

## **SUMMARY of FORMULA FUNDING CHANGES**

### *Report of the Director of Children, Schools and Families*

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#### **1. Purpose**

- 1.1 To provide information about the combined effects of formula changes proposed in the Autumn 2007 Consultation entitled "School Funding Arrangements 2008/09".

#### **2. Background**

- 2.1 A number of changes to school funding arrangements have been discussed with Schools Forum and have been published as specific proposals for change in the funding consultation. Schools Forum has considered the impact of each proposal in isolation and has given broad support to each change. However Forum members asked at the September meeting for a summary which showed the impact of all proposed changes.
- 2.2 A schedule listing the impact of each proposal on all schools was circulated at the October meeting of the Forum. However at the October meeting it was agreed that a proposal relating to grounds areas would not be taken forward to consultation. Therefore the detailed listing by school requires updating to reflect that change.
- 2.3 The analysis set out in this report is based on the best estimates of 2008 data in determining the effect of formula changes, therefore is subject to change as funding data and the January PLASC results are collected.

### 3. Financial Impact

3.1 The tables below summarise the overall financial effect of all proposed formula funding changes on schools:

#### Primary

	Count
Loss £20k to 22k	1
Loss £14k to 16k	1
Loss £12k to 14k	1
Loss £10k to 12k	2
Loss £8k to 10k	2
Loss £6k to 8k	13
Loss £4k to 6k	20
Loss £2k to 4k	48
Loss £0k to 2k	103
Gain £0k to 2k	109
Gain £2k to 4k	69
Gain £4k to 6k	26
Gain £6k to 8k	8
Gain £8k to 10k	1
Gain £10k to 12k	1
Gain £12k to 14k	1
Gain £16k to 18k	1
Total	407

#### Special

	Count
Loss £110k to 120k	1
Loss £50k to 60k	2
Loss £40k to 50k	1
Loss £20k to 30k	2
Loss £10k to 20k	3
Loss £0k to 10k	3
Gain £0k to 10k	3
Gain £10k to 20k	1
Gain £20k to 30k	2
Gain £30k to 40k	5
Gain £40k to 50k	1
Gain £50k to 60k	1
Total	25

#### Secondary

	Count
Loss £40k to 50k	1
Loss £30k to 40k	1
Loss £20k to 30k	5
Loss £10k to 20k	19
Loss £0k to 10k	27
Gain £0k to 10k	13
Gain £10k to 20k	11
Gain £20k to 30k	3
Gain £30k to 40k	1
Gain £80k to 90k	1
Total	82

#### Nursery

	Count
Loss £11k to 12k	1
Loss £3k to 4k	2
Loss £2k to 3k	1
Loss £1k to 2k	1
Loss £0k to 1k	3
Gain £0k to 1k	3
Gain £1k to 2k	3
Gain £7k to 8k	1
Total	15

- 3.2 The extreme outliers are usually attributable to the impact of just one proposal, for example the £115k loss in a single special school is a result of the proposed new funding formula, and the £80k gain for a secondary school is a consequence of correcting floor area data on the change to the new premises funding arrangements.
- 3.3 The largest loss in the primary sector is chiefly a consequence of the proposed change to the funding arrangements for UPS2 teachers. This impact will change over time as the teacher cohort in the school changes.

## 4. Combinations of Proposals

- 4.1 The table below shows the numbers of schools affected by gains and losses as a cross table, where the number of proposals on which schools gain are shown in rows and the number of proposals on which schools lose are shown as columns. In this analysis, primary schools could be affected by up to 6 proposals, secondary schools up to 5 proposals, nursery schools up to 4 proposals and special schools by up to 2 proposals.

		Losses						
Phase	Gains	0	1	2	3	4	5	Total
Nursery	0				1			1
	1			10				10
	2		4					4
Nursery Count			4	10	1			15
Primary	0			25		21	1	47
	1		64	3	50	3		120
	2	39		83	4			126
	3		79	2				81
	4	28	4					32
	5	1						1
Primary Count		68	147	113	54	24	1	407
Secondary	0			30	4			34
	1		30	5				35
	2	10	2					12
	3	1						1
Secondary Count		11	32	35	4			82
Special	0			8				8
	1		13					13
	2	4						4
Special Count		4	13	8				25
Total		83	196	166	59	24	1	529

- 4.2 The table below shows the average gains and losses as a percentage of the 2007/08 budget share in the same format:

		Losses						
Phase	Gains	0	1	2	3	4	5	Average
Nursery	0				-1.64%			-1.64%
	1			-0.59%				-0.59%
	2		1.41%					1.41%
Nursery Average			1.41%	-0.59%	-1.64%			-0.12%
Primary	0			-0.39%		-0.75%	-2.17%	-0.59%
	1		-0.05%	-0.84%	-0.50%	-1.05%		-0.28%
	2	0.45%		-0.04%	-1.05%			0.08%
	3		0.35%	1.76%				0.38%
	4	0.75%	0.27%					0.69%
	5	1.17%						1.17%
Primary Average		0.59%	0.17%	-0.11%	-0.54%	-0.79%	-2.17%	0.01%
Secondary	0			-0.36%	-0.93%			-0.42%
	1		0.15%	-0.33%				0.08%
	2	0.48%	0.32%					0.46%
	3	0.88%						0.88%
Secondary Average		0.52%	0.16%	-0.35%	-0.93%			-0.06%
Special	0			-2.10%				-2.10%
	1		1.05%					1.05%
	2	2.73%						2.73%
Special Average		2.73%	1.05%	-2.10%				0.31%
Average		0.68%	0.25%	-0.28%	-0.58%	-0.79%	-2.17%	0.01%

## **5. Conclusion**

- 5.1 The data indicates that very few schools are adversely affected by all proposals other than in the special school sector where there is a very small number of proposals. The majority of schools experience a mixture of gains on some proposals with losses on others.
- 5.2 An updated list of the changes affecting all schools will be circulated at the meeting.