
Meeting: Central Bedfordshire Schools Forum
Date: 25 January 2010
Subject: Technical Funding Sub Group
Report of: Deputy Chief Executive and Director of Children, Families and Learning
Summary: To update the Schools Forum on the work of the Technical Funding Sub Group and propose formula changes for funding period three (1 April 2010 – 31 March 2011).

Contact Officer: Dawn Hill, Borough Hall, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1. To agree the following proposed changes from the Technical Funding Sub Group for Funding period three of the current three year settlement (1 April 2010 to 31 March 2011):**
 - (a) Deprivation Factor:**
 - (i) Funding to be calculated on a combination of category four (Moderate Means) and category five (Hard Pressed) pupil numbers;**
 - (ii) Category 4 to be weighted 0.33 (1/3) and Category 5 1.0;**
 - (iii) Funding to be directed at schools with a combined weighted total of 15% or more of pupils in categories four and five;**
 - (iv) A tapering methodology to be applied correlating to the weighed pupil numbers in each school; and**
 - (v) Differential factors to be applied to reflect pupil numbers at each phase (total weighted pupils in category 4 and 5 divided by total school population per phase).**
 - (b) Ghost Funding:**
 - (i) Recalculate the amount per 'Ghost Pupil'.**
 - (ii) Ghost Funding no longer to be a 'ring fenced pot'.**

- (iii) **The Ghost funding unit to be recalculated each year based on Teachers Main Scale 6 divided by 30 pupils.**
 - (iv) **Protection to be given to schools where 'Ghost Pupil' numbers reduce as a result of a falling role.**
 - (v) **Protection to be based on 5/12ths (April – August) of reduced funding.**
- (c) Pupils of Armed Forces Personnel:**
 - (i) **No additional factor to be included in the Individual School Budget (ISB).**
- (d) Hearing Impaired and Language Provisions:**
 - (i) **No further additional payments should be made from School Contingency to schools with special units.**
 - (ii) **The basis of the specific funding for special units to be reviewed.**
- (e) New School Factor:**
 - (i) **No additional contribution to Rates to be made for 2009/10.**
 - (ii) **The New Schools Factor should be reviewed as a matter of urgency.**
- (f) Relocating Schools:**
 - (i) **A payment to be made to Roecroft Lower School subject to a business case being provided detailing anticipated additional expenditure for the school.**
 - (ii) **The business case and proposed additional funding to be agreed by the Director of Children, Families and Learning, payable from School Contingency.**
 - (iii) **No additional Formula Factor to be included in the ISB for re-locating schools.**
 - (iv) **All relocating schools to provide a business case and be assessed on an individual basis, payable from School Contingency**
- (g) Lump Sums:**
 - (i) **To allocate from Contingency an amount of £20,000 to St Vincent's as a contribution to the additional KS2 classes for the period Sept 07 up to March 2010.**

- (ii) St Vincent's lump sum for the period April 10 to March 11 an additional £7,915 added to the Lower School lump sum (pending lump sum review).**
 - (iii) To review ALL lump sum factors for all phases, to include Primary (Yr 1 – 6), Secondary (Yr 7 – 13) and through schools (Yr 1 – 8) for the 2011/12 Formula Allocation.**
- (h) Early Years:**
- (i) Nursery Schools to be counted on Headcount.**
 - (ii) Methodology consistent with Lower Schools (based on date of birth of child):**
 - **3 year old counted as half or half of value**
 - **4 year old counted as 1 FTE.**
 - (iii) No changes to AWPU for Nursery. The value of the amount per pupil (£192) and Amount per Place (£3,248) based on 09/10 would be added together, allocations to be uplifted for 10/11 as per lower schools.**
 - (iv) To mirror the formula used for Lower Schools but no change to lump sums.**
 - (v) Additional factor payable for rises of 4% in pupil numbers for Autumn term (as per All sectors).**
 - (vi) Protection would be in the form of the MFG.**
 - (vii) Protection to be revisited on implementation of the EYSFF.**

Background

1. The School Finance Regulations 2008 prescribe the determination of Schools Budgets. Chapter two details the action to be taken by a Local Education Authority and allows under section nine *'A local education authority may make changes to the formula they will use for funding period three before the beginning of the funding period to which the changes relate where any such changes have been approved by their schools forum or the Secretary of State under regulation 25 (additional arrangements).*

2. It was resolved at the meeting of the 29 June 2009 that a Technical Sub Group should be formed to look at specific areas of formula funding changes. It was further proposed that this group initially reviews:
 - the thresholds for 'deprivation funding' and whether this should include a tapering element;
 - a review of 'ghost funding'; and
 - the impact of Armed forces pupils having significant mobility, outside of natural transition stages.
3. Members:

Neil Bramwell, Headteacher Stratton Upper
Shirley Anne Crosbie, Headteacher, Glenwood Special
Jim Smart, Headteacher, Shelton Lower School
Ian Greenley (non-schools representative)
4. Four meetings have been held to discuss the three specific areas proposed for the initial review, along with further formula queries raised during the financial year. Minutes detailing the discussions have been attached as Appendix A to D. Modelling has been required for Deprivation and 'Ghost Funding'. The implications based on the indicative pupil numbers for 2010/11 are presented in Appendix E and F.

Update

5. Deprivation – 21 Models in total were considered. For comparison purposes the 2010/11 Indicative deprivation factors were recalculated on updated January 2009 ACORN Data. Currently category four and five pupils are considered separately and there is a 'cliff edge' of a 20% threshold. 37 schools currently benefit from the Deprivation factor.
6. Both partial and full tapering of the funding pot were debated along with funding following the pupils. The group agreed that a combined category four and five, together with a form of tapering to the full funding pot best met the needs of the school and pupils. To ensure that the number of pupils in category four and five were not diluted due to the size of the schools, a factor should be applied to each phase correlating to the total number of pupils.
7. The final proposal on Deprivation was agreed via email further to the meeting of the 14 December 2009. 54 schools would benefit from the proposed changes. (Proposal 1).
8. Ghost Funding – 8 Models were considered. Currently the 'Ghost' funding pot is 'ring fenced' and is divided each year by the number of 'ghost pupils' in the overall system. This can result in the amount per 'ghost pupil' fluctuating each year. There is also no protection for schools with a falling role.

9. It was considered that the amount per 'ghost pupil' should be calculated based on the cost of a main scale teacher and not dependant on the total number of 'ghost pupils' in the system. This would result in an objective unit rate per 'ghost pupil'.
10. Initially protection was deliberated for schools with reducing 'Ghost Pupil' numbers. However, modelling showed that a reduction in 'ghost pupils' did not necessarily mean a reduction in overall funding, unless this is matched with a falling role. Schools with both a drop in 'ghost pupil' numbers and a falling role were identified. It was considered that a period of funding for April to August would be sufficient protection to enable schools to review staffing structure. Five schools would benefit from the proposed protection factor, based on the indicative 10/11 pupil numbers. (Proposal 2).
11. Armed Forces Personnel – the representation by Campton Lower School for a factor to be included in the Individual Schools Budget (ISB) for mobility due to pupils from armed forces personnel was considered. Information received from statistical neighbours and a report from the Children's Education Advisory Bureau of MOD was also presented.
12. The group regarded mobility as not being unique to schools with armed forces personnel but also traveller sites, university campuses etc. (Proposal 3).
13. At the meeting of the School Forum on the 28th September, it was proposed that additional payments to schools with Language or Hearing Impaired units should cease, however it was resolved that further information should be brought back to the Forum once investigated further. This information was presented to the Technical Funding Sub Group as an additional item and after due consideration agreed to the proposal that the payments should no longer be made. (Proposal 4).
14. During the year further formula queries have been raised; New School Factor, Relocating Schools and Lump Sums. These were all brought to the Technical Funding Sub group at the meeting in December 2009, to ensure a consistent and transparent approach is adopted for all formula funding proposals. (Proposals 5 to 7).
15. Further to the Government's announcement on the postponement of the implementation of the Early Years Single Funding Formula (EYSFF), the Early Years Reference Group proposed that the Local Authority should not be a 'path finder' authority in 2010/11 but should continue with the funding of Nursery Schools on a headcount basis (consistent with Lower Schools) and not 'place led'. This proposal and modelling of the implications for Nursery Schools was presented to the group (Appendix G). After due consideration the Technical Funding Group proposed recommendation number eight.

Appendices:

- Appendix A - Minutes of meeting 13 July 2009
- B - Minutes of meeting 28 September 2009
- C - Minutes of meeting 22 October 2009
- D - Minutes of meeting 14 December 2009
- E – Deprivation comparison to Indicative Budgets 2010/11
- F – Ghost Funding comparison to Indicative Budget 2010/11
- G – Nursery Schools modelling 2010/11 based on Headcount