



Directorate of Children's Services

Consultation on School Budgets 2010/11 – Proposed Changes to the Resource Allocation Formula for Schools

'Putting children and young people first in Dudley'

October 2009

**Mark Wyatt
Director of Children's Services**

Directorate of Children's Services
Dudley Metropolitan Borough Council
Westox House
1 Trinity Road
Dudley
West Midlands DY1 1JQ



2004-2005
Transforming the School Workforce

Directorate of Children's Services

Consultation Document

- Consultation on: Changes to the Dudley mainstream school funding resource allocation formula and matters related to the setting of school budgets for 2010/11.
- Summary: This consultation sets out proposed changes in the Council's arrangements for the determination of school budgets via the Dudley school funding resource allocation formula and proposed actions related to the setting of school budgets in 2010/11. This consultation is required by regulations made under the education legislation relating to the operation of school budgets by local education authorities.
- Deadline: All responses must be received by **8 January 2010**
- Consultees: Chairs of Governors
Children's Trust Executive Board
Councillors
Directorate Staff
Dudley Association of Governing Bodies
Dudley Council Directorates – Corporate Board
Headteachers
Members of Parliament
Roman Catholic Diocesan Schools Commission
Select Committee for Children's Services
Standing Advisory Council on Religious Education
Unions and Professional Associations
Worcester Diocesan Board of Education
- Public Access: Consultations, plans and policies will be published as follows:
Public Libraries
Dudley MBC Website www.dudley.gov.uk
Westox House

Responses to: CONSULTATION RESPONSES
Executive Support Team
Directorate of Children's Services
Westox House
1 Trinity Road
Dudley DY1 1JQ
director.children@dudley.gov.uk

*Your responses will be co-ordinated by this team.
Any responses will be provided by the appropriate responsible
officer for this consultation.*

All responses may be published. A **large print version**, and translation into other languages is available on request to the above address.

A handwritten signature in black ink that reads "Mark Wyatt". The signature is written in a cursive, flowing style.

Mark Wyatt
Director of Children's Services

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Glossary

DCSF	Department for Children, Schools and Families
DSG	Dedicated Schools Grant
FSM	Free School Meals
HTCF-BWG	Headteachers Consultative Forum – Budget Working Group
ISB	Individual Schools Budget
KS2 / 3	Key Stage 2 / 3
LA	Local Authority
LMS	Local Management for Schools
MFG	Minimum Funding Guarantee
RSG	Revenue Support Grant
SAT's	Statutory Assessment Tests
SEN	Statement of Special Educational Needs

Directorate of Children's Services

Executive Summary of the Proposed Changes to the Resource Allocation Formula for Schools

This document sets out a number of proposed revisions to the schools resource allocation formula.

The proposed revisions affect two areas of funding within the Local Management of Schools (LMS) funding formula:

- Premises Funding (Condition & Backlog) - (Primary, Secondary and Special schools)
- Funding for Special Educational Needs (SEN) without statements - (secondary schools)

Premises Funding (Condition & Backlog)

It is proposed to remove this funding (£0.370m) which is currently based on historic data, and to re-direct it to schools through the premises funding formula factor via the Unit of Resource which is applied to the floor area of each school.

Funding for Special Educational Needs (SEN) without statements (Secondary schools)

Due to the abolition of Statutory Assessment Tests (SATs) at Key Stage 3 (KS3) from 2009, an alternative methodology based either on SATs results at KS2, or Teacher Assessment at KS2 is proposed to allocate funding to secondary schools for SEN without statements.

Minimum Funding Guarantee

All schools adversely affected as a result of the proposed changes will receive some degree of financial protection under the current Minimum Funding Guarantee Regulations.



Mark Wyatt
Director of Children's Services,
October 2009

School Budgets 2010/11 - Proposed Changes to the Resource Allocation Formula for Schools

Purpose

1. The purpose of this consultation document is to provide information concerning the content of school budgets in 2010/11 and to invite views in respect of proposed amendments to the resource allocation formula to be used in the setting of school budgets with effect from 2010/11. The consultation period closes on 8 January 2010. All responses to the consultation must be received by this date. The outcomes of the consultation will be reported to Schools Forum on 23 February 2010 for final approval.

Background

2. The Children's Services budget is structured on the basis of primary legislation. The budget comprises of the Schools Budget and the Local Authority budget. The Schools Budget is funded by the DSG (Dedicated Schools Grant), which is a ring fenced grant from the Department for Children, Schools and Families (DCSF) and the Local Authority budget is funded from RSG (Revenue Support Grant), which is not ring fenced. Within the Schools Budget the majority of the budget is allocated to schools via the Individual Schools Budget (ISB). The ISB covers Nursery, Mainstream and Special schools funding in addition to the early years funding for the private, voluntary and independent sector and accounts for 91% of the Schools Budget. The other 9% of the Schools Budget includes expenditure incurred centrally on behalf of front line services for schools, for example Special Educational Needs and Early Years. The Local Authority budget relates to expenditure which supports schools but would not typically be delegated to schools, such as central administration in support of schools, asset management, social care and the youth service.
3. In preparation for the schools formula funding review, detailed discussions have taken place with Officers of the local authority, Head Teachers Consultative Forum-Budget Working Group (HTCF-BWG), and Schools Forum.

Funding of Schools Budget

4. The framework for the funding of schools can be found in the School Finance (England) Regulations 2008. The distribution of the ISB to Dudley schools is in accordance with an approved local resource allocation formula.

Minimum Funding Guarantee

5. Since 2004-05 the allocation of schools formula budgets has been subject to the Minimum Funding Guarantee (MFG); this is a guarantee introduced by the DCSF which ensures that schools receive a minimum increase in funding per pupil (mainstream and nursery) or per place (special). The MFG has the effect of protecting to a degree those schools that have falling rolls or rapidly falling budgets. So in the case of a formula funding review any rapid change in budget from one year to the next will be protected at the level of the MFG. Additional guidance is available on the Teachernet website listed

below:

<http://www.teachernet.gov.uk/management/schoolfunding/schoolfunding2008to11/schoolbudgets200811>.

Proposals

Premises Funding (Condition & Backlog)

6. Current - With effect from April 2005 following a full consultation process funding was delegated to schools (Primary, Secondary and Special) on the basis of the value of condition backlog capital works outstanding, (as included in the 2002 condition survey of all schools in Dudley). At that time the total value of backlog works was approximately **£19.659m** (Primary £10.498m, Secondary £8.730m and Special £0.431m). Funding has been increased in line with inflation and has continued to be delegated on this basis since 2005. Further detail of the current funding methodology is attached at Annex 1.
7. Funding – For 2009/10 the total funding for condition backlog was £0.370m (Primary £0.291m, Secondary £0.062m and Special £0.017m).
8. Reason for change – since 2005 the total value of condition backlog work outstanding for schools has reduced significantly. This is due to both an increase in the value, and application of modernisation grant funding for schools received by the Local Authority, and the use of school's individual devolved formula capital allocations to fund capital works. The condition backlog data is not updated on an annual basis, therefore schools continue to be funded on historic data, as a consequence of this, funding continues to be directed to schools based on 2002 data which is no longer an accurate reflection for allocation of funds.
9. Proposal – It is proposed that the funding for condition backlog work (£0.370m) be removed and re-allocated through the premises formula funding factor based on the floor area of individual schools. This would result in an increase in the Unit of Resource as follows; Primary and Secondary £1.07, and Special £1.43. This would ensure that all schools receive an element of the condition backlog funding in accordance with the size of the school.

Detail of the financial impact of the proposed change is available to those schools affected.

Q 1. Do you agree with the proposal to remove premises funding for condition and backlog and redistribute through the floor area unit of resource from April 2010?

Funding for SEN without statements (Secondary schools)

10. Current – Funding for SEN without statements in secondary schools is currently allocated based a combination of the following:

- Free School Meals (FSM)
- Underattainment in Statutory Assessment Test (SAT) results at Key Stage 2 (KS2), and Key Stage 3 (KS3), in English or Maths.

Further detail of the current methodology is attached at Annex 2.

11. Funding - For 2009/10 the total funding for secondary schools based on underattainment was **£0.671m**.

12. Reason for Change – In October 2008 Government announced the abolition of SATs at KS3 effective from 2009. An alternative methodology to be used for allocation of funding for SEN without statements in secondary schools is therefore required from April 2010.

13. Proposal – Following discussion with Officers of the Local authority (LA) and Headteachers Consultative Forum – Budget Working Group (HTCF-BWG) a number of options were proposed for financial modelling purposes. The following two were the preferred models:

- Model 1 – based on KS2 SATs data.
SATs data is externally assessed and a more objective measure for the purpose of allocating funds.
- Model 2 – based on KS2 Teacher Assessment data.
This is an internal assessment within each school and therefore a less objective measure for the purpose of allocating funds.

Q 2. Which Model do you prefer to allocate funding for SEN without statements in secondary schools from April 2010.?

14. One of the two Models proposed will be used to allocate funds for SEN without statements in secondary schools from April 2010. Detail of the financial impact of both models is available to schools.

Proposed Timetable

The following indicative timetable is planned for the budget setting cycle.

- **7 October 2009 to 9 January 2010** - Consultation on Proposed Changes to the Resource Allocation Formula for Schools.
- **9 February 2010** – Headteachers Consultative Forum – Budget Working Group considers proposed LMS Formula changes for 2010/11
- **23 February 2010** – Schools Forum considers proposed LMS Formula changes for 2010/11
- **March 2010** - Decision by Cabinet Member for Children's Services
- **March 2010** - Schools Indicative budgets issued.
- **31 March 2010** – Schools final budgets and Section 52 budget statement issued.

The Council is committed to informing schools of their indicative 2010/11 budgets at the earliest possible date.

Annex 1 Premises funding (Condition & Backlog)

(extract from Fair Funding for Schools-Resource Allocation Formula Guidance 2005/06)

Additional Premises Allocation

From 2005/06 an amount that had previously been held within central Council budgets for planned capitalised repairs and maintenance has been delegated. In accordance with the consultation process results, the basis of delegation is as follows:

- 50% on the area of premises.
- **50% on the condition of the buildings relative to the area of the premises.**

Annex 2 – Funding for SEN pupils without statements

(extract from Fair Funding for Schools-Resource Allocation Formula Guidance 2009/10)

This element is intended to represent relative need, as measured by proxies for non-statemented SEN.

The allocation is based on two elements:

- Free School Meals (FSM)
Three-year rolling average free school meal eligibility;
- Underattainment
Based on SATs results for reading, writing and maths (Key Stage 1) and English and maths (Key Stages 2 and 3).

Each score within the Key Stage results which is less than the average score has been given a weighting. The weightings take into account the fact that those pupils furthest from the average should attract a higher level of resource. At Key Stage 1, a deficiency in reading skills is considered to be more significant than a deficiency in maths or writing skills and this has therefore been given an enhanced weighting

**Comments on the consultation for School Budgets 2010/11 – Proposed
Changes to the Resource Allocation Formula for Schools**

Please return this form to:

CONSULTATION RESPONSES

Westox House
1 Trinity Road
Dudley
West Midlands DY1 1JQ

Email: director.children@dudley.gov.uk

Fax: 01384 814202

Name: Organisation:

If you wish to receive an acknowledgement of receipt for your response please provide an email or postal address:

Contact address
.....
.....

**It is not necessary to answer every question. Please complete only those
on which you wish to register an opinion.**

**1. Do you agree with the proposal to remove premises funding for condition and backlog and redistribute through the floor area unit of resource from April 2010?
(Paragraph 9)?**

Yes

☐

No

☐

No opinion

☐

Comments

2. Which Model do you prefer to allocate funding for Special Educational Needs (SEN) without statements in secondary schools from April 2010? (paragraph 13)

Model 1
(KS2 SATs)

☐

Model 2
(KS2 Teacher Assessments)

☐

No opinion

☐

Comments

Additional Comments:

Customer Service feedback on the consultation on School Budgets 2010/11 – Proposed Changes to the Resource Allocation Formula for Schools

We are grateful for your comments on the consultation.

To help us ensure that our community engagement and consultation process is working correctly and effectively we would be grateful if you would respond to the questions below and return with your consultation response.

Thank you for your help.

1. Did you find the information about community engagement easy to understand?

Yes		No	
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2. Was the consultation document and any appendices easy to understand?

Yes		No	
-----	--	----	--


3. If applicable, were the staff who dealt with your enquiry polite, friendly and helpful?

Yes		No	
-----	--	----	--

4. Were you satisfied with the overall process?

Yes		No	
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5. Do you have any further comments to make about the Council's Community Engagement and Consultation Process?



Equality monitoring of DMBC consultations

The information you give on this form will be used to enable Dudley Council to assess the impact of its policies on all sections of the community.

The details you provide will be treated confidentially and will be used to ensure that the views of a wide range of groups and individuals are included in the consultation process and given the opportunity to shape Council policies.

If you are completing this form on behalf of an organisation please try to answer the questions in general terms about the people your organisation represents.

1. Please indicate whether you are responding as an individual or on behalf of an organisation:

<input type="checkbox"/>	Individuals response
<input type="checkbox"/>	Organisations response

2. I would describe my ethnic group, or the ethnic group/s represented by my organisation as:

ASIAN OR ASIAN BRITISH

<input type="checkbox"/> Bangladeshi	<input type="checkbox"/> Indian	<input type="checkbox"/> Pakistani
<input type="checkbox"/> Any Other Asian background		

BLACK OR BLACK BRITISH

<input type="checkbox"/> African	<input type="checkbox"/> Caribbean	<input type="checkbox"/> Any Other Black Background
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CHINESE OR OTHER

<input type="checkbox"/> <u>Chinese</u>	<input type="checkbox"/> Other
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MIXED

<input type="checkbox"/> Asian & White	<input type="checkbox"/> Black African & White	<input type="checkbox"/> Black Caribbean & White
<input type="checkbox"/> Any Other Mixed background		

WHITE

<input type="checkbox"/> British	<input type="checkbox"/> Irish	<input type="checkbox"/> Any Other White Background
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RANGE OF ETHNICITIES

<input type="checkbox"/>	
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3. I would describe my religion/belief or the religion/beliefs of the people represented by my organisation as:

☐

Buddhist

☐

No Religion

☐

Christian

☐

Sikh

☐

Hindu

☐

Other

☐

Jewish

☐

A range of religions/beliefs

☐

Muslim

☐

Unknown

4. My gender or the gender of the people my organisation represents is:

☐

Female

☐

Male

☐

Mixed

5. My age or the age range of the people my organisation represents is:

<input type="checkbox"/>	Under 5 years old	<input type="checkbox"/>	26 – 35 years old
<input type="checkbox"/>	5 – 10 years old	<input type="checkbox"/>	36 – 45 years old
<input type="checkbox"/>	11 – 16 years old	<input type="checkbox"/>	46 – 55 years old
<input type="checkbox"/>	17 – 19 years old	<input type="checkbox"/>	Over 56 years old
<input type="checkbox"/>	20 – 25 years old	<input type="checkbox"/>	A range of ages

6. I consider myself or many of the people my organisation represents to be:

☐

Disabled

☐

Not disabled

Note:

The Disability Discrimination Act, 1995 defines a “disabled person” as having “a physical or mental impairment which has a substantial or long term adverse effect on their ability to carry out normal day to day activities”.

Thank you for completing this form.

Please return this form with your consultation response