

**Oxfordshire County Council
Schools Forum - 1 February 2012**

Miscellaneous Schools Budget Allocations and Minor Formula Adjustments

1. Item for Consultation / Decision

2. Purpose of Report

2.1 To provide information about and consult with Schools Forum about a number of resource allocations and formula amendments proposed to be implemented in the 2012-13 Schools Budget and in school budget shares.

2.2 To consult Schools Forum and seek formal approval for two allocations of DSG within central budgets of the authority and to set the date for final submission of balanced school budget plans.

3. Recommendations

3.1 Schools Forum is recommended to endorse the following proposals:

- i) £625k to be allocated from contingency funds to resource the requirement to provide 25 hours per week tuition to unwell pupils through the Hospital School. (Section 4)
- ii) £74k to be allocated from contingency funds in order that SEN units can be excluded from the non-AWPU adjustment calculation for schools with sixth forms. (Section 5)
- iii) Fixed costs allocations for 11-18 schools to be reduced by £37,250 in order that the fixed costs allocations can be excluded from the non-AWPU adjustment calculation for schools with sixth forms. (Section 5)
- iv) The per pupil amounts for post 16 pupils included in the Combined Grants line should be removed from that line and netted off the non-AWPU adjustment for each school. (Section 5)
- v) £100k to be allocated to support Carterton schools, of which £75k to the secondary school and two allocations of £15k to the two primary schools with pupil numbers furthest below capacity due to service family movements. (Section 6)
- vi) The Forces factor to be amended to £125 per pupil from a service family above 25% of the school roll. (Section 7)
- vii) School Lunch Grant should continue to be allocated to schools on the formula basis used in previous years, and included in the transfer to the Food With Thought service as in 2011-12. (Section 8)

- viii) The £40k formula allocation for the Warriner School farm be continued in full for 2012-13 and then removed from the formula with effect from April 2013. (Section 9)
- ix) Secondary school resources for 1:1 tuition to be distributed in secondary school AWPU allocations. (Section 10)

3.2 Schools Forum is recommended to approve the following proposals:

- i) £175k (of the £625k set aside to provide 25 hours tuition to unwell pupils) to be allocated to the SEN Transport budget as requested by the Hospital School. (Section 4)
- ii) £51k DSG funding allocation for the Farmoor Sailing Instructor be transferred from Bartholomew School into the Hill End Camp outdoor education centre. (Section 9)
- iii) Final date for submission of balanced budget plans to be provided by schools to be set at 31 May 2012. (Section 11)
- iv) That if any breach of the Central Expenditure Limit arises from these proposals an appropriate revised limit would be agreed at the next meeting of the Forum. (Section 13)

3.3 Schools Forum is recommended to note the following information:

- i) arrangements around Food With Thought and the resources from Schools Lunch Grant may need to be considered again during the year. (Section 8)
- ii) DfE has announced arrangements to pay over the outstanding final instalment of Standards Funds Grants by end of March 2012.
- iii) discussions with DfE regarding MFG allocations to two schools have commenced but not yet reached any conclusion.

4. 25 Hours Education for Unwell Pupils

4.1 During 2011 a long unused provision of Education Act 1996 has been fully implemented by government and came into effect from September. This provides that all pupils of the LA are entitled to 25 hours education each week. Due to other legislation implemented during the years between 1996 and 2011, this actually affects only a specific group of pupils. The impact is that pupils who are too unwell to attend their school are now required to be educated for 25 hours per week.

4.2 The accompanying guidance recognises that some of these pupils may be too unwell to participate in education for 25 hours per week accordingly it is possible for a doctor responsible for their case to prescribe a lower level of provision as appropriate to the child's circumstances.

4.3 Oxfordshire, in common with the majority of LAs, was previously providing 5 hours of education per week to pupils too unwell to attend school. Other than in the Children's Hospital on the John Radcliffe site, this 5 hours education was delivered by appointing an Associate Teacher to travel to the child's location and deliver appropriate tuition. Initial estimates indicated that extending this methodology to 25 hours per week would cost around £2.7m per year.

4.4 Through 2011 the Hospital School has been leading on making provision for unwell pupils throughout the county. The model that has been established retains the existing provision at the John Radcliffe site and slightly expands provision at the Horton Hospital site in Banbury. In addition a small core team of a Key Teacher and HLTA has been established at each of the Abingdon, Bicester and Witney Hubs. The approach which has been developed is to transport unwell pupils wherever possible to the hospitals or Early Intervention Hubs in order to provide tuition. The Hospital School is actively negotiating with medical professionals in order to ensure that the appropriate level of provision is made for each child.

4.5 To help minimise costs some tuition is provided on an e-learning basis, the e-learning team has been doubled from 0.5 fte to 1.0 fte. There are also consequences for administration and SEN support costs, and particularly for transport costs. Some Associate Teachers have been retained in order that the service can respond appropriately to fluctuating numbers of pupils. Overall it is now estimated that the full year impact of making 25 hours provision for unwell pupils will be £625k.

4.6 The financial pressure arising from this provision in 2011-12 has largely been met by use of existing LA balances however a small allocation from DSG balances will be needed in 2011-12. The Finance and Deprivation Committee has discussed use of DSG balances for this purpose and recommended this allocation.

4.7 As previously discussed 25 hours education provision is a cost which can legitimately be met from DSG. The unallocated contingency held within DSG is able to meet all of this pressure. Therefore it is proposed that £625k should be allocated to fund the Hospital School to make this provision. The Hospital School funding formula will be modified to ensure that part of this resource is based on pupil count, however much of the allocation will need to be made as fixed sums due to the increase in teacher complement.

4.8 The Hospital School has expressed a preference that the Transport element of the costs should be managed by the SEN Transport team, and this would enable any cost saving opportunities to be identified. Implementing this would require adding £175k per annum from DSG to the SEN transport budget. Schools Forum is asked to approve use of DSG in this way in order that the overall management arrangements are as efficient as possible. The amount to be added to the Hospital School budget share would therefore be £450k per annum.

5. Sixth Form Non-AWPU Adjustment

5.1 Funding allocations for school sixth forms from the Young Peoples Learning Agency (YPLA) includes resources for both Age Weighted Pupil Unit (AWPU) and non-AWPU funding for the post-16 element of the school.

5.2 On establishment of the predecessor of the YPLA, the non-AWPU funding element was calculated on a simple percentage basis. At that time sixth form pupils represented 16.4% of the secondary pupil population. It was therefore assumed that the sixth form funding for non-AWPU items would be 16.4% of total non-AWPU

funding. Oxfordshire's funding was therefore top sliced by this amount, and represented funding against all non-AWPU formula factors including fixed costs, floor and ground area based, structural repair and maintenance, rates and rents, building insurance, split sites, forces factor, joint sports, special needs units and school meals. For 2011-12 this adjustment totalled £4.5m.

5.3 In order to ensure that schools with sixth forms are not double funded for those sixth form pupils, the school budget share from the local authority is reduced accordingly. This is shown in budget share documents as a negative formula factor.

5.4 The deduction could alternatively have been modelled in school budget shares by amending the calculation for each of the non-AWPU factors. If a reduction equal in size to the amount deducted from the local authority had not been included in the formula in some way, then the last resort would have been to reduce the AWPU values for pupils aged 11 to 15 which would have had an inappropriate impact on secondary schools without a sixth form.

5.5 It has been a decade since the above changes were introduced and a variety of other changes have affected school budget share allocations and the allocations from YPLA. Accordingly it is now difficult to see clearly or appreciate how this adjustment is calculated or how it impacts on schools.

5.6 The consultation during November and December included proposals to amend this factor. Schools which responded to the consultation generally felt that the amendment would be an improvement however many schools were concerned about the degree of turbulence which would be generated.

5.7 It is therefore proposed to gradually dismantle this negative formula factor over a number of stages. This will clarify the split between funding provided through the local authority formula for 11-16 pupils and 16+ funding from the YPLA.

5.8 The modelling work which had been carried out in preparation for the consultation had identified that inclusion of the SEN units in the non-AWPU adjustment was inappropriate and was causing inequities for those schools with SEN units. The underlying inequity was the deduction of these funds from the local authority, however there is no prospect of that deduction being amended by government after so much time has elapsed. It is proposed to exclude the funding allocations for SEN units from the calculation of the non-AWPU adjustment, and replace these funds by the allocation of £74k from headroom.

5.9 It is also proposed to reduce the Non-AWPU Adjustment by those factors initially included in the calculation which are similar for each school or which deploy specific resources identified in the Dedicated Schools Grant for post 16 Pupils. This is effectively a presentational change which supports clarifying the funding source. Non-AWPU funding will reduce and equivalent reductions will be made in other formula funding elements. Overall funding for each school will remain unaffected.

5.10 It is proposed to reduce the fixed cost allocation to 11-18 schools by £37,250 per school and to remove the post 16 pupil funding elements of Schools Standards Grant (£703k), School Development Grant (£450k) and Specialist Schools (£698k)

which currently appear in the Combined Grants total for each school. The total amount of these changes is estimated to be £2,855k. The Non-AWPU Adjustment will therefore also be reduced by this amount. Individual schools will see no change in their overall funding as a consequence of this proposal.

5.11 In future years, once the uncertainties around the national and local funding formula review positions are clearer, the funding relating to the more variable elements will be considered.

6. Carterton Schools

6.1 Pupil numbers at several Carterton schools continue to be adversely affected by the lack of housing in the town for service families. This is resulting in service families being housed in other localities, and their children attending schools in those localities. Carterton therefore has a dramatically lower population of school age children than would be expected given the closure of RAF Lyneham and expansion of RAF Brize Norton.

6.2 Whilst it is welcome that a global fund has been established by MOD to assist schools affected by changes to service populations, this is an annual allocation based on project applications and is not helpful for the sustained issues faced by several Carterton schools.

6.2 In 2011-12 £100k was provided to support the Carterton schools. It is proposed that this allocation should be continued on an annual basis until no longer required (or superseded by any national formula funding arrangement).

6.3 Despite the low number of pupils from service families in the town, some primary schools with particular religious ethos or newer buildings do attract admissions numbers at or close to their PAN. Accordingly it is proposed to allocate the £100k allocation in a particular way. It is proposed to allocate £75k to the secondary school and two allocations of £15k to each of the two primary schools with numbers furthest below expected capacity.

6.4 These allocations will approximately compensate for the amounts included in AWPU for energy and other site related costs which are not being received by the schools, but are still being expended in maintaining the sites.

7. Forces Factor

7.1 The Pupil Premium for children from service families has been increased for 2012-13. As discussed for budget 2011-12 it is clear that this pupil premium allocation does overlap with the Forces Factor which has existed in the Oxfordshire funding formula over recent years.

7.2 The increase in value for the service families Pupil Premium is lower than had been anticipated. The Premium has increased from £200 per pupil to £250 per pupil,

or by 25%. Accordingly it is proposed to reduce the Forces Factor by approximately 25%.

7.3 For 2011-12 the Forces Factor provided £163 per pupil from a service family above a qualifying level of 25% of the school roll. It is proposed to amend this value to be £125 per pupil above the 25% qualifying level. This is projected to release £20k from school budget shares to headroom compared to the estimated increase of £110k in service Pupil Premium.

7.4 As the per pupil reduction in the Forces Factor value is less than the increase in Pupil Premium, and does not apply to the first 25% of school roll, there can be no schools which experience a reduction in funding as a consequence of this proposal.

8. School Lunch Grant

8.1 The merger of previous grants into Dedicated Schools Grant which was implemented by government for 2011-12 embedded the previous School Lunch Grant of £889k per annum into Dedicated Schools Grant.

8.2 For 2011-12 this funding was distributed on the same arrangements that had applied whilst it had been a separate grant. Specifically this allocation based on the number of pupils known to be provided with a hot plated meal, and includes a lump sum and per qualifying pupil amount.

8.3 The funding is included in the Combined Grants line of budget share documents, and for those schools which buy into the Food With Thought school meals service the funding is included in the amount charged by the service.

8.4 A significant reduction in the selling price of school meals is proposed from September 2012. This is dependent on the funding arrangements remaining unchanged, and may need to be changed if the funding arrangements are amended.

8.5 It is not yet known whether the school meals service will be included in the facilities management contract to be let during this year. This has been included in the tender specification as an option for the potential bidders to respond as they see fit. Accordingly the medium to longer term arrangements for this service are not yet clear.

8.6 It is proposed that the resources for the School Lunch Grant should be allocated for 2012-13 as they have been in previous years. Schools Forum should note that this topic may need to be considered again as matters included in the facilities management procurement process are clarified.

9. "Other" Formula Funding Allocations

9.1 Two schools receive allocations on budget shares for "Other" responsibilities in order to assist them in providing facilities for use by all schools.

9.2 Bartholomew School receives an allocation of £51k to fund a sailing instructor at the Farmoor Reservoir. This facility currently generates some income but does not have an existing strategy to move to a self-financing position. Line management for the instructor actually takes place from the Hill End Camp. It is proposed to remove the sailing activity, associated costs, existing balances and income from the accounts of the Bartholomew School and transfer them into the Hill End Camp. The sailing facilities will be incorporated into the overall strategy that Oxfordshire's Outdoor Education Centres achieve a self-financing position by 2015.

9.3 The Warriner School receives an allocation of £40k towards the running of its school farm. Income generated from the farm already contributes significantly towards upkeep, and the school has a strategy to move towards a self-financing position. Following consultation it is proposed that this allocation should be made in full for 2012-13 but should be removed from the formula from April 2013. The school will be assisted by the Schools Finance Team in establishing an achievable plan for self-financing of the farm facilities from April 2013.

10. One to One Tuition

10.1 During academic year 2010-11 the available grant funding for primary 1:1 tuition was fully claimed by schools. This avoided any unused part of the grant being returned to DfE. Proposals for the allocation of primary 1:1 tuition resources for financial year 2012-13 were included in paper 7d Funding for Continuation of Every Child Programmes.

10.2 At the end of academic year 2010-11 £259k of grant for secondary 1:1 tuition had not been claimed by schools. This resource will therefore have to be returned to DfE. Since the ending of separate Standards Funds Grant streams into the Dedicated Schools Grant it is no longer necessary to track delivery of 1:1 tuition and claim the grant. It is proposed to distribute the resources included in Dedicated Schools Grant for secondary 1:1 tuition to secondary schools in AWPU allocations.

11. Budget Submission Date

11.1 In view of the late announcement of budget shares for 2011-12 following extremely late confirmation of school funding arrangements by DfE, the date for submission of school budget plans was amended to 31 May 2011. This proved extremely successful and resulted in the overwhelming majority of schools providing balanced plans within the timetable.

11.2 In line with the powers of Schools Forum set out in the Scheme for Financing Schools the authority now proposes that the submission date for 2012-13 should be set at 31 May 2012.

12. Updates

12.1 DfE has announced on 26 January 2012 that the outstanding final instalment of Standards Funds Grants will be paid to all authorities before the end of March 2012. This is of course the best possible outcome and was not anticipated during the

current two year settlement. As the outstanding instalment was written off against DSG balances at the end of 2010-11 this is effectively a windfall which will be included in unspent DSG balances at the end of the year for later allocation.

12.2 Email correspondence has been opened with DfE regarding the oversized MFG allocations made to two schools. No firm conclusions have yet been reached. It is anticipated that outcomes will be available to be reported to Forum at the meeting on 1 March 2012.

13. Financial Implications

13.1 It is anticipated that all financial allocations set out in this report can be met within the available resources for 2012-13. The allocations are included within the draft Schools Budget for 2012-13 presented in papers for this meeting.

13.2 It is not anticipated at this time that the Central Expenditure Limit (CEL) will be breached by the proposals in this paper. However, Schools Forum is asked to confirm that any breach of the CEL implied by these budget proposals will be approved at the next available meeting of the Forum.

14. Equal Opportunities Implications and Impact on Equality Groups

14.1 The proposals set out in this report are not expected to have an impact on vulnerable or equality groups, except as highlighted below.

14.2 Provision of 25 hours per week tuition to those unwell pupils who are able to benefit from such provision should be an advantage to this vulnerable group.

14.3 Sustained allocation of additional resources for the Carterton schools most affected by the absence of housing in the town will assist those schools to maintain their levels of support for children of service families.

14.4 Allocating the resources of the School Lunch Grant to help reduce the selling prices of school meals will provide some financial benefit to families who wish to take school meals but are not eligible for free meals.

15. Contact Details of Lead Officer/Author

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