

DERBYSHIRE COUNTY COUNCIL**Schools Forum****19th June 2013****Report of the Strategic Director for
Children and Younger Adults****Mainstreams Schools' Funding –
DfE Analysis of LAs' Schools Block Funding Formulae****1. Purpose of the Report**

To inform the Schools Forum of the outcome of the DfE's analysis of local authorities' Schools Block funding formulae and the position of Derbyshire relative to other shire LAs.

2. Information & Analysis

Local authorities were required to set out details of their 2013-14 schools' funding formulae in a standardised format for the Education Funding Agency to review in January 2013. In April the DfE published a summary of the submissions of all 152 English local authorities entitled "*Schools Block funding formulae 2013-14 - Analysis of local authorities' Schools Block funding formulae.*"

Forum Members will recall that the 2013-14 funding framework for mainstream schools was simplified and a standardised approach adopted whereby local authorities, following consultation with schools and the Schools Forum, were required to delegate funding using indicators drawn from a nationally prescribed list. The key points of the DfE analysis, together with Derbyshire's position relative to other shire LAs, are given below. Information on shire LAs' multipliers and the distribution of funding by indicator is provided in Appendices 1 and 2.

(i) Primary AWPU (Mandatory factor)

83% of all LAs between £2,250 and £3,250 per pupil, Derbyshire's multiplier (£2,505) is the 22nd highest of 27 shire LAs. The shire average is £2,689.

(ii) Secondary Key Stage 3 (Mandatory factor)

76% of all LAs between £3,500 and £4,500 per pupil, Derbyshire's multiplier (£3,547) is the 21st highest of 27 shire LAs. The shire average is £3,755.

(iii) Secondary Key Stage 4 (Mandatory factor)

74% of all LAs between £4,000 and £5,000 per pupil, Derbyshire's multiplier (£4,178) is the 22nd highest of 27 shire LAs. The shire average is £4,456.

(iv) Deprivation (Mandatory factor)

Two-thirds of LAs are allocating between £1,250 and £2,750 per fsm pupil. To fund deprivation LAs were allowed to use free meals (single count or Ever 6) and/or IDACI (Income Deprivation Affecting Children Index) as the indicator(s). Given these options, the DfE have calculated the comparative funding indicator as the total allocated as deprivation funding (whichever indicator(s) are used) divided by the number of pupils (known to be) entitled to free school meals. Derbyshire's implied rate per fsm pupil is £2,384.

The proportion of funding allocated as deprivation nationally ranges from 0.7% to 24.8%; Derbyshire's proportion, 8.56%, is the 5th highest of 27 shire LAs.

(v) Looked After Children (LAC)

81 LAs (of 152) have chosen to utilise this factor, 17 of 27 shire LAs, including Derbyshire, have not. All LAs that use it allocate less than 0.5% of their Schools Block funding, funding allocations range from £212 to £3,000 per LAC.

(vi) Low Cost High Incidence Special Needs (LCHI)

Whilst all but 6 LAs have chosen to use this factor, there is considerable variation in the per-pupil multipliers which range from £115 to £7,211 (primary) and from £160 to £10,688 (secondary). Derbyshire's primary and secondary multipliers, £161 and £2,360 respectively, are the 26th and 8th highest multipliers of 27 shire LAs.

(vii) English as an Additional Language

In the primary sector 75 of the 128 LAs delegate between £250 and £750 per pupil, Derbyshire's multiplier is £350, the 14th highest of 27 shire LAs. The shire average is £454.

In the secondary sector 127 LAs use the indicator but there is a much greater spread of multipliers of £47 to £4,400 per pupil. Derbyshire's multiplier is £317, the 19th highest of 27 shire LAs. The shire average is £772.

(viii) Mobility

Only 62 of all LAs have chosen to use this indicator, primary per pupil multipliers range from £10 to £2,000; secondary per pupil multipliers range from £10 to £4,900. Derbyshire has not used this indicator.

(ix) Lump Sum

This multiplier is required to be the same across primary and secondary sectors. There is significant variation in LAs' multipliers with the lowest being £42,000 and the highest £200,000, the maximum value allowed by the DfE, being utilised by 11 LAs. Derbyshire's multiplier (£126,006) is the 12th highest of 27 shire LAs. The shire

average is £120,213. However, the proportion of Derbyshire's Schools Block funding allocated via the lump sum is the 4th highest of 27 shire LAs.

(x) Exceptional Circumstances

The application of this indicator required specific DfE support and was designed to help LAs with schools with significant site related issues. Around 1/3rd of all LAs were allowed an exceptional factor, including Derbyshire, which allocated £55k to primary schools with high rental costs. The percentage of Derbyshire's Schools Block funding allocated as exceptional circumstances was 0.01%, the 15th highest of 27 shire LAs.

(xi) London Weighting

No analysis undertaken, not directly relevant to Derbyshire

(xii) Other formula factors

Local authorities were also allowed to delegate funding on the basis of rates (actuals), split site and PFI costs. No analysis has been undertaken due to the local nature of many of these factors.

(xiii) Transitional Protection/capping

Schools were protected from the turbulence arising from the formula changes by the national Minimum Funding Guarantee of minus 1.5% per pupil. Many LAs, including Derbyshire, also capped the gains of schools which benefitted from the formula changes. Derbyshire capped schools' gains at 2.5% per pupil.

Derbyshire's position can be summarised as follows:

	Prim	Sec	Total
No. of schools/academies which gain	194	26	220
No. of schools/academies which lose*	156	20	176
Schools with capped gains (+2.5%)	138	12	150
Schools between -1.5% & +2.5%	86	18	104
Schools on MFG (-1.5%)	126	16	142
% of schools on MFG	36.00%	34.78%	35.86%
MFG payable	£2,480,785	£2,974,289	£5,455,074
Capped gains	(£1,422,238)	(£465,573)	(£1,887,811)

Derbyshire's spend on MFG protection, £5.455m, equates to 1.37% of the total funding delegated to schools, the 11th highest proportion of 27 shire LAs.

(xiv) Primary : Secondary Funding Ratio

As part of the national changes the DfE initially considered limiting the ratio of primary to secondary schools' overall funding. Prior to the changes the primary to secondary funding ratio ranged from 1:1.1 to 1:1.5 with a national average of around 1:1.27. In the event a national ratio was not applied for 2013-14 but the DfE stated that they would consider it for 2014-15. Analysis of the national tables shows a national [simple average] ratio of 1:1.27, Derbyshire's ratio was calculated as 1:1.263. At this stage the DfE are not prescribing constraints on the funding ratio but have not ruled out changing this position in future years.

Any imposition of a national target would be likely to result in money being transferred between sectors.

Commentary

The comparison of Derbyshire's formula allocations with those of other LAs, particularly shire LAs, shows that:

- The proportion of resources allocated as basic (AWPU) funding in Derbyshire is 74.2%, which is below both the national average (75.9%) and the average of other shire LAs (77.7%);
- Derbyshire's proportion of resources allocated as "pupil led", which includes funding for AWPU, deprivation, LAC, LCHI, EAL and mobility, is 85.2% which is below both the national average (89.5%) and the average of other shire LAs (88%);
- Derbyshire's relative positions regarding the above indicators are due to the fact that its lump sum allocations consume a significant proportion of the total delegated. The lump sum (£126,006) is not out of line with other LAs but the fact that it is paid to 396 schools utilises £49.9m of the total delegated; and
- Derbyshire is low on its LCHI indicator for primary schools as the regression modelling undertaken in 2012 did not find a close link between the indicator (the number of pupils with an EYFSP score of 73 or below) with the then distribution of Additional Educational Needs funding within Derbyshire.

The distribution of funding will form part of the discussion with schools and Schools Forum later this year, particular in view of the DfE's recent formula announcements for 2014-15. This is the subject of a separate report to this meeting.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: - prevention of crime and disorder, equality of opportunity; environmental, financial, health, legal and human rights, personnel and property considerations.

4. Background Papers

DfE Publication – “*Schools Block funding formulae 2013-14 - Analysis of local authorities’ Schools Block funding formulae.*”

Analysis papers held in CAYA Finance.

5. Strategic Director’s Recommendation

That the Forum notes the outcome of the DFE’s analysis.

		FSM	IDACCI	IDACCI	IDACCI	IDACCI	IDACCI	IDACCI	LCHI				
			0-	0.25	0.3-	0.4-	0.5-	0.6-					Lump
	AWPU	Dep'n	0.25	- 0.3	- 0.4	0.5	0.6	1.0	SEN	EAL	Mobility	LAC	Sum
	£	£	£	£	£	£	£	£	£	£	£	£	£
Buckinghamshire	2,490	500	831	831	1,039	1,247	1,454	1,662	1,433	248	0	0	113,145
Cambridgeshire	2,447	400	250	500	750	1,000	1,250	1,500	750	750	0	750	150,000
Cumbria	3,399	428	0	0	0	0	0	0	375	166	36	302	70,000
Devon	2,908	1,265	0	0	0	0	0	0	484	376	0	0	50,000
Dorset	2,579	850	150	225	338	525	600	675	700	300	100	1,069	138,000
East Sussex	2,443	1,038	269	337	404	539	673	808	528	0	0	0	175,000
Essex	2,661	393	245	490	490	735	735	735	619	467	0	0	150,000
Gloucestershire	2,887	861	0	0	0	0	0	0	1,608	804	0	0	67,000
Hampshire	2,471	5	356	712	1,068	1,781	2,849	3,201	1,436	602	136	1,983	190,000
Hertfordshire	2,538	2,177	0	83	83	83	257	257	451	303	454	2,207	147,592
Kent	2,727	359	415	435	468	515	566	708	1,309	885	0	525	120,000
Lancashire	2,793	650	125	200	300	325	375	425	349	336	0	1,500	155,000
Leicestershire	2,515	413	625	625	937	1,250	1,562	1,875	507	0	0	0	150,000
Lincolnshire	2,543	1,186	76	151	233	320	386	484	1,641	1,000	0	0	115,490
Norfolk	2,781	315	394	509	818	849	1,197	1,197	584	333	0	0	114,362
North Yorkshire	2,483	443	605	871	740	1,214	1,322	1,549	589	922	205	0	127,044
Northamptonshire	2,580	2,416	0	0	0	0	0	0	0	0	146	0	125,000
Nottinghamshire	2,930	307	70	70	70	70	1,225	1,225	1,075	473	25	3,000	100,000
Oxfordshire	2,773	1,208	0	0	116	232	348	463	821	266	65	0	120,000
Somerset	2,805	650	280	330	390	440	500	550	980	0	0	0	95,000
Staffordshire	2,736	2,121	0	0	0	0	0	0	1,326	452	0	0	116,900
Suffolk	2,568	80	190	600	1,507	1,507	1,577	1,697	885	1,500	88	925	114,000
Surrey	2,579	4,838	0	0	0	0	0	0	869	276	0	796	135,000
Warwickshire	2,663	1,460	0	0	0	0	0	0	1,460	0	0	0	95,000
West Sussex	2,677	870	161	242	484	806	1,128	1,128	985	417	0	0	150,000
Worcestershire	3,372	858	0	0	0	894	1,118	1,229	1,237	929	0	0	42,000
Derbyshire	2,505	1,469	0	0	0	0	0	0	161	350	0	0	126,006
Derbyshire rank	22	5	17	18	19	20	20	20	26	14	10	11	12
Simple average	2,706	1,004	194	277	394	551	735	822	885	454	48	502	120,213
DCC - avge	-201	466	-194	-277	-394	-551	-735	-822	-724	-104	-48	-502	5,794

				IDACCI	IDACCI	IDACCI	IDACCI	IDACCI	IDACCI					
			FSM	0-	0.25	0.3-	0.4-	0.5-	0.6-	LCHI				Lump
	KS3	KS4	Dep'n	0.25	- 0.3	- 0.4	0.5	0.6	1.0	SEN	EAL	Mobility	LAC	Sum
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Buckinghamshire	3,375	3,915	500	950	950	1,180	1,416	1,652	1,888	1,891	248	0	0	113,145
Cambridgeshire	3,434	4,464	400	250	500	750	1,000	1,250	1,500	750	750	0	750	150,000
Cumbria	3,874	4,792	428	0	0	0	0	0	0	1,069	166	36	302	70,000
Devon	4,074	4,074	372	0	0	0	0	0	0	2,335	435	0	0	50,000
Dorset	3,618	4,543	850	150	225	338	525	600	675	1,200	600	100	1,069	138,000
East Sussex	3,592	4,512	1,902	403	503	604	805	1,007	1,208	928	0	0	0	175,000
Essex	3,938	4,796	393	281	561	561	842	842	842	2,099	131	0	0	150,000
Gloucestershire	3,762	4,514	737	0	0	0	0	0	0	4,525	804	0	0	67,000
Hampshire	3,736	4,481	62	409	818	1,227	2,044	3,271	3,684	2,384	1,452	111	1,983	190,000
Hertfordshire	3,708	4,895	1,913	0	0	0	813	813	813	1,341	2,438	1,214	2,207	147,592
Kent	3,788	4,157	334	447	469	504	555	610	763	2,551	3,344	0	525	120,000
Lancashire	4,030	4,030	1,100	450	800	1,050	1,150	1,250	1,300	750	336	0	1,500	155,000
Leicestershire	3,571	4,263	413	634	634	951	1,268	1,584	1,901	1,120	0	0	0	150,000
Lincolnshire	3,560	4,388	1,305	162	327	490	685	807	1,075	3,190	1,000	0	0	115,490
Norfolk	3,544	4,450	315	534	656	984	1,018	1,387	1,387	1,495	333	0	0	114,362
North Yorkshire	3,651	4,528	550	879	1,098	719	1,151	1,031	145	1,956	890	131	0	127,044
Northamptonshire	3,774	4,273	3,318	0	0	0	0	0	0	0	0	146	0	125,000
Nottinghamshire	4,071	4,999	307	70	70	70	70	1,225	1,225	1,075	473	25	3,000	100,000
Oxfordshire	4,106	4,306	2,212	0	0	127	254	381	508	2,103	727	0	0	120,000
Somerset	3,750	4,254	720	320	380	450	510	580	640	1,950	0	0	0	95,000
Staffordshire	3,727	4,599	2,675	0	0	0	0	0	0	2,114	1,082	0	0	116,900
Suffolk	3,771	4,175	80	190	600	1,507	1,507	1,577	1,697	2,555	1,500	88	925	114,000
Surrey	3,445	4,373	3,588	887	1,599	1,599	1,599	1,599	1,599	2,415	673	0	796	135,000
Warwickshire	3,568	4,748	1,780	0	0	0	0	0	0	1,780	0	0	0	95,000
West Sussex	3,695	4,314	484	346	518	1,037	1,728	2,419	2,419	1,967	417	0	0	150,000
Worcestershire	4,126	4,970	726	0	0	0	1,251	1,532	1,672	2,875	2,273	0	0	42,000
Derbyshire	3,548	4,178	1,787	0	0	0	0	0	0	2,360	317	0	0	126,006
Derbyshire rank	23	22	7	18	18	19	21	21	21	8	19	9	11	12
Simple average	3,742	4,454	1,056	283	412	544	777	977	1,036	1,862	772	71	502	120,213
DCC - avge	-194	-276	730	-283	-412	-544	-777	-977	-1,036	497	-455	-71	-502	5,794

Summary of Shire LA School Block allocations 2013-14

Appendix 2

				LCHI			Lump	Post	Rates/ S Site/	Exc't'n		Total ex		Capped	Pupil led
	AWPU	Dep'n	LAC	AEN	EAL	Mobil'y	Sum	16	PFI	Circ	London	MFG/ Cap	MFG	Gains	Total
Shire LA	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Buckinghamshire	76.8%	6.2%	0.0%	5.4%	0.4%	0.0%	9.4%	0.0%	1.2%	0.0%	0.5%	100.0%	2.3%	0.9%	88.9%
Cambridgeshire	78.2%	4.0%	0.1%	3.1%	1.0%	0.0%	12.3%	0.0%	1.4%	0.0%	0.0%	100.0%	1.9%	0.0%	86.3%
Cumbria	85.6%	1.9%	0.0%	2.1%	0.0%	0.0%	8.1%	0.0%	2.2%	0.0%	0.0%	100.0%	1.5%	1.5%	89.7%
Devon	84.7%	4.2%	0.0%	3.9%	0.1%	0.0%	5.0%	0.0%	1.8%	0.2%	0.0%	100.0%	1.2%	0.0%	93.0%
Dorset	78.3%	4.3%	0.1%	2.4%	0.1%	0.1%	11.2%	0.4%	2.6%	0.4%	0.0%	100.0%	1.4%	0.9%	85.3%
East Sussex	73.2%	9.2%	0.0%	2.3%	0.0%	0.0%	12.3%	0.0%	2.8%	0.0%	0.0%	100.0%	0.8%	1.0%	84.8%
Essex	77.9%	5.0%	0.0%	4.1%	0.2%	0.0%	10.3%	0.0%	2.0%	0.0%	0.5%	100.0%	0.8%	0.0%	87.2%
Gloucestershire	81.3%	3.4%	0.0%	7.8%	0.5%	0.0%	6.1%	0.0%	0.9%	0.0%	0.0%	100.0%	0.8%	1.0%	93.0%
Hampshire	74.4%	4.7%	0.2%	4.8%	0.4%	0.2%	13.8%	0.0%	1.4%	0.0%	0.0%	100.0%	1.3%	1.1%	84.8%
Hertfordshire	76.5%	5.9%	0.2%	1.7%	0.7%	0.8%	10.9%	0.4%	1.6%	0.1%	1.3%	100.0%	0.9%	0.2%	85.8%
Kent	76.7%	5.2%	0.1%	5.7%	1.2%	0.0%	8.4%	0.0%	2.4%	0.0%	0.2%	100.0%	1.6%	0.3%	88.9%
Lancashire	74.2%	8.8%	0.1%	1.4%	0.3%	0.0%	12.9%	0.3%	1.8%	0.0%	0.0%	100.0%	1.7%	1.3%	84.9%
Leicestershire	78.3%	5.6%	0.0%	2.6%	0.0%	0.0%	12.5%	0.0%	1.0%	0.0%	0.0%	100.0%	1.3%	0.6%	86.5%
Lincolnshire	76.0%	5.8%	0.0%	6.2%	0.7%	0.0%	10.2%	0.0%	1.2%	0.0%	0.0%	100.0%	1.7%	0.4%	88.6%
Norfolk	76.2%	7.1%	0.0%	3.8%	0.3%	0.0%	11.0%	0.2%	1.6%	0.0%	0.0%	100.0%	1.6%	1.6%	87.3%
North Yorkshire	74.4%	4.8%	0.0%	3.3%	0.3%	0.3%	14.9%	0.0%	1.9%	0.1%	0.0%	100.0%	1.7%	1.7%	83.1%
Northamptonshire	75.9%	12.8%	0.0%	0.0%	0.0%	0.2%	9.5%	0.0%	1.6%	0.0%	0.0%	100.0%	1.3%	1.5%	88.9%
Nottinghamshire	82.9%	3.2%	0.3%	4.3%	0.2%	0.0%	7.6%	0.0%	1.3%	0.1%	0.0%	100.0%	1.3%	1.2%	91.0%
Oxfordshire	79.6%	4.4%	0.0%	4.2%	0.3%	0.1%	9.8%	0.0%	1.5%	0.0%	0.0%	100.0%	0.6%	0.6%	88.6%
Somerset	79.3%	5.2%	0.0%	4.8%	0.0%	0.0%	9.0%	0.3%	1.4%	0.1%	0.0%	100.0%	0.6%	2.1%	89.3%
Staffordshire	78.2%	6.6%	0.0%	3.9%	0.3%	0.0%	9.5%	0.0%	1.5%	0.0%	0.0%	100.0%	1.0%	1.0%	89.0%
Suffolk	75.6%	6.4%	0.1%	6.0%	0.4%	0.1%	9.7%	0.0%	1.6%	0.0%	0.0%	100.0%	1.3%	1.3%	88.7%
Surrey	74.4%	11.2%	0.0%	3.6%	0.4%	0.0%	8.7%	0.3%	1.4%	0.0%	0.0%	100.0%	1.1%	1.7%	89.6%
Warwickshire	79.8%	7.1%	0.0%	4.2%	0.0%	0.0%	7.7%	0.0%	1.2%	0.0%	0.0%	100.0%	1.5%	0.6%	91.1%
West Sussex	78.2%	4.3%	0.0%	4.9%	0.2%	0.0%	10.0%	0.0%	2.2%	0.0%	0.3%	100.0%	0.7%	0.7%	87.6%
Worcestershire	83.8%	4.0%	0.0%	6.3%	0.6%	0.0%	3.0%	0.0%	2.3%	0.1%	0.0%	100.0%	0.4%	10.2%	94.6%
Derbyshire	74.2%	8.6%	0.0%	2.5%	0.0%	0.0%	12.7%	0.0%	2.1%	0.0%	0.0%	100.0%	1.4%	0.5%	85.2%
DCC Rank	26	5	11	21	22	10	4	7	7	15	6		10	21	23
Average ex DCC	78.1%	5.8%	0.0%	4.0%	0.3%	0.1%	9.8%	0.1%	1.7%	0.1%	0.1%		1.2%	1.3%	88.3%
DCC - average	-3.9%	+2.7%	0.0%	-1.5%	-0.3%	-0.1%	+2.9%	-0.1%	+0.4%	0.0%	-0.1%		+0.2%	-0.8%	-3.1%