

**Schools Forum 12 December 2006**

**Report of the Director of Children's Services**

**Formula Funding for Changing Schools (PAN Increases)**

**Purpose of Report**

1. To advise Schools Forum of the actual pupils admitted in September 2006, compared to the funded increase in Published Admission Numbers (PAN) received by schools in April 2006.

**Budget Working Group Discussed**

2. No.

**Actions for Schools Forum**

3. To advise the Director of Children's Services regarding the future methodology for funding increases in PAN.

**Attachments to Report**

4. None.

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**Purpose of Report**

1. To advise Schools Forum of the actual pupils admitted in September 2006, compared to the funded increase in Published Admission Numbers (PAN) received by schools in April 2006.

**Background**

2. Under Regulation 14 of the School Finance Regulations (England) 2006, with effect from 1<sup>st</sup> April 2006, local authorities are now only permitted to fund schools based on a single pupil count, which will be taken in January on an annual basis.
3. This effectively prohibits the application of the 5% trigger arrangement which previously existed under Dudley's LMS Scheme for Financing Schools, which allowed additional funding to be made available if a school admitted pupils in either September or January, equal to or greater than 5% of those reflected in the latest Pupil Level Annual School Census (PLASC).
4. In order to overcome the potential financial difficulties, which would be encountered by some schools in this situation, it was resolved by Schools Forum on 7<sup>th</sup> February 2006, that a new formula factor for "Changing Schools" be introduced for 2006/07. This allocated 7/12ths Age Weighted Pupil Unit funding to schools for the relevant increase in PAN, where such an increase had been agreed with the local authority; albeit the actual pupil numbers would not be known until September.
5. It was agreed that a review of actual admissions in September 2006 compared to planned admissions be undertaken and reported to Schools Forum in order that a decision be taken regarding future funding of increases in planned admission numbers (PAN).
6. The results of the review are attached at Appendix 1. They show that three of the schools admitted less pupils than those funded in April 2006 through the changing schools formula factor.

## **Proposals**

7. It is proposed that for future years a review of pupils admitted in September compared to the funded increase in PAN is undertaken on an annual basis, and that funding for the following financial year is based on either, the approved increase in PAN or the number of actual pupils admitted in September, whichever is the lower.
8. It is proposed that for 2007/08 the funding of PAN increases is as highlighted in Appendix 1, based on the methodology referred to in paragraph 7.

## **Finance**

9. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2006.
10. From 1<sup>st</sup> April 2006, the Schools Budget is funded by a direct DfES grant: Dedicated School Grant (DSG).

## **Law**

11. 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.

## **Equality Impact**

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

## **Recommendation**

13. Schools Forum consider the proposals detailed in paragraph 7 and 8 and advise the Director of Children's Services regarding this funding for 2007/08 and for future years thereafter.



**John Freeman**

**Director of Children's Services**

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