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**Meeting:** Schools Forum  
**Date:** 1 November 2010  
**Subject:** Technical Funding Sub Group  
**Report of:** Deputy Chief Executive and Director of Children Services  
**Summary:** To update the Schools Forum on the work of the Technical Funding Sub Group and propose formula changes for the funding period 1<sup>st</sup> April 2011 – 31<sup>st</sup> March 2012.

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Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency  
(if appropriate)

**RECOMMENDATIONS:**

1. That there should be no changes to any of the formula funding factors for 2011/12.
2. That should grants merge with the DSG following the School Funding Consultation that these grants should be clearly shown as a separate factor in the formula budget.
3. That there should be no changes to the current methodology for funding Special Schools.
4. That the following factors should be subject to review following the introduction of the new funding methodology from Government:-
  - Floor Area
  - Threshold
  - PFI
  - Lump Sum
  - AWPU
  - Small Schools Protection
5. That should there be a shortfall or increase in DSG funding for the period 2011/12 that the AWPU value relative to the amount per pupil would be adjusted.

## Background

1. The School Finance (England) Regulations 2008 prescribe the determination of Schools Budgets. The Schools Finance (England) (Amendments) Regulations 2010 made changes to the rules that local authorities must work to when funding maintained Schools. In principle these regulations do not change during the three funding 2008/09 to 2010/11 period but allow for the implementation of The Early Years Single Funding Formula (EYSFF) from 2010 and make a couple of other Small changes.
2. New regulations will be required from April 2011 to take into account the next funding period and changes arising from the review of the Dedicated Schools Grant (DSG).
3. The Department for Education (DfE) has launched a consultation on the new Schools Finance (England) Regulations 2011. The main changes from previous regulations relate to decisions and proposals outlined in the 2011/12 school funding consultation document issued on the 26<sup>th</sup> July 2010. These include the requirement for all authorities to introduce an Early Years Single Funding Formula from April 2011 and the mainstreaming of some specific grants into the DSG. Other proposals include changes to make federations more attractive, allowing penalties from the carbon reduction commitment to be passed through to the schools budget or individual schools and removing exclusions as an allowable formula factor. Information is also provided about schools being able to fund community facilities from their delegated budget.
4. Consultation responses are required by Friday 10<sup>th</sup> December 2010.
5. The School Finance Regulations stipulates that a local authority must, before the beginning of the funding period and after consulting their School Forum about the matter, decide upon the formula which they will use to determine schools' budget shares for the funding period.
6. It was resolved at the Schools Forum meeting on 29<sup>th</sup> June 2010 to establish a Technical Funding Sub-Group to review the current formula and propose any revisions which will be used to determine schools' budget shares for the new funding period taking into account proposals outlined in the 2011/12 funding consultation.

### Members:

Shirley Anne Crosbie	Headteacher, Glenwood Special
Ann Bell	Headteacher, Willow Nursery School
Bill Hamilton	Roman Catholic Diocese Representative
Jim Parker	Headteacher, Manshead Upper School
Richard Holland	Governor, Harlington Upper School

7. A further request for Lower and Middle School representation was made at the School Forum meeting of the 20 September. Two further members have come Forward:

Sharon Ingham,

Headteacher, Hadrian Lower School

## **Update**

8. The Sub group met on 24<sup>th</sup> September 2010 , notes of the meeting are attached at Appendix A.
9. This was the first meeting of the new group and was to act as both a training session on current methodologies relating to DSG and S251 (Statutory Children's Services Statement) and to discuss the way forward on the current funding consultation.
10. The following issues were discussed:-
  - Calculation of Indicative DSG Allocation
  - Individual School Budgets and Central Expenditure
  - Pupil Referral Unit
  - Early Years Single Funding Formula
  - Consultation of Schools funding 2011/12, including the pupil premium

### Formula Factors to be reviewed

11. It was agreed that a response to the current School Funding Consultation be circulated amongst the group and be submitted to the DfE (Appendix B).
12. The group also discussed the impact of Private Finance Initiative (PFI) arrangements and whether there should be a separate factor in the formula relating to PFI. It was agreed that this would be looked at along with a number of other factors once the new funding methodology is known for 2012/13
13. The Director of Children Services considers the small school protection as a relative factor.

## **Recommendations**

1. The Technical funding sub-group proposed that to provide stability and to keep transparency with the possible merging of grants there should be no changes to any of the formula funding factors for 2011/12.
2. The group also proposed that if grants were to merge following the School Funding consultation, such as School Standards Grant (SSG), SSG Personalisation (SSGP) and School Development Grant (SDG) that these grants should be clearly shown as a separate factor in the formula budget. This is in line with the DfE proposal to allow previous levels of grant as a factor in the formula to support stability in funding at school level.
3. In relation to Special Schools Funding the group proposed no changes be made for 2011/12.
4. Following the introduction of a new funding methodology for schools (2012/13), that the following factors should be subject to review:-
  - Floor Area
  - Threshold

- PFI
- Lump Sum
- AWPU

Small Schools Protection

5. Should there be a shortfall or increase in DSG funding for the period 2011/12 that the AWPU value relative to the amount per pupil would be adjusted.

**Appendices:**

Appendix A - Minutes of the Technical Funding Sub-Group 24th September 2010

Appendix B – Response to School Funding Consultation