No. If the provider and commissioners agree the costs attached to individual high needs pupils and this generates an increase in overall funding to the school or ARP, the agreed price over and above the £10,000 per place funding will be paid by the commissioner(s).

Q12 Is the implementation date for the new high needs arrangements likely to be deferred from 1st April 2013?

A: No.

Q13 What formal agreements should be made between providers and commissioners?

A: Any high needs pupil cost agreements should incorporate protection for the provider in relation to payment schedules and ensure that any changes in pupil requirements can be renegotiated as and when they occur. However, commissioners will also want to ensure any contracts or SLAs will ensure value for money for the commissioner and that requirements and outcomes for children are clearly specified.

Q14 Is Barnet able to provide samples of existing inter-authority high needs contracts and support Special schools and ARPs in calculating nominal place costs?

A: NASS contract details are currently in operation and available; these will be shared between the LA and the SEN team and will be used to inform negotiations on future high needs agreements.

Barnet is also in the process of assessing costs at statistical neighbours, and is in discussions with colleagues in the East and West London alliances to draw on the experience of those authorities that have piloted a high needs cost banding system and this will be shared with providers. Regular meetings between the SEN team, Special schools and ARPs are being arranged urgently so that the overall level of 2013/14 budget demands for all schools in Barnet can be finalised.

Early Years block

Q15 What is the likely impact on Barnet's maintained nursery schools?

A: There has been very little response from the DfE to the queries Barnet has raised regarding maintained nursery school, especially around application of the MFG or protection factors that may be applied. A separate meeting with the nursery school heads has been arranged to discuss their specific concerns and to consider the impact of any proscribed changes.

General

Q16 When will new formula projections or impact models be available to schools?

A: In order to assist schools when considering their responses to the new Barnet formula funding proposals, it is the intention to provide schools with 'new formula' projections in the consultation document due for release on 20th June 2012. However, schools should bear in mind that these will be based on existing (2012 PLASC) data sets that the DfE is providing, and should therefore not be used for actual budgeting purposes.

Q17 Has there been any allowance for increased inflation over the 2 year settlement period?

A: No, the LA settlement is flat cash for 2013/14 and 2014/15 and therefore does not allow for inflation. In light of the public sector pay freeze there is no general increase in salaries, but any incremental drift in staff costs must be managed within each school's individual budget. The only protection available to schools over this period is the -1.5% Minimum Funding Guarantee.

Q18 How are schools expected to produce robust 3 yr budget forecast in light of such significant funding changes?

A: The authority is aware that the new proposals will introduce greater uncertainty when producing multi-year budget forecasts. Schools may wish to produce multiple budget projections, but the per pupil minimum funding guarantee should be one of the calculations used in order to produce a 'worst case scenario' option.