

AGENDA

Herefordshire Schools Forum

Date: **Friday 1 October 2010**

Time: **2.00 pm**

Place: **Council Chamber, Brockington, 35 Hafod Road,
Hereford HR1 1SH**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

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Agenda for the Meeting of the Herefordshire Schools Forum

Membership

Chairman	Mrs JS Powell	
Vice-Chairman	Mr NPJ Griffiths	
	Mr J A Chapman	Roman Catholic Church
	Mr P Burbidge	Roman Catholic Church
	Mrs S Catlow-Hawkins	Secondary Schools Headteacher (Voluntary Aided)
	Mr N O'Neil	Secondary Schools (Community)
	Mrs S Woodrow	Secondary Schools
	Vacancy	Secondary Headteachers
	Mr S Pugh	Primary Schools Headteacher (Community)
	Rev D Hyett	Voluntary Aided Primary School
	Mrs J Cecil	Primary Schools Headteacher (Voluntary Controlled)
	Mr P Box	Primary Schools
	Steve Matthews	Primary Headteachers Small Schools
	Ms T Kneale	Primary Schools
	Vacancy	Primary Headteachers Small Schools
	Mrs J Baker	Secondary School Governor
	Vacancy	Special School Governor
	Mr T Edwards	Primary School Governor
	Mrs S Bailey	Special Schools
	Mrs E Christopher	Pupil Referral Unit Headteacher
	Mr J Docherty	Secondary Schools
	Mrs A Pritchard	Teaching Staff Representative
	Mr M Harrisson	Teacher Representative
	Mr J Godfrey	14-19 Representative
	Mr A Shaw	14-19 Representatives
	Mrs A Jackson	Early Years Representative
	Mrs R Lloyd	Early Years
Non Voting	Councillor PD Price	Observer
	Councillor WLS Bowen	Observer

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AGENDA

		Pages
1.	APOLOGIES FOR ABSENCE To receive apologies for absence.	
2.	NAMED SUBSTITUTES (IF ANY) To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.	
3.	DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on the Agenda.	
4.	CHAIRMAN'S ANNOUNCEMENTS To receive any announcements from the Chairman.	
5.	MINUTES To approve and sign the minutes of the meeting held on 9 July 2010.	1 - 6
6.	LATE ITEMS/ANY OTHER BUSINESS To consider any issues raised as either a late item or any other business.	
7.	CONSULTATION ON SCHOOL FUNDING 2011-12 - INTRODUCING A PUPIL PREMIUM To approve the response to the Department for Education (DfE) school funding consultation paper on the "Introduction of a Pupil Premium and Arrangements for Distributing Dedicated Schools Grant (DSG) for 2011-12".	7 - 60
8.	EARLY YEARS FINANCE REPORT To provide the Schools Forum with an overview of the central funding for Early Years in Herefordshire in 2010.	61 - 92
9.	EFFICIENCY SAVINGS IN SCHOOLS To consider further work to develop options to help Herefordshire schools make efficiency savings according the DfE advice set out in "Investing for the future, protecting the front line".	93 - 132
10.	BUDGET WORKING GROUP To consider the recommendations of the Budget Working Group on 25 June 2010.	133 - 150

11. PERFORMANCE OUTCOME AGAINST EARLY YEARS SEN GRANT SPENDS	151 - 156
To inform School's Forum of the current position regarding additional funding to pre-school settings for children with significant specific educational needs and to request that the Forum continue to provide additional funding for pre-school settings for children with significant special educational needs	
12. WORK PROGRAMME	157 - 158
To consider the Forum's work programme.	
13. DATE OF NEXT MEETING	
3 December 2010 at 10:00 am.	

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COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Herefordshire Schools Forum held at Council Chamber, Brockington, 35 Hafod Road, Hereford HR1 1SH on Friday 9 July 2010 at 10.00 am

Present: Councillor Mrs JS Powell (Chairman)
Councillor Mr NPJ Griffiths (Vice Chairman)

Mrs S Catlow-Hawkins, Mrs D Coates, Mrs E Christopher, Mr J Docherty, Mrs C Garlick, Mr M Harrisson, Rev. D Hyett, Mr J Godfrey, Mrs A Jackson, Lloyd, Mrs A Pritchard and Mr R Thomas

In attendance: Councillors WLS Bowen and PD Price

1. ELECTION OF CHAIRMAN

It was proposed and seconded that Mrs J Powell be nominated for Chair.

RESOLVED: That Mrs J Powell be elected Chairman of the Herefordshire Schools Forum for the ensuing year.

2. APPOINTMENT OF VICE-CHAIRMAN

It was proposed and seconded that Mr NPJ Griffiths be nominated for Vice-Chair.

RESOLVED: That Mr NPJ Griffiths be appointed Vice-Chairman of the Herefordshire Schools Forum for the ensuing year.

3. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr P Burbidge, Mrs A Jackson, Ms T Kneale, Mrs R Lloyd and Mr N O'Neil

4. NAMED SUBSTITUTES (IF ANY)

Mrs D Coates substituted for Ms T Kneale

5. DECLARATIONS OF INTEREST

There were no declarations of Interest

6. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

7. MINUTES

RESOLVED: That the Minutes of the meeting held on the 17 May 2010 were approved as a correct record and signed by the Chairman.

8. LATE ITEMS/ANY OTHER BUSINESS

The Chairman informed the Forum that she would be taking an additional item regarding the Draft Terms of Reference for the School Funding Review Group which had been circulated to members. The item would be taken after item no.10 on the Agenda.

In response to an issue raised by a member, the Interim Director of Children's Services agreed to present a report to the next Forum meeting which would brief members on the work of the Herefordshire Schools Task Group.

9. CONSTITUTION

The Democratic Services Officer presented a report which proposed an amendment to the Schools Forum constitution to include an Academies representative.

Circulated at the meeting, a copy of which is attached to the Minutes, was an amended copy of the report which amended the reasons for recommendations.

RESOLVED: That the Schools Forum approves the proposed amendment to the Schools Forum constitution to include membership from Herefordshire Academies as set out in paragraphs 3 and 4 of the report in accordance with the Schools Forum (England) Regulations 2010.

10. REPORT OF BUDGET WORKING GROUP - 20 APRIL 2010

The Schools Finance Officer presented a report which requested consideration of the recommendations of the Budget Working Group. He informed members that the report detailed the discussions of the Working Group meeting held on 20 April 2010 and attached to the report were the papers that were considered by the Working Group.

With regard to the 2011/12 and 2012/13 school budgets, the Lead headteacher informed the Forum that since the Working Group meeting, the government had announced that Harnessing Grant Technology had been cut by 50%..

The Schools Finance Manager referred to the Social Deprivation Funding and informed the Schools Forum that the government would be introducing a National Pupil Premium which would take effect April 2012 which would replace the current model and a consultation paper was expected over the summer.

With regard to the School Lunch Grant, the Lead headteacher reminded members that the £112,000 was the final sum for redistribution in 2010/11 and that the options for the re-distribution were detailed in paragraph 14 of the report.

The Schools Finance Manager informed the Schools Forum that he considered (c) to be the fairest option whereby all schools would receive some funding.

RESOLVED: That

- (a) the role of the Budget Working Group be agreed as set out in the report and included in the School's Forum constitution;**
- (b) the initial budget assumptions for 2011/12 be noted;**
- (c) further work by the Budget Working Group on the local pupil premium and social deprivation funding be deferred until government announcements on the next steps for funding for these areas are received; and**
- (d) the method for allocating the balance of the School Lunch Grant for 2010/11 be Option C, as set out in paragraph 14 of the report, to be subject to review after 12 months.**

11. DEDICATED SCHOOLS GRANT

The Schools Finance Manager presented a report which informed members in relation to the final Dedicated Schools Grant (DSG) for 2010/11 and the outturn for 2009/10. He advised the Schools Forum that the Council had received notification from the Department for Education (DFE) that prior to Academy recoupment, the final DSG for 2010/11 would be £90,304,000 which was £10,000 more than was expected. He drew members' attention to the pupil numbers in the table at the top of page 89 and that these were reducing overall but that as a positive, the amount of Individual Schools Budget had increased by 3.5 per cent. He also drew attention to paragraph 11 in the report and, in particular, that the forecast in 2010/11 that the Joint Agency Management budget (for out of county placements for children with complex medical, social and educational needs) an £248,000 overspend in the cost allocated to DSG and to the revaluation of school business rates (after school budgets had been issued) had resulted in increased costs of £198,000.

In response to an issue raised, the Schools Finance Manager advised that the DSG did not take account of in year pupil transfers. He would, however, take the issue to the Budget Working Group for consideration and bring back its views to the next Schools Forum meeting.

With regard to an issue raised on early years expenditure, the Schools Finance Manager advised that the Budget Working Group would bring a report to the next Schools Forum meeting on early years expenditure.

The Schools Finance Manager suggested that the £128,000 DSG underspend be retained to be set against overspends for 2010/11.

Members' attention was also drawn to the suggestions in an earlier report to the meeting that the schools budget was expected to be based partly with 0.9 per cent efficiency savings and 10 per cent procurement savings.

RESOLVED: That

- (a) the final DSG settlement and the increase of 3.5% in the Individual Schools Budget be noted;**
- (b) the schools Forum retains the 2009/10 DSG underspend of £128k to help meet the forecast overspends in out county placements and school business rates.**

- (c) a report detailing Early Years expenditure be presented for discussion to the Budget Working Group with a report from the Group to the October Schools Forum meeting;
- (d) schools be requested to put forward suggestions to Schools Forum on how to achieve 0.9 per cent budget efficiency savings and 10 per cent procurement savings; and
- (e) Property Services and other appropriate officers be asked for their suggestions in relation to (d) above.

12. DRAFT TERMS OF REFERENCE FOR THE SCHOOL FUNDING REVIEW GROUP

The Schools Finance Manager presented a report which requested the Schools Forum to consider terms of reference for the Schools Funding Review Group and funding for the Group for 2011/12 and 2012/13. He informed the Forum that the Budget Working Group had considered and agreed the draft terms of reference at its meeting on 20 April 2010 and made some amendments.

The Interim Director of Children's Services advised members that it was unlikely that a permanent appointment of Director of Children's Services would be made in the near future. He would, however, be willing to join the Group until the permanent appointment was made.

The issue was raised regarding the possibility of cluster group representation on the Review Group and the financial implications this would have. It was suggested that funding for the Review Group could be sourced from the local authority rather than Dedicated Schools Grant (DSG). The Interim Director of Children's Services advised that there were no other areas to achieve such funding other than from DSG. It was suggested to the Schools Forum that an alternative would be to consult with Clusters on issues raised by the Review Group.

RESOLVED: That

- (a) the Schools Forum approves representation of the School Funding Review Group as set out in paragraphs 1 and 2 of Paragraph 6 of the report and that the Review Group incorporates a mechanism to enable a two way consultation process with school clusters with regard to issues being considered by the Group;
- (b) the Interim Director of Children's Services to support the Review Group until such time as a permanent Director of Children's Services has been appointed;
- (c) representatives of the review Group be nominated by Headteacher groups early in the autumn term;
- (d) £23,000 funding be allocated from Dedicated Schools Grant in 2011/12 and 2012/13, to be capped at a maximum of £46,000, for the review as a priority allocation but subject to final ratification in February 2011 when the Dedicated Schools Grant is known; and
- (e) the terms of reference for the School Funding Review Group are approved.

13. PROPOSED PROCEDURE FOR APPROVING TRANSFER OF REVENUE BALANCES TO CAPITAL

The Head of Access and Capital Commissioning presented a report which sought endorsement of the proposed process for the transfer of schools' revenue budgets to capital. He reminded members that previously schools had been able to transfer funds from revenue to capital and that the report was as a consequence of the Schools Forum concerns about the issue. He advised that the report suggested a process at paragraph 11 to restrict such transfers.

After discussion regarding the timeframe whereby schools would need to inform the authority of revenue transfers, and the suggested process at paragraph 11 it was

RESOLVED: That, subject to

(a) paragraph 11 (a) v of the proposed process as detailed in the report be amended as follows and be relocated to become paragraph 11(b)iii. 4:

(b) 'With the exception of capital schemes which address issues identified in (i),(ii) and (iii) above, the revenue contribution to any other individual capital scheme shall not exceed 50% of the cost of the scheme.

(c) the addition of paragraph 11(b) vii. as follows:

'A timescale of planning be created which sets out the latest dates when schools can apply for a transfer.'

the proposed process as detailed in paragraph 11 be applied to all categories of school seeking to transfer revenue funds to capital.

14. PROPOSAL TO FUND REQUIREMENT FOR 25 HOURS SHORT STAY/PRU PROVISION

The Head of Additional Needs presented a report regarding the funding of the requirement to provide pupils at Pupil Referral Units (PRU) with 25 hours of short stay/PRU provision. He emphasised that if the level of permanent exclusion remained at the current level, from September 2010 to the end of March 2011, £156,000 would be required to provide the 25 hours of education and to maintain the current number of places. He advised that if the additional funding was not agreed it would result in fewer places of shared costs across all schools to provide the 25 hours.

Members expressed concern that Herefordshire Association of Headteachers (HASH) had not been consulted on the proposals.

The Interim Director of Children's Services advised that given the nature of the responses from members, further work was needed on the proposals with a further more detailed review by HASH. In the meantime he suggested that the additional hours be met from the 2009/10DSG underspend.

RESOLVED: That subject to consideration of the proposal to fund the requirement for 25 hours short stay/PRU provision being deferred for further review particularly on the funding source and to enable consultation with Herefordshire Association of Secondary Headteachers (HASH) on the proposals with a report back to Schools Forum accordingly. In the meantime the

- (a) number of places in the PRU be maintained potentially at the current level; and
- (b) as an interim measure, funding for the 25 hours short stay/PRU Provision be funded from the DSG underspend with a £91,000 expenditure ceiling on the funding.

15. CHILDREN'S TRUST BOARD MANAGEMENT GROUP MEETINGS

The Chairman suggested that consideration of this item be deferred to the next Schools Forum meeting.

RESOLVED: That this item be deferred for consideration to the next Forum meeting.

16. WORK PROGRAMME 2010/11

The Forum considered the Work Programme for 2010.

RESOLVED: That the following items be added to the work programme:

October 2010 Work Programme

- (i) Children's Trust Board Management Group Meetings – Chairman's Brief to the meeting.
- (ii) Proposal to Fund Requirement for 25 Hours Short Stay/PRU Provision.
- (iii) Early Years Expenditure.
- (iv) Budget Efficiency Savings and Procurement Savings.

The meeting ended at 12.10 pm

CHAIRMAN

MEETING:	SCHOOLS FORUM
DATE:	1 OCTOBER 2010
TITLE OF REPORT:	CONSULTATION ON SCHOOL FUNDING 2011-12 INTRODUCING A PUPIL PREMIUM
OFFICER	SCHOOLS FINANCE MANAGER

CLASSIFICATION: Open

Wards Affected

County-wide – All Schools

Purpose

To approve the response to the Department for Education (DfE) school funding consultation paper on the “Introduction of a Pupil Premium and Arrangements for Distributing Dedicated Schools Grant (DSG) for 2011-12”.

Recommendation

THAT School Forum is asked to:

- a. Contribute to the response document as appropriate, and then
- b. Approve the response document for submission to the Secretary of State.

Key Points Summary

- Appendix 1 sets out the Government’s proposals for the introduction of a pupil premium from September 2011 and arrangements for continuing the current distribution methodology for DSG in 2011/12. Details of the consultation paper are set out in paragraphs 3 to 19.
- The pupil premium will be paid via a specific grant, outside DSG, based on figures from the January school census and must be passed onto schools in full.
- The consultation document proposes three different options for a deprivation indicator, which will be used to distribute the premium:
 - Free school meals eligibility – one of three different measures
 - Tax credit indicator
 - Commercial classification software.
- The consultation document also proposes minor changes to the DSG distribution methodology

Further information on the subject of this report is available from
Malcolm Green, Schools Finance Manager on (01432) 260818

to reflect early years funding, dual registrations in pupil referral units, armed forces movements, home educated pupils and cash floors.

- Suggested responses to the DfE's consultation paper are set out in Appendix 2.

Alternative Options

- 1 There are no alternative options for consideration.

Reasons for Recommendations

- 2 Herefordshire Schools Forum needs to reply to the consultation paper so their views are collated and add strength to achieving a satisfactory outcome.

Introduction and Background

- 3 The DfE has launched a consultation on the distribution of funding for schools in 2011/12 and proposals to introduce a pupil premium. The consultation period lasts 12 weeks and **closes on 18 October 2010**. Responses can be sent to dsg.consultation@education.gsi.gov.uk or completed via the DfE website. The results of the consultation will be published by the Department in autumn 2010.
- 4 The consultation focuses on two particular issues, the introduction of a pupil premium from September 2011 and arrangements for continuing the current distribution methodology for the DSG in 2011/12. This briefing paper summarises the consultation questions in the order they appear in the consultation paper. The consultation paper (Appendix 1) itself contains more technical detail. Suggested replies are set out in Appendix 2.
- 5 The DfE intend to publish indicative 2011/12 DSG allocations for local authorities in late November or early December 2010, following the outcome of the Spending Review, which will be announced on 20 October 2010.

Background

- 6 The previous Government launched a consultation on the future of the DSG in March 2010. The Coalition Government has considered the responses to this consultation and DfE has produced an analysis. Although the new Government accepts the principle put forward that specific grants should be mainstreamed into the DSG, this consultation paper outlines their own proposals for schools funding.

Introducing a pupil premium for disadvantaged pupils [Section 1]

- 7 The Government's commitment to a pupil premium for disadvantaged pupils from Reception to Year 11 was outlined in the coalition agreement. In order to manage the implementation of the pupil premium, the Government propose retaining the current spend-plus methodology for allocating funding via the DSG for 2011/12. However, in the longer term, the Government wishes to introduce a simpler and more transparent distribution mechanism. It is their intention to introduce a fairer, formulaic distribution mechanism and to reduce differences between similar schools in different areas. The previous work of the Formula Review Group will be considered in the development of proposals.

Operating the Pupil Premium

- 8 The pupil premium will be distributed via a specific grant, outside DSG. The Government

intends to allocate higher funding for deprived pupils at schools in areas which currently receive lower levels of funding. Over time this will ensure the same amount of funding for deprived children, wherever they attend school.

- 9 The grant will be paid to local authorities based on figures from the January school census. The conditions of the grant will require the total amount for each relevant pupil to be passed on to schools using defined per pupil amounts. An Area Cost Adjustment will be applied to the pupil premium. The Government intend to use an approach which takes into account teachers pay bands, such as the 'hybrid' approach outlined in the consultation on the DSG review.

Consultation Question 1

Do you agree it is right to give a higher premium to areas that currently receive less per pupil funding? [Paras 24 - 27]

Yes – Every pupil should receive the same level of funding throughout England (accepting differences due to valid Area Cost Adjustments and SEN supplements). Fairness was the key principle of the previous DSG consultation which has been widely accepted by the vast majority of respondents agreeing with all or some of the principles underpinning the DSG Formula review.

The implementation of equal funding for deprived pupils is a start that should be applied to all pupils. Closing the gap for deprived pupils requires all deprived pupils to be equally funded irrespective of where they live. It follows that low funded authorities will need a top-up to bring funding for deprived pupils up to the standard funding rate.

Deprivation Indicators for the Pupil Premium

- 10 The document proposes three different options for a deprivation indicator, which could be used to distribute the premium:
- Free School Meals (FSM) eligibility – the consultation proposes three different measures: current FSM eligibility, pupils eligible for FSM in 1 of the last 3 years or pupils eligible for FSM in at least 1 of the last 6 years.
 - Tax Credit Indicator – the consultation proposes an indicator for children from families where both parents are out of work and claiming the out of work tax credit.
 - Commercial classification software – the consultation proposes using a software package such as ACORN or Mosaic which are designed to identify groups of households based on consumer behaviour.

Consultation Question 2

What is your preferred deprivation indicator for allocating the pupil premium? [Paras 29 - 50]

Our preferred indicator is Free School Meals ever - 6 years

The free school meals indicator has major benefits in that it is easy to count and as part of the annual school census it is always the latest up to date information. The concept of the “ever – FSM” is a welcome development since it includes those pupils who fluctuate between eligibility and not and also provides a greater coverage which is more reflective of other deprivation measures. The 6 year FSM is a definite improvement on the single year FSM pupil count.

A primary school has 7 years of pupils and an 11-16 secondary school has 5 years of pupils. Measuring deprivation over an average of 6 year must come very much closer to measuring the deprivation across the whole school than the single or 3 year FSM. The FSM – 3 year seems to be included only as a half way house compromise.

It is not clear from the table on page 13 of the consultation document that the 6 year FSM accurately measures deprivation in Years R-2 which may need further consideration particularly for its application for Infant schools.

We assume that the DfE will provide the school by school information on the percentage entitlement in order to maintain consistency with the national authority calculation. If this is not the case then we doubt that we have the capacity to determine an accurate calculation of the 6 year- FSM for every school and to ensure reconciliation with the grant.

The Out of Work Tax Credit indicator should be discounted because in very rural counties the Lower Super Output Area (LSOA) is too large to give a homogenous indicator for all pupils living in the area. We have instances of some pupils living in a highly deprived LSOA attending private school which undermines the credibility of the indicator. Annual updating of data is a must.

The Commercially based ACORN/MOSAIC indicators should be discounted because of the lack of transparency of data and methodology. The ACORN/MOSAIC indicators also suffer from the deficiencies of post codes and LSOAs. Without a clear transparency of data and calculation the information will be open to challenge or errors will go undetected.

On the balance of the above arguments above we prefer the “Ever Free School Meals - 6 year” indicator.

Pupil Premium for Looked After Children

- 11 The consultation proposes a separate pupil premium to address the level of attainment of Looked After Children (LAC). The nature of care arrangements means many LAC would not be included in the proposed deprivation indicators. DfE propose to fund the authority which is responsible for the care of the child, rather than the authority in which the child is educated;

around 30% of LAC attend school in a different authority.

- 12 The Government propose to use the annual SSDA903 return which provides child-level data on LAC. It believes this is a more reliable source than data obtained from the school census. Each local authority would receive funding based on the number of children looked after for six months or more in the previous financial year. Funding would then be passed on to the schools which are educating those pupils, whichever authority they are located in. The consultation seeks views on how this would work in practice and will confirm the precise methodology following the consultation.

Consultation Questions 3 & 4

Do you agree the coverage of the pupil premium should include Looked After Children? [Paras 51 - 54]

Yes – The attainment gap for Looked After Children is even greater than for children from a deprived background.

What are your views on the operation of the Looked After Children element of the pupil premium? In particular, how might the funding arrangements work at local authority level for pupils educated outside of the local authority with caring responsibility? [Paras 55 - 60]

It is sensible to allocate the extra funding to the "home" authority to forward to the school. For children attending schools in a different authority this will presumably be via a cheque or BACS payment direct to the school. There will be a difference in funding between the pupil premium of the "home" authority and the pupil premium of the authority where the school is situated.

Presumably the YPLA will pay the home authority via a separate grant for LAC in sixth forms?

Children with complex social, medical and educational needs are likely to be more problematic as the payment will in general not be to a school but to an agency where education is only a part of the provision. Payment to the agency already includes the full education cost so will we be able to use the premium to offset against the existing cost or how do we ensure that additional education is provided to the value of the premium?

Where children are in placements that could change what do we do about recovering the money if the premium has been paid in full? Or do we pay termly in arrears?

Given the additional 16,000 additional LAC who pass through the care system during each year (and in between pupil counts) there must be a case for using an ever-LAC indicator for either 3 or 6 years to ensure funding reaches those children who need it. It will depend on the individual circumstances of each child whether the home authority is able to track the whereabouts of each child.

Pupil Premium for Service Children

- 13 The consultation also proposes introducing a premium for children of parents in the armed forces. There are additional costs associated with service children such as initial assessments and additional administrative work, which result from the high turnover of such pupils. The

school census, which collects data on the number of service children, would be used to allocate funding as a specific grant to local authorities, which would then be passed on to schools. The attainment of service children is at least as good as non-service children, therefore, the premium, if implemented, will be at a lower level than for deprived children.

Consultation Question 5

Do you think the coverage of the pupil premium should be extended to include additional support for Service children? [Paras 61 - 66]

Yes we support the introduction of a service pupil premium provide the extra funding is spent on the pupil. Significant extra schools costs for assessment/administrative work and maintaining staff numbers are best dealt with by the special purpose grant and paid direct to the school by the local authority. (See also Question 8)

Methodology for allocating school funding for 2011/12 [Section 2]

- 14 The Government's main priority in the short-term is for the smooth introduction of the pupil premium. Consequently no major changes are proposed to the current allocation methodology for DSG. However, DfE intend to mainstream 'relevant grants' into DSG, this is likely to include at a minimum School Development Grant, Schools Standards Grant and School Standards Grant (Personalisation). The following paragraphs provide information on the other proposed changes to the current arrangements.

Early Years Funding

- 15 At present the actual number of 3 year olds who take up a part-time entitlement place or an amount equivalent to 90% of the 3 year old population, whichever figure is higher, attract funding via the DSG. The consultation proposes funding all authorities based on actual take-up in 2011. Although this would not alter the overall level of funding available, it would slightly increase the *per pupil* unit funding for all authorities. All local authorities will be required to implement a Single Funding Formula for early years funding from April 2011. A further consultation on new School Finance regulations will take place in the autumn.

Consultation Question 6

Should the pupil count for three year olds, used to allocate DSG for 2011-12, reflect actual take up or continue to reflect a minimum of 90% participation where lower? [Paras 75 - 76]

Yes - In 2010/11 an additional 4,718 fte pupils were added to bring 45 authorities up to the 90% participation level. This is much reduced from the 13,042 pupils added in 2009/10 for 90 authorities. It seems right that authorities should be funded on actual numbers i.e. the same as schools particularly in view of the significantly reducing numbers of extra pupils added to an ever smaller number of authorities.

Pupil Referral Unit Dual Registrations

- 16 Before the new Pupil Referral Unit (PRU) census was introduced in 2010 it was not possible to differentiate between those pupils with a dual main registration and those with a dual subsidiary registration. Consequently, some PRU pupils were double funded. Data on the type of registration is now available and the consultation proposes funding authorities only for pupils with dual main registration. As with the proposals for 3 year olds, this would not affect the overall level of funding, but would slightly increase the per pupil unit of funding for actual pupils.

Consultation Question 7

Should the pupil count used to allocate DSG for 2011-12 continue to reflect dual subsidiary registrations for pupils at pupil referral units? [Paras 77 - 78]

No - Dual registered pupils at pupil referral units should not be funded – there should be no double funding of pupils. Each pupil should only be funded once.

Funding for Schools Affected by Armed Forces Movements

- 17 The previous DSG consultation proposed allowing local authorities with schools near military establishments to make a claim for additional pupils to be counted for DSG purposes, if numbers had fallen significantly from the previous year as a result of armed forces movements. The proposal was strongly supported in responses to the previous consultation and therefore the Government propose to introduce this arrangement from 2011.

Consultation Question 8

Do you support our proposals for additional support for schools catering for Service children? [Para 79]

Yes - provided the special circumstances grant is paid to the service schools and is reflective of their additional costs – and these may change from year to year depending on Armed Forces movements.

Home Educated Pupils

- 18 The consultation proposes introducing funding for local authorities for those pupils educated at home, if the authority provides services to such pupils, for example access to school facilities or payment for exam entry fees. It is proposed authorities would be able to claim for 10% of the per pupil funding unit.

Consultation Question 9

Do you support our proposals for home educated pupils? [Para 80]

Not sure – it seems reasonable as authorities incur costs re the home education service but is the introduction of additional pupils funded at a proportion of unit of funding an unnecessary complication that means that authorities will no longer be able to multiply the number of pupils by the funding unit to calculate the DSG.

Minimum Funding Guarantee and Cash Floors

- 19 The consultation proposes retaining arrangements for a Minimum Funding Guarantee for 2011/12. However, the level will not be announced until after the Spending Review and it could be negative rather than positive. The consultation also states the Government is not inclined to have a cash floor in 2010/11, as it believes money should closely follow pupils. However, it seeks authorities' views on this and will keep the issue under review pending the outcome of the Spending Review.

Consultation Questions 10 & 11

Do you think that there should be a cash floor at local authority level in 2011-12? [Para 85]

Not sure - the cash floor cost £8.465m out of a DSG total of £31bn and is equivalent to £1.25per pupil. The cash floor applies to 8 authorities who are mostly metropolitan or unitary authorities and 3 authorities account for £7m. Without knowing the impact of the withdrawal of the cash floor on the authorities affected it is difficult to determine whether it is value for money. In principle we believe that the funding should follow the pupil and that any protection from a cash floor should be temporary and phased out over a number of years – typically three.

Have you any further comments?

Will the pupil premium extended to the Early Years Single Funding Formula as the same principles apply to deprivation funding in nursery schools, nursery classes and Private, voluntary and Independent nurseries. Every authority will be introducing different payment methods in their early years formulae from April 2011.

Key Considerations

- 20 None identified.

Community Impact

- 21 None specifically identified from the consultation proposals

Financial Implications

- 22 No financial implications are identified within the consultation paper as the pupil premium funding allocations will be announced by DfE in the autumn after the closure of the consultation.

Legal Implications

- 23 It is confirmed that these proposals are consistent with the Council's legal duties

Risk Management

25 Herefordshire's views will only be considered by DfE if a response is returned by 18th October 2010.

Appendices

26 Consultation on introducing a pupil premium by DfE July 2010.

Background Papers

Briefing notes prepared by Society of County Treasurers

Consultation on school funding 2011-12

Introducing a pupil premium

**Consultation on school
funding 2011-12:
Introducing a pupil
premium**

Ministerial Foreword

A good education is the key to improving young people's life chances; to enable them to progress into adulthood with the skills and confidence for success. This is particularly true for disadvantaged children, who are far less likely to leave schools with good GCSE results than other children. Yet it is these pupils that are being let down the most by the current school system.

Over the past decade, the gulf in achievement between the rich and the poor has widened, while the attainment gap between fee-paying schools and state schools has doubled.

In the last year for which we have data, out of a cohort of 600,000 pupils, 80,000 pupils were eligible for free school meals. And of those, just 45 made it to Oxbridge. And at the same time, just 2 out of 57 countries now have a wider attainment gap between the highest and lowest achieving pupils.

This is not good enough and addressing this disparity is a top priority of the coalition government. It is for this reason that we are implementing a pupil premium, to ensure that extra funding is targeted at those deprived pupils that most need it.

The Coalition: our programme for government set out our intention to fund 'a significant premium for disadvantaged children from outside the schools budget'. This consultation sets out our proposed methodology for allocating such a premium, including options on the best deprivation indicator to use. This money will not be ring fenced at school level as we believe that schools are in the best position to decide how the premium should be used to support their pupils.

We have also included proposals to ensure that Looked After Children, who have consistently low attainment but are often not picked up by deprivation indicators, benefit from the pupil premium.

Furthermore, we are honouring our commitment to rebuild the Military Covenant by exploring the potential for extending the scope of the pupil premium to include additional support for service children.

In addition to consulting on the pupil premium, this document also sets out our intentions for school funding for 2011-12. We will continue with the current methodology for the distribution of school funding to allow for a clear and transparent introduction of the pupil premium. But we also recognise that the funding system should reflect pupil characteristics more closely and so we intend to review the system for funding schools beyond 2011-12.

Furthermore, from April 2011 we will require all local authorities to implement the Early Years Single Funding Formula, in order to improve fairness and transparency in the system and to support diversity of provision.

School funding, like other areas of public spending, will of course be part of the Chancellor's spending review considerations and overall levels of funding for schools will not be known until after 20th October. We will be able to provide more detailed funding figures, including

for the pupil premium, after this date.

Our policy for schools and for school funding will be built on our Coalition principles of freedom, fairness and responsibility. It will not be based on the principle of throwing money at the problem and hoping for the best but on a coherent strategy of targeting resources wisely and where they are most needed to achieve the best outcomes. We want a simple and transparent formula that schools can understand and can recognise clearly what the funding priorities are.

Finally we should stress that this is an important document which sets out our plans for school funding, which will affect the budgets of all schools. We hope that interested parties will take the time to read this and respond.



Michael Gove
Secretary of State for Education

Sarah Teather
Minister of State for Children and Families



Executive Summary

This document sets out proposals for distributing funding for schools in 2011-12. It puts forward options for how the Government's policy to introduce a pupil premium for disadvantaged pupils should operate and seeks views on the overall funding methodology for next year.

The level of funding for schools for 2011-12 will be determined once the outcome of the Government's spending review is announced on 20 October 2010. In reaching decisions there will be a balance between taking urgent action to manage the public finances, while protecting the most vulnerable and recognising that education faces particular pressures.

Pupil Premium

One of the Government's key priorities is to introduce a pupil premium to support disadvantaged pupils, who continue to underachieve compared with their peers. Funding for the premium, which will be introduced in September 2011, will come from outside the schools budget to support disadvantaged pupils from Reception to Year 11. Schools will decide how best to use the premium to support the attainment of disadvantaged pupils.

The intention is to allocate the funding by means of a separate specific grant and not through the Dedicated Schools Grant (DSG). The size of the premium will vary between areas to reflect current differences in funding, ensuring that more money is available for currently lower funded authorities. Over time, this will mean that the same amount of funding will be available for deprived children no matter where they are. We are seeking views on the indicator to determine which pupils should attract the premium.

Looked After Children (LAC), who generally have poor attainment, will be covered by the pupil premium using a separate process since deprivation indicators do not generally include them.

We will explore the scope for extending the pupil premium to include Service children.

Funding arrangements for 2011-12

To provide stability and clarity in funding and to ensure the transparent introduction of the pupil premium, the Government is proposing to retain for 2011-12 the current system for allocating the DSG, based on the "spend-plus" methodology. The intention is to mainstream relevant grants into the DSG but to ensure stability at school level we will allow local authorities to use previous levels of grant as a factor in their local formulae.

Views are being sought on a number of proposals: whether from April 2011 the pupil count for three year olds should reflect actual take up or continue to reflect a minimum of 90% participation; whether to cease to provide DSG for dual subsidiary registrations at Pupil Referral Units; and whether to remove the current cash floor provisions which protect authorities with falling pupil rolls.

Local authorities which have yet to do so will need to implement an Early Years Single Funding Formula from April 2011.

We will also work with partners to review the methodology for funding Academies from 2011-12.

We will allow local authorities to apply for additional funding for schools with large numbers of service children and which face falls in pupil numbers due to Armed Forces movements, and also for home educated pupils.

The Government's intention for the longer term is to bring in a simpler and more transparent funding system. This should help reduce the funding differences between similar schools in different areas. We will work with key partners to consider how best to bring this about.

Next steps

The consultation runs from 26th July to 18th October – 12 weeks. We are aware that this period includes the summer break. Unfortunately we cannot extend the deadline for responses as we need to give sufficient time for the calculation of local authority and school budgets. We intend to give indicative DSG allocations for 2011-12 to local authorities, and to announce the level of the pupil premium for each local authority, in November or early December, following the Comprehensive Spending Review announcement on 20th October 2010.

Introduction

1. This document sets out proposals for the distribution of school funding for 2011-12. It supports the Government's objectives, principally the introduction of a pupil premium for disadvantaged pupils from September 2011. It seeks views on the overall funding methodology and puts forward options for how certain elements of the pupil premium should operate.
2. The Government has made clear its intention to introduce a pupil premium for disadvantaged pupils up to the age of 16. Such pupils significantly underachieve compared to their peers and a premium, which would involve providing additional funding specifically linked to disadvantaged pupils, would have the primary objective of boosting their attainment. Funding for the premium will come from outside the schools budget. It will be for schools to decide how best to use the premium to support the attainment of disadvantaged pupils. The premium will not apply at this stage to early years, partly due to data constraints, but the Government is exploring the scope to extend the pupil premium to early years pupils in the future, subject to Spending Review decisions and an assessment of the value for money case. In doing so, we will consider the balance of the premium between different phases of education.
3. To support the introduction of the pupil premium the Government is proposing to retain for 2011-12 the current system for allocating the Dedicated Schools Grant (DSG), using the spend-plus methodology. This will help to provide stability and clarity for schools in the forthcoming year and will aid the transparent introduction of the pupil premium, ensuring it is visible to all schools.
4. The Government is aware of the previous consultation issued in March 2010 on the future distribution of school funding and is grateful for the work of partners in developing proposals. It has considered the consultation responses in the context of its own aims and objectives about how schools should be funded, in particular that a less complicated system can and should be developed. It supports proposals to mainstream grants into the DSG as a step on the way to reducing the complexity of the system and accepts some of the principles that were put forward. An analysis of the consultation responses is available here:
<http://www.dcsf.gov.uk/consultations/index.cfm?action=conResults&consultationId=1709&external=no&menu=3>
5. Longer term the Government is looking to bring in a simpler and more transparent funding system and will work with key partners to consider how best to bring this about. In particular, it is our intention to introduce a fairer, formulaic basis for distributing funding and to reduce differences in funding between similar schools in different areas. In developing proposals we will consider the previous work of the Formula Review Group.
6. It is not possible to say at this stage what the overall level of funding will be for 2011-12 and beyond. The Government has recently launched its spending review, the outcome of which will be announced on 20th October 2010. The Government has, however, made clear that its first priority is to tackle the unprecedented deficit that the nation faces. As with other public services, there will be difficult decisions about the level of funding for

schools over the spending review period. In reaching decisions there will need to be a balance between taking urgent action to manage the public finances, while protecting the most vulnerable and recognising that education faces particular pressures.

7. We are unable to exemplify the funding levels for individual local authorities until the spending review is complete. However, the consultation puts forward the principles for distributing the funding between areas. We intend to announce indicative 2011-12 allocations to local authorities in November or early December 2010 in line with previous practice.
8. There are two sections to the paper:
 - Section 1 – Introducing a pupil premium for disadvantaged pupils; and
 - Section 2 - Methodology for allocating school funding for 2011-12.
9. The proposals in this document apply to **England** only.

Section 1

Introducing a pupil premium for disadvantaged pupils

10. Children from disadvantaged backgrounds often do not do as well at school as they could or should. Young children who start off in the bottom 20 per cent of attainment in the Early Years Foundation Stage Profile are 6 times more likely to be in the bottom 20 per cent at Key Stage 1 than their peers. For disadvantaged pupils, a gap opens at KS1 and increases over time. By the end of KS4, a pupil not entitled to free school meals (FSM) is over 3 times more likely to achieve five good GCSEs as one who is entitled. Just 2 out of 57 countries now have a wider attainment gap between the highest and lowest achieving pupils.
11. The statistics are shocking. In 2009:
 - 53% of the Key Stage 2 (KS2) pupils known to be eligible for FSM achieved the expected level in both English and mathematics compared to 75% for non FSM pupils, a gap of 22% - virtually the same as the previous year.
 - At KS4 just 27% of pupils eligible for FSM achieved 5A*-C GCSEs or equivalent, including English and mathematics, compared to 54% for pupils not eligible for FSM.
 - 33% of pupils in the 10% most deprived areas achieved 5 or more GCSEs at grades A*-C or equivalent including English and mathematics, compared with 72 percent in the 10% least deprived areas.
 - around 40% of pupils eligible for FSM at KS4 were also identified with Special Educational Needs.
12. Gaps persist through all stages of education, including entry into Higher Education. A pupil from a non-deprived background is more than twice as likely to go on to study at university as their deprived peers. In the last year for which we have data, out of a cohort of 600,000 pupils, 80,000 pupils were eligible for free school meals. And of those, just 45 made it to Oxford or Cambridge.
13. This underachievement has persisted for many years. Despite the increased funding for schools provided under the previous government, the funding currently allocated in the system for deprivation does not always reach the pupils who need it most. This means that these pupils are not getting the extra support they need. Over the past decade, the gulf in achievement between the rich and the poor has widened and the attainment gap between fee-paying schools and state schools has doubled.
14. Every child has potential and can succeed with the right help and support. No barrier should ever be allowed to hold a child back from fulfilling their potential. The Government will empower schools by giving them much more freedom, so they can respond to their pupils' individual needs. We are moving swiftly to remove unnecessary bureaucracy and regulation from schools and to reduce prescription in the National Curriculum. This will allow schools to focus more of their time and attention where it is most needed - on raising the attainment of disadvantaged pupils.

15. Free Schools will provide an opportunity for local parents and communities, including those in disadvantaged areas, to have more of a say about how their schools should be run and where resources and energies should be focused. The Academies programme has a good track record of success working in many of the most disadvantaged areas of the country and we are now opening up the Academies programme to all schools including, for the first time, primary schools and special schools.
16. The Government believes that schools are best placed to assess what additional provision should be made for the individual pupils within their responsibility. So the purpose of the additional funding is to help schools to raise the attainment of disadvantaged pupils and it will be for schools to decide how it should be spent. Schools may, for example, use the money to provide extra support for disadvantaged pupils to do their homework or provide support for parents to encourage them to engage with their child's learning. The overlap of deprivation and SEN means that the pupil premium will also help schools to provide additional support to pupils with SEN. Furthermore, there may be pupils that schools consider to be educationally disadvantaged and in need of extra support, but who do not attract the premium. This might include for instance children not on the previous year's census, or those with SEN who are outside the scope of the indicator chosen. Schools could of course include those pupils, and others, in their plans for the use of the additional money.
17. The Government will help schools to decide how best they can use the money to raise pupil attainment by publishing information and evidence about what works, including about the impact of new and innovative practice. The Government will also want to monitor the achievements of disadvantaged children who are likely to benefit from the premium. The transparent nature of the allocation should make it easier for schools to devise strategies for improvement. We are giving schools the freedom to decide how to use the pupil premium to improve the attainment of disadvantaged pupils, and we will look at the most accessible way to publish data about the attainment of disadvantaged pupils, so that parents and others can judge how well they are doing at each school.

The Operation of the Pupil Premium

18. This section is about how the pupil premium will operate, and in particular:

- How the premium will be funded;
- How it will be distributed;
- How it will be calculated;
- Which deprivation indicator to use.

Funding for the premium

19. The Government is determined to address the current inequalities that exist for deprived pupils to ensure that they have a better chance of success. It believes that this is best achieved through a pupil premium using additional resources from outside the schools budget.
20. It is not possible at this stage to specify the amount of funding available for the pupil

premium. Like other areas of spending, it is subject to the spending review considerations, the results of which are due to be announced on 20th October.

Method of distributing the premium

21. To ensure that the funding available through the premium is clearly identifiable and can be easily targeted at the relevant pupils, the Government is intending to distribute the premium as a separate grant outside the DSG. The grant will be available from September 2011.
22. The grant will be paid to local authorities based on figures from the previous January school census. Conditions of Grant will require local authorities to pass it on in its entirety to maintained mainstream schools using specific defined per pupil amounts, for every relevant pupil in years from Reception to Year 11 (4-15 year olds on the census). In the case of Academies, the Young People's Learning Agency (YPLA) will pay the grant at the same level as other schools within a local authority area.
23. Longer term the intention is that the premium will become the main mechanism for allocating deprivation funding to schools, as part of a new formula, rather than continuing as a separate grant.

How the premium is calculated for each local authority area

24. The simplest way of calculating the premium would be to assume that each deprived pupil would receive the same level of funding as the premium builds up regardless of where they live. However, the existing system currently delivers significantly different levels of funding for pupils around the country, which would not be recognised by this approach.
25. The Government believes it is right to recognise differences already in the system for funding deprivation. Whilst it is not possible to say at this stage what the level of the premium will be, the proposed methodology involves increasing the amount over time so that the amount allocated to local authorities and schools in total for each deprived pupil will be the same around the country, subject to an Area Cost Adjustment (ACA). This total would incorporate the general unit of funding, additional grants to be mainstreamed, and the pupil premium. Therefore the size of the pupil premium will vary from area to area depending on their current level of funding.
26. As the premium is built up, this would compensate for differences in funding by providing higher funding for schools with deprived pupils in areas that currently receive lower levels of funding. If the total amount of funding available for the pupil premium means that the basic allocation for one or more local authority is above the target level for the premium, the Government will consider the case for applying a minimum premium to those authorities.
27. We intend to include an ACA in the methodology to reflect the need for schools in some areas to pay higher salaries to their staff. The Government recognises that there has been an issue around the ACA and, in particular, that the General Labour Market geographies, which underpin the DSG methodology, do not align with pay bands used for the

teachers' pay calculations. This is a particular issue for the six London authorities that are treated as inner London for pay band purposes while being classified as outer London in the GLM methodology. We propose that the ACA to be applied to the pupil premium should be one that takes into account the pay band geographies, such as a "Hybrid" approach which was strongly supported during the consultation on the DSG review.

28. The charts at Annex A illustrate how the pupil premium will be calculated.

The deprivation indicator for the pupil premium

29. Several indicators for measuring deprivation which could be used for distributing the premium currently exist. The Government is keen to hear views about which indicator would be most suitable. The aim is to use the indicator that best represents the pupils that need to be targeted because of additional educational need caused by socio-economic deprivation.

30. The options being considered are:

- Free School Meal eligibility – which could be current eligibility or a measure of whether a pupil has **ever** been eligible for FSM;
- Tax Credit Indicator – pupils in families in receipt of out of work tax credit; and
- Mosaic or Acorn – commercial packages used by some local authorities which are based on classifications of postcodes.

31. We are not considering using reported SEN as an indicator, due to wide variations in reporting and identification practices. However, the central focus of the pupil premium is to raise the attainment of disadvantaged pupils, and the strong link between high incidence SEN and deprivation means that the pupil premium will be targeted at a significant number of pupils with SEN.

32. To ensure the premium is as effective as possible it should be able to target funding at individual pupils. The table at Annex B provides more detail of how each of the indicators operates, what proportion of pupils are covered and the advantages and disadvantages of each option. Consideration of each of the options is set out below.

(i) Current Free School Meals (FSM) eligibility

33. Allocating funding on the basis of FSM eligibility, as recorded on the pupil-level annual school census, has the very substantial benefit that it reflects the specific characteristics of the individual pupil. It is easily collected and is updated annually.

34. There is also a strong link between whether a pupil is registered as eligible for FSM and underachievement. On average, pupils who are eligible for FSM have lower educational outcomes than otherwise similar pupils who are not eligible for FSM, even when controlling for prior attainment. This is also true within schools; FSM pupils tend to make less progress than similar pupils in their school who are not eligible for FSM. FSM gaps within schools tend to be largest where the proportion of pupils eligible for FSM is small; where there are higher proportions of FSM pupils there is, on average, a smaller FSM gap in raw attainment and in progression. The Government is very attracted to FSM as a

measure due to its clarity, simplicity, and pupil-level nature. We would expect that if FSM eligibility is used for the pupil premium, then this may improve the quality of the data.

35. The main issues with this indicator are:

- It is a binary measure that means that those just above the threshold may have similar characteristics and disadvantages but attract no funding;
- It is generally considered that this measure under-reports true levels of deprivation because some families do not claim at all and the proportion claiming a meal falls as pupils get older. Currently 16% of pupils are eligible for FSM which is low compared to other deprivation indicators;
- It currently reflects registered eligibility for free meals rather than actual eligibility; and
- This indicator was not well supported in the previous consultation on the DSG, although the proposal was that it be used to allocate funding to local authorities, where its pupil-level nature was less important.

"Ever FSM" measures

36. An alternative to FSM is an "Ever" FSM measure. This measure would cover a wider cohort as it would include pupils who have been registered as eligible for FSM at any point in the previous three or six years. This would mean that Year 8 pupils, for example, would be included if they had been eligible for FSM at any point between Y3-Y8. This would recognise that pupils do not lose their additional educational needs just because they cease to be eligible for FSM or recorded as so. It may also better reflect children from families who move in and out of low paid work.

37. For each key stage, using an 'Ever' measure of FSM eligibility will pick up a higher proportion of pupils who are identified as underachieving. The table below shows that for all curriculum years the percentage of pupils included when looking at eligibility over the last six years increases significantly to 24% compared to the 16% using current eligibility, as recorded in January 2009 School Census.

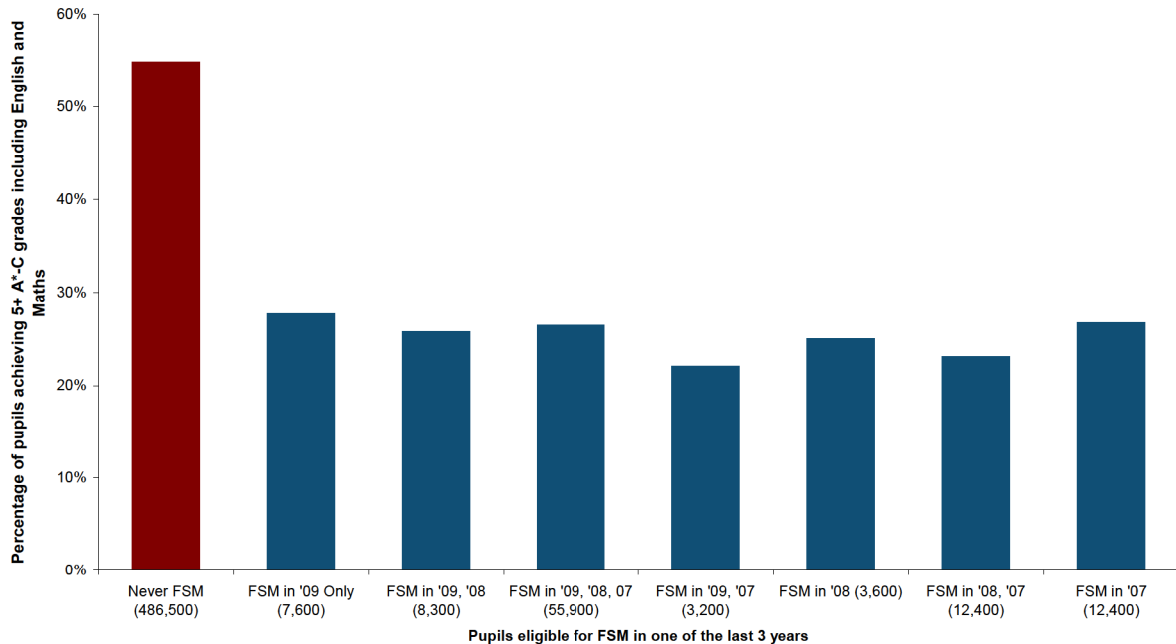
	FSM	Ever FSM - 3 Year	Ever FSM - 6 Year
All National Curriculum Years	16%	19%	24%
R	16%	16%	16%
1	17%	20%	20%
2	18%	22%	22%
3	18%	23%	24%
4	17%	22%	26%
5	17%	22%	27%
6	16%	21%	27%
7	17%	22%	27%
8	16%	21%	26%
9	15%	20%	26%
10	14%	19%	25%
11	13%	17%	24%

(ii) Pupils eligible for FSM in one of the last 3 years

38. This deprivation indicator would include pupils known to be eligible in one of the last three years and would cover 19% of the school cohort. The analysis of attainment of KS4 and KS2 pupils applying this measure is set out below:

Key Stage 4:

Percentage of pupils attaining 5+ A*-C English & maths at the end of KS4 2009 by FSM status in previous years (Number of pupils shown in brackets)

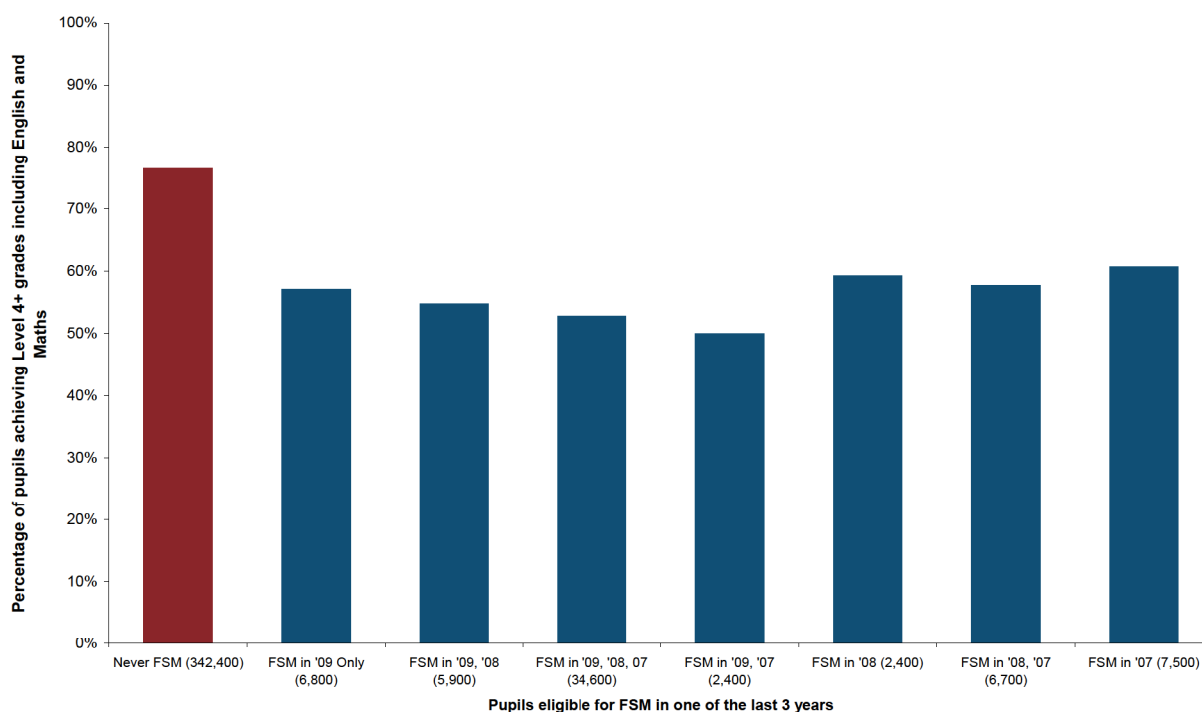


39. The above is an analysis of the 2009 end of KS4 cohort and shows:

- Pupils who were never eligible for FSM (bar on far left) substantially outperform all other groups;
- Those who were FSM at KS4 in 2009 only generally have slightly better outcomes than those who were FSM at some other point. It is known that the percentage of pupils claiming FSM falls as pupils get older and this outcome may reflect the types of pupils who stop claiming in year 11, possibly the more disengaged.

Key Stage 2:

Percentage of pupils attaining Level 4+ English & maths at the end of KS2 2009 by FSM status in previous years (Number of pupils shown in brackets)



40. The above is an analysis of the 2009 end of KS2 cohort and shows:

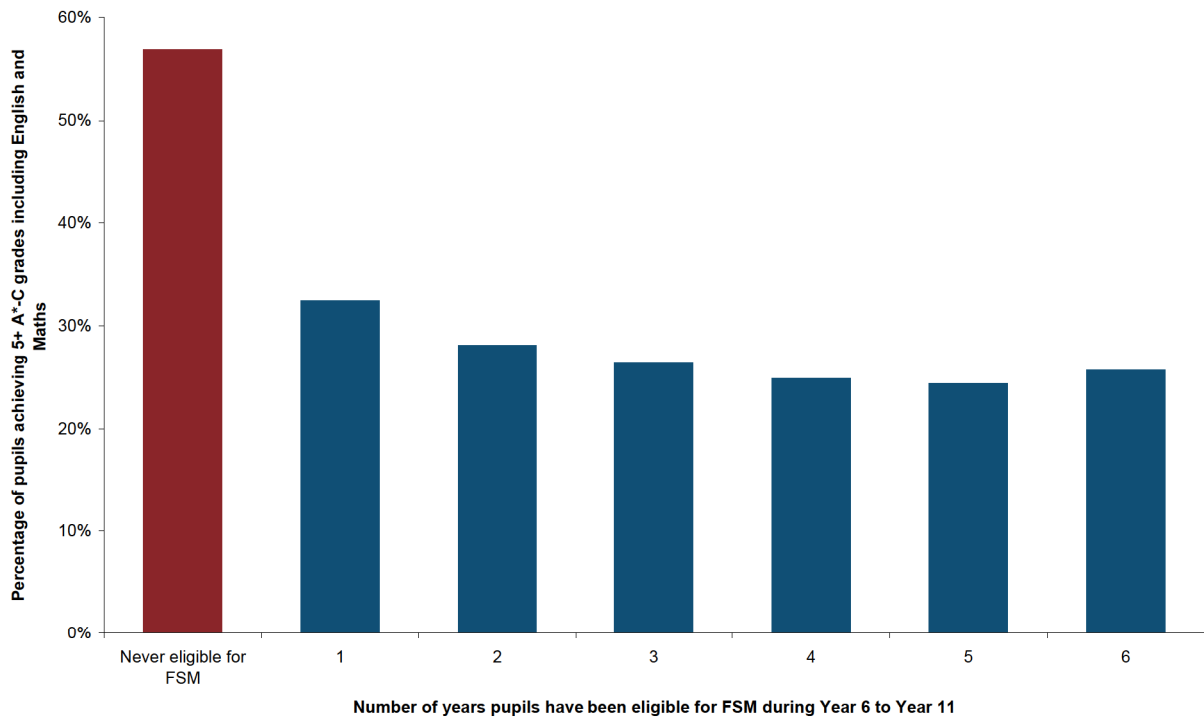
- As with the KS4 cohort, for all categories of FSM there is still an achievement gap between the pupils who were never FSM (77%) and who achieved the expected L4+ in English and maths at KS2 and those who were eligible for FSM at any time in the previous three years;
- Unlike the KS4 cohort, the best outcomes for FSM pupils are not those eligible in 2009, but in the single years of 2007 and 2008.

(iii) Pupils eligible for FSM in at least one of last 6 years

41. This deprivation indicator would include pupils known to be eligible in one of the last six years and would cover 24% of the school cohort. The analysis of attainment of KS4 and KS2 pupils applying this measure is set out below.

42. Evidence shows that generally the longer a pupil has been eligible for FSM the lower the level of attainment. This is illustrated in the graphs below for Year 11 and Year 6 pupils, where pupils who have never been eligible for FSM significantly outperform any category of FSM eligibility.

Percentage of pupils achieving 5+ A*-C including English and maths at the end of Key Stage 4 in 2009 by number of years FSM (Y6 to Y11)

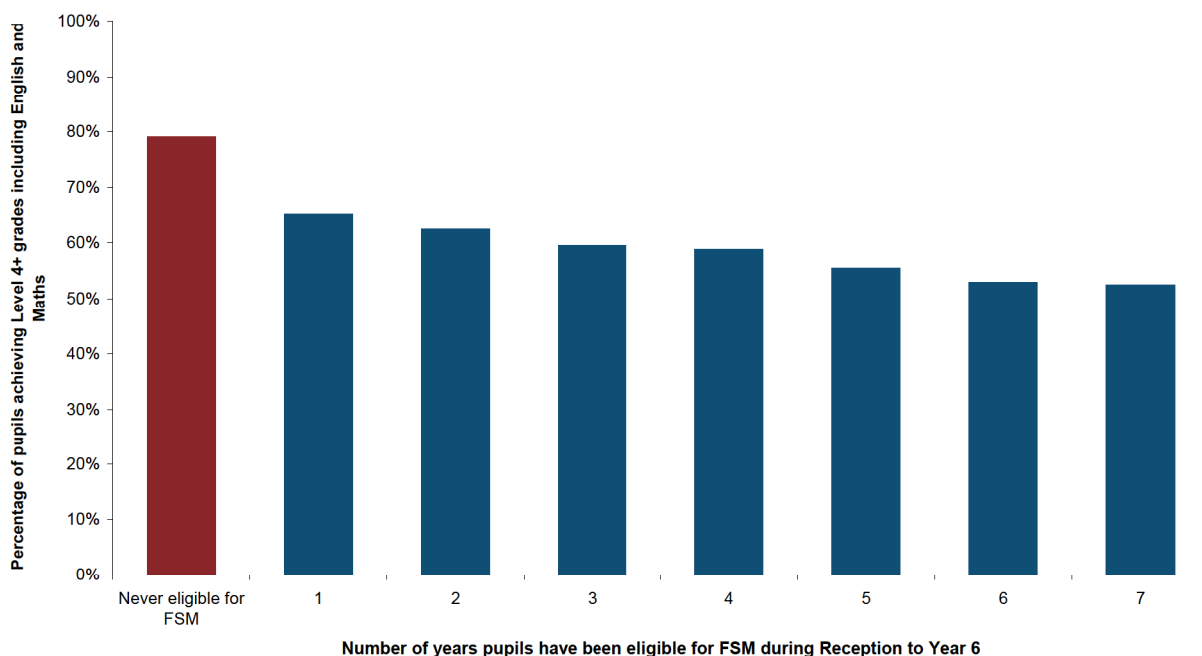


43. The above is an analysis of the 2009 end of KS4 cohort and shows:

- pupils who were never FSM (bar on far left) substantially outperform all the other groups;
- the number of years of eligibility for FSM is generally inversely associated with GCSE attainment, but eligibility at any point is associated with underperformance; and
- the lowest attaining group was not the pupils who had been eligible for FSM right the way through (the far right blue bar); it was the group who had been eligible for every single year other than one (blue bar second from right).

Key Stage 2

Percentage of pupils achieving Level 4+ including English and maths at the end of Key Stage 2 in 2009 by number of years FSM (R to Y6)



- A similar pattern to that for KS4 emerges where eligibility for FSM in any year signals lower attainment.

44. The main issue with this indicator is that as it covers a much higher proportion of pupils than current FSM eligibility it would reduce the level of funding per pupil. Currently, 24% of pupils would be covered by this measure and it is likely that linking additional funding through the pupil premium to FSM eligibility will, over time, increase the proportion of those applying still further. Using this 'Ever' FSM measure may mean that some primary schools would qualify as 100% disadvantaged, as every child will have been eligible for FSM at some point.

(iv) Pupils in families in receipt of Out of Work Tax Credit

45. This measure indicates children from families where both parents are out of work and claiming the out of work tax credit. This is an area based measure, calculated at Lower Super Output Area (LSOA) level. An LSOA is a national census output area averaging 1500 people. An LSOA measure assumes that each pupil takes on the general characteristics of the LSOA in which the pupil resides. This will not be true of every pupil but on average the pupils' circumstances should reflect the circumstances of the area. Just over 20% of pupils are identified as deprived under this measure. This is currently based on data from 2005 and we will explore whether this indicator can be updated.

46. Whilst this measure will be less affected than the FSM measure by the issue of take up we think it is otherwise not particularly well suited to allocating the pupil premium. While area based indicators are adequate for funding at the local authority level, we do not consider them appropriate for a premium, the aim of which is to target funding towards individual pupils. Other measures suggested in the previous consultation on the DSG, such as IDACI and the Child Poverty Index, are also area based indicators and have the same issues. However, we would welcome views on the suitability of this as a deprivation indicator for the pupil premium.

(v) Commercial based packages such as ACORN or MOSAIC

47. These are geographical based measures which are designed to identify groups of households based on consumer behaviour. They involve the classification of postcodes into types based on census and other information:

➤ **ACORN (CACI)** classifies postcodes into 56 types, which in turn are grouped into 17 groups and five categories.

➤ **Mosaic (Experian)** classifies postcodes into 61 types and 11 groups.

48. Like the out of work tax credit indicator, these are also area based indicators and would therefore have many of the same issues. However, we are aware that a number of local authorities currently use one or other of these packages and that it may be possible to amend the classification types outlined above to include education specific categories. We would welcome views on the suitability of either of these packages as a deprivation indicator for the pupil premium.

49. Annex C illustrates the effects of the first four deprivation measures by local authority. It is not possible to illustrate the ACORN or MOSAIC options as the data is commercially sensitive.

50. We will continue to explore the scope to develop a better pupil-level indicator for measuring deprivation in the future, to ensure even more accurate targeting of the pupil premium.

Looked after children

51. The level of attainment of Looked After Children (LAC) continues to be very low. Latest published official figures on outcomes of children looked after for 12 months as at 30 September 2009 show that 15% achieve 5 GCSE or GNVQ equivalent compared to 70% for all children. Furthermore, around 60% of LAC are identified as having SEN. Latest estimates suggest that there were 42,000 children in care aged 5-16 as at 31 March 2009. Because of the nature of care arrangements, these children often do not qualify for free school meals or are included in any of the proposed deprivation indicators, even though they will very often be from deprived backgrounds. Therefore this very disadvantaged group will not be adequately targeted by the main pupil premium mechanism.

52. The Government recognises the need to provide additional support for such children and is seeking views on proposals about how to extend the coverage of the pupil premium to ensure they are targeted effectively.
53. The most obvious solution would be to target funding at schools using the LAC flag on the pupil census. However, there is concern that it does not accurately reflect the LAC population, many of whom may be in care for short periods or come in and out at regular intervals. Figures suggest that even though there are around 42,000 LAC nationally at any one time, around 58,000 LAC aged 5-16 pass through the care system in a typical year. There is also under-reporting because there are instances where a school does not know a child is looked after and is reliant on the local authority with responsibility for the care of the child to tell them. A significant proportion of pupils – some 30% - are placed with carers outside the local authority which looks after them.
54. At individual school level, the numbers will be very small - on average there will be just one looked after child per primary school and around 8 per secondary school, and these children are also more likely than other pupils to move schools during the school year.

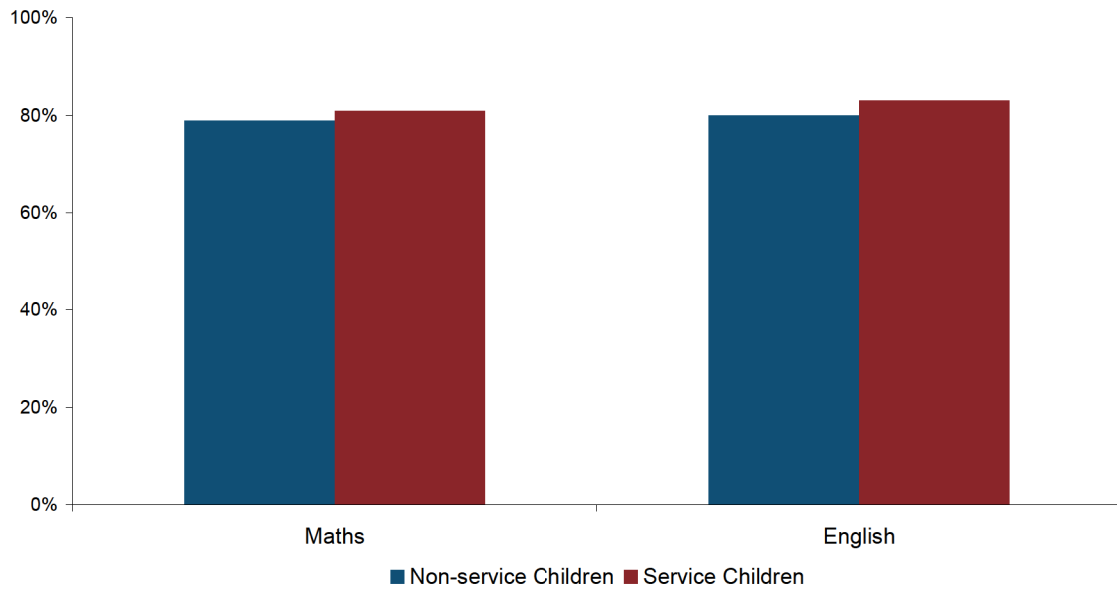
A way forward

55. Due to all these issues, we need an alternative method to ensure this group of disadvantaged children is covered by the pupil premium. Therefore we propose to allocate a LAC element of the pupil premium to local authorities for them to pass to the schools where these children are on roll.
56. Reflecting current care arrangements, the proposal would be to fund the authority which looks after the child and is responsible for maintaining and reviewing their care plan, rather than the authority where the pupil is educated. Around 30% of Looked After Children go to school in a different authority.
57. The intention is to limit eligibility to pupils who have been in care for more than six months and, in principle, to set the LAC premium at the same level as for the main deprivation premium.
58. Rather than using the school census, we propose to use the annual SSDA903 return which is a child level data return made by local authorities for all of their children who were looked after up to 31 March in each financial year. This is a more reliable data source for identifying these children.
59. Details are yet to be fully resolved but it would mean that each local authority would receive funding based on its number of children looked after for six months or more in the previous financial year. The funding would then be passed to the schools that are educating those pupils who have been looked after for six months or more, regardless of the authority in which they are located.
60. We would welcome views about how this might work in practice. We will work through the detailed operation of the proposal with partners, taking into account the views put forward, before confirming the precise methodology.

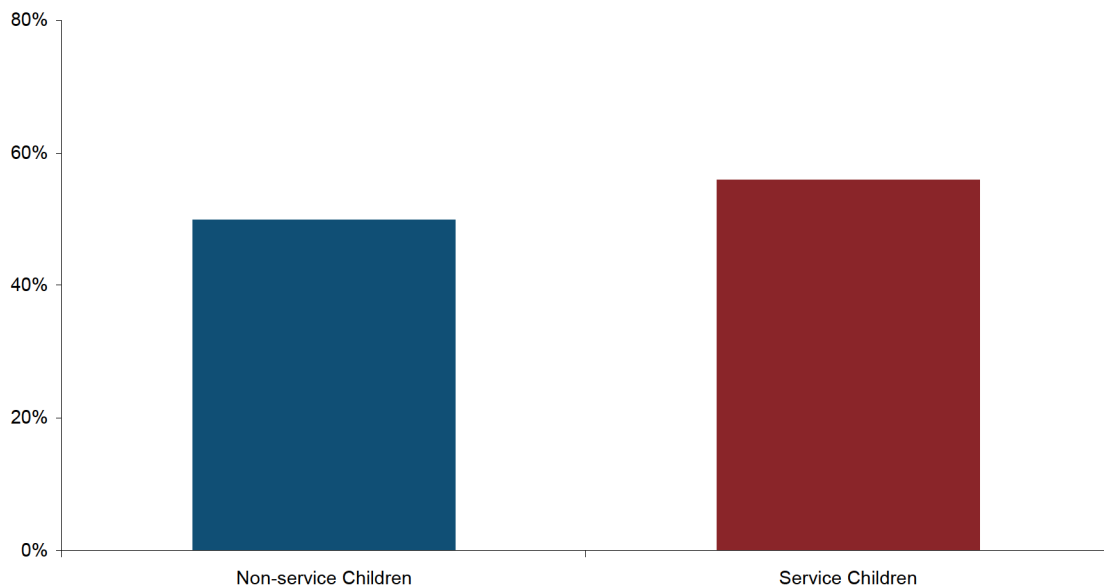
Extending the Pupil Premium to Service children

61. As part of its commitment to rebuild the Military Covenant the Government is exploring the potential for extending the scope of the pupil premium to include some support for those children whose parents are in the Armed Forces. Some local authorities already provide additional financial support to schools catering for service children. This is not primarily an issue of attainment. Evidence shows that Service children mostly achieve at least as well as their non-Service children peers.

Percentage of pupils achieving at least level 4 at key stage 2



Percentage of pupils achieving 5 A* to C including English and Maths



62. The Government, however, recognises that Service children face unique challenges and they need to be supported as they progress through school. Armed Forces families, for example, have to relocate frequently. Moreover, the unique nature of Service life means that Service children are in effect part of an enforced “one-parent family” much more than other children. This can be because the parent is at sea, away training, on an exercise or a six month operational deployment possibly in mortal danger. All of this puts additional strain on the children. Children in these circumstances need more support than the average child for their social and emotional development and to address their inevitable vulnerabilities.
63. Schools can also face additional costs, due to the extra teaching time needed to match new Service children to the curriculum, initial assessments, and additional administrative work stemming from the high turnover of Service children. These issues stemming from increased mobility of course do not just apply to Service children, and where local authorities allocate additional funds through a service factor, it is often linked to mobility rather than directly to Service children.
64. The Government believes that a more systematic approach might be needed to provide additional funding for schools to support Service children. Therefore, we will explore the scope to extend the coverage of the pupil premium to provide additional funding for every child identified on the census as being a Service child. The evidence suggests that this funding should be introduced at a lower level than for disadvantaged pupils, to reflect that the additional need of these children is not an issue of sustained low attainment. As with the rest of the pupil premium, it is not possible at this stage to confirm what that level might be. Decisions on the level of any Service premium will be subject to the spending review and value for money considerations.

How it might work

65. Since 2008, Service children have been flagged in the annual school census. In the 2009 census, there were just under 37,000 pupils identified as Service children, which represented 0.5% of all pupils in England.
66. Like the pupil premium for deprivation, we would use the school census to allocate funding as a specific grant to local authorities, which would then be passed on to schools. In setting the level of any premium, we would consider, for instance, the level of extra funding being provided through service factors within local authority formulae.

Questions

Do you agree it is right to give a higher pupil premium to areas that currently receive less per pupil funding?

What is your preferred deprivation indicator for allocating the pupil premium?

Do you agree the coverage of the pupil premium should include Looked After Children?

What are your views on the operation of the Looked After Children element of the pupil premium? In particular, how might the funding arrangements work at local authority level for pupils educated outside of the local authority with caring responsibility?

Do you think the coverage of the pupil premium should be extended to include additional support for Service children?

Section 2

Methodology for allocating school funding for 2011-12

67. This section sets out the Government's proposals for distributing the Dedicated Schools Grant (DSG) from April 2011. The Government's key priority for funding in the short term is to ensure the smooth introduction of the pupil premium and it believes that this can best be achieved by limiting the changes to the funding system for 2011-12. Therefore, we propose that the current methodology for allocating DSG, generally known as the "spend-plus" system, should continue for 2011-12.
68. We are not able to say at this stage what the level of the DSG will be for next year, which will be subject to the spending review. Subject to the overall level of funding and any mainstreamed grants, we do not propose to change the relative per pupil distribution between local authorities.
69. We intend to mainstream relevant grants into the DSG, which is likely to include at least School Development Grant, School Standards Grant and School Standards Grant (Personalisation), but again this is subject to the spending review. This is consistent with the Government's aim of moving to a simpler funding system. Local authorities will be allowed to use previous levels of grant as an allowable factor in local formulae to help prevent funding turbulence at school level.

Issues relevant to the 2011-12 funding arrangements

Early years funding

70. In order to improve fairness, equity and transparency in early years funding between the maintained and private, voluntary and independent sectors, and to support diversity of provision, we will require local authorities to implement a Single Funding Formula from April 2011. Around half the local authorities in the country are already doing this as pathfinders, and we will look to use their experiences in order to help the remaining local authorities to implement this important reform. We will consult further on the detail in the autumn as part of a consultation on new School Finance Regulations, but expect local authorities to continue planning for implementation from now.

Area Cost Adjustment

71. The Area Cost Adjustment which underpins the spend-plus methodology, based on the General Labour Market approach, does not fully align with the pay bands used to determine teachers' pay. This has been a particular issue for the six local authorities in London required to pay inner London teachers' pay while being funded as outer London boroughs. During the consultation started by the previous government, strong support was expressed across the affected local authorities for a change to the way the ACA is calculated. The continuation of the existing funding arrangements will mean that the current ACA arrangements will remain for 2011-12. The Government recognises that this will be disappointing for those areas but plans to resolve the issue in the longer term as a new approach to school funding is developed.

Academies and Free Schools

72. The Government has set out details of how we will fund Academies being established from September 2010 under the provisions of the Academies Bill. This information is available at www.education.gov.uk/academies/academy-funding.
73. The principle of Academies' funding is that they should receive the same level of per-pupil funding as they would receive from the local authority as a maintained school. In addition, they receive top-up funding to meet additional responsibilities that are no longer provided for them by the local authority. The Government is clear that becoming an Academy should not bring about a financial advantage or disadvantage to a school. However, Academies have greater freedom over how they use their budgets, alongside the other freedoms that they enjoy.
74. We will work with partners to review the methodology for funding Academies from 2011-12 onwards, including the calculation of the Local Authority Central Services Equivalent Grant. In particular, we will want to ensure that the system funds Academies fairly but also reflects services for which the local authority retains responsibility, especially SEN support services.

Pupil count for 3 year olds

75. All 3 year olds as recorded on the January censuses attract DSG funding. Current arrangements recognise either the actual number of 3 year olds who take up a part time entitlement place, or an amount equivalent to 90% of the 3 year old population doing so, whichever figure is higher. The intention behind this was to ensure local authorities had sufficient funding when they were expecting an increase in take-up by 3 year olds, and to provide an incentive to increase take up by providing additional resource. We are considering whether we should fund all authorities based on actual take-up from 2011. This would not make a difference to the overall level of funding available in DSG, but would enable us to distribute the total of funding fairly among actual pupil numbers. Removing pupils in this way slightly increases the per pupil unit funding for all authorities in comparison.
76. We would like views on whether funding for 90% participation should continue or whether, from 2011, we should use the actual take-up by 3 year olds in all cases.

Pupil Referral Unit (PRU) dual/ subsidiary registrations

77. Many pupils attending a PRU are currently dual registered. Because, prior to 2010-11, there was no way of differentiating between dual main and dual subsidiary registrations, all dual registered pupils in PRUs have been funded in addition to sole registrations. This is effectively double funding some PRU pupils. Since January 2010, a new PRU census has been in place which records details of main and subsidiary dual registrations. It is now possible therefore to distinguish between them and adjust the funding accordingly by not funding dual subsidiary pupils. As with the policy for the funding of 3 year olds, this would not make a difference to the overall level of funding available in DSG, but would enable us to distribute the total funding more fairly among actual pupils. Removing pupils in this way slightly increases the per pupil unit funding for all authorities in

comparison.

78. We would like views on whether we should cease to provide DSG for the dual subsidiary registrations from April 2011.

Funding for schools catering for large numbers of Service children

79. In the consultation document published by the previous government a proposal was put forward to introduce a scheme for providing additional funding to local authorities to support schools with Service children that are affected by Armed Forces movements. The arrangement would allow local authorities with such schools to make a claim for additional pupils to be counted for DSG purposes where pupil numbers have fallen significantly from one year to another as a result of Armed Forces movements. The Government has noted that this had a high level of support in the recent consultation and believes that there is a case for this scheme to be introduced, given the special circumstances applying to these schools, and proposes to introduce this arrangement from 2011-12.

Home educated pupils

80. The Government also proposes to introduce a scheme allowing local authorities to claim for funding for pupils educated at home where services are provided to these pupils. This might include giving them access to school facilities or paying the entry fees for exams sat at school. The proposal would allow local authorities to claim for 10% of a unit of funding for home educated pupils in order to provide these services. This is consistent with the recommendations of the Badman Report.

Protection arrangements

At school level - Minimum Funding Guarantee

81. The Minimum Funding Guarantee (MFG) ensures that all schools receive a minimum level of funding per pupil in relation to the previous year. It is recognised that the MFG can provide funding stability for schools, and can serve as an effective planning tool. However, other schools would consider that protecting budgets above the level that the local authority formula would provide is effectively over-funding a school at the expense of others. In 2009-10 around 5,400 schools were on the MFG.
82. The Government intends to retain an MFG arrangement for 2011-12, although it is not possible at this stage to announce at what level. In any case, the intention is to introduce a more flexible system which is less dependent upon historic funding levels of individual schools and which would allow local formulae to operate more effectively. The level of the MFG will be set following the spending review, and it could be negative rather than positive.
83. The intention is that the MFG would apply to a baseline incorporating DSG plus any mainstreamed grants.
84. If a school receiving the MFG has pupils attracting pupil premium funding, then the pupil premium funding will be given in addition to the MFG, rather than being applied before

calculating whether the school is on the MFG.

Cash floor

85. Current funding arrangements include a cash floor for local authorities to protect them from falling pupil numbers. The operation of the floor results in a higher level of funding per pupil rather than providing funding on the basis of pupil numbers alone. We are inclined not to have a cash floor as part of the 2011-12 funding arrangements, as we believe that money should closely follow pupils. However, we would be interested to hear views on this, and we will keep this issue under review pending the outcome of the spending review.

Questions

Should the pupil count for three year olds used to allocate DSG for 2011-12 reflect actual take up or continue to reflect a minimum of 90% participation where lower?

Should the pupil count used to allocate DSG for 2011-12 continue to reflect dual subsidiary registrations for pupils at Pupil Referral Units?

Do you support our proposals for additional support for schools catering for Service children?

Do you support our proposals for home educated pupils?

Do you think that there should be a cash floor at local authority level in 2011-12?

Next Steps

86. This consultation will run for 12 weeks and will finish on Monday 18th October 2010. We want to hear from all those with an interest in school funding and the pupil premium.

87. Consultation responses can be completed

- online at www.education.gov.uk/consultations;
- by emailing dsg.consultation@education.gsi.gov.uk;
- or by downloading a response form which should be completed and sent to:

School Funding Consultation 2011-12
Funding and Technology Unit
Department for Education
Level 3
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

88. The results of the Comprehensive Spending Review will be announced on 20th October 2010. We intend to give indicative DSG allocations for 2011-12 to local authorities in November or early December. At the same time we intend to announce the level of the pupil premium for each local authority.

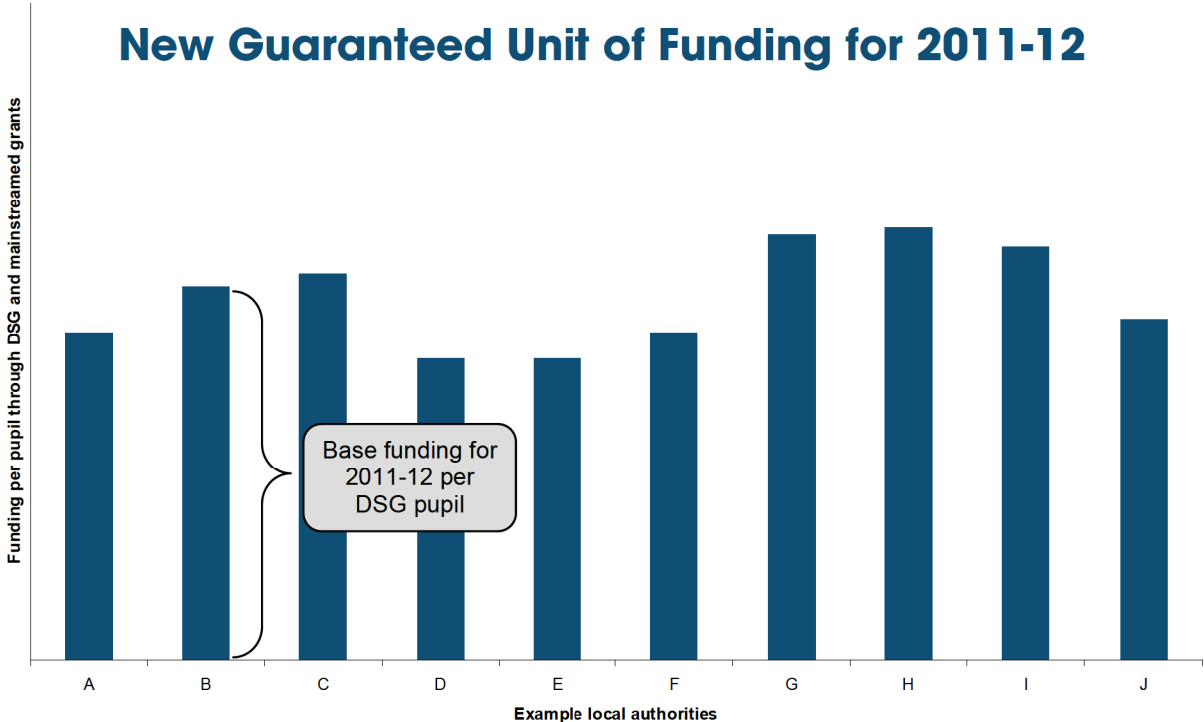
89. During the consultation we will continue to work with partners on the detail of some of the proposals, as outlined in this document. We will also publish an Equality Impact Assessment.

90. In the autumn we will be consulting on changes to the School Finance Regulations for 2011.

91. We expect to announce plans for the longer term direction of school funding in due course.

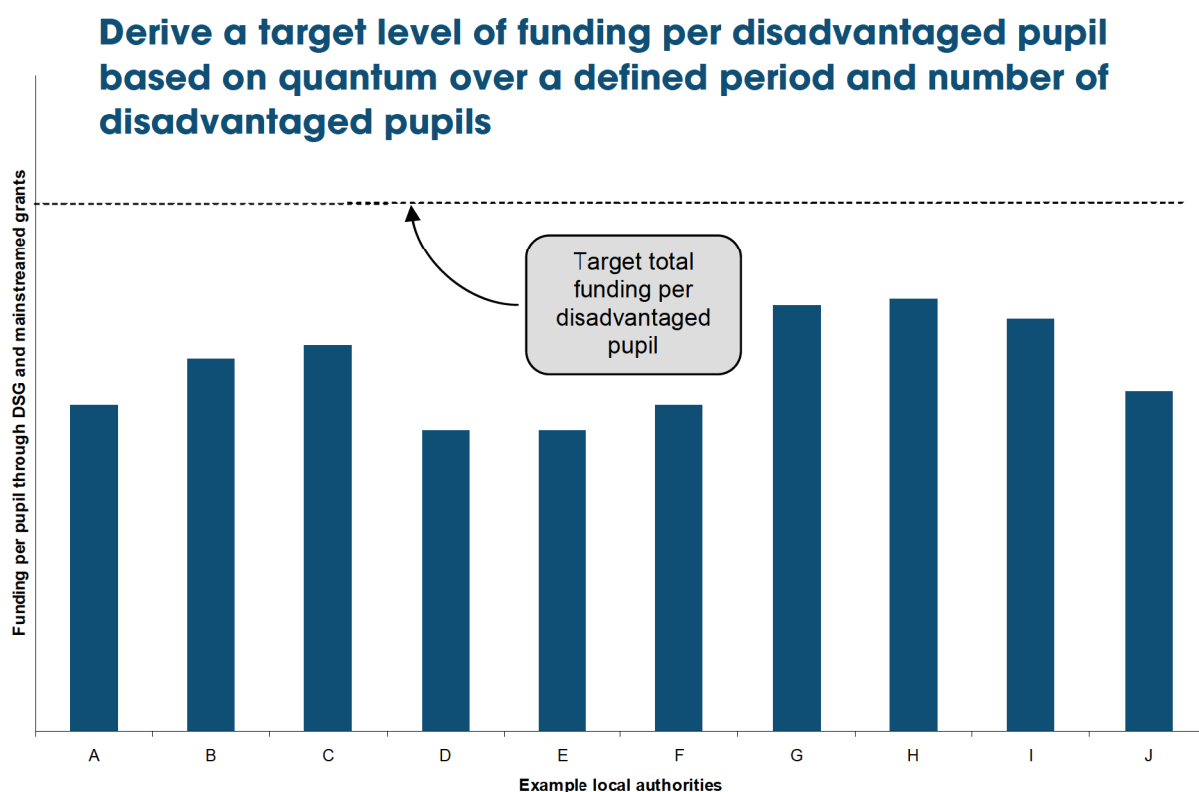
Illustration of the proposed operation of the pupil premium

Chart 1



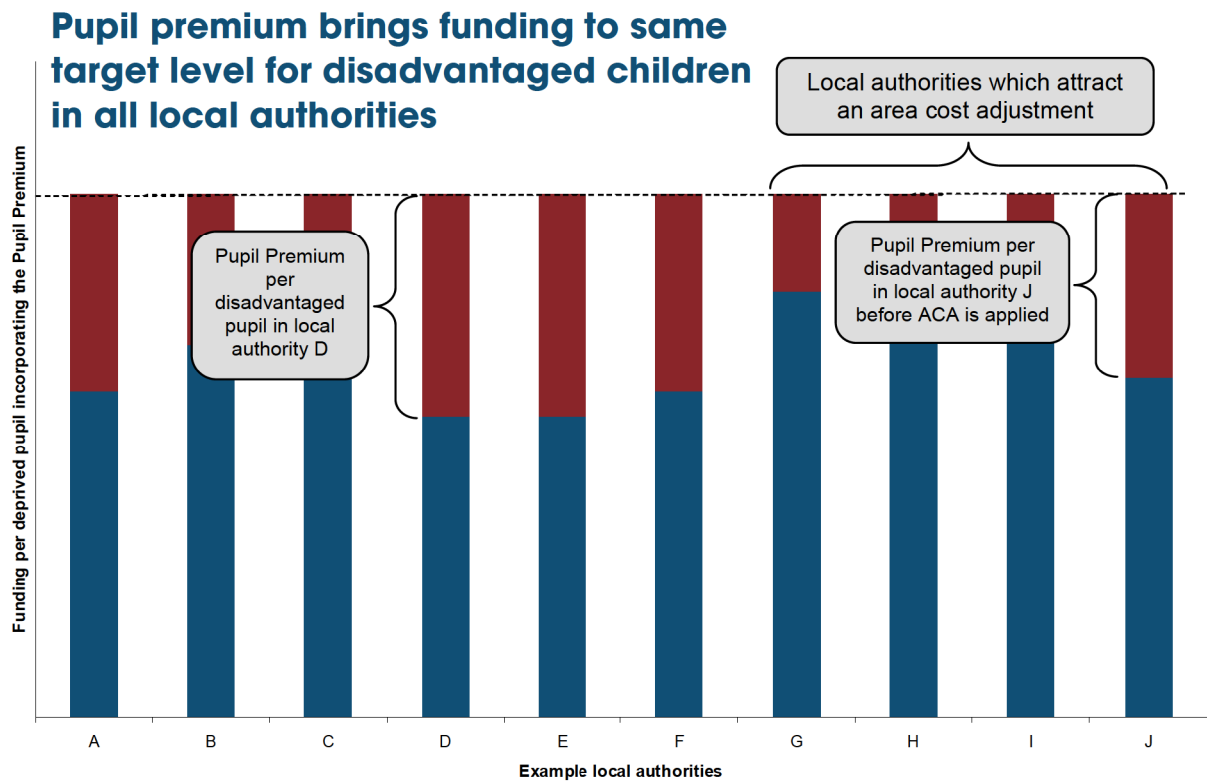
92. A new Guaranteed Unit of Funding for each local authority will be determined following the spending review. There will be no redistribution of funding between local authorities using methodology based on Spend-Plus.

Chart 2



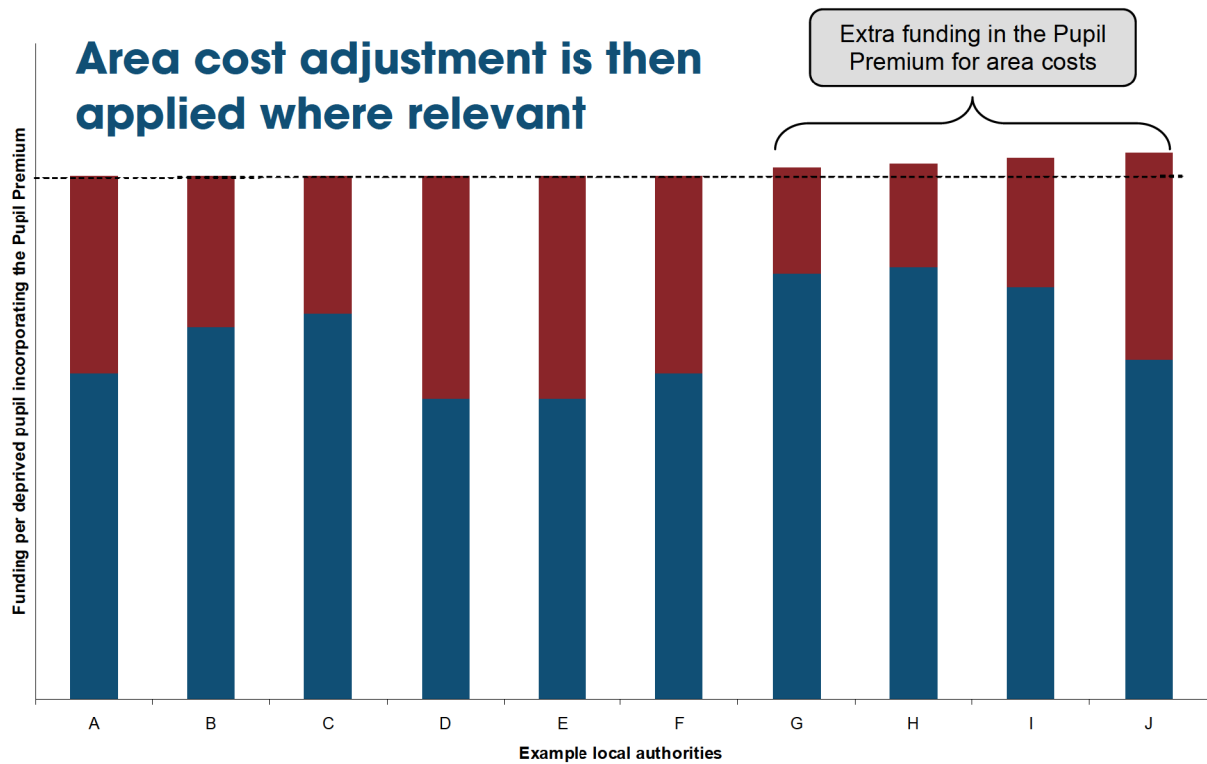
93. The target total of funding per disadvantaged pupil to be achieved is derived following the spending review. Some local authorities will be nearer than others to this target total due to the funding already in the system. The chart demonstrates the differences in funding already in the system often due to differences in deprivation between authorities. But not all notional deprivation money is targeted at deprivation. It tends to be spread more thinly in less deprived authorities, so that schools in those authorities currently receive less funding for their deprived pupils.

Chart 3



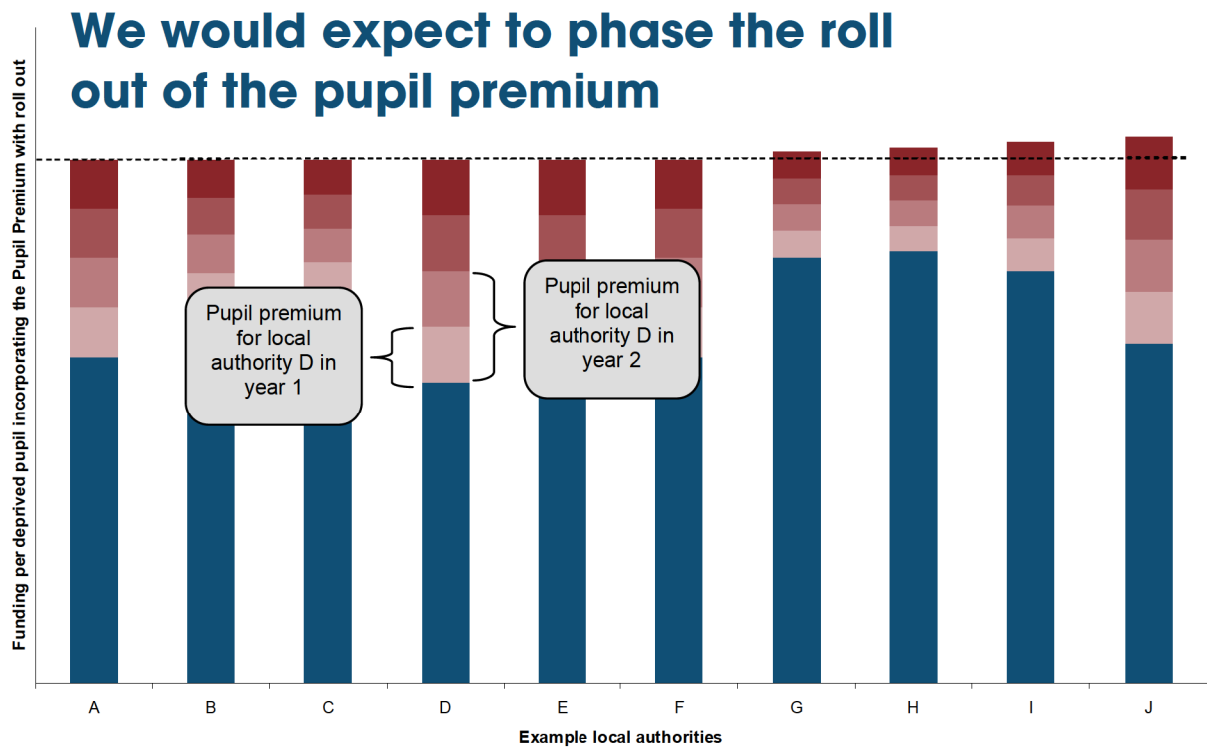
94. The premium is applied so that no matter what the level of basic funding is currently, all deprived children attract the same total (subject to the area cost adjustment). Schools in the lower funded authorities have higher premiums so that the gap closes over time.

Chart 4



95. The totals are adjusted by the application of an area cost adjustment in areas of high labour costs.

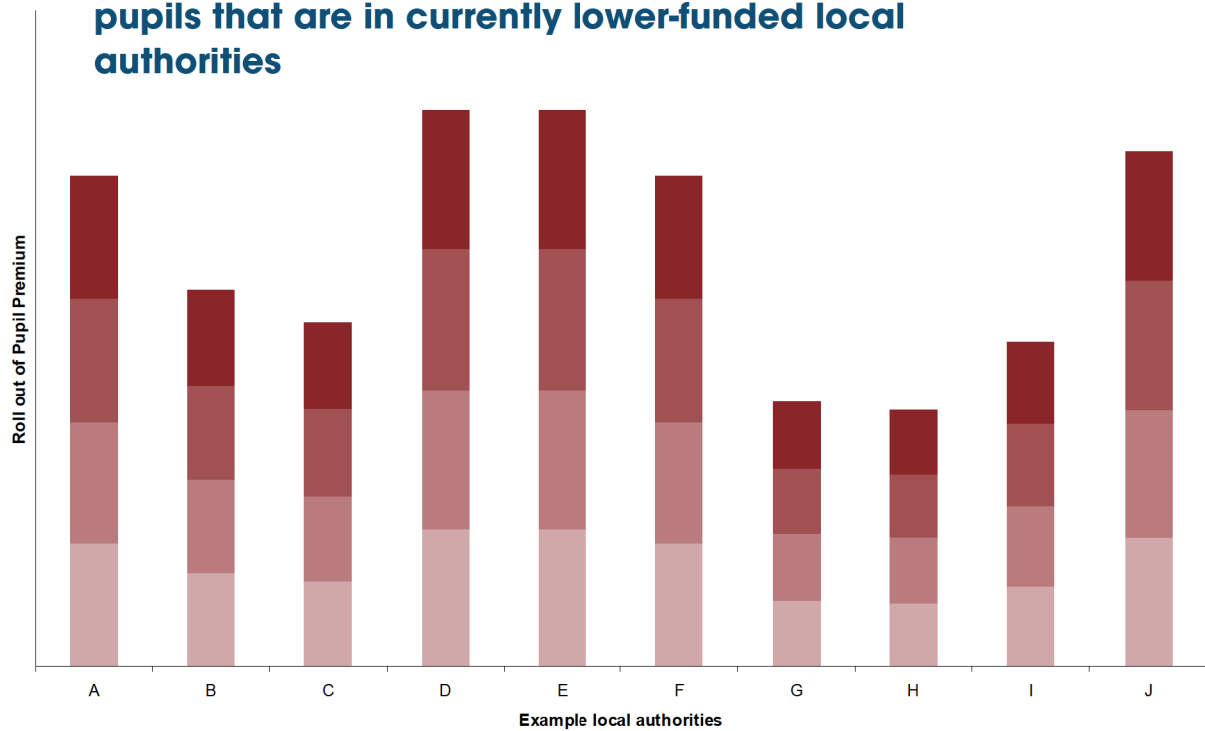
Chart 5



96. This table demonstrates the phasing of the roll out of the pupil premium in each local authority, building it up over 4 years as an example.

Chart 6

Pupil premium totals vary significantly between local authorities, but ensures additional funding for those pupils that are in currently lower-funded local authorities



97. The table indicates the total level of premium needed in authorities in each of the four years to ensure that the total level of funding per deprived pupil is the same across the country after that period.

Comparison of potential indicators of deprivation

Indicator	What it is	How it works	%age of pupils captured at Key Stages	Advantages	Disadvantages
FSM (in-year)	Individual pupils known to be eligible to receive free school meals. Pupils are counted once a year in the January School Census.	Eligibility is based on parental income. Parents have to apply for free school meals at the school or LA and prove they are eligible by producing, for instance, a TC602 Tax Credit Award Notice.	16% - KS2 13% - KS4	Targets funding at the individual pupil. Recognised and generally understood Based on the specific characteristics of the pupil rather than the assumption that the pupil reflects the general characteristics of the area. Readily available in schools Established historical time-series Updated annually	Relies on parents claiming FSM. There is a known issue of under-reporting. (Though this may be ameliorated by behaviour change if it is adopted as a measure for the premium). Cultural barriers for some groups Size of FSM cohort declines as pupils get older. Resistance from a sizeable proportion of teachers to its validity.
FSM ever (3 year)	As above, but including all pupils recorded as being eligible for FSM in the last three years. This utilises the same census 'flag' as FSM (in-year).	As data are collected through the school census each year it is available via the National Pupil Database	21% - KS2 17% - KS4	All the above advantages of FSM (in-year) In addition it includes those children in families where eligibility fluctuates as parents are in or out of work. It thus captures a wider range of deprivation than in-year FSM.	As above. In addition, assuming a cash-limited budget for the Pupil Premium, defining more pupils as deprived inevitably means reducing the size of the premium per pupil. Targeting, therefore, becomes more diffuse.
FSM ever (6 year)	As above, but including all pupils recorded as being eligible for FSM in the last six years.	As data are collected through the school census each year it is available via the National Pupil Database	27% - KS2 24% - KS4	As above, but captures the next group of less seriously deprived pupils.	Targeting is even more diffuse. A national average disadvantaged rate of 27% at KS2 means that some primary schools would

	This utilises the same census 'flag' as above.	An indicator developed to identify those families where Child Tax Credits are being claimed where both parents are not working and claiming the out of work tax credit.	20.6% of pupils	Picks up families just above the FSM threshold	qualify as 100% disadvantaged, as every child will have been eligible for FSM at some point.
Out of work tax credit	ACORN and MOSAIC are commercial geodemographic classifications of postcodes into types based on census and other information using cluster analysis and other statistical methods. They are designed to identify groupings of households based on consumer behaviour. Postcodes are allocated to groups according to the characteristics / behaviour of residents, based on a wide range of source data.	Calculated at Lower Super Output Area level. Is currently based on data from 2005.	n/k	Based on a wider range of data, including census and commercial information, which enables discrimination below LSOA level based on allocating postcodes to one of the 56/61 types. Types/groupings labelled to help understanding Likely to provide better discrimination for less severely deprived groups which may be missed by the indices which are based on identifying the most severe deprivation. Increasingly being used by, and products tailored to needs of, public sector as well as private sector. Analyses by CASA suggest that the MOSAIC or ACORN types are a good predictor of performance at GCSE.	No historical data-set Area-based and therefore does not represent individual family circumstances
ACORN / MOSAIC	ACORN (CACI) classifies at postcode level into 56 types, which in turn are grouped into 17 groups and five categories. Mosaic (Experian) classifies all households into one of 61 types and 11 groups - available for households and postcodes. These are not child-specific and the information about how they are made up is not all in the public domain due to commercial confidentiality.	ACORN (CACI) classifies at postcode level into 56 types, which in turn are grouped into 17 groups and five categories. Mosaic (Experian) classifies all households into one of 61 types and 11 groups - available for households and postcodes. These are not child-specific and the information about how they are made up is not all in the public domain due to commercial confidentiality.	n/k	Based on a wider range of data, including census and commercial information, which enables discrimination below LSOA level based on allocating postcodes to one of the 56/61 types. Types/groupings labelled to help understanding Likely to provide better discrimination for less severely deprived groups which may be missed by the indices which are based on identifying the most severe deprivation. Increasingly being used by, and products tailored to needs of, public sector as well as private sector. Analyses by CASA suggest that the MOSAIC or ACORN types are a good predictor of performance at GCSE.	Classification of areas rather than a direct index. Developed primarily for business (sales and marketing) purposes Although given for each postcode, most input data is based on larger areas. These are commercial products so precise data inputs and statistical methods are not made public; data is made available for use on payment of a licence fee. Hierarchy of advantage/disadvantage developed for more general purposes and for adults may not match that for education/children; Were we to decide to use either MOSAIC or ACORN it is likely we would have to contract with them to tailor their datasets to fit a deprivation usage.

Chart 3 – Percentage of Reception to Year 11 pupils known to be eligible for Free School Meals in at least one of the last three years at local authority level

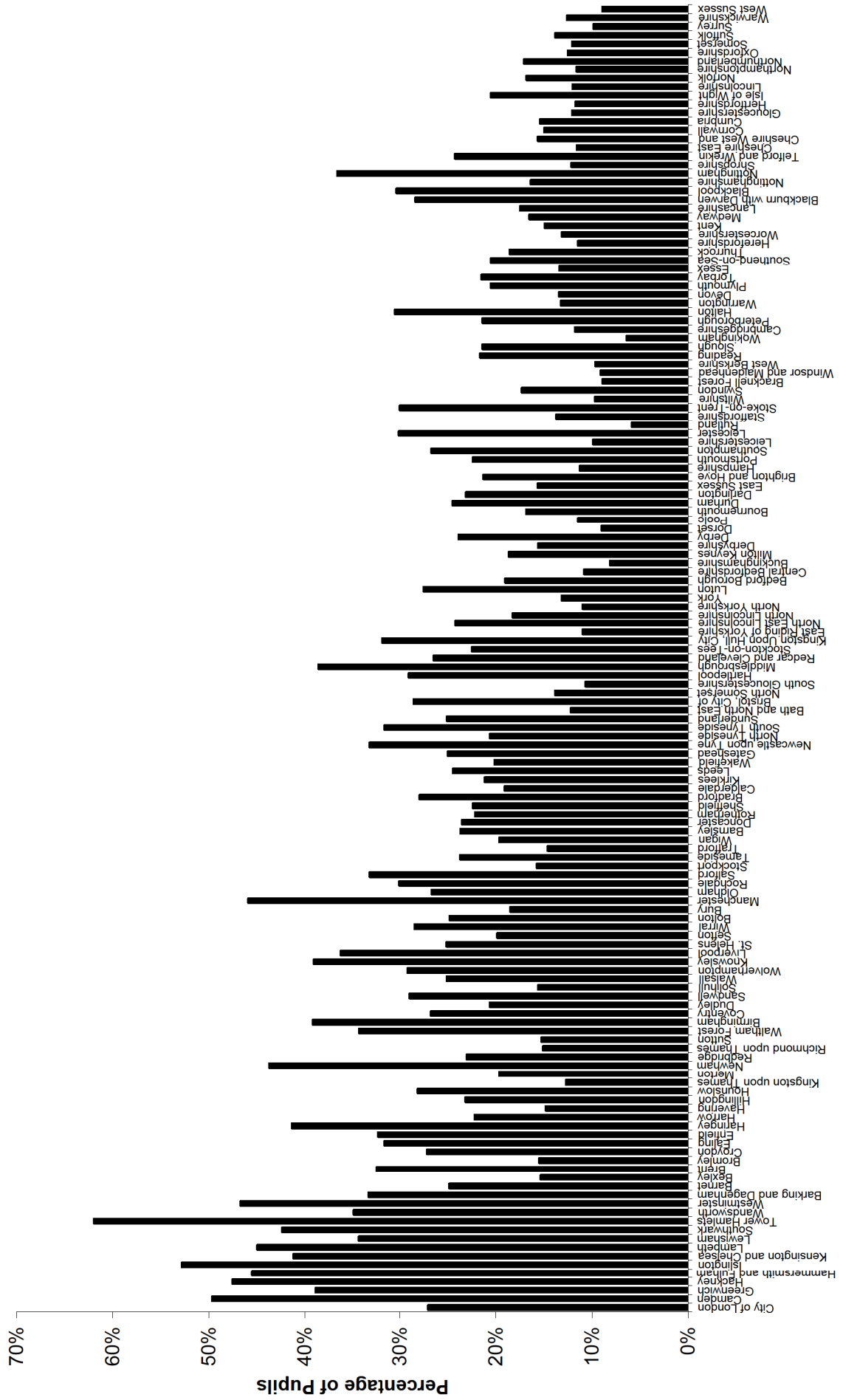
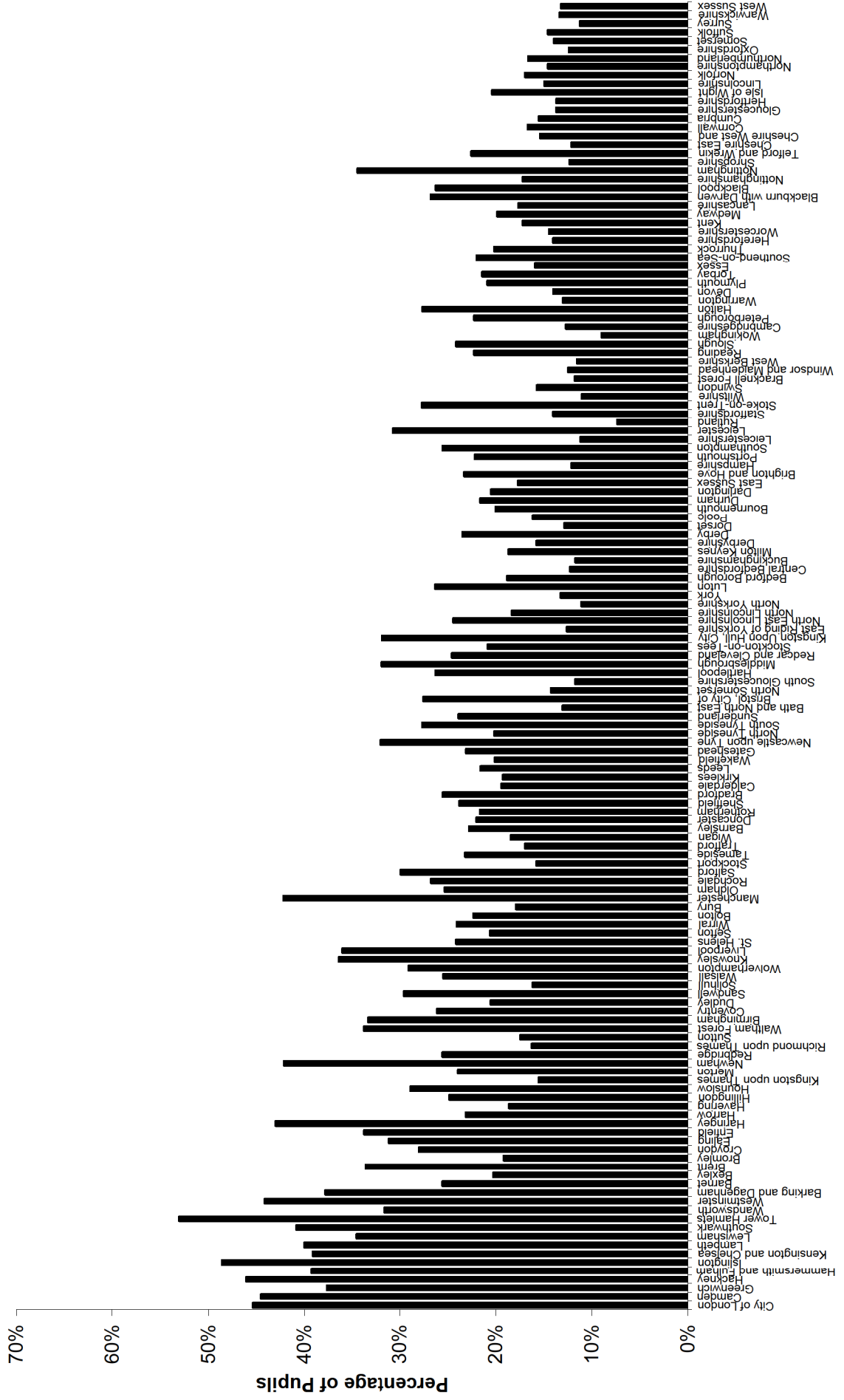


Chart 4 – the Percentage of Reception to Year 11 pupils in families on Out of Work Tax Credits for each educating local authority.



MEETING:	SCHOOLS FORUM
DATE:	1 OCTOBER 2010
TITLE OF REPORT:	EARLY YEARS FINANCE REPORT
OFFICER	GENERAL INSPECTOR FOR EARLY YEARS

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To provide the Schools Forum with an overview of the central funding for Early Years in Herefordshire in 2010.

Recommendation

THAT Schools Forum:

(a) review the use of early years finances in January 2011 following guidance from Government on allocation of the Sure Start Grant and statutory requirements for early years.

Key Points Summary

- The central funding for Early Years education in Herefordshire covers staffing costs, early support (early intervention) and training.
- Early years receives funding from three sources: DSG, Standards Fund and from the 'Outcomes, quality and access funding stream in the Sure Start Grant.
- All DSG spending on early years (except salary costs) in 2008, 2009 and 2010 was offset by the underspend in Sure Start Grant at the end of the financial year.
- Uncertainty about the future of Sure Start Grant after March 2011 prevents long term financial planning in early years. Currently decisions are made year by year depending on the SSG allocation.
- Substantial changes have been made in 2009/10 to ensure most effective use of existing budgets and to plan for sustainability including a reorganisation of the team, changes to the training/CPD programmes and provision of resources.
- The Early Years Adviser, Louise Jackson manages the central funding for early years and reports to the Manager for Inclusion and Improvement at a monthly finance meeting.

Further information on the subject of this report is available from
Louise Jackson, General Inspector for Early Years on (01432) 263504

- The Early Years Team has a statutory duty to provide qualified teacher input into EYFS provision based in schools, children's centres, private, voluntary and independent settings and in home based childcare. In Herefordshire we have approximately 450 early years settings.
- The Early Years Team must provide challenge and support to meet the 'Early Years Outcomes Duty' (appendix 1) and impact is measured against National Indicators 72 and 92. Ambitious targets are set annually by the DFE and monitored termly.
- In Herefordshire there is a minimum requirement for six qualified teachers to provide qualified support and challenge across all early years settings. In Herefordshire, the role of Early Years Consultant was introduced in September 2009 which combined the roles and responsibilities of EY Advisory Teacher, Children's Centre Teacher and Area SENCo. In this way it has been possible to meet minimum statutory requirements within current budget constraints.
- In Herefordshire the sources of funding for early years training are separated into three strands:
 1. Standards funding is 'passport' to schools so that it can be used most effectively on site.
 2. DSG funding for training is used to cover courses applicable to schools.
 3. SSG funding for training is used to cover courses and programmes aimed at pre-schools/nurseries.
- Since September 2008 the EYFS framework has covered education and care from 0-5 years so all SSG funded courses are available to schools and settings.

Alternative Options

- 1 If a decision is made to withdraw DSG funding from early years in Herefordshire; salaries, early support and training will need to be covered by the Sure Start Grant. There has been a commitment by Government to continue with Sure Start Grant until March 2011. Significant cuts are expected to impact on Sure Start Grant in the future, with the possibility of it being withdrawn altogether.
- 2 To maintain an early years team which can meet minimum statutory requirements for qualified teacher input into schools, private and voluntary early years settings including children's centres and childminders; and a team that can deliver the statutory 'Early Years Outcomes Duty' a central team is required which is not dependent on grant funding.
- 3 A further review of early years finances will be necessary following the Government spending review in October. The DFE are currently reviewing the Early Years Foundation Stage and guidance on assessment and reporting for early years. Any changes to the statutory requirements for delivery, assessment and reporting on the early years foundation stage will impact on financial planning for the future.

Reasons for Recommendations

- 4 A financial review of early years finances will be carried out in January 2011 following advice from Government on grant funding and statutory requirements in early years.
- 5 The Adviser for Early Years will continue to work towards increased sustainability within current financial budgets.

Introduction and Background

- 6 Schools Forum have requested information on the allocation and use of DSG funding in early years. In 2010 a budget of £478,900 was allocated to early years from DSG funding.
- 7 The table below shows the proportion of funding used centrally for early years.
- 8 Whilst there are considerable variations, it should be noted that some of these Local Authorities e.g. Dorset have separate teams, one for early years and childcare (PVI settings) and a central team for EYFS in schools. The Dorset figures relates to the childcare team only. In Herefordshire central funding is used to provide one EYFS team which covers Primary Schools, PVI settings, and home based childcare.

Summary of LA central spending on Early Years		
Comparison of Early Years spend (not GSSG) with statistical neighbours	Expenditure for Education of Children under 5s in Private/voluntary/independent settings (1.0.9) £ per pupil	Central expenditure on Education of Children under 5s (1.3.5) £ per pupil
England Average (mean)	110	55
England Average (median)	99	20
England - Min	0	0
England - Max	409	912
Median	129	33
Min	99	0
Max	154	187
Herefordshire	124	21
Somerset	137	33
Devon	136	187
Shropshire	118	10
Cornwall	129	181
Suffolk	117	30
Norfolk	99	20
Wiltshire	144	175
Dorset	143	0
Gloucestershire	154	169
East Sussex	126	78

- 9 The early years funding from DSG is used to cover salary costs of an early years team of consultants and coordinators, training and early support (early intervention) The table below shows the breakdown of costs:

Funding Source	Detail		2010/11 budget allocation
DSG	Early Years Teachers	E4018	163,700
DSG	Early Years Teachers	E4024	75,196
DSG	Childcare Training Staff	E4042	78,267
DSG	Total Salary Costs		£317,163
DSG	Discretionary Support U4's	E3035	59,585
DSG	Early Birds	E4000	2,655
DSG	Total Early Support Costs		£62,240
DSG	Early Years Training	E4001	99,497
DSG	Total Training Costs		99,497

Key Considerations

Key considerations for EY salary costs:

- 10 There is a statutory requirement to provide qualified teacher input into PVI settings and EYFS in schools and meet the Early Years Outcomes Duty.
- 11 To minimise salary costs the new posts of 'Early Years Consultants' covered the previous roles of Quality Improvement and Workforce Development Officer, Early Years Mentor Teacher, Children's Centre Teacher, Advisory Teacher and Inclusion Coordinator. The job descriptions, roles and responsibilities are in line with national guidance from the DFE.
- 12 Six F/T Early Years Consultants were appointed and one Senior Consultant replaced 18 part time teachers/officers who had previously covered the different roles. The reorganisation was carried out within budget constraints.
- 13 All Consultants are experienced, qualified teachers, accredited trainers in early intervention and SEN, they are able to work across the early years sector. They were appointed to allow maximum flexibility for the future.

Key considerations for Early Support costs:

- 14 Early identification and intervention was identified as a key priority in the children's plan.
- 15 The discretionary grant is used in private and voluntary settings to support the implementation of early intervention programmes. A separate report has been submitted outlining the impact of this funding on children, and schools.
- 16 The EarlyBird Programme is an early intervention programme for preschool children with autism. The 12 week programme is delivered annually in the Summer Term and supports children and families on transition into school. This programme is crucial in supporting parents to understand their child and make informed choices about education and care.

Further information on the subject of this report is available from
Louise Jackson, General Inspector for Early Years on (01432) 263504

- 17 Funding is used to support effective early identification and early intervention. Successful intervention depends on trained, qualified staff in early years. This funding is especially important since the loss of the team of 'Inclusion Coordinators' in early years. Early Years Practitioners must carry out assessments, referrals and early intervention programmes. They are often involved in supporting the family during investigation, referral and diagnosis.
- 18 All Early Support costs in 2007/8, 2008/9, 2009/10 were covered by the underspend in Sure Start grant.

Key considerations for EY Training costs:

- 19 Early years training is funded from :
- a. DSG (£99,497)
 - b. Standards Fund (£26,080)
 - c. 'Outcomes, quality and access' funding block from Sure Start Grant (£132,950)
- 20 Funding from DSG is used to fund training and associated resources to support school improvement in relation to the Early Years Foundation Stage, early intervention and transition. (EYQISP/Heads Conferences/Inclusion Conferences/Buddying)
- 21 All the funding allocated for early years training from the Standards Fund in 2009/10 has been 'passport' to schools. (EYFSP Moderation / Smooth Transitions Programme / Building Bridges)
- 22 The memorandum of grant for Sure Start has stated that the costs of early years training should be covered by the grant. In the past all early years training was provided free of charge with supply cover paid for the delivery of national strategies programmes. This will no longer be the case.
- 23 The costs of administration and delivery of all EY training by the School Improvement Service will now be charged – until March 2011 these costs will be covered by Sure Start Grant The Early Years Adviser has allocated £45,500 from 'Outcomes, quality and access' Sure Start Grant to cover EY course costs until March 2011. No supply cover will be paid.
- 24 Strategies employed in 2010 to reduce training costs:
- a. All EY Consultants and Coordinators are experienced/accredited trainers. This reduces costs of employing outside speakers (cost of outside speaker is £1000 - £1800 per day)
 - b. Partnership work with PCT (Speech and Language Therapists), Music Pool and Local Artists has led to shared budgets, joint training opportunities and increased the range of training on offer.
 - c. Use of larger venues so that 50 + can attend each training event. Cost and location of venues is a key consideration. There is a need to convert or adapt school buildings to incorporate an early years training and resource centre on a school site.
 - d. New training programme will be delivered in the afternoon and repeated in the evening in order to cut down on refreshment costs and supply costs.
 - e. Cluster/locality training can be tailored to local needs and delivered by the Early Years Consultant.

- 25 All DSG Early Years training costs in 2007/8, 2008/9, 2009/10 were covered by the under spend in Sure Start grant.

Community Impact

- 26 The Early Years Team although funded centrally has been reorganised to work in localities so that every EYFS teacher, children's centre, nursery and playgroup has a named contact.
- 27 Each Early Years Consultant works with approx.
- 14 Primary Schools,
 - 16 Early Years settings,
 - 2 Children's Centres
 - and is linked to a childminding network.
- 28 They deliver programmes of quality improvement aimed at raising standards and narrowing the gap for the most vulnerable children.
- 29 The EPPE research showed that children who attend high quality early years provision are more likely to achieve in KS1, KS2 and in KS3. If the foundations (dispositions and attitudes) to learning are established in early years this will impact on learning and development in the future. 81% of early years settings in Herefordshire are judged good/outstanding, it is important we maintain (and improve) this quality of provision especially with the high turnover of staff across the early years sector.
- 30 The 'I CAN – Cost to the Nation' report highlighted the importance of speaking and listening in early years. Research shows that children with speech and language difficulties are more likely to become disaffected, disruptive in school and will continue to impact on economic well being in adulthood. Given that up to 50% of children can start school with transient speech and language difficulties, early identification and intervention is a crucial aspect of our work.
- 31 Partnership working in early years can stimulate community cohesion and sets the precedent for information sharing, multi-disciplinary working and collaborative teamwork. Schools rely on the information and support of these 'partnerships' on transition into school, and particularly where the child has an additional need. The personal, social and emotional development of a child in early years can affect their social interaction, communication, behaviour and attitudes throughout their school years and in adulthood. Partnership working in the early years will reduce the risks of disaffection, addiction, mental health and social difficulties in later years.

Financial Implications

- 32 Schools Forum may choose to consider the following options:
- a. To find out if short term savings could be made from DSG in 2010/11 if salary costs for the early years team were covered by Sure Start Grant. In the memorandum of grant it states the purpose of the grant is to "Further develop and establish the role of Early Years Consultant teams to provide challenge and support to settings".
 - b. To find out if savings could be made from DSG if all early support and training budgets for 2010/11 are covered by Sure Start grant as in previous years.
 - c. Any significant changes to early years finances should be delayed until guidance from

the DFE has been issued about the Sure Start Grant, Sure Start Children's Centres, the statutory requirements of the Early Years Foundation Stage and legal requirements across the early years sector.

Legal Implications

- 33 There is a legal requirement to meet the
- 'Early Years Outcomes Duty'
 - To provide qualified teacher input into PVI settings and children's centres.
 - Terms of grant - 'Outcomes, quality and access' Surestart Funding Stream.

Risk Management

- 34 If early intervention and EYFS training programmes are covered by the underspend in Sure Start grant in March 2011 as in previous years there is no risk.
- 35 If the 'Outcomes, quality and access' funding block of the Sure Start Grant was used to cover salary costs of the early years team - this would reduce funding available for early intervention and training. All funding to March 2011 has been allocated. There is a high risk that if funding was withdrawn the quality of provision would be reduced and that systems for early identification and intervention for the most vulnerable children would be lost. We would fail to meet the Early Years Outcomes Duty.
- 36 A decision to change funding arrangements before advice from Government on future funding and statutory requirements for early years could result in the loss of an early years team in Herefordshire. This would impact on children, families, practitioners, schools, children's centres, services for under fives and local communities.

Appendices

Appendix 1- Early Years Outcomes Duty 2010

Background Papers

Letter outlining terms of the Sure Start grant.

Herefordshire Early Years Outcomes Duty
January - December 2010

Louise Jackson

lmjackson@herefordshire.gov.uk



Working together for the people of Herefordshire



A Lasting Legacy for Early Years in Herefordshire

The Herefordshire Early Years Team works with others to build a learning community that will embrace and lead change in educational practice in order to raise standards and improve outcomes for all children under five.

We aim to build a community of people who will work together in early years to create a context for learning that is...

- 70 - Not limited by physical boundaries
- That promotes passion, curiosity and collaboration
- A place of meeting, dialogue and interaction

That will ensure every child enjoys their childhood, and leaves school with the knowledge, skills and experience to enjoy and achieve in adult life.

Herefordshire Early Years Outcome Duty

- To increase the proportion of children achieving 6+ in all scales in Communication, language and literacy in the Early Years Foundation Stage.
- To increase the proportion of children achieving 6+ in all scales in personal, social and emotional development in Early years Foundation Stage Profile.
- To establish high quality provision and practice across the Early Years Foundation Stage in order to raise attainment and reduce the inequalities gap.
- To improve the quality of the workforce, and improve the quality of leadership and management in early years settings and schools.
- To establish effective, sustainable strategic local authority leadership and management for early years settings and schools in Herefordshire.

National Indicator 72

National Indicator 92

The Herefordshire Early Years Team (School improvement Service)

Central team:

General Inspector for EYFS – Louise Jackson lmjackson@herefordshire.gov.uk

Senior Early years Consultant (Workforce Development and Quality) – Alison Murphy Amurphy@herefordshire.gov.uk

Quality Improvement Support Officer – Anne Boyle Aboyle@herefordshire.gov.uk

Senior Childminding Coordinator – Ruth stallard Rstallard@herefordshire.gov.uk

Inclusion Facilitator – Glenys Stocker (Home based 12.5 hours per week)

North team

Early years Consultant – Sue sharp Ssharp@herefordshire.gov.uk

Early years Consultant – Deborah Ball Dball@herefordshire.gov.uk

Childminding Coordinator – Di Woodbridge Dwoodbridge@herefordshire.gov.uk

Children's Centre Teacher (Hope ad Coningsby) – Jackie Tweedale jtweedale@herefordshire.gov.uk

South Team:

Early Years Consultant – Bekki Miller BMiller@herefordshire.gov.uk

Early Years Consultant – Elisabeth Mason Emason@herefordshire.gov.uk

Childminding Coordinator – Tammy Moss TMoss@herefordshire.gov.uk

City Team:

Early years Consultant – Catherine davenport Cdavenport@herefordshire.gov.uk

Early years Consultant – Sarah Wallace Swallace@herefordshire.gov.uk (maternity leave)

Early Years Consultant – Georgia Pritchard Gpritchard@herefordshire.gov.uk (2 days per week)

Childminding Coordinator – Emma Hughes Ehughes@herefordshire.gov.uk

Children’s Centre Teacher (Green Croft and Springfield) – Paula Stearman Pstearman@herefordshire.gov.uk

The Herefordshire Early Years Team has recently moved to locality teams to improve access and efficiency. It is envisaged that the current localities will change in line with LA recommendations in the No Wrong Door Consultation Document during 2010.

During the past year the team has adopted a model of graduated support and challenge across all settings and schools delivering EYFS. In this action plan universal, targeted and intensive actions have been identified (colour coded) for each objective.

The Lead officer for the Early Years Outcomes Duty is the Inspector for EYFS – Louise Jackson

All actions identified in the plan will be led by members of the Early Years Team working in partnership with Children's Services from Education, Health, Social Care and Voluntary Agencies. Key partners for each objective have been identified and links are already established to ensure continuity and progression.

The priorities included in the plan were identified at a 'Solution Focus Meeting' with the Early Years team. The team considered the targets set by DCSF, the different aspects of the Outcomes Duty and identified barriers to success. The action plan represents the key priorities of the Early Years Team during the next year. All actions will be evaluated and the measure of impact has been identified. Targets have been set for some actions but where outcomes are more general, targets have been left open ended. Ultimately, the Early Years Team will measure the success of their work by the impact it has on children under five in Herefordshire. We aim to make Herefordshire the best place for children under five to grow and learn, and this remains the focus of any action included in the plan.

The Early years Outcomes Duty and Action Plan will form part of the Early Years and Primary Team Plan, the Early Years and Extended Services Plan and the Childcare Sufficiency Plan. For more information please contact Louise Jackson at lmjackson@herefordshire.gov.uk

To increase the proportion of children achieving 6+ in all scales in Communication, Language and Literacy in the Early Years Foundation Stage.

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
1. To address low entry profiles of children starting school in areas of rural isolation and social deprivation.	Improve partnership working across EYFS to support information sharing, continuity and progression.	Work together to devise consistent LA transition documents for PVI settings.	Effective information sharing between PVI settings and schools.	100% PVI settings will provide information for schools to support a smooth transition.
		Deliver a range of programmes to support speech and language in children's centres, LA nurseries, Neighbourhood Nurseries and PVI settings <ul style="list-style-type: none"> • 'Lets Talk' • 'Play and Say' • 'Fun with Sounds' • 'Elklan' • L+S Phase 1 	Parents, practitioners, CCs, SaLT and EYCs working together to give consistent messages and support children's early language.	Reception Teachers better informed, note improved standards and record higher CLLD scores on entry into school. (EYFSP) Accurate early identification and intervention (SLT)
		'Making Waves' Partnership Project in South Wye.	Recognition of the importance/impact of information sharing, EY partnerships and working together to improve outcomes for all children.	Raised standards across EYFSP. Understanding and respect of each others roles, and an exchange of expertise.

Key Partners: Early Years Team, Early years and Extended Services, Heads, EYFSP Moderation Network, Music Pool, Speech and Language Therapists, Artists, CLLD Consultant Leaders and managers.

Evaluation July 2010:

- **New LA transition documents produced and distributed to all PVI (hard copies and by email) Advice on good practice transition sent to 100% schools and settings.**
- **Introduction of ECAT monitoring tool in Herefordshire - piloted in 25 settings (including childminders, PVI and children's Centres) and due to positive feedback now being rolled out universally.**
- **Making Waves Project successfully completed and evaluated. Response from children " The best thing was making new friends" – outcomes presented at Leaders and Managers meeting. Three requests for further projects next year in South Wye, Leominster and Broadlands areas.**

Self Evaluation: Green

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
2. To improve the pace and progression in the teaching of phonics across EYFS	To ensure all staff (Teachers and TAs) are trained and equipped to deliver and understand importance of effective phonic programmes within EYFS.	Extension of the CLLD programme, CLLD Consultant and EYCs working together to share good practice in observation and assessment and tracking tools.	EYFS teams across the county delivering effective phonic programmes, tracking children's progress and consistent key messages.	100% Reception teachers tracking children's progress in phonics and using assessments to make decisions -next steps, early intervention and progression.
		Establishment of an EYFS TA Network in each locality to promote sharing of good practice, meet training needs and to recognise and value the work of TAs.	Network of lead practitioners who are able to support and deliver phonic programmes in reception classes, deliver training and support in linked settings/schools.	Increase in % of children secure at Phase 3 Letters and Sounds by the end of EYFS. Use of tracking tools and resources to support delivery of phonic programmes in R/Yr1 classes.
		CLLD Programme targeting EYFS/Year 1 in schools (x10) with low CLLD scores. CLLD Consultant working with teachers, practitioners and children across early years/primary phases.	Improved outcomes for children in EYFS and KS1 across CLLD scales. Raised standards in the quality of provision and practice in the teaching of phonics.	Phonic tracking collected throughout project already showing the impact of the project on raising standards particularly in CLLD across EYFS.

Key Partners: Early Years Team, CLLD Consultant, Primary English Consultants, TA Workforce Development Officer, NS CLLD Regional Advisor Primary Heads and English Coordinators.

Evaluation July 2010:

- **Phase 1 of CLLD programme completed and data collected to show impact.**
- **Letters and Sounds training for reception/year 1 classes delivered by joint Primary/EY teams.**
- **Initial analysis of EYFSP data for CLLD schools shows significant improvement in standards across CLLD scales in all 10 schools. CLLD Consultant leaving post in August 2010. EY Consultants to cover vacant post and continue project in 10 new schools – they will have limited capacity to deliver but see it as an opportunity to extend their role into KS1.**
- **Case Study Example : Broadlands Primary School**

Self evaluation: Green

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
3. To engage children, practitioners, SaLT, Libraries, Health Visitors, Children's Centres, childminders, EY settings and EYFS in Primary schools with the 'Every Child a Talker Programme' in Herefordshire.	To work together across children's services to promote young children's speech and language through active participation in storytelling.	ECaT launch event on May 22 nd to raise awareness of 'Learning language through play', the ECaT programme, provide resources and deliver key messages.	Involvement of agencies across children's services in recognising importance of play and language for children in early years. Establish shared vision, goals, key messages to parents, practitioners.	Numbers/ range of practitioners who sign up at launch event to receive newsletters, take 'Communicating Matters DVD' and commit to ECaT key messages.
		Elklan Speech and Language Support for Under Fives Training for Trainers in Herefordshire. All EYCs, CCTs and locality SLTs become accredited trainers and able to deliver locality training to practitioners and parents.	Range of training programmes offered across Herefordshire Early Years. Every EY setting to have staff trained in speech and language support, early identification/ intervention	Increase in EY settings supporting speech and language, identifying children with speech difficulties and implementing effective early intervention.
		Speech and Language Consultant to work with targeted preschool settings using the ECaT programme. EYCs to work alongside to ensure sustainability of ECaT programme.	Raising the quality of adult/child interactions, child participation in storytelling and improved outcomes in CLLD for children in target settings.	Collection of data, analysis and evaluation carried out throughout year long ECaT project.

Key Partners: ECaT Consultant, Bookstart, Early Years team, CLLD Consultant, EYES, Play Strategy Team, Speech and Language Therapists.

Evaluation July 2010:

- **Early Language Consultant seconded to the EY team from PCT.**
- **ECaT launch included representatives from most services working with under fives in Herefordshire (80+) with everyone signing up to participate in the project.**
- **25 Early Language Lead Practitioners have committed to programme. Audits, initial child monitoring and action plans completed. Initial analysis of data indicates confidence ratings for staff, and highlights areas of need for early intervention.**
- **Universal plans to engage every child under five in local library.**
- **Baby room project on 'The musicality of speech'**
- **Child initiated 'Story telling and talk' in PVI Settings**
- **Chatter boards in all Herefordshire EYFS settings.**

Self Evaluation: Green

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
4. To recognise and value the role that parents/carers have in supporting speech and language in the early years, and provide them with effective strategies.	To provide parents /carers with support, advice, tools and skills to support their own child's speech and language development.	EYFS open training and events <ul style="list-style-type: none"> - Discovery Day - So you want to Read a Story - A Celebration of Play 	Parents understand the themes and principles of EYFS, the importance of learning through play and are engaged in supporting learning and development in the early years.	Evaluation reports after each event assessing impact collated from feedback from parents/carers/practitioners and children.
		Elklan 'Lets Talk' courses delivered in all children's centres and offered to schools. Mark making with parents Getting Started Baby sign and Rhyme. Stay and play sessions	Parents/carers are able to recognise the importance of high quality interaction, good practice in speaking and listening skills, and engaged in high quality EY education and care.	Parental engagement in CC groups and training programmes. Feedback from course evaluations.
		ECaT programme in targeted settings. Delivery of training to parents of children in those settings.	Parents are equipped with knowledge and skills to support speech and language development. Vulnerable children's speech and language skills are consistently supported at home and in EYFS.	Raised standards in CLLD for vulnerable children. Narrowing of the gap, and improved outcomes for all children.

Key Partners: Early Years team, Music Pool, Artists, Speech and Language Therapists, Play Strategy team, EYES, CIS ECaT Consultant

Evaluation:

- **During the year 5000+ people have attended EY events – 'Discovery Day', 'Be Heathy, Be Playful' with opportunities to find out about how children learn in EYFS. Feedback from children, parents and practitioners was collected and documented.**
- **Many schools/settings used model presented by EY team to set up their own 'Discovery Days' to demonstrate the importance and value of learning through play.**
- **Following course on 'So you want to read a story' a children's centre and PVI settings in each locality held further training for parents.**
- **'Getting Started' courses delivered in all children's centres. Training of Children's Centre staff to deliver courses to parents.**
- **Piloting 'The Journey to big school' for parents and children in the children's centres.**

Self Evaluation: Amber

To increase the proportion of children achieving 6+ in all scales in Personal, social and emotional development in the Early Years Foundation Stage.

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
1. To establish emotionally enabling environments across EYFS in Herefordshire.	To set up an exhibition of high quality early years emotionally enabling environments and share good practice collated from The Herefordshire Good Childhood Research Project.	Two week exhibition focusing on emotionally enabling environments for early years using easily accessible resources from Worcester Resource Exchange.	Sharing of good practice ideas and resources that can be easily adapted in a variety of EY contexts.	No and range of visitors to the exhibition. Evaluation report on impact.
		Publication of The Herefordshire Good Childhood Research Project - Good practice Guidance on emotionally enabling environments.	Identification and publication of key elements of an emotionally enabling environment.	Increase in PSED EYFSP scores across EYFS. Verbal feedback and response.
		'Making Waves' Partnership Project in South Wye.	Recognition of the importance/impact of information sharing, EY partnerships and working together to improve outcomes for all children.	Raised standards across EYFSP. Understanding and respect of each others roles, and an exchange of expertise.

Key Partners: Early Years Team, Early years and Extended Services, Heads, EYFSP Moderation Network, Music Pool, Speech and Language Therapists, Artists, CLLD Consultant Leaders and managers.

Evaluation July 2010:

- **Publication of 'The Good Childhood Research Project' disseminated across all early years settings.**
- **Revised plans for two week exhibition. Membership of Worcestershire Resource Exchange offered and modelled in training but very few settings/schools were willing to travel to Worcester. Reviewed priorities.**
- **Identified key settings/Children's Centres. EYCs work alongside staff to set up model emotionally enabling environments. Current projects include Green Croft CC, Dolly Mixtures Day Nursery, Credenhill, Reception/Year 1 class at Bosbury School**
- **Making Waves Project successfully completed and evaluated. Response from children " The best thing was making new friends" – outcomes presented at Leaders and Managers meeting. Three requests for further projects next year in South Wye, Leominster and Broadlands areas.**

Self Evaluation: Amber

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
2. To establish emotionally enabling attachment and interaction between children and adults across EYFS in Herefordshire.	To support the social and emotional aspects of development through high quality interaction and relationships.	Values Conference on 26/01/10 with Neil Hawkes from Values UK.	Raising awareness of values education and the impact it can have on adults and children in EYFS settings and schools.	Implementation of values education in Children's Centres, EY settings and schools.
		Values Schools buddying Scheme. An invitation to see values education, peer massage and P4C in practice at Ledbury Primary School. Supply cover paid for Leaders and Managers.	Practitioners/Teachers sharing ideas and implementing good practice in their own settings and schools.	Monitoring of practice in EY settings, CCs and Schools. No of schools/settings implementing Values.
		Solihull Approach to working with families. Training for EYFS practitioners working with vulnerable children.	Recognition of the importance/impact of containment and reciprocity when working with families.	Raised standards across EYFSP. Engagement and participation of parents/carers in children's learning and development.

Key Partners: Early Years Team, Early years and Extended Services, Heads, Leaders and managers.

Evaluation July 2010:

- Publication of 'The Good Childhood Research Project' disseminated across all early years settings.
- One day conference on 'A Place to Be Me' including presentations from local schools and children. 60+ settings/schools attended.
- Follow on visit for practitioners to see a 'Values based' school in practice.
- Exhibition from Herefordshire on 'A Place to be Me' included in national two day conference.
- Led to further action research on: Peer Massage in Early Years Settings.
- Solihull training for all practitioners involved in 2 year old pilot project. Feedback very positive. Highlighted need for family support/Learning Mentor role in early years.

Self Evaluation: **Amber**

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
3. To establish 'Creative Connections' across EYFS in Herefordshire – making the learning relevant, building on children's interests, encouraging independence child initiated learning and good practice in EYFS.	To pilot 3 locality based creative learning projects that will be documented and shared on the 'Creative Connections' website.	To establish online sharing of good practice and Solution Focused Inquiry Groups (independent CPD) on the Herefordshire Creative Connections Website.	Establish the 'Creative Connections' website as a source for CPD, sharing good practice and as a tool for documenting the learning journey in EYFS in Herefordshire and nationally.	Launch of 'Herefordshire Early Years Zone on the Creative Connections website'
		Identify three pilot projects (in each locality) for a SEAD project working alongside Dance Consultant. Each project will build on high quality EYFS practice and explore new ways of documenting the learning journey.	Children, practitioners, parents working together with a dance consultant to promote an emotionally enabling environment, high quality interaction, participation, expression and shared thinking skills.	Creative Connections Learning Journey of each project.
		Training in 'Observation and assessment in EYFS' for TAs to establish a consistent approach across the EYFS team.	TAs equipped with knowledge and skills to carry out accurate observation and assessment and support the documentation of the learning journey.	No. of TAs contributing to accurate observation and assessment in EYFS monitored by EYCs. Quality of observations in the Learning Journey.

Key Partners: Early Years Team, Julie Leach – Independent Dance Consultant, Creative Connections Team.

Evaluation July 2010:

- **Pilot project completed at Merry Go Round Nursery. Documentation of project recorded and shared nationally using 'Creative Connexions' website.**
- **Establishment of Herefordshire Early Years Zone for CPD on Creative Connexions Site. Meeting with IT in May 2010 raised some concerns which cannot be overcome in order to meet corporate policies. We are not able to continue with this exciting project which would have provided opportunities for national exemplification of good practice in early years and online CPD.**
- **Focus is now on 'Active Evidence' and the training and exemplification of learning journeys across EYFS. Exhibitions alongside training in observation and assessment offered to all TAs/Practitioners/Childminders and Teachers.**

Self Evaluation: Amber

To raise the quality of learning and teaching in order to raise attainment across all EYFSP scales and reduce the inequalities gap in the Early Years Foundation Stage.

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
1. To ensure all practitioners across EYFS are trained in themes and principles of EYFS. Leaders Managers, Heads, SIPS, Assessment Coordinators, TAs, Inspectors and Consultants.	To ensure that everyone on the EYFS team is trained, has ongoing support and is challenged to deliver high quality consistent provision and practice.	All EYCs equipped with training materials to deliver centrally and locality based training . Training programmes delivered termly and accessible to anyone working within EYFS.	Staff new to EYFS access two day training course and follow up training from EYCs. 100% staff trained in EYFS.	100% practitioners/teachers trained in EYFS. Roll out of follow up INSET training and monitoring visits recorded in Notes of Visit.
		Establishment of an EYFS TA training network in each locality. Audit of training needs for TAs working in EYFS.	TAs participate and engaged in delivery of EYFS and establishment of strong EYFS teams in each setting/school.	Attendance at TA Network Meetings. CPD record for TAs.
		Engagement of Heads, Leaders and Managers with EYFS Teams through: - EYQISP - Creating the Picture - Making a Big Difference. - Making Waves	Engagement of Heads/Leaders and Managers in EYFS.	Participation in programmes. Evaluation of Focused Improvement Plans, Action Plans and impact on EYFSP.

Key Partners: Early Years Team, Early years and Extended Services, NS Regional Advisor.

Evidence July 2010:

- Training programmes audited and evaluated in December 2009 to identify best practice.
- As a result a new training programme will be launched in September 2010 ‘ J2O – The Journey to Outstanding’
- Early Years Consultants are able to offer EYFS training to targeted settings/clusters and in Children’s Centres.
- Increasing engagement of Heads and Leaders in EYFS training and Quality Improvement Programmes.
- Increase in Ofsted judgements of good/outstanding.

Self Evaluation: Amber

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
2. To raise awareness of importance of learning through play in early years foundation stage.	To ensure that everyone working with children under five has an opportunity to explore and value the importance of learning through play.	‘A celebration of play’ on King George V Playing Fields, South Wye. May 22 nd . Joint public event with Play strategy team and launch of ECaT.	Sharing of good practice ideas and resources that can be easily adapted in a variety of EY contexts.	No and range of visitors to the event. Evaluation report on impact.
		EYFS Forums and locality meetings. Focus for discussion and professional dialogue – ‘What is Play?’ Use of NS publications and resources.	Exploration of the importance of play in early years. Better understanding. Practitioners and Teachers become strong advocates for learning through play.	Each locality EYFS Forum to produce a statement about the importance of Play in EYFS.
		Action Plans written at end of every EY course and follow up monitoring visits by EYCs to ensure that all EY training is made relevant and can be practically applied.	All EY Training has impact which can be monitored and recorded by EYCs.	Notes of Visit. EYFSP scores.

Key Partners: Early Years Team, Early years and Extended Services, Heads, Leaders and Managers. NS Regional Advisor.

Evidence July 2010:

- ‘Be Healthy, Be Playful’ held on May 22nd. 4000+ people attended. 100+ children under five participated in activities in EY tent. Activities included ‘Musical Stomping’, ‘Drum making’ and Early Writing.
- Workshops and discussions on play incorporated into training and Heads Conference. The ‘value of play’ given as a key message to underpin all training.
- Year 1 teachers ‘Building Bridges’ Action Plans reflect growing understanding of the way children learn (pedagogy)
- Action research projects led by Foundation Stage Students/EYPs on ‘Super Hero Play’, Play Outdoors.
- ‘Take time to talk, take time to play’ slogan used at ECaT launch and in all displays to emphasise this key message.
- ‘The best resource is YOU!’ slogan used at ECaT launch and in all displays to emphasise this key message.
- ‘Getting Started’ Courses in all children’s Centres to engage parents, Practitioners in play.

Self Evaluation: **Amber**

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
3. To improve communication with and between settings, schools across EYFS and with children's Services.	To develop and implement an early years 'Communication Action Plan' for LA.	Establish a Herefordshire Early Years Web Page which will include information on the team, training opportunities, updates and information.	Sharing of information, good practice ideas and resources that can be easily accessed in a variety of EY contexts.	Development and use of web page.
		Contribute to a School Improvement Early years and Primary Newsletter.	Sharing of information, good practice ideas and resources that can be easily accessed in a variety of EY contexts.	Development and response to a regular School Improvement Newsletter.
		Explore potential for celebrating good practice in EYFS in local newspapers with LA Communication Department, improving communication links and booking system for all EY courses.	Sharing of information, good practice ideas and resources that can be easily accessed in a variety of EY contexts. Improved communication links.	Improved communication links. Reduction in no. of complaints and errors in course bookings and communications.

Key Partners: Early Years Team, Carla Preston – Communications Manager.

Evaluation July 2010:

- **Monthly newsletter launched in January 2010.**
- **Meetings with Andy Churcher to discuss web page for Early Years.**
- **Meeting with Carla Preston to plan communication of ECAT project. Articles published in local newspaper in June 2010.**
- **Plans to create an ECaT logo for Herefordshire dropped due to corporate guidance.**
- **Online booking system for courses to be launched in September 2010.**

Self Evaluation: Amber

To improve the quality of the workforce, Leadership and Management in early years settings.

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
1. Use of CWDC Workforce Tool by Leaders and Managers in EY Settings. Effective self evaluation, reflective practice and audit of training needs.	To work across LAs to promote and demonstrate the use of the workforce tool.	Senior EYC to work together with West Midlands LAs to share ideas to promote use of the workforce Tool. Pilot programme with EYPs.	Sharing of good practice ideas and tools. Identification of EYPs/ Ambassadors / Leads who will be trained in use of workforce tool.	Increased use of Workforce Tool to record CPD and audit training needs.
		Leadership and Management Conference in Summer term with focus on new training developments and CPD Framework for settings.	Training in different styles of Leadership and Management. Establishment of Leaders and Managers Network.	Improved quality of EY Leadership and Management recorded in Ofsted Reports/Notes of Visit.
		Creating the Picture for Leaders and Managers in Children's Centres. How to use EYFSP data to inform your practice and provision.	Use of data in CCs not as a judge of performance but to identify gaps in provision and audit training needs.	Raised standards across EYFSP. Action Plans/FIPs in place.

Key Partners: Early Years Team, Early years and Extended Services, Workforce Development Team. Quality Improvement team.

Evaluation July 2010:

- **CWDC filming for promotional DVD for Early Years Workforce Tool with EYP Childminder in Herefordshire. No release of this as yet for promoting tool more widely.**
- **Leaders and Managers conference 6th July 2010 with focus on changing financial climate and different training and support highlighted from September 2010. Greater emphasis on retention of staff and using a CPD Framework to embed this. Impact statements for use of Capital Grant for ICT and outdoor provision such as improved delivery of framework for boys, including greater opportunities for learning and development outdoors. Also raised challenges around staff knowledge and parental engagement.**
- **Creating the Picture delivered to Children's Centre staff and EYC input into 'ready for Children's Centre inspection' session.**

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
2. To improve recruitment and selection of Leaders and Managers in EY settings to raise standards in the quality of leadership and management.	To support and advise on selection and recruitment of all new managers/leaders.	Safer recruitment courses to be offered to all Leaders and Managers led by Workforce Development Team.	All those involved in recruitment are equipped with statutory guidance and employment law.	Participation on courses. Course evaluations.
		All EYCs to attend corporate training on recruitment so that they are able to offer advice and guidance. EYCs not expected to take part in recruitment process unless under special circumstances.	Leaders and Managers receive support and challenge throughout the recruitment process to ensure they get the best candidate for the post.	Recruitment and retention figures in EY settings. EY Audit returns. Confidence levels of leaders and managers from setting visits and Ofsted reports.
		Focus on Heads Cluster Meetings. EYCs to offer input on EYFS (as a team rather than as individuals) to raise awareness of statutory requirements of EYFS.	Heads are better informed on their statutory requirements and know who to contact on the EY team.	Attendance at cluster meetings. Involvement of Head in EYFS.
		Raise level of qualifications of leaders and managers through Early Years Foundation Degree and graduate leader programme. Work with HEI to ensure EYFD is suitable and relevant to current agenda for EY.	Graduate leaders in full daycare settings extending to all group settings and childminders. Ensure level 3 training is available to all staff as a stepping stone to graduate programmes.	Graduate and EYP numbers increasing. BVPI 222a outturns. Re-validated degree course to reflect quality improvement in EY settings.
Key Partners: Early Years Team, Corporate Training Team at Castle Green, Primary School Improvement Team. University Of Worcester EYFD team and EYP team.				

Evaluation July 2010:

- Safer Recruitment offered to leaders and managers of settings. Four courses each with 20 delegates delivered to date. More planned alongside schools for Autumn Term 2010.
- EYCs have either attended or are booked onto corporate recruitment and safer recruitment training.
- Input into head teacher briefings, induction for new head teachers and links at head teacher conferences.
- 22 settings currently have an EYP, 12 settings with QTS and 10 working towards EYPS. 3 childminders have EYPS and all lead through peer support and leading training.
- LA input into new Foundation Degree to focus on quality improvement and raised confidence in leading practice.

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
3. To launch use of the Quality Mark in EY Settings and schools	To launch the Quality Mark and pilot the programme with a group of selected EY settings	Workforce Development team with EYCs to organise launch event with guest speaker and free resources to selected groups.	Early years Workforce familiar with Early Years Quality Mark Programme in Herefordshire.	No. of schools settings who achieve the Basic Skills Quality Mark for Early years in Herefordshire.
		Promote use of Quality Mark Tools to support self evaluation and audit strengths and areas of need.	Quality Mark Tools published and used regularly across Herefordshire Early years Settings and Schools. E.g. Welfare Action Plan.	Published materials and Notes of Visit record usage.
		Early Years QA Mentors and Assessors to work with selected settings to achieve the Early Years Quality Mark.	At least 10 settings/Schools engaged in Quality Mark Programme .	Registration, participation and achievement.

Key Partners: Early Years Quality Improvement Team, Mentors, Assessors, EYCs, Basic Skills Quality Mark Regional Advisor.

Evaluation July 2010:

- Quality Mark scheme promoted through EYFS training events and to settings where previous QI award required updating. Pilot settings working on Welfare Requirements Action Plan (WRAP) prior to Quality Mark scheme. One setting has achieved QM. Others in pilot are working towards WRAP.

To improve the effectiveness of strategic Local Authority leadership and Management for Early Years settings and EYFS classes in primary Schools.

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
1. To network with Early years teams in other Local Authorities, sharing good practice, overcoming barriers, and establishing network groups.	To establish strong inter- LA links which will challenge and support the Herefordshire Team to meet statutory requirements and raise standards in the quality of provision and practice in EYFS across Herefordshire.	Early Years Inspector to be seconded part time to work with statistical neighbours (Gloucestershire, South Gloucestershire, Swindon, Dorset etc) with National Strategies.	Links established with strategic leads in other LAs and between Early Years Teams.	Attendance at inter LA moderation groups/working parties/Regional Forums.
		Clarity of roles and responsibilities in Early Years team. Publication of Early Years Outcomes Duty, Policies and guidance to DLT and Improvement and Inclusion Manager (Feb 2010)	Information used to inform strategic vision for Herefordshire, restructuring and reorganisation of early years.	All members of EY Team clear about roles, responsibilities, line management and confident in 'change' process.
		To establish continuity and progression across the Early Years and Primary team. All Inspectors, SIPS, Heads, Consultants and Advisers engaged and informed about Early years education and Care.	Consistent support and challenge in Herefordshire schools and early years settings to promote high quality provision and practice across the county.	Raised standards in EYFS, KS1 and KS2. Smooth transitions. Improved Ofsted judgements.

Key Partners: Early Years Team, School Improvement Service, DLT, National Strategies.

Evaluation July 2010:

- **4 month secondment to National Strategies (Jan – May) provided valuable opportunities to share good practice and gain LA perspectives from across South West and Nationally.**
- **Regular links established with Gloucestershire. Plans to visit Devon to look at sustainability in EY depts. Cross LA Moderation with South West. Regional Workshops with West Midlands.**
- **Consultation process in May 2010 caused unnecessary distress and confusion. Highlighted the lack of understanding of the roles and responsibilities of EY team. Changes to line management, increase in roles and responsibilities is impacting on the team.**
- **Engagement of Heads and Year 1 teachers has improved. Training in EYFS given to subject coordinators. EYCs joining some inspectors in carrying out reviews in schools. Issue around inspector/consultancy role. Primary Team/Early years have a very different approach. This needs to be explored as an LA – in terms of impact on children.**

- **EYFS training for SIPs (1/2 hour slot) Piloted EYFS training delivered by a SIP – feedback highlighted the lack of understanding of the SIP and lack of in depth knowledge of EYFS.**
- **Programme of regular training for SIPs planned from September 2010.**
- **School/ Children’s Centre data packs planned for September.**

Self Evaluation: Amber

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
2. To manage workloads within current capacity of the Early Years Team in Herefordshire.	To ensure the Early Years Team meets statutory requirements and remains focused on key priorities that will make a difference to children.	Recruitment and induction of new Early Years Consultants, Children's Centre Teachers and Team Building.	Locality Early Years Teams including EYCs, CCTs, Childminding Coordinators and links with partner organisations in each locality.	Effective locality Teams which are impacting on children under five in each locality.
		SIS Early Years Team and EYES Team working together across Early years to make an impact. Coordinated approach with clarity of roles and responsibilities.	Shared vision and values, Delivery of consistent key messages, shared workloads and more effective/efficient working practices.	Procedures/systems in place. Efficient working. Value for money. Impact on children.
		Establish an enabling work environment for staff in early years. Current facilities inhibit effective working.	Early years Central Office, locality hubs in children's centres and home working established.	Recruitment and retention. Effective communication.
Key Partners: Early Years Team, DLT, Facilities Manager, EYES.				
Evaluation July 2010:				
<ul style="list-style-type: none"> • The locality role of Early Years Consultant established and valued. The importance of the EYC role was highlighted at the EYFS Emergency Forum (June 2010) and at The Leaders and Managers network in July 2010. • Procedures and systems in place for SIS EY team, and consistent across schools, Settings and childminders. • Progress had been made with alignment across EY team and EYES team but this has been damaged by lack of clarity about line management and therefore roles and responsibilities. This is having a negative impact on the development of a shared vision and values. Joint team awayday planned for 12th July to address this. • Office space reorganised and cleared to provide improved working environment for all. The EYCs/ECaT Consultant/CLLD Consultant share desks (3x to a desk). 				
Self Evaluation: Amber				

<i>Objective</i>	<i>Aim</i>	<i>Support and challenge</i>	<i>Outcome</i>	<i>Impact measure</i>
3. To raise the profile of Herefordshire Early years locally and nationally. Celebrating good practice, and sharing expertise with others.	To highlight good practice and share with others through training programmes, the Creative Connections website, Regional Forums and national events.	To contribute to national publications and websites <ul style="list-style-type: none"> - Refocus - Nursery World - Speech and Language Therapy - NCETM - Worcester University Publications 	Herefordshire Early Years to gain a national reputation for good practice, innovation and creativity.	Collection of publications.
		Launch of Herefordshire Early Years Portal on the Creative Connections website. Sharing good practice, documenting learning journeys, and celebrating the impact of high quality provision and practice.	Herefordshire Early Years to gain a local reputation for good practice, innovation and creativity.	Access to the Herefordshire Early Years portal on the website.
		Aspect Early Years National Conference – ‘The Gender Agenda’ at Puckrup Hall on June 25 th /26 th 2010.	Herefordshire Early Years to gain a national reputation for good practice, innovation and creativity.	Attendance at the conference. Conference evaluations.
Key Partners: Early Years Team, Creative Connections, Worcestershire Early Years Team, Communications Dept, DLT.				
Evaluation July 2010:				
<ul style="list-style-type: none"> • Articles highlighting successful work of Herefordshire Early Years published in 2009/10 : Bercow Report, Speech and Language Therapists Journal, National Centre for Excellence in Teaching Maths, Values Education UK, Open University, Herefordshire Journal, Ross Gazette and C4EO. • Exhibitions/Workshops highlighting successful work in Herefordshire Early years delivered nationally in 2009/10: Aspect Early Years Conference 2010, National Strategies Regional Workshop 2010. • Work on the Creative Connexions Portal has stopped due to corporate constraints. 				
				Self Evaluation: Amber

Emerging priorities for 2010/11:

- Appointment of a strategic lead for early years in Herefordshire at senior management level.
- Emotional development of children under five is a priority for Herefordshire and will impact on learning and development.
- CLLD continues to be a priority.
- Alignment of early years teams and services.
- Sustainability and cuts in line with government priorities.
- Streamlined more effective services for children under five in Herefordshire.

Key message: There is still work to be done

MEETING:	SCHOOLS FORUM
DATE:	1 OCTOBER 2010
TITLE OF REPORT:	EFFICIENCY SAVINGS IN SCHOOLS
OFFICER:	SCHOOLS FINANCE MANAGER

CLASSIFICATION: Open

Wards Affected

County-wide – All Schools

Purpose

To consider further work to develop options to help Herefordshire schools make efficiency savings according the DfE advice set out in “Investing for the future, protecting the front line”.

Recommendation

THAT School Forum:

- a. establish a task and finish group, the Procurement sub-group, to investigate the potential to achieve procurement savings in schools and make recommendations to Schools Forum in mid-2011;**
- b. request progress reports from the Wigmore and Bromyard cluster on the impact of the National Schools Leadership College pilots on school business management;**
- c. endorse the re-launch of the invest to save scheme with a particular focus on energy savings.**

Key Points Summary

- In the next few years most schools will need to need to make efficiency savings in order to balance the budget due to predicted reductions in funding.
- Savings have been suggested by government in the following four areas;
 - procurement
 - back office costs
 - energy
 - collaboration and federation

Further information on the subject of this report is available from
Malcolm Green, Schools Finance Manager on (01432) 260818

- This report outlines the potential for savings and suggests further work to explore how these could be achieved in practice

Alternative Options

- 1 There are no alternative options for consideration.

Reasons for Recommendations

- 2 In the next few years most schools will need to need to make efficiency savings in order to balance the budget due to reductions in funding arising from falling rolls and a less generous DSG settlement from government. Schools Forum in July asked for a report to put forward making suggestions on how to achieve 0.9 per cent budget efficiency savings. This report outlines the potential for savings and suggests further work to explore how these could be achieved in practice.

Introduction and Background

- 3 The previous government set out their funding plans for schools in the document “Investing for the future, protecting the front line: school funding 2010-13”. In addition to a savings target of £500m from central government departmental expenditure for education, the document also set out the requirement to make efficiency savings of 0.9 of one percent in schools on average over the period 2011-12 and 2012-13.
- 4 The document suggested that all schools should consider
 - improving the way they procure good and services;
 - looking at whether they can share back office functions with other schools;
 - exploring federation and other partnership options with other schools in order to deliver a broader range of provision more efficiently and make savings on leadership costs
 - and using benchmarking to evaluate their overall use of resources.
- 5 With a planning horizon from 2010-11 to 2012-13, schools will be able to look across all three financial years to help them make savings and planned changes to their use of resources to secure better value for money, including using moderate school balances to smooth their funding to meet cost pressures.
- 6 It is clear that the new coalition government is seeking greater financial savings sooner to achieve an earlier recovery the national deficit. On this basis it seems highly likely that schools will be expected to achieve the same or greater efficiency savings than originally proposed.
- 7 Chapter 4 from Investing for the future sets out how schools can make efficiencies in the four broad areas of procurement, back office, energy and collaboration/federation and is attached as an appendix.
- 8 Some ideas for development have been gathered to stimulate further discussion by Schools Forum in taking these suggestions forward

Procurement

- 9 Schools spend £6.5bn on goods and services – it should be possible to save 10% - and DFE has a procurement programme to help. DFE benchmarking indicates that if all schools spent at the performance of just the 75th percentile this would save £700m. Herefordshire normally has a 0.3 of 1% share of national budgets and on this basis efficiency savings up to £2.1m might be possible locally. In 2009/10 Herefordshire schools spent £12.4m on supplies and services, a 10% saving would be £1.2m which is equivalent to £53 per pupil – a useful sum to schools.
- 10 If the DfE assessment is true the savings of between £1m and £2m might be achievable in Herefordshire.
- 11 To minimise procurement costs it is advisable to use a professional buying consortium such as West Mercia Supplies. Further savings will be possible if schools purchase unbranded items. Best practice advice has been sought from Mr Mike Phillips, Managing Director of West Mercia Supplies (WMS) and he is willing to attend a future meeting of Schools Forum to explore further how WMS might assist schools in better procurement. Schools have been able to take part in the OPEN procurement programme, started under the then DCSF. Some schools within Herefordshire are taking part, particularly if they have the SIMS education management system. The on line procurement system is designed to enable schools to achieve savings through procurement.
- 12 Excluding academies, schools in Herefordshire spent £12.4m on supplies and services and £5.6m on premises in 2009/10. It is estimated that £1.3m was spent with WMS.
- 13 There is evidence that schools could secure greater savings from catering, cleaning and grounds maintenance contracts by tendering on a cluster basis. Some Herefordshire schools are already reporting useful savings from limited cluster tendering. Further savings from reduced duplication of tender activity would potentially also achieve better use of scarce professional resources and allow property services more time to provide robust contract management. Property Services are well placed to support schools in cluster tendering. Initially, until contract end dates are harmonised, different starting dates for new contracts will be necessary and governing bodies will need to opt into new tender arrangements.
- 14 Similar cluster purchasing can also be applied to stationary, PAT testing, training which can be easily organised through greater school collaboration to generate useful savings. To achieve such savings schools need to actively co-operate in clusters.
- 15 Given the potentially significant savings that might be available it is proposed that Schools Forum sets up a Procurement and efficiencies sub-group as a task and finish group to investigate further and report back to Schools Forum in mid-2011.

Back –office costs

- 16 A 10% saving could be £250m nationally by working together e.g. one school procuring goods and services on behalf of a cluster.
- 17 The current business management projects underway within the Bromyard and Wigmore clusters could provide further insight into potential models and savings within this area. A request for a summary of impact and learning should be submitted for feedback to Schools Forum.

Energy

- 18 Schools spend £500m on energy each year. DFE suggest that savings of between 5% and 15% are achievable through changing behaviours of school occupants. DFE have begun a co-ordinated national energy reduction programme involving key partners such as DECC, Carbon Trust, Salix and also offering a free energy display meter to schools via British Gas.
- 19 The Property Services Manager feels there are certain things we can do to improve the energy performance of our Schools.
- Firstly, as to the energy costs, we do find that West Mercia Supplies are very competitive in the medium to long term. There are a lot of cheap energy deals around but they are short-lasting and often tie properties into a 3 or 5 year contract where costs rise considerably in the 3 to 5 year period. Halo, our Leisure Service provider, found this when they left West Mercia. They are now trying to get out of the existing supply contract.
 - Secondly, we are heavily involved in the Carbon Reduction Commitment of the Council. Property Services are able to offer Schools energy audits if they require it and will prepare a paper on this matter. As to Salix, we no longer participate in this scheme as the type of work we are doing does not meet their criteria. (We have already done their type of work). In respect of energy meters in the reception area, this is only normally viable in new Schools because of the location of the incoming mains.
 - Finally, the Council does have an Invest to Save programme which has been offered to Schools in the past – this can be re-launched if Schools Forum are agreeable.

Collaboration and federation

- 20 The previous government highlighted potential savings through collaboration or federation, but at a national level the amounts reported varied considerably. Some schools in Herefordshire are making the most of their resources by collaborating in clusters or groups of schools to share procurement, contracts, and skills and expertise of staff. Federation has taken place in Herefordshire and there has been some evidence presented that these have produced some savings, or at least used the money available differently or more effectively. However, clear robust evidence is not readily available at a national or local level and the economic climate is much different to when federation or collaboration initiatives were proposed. Schools will need to be much clearer on the financial benefits of any developments within the national context of tighter settlements, and the local context of fewer pupils overall.

Key Considerations

- 21 None identified.

Community Impact

- 22 None.

Financial Implications

- 23 None specifically identified.

Legal Implications

24 It is confirmed that these proposals are consistent with the Council's legal duties.

Risk Management

25 Without achieving economies in supplies and services and premises expenditure, reductions in staffing will be necessary to ensure balanced school budgets.

Appendices

26 Appendix 1 – Investing for the future protecting the front line: school funding 2010/13.

Background Papers

27 None.

Investing for the future, protecting the front line:

school funding 2010–13



Ministerial foreword



Over the past 12 years, our education system has been rebuilt on foundations of inspirational teaching, great school leadership and sustained record investment.

We now have almost 3,500 Sure Start children's centres compared to none in 1997, nearly 4,000 schools have been rebuilt or refurbished, per pupil funding has more than doubled and over 42,000 more teachers and 212,000 more support staff have been recruited.

As a result, outcomes for children and young people have improved dramatically, we have many more outstanding schools and many fewer underperforming schools and our education system has gone from below average in the world to well above average.

But our ambition is to have a world-class schools system in which there is excellence not just for some but for all and where every pupil gets the support they need to overcome the additional barriers they face.

We set out the next stage of our reforms to achieve this ambition in our White Paper *Your child, your schools, our future: building a 21st century schools system*.

But we also know that we will have to do so in tougher times.

In the Pre-Budget Report, the Chancellor of the Exchequer said that he will protect front-line spending on the police, the health service and in our schools.

In the case of schools, we also know that we will have to make tough choices and identify savings across the Department for Children, Schools and Families (DCSF) budget.

And today I am setting out details of the savings that I have identified so far; providing more information about the real terms rises in school funding to help schools and local authorities plan for the next three years in advance of further details in the autumn; and launching a further consultation following our review of the Dedicated Schools Grant.

The Pre-Budget Report confirmed that from 2011-13 funding for Sure Start will continue to rise in line with inflation; funding for 16-19 learning will rise by 0.9 per cent year on year with an extra £202m this year to meet our September Guarantee; and funding for schools will increase by 0.7 per cent in real terms, which at current inflation levels will mean a cash increase of 2.7 per cent. This comes on top of real terms increases of 2.4 per cent, or cash increases per pupil of 4.3 per cent, in 2010-11.

This means that 75 per cent of the DCSF Budget has been protected and we can:

- deliver our pupil and parent guarantees including one-to-one tuition for all children in primary school and Year 7 who fall behind;

- ensure there is strong discipline and good behaviour in every school;
- meet our September guarantee to all school leavers of a place in college or training;
- maintain our additional teachers and support staff;
- and in addition, take forward our Building Schools for the Future pledge to rebuild or refurbish all secondary schools. We have announced a further tranche of BSF projects: £418.3m will be invested across Buckinghamshire, Cornwall, Gateshead, Lincolnshire, Oxfordshire and Sutton.

By 2013, the Chancellor also said that I will need to find £500m in savings from my non-protected spending, which leaving aside the teachers' pension scheme accounts for 8 per cent of the DCSF's £63bn resource budget.

This is equivalent to a 7 per cent cut and requires tough choices.

I have so far identified savings of over £300m, including: £135m from our NDPBs with significant reductions in funding for Becta and the TDA; £100m by ending start-up funding for extended services now that 95 per cent of schools already offer access to them; £50m by scaling back bursaries for initial teacher training now that we have a steady flow of new teachers; and £5m in savings from communications budgets including by moving Teachers' TV online. At the same time the Department will save a further £8m per year from the costs of its back office functions, by sharing services with other government departments.

We still have further work to identify savings without cutting into programmes such as short breaks for disabled children, music, sport or support for looked-after children because I am determined to do whatever it takes to protect the front line.

Real terms increases in schools funding of 0.7 per cent, or 2.7 per cent cash at current levels of inflation, mean we can resource increasing pupil numbers – a projected further 80,000 pupils – and still increase per pupil funding by 2.1 per cent in cash. This means we can resource our priorities:

- ensure one-to-one tuition can be maintained in KS2 and year 7 and expanded to KS1, delivering our "3Rs" guarantee;
- maintain the subsidy for extended services, supporting a richer and broader school experience for all pupils but particularly those from more deprived backgrounds;
- resource new or improved areas of provision, such as ensuring parents are able to secure a school place from the September following their child's 4th birthday, as recommended by Sir Jim Rose; and
- ensure continued protection of core frontline provision for children in schools and thus delivery of our pupil and parent guarantees.

For the same period, we expect average cost pressures of 1.6 per cent cash per pupil. This means that schools on average will be able to meet their cost pressures from within their overall increase.

The actual level of increase in funding for each individual school will vary. It will depend on each school's own particular needs; local decisions about how best to meet needs; and the conclusion of the consultation I am beginning today on the distribution of the Dedicated Schools Grant.

However, as in the past, we will protect schools by setting a minimum funding guarantee (MFG): a guaranteed per pupil increase in their like-for-like budget. We will, as usual, set the exact level of the MFG in the autumn, but it will certainly guarantee all schools increasing per pupil budgets in cash terms. Of course, the majority of schools will receive higher funding increases than the MFG – as is the case with three quarters of schools this year.

Every school faces different challenges and some schools face greater challenges than others.

We know that results have been rising fastest of all in schools in the areas with the greatest deprivation and the gap has been narrowing.

But we have much more to do and we are determined to tighten the link between deprivation and school budgets so that schools with the greatest proportion of pupils from disadvantaged backgrounds get the additional resources they need.

We have been reviewing the Dedicated Schools Grant to ensure that funding is distributed fairly, transparently and responds to the needs of children and young people, and today have published the *Consultation on the future distribution of school funding*.

Currently, around £3bn is allocated to local authorities as additional deprivation funding through the Dedicated Schools Grant, rising to nearly £4bn including other grants.

In the past, local authorities have not always passed on all of this funding to schools on the basis of deprivation and we have already made it clear to local authorities that we expect them to do so in the future.

But to ensure that all schools who take on pupils from disadvantaged backgrounds get the additional resources they need and still have the flexibility to decide how they use deprivation funding, it is also our intention to require local authorities to use a Local Pupil Premium to distribute deprivation funding, based on their own local decisions of how best to measure deprivation, and to increase it gradually before 100 per cent of deprivation funding is passed on appropriately by 2014-15.

During our review, we received some representations that a nationally-set pupil premium should be implemented.

However, a nationally-set pupil premium would not take account of local need, would prescribe a single amount of funding to overcome deprivation across the whole country and would, according to the Institute of Fiscal Studies, require severe and immediate cuts to school budgets or other public services to pay for it.

So it is also our intention that the definition and therefore the level of the pupil premium is agreed locally so that it can properly reflect local need, circumstances and challenges.

It is however vital that all schools make savings to enable schools collectively to meet all cost pressures, ensure investment in our key priority areas, allow progress to be made on delivering a fairer funding system without creating damaging instability for schools funded at the MFG, and use their resources to best effect to maximise investment in improving outcomes for their pupils. So alongside a real terms rise in school funding of 0.7 per cent, (a cash increase of 2.7 per cent), we have also set schools challenging but achievable efficiency targets of 0.9 per cent or £650m

across the school system as a whole which will enable them to meet cost pressures and continue to deliver improved outcomes for pupils.

It should be possible for schools, across the piece, to save in excess of this. We believe schools could go further and potentially make efficiency savings of up to £950m, providing up to £300m extra savings which could be recycled by schools to spend themselves on their priorities to support every child.

We published a discussion document on efficiencies – *Securing our future: using our resources well* – in November last year setting out the areas where we believed schools would be most able to achieve efficiency savings.

I know that school leaders around the country have recognised the progress that needs to be made and are responding vigorously to the challenge of identifying efficiency savings in order to switch resources to the frontline. Around 1,800 schools have already taken up the offer of free financial consultancy support that we have made available to all maintained schools and we expect many more schools to attend one of the conferences that we have arranged with the National College, the LGA and other organisations.

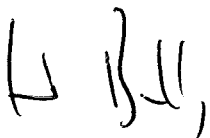
We also announced last week that we will fund 1,000 more primary school bursars.

There is no doubt that this is a tougher settlement than in the past and tough choices have to be made by schools, by local authorities and by government.

I have chosen to protect frontline budgets, pass on real terms increases to schools, make tough choices to find savings in the DCSF unprotected budget and support schools to make efficiencies.

I have also chosen not to create excess places that would deprive existing schools of funds they need and not to introduce a national pupil premium that would require severe and immediate cuts to school budgets.

And I believe those are the right choices for our schools and for the future of our country.



Ed Balls MP

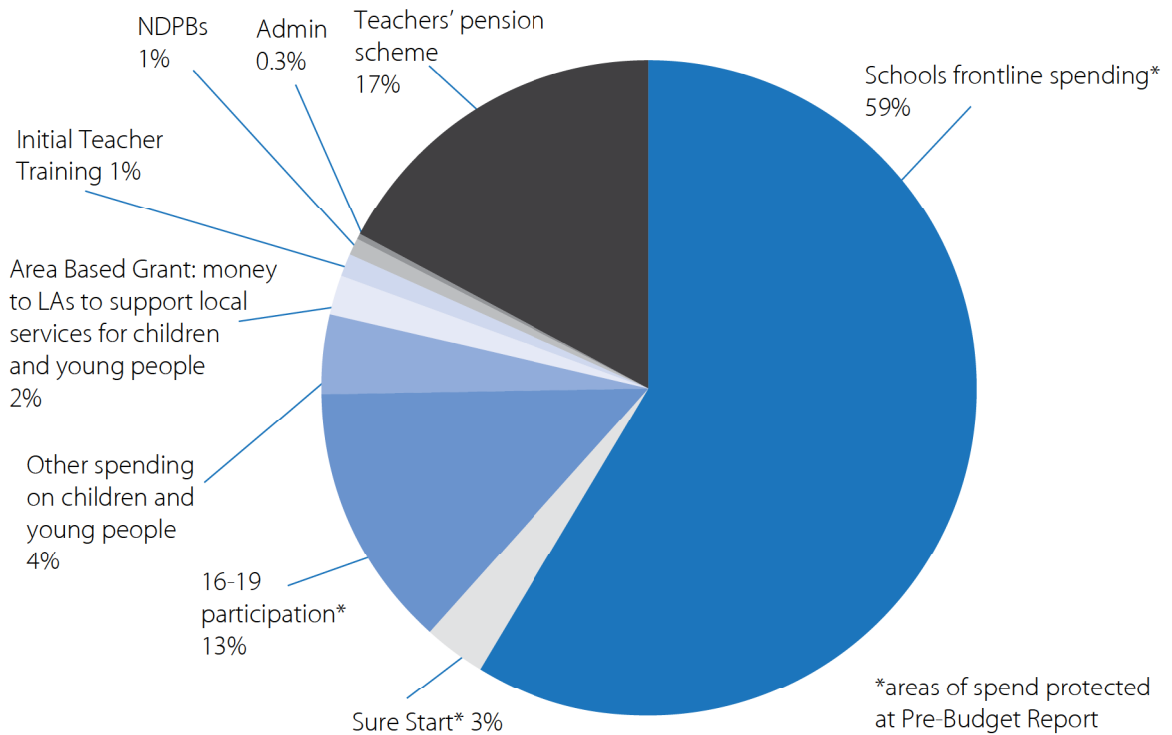
Secretary of State for
Children, Schools and Families

1. Overall DCSF funding – maximising resources for the frontline

- 1.1** We are committed to ensuring that every child enjoys their childhood, does well at school and turns 18 with the knowledge, skills and qualifications that will give them the best chance of success in adult life. It is because we are committed to securing the very best for children that this Government has pledged to protect frontline investment in children's outcomes across all ages. The Pre-Budget Report (PBR) announced that in 2011-12 and 2012-13:
- funding for schools will rise by 0.7 per cent in real terms;
 - funding for provision for 16-19 year olds will rise by 0.9 per cent in real terms; and
 - funding for Sure Start will be maintained in real terms.
- 1.2** In addition the PBR announced an extra £202m in 2010-11 for the September School Leavers Guarantee ensuring the costs of funding a place in education or training for every 16 and 17 year old who wants one are met in full.
- 1.3** In this way, the PBR established real terms protection for 75 per cent of the DCSF budget. Excluding teachers' pensions, which make up a further 17 per cent of the budget¹, funding for the remaining 8 per cent of the budget will be determined at the time of the Spending Review. This includes central resources to drive school improvement, such as the city challenge programmes; resources for teacher training and resources to support families. These are also key areas of investment to support schools in their role. A full breakdown of DCSF resource spending is set out below:

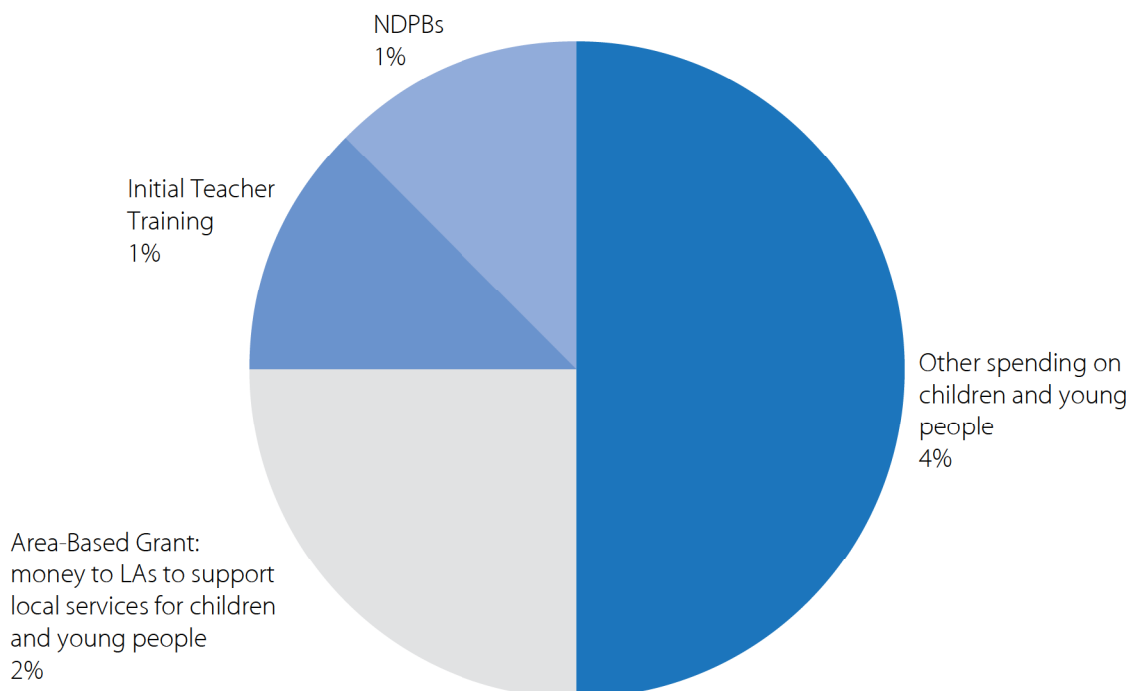
¹ 17 per cent relates to the teachers' pension scheme. Of this £11bn component, £2bn relates to the net current cost for pensions and the remainder is a reflection of the interest on the future liabilities of the scheme and therefore a necessary accounting provision.

Breakdown of spending: total = £63bn



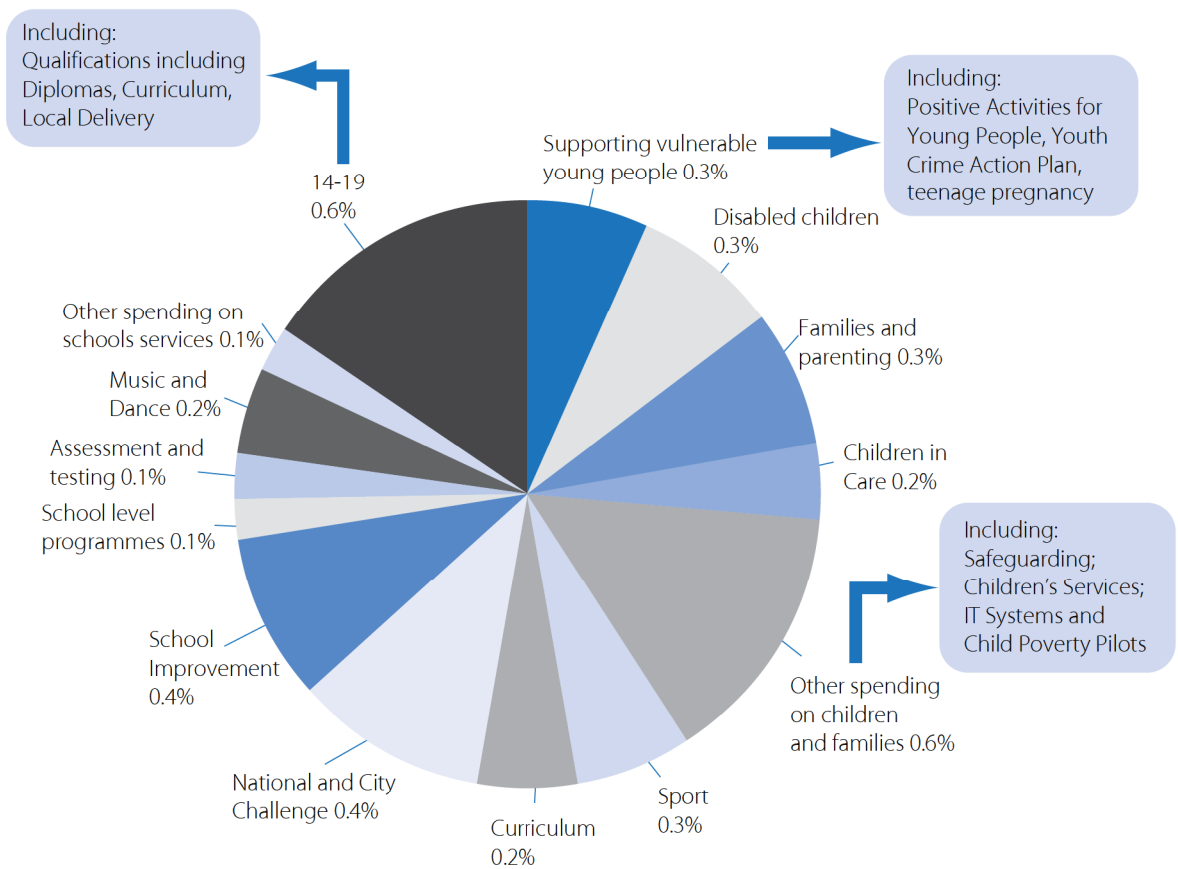
1.4 The charts show that the 75 per cent of DCSF spending goes straight to frontline services – to schools, colleges, Children’s Centres and early years providers. 17 per cent reflects the teachers’ pension scheme.

Breakdown of unsettled (8%)

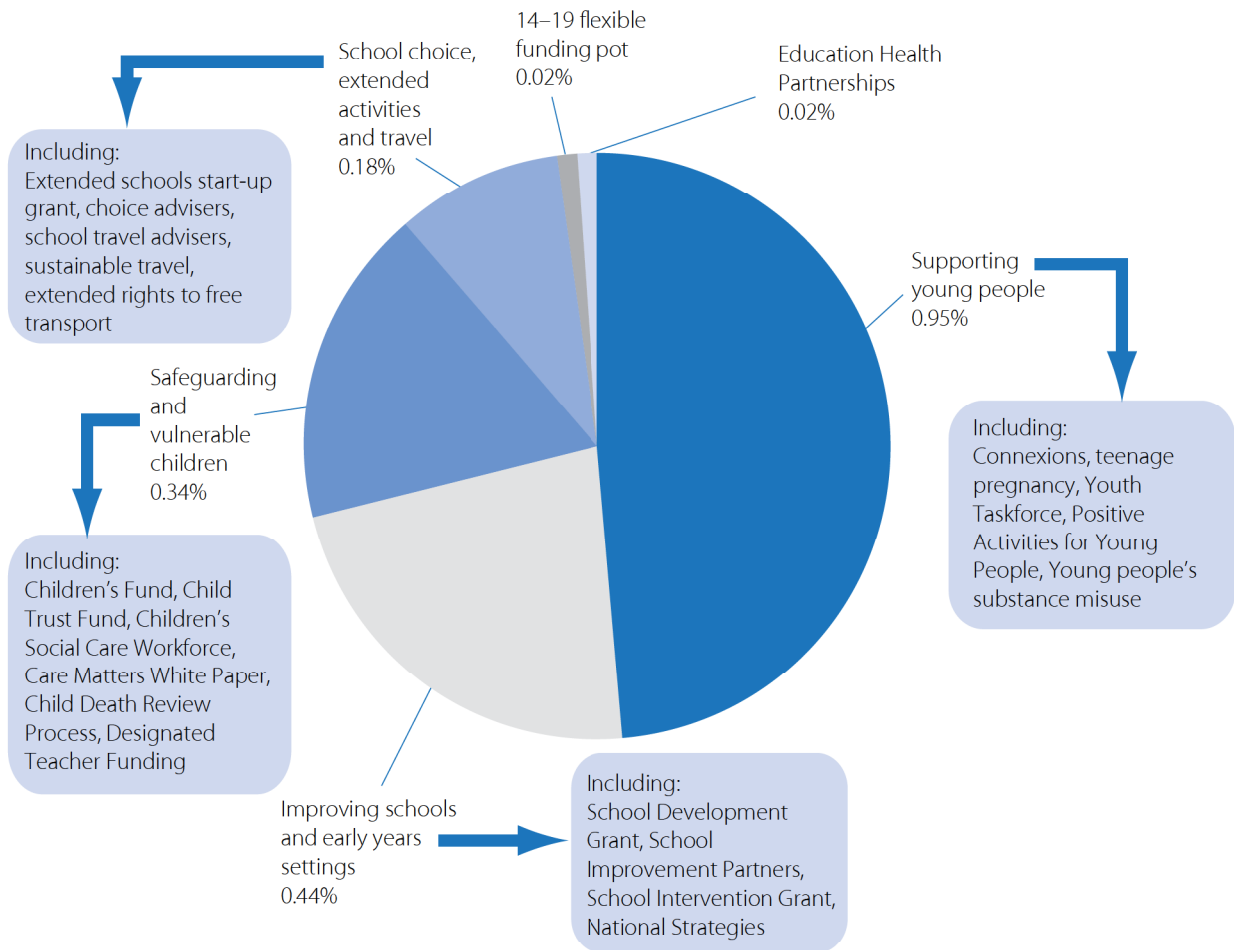


Of the remaining 8% of the budget, 1 per cent of our budget goes towards supporting teachers, through initial teacher training to make sure we have the teachers we need in the future. A further 2 per cent of our budget goes directly to local authorities in Area-Based Grant to be spent on local services for children and young people – for example information, advice and guidance services for young people through Connexions, positive activities for young people, and support services for children in care. Only around 5 per cent of the DCSF budget is spent directly by the DCSF and its arms-length bodies (NDPBs). This breakdown is illustrated in the diagrams below.

Further breakdown of the ‘other spending on children and young people’



Breakdown of Area Based Grant (2%)



1.5 We know that if in tough times we are to protect the frontline and ensure it can continue to deliver high-quality services to children and young people, we need to drive efficiencies and make tough choices about reducing direct spending by DCSF and its partners. At the PBR we committed to finding £500m savings across 2011-12 and 2012-13 from these unprotected areas, (£150m in the first year and £350m in the second which equates to a 7 per cent cut to non-settled budgets in the second year) and we now set out more details of this below.

1.6 To make the most of our investments in the frontline, over the past 5 years we have had a relentless focus on reducing our own costs. This has involved a range of activity, looking at our staff numbers, procurement, facilities and estates and how our NDPB and inspection partners work. Between 2004 and 2009 we have reduced DCSF staff numbers by 1,465 so that we work in an effective and focused way, concentrating our resources where they have the most benefit and impact. In order to ensure that our workforce offers the best value for money we have relocated 1,130 jobs out of London and the South East. We have made significant savings on our estate costs through reducing in 2008 to one building in London, which does and will continue to save £12m a year. We have made significant reductions of £36.3m on our back office costs.

- 1.7** We know though that we must continue to scrutinise our costs and make significant savings in the future, and have recently introduced a corporate services transformation programme which will save us £8m per year going forward from our HR, finance and procurement costs.

Arms length bodies

- 1.8** As well as looking at our own department we have also looked to our partners to offer increased value for money, whilst maintaining their frontline work. We have rationalised inspectorates and reduced the cost of inspection, which is now 30 per cent less than it was in 2004, and Ofsted has also reduced its staff numbers in this period by 743. We have also pushed our NDPB partners to meet us in this drive for efficiency and have asked them to make 5 per cent administration savings year on year. These reductions in admin budgets have led to savings of over £88.5m so far.²
- 1.9** To go further, a key part of the £500m package will therefore come from significant reductions in our NDPB budgets alongside reductions in many areas of central provision, consistent with the White Paper *Your child, your schools, our future: building a 21st century schools system* which seeks to devolve more control to schools.
- 1.10** Over the last 12 years, it has been necessary to support schools in specific areas, such as workforce reform, developing the use of technology and delivering the curriculum. Improvements in schools have been underpinned by the Workforce Agreement, which has contributed to raising standards and tackling workload. The Government remains committed to the agreement and to implementing it, working closely with social partners and schools.
- 1.11** But the next phase of reform, building on the widespread excellence that now exists, needs to be based largely upon schools learning from one another. So we will be looking at the functions of our NDPBs to ensure that they focus on their particular specialist expertise and scale back their fieldforces. At the same time, we will build capacity within our schools for them to take control of their own improvement, drawing on NDPB expertise as meets their needs.

DCSF central spending

- 1.12** The department is looking very closely at the remainder of its budget to find further savings in order to protect the frontline and other key areas of provision. It will require tough choices about the activities we will be able to support in future. We will save £100m over 2011-12 and 2012-13 by ending the start-up funding available to local authorities and schools for extended services. This funding was always meant to be time-limited, as a means of helping schools to develop their services. Over 95 per cent of schools now offer extended services and we expect all to be doing so later this year. Core funding for extended services (over £300m per year) is protected in real terms so that

² This includes NDPBs that were part of the DFES group and are now based in BIS

schools can continue to run after school clubs and services and subsidise children from low-income families to participate in the activities on offer.

- 1.13 We have had huge success in making teaching a profession of choice and we have the best generation of teachers ever in our schools. We will continue to protect core funding for initial training and the recruitment of teachers to secure the best in the future. However, given the very buoyant recruitment market in many areas, we have made reductions to the level of some bursaries for recruits to initial teacher training which will generate savings of the order of £50m in the 2011-13 period. These changes will come in for postgraduate students starting in September 2010, the basic bursary of £4,000 will still apply to all postgraduate courses and some subjects will continue to be eligible for bursaries of £6,000 and £9,000 as before.
- 1.14 We will also save £5m from our communications expenditure over the two years 2011-12 and 2012-13, almost half of which will come from changes to the way we operate Teachers TV. We want to close down the TV channel element and move – what has become a popular resource for teachers – into an online, on-demand service.
- 1.15 In total, so far, we have identified from unprotected budgets savings of over £300m out of the £500m needed, so there is more work to be done. At the same time the Department will save a further £8m per year from the costs of its back office functions, by sharing services with other government departments.

Savings towards the £500m target (£m)	2011-12	2012-13
NDPBs	48.5	86.5
<i>Of which</i>		
<i>Becta</i>	20	25
<i>Training and Development Agency</i>	15	40
<i>National College</i>	2	5
<i>School Food Trust</i>	0	3
<i>QCDA/Ofqual</i>	7.5	12
Extended schools start-up funding	30	71
Reduction in the levels of some bursaries for Initial Teacher Training	19	29
Central admin and communications	10.5	10.5
<i>Of which</i>		
<i>Teachers TV becoming an online, on demand service</i>	1	1
Total	108	197
Total left to find	42	153

2. The case for continued investment on a strong foundation

- 2.1** By combining extra real terms investment, in the core services of early years, Sure Start, schools and colleges, with efficiency savings we will be able to meet frontline spending needs and deliver our guarantees to pupils, parents and school leavers to meet our Children's Plan commitments.
- 2.2** World class schools and world class standards are central to achieving our ambitions for children. This means having schools that are well resourced; that have excellent leadership and teaching; that utilise a broad mix of staff able to play their part in helping children develop, working effectively with other services as necessary; that have excellent facilities; and are able to provide a wide-ranging and full curriculum offer. The entitlements which we have set out in our pupil and parent guarantees are fundamental to ensuring every child has the opportunity to achieve their potential, which is vital for the economic success of our country.
- 2.3** We have only been able to move to this comprehensive set of entitlements because of the foundations we have laid in the last 12 years, delivered through the sustained increases in investment:
- revenue funding per pupil between 1997-98 and 2009-10 rose by £2,410 per pupil (83 per cent) in real terms;
 - total funding, including capital, has more than doubled per pupil in real terms between 1997-98 and 2009-10 and will rise to £6,290 per pupil in 2010-11.
- 2.4** Through these resources, we have been able to greatly increase the status, reputation and quality of the teaching profession. Schools have been able to recruit 42,000 additional teachers since 1997 allowing smaller class sizes, more personal attention through small group and one-to-one provision, and a greater range of curriculum provision. The wider school workforce has also expanded significantly with now over a million people in schools or other settings working to support children in their education and development, allowing teachers to concentrate on teaching. Schools now receive much greater certainty and stability in their funding levels to assist them in planning their budgets efficiently through the creation of the Dedicated Schools Grant, multi-year settlements and guaranteed minimum funding increases (the Minimum Funding Guarantee).

- 2.5** This investment has been critical for securing the improvements in provision and in outcomes that we have seen in the last 12 years:
- since 1997, school standards, measured by the average attainment of the pupil cohort, have risen steeply, with strong improvement in national tests and examinations. In primary schools, the rise has been sustained and consistent. In 2009, 80 per cent of pupils achieved at least Level 4 (national expectations) in Key stage 2 English, and 79 per cent in mathematics, whereas in 1997 these figures were 63 per cent and 62 per cent respectively.
 - there is a similar picture for secondary schools. In 1997, 45 per cent of 15 year olds achieved 5 A*-C grades at GCSE or equivalent, and an estimated 36 per cent achieved the tougher measure of five A*-C grades including both English and mathematics. By 2009, these figures had risen to 70 per cent and 50 per cent respectively.
 - over 20,000 schools (95 per cent) are now providing access to the core offer of extended services based on the needs of their local community, ensuring the necessary focus on healthy and successful child development as well as strong educational outcomes.
- 2.6** Independent international evidence endorses this national progress. The 2007 *Trends in International Mathematics and Science Study* (TIMSS) reported that children in England have made significant gains in mathematics since 2003/04 and are continuing to achieve excellent results in science. In both subjects and at age 11 and 14, children in England perform in the top ten of the 59 countries studied.
- 2.7** However, the challenges ahead are significant. Children will need a greater range of skills and knowledge to succeed in the modern economy. They will need to be more flexible and resilient to manage in an economy which places ever-evolving demands on the workforce. And collectively, we still need to go further to ensure that children from disadvantaged backgrounds are able to fulfil their potential. These challenges come at a time where the importance of ensuring maximum value is delivered from every pound invested has never been greater.
- 2.8** Because of the significant investment in the school system, schools are well placed to respond to these challenges. The increased investment in resourcing over the last 12 years has created the platform for the world-class education set out in our pupil and parent guarantees. These include ensuring a comprehensive range of support for children falling behind through one-to-one tuition and other dedicated catch-up programmes; individual personal tutors in secondary schools; opportunities to learn across a wide-ranging curriculum and to participate in activities outside the school day. The same platform has allowed us to set out the wider measures included in the White Paper *Your child, your schools, our future – building a 21st century schools system*³, such as spreading the impact of great leaders, developing greater collaboration and co-operation between schools and between schools and other services, and strengthening school accountability and improvement.

³ <http://www.dcsf.gov.uk/21stcenturyschoolssystem/>

2.9 These steps are all underpinned and enabled by the level of resourcing for schools. This means for the pupil and parent guarantees to be delivered and for the school system to be further improved, there needs to be certainty about the level of resourcing that schools will have combined with steps to optimise the use of this resource. Only through both securing the future level of investment and using these resources effectively can we continue to further enhance the experience our children receive and the outcomes they achieve and thus realise our ambition to make England the best place in the world for children and young people to grow up.

The priorities for school funding 2010-13

2.10 The Government's priorities for school funding are three-fold:

- to ensure that frontline provision in schools is protected and that schools benefit from a multi-year planning horizon, thus allowing continued progress on the quality of education given to children and young people and the outcomes they achieve. We will do this through delivering much greater savings from non-frontline services and helping schools ensure that maximum value is gained from every pound spent within the schools system, so that public money has the greatest effect it can in improving outcomes for children;
- to ensure that there are sufficient resources to make increased frontline investment in schools which need the most: particularly those serving more disadvantaged communities within each local authority, delivered through a locally-agreed pupil premium. This Local Pupil Premium will ensure that the funding to meet the needs of pupils from more deprived backgrounds is transparent and responsive so schools can be confident that they will be resourced appropriately; and
- to start to move towards a more equitable and fair distribution of funding between local authorities, recognising that the current system of funding is largely based on historical allocations rather than present need.

3. The overall level of school funding from 2010-13

- 3.1** Since 2004-05, schools and other front-line services have had multi-year budgets to enable them to plan ahead with more confidence. This is particularly important in schools as academic years span two financial years and schools take resourcing decisions largely on an academic year basis.
- 3.2** Schools will already be receiving their budgets for 2010-11. The PBR confirmed that announced levels of funding for 2010-11 would be maintained and therefore overall schools will benefit from an increase in school budgets (through the Dedicated Schools Grant) of a 2.4 per cent in real terms or a 4.3 per cent per pupil cash increase.
- 3.3** The PBR announced an average annual 0.7 per cent real terms increase for schools across 2011-13. This will be applied to all the core school grants that schools receive and other key areas of pupil provision such as resources for one-to-one provision and extended schools provision. These grants total £37.2bn in 2010-11 and are listed below. We are proposing to roll the majority of these into the Dedicated Schools Grant from 2011-12 to streamline the number of grants to local authorities. The grants covered by the PBR announcement are:
- Dedicated Schools Grant
 - School Standards Grant and School Standards Grant (Personalisation)
 - School Development Grant
 - Ethnic Minority Achievement Grant,
 - Early Years: Extending and increasing the flexibility of the entitlement for 3-4 year olds
 - School Lunch grant
 - Extended Schools grants within the Standards Fund
 - General Annual Grant for all academies
 - Resources devolved to schools for school improvement
 - Funding for one-to-one provision and Every Child interventions.
- 3.4** Schools primarily receive funding according to the number of pupils they have, so the key determinant of the actual budget received by a school is the number of children on roll. This means that schools can more clearly plan on the basis of understanding the increase

they will receive in cash terms and on a per pupil basis which they can then set against their own local assessment of pressures and pupil numbers.

3.5 The average annual 0.7 per cent real terms increase announced at the PBR is equivalent to an average annual cash increase for 2011-12 and 2012-13 of 2.7 per cent at current projected rates of inflation⁴. The cash increase will be confirmed later in the year: if inflation increases, the cash amount available to schools will increase in proportion to maintain the 0.7 per cent real terms increase announced and vice versa.

3.6 The table below sets out the indicative increases for each of the three financial years based on current inflation assumptions, and our estimate of cost pressures, discussed below.

	2010-11	2011-12	2012-13	Annual average across 2011-13
Total resources for core school funding £m	37,268	38,099	39,300	
Overall increase in cash terms	4.0%	2.2%	3.2%	2.7%
Increase per pupil in cash terms ¹	4.3%	1.9%	2.3%	2.1%
Estimate of Cost pressures	3.1%	1.9%	1.3%	1.6%

This is based on the Department's projection of pupil numbers on a like-for-like basis. It does not include an estimate of the growth in the full-time equivalent pupil numbers arising from increased take-up of early years provision.

What this means for individual schools

3.1 There are a number of calls on the 2.7 per cent cash increase in schools budgets. The first priority for funding is the increase in pupil numbers that are projected over the next few years: over 80,000 more full-time equivalent children by 2012 compared to 2010 due to the increased birth rate since 2001. Even after allowing for demographic projections, this funding would still allow cash increases of 2.1 per cent per pupil.

3.2 Per pupil increases of 2.1 per cent for 2011-12 and 2012-13 on top of the 4.3 per cent per pupil increase in 2010-11 means that there is sufficient funding to:

- ensure one-to-one tuition can be maintained in KS2 and year 7 and expanded to KS1 delivering our "3Rs" guarantee;
- maintain the subsidy for extended services, supporting a richer and broader school experience for all pupils but particularly those from more deprived backgrounds;
- resource new or improved areas of provision, such as ensuring parents are able to secure a school place from the September following their child's 4th birthday, as recommended by Sir Jim Rose; and

⁴ As measured by the GDP deflator set out at the PBR.

- ensure continued protection of core frontline provision for children in schools and thus delivery of our pupil and parent guarantees.

- 3.3** This funding also includes resources for other pupil provision which is organised by the local authority, for example, early years provision in the Private, Voluntary and Independent sector; provision for pupils with special educational needs, resources for alternative provision and other areas of provision such as catering and insurance. It is for local areas to decide which services are best provided on an authority wide basis and which should be for individual schools to deliver. Schools Forums are, rightly, the place where such decisions should be taken and as a result there is considerable variation reflecting local decisions and organisation, with between 6 per cent and 18 per cent of funding spent by the local authority on direct pupil provision on behalf of its schools. Going forward, we would expect an equally strong focus on ensuring efficiencies are found within this area, to ensure resources are used to maximum effect.
- 3.4** For the same period, we expect average cost pressures of 1.6 per cent per pupil in cash terms, as set out in the table below. This means that schools on average will be able to meet their cost pressures from within their overall increase. The pressures are higher in the first year due to the increase in National Insurance contributions which employers (i.e. schools) have to pay and because the September 2010 pay award for teachers is higher than what can be expected in the next Spending Review period. The PBR announced that the Government would seek a 1 per cent cap on basic pay uplifts across the public sector for 2011-12 and 2012-13. On this basis, and subject to the usual pay review body and negotiation processes, the table below shows the maximum possible pressure from pay uplifts. Subject to evidence of the recruitment and retention levels and other factors within the school workforce awards could be lower.

Cost pressures for 2011-13		2011-12		2012-13	
Figures are year-on-year					
	% of total expenditure (a)	Estimated uplift (b)	Overall Budget impact	Estimated uplift (b)	Overall Budget impact
Teachers' Pay:	55.0%	2.3%	1.3%	1.2%	0.7%
Other Pay	23.0%	1.5%	0.3%	1.0%	0.2%
Non-pay Costs	22.0%	1.5%	0.3%	2.0%	0.4%
TOTAL	100%		1.9%		1.3%

Figures are based on headline pay awards where known and the expectation that pay awards will not be higher than the 1% cap set out in the PBR, although final awards will be subject to the usual pay review body and negotiating processes. They incorporate the 1% increase in employer's National Insurance for April 2011 and an estimate of salary drift for teachers. Non-pay inflation is based on CPI projections.

The overall budget impact is a weighted average of the various pressures and is calculated by multiplying column (a) by column (b) for each year

- 3.5** It is however vital that all schools make savings to enable schools collectively to meet all cost pressures, ensure investment in our key priority areas, allow progress to be made on delivering a fairer funding system without creating damaging instability for schools funded at the MFG and to use their resources to best effect to maximise investment in improving outcomes for their pupils. We have already said at the PBR that we want all schools to make savings of 0.9 per cent on average over 2011-12 and 2012-13. All schools should consider improving the way they procure goods and services; looking at whether they can share back office functions with other schools; exploring federation and other partnership options with other schools in order to deliver a broader range of provision more efficiently and make savings on leadership costs; and using benchmarking to evaluate their overall use of resources. With a planning horizon from 2010-11 to 2012-13, schools will be able to look across all three financial years to help them make savings and planned changes to their use of resources to secure better value for money, including using moderate school balances to smooth their funding to meet cost pressures.
- 3.6** Through making these efficiency savings, schools will be able to ensure further investment in their provision for pupils, for example through more catch-up provision, additional specialist staff or expanded extended services provision: whatever they feel will be of most benefit to their children. There are many ways in which schools are being supported to make efficiencies, which are discussed further below.
- 3.7** It is absolutely right that schools, like other services and the rest of local and central government, look at all aspects of their budget to identify ways to make savings. All schools will need to make some level of savings to meet cost pressures and invest in their priorities, and the minority of schools that receive the Minimum Funding Guarantee – schools that have historically been receiving higher levels of funding than their local formula suggests – will need to make more. This document sets out our ambitions on the level of savings which we think can be made and through these savings, we will be able to ensure both that funding can move to those areas that need it most, particularly responding to the needs of pupils from more deprived backgrounds, and that schools free up resources to reinvest locally to improve the provision which they offer to their children.

Ensuring frontline protection for all schools

- 3.8** While the overall increase in funding for schools will average 2.1 per cent cash per pupil based on current levels of inflation, increases for individual schools will vary depending on their particular circumstances and due to changes in both national and local distribution of funding to better reflect relative needs. It is right that funding should reflect need, but schools also need certainty with which to plan. That is why since 2003 we have set a minimum funding guarantee, which guarantees a minimum increase in per pupil funding that any school will receive on a like-for-like basis. This minimum increase is set below the level of the average increase so the majority of schools will receive a higher increase – for example in 2009-10, 75 per cent of schools received an increase above the minimum funding guarantee – thus allowing re-distribution of resources to meet need.

- 3.9** From 2008-09 to 2010-11, the MFG has been set at a level below our assessment of cost pressures, reflecting our expectation that relatively higher funded schools can and should make efficiency savings to help them meet these pressures and in this way, schools on the MFG can still protect frontline provision whilst allowing resources to be recycled to other schools in the local area.
- 3.10** For 2011-12 and 2012-13, the MFG will continue to be set below cost pressures to reflect our expectation that all schools should both make efficiency savings and are able to protect their frontline provision. And whilst all schools will need to make efficiency savings, it is right that those, that have historically had higher levels of funding than their local formula implies, i.e. have in the past been relatively generously funded, should be expected to make more.
- 3.11** Following the completion of the DSG review, as usual, the level of the MFG will be set in the autumn once the overall cash envelope is confirmed, but it will guarantee that all schools will receive a cash increase in their per pupil budget, with most receiving above the MFG level. The MFG will apply to a school's total budget, including both money from the DSG and additional funds previously allocated through specific grants that we are rolling into the DSG.
- 3.12** By setting the MFG below cost pressures in this way, we can ensure there is room for redistribution both locally, through the local pupil premium, and nationally through the new DSG formula, but still ensure that all schools are able to protect the frontline. Moving more quickly to revise the distribution of funding through lowering or abolishing the MFG would mean significant reductions in resources for many schools.
- 3.13** The combination of the PBR announcement of real terms increases in schools funding of 0.7 per cent, or 2.7 per cent cash at current levels of inflation (2.1 per cent cash per pupil) and our intentions with respect to the MFG means schools now have a good planning basis for the next three years. They will have secure budgets for 2010-11 and can use their own local estimate of cost pressures and circumstances combined with the knowledge of the average increase of 2.1 per cent per pupil and continuation of the MFG to draw up realistic budget scenarios across 2011-13 so that they can efficiently plan their resource across a three year period. In doing so, they can look at the scope for efficiency savings to ensure they take into account opportunities to reinvest resources into frontline provision.
- 3.14** This will mean schools flexing their budgets across the three years and using their modest in-year balances to help them. However, this does not mean excess balances should be amassed by schools. Whilst a school that is planning effectively across the three year period may wish to accrue a small surplus to flex over the three year period, local authorities should continue to claw back excessive balances. Alongside this document, we have issued guidance⁵ to help local authorities to do that, clarifying the circumstances when a school can justify defining a surplus as committed. Strong action should be taken by local authorities to claw back excessive, uncommitted balances. These can then be used collectively within the authority to fund invest to save priorities such as pump-

5 The school balances guidance can be found at <http://www.teachernet.gov.uk/schoolbalances/>

priming federations or partnership arrangements, or resourcing school business managers.

What this means for local authorities

- 3.15** In parallel with this document we have launched a consultation on the principles that should underpin the future distribution of the DSG between local authorities (the *Consultation on the future distribution of school funding*⁶). Final decisions will be taken following this consultation which will set the actual increase that each local authority will receive. However, just as schools need a basis to plan, local authorities also need to be confident that they will have sufficient resource to deliver the MFG; be able to meet the cost of policy expansions such as on early years and to make progress on improving their local targeting of deprivation. For this reason there will be a minimum per pupil increase for each local authority in 2011-12 and 2012-13 and this will be set above the level of the MFG.
- 3.16** Opportunities for further efficiencies should be explored through schools membership in Children's Trust arrangements. These arrangements allow schools to pool budgets and share other resources with other partners in the Children's Trust including the PCT, police and local authority itself in the interests of promoting children's wellbeing and educational achievement. Through their representation on the Children's Trust Board schools will be more actively engaged in strategic decision making and this should enable better coordination of commissioning. .

Ensuring funding can move to where there is greatest need

- 3.17** The funding which any individual school receives is dependent on their own circumstances, for example the change in the number of pupils on their roll, distributional decisions made locally through the local formula and the national allocation of funding through the Dedicated Schools Grant received in their authority. This means some schools will see increases above the average increase, and some below.
- 3.18** A fair funding system, and one which allows the movement of resource between schools is vital: resources should be targeted where there is greatest need and that is why we are consulting on the distribution of the DSG between local authorities. But as we set out in the White Paper *Your child, your schools, our future: building a 21st century schools system*, it is important that local authorities support schools in most need by passing on to schools all the funds made available to them that are aimed at tackling deprivation, and we are therefore asking all local authorities to introduce a Local Pupil Premium to support this objective as discussed below and set out in detail in the consultation document. This means some re-distribution between schools within a local authority is desirable over the next 5 years. Therefore the actual increase per pupil each school receives will depend on decisions taken on the local formula, in conjunction with the local Schools Forum; the

⁶ The *Consultation on the future distribution of school funding* can be found at <http://publications.dcsf.gov.uk/default.aspx?PageFunction=productdetails&PageMode=publications&ProductId=DCSF-00251-2010>

particular nature of the school; and the final distribution methodology of the DSG on which we are consulting in principle.

The Local Pupil Premium

- 3.19** Our proposals for 2010-13 need to balance these different priorities carefully. In particular we need to ensure that all schools are able to protect their frontline provision whilst also ensuring that funding moves responsively to those areas that need it most. As we enter the next phase of education reform, we have set out not only higher expectations for the experience each child should have, but also a stronger focus on the need to ensure no child falls behind. We have already invested very significant resources for deprivation in the system, but we know that not all of it gets to the pupils who need it. Delivering our ambitions for all children requires a tighter association between the existence of need and the distribution of resources, particularly for children from more deprived backgrounds, so schools can be confident that they will be resourced to meet the needs of these pupils.
- 3.20** One way to do this would be to have a nationally defined pupil premium. This would essentially specify the exact amount of money attached to each and every deprived pupil, defined through a single national measure. However, there are a number of problems with this idea. First, if it is introduced from existing resources it will result in substantial redistribution among schools. The recent Institute for Fiscal Studies report concludes that without additional resources 1 in 10 schools could experience cuts in excess of 10 per cent. But the alternative of substantial extra resources for schools (perhaps in excess of 5 per cent, as in the IFS modelling) is not realistic in current circumstances – it would require very substantial sums to be taken from elsewhere, such as resources for music, sport, and other support for children. Second, the national funding system already allocates significantly higher resources for deprivation – almost £4bn, and it would make little sense simply to pile a pupil premium on top of what the IFS describes as the existing implicit pupil premium, so taking no account of what is already there. Third, it would presume that there was a single appropriate definition of deprivation for use across the country and that the same level of resource was needed to meet each deprived pupil's needs, taking no account of local circumstances and local variations. It is for these reasons that we believe a national pupil premium is not the right approach to resourcing schools.
- 3.21** Local areas – through local authorities working with their schools – are best placed to understand the needs of their pupils and schools. But it is also important that the money allocated nationally for deprived pupils reaches them and that money follows the pupil when and if they move school: local authorities have different approaches to distributing money for deprivation, but most do not pass it all on to deprived pupils. Therefore, we want to ensure that local authorities have mechanisms in place that ensure the money reaches the pupils who need it.
- 3.22** To achieve this, we will both require local authorities to pass on 100 per cent of the funding for deprivation by 2014-15 and to introduce a Local Pupil Premium from 2012-13. Within this clear and robust national framework, local authorities and schools will have

the flexibility to decide how best to meet those needs and ensure that schools locally can see the resources attached to pupils from more deprived backgrounds through a transparent and responsive system. This will allow local areas to agree their own, tailored definitions of deprivation and agree the amounts that should be attached to pupils with different needs associated with deprivation. This will mean the very significant sums which are already allocated for deprivation in the system are sharply focused on the children who need them and schools can be more confident of getting the resources they need, as money will follow pupils more closely.

Local Pupil Premium Worked Example Poole and East Dorset (imaginary local authority based on real data)

Poole and East Dorset is a relatively low deprived local authority that has some particular pockets of deprivation. In 2009-10 they received around £16.5m of deprivation funding in their DSG and other grants. Around 75 per cent of this is allocated using various deprivation factors in the local formula, yet the system is not transparent, and schools that have few deprived pupils in particular do not see clearly that they are receiving additional funding to support those pupils.

The local authority recognises that it would be beneficial, for its schools and pupils, both for all the money for deprivation to be passed on towards deprived pupils, and for it to be distributed more transparently. So they need to develop proposals to increase the proportion of deprivation money being passed on, and to develop a Local Pupil Premium so that the funding is linked to deprived children more closely.

They need to explore the options available to them for indicators to use, the numbers of children that would benefit, what support different levels of premium would afford, and the impact on all schools. They can work all of these issues through with their schools forum, with whom they already have experience of discussing the local formula and ways to target deprivation. They know they will receive funding increases over the next few years that they can put into increasing the Local Pupil Premium without creating losses for their other schools.

They use a baseline of 75 per cent of their deprivation funding (£12.3m), as that is what they are currently distributing towards deprivation, and suppose that rather than it being distributed through the current formula, it is distributed through a Local Pupil Premium. Only 6.6 per cent of their pupils are eligible for free school meals – 3,465 pupils. They calculate therefore, that by using FSM, the premium would be around £3,600 per pupil. They see this as a potential option that would tightly focus the pupil premium on a relatively small number of children. They recognise it would need to be built up over time so as not to result in cuts to other schools.

But they also look at alternatives. A measure of eligibility for out of work tax credits would cover 6,750, or 13 per cent, of pupils. So they could develop a Local Pupil Premium which would cover this wider group of pupils, which would equate to around £1,800.

They could also explore an even wider option – one that covers not just pupils from families with out of work tax credits but also those on low incomes who receive the working tax credit. This would add another 10,200 pupils. Yet they recognise that the most deprived pupils may need additional support, so apply some differentiation to the pupil premium mechanism. One option they explore results in £1,300 being distributed for each pupil from a family on out of work tax credits – 13 per cent of pupils, and £350 for each pupil from a family on working tax credit – benefiting another 20 per cent of pupils.

Over time the local authority can use growth in their budget to increase the level of the premium without cutting the budgets of other schools. And if they were to choose to put 100 per cent of their deprivation funding through the premium, the premium totals would increase to £4,750 if they use FSM, £2,500 if they use out of work tax credits, or £1,700 and £500 for both out of work tax credits and working tax credits. So they can clearly see how the amounts could grow over time as they move to all deprivation money being targeted towards deprived pupils by 2015.

The local authority can discuss all these options, work up alternatives and discuss them with their Schools Forum. They develop the options themselves, and have choices and decisions to make about which work best for them to meet the needs of their pupils. They can also agree locally how best to implement the premium gradually, perhaps focussing first of the pupils with the greatest need.

It is of paramount importance of course that the money is spent wisely to ensure the greatest impact, and schools will have views about how they could use different amounts of money to support deprived pupils, including by pooling budgets or drawing down support from the local authority and other sources. Through this pupil premium mechanism, schools will be able to identify clearly the additional resources that they receive to support deprived children.

- 3.23** We are committed to ensuring that all deprivation funding is passed on towards deprived pupils by 2014-15. Local authorities will be required to have their Local Pupil Premium in place by 2012-13 and over time we expect these Local Pupil Premiums to become the main vehicle for distributing deprivation funding. In order for the pupil premiums to grow, we expect a significant amount of the headroom that local authorities receive in future settlements to be put towards them. We expect this to make a major difference to the transparency and targeting of deprivation funding. This can be done without creating instability in budgets, because the Local Pupil Premium is built up over time.
- 3.24** This flexibility and transitional period will enable local authorities to introduce their Local Pupil Premiums gradually over time, so that they can target the greatest locally-agreed needs first. By combining this Local Pupil Premium with a new formula for distributing resources between local authorities and maintaining a minimum funding guarantee, we can ensure that resources are better directed to those schools and pupils who need them, whilst protecting frontline provision in all schools.

4. How schools can make efficiencies

- 4.1** Savings of £650m are essential for all schools collectively to meet all cost pressures; ensure investment in our key priority areas; allow progress to be made on delivering a fairer funding system without creating damaging instability for schools funded at the MFG and for schools to invest in their priorities and improving outcomes for their pupils. We believe it is vital that all schools look at their use of resources in order to ensure maximum outcomes are achieved for the very significant investment made. In November 2009, we published the discussion document *Securing our future: using our resources well* in order to stimulate debate among schools about making the best use of their resources and to help by giving examples of what other schools have done. Schools have responded vigorously to the challenge in a series of conferences: further regional and local conferences will be taking place over the next few months. Governing bodies have a key role here in both supporting and challenging school leaders with this important task.
- 4.2** At the time of the PBR, we set out our aim that schools should make achievable efficiency savings totalling £1bn over 2011-12 and 2012-13, equivalent to 0.9 per cent. This means that in 2012-13 schools will need to make savings across the school system as a whole amounting to £650m compared with 2010-11. As such, the PBR aims represent the minimum level of ambition, with most schools able to make more savings for local reinvestment.
- 4.3** Schools have told us and the evidence suggests that the most promising areas for schools to make efficiency gains are procurement, back office functions, reducing the use of energy, collaboration and federation. It will be for individual schools to examine their own budgets and find the best way forward for their circumstances, but the paragraphs below illustrate how substantial savings might be achieved by schools collectively.

Procurement

- 4.4** In 2008-09, schools spent around £6.5bn on services and goods which they procure from others (apart from back office services). It should be possible for schools to make 10 per cent savings, delivering savings of £650m. While this is a challenging level of savings, we are providing strong support for schools, discussed further below, through our procurement programme and through extending the influence of school business managers. And we know that the proportion spent on procurement varies considerably from school to school, so for example our benchmarking work has shown that if the schools which spent the most on these items reduced their spending to match that of

similar schools just on the 75th percentile, savings across the system could total some £700m.

Schools in the North of England are saving thousands of pounds after benefiting from Procurement Health Checks as part of the DCSF's Educational Procurement centre work.

In Northumberland, a review of staff absence insurance policies resulted in total savings to schools of £155,800. And schools in Newcastle have recently benefited from a new photocopying contract award by Newcastle City Council to Oce UK Limited which has already led to savings of over £40,000.

Lyn Johnson, Advanced Schools Business Manager for the Haydon Bridge Partnership of Schools and North Pennine Learning Partnership, which has benefited from both these strands of work, says:

"The service offered by the Procurement team has been first class, and continues to be so. I have asked for their assistance on several occasions now in relation to staff absence insurance quotes, photocopier contract prices, and a range of other procurement advice. They have been able to provide a brilliant level of service and support".

Back office

- 4.5** In 2008-09, schools spent around £2.5bn on back office staff and services. These staff provide important support to schools and school leaders in delivering improved outcomes for children and young people. However, through collective use of staff in schools within federations and other forms of collaborations, many schools are making significant savings in this area. A 10 per cent saving here would generate around £250m.

Devon County Council has provided guidance to its schools on various methods of working together, including one school procuring goods and services on behalf of a Learning Community or cluster, a number of schools moving to foundation status and acquiring a joint Charitable Trust, and a group of schools setting up a single school company. Devon thinks that 10 per cent of its primary schools will have gone as far as federating within the next 12 months.

Energy

- 4.6** Schools spend over £500m on energy each year. Through lowering their energy usage, many schools are making further savings beyond those achievable through procurement. Research suggests that schools can achieve a reduction of between 5 and 15 per cent through changing behaviours of school occupants. 10 per cent savings would generate £50m. To support schools in the reduction of energy use, DCSF has begun the process of creating a co-ordinated national energy reduction programme, involving key partners

such as DECC, Carbon Trust and Salix. DCSF is also offering all schools the opportunity to apply for a free energy display meter, which will be provided and installed by British Gas. These meters are designed to raise energy awareness in all school users, and to be used as a tool within the curriculum – as well as offering the potential for facilitating energy reduction, and providing essential management information for school business managers and others.

Norfolk County Council

The Energy Busters scheme in Norfolk primary schools connects with key elements of the National Curriculum and applies energy management concepts in the real world of the school environment. The aim is to engage the whole school community in thinking about energy and climate change through the process. The scheme has shown an average of 10.25 per cent in energy savings from schools involved since September 2008.

Warwickshire, Worcestershire and Coventry Councils

Worcestershire, Warwickshire and Coventry local authorities have worked on a Switch it Off campaign. The campaign is delivered through a two-week programme in schools. The first week involves “undercover” audits and checks by a pupil-led eco team, leading to general awareness raising about the issues and possible solutions. The second week is “Switch it Off” week, with a focus on actively reducing energy use. Participating schools have evidenced energy reduction across a wide range, with some cutting electricity consumption within the week by a third and one school by 50 per cent.

Collaboration and federation

- 4.7** Schools working together are stronger and can deliver better outcomes for their pupils. Schools supporting one another provides the best means to raise standards by spreading best practice, particularly through sharing excellent teaching and leadership. At the same time collaboration and federations can release significant savings for reinvestment through joint procurement arrangements, sharing staff and back office functions and more effective leadership structures. Effective federations need to be locally driven, rather than centrally mandated, and hence an overall savings assumption or target is not appropriate. But many schools are discovering the significant savings that federations can deliver, in addition to the huge school improvement benefits that they bring with possible savings of well over £300m in total if a third of all schools federated. More details of successful federations are set out in *Securing our future: using our resources well*.

In September 2009 the Department published a research report on exploratory case studies of formal collaborations between small rural primary schools, based on work in Norfolk, Cornwall and Northumberland. The exploration of potential future arrangements was hypothetical, but suggested that a federation of two small rural primaries could save a net £15,000 on leadership costs, while a federation of three such schools could save around £50,000.

- 4.8** Taken together, these measures could save schools around £950m by 2012-13 with the majority of these savings being recycled locally.

Supporting our schools to make efficiencies

- 4.9** We have studied the issues and challenges emerging from the conferences and discussions around *Securing our future: using our resources well*, and have also held discussions with schools, local authorities and national partners as part of a Public Value Programme project to assess how well schools currently use their resources and the scope to improve this.
- 4.10** The Department and its partners in the school and local authority world are fully committed to supporting our schools through the challenges of managing their resources over the period up to 2013. We have established a joint group to manage the programme of support that we are putting in place, and to react swiftly to strengthen and flex the programme as necessary. We want to ensure that every school is conscious of the need to plan its use of resources strategically, and knows where it can find tools, advice and other support.
- 4.11** With partners we have reviewed the sources of support available to schools in planning their resource use, and strengthened it where necessary. There is already a range of tools schools can use, but we are extending this to give a comprehensive programme of support. Partners will work together to give consistent messages and help to schools.
- 4.12** Some of the main elements of our programme of support are described below. The Department has a "landing page" for schools at <http://www.teachernet.gov.uk/management/schoolfunding/schoolfinance/letstalkresources/> which is a first point of call for information.

Free consultancy

- 4.13** Many schools will welcome advice from experienced professionals to help them identify scope for efficiencies and explore how their resources can be used better to secure improvements in outcomes. Schools can access free value for money consultancy advice from Avail. This is usually provided through experienced school leaders such as former headteachers or school business managers and 96 per cent of schools who have received this consultancy would recommend it to other schools. Our experts in the DCSF Educational Procurement Centre (EPC) helps schools secure electronic procurement and can give schools in some areas a procurement health check. From 2011 we intend to combine these offers to provide a single comprehensive source of advice for schools to help them make savings.

The Value for Money consultancy programme managed by Avail consulting offers free, personalised and independent support directly to schools. Lethbridge Primary School had a one-day consultancy visit in October 2009. The school was keen to build on efficiency work already implemented by discussing the effective deployment of teaching assistants, reviewing the role of a learning leader and developing measurable success criteria in relation to the school improvement plan.

The consultant was able to make a series of suggestions and the outcomes for the school were that the visit encouraged a greater focus on training and development issues, improved the links between the senior leadership team and the teachers, and increased the focus on resourcing – particularly on the school development plan and prioritising activities.

Cathy Millan, Bursar, Lethbridge Primary School, said: “The quality of the information provided by the Consultancy for Schools programme and the consultant was excellent. The visit really helped us realise that well managed staff give the best value for money. I would definitely recommend this programme.”

Getting skilled school business managers into schools

- 4.14** There is compelling evidence that well deployed and skilled school business managers (often called bursars) realise significant savings in terms of both headteachers’ and teachers’ time and school resources – savings which can be reinvested in teaching and learning. The National College’s demonstration projects, commissioned by DCSF, provide further strong evidence that these benefits are also realised when schools come together and share a skilled school business director/manager.
- 4.15** We estimate that only a third of primary schools have access to a qualified school business manager. We are encouraging all schools to work together in clusters, with support from the National College, to recruit and deploy school business managers. Working with headteachers, local authorities and school governors, we aim to ensure that all schools can access the skills of a school business manager.
- 4.16** As a first step, in 2010-11 we will provide grant funding to help groups of primary schools to work together supported by a school business manager. We will support 250 such groups each year with the aim that by March 2011 each local authority in England will benefit. These groups will then act as a catalyst for others to form, and realise the benefits of well deployed and skilled school business managers, supported and promoted by their local authority.
- 4.17** In addition to grant funding, groups of schools will also receive:
- targeted support, provided through the National College, from highly skilled and experienced school business managers, and from groups of schools which are already realising the benefits;
 - continuous professional development from the National College for the appointed school business directors/managers; and

- a range of appropriate consultancy including advice on achieving better value for money; and changing models of school organisation and leadership.

4.18 We will also allow local authorities to retain money centrally to assist schools with the upfront costs of school business managers.

Case Study: Withernsea School Business Director Demonstration Project, East Riding of Yorkshire

The Withernsea School Business Director Demonstration Project commenced in January 2009, consisting of a cluster of one junior school and four primary schools within the East Riding area of Yorkshire.

The main focus of the demonstration project is to pilot an initiative to demonstrate how Advanced School Business Manager roles can support headteachers in allowing them more time and resources to effectively lead teaching and learning, as well as the business aspects of the schools, by developing innovative approaches to current issues.

A light touch strategic business management service for the cluster schools has been offered, as well as the further development of an induction programme for newly qualified headteachers, which embeds the benefits that can be achieved from a high quality school business management service.

For the 2009-10 financial year this project has already achieved projected estimated financial gross savings of £116,000 across the cluster of five schools (Oakleigh Consulting, Dec 2009), which includes a projected £10,000 saving in streamlining and increasing the effectiveness of school administrative systems. In addition, the project has achieved savings of £2,000 in one school by moving to managing cleaning services in-house, and additional income and financial savings totalling £39,357 have been realised across the cluster by improving ICT service level agreements.

The East Riding of Yorkshire Local Authority is strongly committed to the long-term sustainability of the demonstration project and will use its findings to inform the introduction of a wider model of school business management provision across the authority.

Local authorities supporting schools

4.19 Local authorities have a key role in supporting schools to make efficiencies and many schools, especially primaries, will look to their local authorities for support. Many local authorities, working with the full range of local partners, already provide first-class support through finding savings through collaborative provision of services; helping schools to benchmark their expenditure; helping schools to secure financial expertise on their governing bodies; facilitating shared access to school business managers and identifying and supporting schools early that are facing difficulties with their resources.

4.20 We need to make sure that this sort of support is available to schools in every local authority. Working with the Local Government Association and the Association of Directors of Children's Services, we will ensure that local authorities provide appropriate support for schools and will help them to do so. We are planning a small, dedicated and

responsive unit to support local authorities in this. Its role will be to offer tailored support to local authorities to enhance their capacity to support their schools.

National partners supporting schools

- 4.21** Our partners including NASUWT, the Association of School and College Leaders (ASCL), National Association of Head Teachers (NAHT) and National Association of School Business Management (NASBM) will provide support and help for their members, for example through newsletters, conferences and materials. Examples are given in the box below.

NASUWT

NASUWT is encouraging its teacher and school leader members to engage actively in the *Securing our Future* debate. It has sent bulletins into every school to school leaders and NASUWT representatives briefing them on the document, providing a link to it and advocating within school discussions to review all of the school's financial activity. Further information is being prepared.

In addition, NASUWT has held a national briefing of all local secretaries with a full presentation of the financial background, the aims of the discussion document and suggested areas of expenditure to target for review. They are advised to submit this as an item for discussion in their local authority consultative forum. They should also brief local NASUWT representatives on schools forums to engage in the debate.

At every event organised by NASUWT teachers' attention is drawn to the document: there is also information for members on the website.

ASCL

ASCL are developing an interactive tool to enable heads and school business managers to model quickly the impact of different deployment of their resources and models of curriculum delivery on their financial planning.

NAHT and NASBM

The NAHT and NASBM are currently working together to develop materials based on the School Business manager Competence Framework. This is designed to deepen the understanding of the relationship between school business managers, head teachers and others on the senior leadership team of the school. Some half day workshops on efficiency and best value are also being planned jointly and are likely to be offered in a number of different regions.

Other resources for schools

- 4.22** Schools need ready access to deals which will give them procurement savings. Through our Educational Procurement Centre, we will negotiate an increasingly wide range of new contracts which will give schools access to such savings, and spread the use of electronic procurement which also saves time and money. We will also continue to give grants that assist schools to save money by reducing energy use.

- 4.23** The Department will fund a series of short case studies made by Teachers TV on how schools have made best use of resources and reduced costs. These will go inside case study schools, and hear directly from those involved how they did it and how they overcame any difficulties of implementation. The case studies will also show how successful collaboration between schools can work. They will be available to schools through the internet and readily reachable from relevant websites.
- 4.24** The National College will ensure that enough courses on managing resources are available for serving heads, and will work urgently with the Training and Development Agency (TDA) and Becta on improved toolkits and materials for schools. The Audit Commission has already published a toolkit called *Managing school resources* to help schools evaluate their use of resources, providing examples of good practice drawn from research and sign-posting further information. DCSF and the National College will also ensure that School Improvement Partners (SIPs) have appropriate training and simple data on schools so that as part of their role to support overall school improvement, they can discuss the use of resources with their schools, provide challenge and act as a gateway to support.

Removing barriers to securing efficiencies

- 4.25** During the conferences and other discussions that have taken place in the last few months, schools and local authorities have raised areas which can limit schools in their ability to make savings. The Department's role is to remove barriers and facilitate schools in making savings wherever possible and thus we will be taking a number of further actions in response to these concerns. These include:
- helping authorities to change their financial schemes so that schools can hire shared staff with confidence, use charge cards for procurement and sign up collectively to procurement deals;
 - making it easier for schools to collaborate and federate, and allowing local authorities to retain money centrally to assist schools with the upfront costs of federations;
 - changing the Financial Management Standard in Schools (FMSiS), which all schools are required to meet by 2010, so that it concentrates more on value for money than on processes; and
 - improving the financial benchmarking website so that schools can benchmark their expenditure even more effectively.

Schools going forward with confidence

- 4.26** The programme of support described here, together with the existing roles which local authorities play to support schools in the effective use of resources and to foster collaboration means that there is a wide variety of support available to schools. This includes expert consultative advice; collaborative approaches led by schools themselves; support and challenge from the local authority; access to improved purchasing options and the ability of schools to compare themselves with other schools to identify areas for savings, as illustrated in the diagram opposite.

School Toolkit



- 4.27** We and our partners will carry on doing everything we can to support schools and local authorities in using their resources to optimum effect. We will continue the national discussion started in November so that schools can raise issues or concerns with us and so we can jointly develop solutions and spread the best practice. On this basis, schools will be able to go forward with confidence through the next three years.



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MEETING:	SCHOOLS FORUM
DATE:	1 OCTOBER 2010
TITLE OF REPORT:	REPORT OF BUDGET WORKING GROUP - 25 JUNE 2010
OFFICER	SCHOOLS FINANCE MANAGER

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To consider the recommendations of the Budget Working Group on 25th June 2010.

Recommendation

That the Schools Forum comments on the work of the Budget Working Party and considers the recommendations as follows;

- (a) **Given the impending work of the Schools Formula Review Group, it is recommended that the Herefordshire schools funding formula is only amended prior to 2013/2014 to include the nationally prescribed formula amendments for the national pupil premium and the mainstreaming individual school grants into Dedicated Schools Grant;**
- (b) **and that further work on the social deprivation funding strategy is deferred pending the outcome of the Department for Education consultation on the National Pupil Premium.**

Key Points Summary

The report is a summary of the Budget Working Group's meeting and presents proposals on:

- Discussions on the terms of reference for the School Funding Review Group – subsequently approved as urgent business by Schools Forum on the 9th July.
- Discussions on the school specific funding factors used in the Herefordshire funding model. Given School Forum's decision to proceed with the School Funding Review Group it is preferable that all funding changes are developed by this group unless urgent changes are necessary due to national Department for Education (DfE) requirements.
- Social Deprivation Funding Strategy – this was work to support previous government policy and it should be deferred pending the outcome of the consultation on the replacement National Pupil Premium later in the autumn term.

Further information on the subject of this report is available from
Malcolm Green on (01432) 260818

Alternative Options

- 1 There are no alternative options at this stage.

Reasons for Recommendations

- 2 Recommendations from the meeting of the Budget Working Group on 25th June 2010.

Introduction and Background

- 3 The Budget Working Group (BWG) met on 25th June to consider the draft terms of reference for the School Funding Review Group, information on School Specific Funding Factors and a draft Social Deprivation Strategy for 2011/12-2014/15. The agenda papers considered by the Budget working party are attached at Appendix A.

Present were

Julie Powell (Lugwardine), Andrew Teale (St Paul's) Tracey Kneale (Marlbrook), Malcolm Green, Louise Devlin.

Apologies were received from Nigel Griffiths (John Kyrle), John Docherty (John Kyrle), Steve Pugh (Hampton Dene) and Kathy Roberts.

4. **School Funding Review Group - draft terms of Reference (Lead headteacher – Tracey Kneale)**

The draft terms of reference were discussed and the following amendments suggested

- a. An initial full day “kick-off” meeting to prepare a number of ideal school staffing models on a phase specific basis – for agreement by the whole group at the end of the day.
- b. School representation on a cluster basis should be considered
- c. Funding proposals by SEN review groups should be referred to the BWG prior to Schools Forum.

Note – the draft terms of reference, as amended by the BWG, was approved by Schools Forum on 9th July.2010.

5. **School Specific Funding Factors 2010/11 (Lead headteacher – Tracey Kneale)**

The BWG considered the funding factors used to delegate school specific budgets as follows

- Ground Maintenance £272k
 - Paid to schools at a rate per square metre. Primary 17.1p High 9.6p
 - Further work to investigate the reasons for the difference was requested
- Flat rate allocations per school £4.43m
 - Paid to primary schools at £34,953 per school and High schools at £20,144
- Small schools Protection £965k

- Primary paid at £108.45 to pupils below 200 on roll
- Secondary paid at £208.45 to pupils below 655 on roll.
- The BWG requested financial modelling of the impact of bringing the definitions of small schools qualifying for protection in line with the sizes of school used with the Department for Education's recent Dedicated Schools Grant (DSG) review consultation i.e. a small primary school is 150 or less pupils and a small high school is 600 pupils or less.
- High Cost Fuel £39k
 - Additional payments for schools using LPG and high cost electric tariffs
- Business rates £1,328k
 - Paid to schools at actual cost. Voluntary Aided, Foundation schools and academies receive 80% charitable rates relief- and the reduction in costs benefit all schools.
- Shared use £47k
 - Paid to two schools with legal shared use agreements
- Premises Insurance £259k
 - Paid and charged back on estimated insurance costs by the Council's Risk and Insurance Manager.
- PFI costs £178k
 - The working group queried why the lease costs for PFI for Whitecross should be met from DSG. Malcolm Green explained that as the costs pre-dated the establishment of the DSG and were included because they were previously funded by the Council. It made no difference because had the costs not been included in the Total Schools Budget then DSG would have been reduced by the same amount so there was no loss to schools.
- Teachers Pay Grant £3.05m
 - Paid at a fixed rate to schools per teacher on the upper pay scale and leadership scales. Review to be included by the formula review group.

6. **Social Deprivation Funding Strategy – Possible Options**

The BWG considered a list of possible options for achieving the social deprivation funding target by 2014/15. The options were considered in draft and it was felt that the social deprivation target could be met by re-coding existing funding as social deprivation. However the new government's proposals regarding the national pupil premium and the extent that it is fully funded may make the current approach to deprivation funding irrelevant. The BWG agreed to await an expected further consultation by the Department for Education in the summer and consider again in the autumn.

Particular comments on the draft strategy were

- Item 2 PVI nursery funding – considered it entirely reasonable to expect the Early

Years Funding Formula to bear the same local percentage for social deprivation (7.4%) as schools. Recent presentations by the DfE national strategies team at the primary heads conference advised early intervention to close the social deprivation attainment gap. National research suggests that deprivation has the greatest impact in the 0-5 early years.

- Items 3/6 Special schools formula – introduce a specific funding factor to specifically identify existing funding as social deprivation. This should include funding for the Brookfield Intervention centre.
- Item 8 Secondary intervention centre – more information is requested regarding usage, referrals etc however it was considered that existing revenue funding in high school budgets could be reclassified as social deprivation.
- Item 9/10 Grants paid direct to schools such as School Development Grant and School Standards Grant (Personalisation) – it is the government’s intention to absorb these grants into DSG and this would give the opportunity to reclassify further monies as social deprivation funding.

Key Considerations

- 7 The discussions at the BWG represent early considerations of the 2011/12 DSG budget and more work will be required by the BWG and Schools Forum.

Community Impact

- 8. None assessed

Financial Implications

- 9 The financial implications of the 2011/12 Schools Budget form a significant part of the work of the BWG this year.

Legal Implications

- 10 These proposals comply with the Council’s legal duties.

Risk Management

- 11 The BWG’s proposals for the 2011/12 budget will be fully considered by Schools Forum prior to final decisions by the Cabinet Member in March 2011.

Consultees

- 12 There is a statutory requirement that Schools Forum is consulted on proposed changes to DSG funded budgets. No further consultation other than Schools Forum is required.

Appendices

Working papers considered by the BWG on 25 June 2010.

Background Papers

None

Schools Forum Budget Working Group**25 June 10****SCHOOL FUNDING FORMULA – SCHOOL SPECIFIC FACTORS - 10/11**

Schools Affected

All schools

Purpose

To provide an overview of the current school specific funding formula to consider whether it continues to be appropriate or changes are required for April 2011.

The Budget Working Group has been working to a programme of reviewing all the school funding factors and considering whether changes are needed.

Report**School Specific Funding. £10.57m – 13% of Individual Schools Budget (incl sixth form funding)****1. Grounds Maintenance £272k**

Paid on the square metres of grassed and planted areas in schools. The primary rate is 17.1p per metre and the secondary rate is 9.6p per metre reflecting the cost efficiencies of larger high school playing fields.

Primary schools budget is £103k for 0.6m sq metres
High schools budget is £169k for 1.3m sq metres

2. Flat rate allocations per school £4.43m

Management flat rates are

Primary	£34,953 at a cost of £2.83m
High	£20,144 at a cost of £282k

The management flat rates for primary schools were revised as part of the 2005/06 changes to small school protection when the threshold for payment was reduced from 320 pupils to 200 pupils and the savings were used to increase the management flat rate by £10,973 so that all schools could ensure that the headteacher had 0.4 non-teaching time.

The high school management allocation was increased by £5,900 as School Forum agreed the reduction of the pupil threshold from 710 pupils to 655 pupil threshold for payment of small schools protection to high schools. Schools Forum rejected a proposal to reduce the high school threshold to 500 pupils because of the budget reductions in smaller high schools.

The management allocations and the pupil thresholds for small schools protection have not been reviewed since February 2006 however the budget for small schools protection has been frozen since 2006/07.

It is estimated that the fixed costs of a primary school are £80k pa and £270k pa for a high school. The extra cost of funding a flat rate allowance at the true level of costs is £5.5m equivalent to £250 per pupil. A more detailed discussion was set out in the recent discussion paper on small schools circulated by Chris Baird.

In addition to management flat rates, additional flat rates are paid to meet premises costs as follows;

Primary	£4,004 at a cost of £324k
High	£5,927 at a cost of £83k

3. Small schools protection £965k

The small schools protection for primary schools is paid on the number of pupils below 200 on roll at a rate of £108.45 per missing pupil. The budget is £679k. This was last reviewed in February 2005 as part of a review of management flat rates. The pupil threshold for payment of small schools protection was previously over 400 pupils but was being slowly reduced each year.

An additional payment is due for very small primary schools below 30 on roll at a rate of £610 per pupil below 30. No school is currently receiving this funding.

The definition of a small primary school at 200 pupils was chosen because this was small schools standards fund was paid to all primary schools below 200 on roll. The recent review of Dedicated Schools Grant considered a small school to be 150 pupils in the review of sparsity payments to authorities. A small high school was treated as 600 pupils.

High schools are paid on the number of pupils below 655 on roll at a rate of £208.45 per missing pupil. This was last reviewed in February 2006 and Schools Forum rejected a proposal to reduce the threshold to 500 pupils and increase the management flat rate by £18,000. The threshold had previously been at 710 pupils in 2005/06.

The budget for small schools protection has been frozen since 2006/07 due to concern about rising costs as pupil numbers fall.

4. High Cost Fuel £39k

Standard energy costs are allocated to primary schools at £38.98 per pupil and to high schools at £53.81 per pupil and included in the Age Weighted Pupil Unit.

£37k is allocated to primary schools to meet the extra costs of high cost fuels i.e. LPG (+46%) and peak electricity (+99%) and off peak electricity (+54%). The costs for high schools are £2k.

The high cost fuel supplement is received by 21 primary schools and 3 high schools for LPG, peak electricity by 3 primaries and 1 high school and off peak electricity by 7 primaries.

5. School business rates £1,328k

Business rates for primary schools is £546k and for high schools is £782k. Voluntary aided, foundation schools and academies receive 80% charitable rates relief. Business rates for the new high schools increase significantly.

6. Shared Use £47k

Payments are made to two high schools for shared use facilities.

7. Premises Insurance £259k

Payments are made to primary schools for premises insurance is £119k and high schools £140k. These payments are determined by Andrew Rewell based on the actual costs of insurance as tendered.

8. PFI Costs £178k

The additional payments for the Whitecross PFI costs charged to the schools budget and agreed by Schools Forum in 2005.

9. Teachers Pay Grant £3.05m

Paid at a standard rate of £3,874 per teacher on the UPS/leadership scales. Schools Forum agreed the continuation of the flat rate payment when the teachers pay grant was absorbed into DSG in 2006.

Primary schools cost £1.51m for 391 teachers

High schools cost £1.54m for 429 teachers

The last year of the teachers pay grant in 2005/06 was paid out to schools based on 844 UPS/Leadership teachers.

The flat rate payment of £3,874 in 10/11 compares with additional salary for UPS teachers of

UPS 1 £3,291

UPS 2 £4,875

UPS 3 £6,512

Leadership scales will be in excess of the UPS scales.

MG. 17.06.10

School Funding Review Group– Discussion Draft

1. School Forum at the meeting on 17th May agreed to investigate the option for a fundamental review of the Herefordshire School Funding Formula. Clearly this is a complex task that will need a significant commitment from headteachers and officers if the review is to be successful. This paper sets out a proposed draft of the timetable and costs of such a review.
2. It is essential that schools and headteachers are clear that there will be no additional funding to implement the outcome of the formula review. The funding available through Dedicated Schools Grant will simply be allocated in a different way between schools and there will be “winners and losers”. The Minimum Funding Guarantee will offer some limited protection for the losers at the expense of the winners but only in the short term.
3. The principles for such a review are proposed as follows
 - a. Will begin with a “blank piece of paper” – nothing ruled in and nothing ruled out.
 - b. Key funding area suggestions will be identified by the working group and full detailed working models designed for use in wider consultation.
 - c. Pupil teacher ratios, class sizes and support staff ratios for different sizes of schools will determine the Age Weighted Pupil Units of funding – this will be funded by pupil numbers and typically accounts for approximately 80% of the available budget.
 - d. All funding delegated to all schools will be included in the review with the exception of funding for nursery classes (which are covered by the new Early Years Single Formula) – and will specifically include
 - Balance of funding (costs) between primary, high and specials schools including AWPU weighting
 - Determine staffing needs and hence costs for sizes of school
 - Fixed costs
 - Delegated SEN funding
 - Cost of teachers e.g. average and/or high cost teacher adjustment
 - Need for additional funding for small schools
 - Formula to support cost efficient school planning and organisation
 - e. To take account of the principles underpinning the national review of DSG .i.e. the local funding of schools should reflect the national funding formula for authorities so that local funding of schools is responsive to national changes in funding.
4. Draft proposals from the SEN and Special School Funding Groups will be referred to the School Funding Formula review group for consideration and sign-off following full consultation to ensure consistency.
5. The School Funding Review Group is set up with the one purpose of taking through the Funding Formula review. It will report in to Budget Working Group and Schools Forum. The work of the Budget Working group will continue but be

focused on budget recommendations and may include desirable but small incremental formula changes.

6. Representatives from a wide range of schools to be involved fully reflecting the differing sizes, types and geography of schools in the county e.g.

High	Primary	Special
Large (urban)	Large (urban)	1 x special
Medium	Medium	PRU
Small (rural)	Small (rural)	
VA school	VA school	
Social Deprived	Socially deprived	

To include one bursar from a high school and a primary school and officers from the LA. The new permanent Director of Children Services, when appointed, will be invited to join the review group. (Interim DCS to be invited in the intervening period.

School representatives to be nominated by the headteacher groups and some heads not previously involved with Schools Forum should be encouraged.

7. Regular meetings

- Half termly
- Supply paid to all teaching headteachers at £100 per half day.
- All meetings start 1.30pm finish by 4pm
- Proposed at WRVS for ease of access, parking etc.
- Meeting notes be published on council website for schools access
- Additional 0.5 fte LMS accountant to service meetings/ budget modelling

8. Target implementation date 1st April 2013 and full consultation autumn 2012.

9. Governance – all decisions will be taken by Schools Forum following full consultation with schools. Interim progress reports will be received by Schools Forum

10. Budget Requirements

To implement new formula in April 2013 the proposed budget would be

Room Hire -including sandwich lunch/refreshments

2 x autumn 10, 2 x Spring 10, 6 x 2011/12 and 6 x 2012/13

Cost 16 meetings x £150 = **£2,400**

Supply 4 teaching heads per meeting at £100 x 16 meetings **£6,400**

LMS Accountant £18k per year x 2 years = **£36,000**

Printing, admin, web-site costs, **£1,000**

Total **£45,800**

This budget would need to be found by Schools Forum, £23,000 each year 2011/12 and 2012/13 (equivalent to £1 per pupil each year)

11. Risk management

- Insufficient number of commitment from Headteachers and bursars, they need to sign up for the full duration of the review
- Final funding model is unaffordable and has to be scaled back leading to an unsatisfactory outcome.
- Additional LMS expertise is not available to complete the review
- Review takes longer than forecast, budget is exceeded.
- Government changes schools funding regulations
- Other school review work is sidelined, e.g. cluster working, small schools review

Social Deprivation Funding Strategy – Possible Options

Schools Forum Budget Working Group
25th June 2010

Herefordshire is currently at 81% of the deprivation funding target of £6.6m. The 19% gap is estimated as £1.25m although this figure may change as part of the DSG review when direct grants to schools are included in DSG. It is also possible that as the % of free school meals increases (above the 7.4% in 10/11) that the deprivation target may increase proportionately. Achievement against the target will need to be kept under review.

The proposals set out below as the basis of achieving the deprivation target by 2014/15. Not all the options will prove feasible and others may well deliver more or less funding to count towards the target. Further proposals are sought from headteachers.

The Budget Working Party is invited to consider the desirability of each option so that a full report can be prepared for Schools Forum in October.

145

	Year	11/12	12/13	13/14	14/15	Total
	Proposal					
		£'000	£'000	£'000	£'000	£'000
1.	<u>Recode SEN support services</u> assume 22% is social deprivation. £400k x 22% = £88k	0	88	0	0	88
2.	<u>PVI Nursery</u> budget is £3.5m. Max deprivation under current early years funding is £126k. 7.4% of £3.5m is £265k. on Hence increase possible of <u>but</u> this amount of social deprivation spend was rejected by recent early years funding consultation. £139k spend over 4 years.	35	35	35	35	140
3.	<u>DSG Budget Headroom</u> Don't expect any headroom in 11/12 and only a small amount in	0	100	100	100	300

	12/13 but DFE suggests extra funding for local pupil premium. Further school funding consultation in summer may clarify.					
	Year	11/12	12/13	13/14	14/15	Total
	Proposal					
4.	<u>Special schools formula currents</u> by £41k is allocations to social deprivation on number of fsm pupils fsm % x £23.24 To all 63 fsm pupils were paid at £3,000 local pupil rate Total would be £189k ie £14k.	37	37	37	37	148
5.	<u>Low Prior Attainment</u> - Currently only claim 75% of low prior attainment elements personalised learning budget is £309k. The extra 25% equals £77k on transfer to local pupil premium.	0	77	0	0	77
6.	<u>Brookfield Intervention Centre</u> reclassify on social deprivation funding 70k review all Brookfield funding elements as part of special schools review – may be more credits. Possible from a wider inclusion of social deprivation			70		70

	funding in special schools.					
7.	<u>Pupil referral units</u> – introduce formula funding and include social deprivation factor assume 22% of £925k			203		203
	Year	11/12	12/13	13/14	14/15	Total
	Proposal					
8.	<u>Secondary Intervention Centres.</u> Reclassify per pupil funding high schools intervention centre funding re social deprivation and paid through the local pupil premium. 700k i.e. 14 x £50k – needs more work.			700		700
9.	<u>School Development Grant</u> will be absorbed into DSG in 11/12 and £250k can be identified as social deprivation funding but extra grant may well increase the target.		250			250
10.	<u>School Standards Grant (Personalisation)</u> SSH(P) in DSG will gain £191k allocated on free school meals but may increase the target.		191			191

11.						
12.						
13.						
14.						
15.						
	Total	72	778	1,145	172	2,167

COST CENTRE	SCHOOL NAME	2010-11 Current Budget			2010-11 Revised Min Pupil				2011-12 Revised Future Yr			Impact on the change in Minimum Funding Guarantee
		Pupils below 200 or 655 x	Current Minimum Funding Guarantee	Total Funding	Pupils below 150 or 600 x	Revised Minimum Funding Guarantee	Total Funding	Net Difference to Current Protection	Pupils below 150 or 600 x	Revised Minimum Funding Guarantee	Total Funding	
		108			108		loss(-)/gain(+)	110				
		208			208			211				
E0100	Almeley Primary School	14,206	0	14,206	8,784	3,400	12,184	-2,022	8,434	9,511	17,945	2,907
E0101	Ashperton Primary School	4,338	0	4,338	0	0	0	-4,338	0	0	0	0
E0105	Bredenbury Primary School	12,905	14,868	27,773	7,483	20,290	27,773	0	8,215	11,835	20,050	-2,312
E0108	Brockhampton Primary School	9,760	0	9,760	4,338	3,379	7,717	-2,043	2,957	6,629	9,586	-5,156
E0109	St Peter's Primary School	325	0	325	0	0	0	-325	0	0	0	0
E0110	Burghill Community Primary School	12,580	0	12,580	7,157	0	7,157	-5,423	7,010	0	7,010	-160
E0114	Clifford Primary School	14,922	2,953	17,875	9,500	8,375	17,875	0	9,376	9,647	19,023	5,014
E0121	Ewyas Harold Primary School	8,784	0	8,784	3,362	4,747	8,109	-675	3,286	0	3,286	0
E0123	Garway Primary School	15,942	0	15,942	10,519	0	10,519	-5,423	11,720	0	11,720	0
E0126	Broadlands Primary School	0	32,088	32,088	0	32,088	32,088	0	0	31,862	31,862	-1,549
E0127	Hampton Dene Primary School	0	0	0	0	0	0	0	0	0	0	0
E0131	Lord Scudamore Primary School	0	0	0	0	0	0	0	0	5,151	5,151	0
E0132	Marlbrook Primary School	0	0	0	0	0	0	0	0	0	0	0
E0136	St Martin's Primary School	0	0	0	0	0	0	0	0	0	0	0
E0138	Trinity Primary School	0	0	0	0	0	0	0	0	468	468	0
E0140	Holme Lacy Primary School	15,074	0	15,074	9,652	0	9,652	-5,422	10,953	0	10,953	0
E0143	King's Cagle Primary School	18,219	0	18,219	12,797	0	12,797	-5,422	12,596	3,044	15,640	-972
E0145	Kingstone and Thruxton Primary School	3,904	925	4,829	0	4,829	4,829	0	0	10	10	-1,436
E0146	Kington Primary School	976	0	976	0	0	0	-976	0	2,385	2,385	1,112
E0148	Ledbury Primary School	0	0	0	0	0	0	0	0	9,317	9,317	0
E0150	Leominster Infants' School	0	0	0	0	0	0	0	0	0	0	0
E0151	Leominster Junior School	0	0	0	0	0	0	0	0	2,877	2,877	0
E0155	Longtown Community Primary School	16,809	2,003	18,812	11,387	7,425	18,812	0	11,282	10,783	22,065	4,955
E0156	Lugwardine Primary School	2,386	6,732	9,118	0	9,118	9,118	0	0	4,889	4,889	-433
E0157	Luston Primary School	11,495	0	11,495	6,073	191	6,264	-5,231	6,681	0	6,681	0
E0158	Madley Primary School	1,627	8,235	9,862	0	9,862	9,862	0	0	15,496	15,496	1,698
E0159	Marden Primary School	12,688	0	12,688	7,266	952	8,218	-4,470	6,791	696	7,487	-3,993
E0160	Michaelchurch Escley Primary School	15,725	0	15,725	10,302	0	10,302	-5,423	10,515	308	10,823	-419
E0167	Peterchurch Primary School	14,749	8,153	22,902	9,326	13,576	22,902	0	8,653	15,651	24,304	5,037
E0168	Ashfield Park Primary School	0	0	0	0	0	0	0	0	3,370	3,370	-2,735
E0171	Shobdon Primary School	16,375	2,417	18,792	10,953	7,839	18,792	0	10,734	8,720	19,454	4,972
E0173	Stoke Prior Primary School	13,230	0	13,230	7,808	0	7,808	-5,422	8,215	0	8,215	0
E0170	St Weonard's Primary School	16,484	2,087	18,571	11,062	7,509	18,571	0	11,282	5,112	16,394	4,955
E0175	Sutton Primary School	14,532	0	14,532	9,109	1,731	10,840	-3,692	8,324	5,702	14,026	959
E0176	Walford Primary School	2,711	0	2,711	0	0	0	-2,711	0	0	0	0
E0177	Wellington Primary School	11,604	3,586	15,190	6,181	9,009	15,190	0	6,462	729	7,191	-2,336
E0178	Weobley Primary School	6,507	0	6,507	1,084	0	1,084	-5,423	3,505	0	3,505	0
E0182	Wigmore Primary School	7,179	0	7,179	1,757	0	1,757	-5,422	2,541	0	2,541	0
E0183	Withington Primary School	14,098	1,855	15,953	8,676	7,277	15,953	0	9,201	0	9,201	0
E0103	Bosbury CofE Primary School	7,700	0	7,700	2,277	446	2,723	-4,977	2,191	0	2,191	0
E0111	Burley Gate CofE Primary School	11,886	2,113	13,999	6,463	7,536	13,999	0	6,857	459	7,316	-2,330
E0112	Canon Pyon CofE Primary School	13,339	0	13,339	7,917	3,833	11,750	-1,589	8,543	0	8,543	0
E0113	Cleghonger CofE Primary School	8,784	0	8,784	3,362	0	3,362	-5,422	3,395	6,748	10,143	-713
E0115	Colwall CofE Primary School	3,470	0	3,470	0	0	0	-3,470	0	0	0	0
E0117	St Mary's CofE Primary School (Credenhill)	2,277	0	2,277	0	511	511	-1,766	0	88	88	88
E0118	Dilwyn CofE Primary School	18,327	113	18,440	12,905	5,535	18,440	0	13,034	4,716	17,750	4,716
E0119	Eardisley CofE Primary School	15,074	0	15,074	9,652	0	9,652	-5,422	9,420	0	9,420	-407
E0120	Eastnor Parochial Primary School	13,664	0	13,664	8,242	0	8,242	-5,422	8,324	0	8,324	-487
E0124	Goodrich CofE Primary School	8,459	0	8,459	3,036	3,964	7,000	-1,459	2,848	7,168	10,016	3,719
E0125	Gorsley Goffs Primary School	3,470	0	3,470	0	2,778	2,778	-692	0	0	0	0
E0128	Holmer CofE Primary School	0	0	0	0	0	0	0	0	0	0	0
E0153	Little Dewchurch CofE Primary School	16,159	7,604	23,763	10,736	13,027	23,763	0	11,391	11,559	22,950	4,952
E0161	Mordiford CofE Primary School	7,483	8,190	15,673	2,060	13,613	15,673	0	2,300	13,633	15,933	5,235
E0162	Much Birch CofE Primary School	868	0	868	0	0	0	-868	0	0	0	0
E0164	Orleton CofE Primary School	0	0	0	0	0	0	0	0	0	0	0
E0174	Stretton Sugwas CofE Primary School	10,194	0	10,194	4,772	2,753	7,525	-2,669	4,819	1,347	6,166	1,347
E0180	Whitbourne CofE Primary School	16,375	0	16,375	10,953	1,864	12,817	-3,558	11,172	403	11,575	403
E0102	St Michael's CofE Primary School	10,884	0	10,884	5,461	0	5,461	-5,423	5,516	0	5,516	0

E0104	Brampton Abbots CofE Primary School	10,086	0	10,086	4,663	0	4,663	-5,423	4,819	2,743	7,562	-279
E0106	Bridstow CofE Primary School	11,495	0	11,495	6,073	0	6,073	-5,422	7,119	0	7,119	0
E0116	Cradley CofE Primary School	9,652	11,134	20,786	4,229	16,557	20,786	0	5,367	12,503	17,870	3,869
E0122	St Mary's CofE Primary School	10,953	4,586	15,539	5,531	10,008	15,539	0	5,586	4,207	9,793	1,796
E0133	Our Lady's RC Primary School	0	0	0	0	0	0	0	0	0	0	0
E0134	St Francis Xavier's Primary School	0	0	0	0	0	0	0	0	0	0	0
E0135	St James CofE Primary School	0	0	0	0	0	0	0	0	893	893	531
E0137	St Paul's CofE Primary School	0	0	0	0	0	0	0	0	0	0	0
E0142	Kimbolton St James CofE Primary School	12,580	0	12,580	7,157	0	7,157	-5,423	6,462	0	6,462	-4,158
E0144	Kingsland CofE School	6,507	0	6,507	1,084	3,312	4,396	-2,111	1,643	1,952	3,595	1,952
E0147	Lea CofE Primary School	13,447	12,573	26,020	8,025	17,995	26,020	0	8,324	15,371	23,695	-2,718
E0149	Leintwardine Endowed Primary School	11,278	0	11,278	5,856	1,776	7,632	-3,646	6,134	0	6,134	0
E0152	Ivington CofE Primary School	12,580	0	12,580	7,157	2,196	9,353	-3,227	6,353	0	6,353	-2,007
E0154	Llangrove CofE Primary School	16,701	0	16,701	11,278	1,368	12,646	-4,055	11,063	3,321	14,384	654
E0163	Much Marcle CofE Primary School	10,736	0	10,736	5,314	4,210	9,524	-1,212	5,696	0	5,696	0
E0165	Pembridge CofE Primary School	11,278	0	11,278	5,856	4,780	10,636	-642	5,367	7,645	13,012	4,456
E0166	Pencombe CofE Primary School	15,725	0	15,725	10,302	5,407	15,709	-16	10,296	6,561	16,857	4,969
E0169	St Joseph's RC Primary School	10,194	0	10,194	4,772	0	4,772	-5,422	5,257	0	5,257	0
E0172	Staunton-On-Wye Endowed Primary School	14,141	0	14,141	8,719	483	9,202	-4,939	8,806	0	8,806	0
E0179	Weston-Under-Penyard CofE Primary School	11,929	0	11,929	6,507	233	6,740	-5,189	6,900	0	6,900	-1,001
E0181	Whitchurch CofE Primary School	10,302	0	10,302	4,880	0	4,880	-5,422	5,805	0	5,805	0
E0139	St Thomas Cantlupe CofE Primary School	868	6,883	7,751	0	7,751	7,751	0	0	5,549	5,549	1,061
E0185	Riverside Primary School	0	0	0	0	0	0	0	0	0	0	0
		<u>678,999</u>	<u>139,096</u>	<u>818,095</u>	<u>369,815</u>	<u>283,530</u>	<u>653,345</u>	<u>-164,750</u>	<u>379,540</u>	<u>271,060</u>	<u>650,600</u>	<u>35,756</u>

E0300	(BROMYARD) QUEEN ELIZABETH HIGH	74,627	0	74,627	63,162	0	63,162	-11,465	59,791	25,648	85,439	-3,349
E0305	HEREFORD, WHITECROSS HIGH	0	0	0	0	0	0	0	0	0	0	0
E0301	HEREFORD, AYLESTONE HIGH	0	0	0	0	0	0	0	0	17,391	17,391	0
E0306	KINGSTONE HIGH	8,130	0	8,130	0	0	0	-8,130	842	0	842	0
E0307	KINGTON, LADY HAWKINS	49,821	0	49,821	38,356	0	38,356	-11,465	45,053	0	45,053	0
E0309	LEOMINSTER, THE MINSTER COLLEGE	16,468	0	16,468	5,003	11,426	16,429	-39	7,790	16,725	24,515	12,063
E0310	PETERCHURCH, FAIRFIELD HIGH	54,198	14,318	68,516	42,733	25,783	68,516	0	40,843	36,760	77,603	9,663
E0312	WEOBLEY HIGH	40,023	0	40,023	28,558	0	28,558	-11,465	28,632	0	28,632	0
E0313	WIGMORE HIGH	40,857	0	40,857	29,392	0	29,392	-11,465	29,264	0	29,264	0
E0308	LEDBURY, THE JOHN MASEFIELD HIGH	0	0	0	0	0	0	0	0	0	0	0
E0311	ROSS-ON-WYE, THE JOHN KYRLE HIGH	0	0	0	0	0	0	0	0	0	0	0
E0302	HEREFORD, BISHOP OF HEREFORD'S BLUECOAT	0	0	0	0	0	0	0	0	0	0	0
E0304	HEREFORD, ST MARY'S R.C. HIGH	0	0	0	0	0	0	0	0	2,657	2,657	0
E0400	HEREFORD ACADEMY	1,876	0	1,876	0	0	0	-1,876	0	0	0	0
		<u>286,000</u>	<u>14,318</u>	<u>300,318</u>	<u>207,204</u>	<u>37,209</u>	<u>244,413</u>	<u>-55,905</u>	<u>212,215</u>	<u>99,182</u>	<u>311,397</u>	<u>18,377</u>

MEETING:	SCHOOLS FORUM
DATE:	1 OCTOBER 2010
TITLE OF REPORT:	PERFORMANCE OUTCOMES AGAINST EARLY YEARS SEN GRANT SPENDS
OFFICER:	EARLY YEARS CONSULTANT

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To inform School's Forum of the current position regarding additional funding to pre-school settings for children with significant specific educational needs.

To request that School's Forum continue to provide additional funding for pre-school settings for children with significant special educational needs

Recommendation(s)

THAT the Committee:

Continue to provide additional funding for pre-school settings for children with significant special educational needs at the 2010/11 funding level; provisionally and subject to the 2011/12 DSG settlement

Key Points Summary

- Early Years Inclusion Funding ensures the inclusion of children with SEN into pre-school settings.
- The majority of pre-school settings could not afford to pay for an appropriate level of support, training and equipment/resources from their own budgets.

Alternative Options

- 1 That Early Years Inclusion funding ceases. This would mean budget savings, but would **significantly reduce the capacity** of pre-school settings to include children with SEN. This, in turn, would have a serious impact on children's developmental levels when they start school, as early intervention would be much reduced. It would also have a serious impact on the quality of information currently provided by pre-school settings to schools on transition.

Further information on the subject of this report is available from
Sue Sharp and Early Years Consultant on (01432) 261741

Reasons for Recommendations

- 2 The Early Years Inclusion grant enables pre-school settings to successfully include children with a wide range of SEN. Without the funding, fewer children would be able to access pre-school settings, or make the most of their opportunities for learning and development.
- 3 The demands on this budget are increasing. At present an extra £10,000 per year is provided for children under 3 years of age from the SureStart grant. It is uncertain whether this will continue from March 2011. At present the Inclusion grant provides funding for up to 12.5 hours of support a week, in line with the entitlement for Nursery Education Funding. From September 2010 NEF will increase to 15 hours per week which will mean many children will increase their hours at pre-school. It is very likely that children with severe and complex SEN will require additional support hours, adding to the demands on the Inclusion grant. Also, grant funding for support hours was paid at £6 per hour in 2003. This has gradually increased over the seven years to the current rate of £7 per hour in-line with the average hourly rate in pre-school settings.

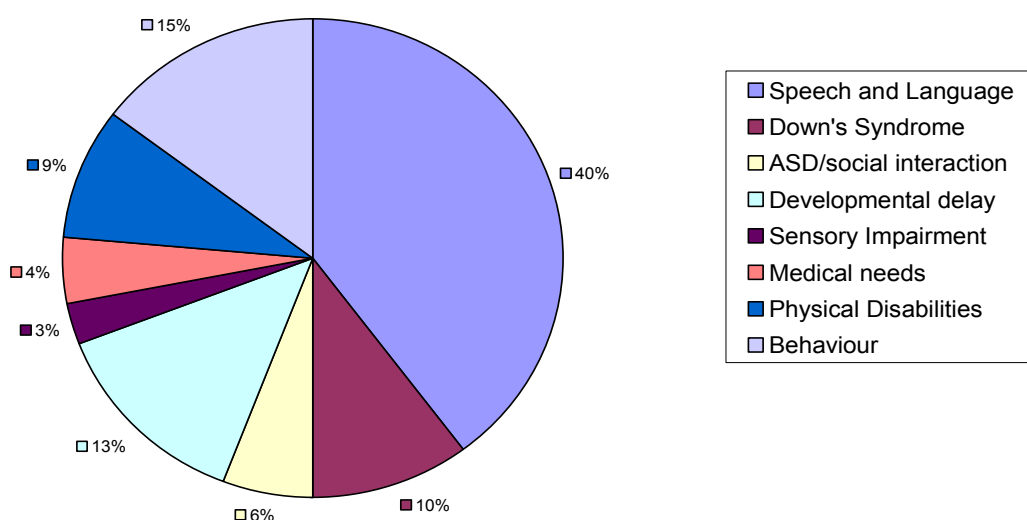
Introduction and Background

- 5 Herefordshire LA has provided inclusion grant funding since 2003. This funding is designed to assist pre-school settings to meet the needs of children with special needs. The grant is used predominantly to provide a contribution towards extra staffing. It can also fund staff training, resources and equipment in order to improve the setting's capacity to include other children with special needs in the future.
- 6 £58,380 was provided 09/10 through DSG to support the effective inclusion of children aged three to four with special education needs (SEN) into private, voluntary and independent mainstream pre-school settings and also into the 13 LA Nursery classes. An additional £10,000 is funded through the SureStart Grant for children with SEN under 3 years old. The Early Years Consultants (School Improvement Service) support the settings within their localities to identify these children, decide on appropriate early intervention and further referral if appropriate, and judge whether the setting should apply for grant funding.
- 7 Settings apply for funding each term, which ensures that the provision is regularly reviewed. They use a form which details how the funding will be spent and what impact this will have on the child. They provide evidence of this impact, if reapplying the following term, through Individual Education Plans and 'Talking Matters' profiles. They also provide details of their accounts to demonstrate that they do not have the funds to provide this extra support themselves. The grant is intended to be a contribution towards the cost – not to pay for it all.
- 8 A panel of Early Years Consultants assess all applications to ensure all details are correct and that the child meets the criteria for grant funding. The amount granted to each setting is based on a standard grant of 5 hours per week, at present paid at a rate of £7 per hour. Grant funding is for term time only. If there are exceptional circumstances where a child has severe and complex needs the number of hours can be increased to a maximum of 12.5 per week in line with Nursery Education Funding. (This will increase from September 2010 to a maximum of 15hours) The Early Years Consultants work with the setting to agree an appropriate number of hours support for the child based on the needs of the child; the number of hours attended, and whether support assistant time could be combined to support other children with SEN within the setting. Resources, equipment and training can also be included in the grant application if appropriate.
- 9 Parents have been very pleased that support can be provided for their child in their pre-school and realise this does not necessarily mean that their child will receive support in school.

Key Considerations

- 10 Early identification and intervention for children with SEN is stated as a key priority in the C&YP Directorate Plan 2009-11 - 'To focus on early years so that children and young people have the best possible start in life'. It is also a priority to improve achievement and 'narrow the gap' across the EYFSP particularly in Communication, Language and Literacy and in Personal, Social and Emotional Development. The Inclusion grant has been vital in supporting children in these two areas (speech and language difficulties/social interaction and behaviour difficulties - see chart below for percentage of grant used for supporting these areas)
- 11 Children with SEN have a right to be included in their local mainstream early years provision (as stated in the DDA 1995 and SEN Code Of Practice 1996) Pre-school settings have an extremely positive attitude towards their duties under these regulations and are welcoming to children with a wide range of additional needs and their families. They recognise that it is their responsibility to provide support for children with SEN. However most pre-schools have very small budgets and very little funding available to provide extra support hours for these children, staff training, extra equipment or resources. There is a delicate balance between remaining a sustainable business and charging fees that are affordable for parents. The LA has recognised this by providing the grant from DSG for the past seven years.
- 12 In this financial year, 2010, the inclusion grant has supported 68 children across 43 different pre-school settings. The average grant per child per year is £860, or, per setting per year £1361. However some children will only access the grant for one or two terms – some will make good progress and no longer require extra support, others will move on into school. The grant has supported children with a wide range of SEN with the largest category being children with speech and language difficulties.

SEN categories supported by Early Years Inclusion Grant 2009/10



Community Impact

- 13 The grant funding has a huge impact on the ability of local mainstream pre-schools and nurseries to include children with a wide range of additional needs. The range includes

children with severe and complex disabilities through to those with higher incidence needs in speech and language or challenging behaviour. It enables effective early intervention by staff to help each child make progress and also to pass on useful information at the point of transition into school. When this early intervention takes place effectively there is a positive impact for the child's Primary school. Parents are already aware of the difficulties faced by their child and how the setting and school can work with them to maximise the child's progress. High quality information on the child's stage of development and progress is passed on in the form of written records and transition meetings. The school can then be fully prepared and have all necessary provision in place before the child starts.

- 14 The impact on individual children's progress is difficult to measure. There is no way to compare a child's progress without the funding, against their progress when funding is provided, as there are so many other developmental variables. However, the key worker and SENCO carefully monitor each child's progress in the setting through Individual Education Plans and developmental profiles, and the Early Years Consultant monitors the use of the funding and ensures appropriate next steps are taken. The table below shows examples of outcomes for a range of children who accessed funding during the spring term 2010.

Amount /Spring term	Need and age of child	Outcome
£1050	Downs Syndrome 3y6m	Achieved three IEP targets including learning to walk, increasing use of signalong and increased interaction with other children
£672	Emotional/behavioural 3y8m	Child now understands how her behaviour has consequences. Beginning to recognize emotions in others and understand social rules
£1008	Autism Spectrum Disorder 4y2m	Child is able to use photos to make choices and to help her follow the settings routine. Her imaginative play is developing – short sessions of sequenced role play 3-4 minutes
£336	Speech and Language 3y6m	3 IEP targets achieved – listening skills improving, Now using some 2-word phrases.
£420	Behaviour 2y8m	Staff have been able to implement a consistent behaviour management plan and support the child to interact with his peers encouraging turn taking.
£504 + £600 Equipment (nursery gym with steps and slide suggested by physio)	Physical disability – hypotonia 3y5m	Now able to use steps while holding on to rail. More aware of correct position when sitting on floor. Continuing to work on balance

£840	Global developmental delay	Child now more willing to
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	3y10m	engage with staff and other children and pre-school activities. Motor skills improving. Small increases in vocabulary – animal names, toys, family names
£1008	Hearing Impairment 4y	Child is now wearing hearing aid regularly. Accessing a wide range of activities. Increased use of signing. Uses photo time line to learn routines.
£1008 + £280 manual handling training	Visual Impairment, physical disability, epilepsy 4y2m	The child is now exploring his environment, starting to pull up to stand and use 2 word phrases. Staff are more compliant in physical management.
£840	Developmental delay 2y 8m	Progress in social skills – child now watching other children and beginning to join in with play. Starting simple sequences of role play. Using some signs to communicate

- 15 Pre-school settings are involved in CAF when appropriate and work as part of the Team around the Child with other agencies to provide an integrated package of support for the child and their family. The inclusion grant funding helps to provide relevant training e.g. manual handling; specialist feeding; Signalong, and also enables staff to liaise with other agencies effectively e.g. by attending Child Development Centre review meetings; visiting the child in other settings; meeting with other professionals e.g. physiotherapist.

Financial Implications

- 16 The cost of this proposal would be:

Recommendation a) provisionally continue present level of funding from DSG - £59,585 (2010/11 budget), subject to the 2011/12 DSG settlement and any efficiency targets therein.

Legal Implications

- 17 There are no legal implications identified.

Risk Management

- 18 If the proposals are agreed there would be commitment from DSG to maintain this funding level. There would be a commitment to regularly review the impact and outcomes achieved.
- 19 If the proposals are declined and the funding ceases there is a risk of serious impact on the early intervention programme, which would be contrary to the recommendations in the Children's Plan. Young children with additional needs would be significantly less prepared for entrance into school.
- 20 If the proposals are declined there is substantial risk that pre-schools and nurseries would be

unable to offer places to children with special educational needs, or that fewer hours would be offered. This would mean schools would have to take children with special educational needs into their reception classes who have had little or no experience of pre-school. They would have had little opportunity to:

- interact with other children and less familiar adults,
- learn independence skills
- learn routines and boundaries
- engage in a wide range of stimulating EYFS activities

- 21 This would mean these children would start school at a lower developmental level and be less prepared for school, which would have a serious impact on staff and the other children in their reception class.
22. Early intervention through pre-school settings supports parents to come to terms with their child's special needs and to understand some of the systems put in place to help their child to make progress. At present, early years setting and school staff, and parents and other relevant professionals, meet together during the summer term to review the child's progress and plan an effective transition into school. If the inclusion grant ceased this process would not start until the child entered school and would cause extra anxiety for the parents and extra work for the school SENCO.
23. There is no automatic correlation between a child receiving early years inclusion grant and then receiving banded funding in school. However, the school is able to use the information passed on from pre-school in the form of Individual Education Plans, developmental profiles, reports etc to help them apply for banded funding, if appropriate. If the child had not attended pre-school this process would be delayed and would mean children starting school with no banded funding in place. This would have financial implications for the school, which would have to fund any additional support required itself.

Consultees

- 24 Consultation has been carried out with the managers of a range of early year's settings to ascertain their views on the grant process. Copies of the evaluation feedback are listed as background papers

Appendices

- 25 None

Background Papers

Early Years Inclusion Grant Application Form

Early Years Inclusion Grant Criteria

Early Years Inclusion Grant Additional Information for Applicants

Review of Early Years Inclusion Grant Funding 2010

Client feedback questionnaires examples

MEETING:	HEREFORDSHIRE SCHOOLS FORUM
DATE:	1 OCTOBER 2010
TITLE OF REPORT:	WORK PROGRAMME
REPORT BY:	DEMOCRATIC SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To consider the Forum's work programme.

Recommendation

THAT: the Work Programme be noted, subject to any comments the Forum wishes to make.

Herefordshire Schools Forum – Work Programme 2010/11

3 December 2010 – 10.00am - Brockington	
Officer Reports	<ul style="list-style-type: none"> • Proposal to fund requirement for 25 hours Pupil Referral Unit Provision • Herefordshire Schools Task Group • Trade Union Facilities Agreement • SEN/AEN Funding Review • Workplan 2010/11
31 January 2011 2.00pm - Brockington	
Officer Reports	<ul style="list-style-type: none"> • Workplan 2010/11

Further information on the subject of this report is available from Pete Martens or Tim Brown, Democratic Services on (01432) 260248

25 February 2011 10.00am - Brockington	
Officer Reports	<ul style="list-style-type: none"> • Schools Capital Investment Programme • Workplan 2010/11
18 April 2011 2.00pm - Brockington	
Officer Reports	<ul style="list-style-type: none"> • Workplan 2010/11

Background Papers

- None identified.