

2013/41

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Pocket Watch – Next steps in school funding reform

Introduction

This week the DfE released its latest **Paper** on the reform of school funding. It follows a consultation launched earlier this year and the introduction of some initial changes for this current financial year. The Paper reports on the findings so far and lists a few largely structural changes, designed to support the current momentum towards greater flexibility and clearer targeting, and being lined up for 2014/15

Context

The Dept is hoping to have a new national funding formula for schools in place during the next spending review period, probably 2015 on. The Schools Minister in his written statement this week called it "*a welcome journey towards a fairer and more transparent system*" but it is a journey that demands careful navigation. 'Fairer' and 'more transparent' are worthy principles but couple them with demands for simplicity and consistency and conflicting tensions emerge. Pitch these into a difficult economic climate and an increasingly fragmented school system and some of the difficulties become obvious. The main danger is going too far too fast and destabilising things: "*we recognise that changing a historic system and will inevitably create some turbulence so we are introducing these reforms gradually and with funding protections in place.*" This latter point will re-assure many schools who will be pleased to read that the minimum per pupil funding guarantee will remain in place for 2014/15

Headline changes being made for 2014/15

(Guidance only. Please refer to main document for details)

- Pupil-led funding. Local Authorities to ensure minimum of 80% passed on
- AWPU rate. Set at least at £2,000 for primary and £3,000 for KS3 and KS4 pupils
- Prior attainment. Defined as failure to achieve level 4 or above in English or maths at KS2
- Pupil numbers. A 10% threshold to help schools facing significant changes in roll
- Sparsity. New optional sparsity factor to help some rural areas
- Lump sum. Reduced to £175,000 to encourage better targeting
- High needs. No new formula factor yet but £6,000 threshold a requirement
- Minimum Funding Guarantee. Remaining at current level

What next?

Local Authorities and Schools Forums work up their local formula for 2014/15, incorporating these changes, and submit initial details this autumn



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School Funding Reform June 2013