

<p style="text-align: center;"><b>Report to Hartlepool Schools' Forum 2<sup>nd</sup> April 2014</b> <b>From Chief Finance Officer</b></p>
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**Agenda Item 5 - Fairer Schools Funding in 2015/16**

**1. Introduction and Background**

- 1.1 This report summarises the Department of Education's Fairer Schools Funding consultation which will allocate an additional £350m in 2015/16 to increase the per-pupil budgets for the least fairly funded local areas.
- 1.2 The proposal will mean that every local authority will attract a minimum level of funding for each of its pupils and schools.
- 1.3 This proposal relates to 2015/16. Beyond 2015/16, the allocation of funding between local authorities will be a matter for the next spending review.

**2. Allocating the additional funding fairly**

- 2.1 The DSG schools block funding allocation is fixed at 2012/13 levels. The LA in consultation with the Schools' Forum, agree on the Formula to be used to allocate this funding to individual schools.
- 2.2 The Fairer Schools Funding consultation proposal is reviewing the funding per pupil and replacing it with a standard formula to ensure the Council receive a fairer allocation. The consultation is NOT suggesting changing how individual school budgets are calculated but reviewing the DSG schools block allocation for each local authority.
- 2.3 The proposal is to allocate the additional funding by setting minimum funding levels that a local authority should attract for its pupils and schools in 2015/16. If a local authority already attracts these minimum funding levels, then there will be no change to the funding per pupil that it receives. If a local authority attracts less than these minimum funding levels for pupils, the budget will be increased to meet those levels.
- 2.4 A minimum funding level is proposed for seven characteristics - five pupil and two school.
- 2.5 The five pupil characteristics are:-
  - a per pupil amount ('age weighted pupil unit')
  - pupils who are from deprived backgrounds
  - pupils who have been looked after
  - pupils with low attainment before starting either primary or secondary school
  - pupils who speak English as an additional language.
- 2.6 The two school characteristics are:-

- a minimum funding level for each school on top of its per-pupil funding ('lump sum')
- a minimum funding level for small schools that are essential to serving rural areas ('sparsity sum').

2.7 The proposal is to set the minimum funding levels based on the average amounts that local authorities allocate to these characteristics in their local formulae. This would mean that the basic per pupil amount would account for approximately seventy five percent of the additional funding, with the other characteristics receiving the remaining twenty five percent.

### **3. What this means for Hartlepool**

3.1 In order to calculate whether a local authority will attract additional funding to reach the minimum funding levels, the amount each local authority would be due to receive in 2015-16 will be looked at. There is a commitment to fund all local authorities at the same cash level per pupil as in 2014-15. The minimum funding levels will then be applied in order to calculate a new total.

3.2 Analysis by the Department of Education shows that Hartlepool will not attract any additional funding as a result of the proposals.

3.3 No school or local authority will lose funding as a result of this proposal, so in 2015/16 Hartlepool will receive the same cash level per pupil as in 2014/15.

### **4. Responding to the Consultation**

4.1 The consultation closes on the 30<sup>th</sup> April 2014. The Council intends to respond to the consultation via the North Region School Funding Group.

4.2 Does the Forum wish to prepare a collaborative response through the Council or do members wish to respond directly to the Department of Education?

### **5. Recommendations**

5.1 The Forum is asked to:-

- Note the consultation on Fairer Schools Funding in 2015/16.
- Confirm how the Forum would like to respond to the consultation.