

Dudley Metropolitan Borough Council

Schools Forum – 6 December 2005

Report of the Director of Children’s Services

Teachers Performance Pay Funding 2006/07

Purpose of Report

1. To inform Schools Forum of proposed changes to DfES Regulations which affect the funding of Teachers Performance Pay from April 2006.

Background

2. A report was submitted to the Schools Forum in February 2005 regarding the proposed methodology for distribution of the Teachers Pay Grant for 2005/06. The method approved by Schools Forum and adopted for 2005/06 was as follows:

<u>Pay Point</u>	<u>Weighting</u>	<u>Funding per eligible teacher 2005/06</u>
Upper Pay Point 1	1.0	£2,422
Upper Pay Point 2	1.5	£3,634
Upper Pay Point 3	2.0	£4,845
Leadership	0.5	£1,211

3. Proposed changes to DfES Regulations indicate that this grant will be “mainstreamed” from April 2006. This means that funds are transferred into the Dedicated Schools Grant (DSG) and no longer form a specific grant.
4. The value of the grant transferred into the DSG from April 2006 will be subject to adjustment by the DfES in respect of two elements:
 - i) Estimated funding for Dudley teachers of Post 16 pupils (adjustment to 2005/06 baseline £0.12m).
 - ii) Dudley teaching posts funded centrally in 2005/06 outside of the Schools Budget (adjustment to 2005/06 baseline £0.13m).

These elements will be funded directly from DfES and LSC (Learning and Skills Council) respectively from April 2006.

5. The DfES advise that of the remaining £6m grant within the DSG there may be two methods by which this can be allocated:
 - i) Continue to fund Teachers Performance related pay costs separately, through specific locally determined formulae outside of the delegated budget, as adopted in 2005/06; or
 - ii) Direct the funding through the delegated budget using either a separate funding factor (as adopted for 2005/06) or enhancement of AWPU (Age Weighted Pupil Unit).

Proposals

6. It is proposed that for 2006/07, the allocation of funding to schools in respect of Teachers Performance related pay is made in line with the current methodology as agreed by Schools Forum in February 2005 but allocated via the delegated budget. There is no direct correlation between pupil numbers and performance pay received by teachers therefore to distribute these funds using the AWPU would result in inequitable funding between schools.

Finance

7. The funding of schools is prescribed by the DfES through the Financing of Maintained Schools Regulations (England) 2004 and the LEA budget, Schools Budget and Individual Schools Budget (England) Regulations 2004. From 2006 it will be amended to the School Finance (England) Regulations 2005.
8. From 1st April 2006, the Schools Budget will be funded by a direct DfES grant: Dedicated School Grant (DSG).

Law

9. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equal Opportunities

10. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

11. That Schools Forum note the contents of this report, and advise the Director of Children's Services in respect of the proposal for the distribution of funding for Teachers Performance related pay costs from April 2006.



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