



Education
Funding
Agency

**This document
has been
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Dear Colleague

School funding in 2014 to 2015

I am writing to you about the next steps in the reform of schools funding, which build on the arrangements in place for the 2013 to 2014 financial year and which will come into effect for maintained schools in 2014 to 2015 financial year and for academies in 2014 to 2015 academic year.

You may recall that a commitment was made to review the arrangements in place for 2013 to 2014 to make sure we could continue to progress towards a National Funding Formula and to address issues that have arisen. I am pleased to confirm that the Department has completed its [review and the findings have been published](#) together with confirmation of the changes that will be made for 2014 to 15.

The main thrust of the changes is to make sure as much funding as possible is allocated on the basis of pupil-led factors. I thought it would be useful to summarise the other changes and rationale here, for you to share with your governing body as you wish:

- A requirement that a minimum of 80% of schools block funding is allocated on the basis of pupil-led factors and that the minimum basic per-pupil entitlement is £2,000 for primary and £3,000 for secondary. This is in keeping with the aim of allocating more funding based on the needs of pupils.
- The introduction of a new optional sparsity factor to enable local authorities to target resources to small, sparse schools. Local areas will be provided with a number of flexibilities in how they use the sparsity factor so that it can best meet local circumstances.
- Allowing greater flexibilities for local authorities to set a different lump sum for primary, secondary, middle and all-through schools to reflect

feedback from the consultation about the different level of fixed costs.

- Refining the way in which pupils are identified through the prior attainment factor, to make sure that local formulae identify pupils who are less likely to attain well and provide schools with additional funding to support these pupils.
- Allowing local authorities to retain a small amount of the dedicated schools grant to support good and outstanding schools and academies through short periods of falling rolls in areas where there is clear evidence that it is likely rolls will rise again.

Any funding change may mean some schools and academies see increases and other reductions in their budgets. We will continue to protect against large shifts through the minimum funding guarantee which will mean that in most cases, schools and academies will not lose more than 1.5% per pupil of their previous year's budget.

Your local authority, in consultation with the Schools Forum, continues to be responsible for developing the local formula in your area and, as last year, your local authority will submit that formula to us in October 2013 (in draft form) and January 2014 (in final form). It will be this formula that underpins our calculation of your academy's allocation for the 2014 to 2015 academic year. We also continue to commit to making sure you have your allocation by the end of March 2014.

I would urge you to engage early with the academies' representative on your local Forum as it is their responsibility to canvass and understand the views of the academies they represent. We have written [a new guide to Schools Forums](#) to help schools and academies to gain effective representation which you may find helpful.

We will aim to keep you fully informed throughout the process, including sharing with you the October 2013 and January 2014 local authority returns. Like last year, we will be running a programme of briefing events for academies, which will be augmented with on-line briefing as we understand it is not always convenient to attend open sessions. We will confirm the dates, venues and booking details over the coming months.

If you have any questions about funding reforms, then please do contact us via our [Academies Enquiry Service](#) quoting 'school funding reforms 2014 to 2015'.

Yours faithfully



Sue Baldwin
Director: Academies and Maintained Schools Group
Education Funding Agency