



Walsall Council

Walsall Children's Services

Report to: Schools Forum

Date: 31 January 2012

Subject: Education Funding Announcement 2012-13

Contact: Julie Taylor (julie.taylor@walsallcs.serco.com)

Purpose of the report: To inform Schools Forum of the details of the 2012-13 Education Funding Announcement and the potential implications for Walsall.

Recommendation: To note and discuss the funding announcement in relation to the Dedicated Schools Grant and the Pupil Premium.
To agree an exception to the Minimum Funding Guarantee in respect of Advanced Skills Teachers for 2012-13.

1. Summary of funding proposals

- 1.1 The per pupil funding used to calculate each local authority's Dedicated Schools Grant (DSG) for 2012-13, known as the Guaranteed Unit of Funding (GUF), will be maintained at the same cash value as in 2011-12. The DSG is the single funding source available to local authorities to provide all maintained schools and Academies with their delegated budget shares and support the activity contained within the central expenditure of the Schools Budget.

The per pupil 2012-13 GUF for Walsall is £5,131.27

A cash limited settlement will make the balancing of 2012-13 budgets at both local authority and school levels difficult. Incremental drift, price inflation and increasing numbers of Free School Meals pupils must be met within a Schools Budget which is expected to be at a similar level to 2011-12.

- 1.2 If a local authority is experiencing falling rolls, the 2012-13 education funding settlement will guarantee that no authority loses more than 2% of its budget in cash terms

It is not anticipated that Walsall will require financial protection under this mechanism

- 1.3 The DfE is continuing to apply the Minimum Funding Guarantee (MFG) to ensure that in 2012-13, schools will have some funding protection against financial turbulence as a result of falling rolls, data changes or formula changes.

The 2012-13 per pupil Minimum Funding Guarantee remains at minus 1.5%

- 1.4 The Pupil Premium grant is paid to schools and Academies in addition to their delegated budget shared. For 2012-13 this grant funding will increase in terms of cash values and the number of pupils eligible to receive the grant. Section 3 of the report provides further details on the proposed changes.

2. MFG Exceptions

- 2.1 In 2012-13, variations to the MFG can be agreed by the Schools Forum without reference to the Secretary of State under the following circumstances.
- A variation to the coverage of the MFG which has previously been approved by the Schools Forum or Secretary of State and does not have a specified time limit.
 - A continuation of a 2011-12 variation agreed unconditionally by the Secretary of State,
 - A provision which applies solely to the application of the Early Years Single Funding Formula.
 - A proposal to have a MFG which is higher than that set by the DfE, say -1%.
 - A variation for a factor relating to Advanced Skills Teachers.

- A variation relating to place led factors for special units.
 - A variation relating to exceptional site or school specific factors where the school's circumstances which attracted the factor have since changed.
- 2.2 All other variations to the MFG will need to be approved by the Secretary of State.
- 2.3 The Walsall funding formula contains a factor for Advanced Skills Teachers (ASTs). This factor is used to provide funding to schools for 25 ASTs at £15,000 each.
- 2.3.1 When an AST chooses to move on their funding will cease and then be attached to another AST appointed under the Walsall Scheme, who will often be based at another school.
- 2.3.2 There are secondary schools which have a number of scheme funded ASTs and it is important that the funding is free to follow the AST pool, without being diminished or protected by the MFG.
- 2.3.4 There is no logic in protecting this funding for a school which is no longer employing one of the scheme funded ASTs. Schools Forum is therefore requested to agree an exception to the Minimum Funding Guarantee in respect of the Walsall AST Scheme for 2012-13.

3. The Pupil Premium

- 3.1 The Government has decided that eligibility for the Pupil Premium in 2012-13 will be extended to all pupils in Reception through to year 11 who have been recorded as eligible for Free Schools Meals (FSM) on any termly Census in the last six years, in addition to an increase in the value of the grant. This will increase the DfE's level of national spending on the Pupil Premium grant from £625m to £1.25bn in 2012-13.
- 3.2 FSM eligibility in the previous six years will be determined by those pupils recorded on the January 2012 Census who are known to have been eligible for FSM in the previous six years (**known as Ever 6**) on any of the termly Censuses, that is School, Pupil Referral Unit and Alternative Provision, since Summer 2006. It is expected that this will extend the Premium to another half million pupils.
- 3.3 In February 2012 the DfE will provide schools with information relating to Ever 6 FSM pupils in their schools so that they are able to estimate their indicative Pupil Premium Grant for 2012-13, using the formula below. A worked example is also included for clarification.

The formula for calculating and indicative Pupil Premium allocation for 2012-13 is:

(a) + (b) – (c) x £600, where:

(a) = January 2012 pupils who were Ever 6 FSM at Autumn 2011

Plus

(b) = January 2012 FSM pupils

Minus

(c)= Pupils who are both Jan 2012 FSM and Ever 6 FSM

= Pupil Premium pupil number

X £600

= indicative Pupil Premium allocation for 2012-13

Worked Example

(a) Jan 2012 Ever 6 FSM at Autumn 2011 = **100 pupils** (DfE data)

Plus

(b) = January 2012 FSM pupils = **110 pupils**

Minus

(c)= Pupils who are both Jan 2012 FSM and Ever 6 FSM = **90 pupils**

Pupil Premium Grant would be:

100 + 110 = 210

210 – 90 = 120

120 x £600 = £72,000

3.4 The value of the Pupil Premium will increase in 2012-13.

Jan 2012 and Ever 6 FSM Pupils	£600
Children Looked After (continuously for 6 months)	£600
Service Children	£250

3.5 To assist with the maximisation of the Pupil Premium for our local schools and Academies, Walsall Children's Services has completed a 'one off' data matching exercise in order to identify those pupils who are eligible for FSM, but not currently registered. This process was successful in identifying over 1,100 FSM eligible pupils who are not currently recorded as such in school management information systems. The Benefits Team has contacted those families affected and where it has been agreed, FSM applications prior to the issue of the updated FSM school lists, so that schools can legally include any relevant additional pupils on their Census returns.

The newly identified FSM children, who are currently in Reception through to Y11, will attract additional Pupil Premium Grant, if they do not appear as FSM eligible on any past Census from Autumn 2011 to Summer 2006.

- 3.6 Up to £50m of the national Pupil Premium budget will be available to fund a Summer School programme for disadvantaged pupils to support their transition to Secondary Schools in September 2012. Further details of this programme are due to be published.
- 3.7 Appendix 1 of the report includes a number of Frequently Asked Questions relating to the Pupil Premium.

4. Update on other school funding

- 4.1 The government has announced that schools' Devolved Formula Capital will remain at similar levels to 2011-12.
- 4.2 Funding for 16-19 provision which is provided by the Young People's Learning Agency (YPLA) will include resources to support a further 24,000 places in the approach to the raising of the participation age, A total number of 1,577,000 places will be funded in the 2012/13 academies year, compared to 1,543,000 in 2011/12.
 - 4.2.1 The transitional protection introduced in 2011/12 to help schools and colleges to manage the unit cost savings that need to be made will continue in 2012/13 and will continue thereafter until 2015/16.
 - 4.2.2 A YPLA funding workshop will be provided for secondary headteachers on 3 February 2012 at the Education Development Centre.

5. Recommendations

- 5.1 To note the 2012-13 funding announcements, which for DSG represents a cash freeze of the Guaranteed Unit of Funding, and in turn this may create financial pressure on the local authority Schools Budget and individual school budget shares.
- 5.2 To note the changes to the Pupil Premium Grant in terms of both the extended eligibility criteria and the increase in cash values.
- 5.3 To approve the exception to the MFG in respect of the Advanced Skills Teacher factor for 2012-13.

Pupil Premium Q and A

What will the level of the Premium per pupil be for next year?

It will increase from £488 in 2011-12 to £600 per pupil in 2012-13 for pupils eligible for FSM and for pupils in care who have continuously looked after for six months.

How much has overall funding for the Premium increased for 2012-13?

Total funding through the Premium will increase from £625m in 2011-12 to £1.25bn in 2012-13.

Shouldn't the increase per pupil be larger when total funding for the Premium has doubled next year?

We are widening the coverage of the Premium to include those eligible for FSM at any point in the last six years (known as the Ever 6 FSM measure). We estimate that this will include an extra 555,000 pupils.

Why are you including those previously eligible for FSM?

Children who have been eligible for FSM at any point in the past generally have poorer academic results than those who have never been eligible for FSM. These pupils therefore should benefit from the additional support the Pupil Premium funding will be able to provide.

We also know there is under-reporting of FSM. We will in future, through the Ever FSM measure include some pupils who are currently eligible for FSM but are not registered.

Why extend coverage to six years?

There is a particular issue with the under-reporting of secondary school pupils. Extending eligibility to those eligible for FSM in the past six years means that a child previously registered in the last year of primary education will remain eligible for the Premium up to Year 11.

We consulted in the summer on whether to extend coverage to those eligible for FSM in the past 3 years (Ever 3 measure) or the past 6 years. There was stronger support for the wider six year coverage with 44% supporting it compared to 28% for the Ever 3 measure.

Will schools lose out from the change?

The level of the per pupil Premium is rising next year so every school with FSM pupils will receive more funding for the same number of FSM pupils. We know however that the level of FSM registration falls markedly in secondary schools and our wider coverage will try to address this.

How will schools know how many pupils previously eligible for FSM they have?

The Department will pass on to schools in February 2012 the number of pupils in their schools previously eligible for FSM. This means that when added to the number of pupils eligible for FSM in January 2012 they will be able to estimate the total number of pupils eligible for the Premium in 2012-13.

Are you providing any estimates of the funding schools will receive next year?

Yes, we have published on our website **indicative** allocations setting out what schools might receive based on their existing pupil numbers and the higher £600 per pupil. **These are not the allocations schools will receive which will be based in part on their January 2012 pupil numbers.**

Q. Is there a deadline for parents registering their child for Free School Meals, and so attracting the Pupil Premium for their school?

To ensure schools don't miss out on additional funding to which they're entitled, parents should register as eligible for Free School Meals (FSM) as soon as possible, in time for the school census on 19 January 2012. Schools will be able to help parents to apply and their local authority will be able to say the last date applications can be submitted in time for them to confirm eligibility before the census.

Parents may need to fill out an application form for the Local Authority and possibly provide a national insurance number or proof of benefits in order to be registered as eligible for FSM.

Schools receive additional funding – the Pupil Premium – for each pupil on their roll registered as eligible for FSM. This will be £600 per pupil in 2012/13. The full amount a school will receive in 2012/13 will depend on how many FSM pupils they have on their roll on 19 January 2012 - census day.

Q. How will the Pupil Premium be affected by the introduction of Universal Credits?

It is too early to say how passported benefits such as FSM eligibility will operate under the new Universal Credit system and therefore how this will affect the Pupil Premium arrangements. The Department is working closely with the Department for Work and Pensions on its introduction. The new Universal Credit system is not intended to commence roll out until October 2013.

Q. If FSM under-reports why not change to a different deprivation indicator to determine eligibility for the Premium?

We chose FSM eligibility to determine eligibility for the Premium as it is the only pupil based indicator available. This means we can target funding specifically at pupils where the link with low attainment is very strong.

Other indicators are generally based on the characteristics of the area which means that some non-deprived pupils living in deprived areas would qualify for the Premium.

Q. Why have you decided to keep a flat premium and not to reflect differences around the country in the amount of deprivation funding?

We want to keep Premium funding simple and transparent and this is best achieved through a flat rate premium. Schools will know how many pupils they have and how much they will receive per pupil through the Premium.

We are also looking to reform the current system for funding schools through the Dedicated Schools Grant to make the system simpler and fairer. The aim is to publish further consultation on options in the spring.

Q. Will there be an Area Cost Adjustment (ACA) for the Premium to reflect differing costs across the country?

We want to keep the Premium simple and transparent and so are not intending to include an ACA for the current spending review period. We did however seek views on an ACA for the Premium in the funding consultation during the summer and will consider whether this is appropriate for the longer term.

Q. Is the Service Premium increasing?

Yes, the Service Premium will increase from £200 in the current year to £250 in 2012-13.

Q. Should Service children receive be the same level of Premium as for FSM pupils?

Our priority for the Pupil Premium is about raising the attainment for deprived pupils. Service children don't as a group underachieve but we provided additional funding through the Service premium in recognition of the specific challenges that these children face. The funding we are providing will enable schools to offer, mainly pastoral, support for them.

Q. Why are you using Premium funding for the Summer School programme?

We recognise the challenges that some pupils face when transferring from primary to secondary education and will be providing funding so that secondary schools can offer a two week Summer School programme for disadvantaged pupils transferring to secondary school in September 2012.

More details on the operation of the programme will be published in the New Year.

Q. What information will schools have to publish on-line on the use of the Pupil Premium?

Schools will have to publish details of their Pupil Premium allocation and plans to spend in the current year. For the previous year a statement confirming allocation and how the money was spent and the impact this had on educational attainment.