



Department  
for Education

# **Schools Block funding formulae 2013-14**

**Analysis of local authorities' Schools  
Block funding formulae**

**Originally published April 2013; updated  
October 2013**

# Contents

Introduction	3
Commentary	4
Basic per-pupil entitlement	4
Deprivation	6
Looked-after children	7
Prior attainment	8
English as an additional language	9
Mobility	11
Total funding through the pupil-led factors	12
Lump sum	13
Other formula factors	13
Primary:secondary funding ratios	13
Notional SEN allocations	15
Information about the data file	18
“LA Proforma” page	18
“Jan Data FINAL MI” page	18
“Notional SEN” page	21

## Introduction

In January 2013, local authorities in England submitted to the Education Funding Agency (EFA) their formulae for allocating their dedicated schools grant (DSG) Schools Block funding for 2013-14 to their schools. For 2013-14, schools are funded using a maximum of twelve clearly defined factors. Details of the formula factors that local authorities can use for distributing their Schools Block were described in the document [School funding reform: Arrangements for 2013-14](#), which was published by the Department for Education (DfE) in June 2012.

The DfE originally published in April 2013 a detailed data file showing the 2013-14 funding formula used by each local authority, as at 15 March 2013. This dataset has now been refreshed to reflect data as at 19 July 2013, and includes small amendments made by a small number of local authorities to their funding formula in the intervening time. It has also now been expanded to include details of how each local authority has generated schools' notional SEN allocations. Details about the figures can be found in the "Information about the data file" section at the end of this note.

This document provides an overview of the formula factor values chosen by local authorities as at 19 July. It provides charts and brief commentary on the ranges of unit funding amounts they have selected, and the proportions of Schools Block funding attributed under each of the permitted factors.

An initial summary of Schools Block formula factors formulae was published by the DfE in the document [Review of 2013–14 School Funding Arrangements](#) in February 2013. That analysis was derived from the *provisional* Schools Block funding formulae submitted by local authorities to the EFA in October 2012. The analysis presented in the current document is based on local authorities' final funding formulae for 2013-14.

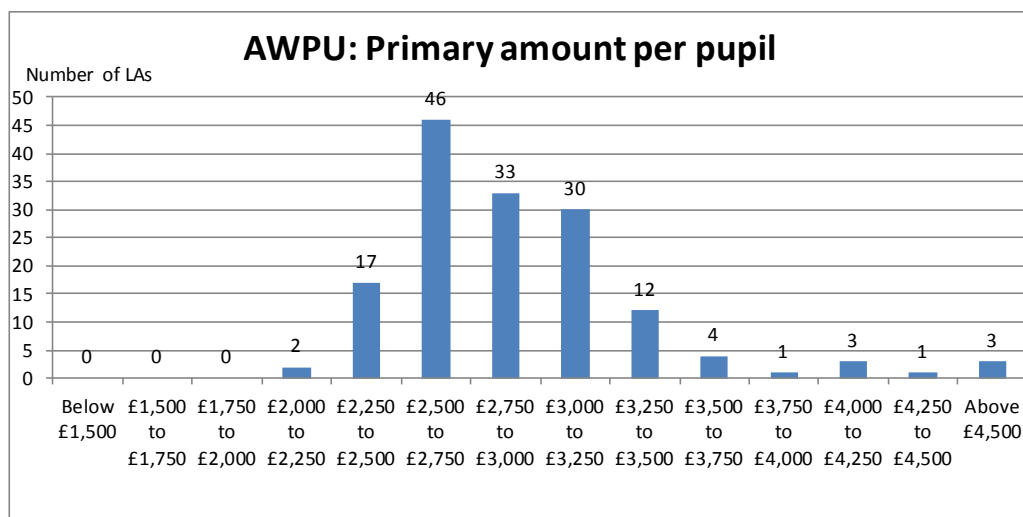
# Commentary

This document looks at each of the principal formula factors in turn.

## Basic per-pupil entitlement

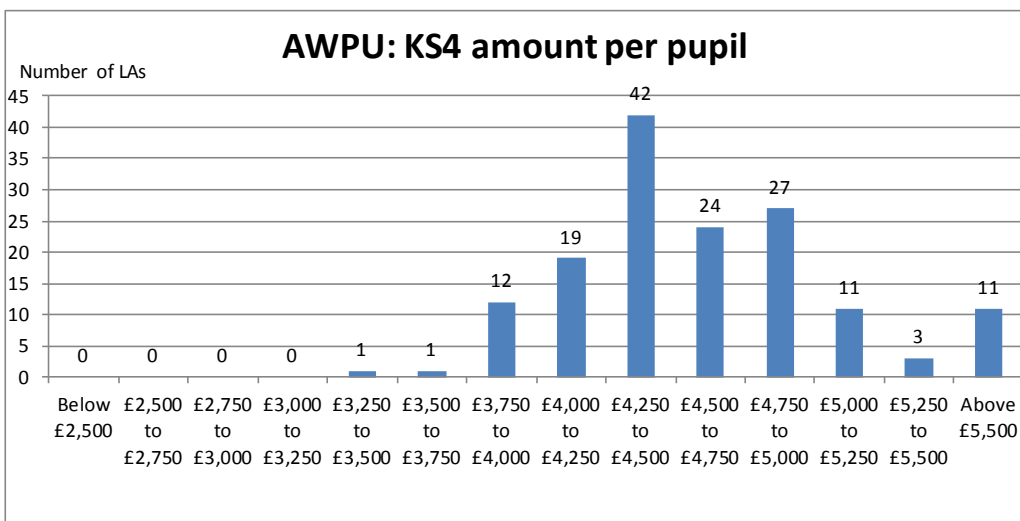
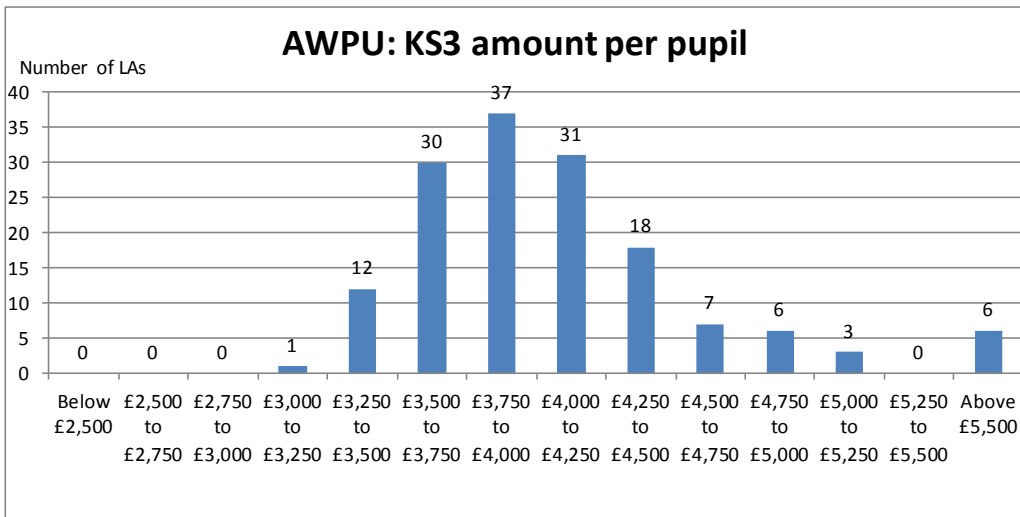
This is a mandatory factor which every local authority must use in their 2013-14 formula. Local authorities were permitted to choose different Age-Weighted Pupil Unit (AWPU) rates for primary pupils, for key stage 3 pupils and for key stage 4 pupils.

The majority (83 per cent) of primary AWPU's selected by local authorities are in the range of £2,250 to £3,250, although there are a few significant outliers of over £4,000. Eleven of the 12 local authorities with highest primary AWPU's are in London<sup>1</sup>.

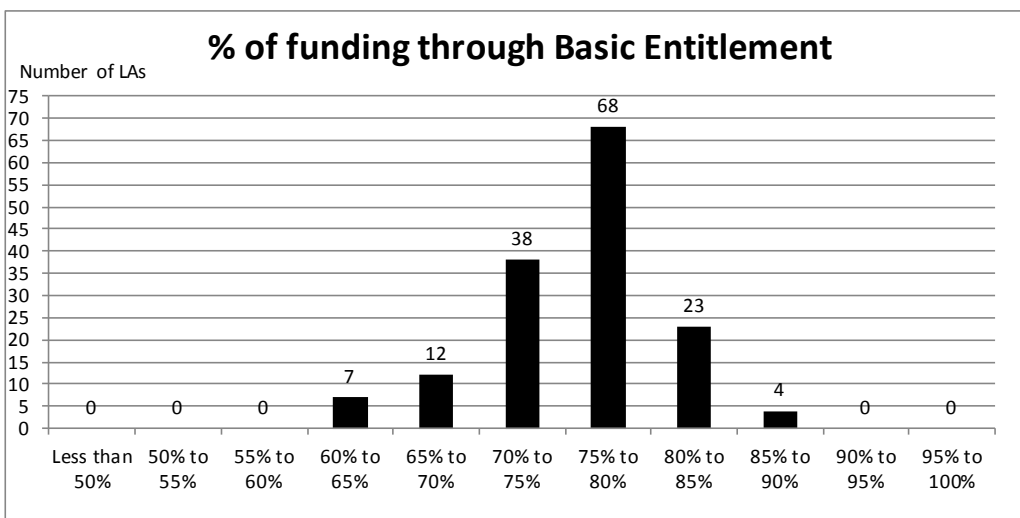


The secondary AWPU's show a similar pattern. For KS3 AWPU's, 76 per cent of local authorities are allocating between £3,500 and £4,500 per pupil, and for KS4, the majority (74 per cent) are allocating between £4,000 and £5,000 per pupil. Again, the few outlier authorities with significantly higher secondary AWPU's are mostly in London.

1. A note on the charts in this document. In the charts showing the ranges of unit funding amounts local authorities have used for a given formula factor, only those which have chosen to use that factor in their formulae are shown. However, in the charts showing the proportions of funding allocated under a factor, all local authorities are displayed, with those not choosing to use the factor (for those which are not mandatory) shown as allocating 0 per cent.



The chart below shows the proportions of Schools Block funding that local authorities are allocating through the basic entitlement factor. Overall, the proportion of funding being spent on the AWPU's ranges from 61 per cent to 87 per cent, with close to half of local authorities allocating between 75 per cent and 80 per cent.



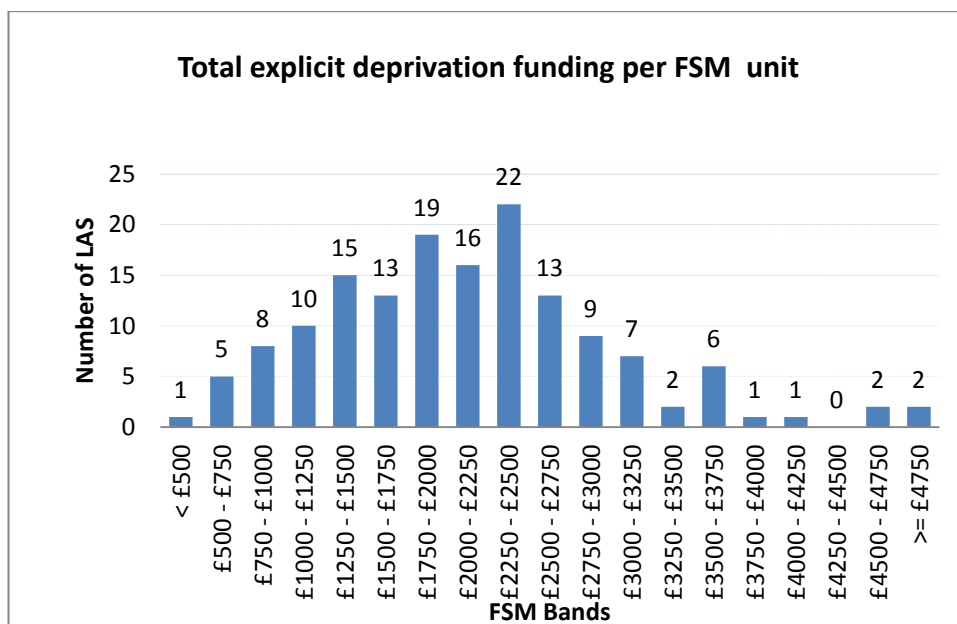
## Deprivation

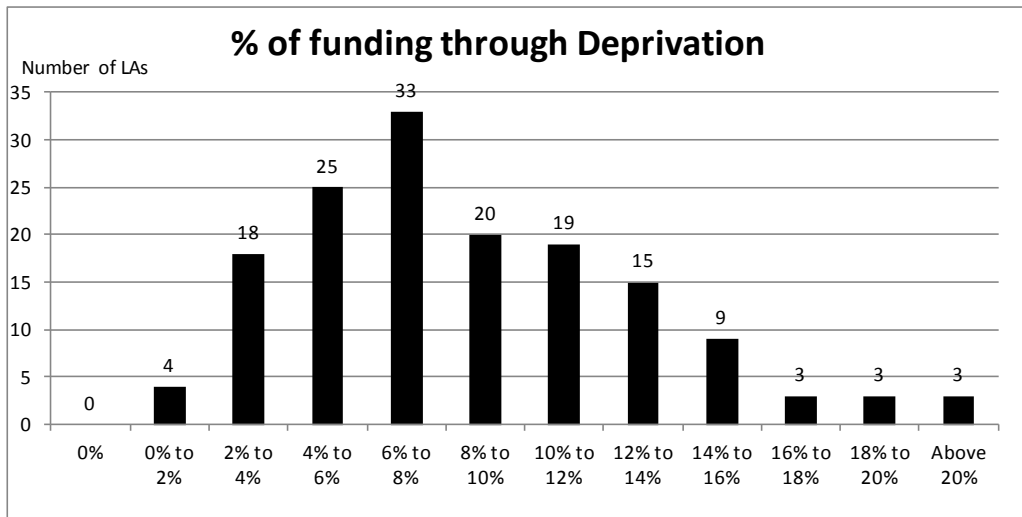
This is another mandatory factor which every local authority must use in their 2013-14 formula. Local authorities can distribute their deprivation funding using two indicators: children eligible for free school meals (FSM; which could be either straight FSM or Ever 6); or Income Deprivation Affecting Children Index (IDACI) data; or both.

Because of the different permutations of deprivation indicator selections available for local authorities use for this factor, it is not immediately straightforward to calculate per-pupil funding amounts on a comparable basis. For the purpose of this analysis, total funding allocated through the deprivation factors is divided by the number of FSM pupils, to obtain an estimate of the deprivation funding per FSM pupil, as below.

$$\text{Total Deprivation per FSM pupil for each LA} = \left( \frac{\text{Total Deprivation funding in FSM+IDACI}}{\text{Number of FSM pupils}} \right)$$

The first chart below indicates that there is some variation between local authorities in the amount of funding allocated per FSM pupil. Two-thirds are allocating between £1,250 and £2,750 per FSM pupil.

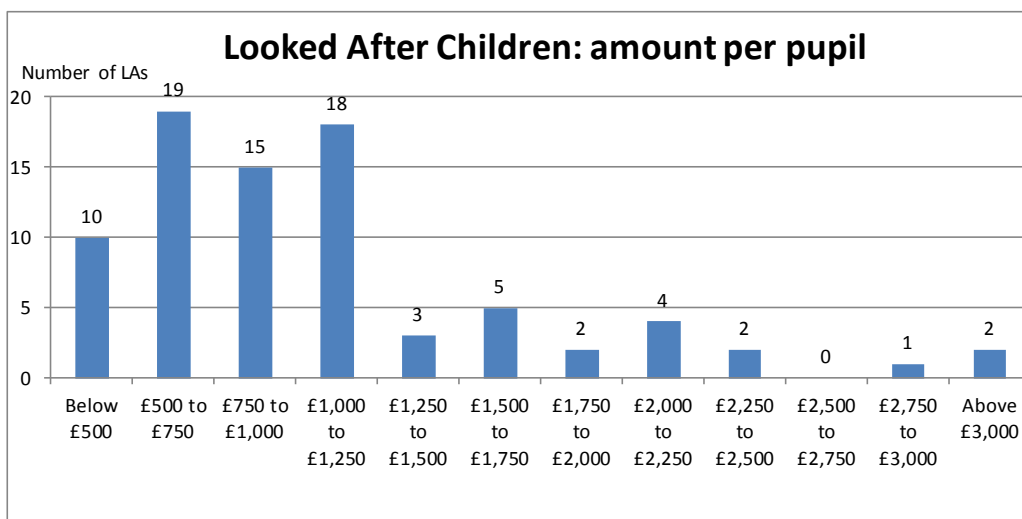




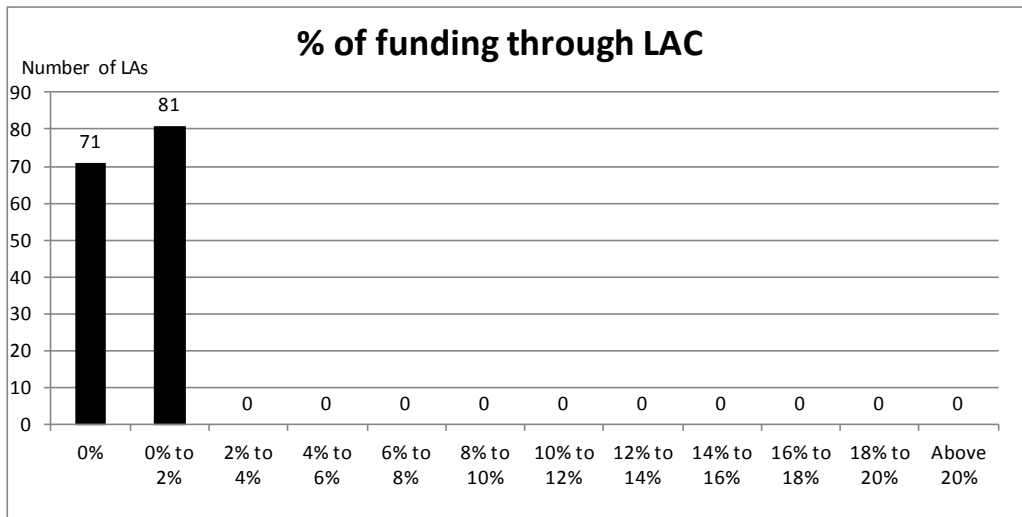
There is also considerable variation in the proportion of Schools Block funding which local authorities are allocating to schools through the deprivation factors, ranging from 1 per cent to 25 per cent, as illustrated by the chart above. None are allocating 0 per cent of funding through deprivation since its use is mandatory.

## Looked-after children

Use of this factor in funding formulae is optional, and 81 local authorities have chosen to use it. Local authorities could use one of three indicators: the number of children looked after for any period of time, for at least 6 months, or for at least 12 months, as at the March 2012 SSSDA903 data collection. Most (62 out of 81) of those that are using the factor are allocating below £1,250 per pupil in both their primary and secondary phases.

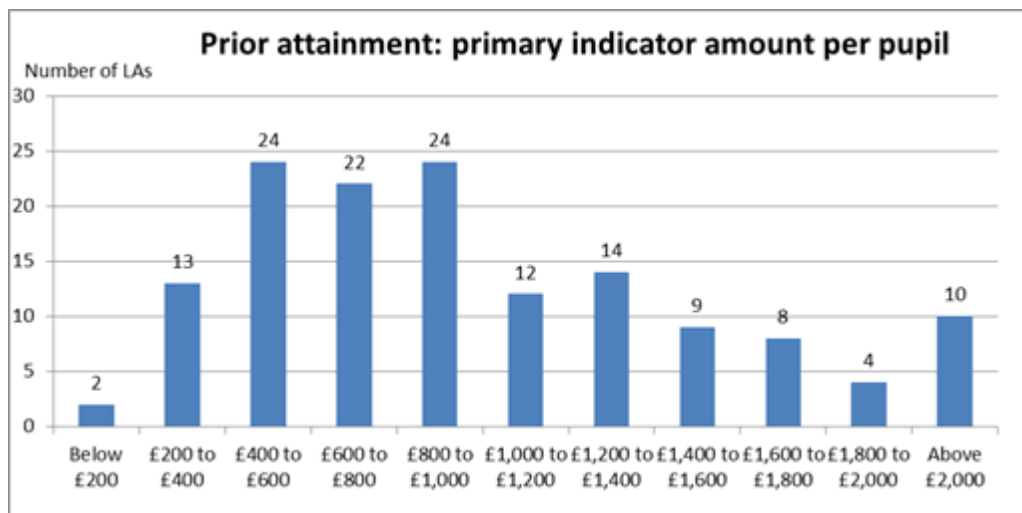


All local authorities using this factor are using it to allocate less than 0.5 per cent of their Schools Block funding.

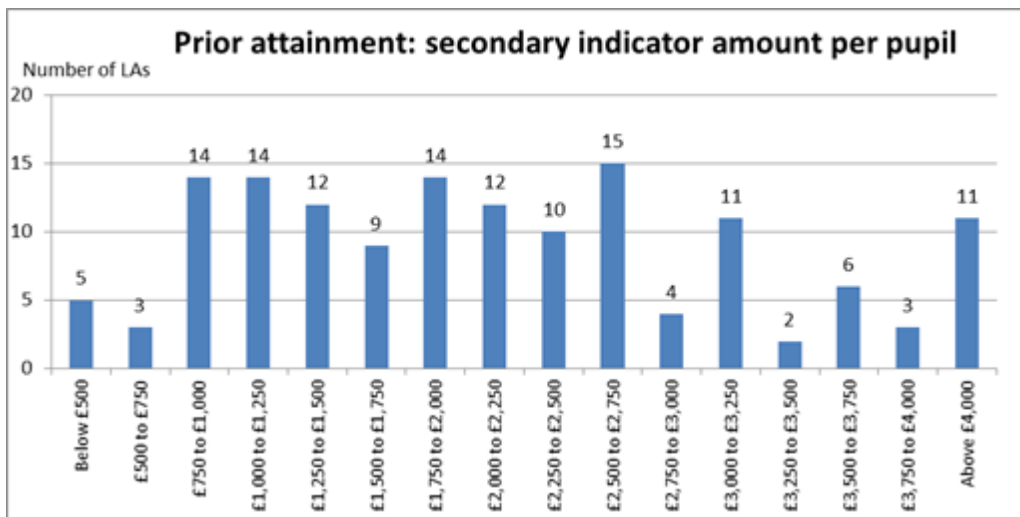


## Prior attainment

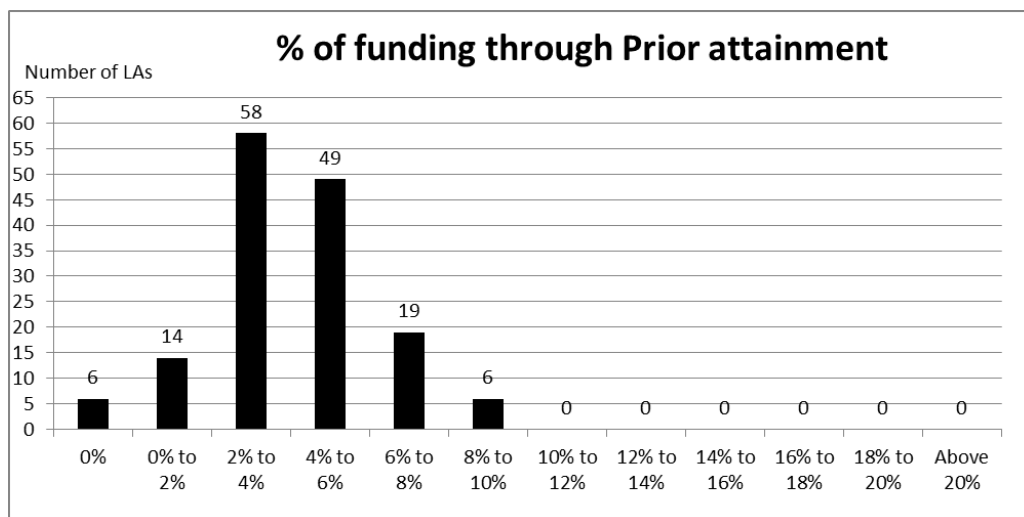
Use of this factor is optional, with 142 local authorities using the indicator for primary pupils and 145 the indicator for secondary pupils; six are not using this factor at all. For primary pupils, local authorities could use one of two indicators: either pupils who do not achieve 78 points or more, or pupils who do not achieve 73 points or more, in the early years foundation stage profile. For secondary pupils a single indicator was available: the number of pupils who fail to achieve Level 4 or above in both English and mathematics at key stage 2. There is considerable variation in the per-pupil amounts selected. They range from £115 to £7,211 for the primary indicator and from £160 to £10,688 for the secondary indicator.





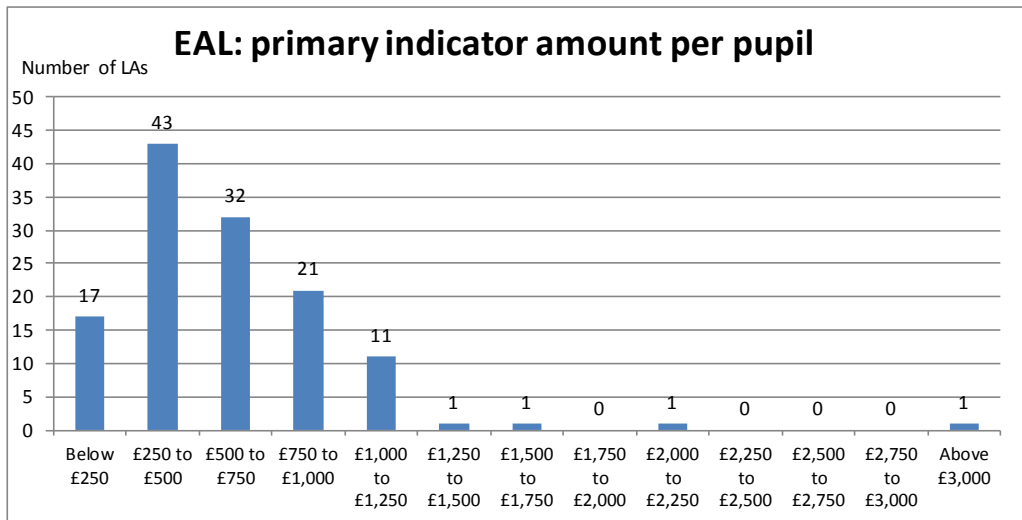


The chart below shows that 70 per cent of the local authorities are allocating between 2 per cent and 6 per cent of their total funding through this factor.

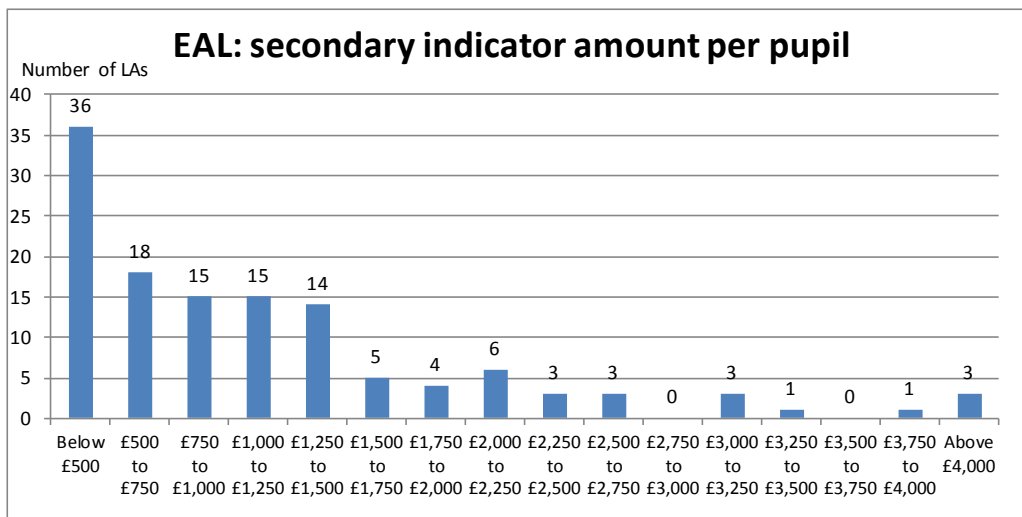


## English as an additional language

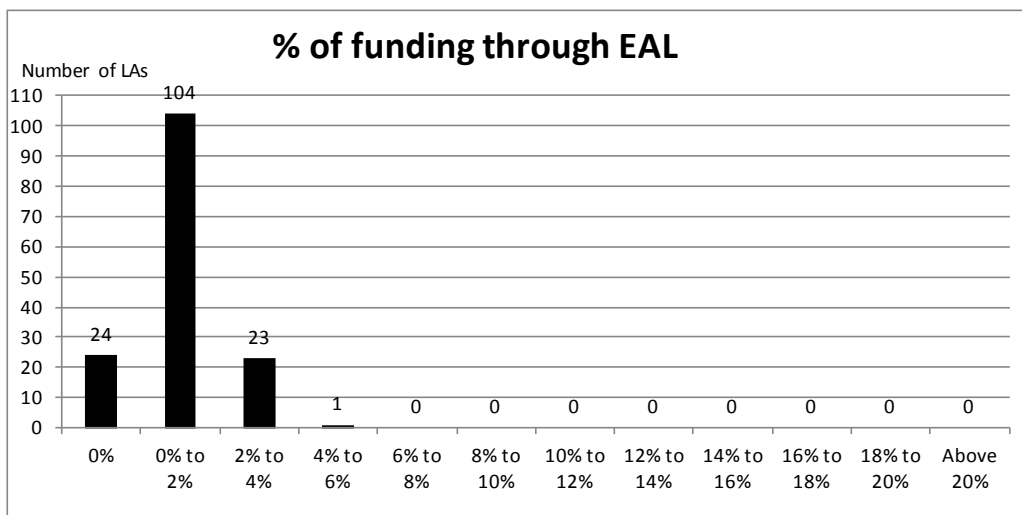
Use of this factor is optional, and 128 local authorities have chosen to use it. Local authorities could choose one of three indicators for this factor: the number of pupils with EAL who entered the compulsory school system in either the last one, two or three years. For the primary indicator, the distribution of per pupil values is relatively narrow with 75 local authorities allocating between £250 and £750 per pupil. There are a small number of outliers allocating considerably more; the highest is £3,000 exactly.



By contrast there is rather greater variation in the per pupil values selected for the secondary indicator; these range from £47 to £4,400.

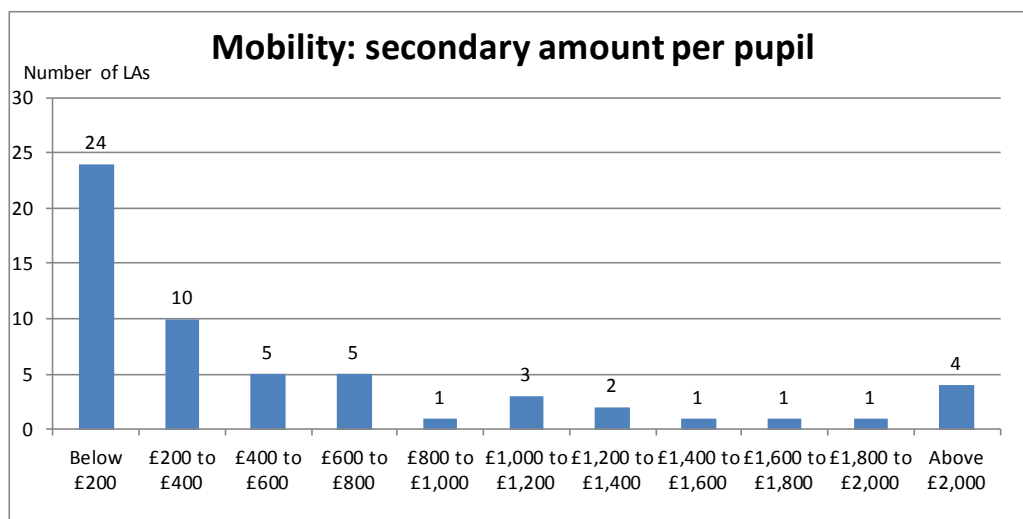
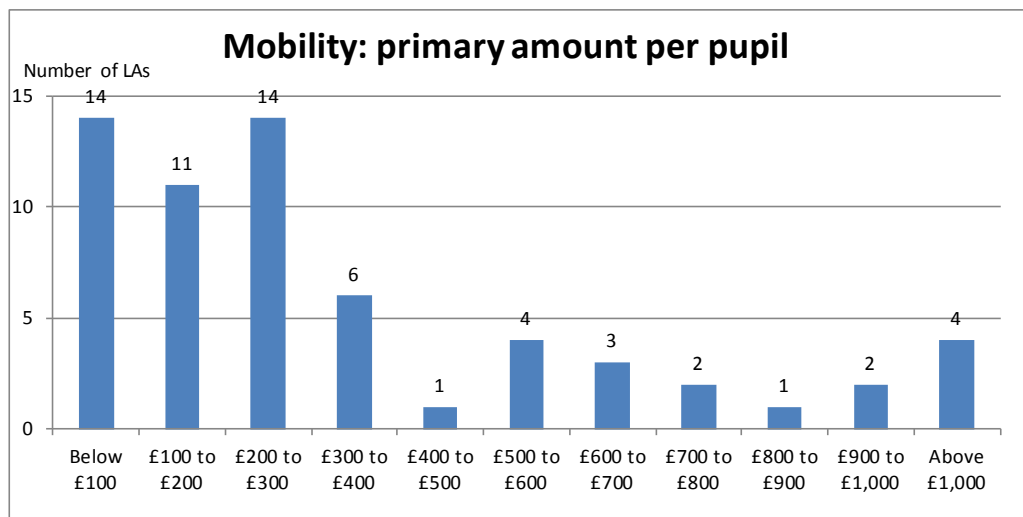


With pupils attracting funding through the English as an additional language factor being smaller in number than attracting funding through many other factors, all local authorities are allocating less than 5 per cent of Schools Block funding through this factor.

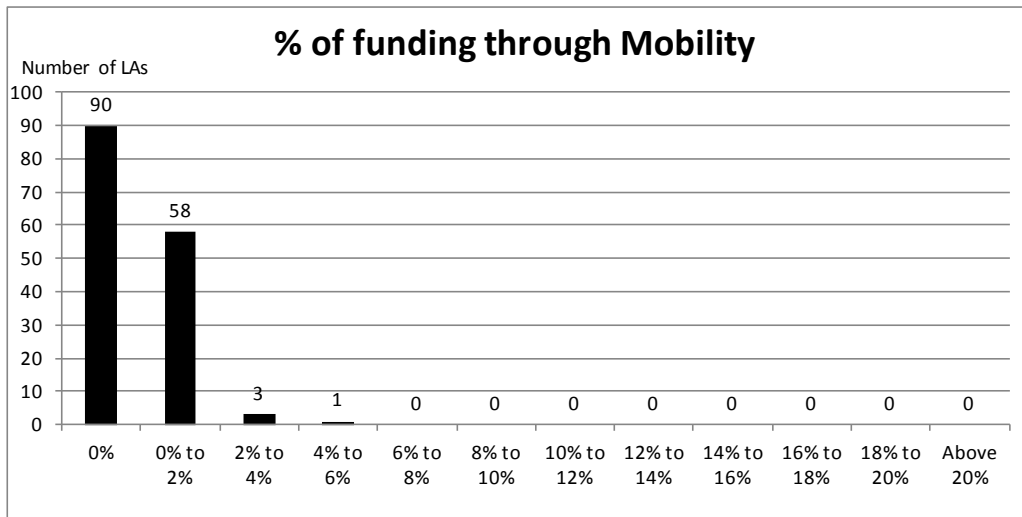


## Mobility

Use of this factor is optional, and only 62 of the 152 local authorities have chosen to use it. Primary per pupil amounts range from £10 to £2,000; secondary per pupil amounts range from £10 to £4,900.



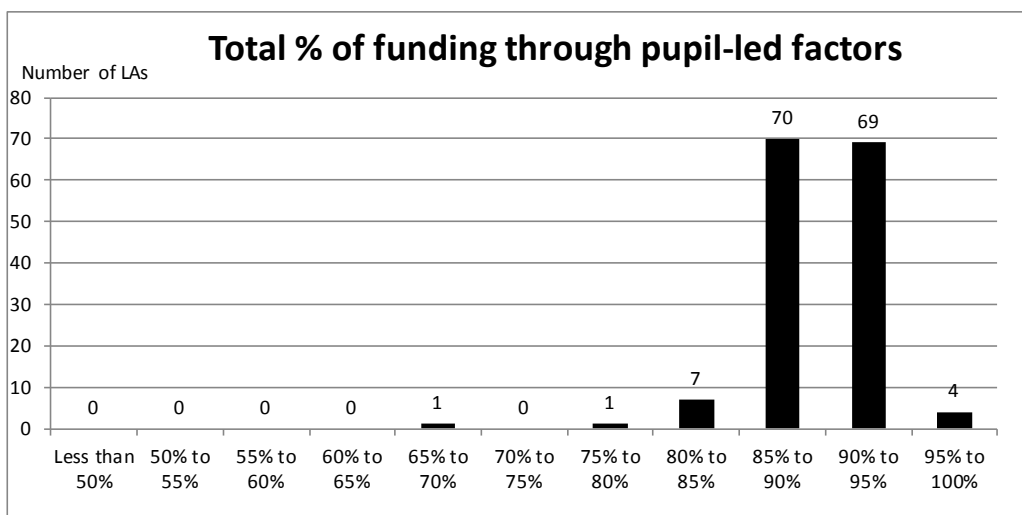
Nearly all local authorities incorporating the mobility factor into their 2013-14 funding formulae are using it to allocate less than 2 per cent of their Schools Block.



## Total funding through the pupil-led factors

The factors highlighted above (i.e. basic per-pupil entitlement, deprivation, looked-after children, prior attainment, English as an additional language, and mobility) are pupil-led. Although there is considerable variation across local authorities in the choices of factors used, the per pupil amounts, and the proportions of funding allocated through each one, overall there is strong consistency in the proportions of funding allocated through the pupil-led factors as a whole.

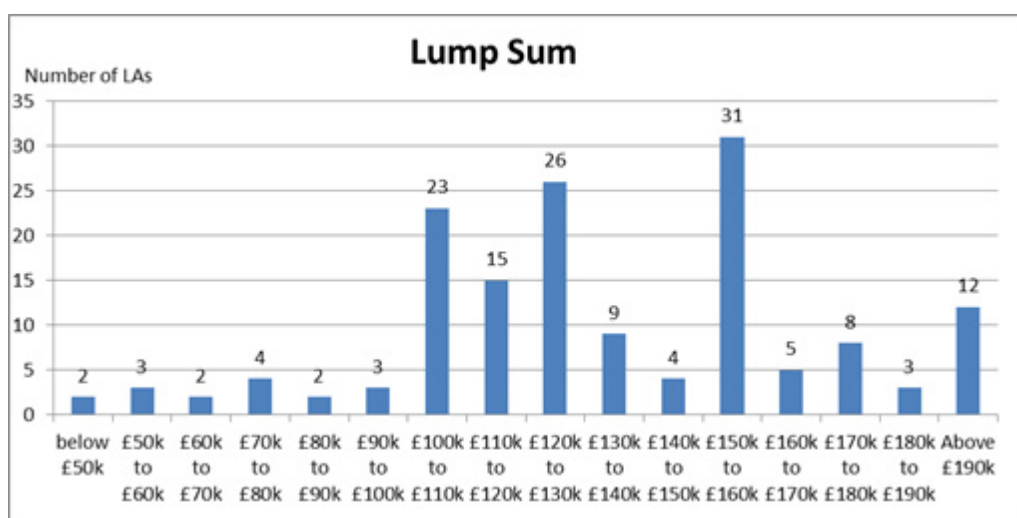
With the exception of the Isles of Scilly, for which all its Schools Block funding is allocated to a single school anyway, all local authorities are allocating at least 77 per cent of funding through a combination of the pupil-led factors. Forty-six per cent are allocating between 85 per cent and 90 per cent of funding in this way, with a further 45 per cent allocating between 90 per cent and 95 per cent.



## Lump sum

Local authorities may use this factor to allocate a lump sum of the same amount to all schools, up to a maximum of £200,000; all have chosen to include this factor in their funding formulae. There is substantial variation in the value of the lump sum selected. They range from £42,000, up to the maximum £200,000 chosen by 11 local authorities. The single most common lump sum amount was £150,000, which is used by 27 local authorities.

Note that in the chart below, lump sum choices of exactly a multiple of £10,000 are shown in the category for which that is the bottom of the band: so for example the three local authorities with a lump sum of £170,000 are included in the “£170k to £180k” category.



## Other formula factors

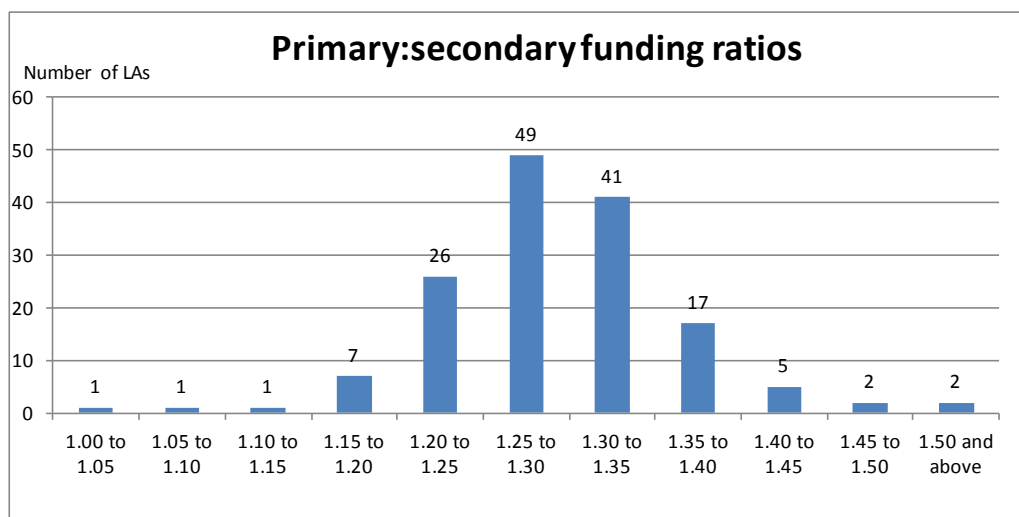
Information for each local authority on the formula factors not discussed in this note (London fringe, split sites, rates, PFI funding, historic commitments of dedicated schools grant funding for sixth forms, and exceptional circumstances) can be found in the accompanying data file.

## Primary:secondary funding ratios

Local authorities' 2013-14 Schools Block funding formulae have been used to calculate the relative differences in per pupil funding allocated to secondary pupils compared to primary pupils. With the exception of the City of London, which has a single maintained primary school so does not have secondary pupils, the ratios of secondary to primary per pupil funding under 2013-14 formulae are shown on the chart below. A ratio of 1.24, for instance, indicates that secondary-age pupils in a local authority receive, on average, 24

per cent more funding per head than primary-age pupils. The overall ratio nationally across all local authorities is 1.27.

The figures presented have been calculated by the EFA to ensure consistency across all local authorities. Ratios calculated by each local authority themselves are also shown on the data file which accompanies this document; in most cases the two estimates are very similar.



In the information about their 2013-14 Schools Block funding formulae submitted to the EFA, local authorities were required to provide the total amount of funding allocated under each of the factors. For each local authority, the first step in the calculation was to split those amounts into funding for primary pupils and funding for secondary pupils. For the factors with separate primary and secondary indicators (for example, basic per-pupil entitlement and deprivation), this split was provided by local authorities in their submitted information. For the other factors (with the exception of historic commitments for sixth form funding, which was excluded), the amount of funding allocated to each school in the local authority area was split between primary and secondary in proportion to the number of pupils in each phase at the school. These amounts were aggregated to estimate for the local authority the total funding for primary pupils and the total funding for secondary pupils. These were then divided, respectively, by the number of primary Schools Block-funded pupils on roll and the number of secondary Schools Block-funded pupils on roll in the local authority. That gave per pupil funding amounts for primary and secondary phases, and the ratio of the two was taken.

This calculation excludes the effects on schools' funding of applying the minimum funding guarantee (MFG), and excludes any further capping or scaling factors applied by local authorities to ensure that the total funding allocated through their formulae matches the total DSG Schools Block allocations they have been given. The calculation only covers maintained schools and academies subject to recoupment in 2013-14; for the latter, the calculation is based on the amount of Schools Block funding they would receive in 2013-14 were they a maintained school.

## Notional SEN allocations

Funding for notional special educational needs (notional SEN) is not a separate formula factor. Rather, local authorities can specify that an element of the Schools Block funding a school receives through the formula constitutes its notional SEN budget. In their funding formulae, local authorities specified what percentage of funding allocated through each factor constituted the notional SEN budget.

### High Needs Threshold

If a mainstream school is educating a high needs pupil (but not at a high needs unit within the school), it will receive through the Schools Block funding formula the basic entitlement AWPU funding for that child, plus a contribution which is deemed to come from the school's notional SEN allocation. The latter amount is the High Needs Threshold, which was specified by each local authority in their 2013-14 funding formula. A school will receive top-up payments from the DSG High Needs Block for the education of a high needs pupil only in respect of any costs above the sum of AWPU plus the High Needs Threshold.

The DfE strongly recommended that local authorities' High Needs Threshold for 2013-14 was set at £6,000. The table below shows the thresholds set; a large majority (91%) of those local authorities reporting their threshold have set it at £6,000.

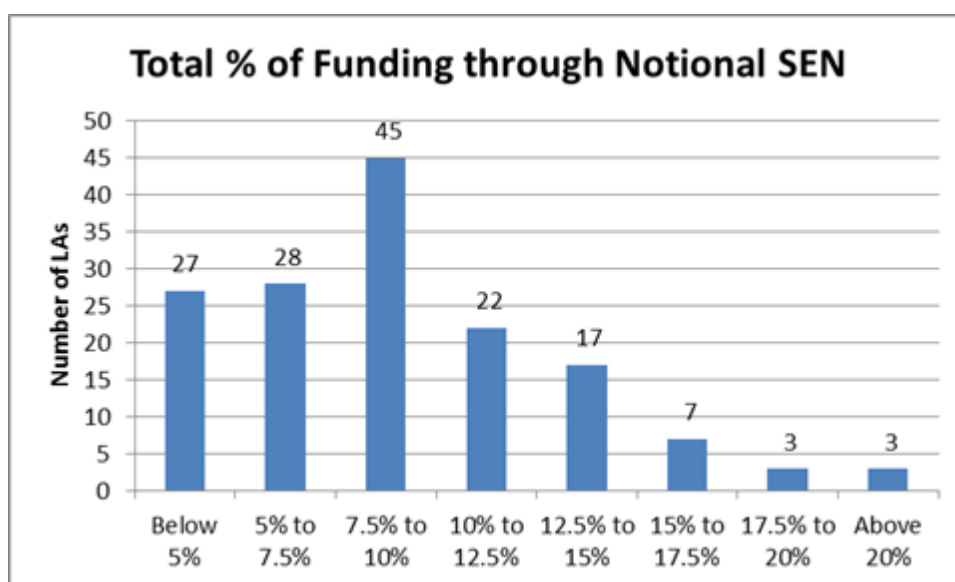
Most local authorities commented on their thresholds in the supplementary returns. For this analysis, where an authority's threshold was not reported, the associated commentary was used to indicate their 'per pupil' amounts. The thresholds may have been misinterpreted based on the text explanation in some instances. Some 24 local authorities did not indicate their thresholds, and these are not included in the below table.

#### High Needs Threshold set by local authorities

Level of threshold	Number of local authorities
Below £5,000	4
£5,000 to £5,999	1
Exactly £6,000	117
£6,001 to £7,000	3
£7,001 to £10,000	2
Over £10,000	1

## Level of notional SEN

The chart below shows how, at overall local authority level, the notional SEN budget varies as a percentage of the total schools block formula allocation (including new delegation but before the application of MFG, capping and scaling). They range from half a per cent to 23 per cent; nearly two-thirds of local authorities allocated less than ten per cent of Schools Block funding as notional SEN.

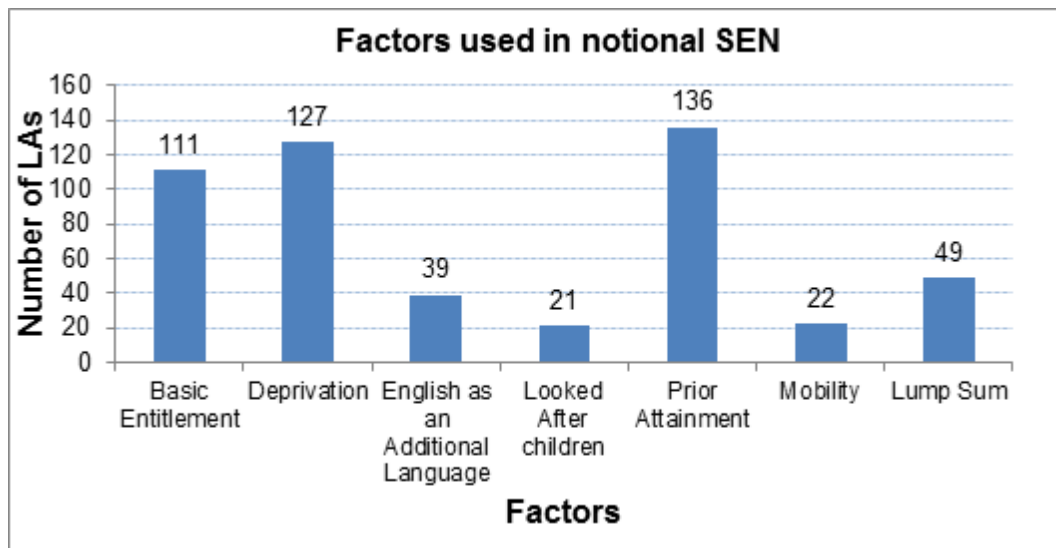


The average (mean) percentage of formula allocation which is designated as the notional SEN budget across all local authorities is 9.0% and the median is 8.6%. However, as the chart shows, there is a wide variation across local authorities with no particular clustering around the average.

## Factors used to calculate notional SEN

Local authorities were asked to provide commentary to explain the factors that they used to calculate notional SEN budgets. The way in which they chose to record this varied and, as can be seen in the accompanying data file, some did not give any details at all. Altogether it was possible to construct a consistent breakdown of the factors used in the calculation for 148 authorities, and it needs to be borne in mind that the subsequent analysis relates to these 148 only.





The chart above shows how many of these local authorities used each of the formula factors to calculate notional SEN budgets. Compiling these figures has required inspection of text explanations of notional SEN allocations provided by local authorities; it is possible that in a few instances the explanations have been misunderstood or not all uses of factors identified.

As the chart indicates, a wide range of the factors are used to determine notional SEN allocations. There were only a handful of authorities who used the prior attainment factor in their formula but did not explicitly use it to determine notional SEN. Indeed, there were 11 local authorities which used only the prior attainment factor to determine notional SEN allocations; that is, the notional SEN budget for each school simply equals their allocation through the prior attainment factor.

## Information about the data file

Alongside this document, the DfE has published a detailed data file in Microsoft Excel format showing the 2013-14 funding formula used by each local authority, as they stood at 30 April 2013. The re-issued data file now includes a table giving information about how each local authority has determined schools' notional SEN allocations. This can also be found in the schools revenue funding pages of the DfE website [here](#).

### “LA Proforma” page

The page “*LA Proforma*” allows the full data for a single authority to be displayed on the screen. Click on the yellow cell at near the top of the page, then on the drop-down arrow that appears alongside, to select a new local authority.

### “Jan Data FINAL MI” page

The page “*Jan Data FINAL MI*” gives the proforma data values for each authority in a large table. This section provides a description of all the columns displayed. More detailed information about the formula factors that local authorities can use for distributing their Schools Block were described in the document [School funding reform: Arrangements for 2013-14](#).

### Reception Uplift

The “*Reception Uplift Applied*” column indicates which local authorities have opted to increase the count of primary pupils to which the basic entitlement primary indicator applies, to include pupils with deferred entry into Reception later in the year. The other two columns in this section indicate the number of pupils this applies to and the proportion of Schools Block funding allocated through the basic entitlement primary indicator through the inclusion of these pupils.

### Basic Entitlement

This section shows the per-pupil funding amounts local authorities have chosen for the primary and secondary indicators in their 2013-14 formulae; the number of pupils in the authority has a whole to which each indicator applies; the total amount of Schools Block funding allocated to schools through each factor; and the proportion of Schools Block funding allocated to schools through each factor.

### Deprivation, Looked after children, Prior attainment, English as an additional language, Mobility

These sections also show the per-pupil amounts chosen, the number of pupils and the total/proportion of funding allocated to schools through each factor. For the indicators where local authorities had a choice as to which specific measure to use for their formulae, columns indicate the selection. Explanations for the entries in these columns are given below. For each, the entry “Not applicable” means that a local authority has chosen not to use a particular factor or indicator.

#### Deprivation Primary FSM Factor, Secondary FSM Factor:

- Primary FSM / Secondary FSM: Indicator used is the number of pupils who are on FSM.
- Primary FSM6 / Secondary FSM6: Indicator used is the number of pupils who are FSM Ever 6.

#### Looked After Children Factor:

- LAC\_X\_Mar11: Indicator used is the number of children looked after.
- LAC\_6\_Mar11: Indicator used is the number of children looked after for at least 6 months.
- LAC\_12\_Mar11: Indicator used is the number of children looked after for at least 12 months.

#### Prior attainment Factor:

- LowAtt\_%\_PRI\_73: Indicator used is the number pupils who do not achieve 73 points or more in the Early Years Foundation Stage Profile.
- LowAtt\_%\_PRI\_78: Indicator used is the number pupils who do not achieve 78 points or more.

#### English as an Additional Language Primary Factor, Secondary Factor

- EAL\_1\_PRI / EAL\_1\_SEC: Indicator used is the number of pupils with EAL who entered the compulsory school system in the last year.
- EAL\_2\_PRI / EAL\_2\_SEC: Indicator used is the number of pupils with EAL who entered the compulsory school system in either of the last 2 years.
- EAL\_3\_PRI / EAL\_3\_SEC: Indicator used is the number of pupils with EAL who entered the compulsory school system in any of the last 3 years.

#### **Lump sum, (London) fringe payments, Split sites, Rates, PFI funding, Sixth form, Exceptional circumstances**

These sections of the data file show the total funding and proportion of funding allocated to schools through each factor.

#### **Totals (including MFG columns)**

The “Total Funding Excluding MFG £” column gives the total amount of money allocated to schools in 2013-14 via local authorities’ basic funding formulae.

The MFG protects the per-pupil funding of schools from one year to the next and for 2013-14 has been set at -1.5 per cent. The column "*Total Additional funding provided via MFG calculations £*" is the total funding local authorities are allocating to their schools, over and above the amounts derived through their basic formulae, to ensure this condition is met.

In addition, local authorities are allowed to set capping and / or scaling factors to ensure that the amount of funding allocated through their formula (and including any additional funding to ensure the MFG is met) fits within the total DSG Schools Block available to them.

Any change in the per-pupil funding amount in 2013-14 compared to 2012-13 for an individual school can be capped at a level an amount specified by the local authority: these caps are given in the column "*MFG Capping Factor*". Any school which sees its per-pupil funding increase by more than the level of the cap will see any additional increase scaled back, to some extent (see next paragraph). For example, in this column a 0 per cent cap means that *any* increase in per-pupil funding means the local authority will start scaling back the size of the increase. A 2 per cent cap means that any rise in per-pupil funding of more than 2 per cent will be scaled back.

The column "*MFG Scale Factor*" shows the amounts by which schools' increases in per-pupil funding *over* the level of the cap will be reduced. So, for example, a 100 per cent scaling factor means that ALL increases in per-pupil funding above the level of the cap will be removed – in other words the cap is a strict limit on the increase in per-pupil funding in 2013-14 compared to 2012-13 the local authority will allow. Similarly, a 50 per cent scaling factor means that schools will lose half of any per-pupil funding increase above the level of the cap. 0 per cent scaling means that there is no scaling back of increases: this means that, irrespective of the capping factor specified in the previous column, a local authority is effectively applying no cap on increases in per-pupil funding.

The "*Total deduction*" column shows the total amounts that have been taken off school budgets compared to the funding levels produced from the basic formula, due to the application of the capping and scaling factors. Clearly, any school requiring additional funding in addition to that specified by a local authority's basic formula in order to meet the MFG will not be subject to capping and scaling reductions. Any entry of zero in this column means that capping and scaling has not led to any deductions in funding compared to the basic formula for any schools in the local authority area.

The "*Total Funding*" column then shows the total Schools Block funding allocated to schools in each local authority, after additions for MFG funding and deductions from capping and scaling.

In addition to these total funding amounts, local authorities can also initially hold centrally some of their Schools Block to fund anticipated increases in pupil numbers during the 2013-14 financial year period. These figures are given in the "*Retained For Growth*"

column. The total of the Total Funding and Retained For Growth columns will not exactly match the total DSG Schools Block funding for 2013-14 that has been allocated to each local authority. This is for a number of reasons. The funding formulae specify the funding allocated to individual schools so exclude central schools block budgets. The DSG funding blocks are notional and local authorities can move funding between blocks. Also the funding formulae will reflect any brought forward over- and under-spends, and authorities supplementing DSG from other funding sources.

For the other columns in this section:

- *Total Through Basic*: the proportion of Schools Block funding being allocated through the basic entitlement formula factors in each local authority as a whole.
- *Pupil-Led Funding*: the proportion of Schools Block funding being allocated through the pupil-led factors (basic entitlement, deprivation, looked-after children, prior attainment, English as an additional language, mobility).

## **“Notional SEN” page**

The columns headed “*Notional SEN Comments*” show, for each of the basic entitlement, deprivation, looked-after children, prior attainment, English as an additional language, mobility, and lump sum factors, local authorities’ descriptions of how notional SEN budgets were calculated. Where a local authority has described the use of at least one factor, the remaining blank factors are assumed as not used and indicated as ‘not used\*’.

The column “*Notional SEN Proportion of Funding*” shows each local authority’s overall notional SEN budget as a percentage of the total schools block formula allocation. The column “*High needs Threshold Amount per pupil £*” shows each authority’s High Needs Threshold figure.



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Reference: DFE-00039-2013