

School Funding Reform

You will be aware that the Government is in the process of reforming school funding to make it more simple and transparent.

The aim is to move to a national funding formula, improve arrangements for funding pupils with high needs and “enable good schools to expand more easily”.

The changes will come into effect from 2013 and will simplify the current formula, reducing the different factors to be taken into consideration to seven key areas: basic per pupil entitlement, deprivation, looked after children, low cost high incidence SEN, a lump sum, rates and split site.

To support changes and protect schools from significant fluctuations in their budgets, the Government will continue to operate the Minimum Funding Guarantee of minus 1.5% per pupil for both 2013-14 and 2014-15. This means budgets will be largely protected over the next two years.

Two of the biggest changes are moves to devolve more funding direct to local authority maintained schools, so that their funding is more in-line with academies. This will see the removal of the Local Authority Central Spend Equivalent Grant (LACSEG). The Schools Forum will need to decide on whether some of this delegated funding is managed centrally and this will dictate the extent to which the local authority is able to fund additional maintained school pressures, such as pupil growth.

It is anticipated that about 1% of overall funding will transfer from secondary to primary school.

In addition, a single lump sum is to be introduced across all schools types – regardless of their size. We anticipate this will create pressure on schools dependent on large lump sums – particularly small high schools. Large high schools are likely to gain at the expense of smaller high schools. Very small primaries will receive a larger lump sum than they do currently and are likely to be financially stable. However, primaries with less than 210 pupils are likely to be faced with financial challenges.

The Government recognises the impact and has said that once protection ends it may be that some schools have to consider federating, merging or becoming part of an academy chain to ensure greater efficiency. We will need to closely monitor the impact on individual and groups of schools in Norfolk and look at strategies to support those who will feel the greatest impact. This will include looking more closely at the collaborative arrangements that may be open to schools, particularly small high schools, to ensure their long-term viability.

The changes are to be discussed by members of our Children's Services Overview and Scrutiny Panel on May 10 and a copy of the report to that panel will be available at www.norfolk.gov.uk/committees from late next week. It will also be discussed by The Norfolk Schools Forum on May 11 2012 and all schools will be consulted on any changes arising from these proposals.