

to

date 22nd October 2014your ref
my ref
service
tel
fax
email

Children's Services

0151 666 4249

0151 666 4338

andrewroberts@wirral.gov.ukcolinchow@wirral.gov.uk

please ask for Andrew Roberts

Dear Headteacher,

PROPOSALS FOR CHANGES TO THE SCHOOLS FUNDING FORMULA IN 2015-16

In July, Department for Education published their plans for funding arrangements in 2015-16, they mark a more gradual change to a National Funding Formula than previously indicated. These plans include some changes around funding adjustments for Carbon Reduction Commitment and standardising funding for all academies. In addition there will be a Schools Minimum Funding Level which will provide additional resources to a number of areas across the country. Wirral is not one of those authorities, as pupil funding is above this lower level.

Although locally no significant changes are required, some amendments have been considered with the Schools Forum for next year and your views on those are sought in this letter.

1. Looked After Children

In 2014-15, the local funding formula redistributed some deprivation funding (£225,000) to increase the overall amount allocated to Looked After Children. The basis of this decision was to target resources and take account of the additional needs and attainment gap of this group of pupils. The Schools Funding Working Group have discussed a further change and a proposal to equalise funding for each looked after child with the average funding allocated to a child who receives a free school meal.

Currently LAC funding is £2,950 and FSM funding is £3,400 for a primary pupil and £3,449 for secondary pupil (both amounts include the Pupil Premium)

To make overall funding the same would involve a further top slice from deprivation of approximately £200,000, about 1% of the total funding allocated in this area. Funding would be equalised at about £3,400.

Question 1 – Do you agree that deprivation funding should be top sliced to help equalise funding per pupil for deprived and looked after children?

Do you have any additional comments?

2. Deprivation

Last year, £20.3m was allocated for deprivation (11% of the Schools Budget). The inclusion of Pupil Premium allocated a further £15.2m, giving £35.5m in total.

At the last census count in Summer 2014, 8,182 pupils were registered for Free School Meals (19.7% of school population). This number has decreased since 2011. Deprivation funding is a fixed percentage of the overall schools budget, therefore the reduction in free school meal numbers has meant the FSM amount per pupil has increased and is likely to continue to do so. During this time, Pupil Premium has targeted additional funding.

Some in local authorities allocate deprivation funding using Ever 6, any pupil receiving free school meals in the last 6 years, which is a broader distribution of deprivation funding covering more pupils. Wirral however has continued to use the number of free school meals currently registered. A reallocation of the deprivation element using a different measure such as Ever 6 would provide some schools with additional funding, but by reducing allocations to others. At a time of little or no extra resources and with the prospect of national changes in the next spending review, this may create some short term instability within the formula. However, one possibility would be a small change to cap the amount per FSM pupil and prevent further increases in the unit value.

Question 2 – Do you agree a cap on the amount allocated per FSM per pupil should be implemented?

Do you have any additional comments?

3. Low cost High Incidence SEN and KS3/4 AWPU

The Schools Forum Group also looked at the formula funding for Low cost, High Incidence SEN in schools and the use of prior attainment data as a proxy measure. Whilst other decisions could be made in this area, no changes were recommended at this time. A similar decision was taken regarding any move to equalise the unit values for Key Stage 3 and Key Stage 4 AWPU funding.

Question 3 - Do you have any comments on these areas?

4. High Needs Place Funding for Alternative Provision (AP)

High Needs funding in Alternative Provision (Emslie Morgan – formerly WASP – and 2 primary school bases) is made up of an amount for each pupil place, a top up from central budgets and a contribution from individual “home” schools.

The funding for the place element in AP will increase in September 2015 from £8,000 to £10,000, giving more guaranteed funding in AP school budgets and bringing amounts in line with other specialist provision. The required additional funding for this will transfer from the current budget for top ups. In order to be cost neutral this change will require a matching reduction in AP pupil top ups. The annual top up amount per pupil is currently £5,000. It is proposed that this would reduce to £3,000 from September 2015.

Question 4 Do you have any comments on this proposal?

Question 5 Do you have any additional comments?

The effects of changes on your budget for questions 1 and 2 are illustrated in the Appendix attached. The table shows the changes proposed in the Deprivation and Looked After Children elements for each school had they been used in the calculation of your current school budget. This table is illustrative only; it is not the final data that will be used for 2015-16. Please remember that the Minimum Funding Guarantee of minus 1.5% will continue to safeguard and protect pupil funding.

The Schools Funding Formula for 2015-16 will be provisionally confirmed with the Education Funding Agency on 31st October 2014 and will be finalised on January 20th. If you have any comments regarding these proposals, please let me know by 21st November.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Julia Hassall', written in a cursive style.

pp Julia Hassall
Director of Children's Services