

Rotherham Schools Forum

**Venue: Town Hall,
Moorgate Street,
Rotherham.**

Date: Friday, 4th March, 2011

Time: 8.30 a.m.

A G E N D A

1. Apologies for Absence.
2. Minutes of the Previous Meeting held on 21 January 2011 (Pages 1 - 8)
3. Matters Arising from Previous Minutes
4. Method for allocating grants mainstreamed into the Dedicated Schools Grant (Pages 9 - 16)
5. Dedicated Schools Grant Budget - Central Spend 2011/2012
6. Constitution of the Rotherham Schools Forum
7. Early Years Single Funding Formula (Pages 17 - 22)
8. Academy Recoupment for SEN Support Services
9. Young People's Learning Agency - Removal of the Teachers Pay Grant post-16 (Pages 23 - 24)
10. Yorkshire and Humber Grid for Learning
11. Ministerial Statement on Building Schools for the Future (enclosed) (Page 25)
12. Any Other Business
13. Dates and Times of Next and Future Meetings
Friday 18th March , 2011
Friday 8th April, 2011
Friday 24th June, 2011

from 8.30am – 10.30am at Rotherham Town Hall

**ROTHERHAM SCHOOLS FORUM
FRIDAY, 21ST JANUARY, 2011**

Present:-

Mr. G. Jackson
Kath Blagden
Roger Burman
Anita Burtoft
Jane Fearnley
Geoff Gillard
Margaret Hague
John Henderson
Russell Heritage
Ruth Johnson
Paul Lakin
Margaret O'Hara
Philip Robins
David Silvester
Nick Whittaker
Rev Ann Wood

Chairman

Clifton Community Arts School
Winterhill School
Loughton All Saints Primary School
Herringthorpe Junior School
Diocese of Sheffield
The Arnold Centre
Whiston Worrygoose Primary School
Wingfield business and Enterprise College
Pre-School Learning Alliance
Borough Councillor
Newman School
Primary Governor
Wath C. of E. Primary School
Hilltop and Kelford Schools
Kimberworth/Whiston

Officers

Rob Holsey	Children and Young Peoples' Services, RMBC
Vera Njegic	Schools Finance, RMBC
Liz Parker	UNISON
Dorothy Smith	Senior Director, Schools and Lifelong Learning, RMBC
Dawn Mitchell	Democratic Services, RMBC

141. APOLOGIES FOR ABSENCE.

Apologies for absence were received from Val Broomhead, Councillor Jane Havenhand and Peter Hawkridge.

142. MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING THEREFROM

Agreed:- That the minutes of the previous meeting held on 10th December, 2010, be approved as a correct record.

Arising from Minute No. 135 (CSR Headlines), it was noted that the Education Maintenance Allowance (EMA) which was currently paid to 16-19 year olds from low income backgrounds who stayed in full-time education, had been ceased from 2011/12 onwards. Students whose parental income was less than £30,810 were previously entitled up to £30 per week.

Arising from Minute No. 136 (Schools White Paper 'The Importance of Teaching'), it was noted that Finance Officers had attended a meeting at which DFE representatives were present. It had been suggested by the DFE representatives that the proposed school funding consultation, including introduction of a national funding formula, would likely take place during Autumn 2011 with potential implementation from 1st April, 2012.

Arising from Minute No. 137 (Early Years Funding Formula), David Ashmore reported that the budgets for schools that provided education to 3 and 4 year

olds as part of the 15 hours free entitlement, would be adjusted to reflect termly changes in pupil numbers during 2011/12. Schools needed to be aware of the in-year changes to allocations in respect of these pupil numbers, which was a change from previous practice and required by law.

143. EDUCATION FUNDING SETTLEMENT 2011/12

Consideration was given to a report by the Principal Accountant, Schools Finance, to all Head Teachers/Finance Officers setting out the key points of the Education Settlement for 2011/12.

The main points were:-

- Schools Budget Revenue Funding
Would be maintained at "flat cash per pupil" until 2014-15 with the new Pupil Premium being paid over and above. Schools would have to absorb the costs of inflation such as the full year effect of the September 2010 teacher pay award. Mainstreamed (consolidated) grants would also be funded at the same flat cash level per pupil.

The Secretary of State for Education had stressed that the actual level of budget for each individual school would vary. It would depend on local decisions about how best to meet needs which would mean that some individual schools may see cash cuts in their budgets either because they had fewer pupils or because changes were made within local authorities to the distribution of funding.

The maximum potential level of cash cuts would be controlled by the Minimum Funding Guarantee (see below).

- Pupil Premium
To be introduced from 1st April, 2011. Total funding for the Premium would be £625M nationally in 2011/12 and be built up over time amounting to £2.5bn a year by 2014/15.

For the next financial year, every pupil in mainstream primary and secondary schools, currently eligible to receive a free school meal (as recorded on the January 2011 pupil census), a Pupil Premium lump sum of £430 would be received. The schools would be able to decide how best to spend the money. Pupils in special schools and pupil referral units, or not in school, would also qualify but expenditure would be controlled by the Local Authority.

- Grants consolidated into the Dedicated Schools Grant (DSG)
A number of grants had been mainstreamed into the DSG from April, 2011 (see report submitted).

The Authority was to consult Head Teachers on the precise mechanism for allocating the funding. The amount of DSG delegated to schools via the funding formula would be agreed with this Forum.

- Minimum Funding Guarantee
Due to falling rolls and/or Local Funding Formula changes, some schools

would see a cut to their budget, however, a negative Minimum Funding Guarantee had been set. This would ensure that no school saw a reduction compared with its 2010/11 budget (excluding sixth form funding) of more than 1.5% per pupil before the Pupil Premium is applied.

– Schools Budget Capital Funding

The Capital settlement for Education for 2014/15 was 60% lower than 2010/11. The Government's main priority for the remaining funding would be to encourage local authorities to respond to the significant pressures for additional school places, particularly at primary age, in many areas of the country because of rising birth rates and changed migration patterns. In line with this, "basic need funding" (Capital Grant) for the expansion of school places was to be doubled nationally to £800M for 2011/12.

Devolved formula capital would be allocated to schools based on a national formula of £4,000 per school and a per pupil sum which was weighted for the type of pupil:-

£11.25 primary
£16.875 secondary
£33.75 special

– Early Intervention Grant (EIG)

The Grant had been created to replace 22 previous separate grants expenditure for which was controlled by the Local Authority. In national terms the new allocation was 10.9% lower than the sum of the previous grants. For Rotherham this meant an allocation of £12.3M in 2011/12, rising slightly to £12.5M in 2012/13.

Discussion ensued on the report with the following issues raised/clarified:-

- Even if a parent was eligible for free school meals and chose not take them up, they should be encouraged to come forward and thereby included on the school census and funding received by the school. This may become a much bigger issue as the Government changed the distribution mechanism for Pupil Premium
- The mechanism by which the Government had chosen to fund Pupil Premium (free school meals eligibility) currently excluded the Slovak/Roma community owing to their circumstances regarding benefits. This community was prevalent in certain areas of the Borough and a small number of schools (especially St. Ann's, Coleridge, East Dene) look set to miss out on funding where there were significant support needs
- The Government had indicated that schools would be required to demonstrate and report how they had utilised the Pupil Premium and what impact it had made but it was unclear at present how this was to be undertaken
- There was no guidance as yet with regard to the movement of pupils during a school year. It was felt that it would be the annual census and no in-year adjustments

- Work was ongoing on the grants replaced by the Early Intervention Grant to determine priorities and the impact of reduced funding

Agreed:- That the report be noted.

144. BSF AND CAPITAL SPENDING REVIEW

Robert Holsey, CYPS Capital Projects Officer, submitted an update on the results of the Capital Review and the financial settlement on Education Capital spending for 2011/12.

The DfE had announced on the 13th December, 2010, that the recommendations of the James Review of DfE's Capital Programmes would not inform the allocation of Capital until 2012/13. However, the DfE had indicated that, whilst the methodology of allocation and management of the Capital funding to the Authority may change, they had confirmed that the headline amounts of funding for basic need and for capital maintenance for 2012/13 until 2014/15 would be in line with the amounts shown be as follows:-

Fund/Programme	2010/11	2011/12
Capital allocation – reduction	£17,400,863	£8,233,139
Devolved Formula Capital - reduction (amount of funding allocated each year to primary and secondary schools to be spent by them on their priorities in respect of buildings, ICT and other capital needs. It was anticipated that schools would use their allocation to maintain ICT infrastructures and equipment)	£4,493,053	£901,446
Modernisation – Capital Maintenance and Basic Need – Increase (funds devolved to local authorities to improve the infrastructure of the school estate and to upgrade existing school buildings or build new ones in line with local asset management plan priorities)	£3,189,944	£4,347,484
Basic Need – Increase (designed to enable local authorities to provide additional school places to cope with growing numbers)	£950,255	£2,128,678
Primary Capital Programme – no funding (still commitment to providing a new through school for Maltby Lilly Hal Junior and Maltby Hall Infant School with an anticipated operational date of September, 2013. This would be funded from the remaining PCT funding for 2010/11 and the Modernisation – Capital Maintenance budget 2011/12)	£6,217,692	-

Access Initiative Funding – no funding (to improve the accessibility of mainstream schools to disabled pupils and those with special educational needs had received no funding for 2011/12. Any additional adaptations would need to be sourced from the Modernisation – Capital Maintenance or designed within any new buildings or extensions funded from Basic Need)	£615,305	-
Likewise Extended Schools – no funding (provided pump priming capital funding to develop extended schools across an area. Any allocation would need to come from Basic Need and Modernisation funding)	£116,794	-
Maltby Academy		£11.1M
Voluntary Aided Schools (DfE confirmed that they would retain the Local Contribution to Voluntary Aided Programme LCVAP for a further year)	£712,852 £1,104,968	£138,674 £716,857

A letter had gone out to all schools explaining the above together with a template so they could work out what their allocation would be.

Discussion ensued with the following issues raised/clarified:-

- The original plan had been for Maltby Academy to be part of a campus but the new funding allocation was just for the Academy. It was up to the Authority how it chose to spend the funding on site but it had to ensure that the building retained was fit for purpose and safe
- In the past procurement for Academy work had taken 52 weeks; this had been reduced to 26 giving a very tight timescale
- Basic Need and Capital Maintenance allocations could be used for non-school purposes. An example of the proposed development at Churchfields was cited as an example
- Meetings would take place with the Building Managers and Head Teachers to establish the priorities for the school buildings to ensure they were safe, dry and warm
- In the case of boiler failure by a school in negative funding, funding would be sought from Capital Maintenance

Agreed:- That the financial settlement for Rotherham Education Capital Spending 2011/12 be noted.

145. **METHOD FOR ALLOCATING GRANTS MAINTAINED INTO DSG**

Suggested Methodology for Distribution of Dedicated Schools Grant

David Ashmore, Resources and Business, CYPS, reported that the Government had announced a number of funding streams, previously seen by schools as separate items, now merged into the Dedicated Schools Grant. The Forum's opinion was sought as to whether the methodology currently employed was appropriate or whether should it be changed. Views expressed would then be fed into the forthcoming meeting with Head Teachers.

Vera Njegic, Principal Accountant, Schools finance, circulated the current and suggested methodology for distribution:-

Grant	2010/11 Methodology	Suggested Methodology for 2011/12
School Development Grant main	Prior Year Allocation Per Pupil	Amount per pupil using 2009/10 figures school by school
Specialist Schools	Amount per pupil for specialism and additional specialism + lump sums for languages/lead schools etc.	Amount per pupil using 2009/10 figures school by school
LIG	As per prior year with minor adjustment for some schools	Amount per pupil using 2009/10 figures school by school
EMAG	£419,530 distributed between schools with ethnic minority pupils over 10% of PLASC	Same cash amount and distribution, channelled via Social Deprivation Formula factor
School Standards Grant	Greater of £12,000 per school (£29,000 Special Schools) + £120 per pupil (£130 Secondary Schools) Or 2.1% increase per pupil on 2009/10	Increase school lump sum factor by £12,000 (£29,000 Special Schools) Increase Age Weighted Pupil Unit factor by £120 (£130 Secondary Schools)
School Standards Grant Personalisation	£2,285,618 distributed to schools on formula basis using attainment, pupil numbers and free school meals	Same cash amount channelled via SEN formula using similar data

It was noted that a decision was required within 4 weeks.

Discussion ensued on the above with the following issues raised/clarified:-

- The first 4 grants listed above worked on an allocation per pupil
- To change the methodology significantly would create massive pressures on some schools. It would be sensible to retain the current mechanism to maintain stability thereby giving time for a more considered debate as to the way forward
- Any changes to distribution methodologies could have an enormous impact on Specialist Schools
- 4 weeks was too short a time span to give full and proper consideration to such an issue and make radical changes

Dedicated Schools Grant

David Silvester, Wath C. of E. Primary School, reported that a group had been established with the remit of examining the spend of the DSG for its appropriateness, value for money and benefit to the children of Rotherham and the amounts of spend allocated to each budget heading. The Group had held meetings with Secondary Heads and Primary Heads and discussed all spend as to its justification and appropriateness.

Several budget headings and amounts of money had been highlighted that the group wished to examine as a matter of priority with a view to making any proposed changes to be effect from April, 2011. Bearing timescales and stability in mind, there was a compelling argument that there were some funds in the DSG not appropriate for reallocation in 2011.

With regard to the 2011/12 allocation, the group wanted to meet officers in Directorates as there were issues that needed further explanation and understanding before a case could be put forward for redirection in 2011.

Agreed:- (1) That Head Teachers be informed of the Forum's view that the methodology to be used for 2011/12 be the same as current applied.

(2) That a special meeting be held on Friday, 18th February, 2011, at 8.30 a.m. in the Town Hall to discuss the above matters further.

146. CONSTITUTION OF SCHOOLS FORUM

In accordance with previous discussions, the Schools Forum (England) Regulations 2010 were submitted for information.

Deriving from discussions regarding the Dedicated Schools Grant was the need to ensure that all schools felt part of the Forum and complete transparency.

It was felt that the Forum needed to be reconstituted for the 2011/12 financial year to ensure that it continued to be representative of Rotherham's Learning Communities and ensure alignment of funding to TRL principles, strategy and priorities.

Agreed:- That Head Teachers bring forward proposals on membership of a revised Schools Forum (to take effect from 1st April, 2011) to the special meeting to be held on 18th February.

147. EARLY YEARS SINGLE FUNDING FORMULA

Agreed;- That this item be deferred to a future meeting.

148. ANY OTHER BUSINESS

There was no other business.

149. DATE AND TIME OF MEETINGS

Agreed:- (1) That a special meeting of the Forum be held on Friday, 18th February, 2011 at 8.30 a.m.

(2) That meetings of the Forum be held as follows in 2011 commencing at 8.30 a.m. in the Town Hall, Rotherham:-

18th March

8th April

24th June

CHANGES IN FUNDING TO THE LOCAL AUTHORITY**INCLUSION OF GRANTS IN SCHOOL BUDGETS**

The 2011/12 Dedicated Schools Grant (DSG) is to be revised to include many grants paid in 2010/11. The table below shows the grants transferred into the dedicated schools grant. The amounts for Rotherham totalled £31.33m in 2010/11.

The amount of these Grants is determined by pupil numbers from the January schools census. Pupil numbers are declining in Rotherham so the amount likely to be received for 2011/12 will be less than the amounts presented below.

Table 1: Grants Consolidated into the Dedicated Schools Grant (DSG)

Grant Title	Transfer to DSG
School Standards Grant	£7,168,539
School Standards Grant (Personalisation)	£2,325,852
School Development Grant (Main, Post-LIG Deprivation and Transition, Specialist Schools, High Performing (Specialist Schools))	£15,090,108
School Lunch Grant	£467,572
Ethnic Minority Achievement (EMAG)	£419,530
1-2-1 Tuition	£1,467,660
Extended School Sustainability	£1,119,892
Extended School Subsidy	£1,089,681
National Strategies (Primary)	£1,531,827
National Strategies (Secondary)	£624,788
Diploma Formula Grant	£22,340
Total	£31,327,789

Mainstreaming

For 2011-2012 the council in conjunction with the Schools Forum has to decide how to “mainstream” this funding. Decisions include:

- whether budgets should be held centrally or delegated to schools
- how to delegate, which formula factors to use; and
- whether to ring fence funding by phase

The national regulations on school funding (School Financial Regulations 2011) include the following proposed section:

The school funding consultation document proposes that, subject to the spending review, some grants – which are likely to include at least the School Development Grant (SDG), School Standards Grant (SSG) and School Standards Grant (SSG) (P) – should be mainstreamed into the Dedicated Schools Grant (DSG). To avoid undue turbulence at school level, LA’s would, if they wished be allowed to use a formula factor which replicates all or part of the previous level of grant, either as a cash amount or using the grant methodology. This is most likely to be of use for SDG, because of its history as an amalgamation of previous grants, some of which were distributed on a non-formulaic basis.

The following table lists the grants, amount currently allocated to schools in 2010/11 and its current allocation method.

Grant (devolved element)	Description	Current Basis for Allocation
School Standards Grant	paid direct to all schools on a formula determined by DFE	rates determined at a national level lump sum per school (£12,000 per school, £29,000 special school) plus £120 per pupil (£130 per secondary pupil) Or 2.1% increase per pupil on 2009/10
School Standards Grant (Personalisation)	heavily weighted towards deprivation and low prior attainment	rates determined at a national level allocated by per pupil (primary £5.00, secondary £14.00), per free school meal (primary £72.00, secondary £225.00), per low prior attainment (primary £119.00, secondary £196.00)
Schools Development Grant	Fully devolved to schools to support the raising of standards of teaching and learning. An amalgamation	Allocated based on historic allocation, now embedded for many years. See Appendix 1 for a

Grant (devolved element)	Description	Current Basis for Allocation
	of ten previously separate funding streams for schools (eg Specialist Schools, Excellence in Cities and Enterprise Learning)	breakdown of the key elements of the School Development Grant (SDG)
School Lunch Grant	contribution towards the direct costs of a school lunch - providing healthier school meals through changing the eating habits of children; keeping the price of a meal down.	Held centrally for schools receiving a service from the central catering service. Dinnington and Oakwood schools receive individual allocations for same purpose. Academies that provide school lunches receive an equivalent allocation of the grant direct from Govt.
Ethnic Minority Achievement Grant (EMAG)	to support the narrowing of the achievement gaps for black and minority ethnic pupils and some of the additional costs of bilingual learners	distributed to schools with ethnic minority pupils over 10% of numbers on roll
1-2-1 Tuition	to support underachievement of individual pupils	rates determined at a national level allocated at £375 per pupil
Extended School - Sustainability	to support the development and sustainability of Extended Services across the borough	Centrally held – supporting Extended Services posts including Extended Services Partnership Officers and Parent Support Advisors. Part of the grant is used to provide a Learning Community budget to support the delivery of a range of activities and training to support sustainable development. The grant also provides a budget to each Learning Community to support the administration of the Extended Services Economic Disadvantage Subsidy
Extended School - Subsidy	to help schools subsidise the cost of extended services for the most disadvantaged families	Distributed to schools on the basis of free school meals

Grant (devolved element)	Description	Current Basis for Allocation
National Strategies Primary	targeted at underperformance; includes ECC and ECAR, primary languages and improving schools programme	Allocated by School Effectiveness Service to support schools in accordance with DFE guidance. Funding is allocated within three broad categories:- addressing attainment and underperformance; improving core subjects; specific programme support (i.e. leading teacher programme; AFL; ECC; ECAR; ISP etc)
National Strategies Secondary	targeted at underperformance; includes partnership programme and assessing pupils progress	As above
Diploma Formula Grant	To support the additional costs of delivery of Diplomas at KS4	allocated on pupils following diplomas

A move away from the current method in which grants are distributed could potentially result in winners and losers for 2011/2012 and impact on stability at individual school level.

Any reductions in funding at an individual school will be protected through the minimum funding guarantee, which is to continue to operate in 2011/12. Under the guarantee, funding per pupil received by schools from most formula factors may not reduce by more than 1.5% from the funding per pupil received in 2010/11.

For each school, a baseline funding allocation will be calculated that will include the funding allocated to each school in 2010/11 from the grants in table 1 above.

Funding 2012/13 onwards

The 2011/12 funding settlement is a one year settlement only, with consultation on future school funding arrangements starting in the Spring 2011 with changes to be introduced from April 2012 onwards. Key related issues are likely to be:

- the way in which funding is allocated between Local Authority areas;
- options for funding of schools through a national funding formula.

Proposals and decisions required for the 2011/12 Budget

1. It is proposed that wherever funding is delegated to schools based on a pupil related formula, then the current methodology as applied in 2010/11 is maintained for 2011/2012.
2. It is proposed that wherever funding is either fully or partially retained centrally by the local authority, then a pro-rata allocation be made to cover the period April – August 2011 and that schools work in partnership with the local authority to determine allocations of funding to cover the remainder of the financial year (September 2011 to March 2012).
3. It is proposed that schools review the methodologies of all Grants outlined in this paper during the Summer/Autumn Terms 2011 with the aim of implementing any revised formula changes from April 2012.

Q1. Do you agree that wherever funding is delegated to schools based on a pupil related formula, then the current methodology as applied in 2010/11 is maintained for 2011/2012? Yes No Don't know

Q2. Do you agree that wherever funding is either fully or partially retained centrally by the local authority, then a pro-rata allocation be made to cover the period April – August 2011 and that further dialogue takes place to determine allocations post September? Yes No Don't know

Q3. Do you agree that schools review the methodologies of all Grants outlined in this paper during the Summer/Autumn Terms 2011 with the aim of implementing any revised formula changes from April 2012? Yes No Don't know

Please add any further comments below including details of any alternative proposals.

School:	
Head teacher:	
Head teacher signature:	
Date:	

Please return to David Ashmore, CYPS, Norfolk House (1st Floor), Walker Place, Rotherham S65 1AS by **Tuesday, 15th February 2011**.

eMail: david.ashmore@rotherham.gov.uk

It is proposed that to ensure consistency of approach in respect of school funding, that the outcomes of the consultation are collated and presented to the sub-group of Headteachers that are currently reviewing the central spend from the Dedicated Schools Grant. The recommendations from the sub-group can then be taken to Schools Forum.

Appendix 1

Elements of the School Development Grant (SDG)

Element of School Development Grant	Method of Distribution 2010/11
School Development Grant	All schools - historic cash amount per pupil multiplied by relevant inflation factor
Advanced Skills Teachers	Selected schools - amount based on grade of AST teacher at the relevant school
Excellence In Cities	Selected schools - historic cash amount per pupil multiplied by relevant inflation factor
Targeted Behaviour Improvement	Selected schools - historic cash amount per pupil multiplied by relevant inflation factor
Gifted & Talented	Selected schools - historic cash amount per pupil multiplied by relevant inflation factor
Enterprise Learning	Selected schools - historic cash amount per pupil multiplied by relevant inflation factor
ICT Infrastructure & Services & Hands-On Supp	Selected schools - historic cash amount per pupil multiplied by relevant inflation factor
Training Schools	One school - amount per pupil limited to min of £60,000 and max of £90,000
Leading Edge	One school - amount per pupil limited to min of £60,000 and max of £90,000
Specialist Schools	Secondary £129 per pupil, Special Schools £129 per pupil with minimum of £60,000 (£30,000 for special schools recently receiving specialisim)
Transitional LIG Loss	Specific secondary schools - transitional element same allocation as prior year, deprivation element per pupil allocation multiplied by relevant inflation factor

*inflation factor used in 2010/11 2.1%

SCHOOLS FEEDBACK**SUMMARY OF RESPONSES**

Total Responses received:	51		
	Yes	No	Don't Know
Question 1	50	0	1
Question 2	46	2	3
Question 3	51	0	0

COMMENTS**General**

- Too rushed and need more consultation time – would like to see a breakdown of how proposal would affect each individual school
- The proposals are the result of robust discussions among colleagues at a time of systemic change. Agree with all proposals.
- That the £750,000 already identified in the central DSG by the Headteachers Representative Group is retained April 2011.

Question 2

- We would need to know what the funding is related to, as providing a pro-rata allocation may result in school having to pay for additional services.
- In the future I would like the extended school's sustainability grant to be held and decided by the Learning Community and not centrally.
- I would prefer centrally held monies to be delegated to schools with the option to buy back services if the school has found these services to be of appropriate quality and value for money. I can, however, see that this may be difficult to implement for April due to possible implications for centre staffing.
- I would ask that recently designated specialist special schools are given a full year's allocation for 2011/12. I would also ask that the pupil premium (which I understand LAs can retain for special schools) is fully delegated for 2011/12.
- The EMAG grant needs to remain as a ring fenced grant for ethnic minority support. There will be no other means of maintaining the essential bilingual support, because the pupil premium attached to free school meals indicators will not address their needs. Ethnic minority communities, especially Asian Pakistani heritage groups rarely claim free school meals, despite there being high levels of deprivation and overcrowding in the households. If the grant does not remain ring fenced the achievement gap will widen
- In the future I would like the extended school's grant to come to the Learning Community and also PSAs.
- It makes sense to give ourselves more time to discuss the alternatives through the summer term. I would appreciate more discussion on the difference between pupil funding at primary and secondary.

REPORT TO SCHOOLS FORUM

1.	Meeting:	SCHOOLS FORUM
2.	Date:	04 th March 2011
3.	Title:	Early Years Single Funding Formula
4.	Directorate:	Children & Young People's Services

5. Summary

The Government announced in June 2007 that local authorities (LA's) would be required to design and implement a single local funding formula for funding the Free Entitlement to early years provision for 3 and 4 year olds across all sectors. The aim was to improve fairness and transparency in the way that funding is allocated to providers who deliver the Free Entitlement, and thereby support its extension to 15 hours, to be delivered more flexibly from September 2010. From April 2011, all local authorities must fund providers from all sectors on the basis of single, transparent, locally defined, participation-led funding formulae – the Early Years Single Funding Formula (EYSFF).

6. Recommendations

That the Schools Forum approves implementation of the Early Years Single Funding Formula as proposed by the Early Years Funding Formula Working Group.

That the hourly rates as per section 8.1 are agreed subject to finalisation of the Dedicated Schools Grant and agreements in respect of central expenditure.

That when the Standards Fund Grant 1.10 for 2010/11 ends as at 31st March 2011, any residual funding remaining is added to the Dedicated Schools Grant in 2011/12 for contingency purposes.

7. Proposals and Details

7.1. Background to the changes

The Government announced in June 2007 that local authorities (LA's) would be required to design and implement a single local funding formula for funding the Free Entitlement to early years provision for 3 and 4 year olds across all sectors. The aim was to improve fairness and transparency in the way that funding is allocated to providers who deliver the Free Entitlement, and thereby support its extension to 15 hours, to be delivered more flexibly from September 2010. From April 2011, all local authorities must fund providers from all sectors on the basis of single, transparent, locally defined, participation-led funding formulae – the Early Years Single Funding Formula (EYSFF).

With effect from September 2010, the entitlement to free early years provision for every eligible child is 570 hours per year, to be taken over no more than 38 weeks in any year.

7.2 How is it funded?

Funding for all sectors delivering the free entitlement is provided through the ring-fenced Dedicated Schools Grant (DSG), which supports the majority of education provision for children aged 3-16. The DSG is based on a guaranteed unit of funding for each local authority, multiplied by the pupil numbers in the January census counts for each authority. There is no specific ring-fence for early years provision within the DSG. The DSG includes funding to local authorities to deliver the free entitlement for 3 and 4 year olds for 15 hours per week for 38 weeks per year.

7.3 Who is eligible?

Children become eligible for the 3 and 4 year old free entitlement in the term after their 3rd birthday. Funding does not apply to the reception classes of maintained schools, as these will be funded through school budgets.

7.4 What's different?

Currently, like many authorities, Rotherham funds the maintained nursery and PVI sectors differently: the former is by means of a pupil/place-led formula, and the latter, a flat rate of funding per pupil, per session, which is adjusted to termly actual take-up.

From April 2011, all authorities will be required to fund all free entitlement provision (15 hours for all pupils whose parents choose to access it) through a single early years' formula that uses the same principles to fund providers and is based upon participation. This does not mean that all providers will be paid the same value, or even that all children will attract the same amount of funding. Where characteristics of providers or children are different, then different values/weightings will be applied.

7.5 Consultation Process

The local authority established an 'Early Years Formula Funding Group' in 2009, representative of provider stakeholder groups, with the remit to develop a single local formula for funding early years provision in the maintained and PVI sectors. Proposals from the EYFFG were submitted for consultation with providers across all sectors in November 2009.

11 local authorities piloted implementation of a single funding formula in 2008/09. The experiences and issues arising from these pilots have informed DCSF guidance to remaining authorities. In the development of the proposed formula for Rotherham, the EYFFG have referenced DCSF guidance and case studies from the pilot authorities.

7.6 Cost Analysis

The local authority through its Early Years Service and Schools Finance Team undertook a cost analysis of all Rotherham providers delivering the free entitlement to gain a clear understanding of typical local provider costs. These were used to inform determination of provider rates and any differentiation of rates between providers.

7.7 Single Funding Formula Factors

The DCSF proposed a formula structure for local authorities that consisted of a base rate with additional supplemental factors. The base rate representing a payment per hour for each child attending. Following consultation with providers, the Early Years Formula Funding Group (EYFFG) proposed the following formula structure:-

**(Basic Hourly Base Rate + Deprivation Supplement + Quality Supplement)
x No. of hours participation.**

(i) Basic Hourly Rate

All early years single funding formula should include a base rate. This can be one single rate or multiple rates differentiated by type of providers. Based upon the cost analysis undertaken, the EYFFG proposed that different base rates be applied to the following types of providers:-

- Maintained nursery schools
- Primary schools with maintained classes
- Private, Voluntary and Independent sector (PVI) providers

All establishments within each of the above 'types' will receive the same rates in the formula i.e. all Maintained Nursery Schools will receive the same as each other, all PVI providers will receive the same as each other.

(ii) Deprivation supplement

The deprivation factor is a mandatory supplement to be included in the formula. It has been agreed that deprivation be measured against the child and not the setting as settings in deprived areas may draw children from more affluent backgrounds and equally settings in more affluent areas may attract children from deprived backgrounds. It is proposed that the Index of Multiple Deprivation (IMD) of the child be used as the measure for deprivation. This brings a level of consistency with aspects of the current schools funding formula.

To calculate the IMD per setting, it was agreed that the January pupil census data be used. Each pupil attending a setting on the January census date will be allocated an 'IMD score' and then an average for each setting calculated. The average score will be used to band settings into 3 categories:- low, medium and high. The hourly rate will be set using the banding and this will remain fixed for the following financial year. No adjustments would be made in year to the rate.

(iii) Quality supplement

It was proposed that a quality factor be included in the formula in accordance with DCSF guidance. Four indicators of quality were considered drawn directly from DCSF guidance :- Workforce qualifications; Ofsted inspection judgements; membership of an approved quality improvement scheme; well developed self evaluation processes based on the Ofsted SEF.

On the recommendation of the Extension to the Free Early Education Entitlement Working Group, it was agreed that Quality in Action Accreditation should be used as the single measure for the Quality Supplement. All providers should be paid the funding for a guaranteed two years (2011-12 and 2012-13), to enable them time to achieve accreditation. For the 2013-14 financial year, the supplement would be withdrawn from providers who have not achieved the accreditation.

(iv) Other supplements

In accordance with DCSF recommendations, additional supplemental factors were considered for:- flexibility of a providers offering to parents, SEN, sustainability, training, premises. All supplements considered should ensure the EYSFF supports wider early years policy objectives. The EYFFG gave particular consideration to a factor for 'flexibility' in accordance with DCSF guidelines. Flexibility would probably need to be linked to delivering different patterns of provision, e.g. delivering over the lunch period or opening longer hours. However, it was suggested that these do not necessarily lead to patterns of provision that are more responsive to parental demand. Reference was also made to the findings of a parental survey conducted by the Rotherham Early Years Service regarding flexibility. Other factors were considered but it was proposed that the formula needed to be easy to understand and to operate to ensure that administrative overheads are kept to a minimum and funding is focussed on delivery.

8. Finance

8.1 Single Funding Formula Hourly Rates 2011-12

Provider	Basic Hourly Rate	Deprivation Rate - Low	Deprivation Rate - Medium	Deprivation Rate - High	Quality Rate
Maintained Nursery schools	£6.40	£0.05	£0.10	£0.15	£0.10
Primary schools with maintained classes	£3.30	£0.05	£0.10	£0.15	£0.10
Private, Voluntary and Independent sector (PVI) providers	£3.40	£0.05	£0.10	£0.15	£0.10

All providers will be issued with an indicative budget at the beginning of the financial year which broadly reflects anticipated participation for the 3 and 4 year old free entitlement.

The total funding requirement for the Early Years Single Funding Formula will be met from allocations from the Dedicated Schools Grant 2011/12 and any residual funding from Standards Fund Grant 1.10 for 2010/11 allocated specifically for this purpose. When the Standards Fund Grant 1.10 for 2010/11 ends as at 31st March 2011 all residual funding should be added to the Dedicated Schools Grant for 2011/12 to provide a contingency reserve to cover growth in take-up of places and protection for providers that have had funding reduced as a consequence of introduction of the formula.

8.2 Budget adjustments

From April 2011, it is a requirement that local authorities apply budget adjustments to reflect fluctuations in participation in each term.

For maintained schools (this only applies to the 3 and 4 year olds as part of the free entitlement), it is proposed that a single budget adjustment will be made towards the end of each financial year (February or March). Schools will be issued with notifications of budget changes after each termly count to facilitate effective financial planning.

For the Private, Voluntary and Independent sector, funding is based on actual take up of places on a termly basis. This is paid in advance on an estimated headcount, with an adjusted payment made based on a final actual headcount. No changes are proposed to the arrangements for PVI providers.

8.3 Protection Factor

Every effort will be made to ensure that the EYSFF is designed and implemented in a way that supports the authority's duties in respect of meeting parental demand and supporting child outcomes at five. Sustainability of providers will therefore be a key consideration. Most changes to a funding formula result in 'winners' and 'losers' in financial terms. As is the practice with previous funding formula changes, it is proposed that transitional protection be applied to limit the extent of any losses at provider level to a maximum of 5%.

The local authority notes the Government's presumption against closure of maintained nursery provision as a consequence of the funding reforms. All 3 Nursery Schools currently fall into the Minimum Funding Guarantee (MFG) which has been set by the Government at -1.5% for 2011/12 meaning that no school will have a cut in its budget of more than 1.5% per pupil before any pupil premium is allocated.

9. Risks and Uncertainties

The level of funding for schools for 2011-12 has been maintained at flat cash per pupil, so will rise or fall in line with pupil numbers. Schools will be protected from large losses by a Minimum Funding Guarantee as announced by the Government on 13th December 2010.

Since 2003, local authorities have received funding for the actual number of 3 year olds who take up a part time entitlement place or an amount equivalent to 90% of the 3 year old population doing so. The Government has also decided to retain the 90% participation element of the pupil count for 2011-12.

10. Policy and Performance Agenda Implications

Rotherham's Scheme for Financing Schools.

11. Background Papers and Consultation

- Implementation of a single funding formula – DCSF guidance, July 2008.

Contact Name:
David Ashmore
Resources and Business Strategy Manager
Resources, Planning and Performance
Children and Young People's Services
Extension 54846
david.ashmore@rotherham.gov.uk



16–19 Funding Statement

Of interest to local authorities, schools, Academies, colleges and other providers

December 2010

For information

How is the Policy and Funding for Young People Changing?

11 Both the Spending Review and the White Paper *The Importance of Teaching* (November 2010) made it clear that changes to the unit of funding will be required for reasons of fairness and efficiency. This includes the convergence of the funding for schools and colleges by 2015. The Coalition Government has also made it clear that the changes to funding must be carefully managed over the period of the Spending Review. To achieve these multiple aims a number of actions are taking place in 2011-12.

Making changes to the funding so that it can be used to better meet the needs of young people, especially by increasing the proportion of funding in the national funding formula which addresses deprivation. This is the first step toward a more transparent approach to reflecting deprivation in 16-19 funding in the longer term:

- Increasing by £150 million in 2011/12 the funds paid for young people that live in the most disadvantaged areas¹ of England and those who are disadvantaged by other circumstances. Funds will be redirected using the disadvantage uplift and the Additional Learning Support elements of the funding formula.
- Passing on these funds without ring-fencing, so schools and colleges have the freedom to employ the strategies they know will support their students to increase their attainment.
- For 2012 onwards, the review of the funding formula will recommend how a 'young person's premium' might operate in order to support attainment by the most disadvantaged students.

¹ identified as being in the lowest 27% of the ratings of the Index of Multiple Deprivation 2007

From the 2011/12 academic year the Coalition Government's commitment to ending the disparity in funding for 16-19 year olds will be met by:

- Funding all providers at one national rate, protecting the change so that resources are reduced gradually over the period of the Spending Review.
- Staging the removal of the Teachers' Pay Grant (post-16) paid to local authorities to cover pay progression and other pay benefits in schools that are not paid separately to other providers.
- Removing the additional payments to schools for teachers' pensions not made to other post-16 providers.
- Reducing the national funding rate for Apprenticeships funded by the DfE by 2% per year to reflect the better efficiency of the sector in delivering Apprenticeships to employers and the growth in planned numbers and budget.

Written Ministerial Statement by the Secretary of State for Education**11 February 2011****School Capital**

1. Mr Justice Holman has today handed down his judgment on the judicial review brought against me by Luton Borough Council and Nottingham City Council; Waltham Forest London Borough Council; Newham London Borough Council; Kent County Council; and Sandwell Metropolitan Borough Council, following my decision in July 2010 to cancel Building Schools for the Future projects in their areas.

2. The Judge said that he was “absolutely clear that the decision is not open to legal challenge on a discrete ground of irrationality, however that argument is developed or put”; and he agreed that nothing which the Department for Education or Partnerships for Schools had done in respect of these local authorities went “so far as to create a substantive legitimate expectation that any given project would definitely proceed.”

3. These were the substantive points in this case and I am delighted that the Judge has ruled in my favour.

4. There were further, procedural, grounds on which the claimants made their case, in particular on a duty to consult; and on the duty to have due regard to equalities duties.

5. I acknowledge that, on these procedural grounds, the Judge has ruled in favour of the claimants. In essence, his view is that my consultation with 14 local authorities (in relation to 32 sample schools) and 119 individual academies (on their particular circumstances), did not go far enough and that I should have included the six claimant authorities in my consultation. And he judges that I should have had rigorous regard to equalities considerations in reaching my decision.

6. The Judge has not ordered a reinstatement of funding for any BSF project. Nor has he ordered me to pay compensation to any of the claimants. Instead, he has concluded that I “must now, after giving each of them a reasonable opportunity to make representations, reconsider [my] decision insofar as it affects the claimants and each of the projects in relation to which they have claimed, with an open mind, paying due regard to any representations they may make, and rigorously discharging [my] equalities duties.” I am happy to do so. He has made clear that provided I discharge my duties in this way, “the final decision on any given school or project still rests with [me]”; and that I “may save all, some, a few, or none”. He concluded by saying that “no one should gain false hope from this decision”.

7. The Judge has made clear that any other local authority, outside of the claimant group, would be far too late to apply for a separate judicial review on this matter.

8. My Department will shortly make contact with the claimant local authorities to set out a process through which they can make their representations to me.

Rt Hon Michael Gove MP