

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
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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%