

Oxfordshire County Council
Schools Forum – 1 February 2012
Merging of Combined Grants into School Funding Formula

1. Item for Consultation

2. Purpose of Report

This report makes recommendations to Schools Forum for simplification of the combined grants factor in the School funding formula, as a gradual move towards the position expected when a national funding formula is introduced, and to try to make the allocation methodology of funding easier for schools to understand. The only changes recommended below are those that can be implemented without creating turbulence in 2012-13.

3. Recommendations for Schools Forum

3.1 The recommendations made for simplification of the combined grants elements of the school funding formula are discussed in section 4 below, and are summarised as follows:

- Adding the fixed elements of School Standards Grant (SSG) to fixed costs for Primary, Secondary and Special Schools.
- Allocating the per pupil element of SSG on the same per pupil basis as part of the Age Weighted Funding (AWP) funding factor.
- Retaining a factor in combined grants to allocate the additional amount of SSG previously allocated to schools under Formula B (see 4.4 below)
- Allocating the per pupil element of School Standards Grant (Personalisation) (SSG(P)) on the same per pupil basis as part of the Age Weighted Funding (AWP) funding factor.
- Allocating the Free School Meals (FSM) element of SSG(P) to a general deprivation factor
- The Low Prior Attainment (LPA) element of SSG(P) will be retained as a separate factor in combined grants for 2012-13. The LPA data will be updated to include 50% based on the 2011-12 Special Needs Index (SNI) and 50% based on the 2012-13 SNI.
- £5,321 will be allocated to Special Schools' fixed costs in respect of SSG(P)
- No change will be made to the School Development Grant calculation methodology for 2012-13.
- Additional Personalised Learning will be added to the AWP pupil funding factor and continue to be allocated at £151.88 per pupil aged 5 to 15.
- No change is proposed to the allocation of combined grants to Nursery Schools for 2012-13

- The per pupil amounts for Personalised Learning will be added to pupil factors in the Primary, Secondary and Special formulae as per 4.15 and 4.16 below.
- The Deprivation element of Personalised Learning will be calculated in the same way as for 2011-12 to minimise turbulence but will be added to the general Deprivation factor proposed above for the deprivation element of SSG(P)
- The calculation of the Low Prior Attainment element of Personalised Learning will be unchanged for 2012-13 and will be added to the LPA element of SSG(P) as a combined LPA factor.

3.2 Schools Forum is asked:

- To agree the recommendations made above for simplification of the Combined grants factor for 2012-13.

4. Main Changes Recommended to Combined Grants

School Standards Grant element of Combined Grants

4.1 School Standards Grant was previously calculated based on a formula, summarised below. Schools received the larger of formula A or B.

Formula A

Type of School	Formula
Primary (including nurseries and Pupil Referral Units (PRUs))	£12,000 plus £120 per pupil
Secondary	£12,000 plus £130 per pupil
Special	£29,000 plus £120 per pupil

Formula (B) (including inflation increase on prior year allocation)

$$(X \div Y) * Z * (1 + \text{inflation \%})$$

where

X = total of SSG received by the school in 2010-12011

Y = the number of pupils used to calculate the school's SSG in 2010-2011

Z = the number of pupils used to calculate the school's SSG in 2011-2012

4.2 In 2010-11 the calculation included a 2.1% inflationary increase, but for 2011-12 the figure for inflation was set at 0%. These figures were the figures used in 2010-11 and were replicated in calculating the SSG element of the combined grants allocation for 2011-12.

4.3 In order to simplify the allocation of this grant for 2012-13 it is

recommended that the fixed element of the grant and the per pupil amounts as per Formula A above are added to the fixed costs factor and the per pupil factors in the funding formula.

- 4.4 The 2011-12 calculations include 261 schools whose allocation is calculated according to Formula B, which means that they receive more than the fixed and per pupil amounts identified in the table above. This means that after allocating an amount to fixed costs and a per pupil amount as per paragraph 2 above an amount needs to be retained in the combined grants allocation for this difference to avoid creating turbulence in 2012-13 for these schools. This highlights an area that needs to be addressed for future years in order to fund schools on a consistent basis.
- 4.5 The proposed revised methodology above applies only to pupils of statutory school age. Allocations of the grant in respect of post 16 pupils are dealt with separately in Paper 7f in the section relating to the post 16 Non AWP adjustment. Nursery school allocations are dealt with separately below.

School Standards Grant (Personalisation) element of Combined Grants

- 4.6 School Standards Grant (Personalisation) was allocated in 2011-12 on the basis of the unit values in the table below plus an amount in respect of low prior attainment:

	Primary	Secondary
Per pupil unit of funding	£5	£14
Per pupil eligible for Free School Meals (FSM)	£72	£225

- 4.7 The low prior attainment (LPA) element of the allocation was updated in part for 2011-12. The proportion of pupils identified with low prior attainment levels was updated using information available as part of the Special needs index (SNI). The calculation of the LPA element of the allocation used 50% of this updated calculation and 50% of the calculation using the original LPA data.
- 4.8 It is proposed that a separate Low Prior Attainment factor be retained for 2012-13, as it is not easy to move this element to a per pupil or fixed factor without creating turbulence. It is proposed that the calculation of this factor for 2012-13 be revised to include 50% based on the updated LPA data used in 2011-12, and the remaining 50% based on the updated LPA data for 2012-13, available as part of the updated SNI.

This will mean that the original LPA data from 2007 will no longer be used in the calculation.

- 4.9 It is proposed that a separate general deprivation factor is created, alongside the existing targeted deprivation factor, to allocate the per pupil FSM amounts identified in the table above.
- 4.10 The per pupil unit of funding in the table above will be allocated to schools as part of the Age Weighted pupil funding, but will be calculated on a per pupil basis and not weighted for age. This will not create turbulence in 2012-13.
- 4.11 For 2010-2011, the allocation for special schools was calculated on the basis of £5,321 for special schools with up to 100 pupils. Special schools with over 100 pupils received £5,321, plus £53 for every FTE pupil over 100 pupils. No Oxfordshire school received more than £5,321. It is proposed that £5,321 be added to Special School fixed costs for 2012-13. This will not create turbulence.

School Development Grant

- 4.12 School Development Grant (SDG) from 2006-07 onwards included a number of previous merged grants including Excellence in Cities, Enterprise Learning, Study Support, SEN and Gifted and Talented. These amounts were in the baseline allocations of schools for 2005-06. From 2006-07 onwards schools received an allocation that protected the amount they received per pupil, with inflation being applied to this amount in years up to 2010-11. The SDG allocation for 2011-12 replicated the previous methodology but with no inflation increase.
- 4.13 The per pupil amounts for SDG vary significantly in some cases between comparable schools, and over the years this has been exaggerated by changes in pupil numbers. It has not been possible in the time available to identify a way of simplifying the allocation of this grant across all schools without creating turbulence. It is therefore proposed to keep the current methodology for this element of combined grants for 2012-13.

Personalised Learning

- 4.14 Personalised Learning is currently allocated based on Deprivation, Pupil and Low Prior Attainment elements. The split between the different elements is:
 - Deprivation 35%
 - Pupil numbers 15%

- Low prior attainment 50%
- 4.15 The 2011-12 per pupil amounts for Primary Secondary and Special schools are as follows:
- Primary £9 per pupil (aged between 5 and 10)
 - Secondary £16 per pupil (aged between 11 and 15)
 - Special £60 per pupil (aged between 5 and 10)
 - Special £110 per pupil (aged between 11 and 15)
- 4.16 It is proposed that these per pupil amounts be included in the per pupil factors for the Primary, Secondary and Special formulae.
- 4.17 The Deprivation allocation was previously calculated using the same data as in the SNI (IDACI) to calculate a score for each school based on the pupil profile. If we moved to an allocation based on FSM this would result in some turbulence. It is therefore proposed that the Deprivation allocations continue to be made using the Deprivation % from the SNI rather than FSM to minimise turbulence, but this will need to be reviewed for future years. This deprivation allocation will be added to the general deprivation factor mentioned at 4.9 above.
- 4.18 No change is proposed to the calculation of the LPA element for 2012-13. This will be retained as a separate factor and added to the amount from SSG(P) referred to at 4.8 above.

Additional Personalised Learning

- 4.19 The Additional Personalised Learning allocation for 2011-12 was £151.88 per pupil aged 5 to 15 in 2011-12. It is proposed that this amount be moved to the AWP funding factor on the same per pupil basis. This will create no turbulence in 2012-13.

Nursery Schools

- 4.20 Table A in Annex 1 shows the 2011-12 grant allocations to Nursery Schools. With the introduction of the Early Years Single Funding Formula (EYSFF) from 1 April 2011, the funding for Nursery Schools is calculated on an hourly rate based on the number of hours children attend the school for each term. For 2011-12 it was decided to allocate the previous specific grants received by the Nursery schools on the same basis as in prior years, in the same way as for other schools.
- 4.21 It has been assumed that the 2011-12 overall grant allocation of approximately £510,000 (excluding Ethnic Minority Achievement Grant (EMAG) of nearly £10,000) will continue to be allocated to Nursery Schools, in order to minimise turbulence in 2012-13. This will need to be reviewed for future years.

4.22 The possible simplification of the allocation of these grants has been considered for 2012-13, including the distribution of these grants on a basis that reflects the actual number of hours delivered under the EYSFF, as well as taking account of the fixed elements proposed to be used in the main Primary funding formula. This highlights current allocations of grants which appear to be disproportionate to the number of hours of Early years provision at the schools concerned. Table B in Annex 1 shows the potential redistribution of these grants and the impact on the schools concerned.

4.23 Given the funding turbulence that would be caused by redistribution on this basis, no change is proposed for 2012-13. It is proposed that nursery schools be warned that changes will be proposed for 2013-14 onwards, to address the current anomalies in the allocations.

5. Financial and Staff Implications - centrally and for schools, including implications for the Central Expenditure Limit

5.1 The recommendations should not result in any significant redistribution of funding between schools, subject of course to pupil number changes. Any changes would fall within the areas covered by the Minimum Funding Guarantee. This means that schools do not lose more than 1.5% of their budget, as adjusted for changes in pupil numbers, comparing 2011-12 with 2012-13.

5.2 There is not expected to be any change in the Central Expenditure Limit as these proposals do not involve changing the total overall allocation to schools compared with that made to centrally held budgets.

6. Equal Opportunities Implications and Impact on Equality Groups

No changes are proposed that are expected to adversely impact pupils.

7. Conclusions

Schools Forum is asked to consider and agree the recommendations made at Section 3 above for minor changes to the School funding formula for 2012-13 which will result in no turbulence.

8. Future Review by Forum in: 9 months

9. Contact Details of Lead Officer/Author

If you have any queries or comments in advance of the Schools Forum

meeting about this report, please contact:

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Table A – 2011-12 Combined Grant Allocations to Nursery Schools

School Name	DfE	School Development Grant (SDG)	School Standards Grant (SSG)	School Lunch Grant	EMAG	Total 2011-12
Comper Foundation Stage School	1005	17,879	22,209	1,513	5,292	46,894
Headington Nursery School	1006	20,146	18,123	1,548	0	39,816
Grandpont Nursery School	1010	21,507	23,806	1,568	0	46,880
Slade Nursery School	1011	19,570	22,703	1,554	4,513	48,341
Lydalls Nursery School	1017	20,460	22,870	1,760	0	45,089
The Ace Centre Nursery School	1019	17,879	22,536	0	0	40,415
Edward Feild Nursery School	1022	20,508	16,824	1,267	0	38,599
West Kidlington Nursery School	1024	17,879	16,991	0	0	34,870
Five Acres Nursery School	1027	17,241	21,916	0	0	39,157
Wheatley Nursery School	1031	40,228	33,895	1,308	0	75,431
John Hampden Nursery School	1032	29,612	33,984	1,363	0	64,959
TOTALS		242,910	255,856	11,880	9,805	520,452

Table B – 2012-13 Allocation of Combined Grants using fixed element plus hourly rate

School Name	DfE	2011-12 Estimate of Hours	SDG allocated on hourly rate 2012-13	SSG allocated on hourly rate 2012-13 plus fixed element	School lunch grant on fixed amount plus hourly rate	TOTAL	Difference from prior year – excluding EMAG
Hourly Rate			£0.58	£0.29	£0.01	£0.88	
Comper Foundation Stage School	1005	40,720	£23,555	£24,010	£1,487	£49,052	£7,450
Headington Nursery School	1006	45,290	£26,198	£25,358	£1,541	£53,098	£13,282
Grandpont Nursery School	1010	51,760	£29,941	£27,266	£1,619	£58,826	£11,945
Slade Nursery School	1011	47,180	£27,291	£25,916	£1,564	£54,771	£10,943
Lydalls Nursery School	1017	65,900	£38,120	£31,437	£1,788	£71,345	£26,256
The Ace Centre Nursery School	1019	38,080	£22,028	£23,232	£0	£45,259	£4,844
Edward Feild Nursery School	1022	18,660	£10,794	£17,504	£1,223	£29,521	-£9,078
West Kidlington Nursery School	1024	26,700	£15,445	£19,875	£0	£35,320	£450
Five Acres Nursery School	1027	30,630	£17,718	£21,034	£0	£38,752	-£405
Wheatley Nursery School	1031	27,290	£15,786	£20,049	£1,326	£37,161	-£38,270
John Hampden Nursery School	1032	27,720	£16,035	£20,176	£1,331	£37,542	-£27,417
TOTALS		419,930	242,910	255,856	11,880	510,646	-1