

ADDITIONAL PERSONALISATION FUNDING 2008-11

Report of the Director of Children, Schools and Families

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1. Purpose

- 1.1 To inform members about the authority's proposals for application of the additional personalisation funding in 2008-09 and seek members views about the allocation basis to be used.
- 1.2 To seek members approval, for the purpose of preparing indicative budget shares for 2009-10 and 2010-11, to retain the additional personalisation funding within the authority' central budgets pending the outcome of further research and analysis in order to develop a methodology for allocation to schools in final budgets for those years.

2. Background

- 2.1 The paper on School Funding Announcements discussed at the December meeting identified that additional funds over and above meeting the cost of the Minimum Funding Guarantee had been announced by government. These funds took the form of a significant increase in allocations for Personalised Learning.
- 2.2 The additional allocations announced for Hertfordshire over the next three years are as follows:

Year	Hertfordshire
2008/09	£7.752 m
2009/10	£4.818 m
2010/11	£8.857 m

- 2.3 The national total of the additional personalisation resource has been distributed between authorities on the basis of pupil numbers in Key Stages

1 to 4. Final allocations in each year will be based on the finalised numbers of KS1 to 4 pupils recorded on the January PLASC returns each year.

- 2.4 Whilst the government has not specified particular distribution mechanisms for the additional funds, the accompanying guidance states that in taking decisions on the allocation of these resources, local authorities and their schools forums should consider:
- ensuring all children are making good progress;
 - early intervention to prevent children falling behind, especially those with SEN;
 - targeted support for specific groups including those ethnic minorities at particular risk of poor outcomes, white working class children and children in care; and
 - ensuring that the workforce has the skills and confidence to address the needs of children from the above groups.

3. Allocation of additional personalisation in 2008-09

- 3.1 The Hertfordshire mainstream school funding formula includes a significant allocation (£975 in 2007-08) per child recorded on PLASC as in public care. This is one of the larger allocations made for children in care in any local authority funding formula. The achievement of looked after children in Hertfordshire is above the national average, however there is still a need to narrow the achievement gap for this group of vulnerable young people. There is no current analysis available on which to base a proposal for allocation of further resources to this group, therefore the authority intends to undertake further research during 2008. For 2008-09 no specific allocation for looked after children is proposed.
- 3.2 The authority has recently undertaken a review of the quantum and allocation of social deprivation funding, which found that the overall amount was broadly in line with government guidance and that Free School Meals continued to be an appropriate allocation basis. Furthermore the most recent advice from a DCSF Childrens Services Adviser confirmed that Hertfordshire's existing strategies to direct support to underachieving groups, including white working class boys, were appropriate.
- 3.3 Therefore it is not proposed that the Additional Personalisation funding should be directed towards targeted support for specific groups in 2008-09.
- 3.4 The update to the DSG block analysis discussed by Forum in December indicated that the Early Years block was funded below the level likely to be deemed by the DCSF as provided for early years provision. However the additional personalisation funding is not directed to Early Years by the government, and the benchmarking data suggests that the PVI sector is the area of Early Years funded comparatively below other Local Authorities. It is not proposed that any part of the additional personalisation funding should be allocated to early years settings.

- 3.5 Although it is clear that the overall costs of providing for some age groups of pupils is greater than others, this is not recognised in the allocation of the additional personalisation to the authority. As shown by the benchmarking review of Section 52 statements, in most authorities the lowest AWPU is at KS2 and this is used as the baseline for the comparison of other AWPU levels. The AWPU for Key Stages 3 and 4 tend to be considerably higher than those for Key Stages 1 and 2, and this is specifically the case in Hertfordshire. The DSG block analysis considered at the December meeting of the Forum indicated that overall funding for primary schools had not increased as much relative to secondary schools as had been intended when allocating headroom to primary schools over 2006-07 and 2007-08. Therefore it is proposed that the additional personalisation funding should be allocated to Key Stages on the basis of pupil numbers.
- 3.7 For Key Stages 1, 2, and 3 it is proposed that the Additional Personalisation resources should be fully passed into school budget shares.
- 3.8 For Key Stage 4, the previous allocations of funding to support Practical Learning Options were devolved to the Strategic Area Partnership Groups rather than being delegated to schools. The Head of Secondary School Effectiveness has confirmed that the SAPGs should receive only the existing allocations for Practical Learning plus the 2.1% increase which is built in to the Dedicated Schools Grant allocation.
- 3.9 The paper considering funding arrangements for the second phase Key Stage 4 centres identified that there was a requirement for £350k additional funding in order to provide budgets matching the first phase centres. It is proposed that £350k of the approximately £1.5 million share of additional personalisation for KS4 (on a per pupil basis) should be allocated to the Key Stage 4 Centres in order to fund their formula budget allocations. It is further proposed that the remainder of additional personalisation for KS4 in 2008-09 would be passed into budget shares.
- 3.10 It is expected that schools will make use of the funds allocated to them in order to meet the considerations set out in the DCSF guidance.

4. Basis for formula allocation 2008-09

- 4.1 The authority recommends that there is no useful purpose in adding a new formula factor to school funding formulae for the additional personalisation resources. There are therefore three broad bases available to distribute these resources:
- previous personalisation allowances (for KS1 to KS3);
 - AEN allowances, particularly those based on prior attainment; and
 - AWPU allowances and place values.
- 4.2 The previous personalisation allowances include an element for pupil numbers, thereby ensuring that all schools would receive some resources. However this element distributes only 15% of the total personalisation

funding, 35% is distributed based on Free School Meal entitlements and 50% on prior attainment in English and Maths. The review of funding for social deprivation showed that Hertfordshire social deprivation allowances provided broadly the same amount of resource as the DCSF deemed was included in the Dedicated Schools grant for deprivation, therefore there was no need to target further resources to deprivation. Furthermore the use of prior attainment data focussed on English and Maths might not adequately reflect other areas in which pupils were at risk of falling behind. The existing personalisation allowances do not apply to Key Stage 4 so a different methodology would need to be identified for those pupils.

- 4.3 Use of the Additional Educational Needs allowances would allocate an element on Free School Meals entitlements unless it was specified that only the factors based on prior attainment were to be used as a basis for allocation. The definition of the prior attainment elements for AEN allocations is much wider than is included in the personalisation calculation, but might still run the risk that the calculation would not fully take account of other areas in which pupils were at risk of falling behind
- 4.4 Allocation of the additional resources through a simple per pupil increase in the value of AWPU allowances and place values in special units would be by far the simplest approach to allocation of the additional personalisation resources. The allocation would amount to approximately £55 per pupil in Key Stages 1 to 3, and approximately £42 per pupil for Key Stage 4 due to the proposed allocation to the Key Stage 4 Centres. This approach would also ensure a proportionate allocation to all settings including special schools, ESCs and other settings. However allocation through AWPU and place values would not be targeted to any specific needs and would not be separately identifiable in school budget share documents.
- 4.5 A refinement of the “per pupil” approach would be to increase the value of the per pupil allocation included in the Personalisation Allowance in budget shares by the per pupil amount of the additional personalisation funds, and to add a further element for KS4 pupils to the Personalisation Allowance. This would ensure that the total personalisation resources were identifiable in school budget shares and in the budgets for other educational settings. This is the authority’s preferred approach pending comments from the Forum.
- 4.6 The allocation of approximately £55 per pupil (£42 per KS4 pupil) would provide some £100k for special school budget shares, which would effectively provide the additional funding necessary to resource the new special school funding system without relying on the reduction in place number to release sufficient resources. The additional personalisation resource would therefore not be added to the existing personalisation allowance in the special school formula.
- 4.7 Members are asked to comment on the options available for distribution of the additional personalisation resources.

5. Indicative Allocation for 2009-10 and 2010-11

- 5.1 It is proposed that for the purpose of preparing indicative budgets for 2009-10 and 2010-11, these additional resources should be included in the centrally retained budgets of the authority. Further research and analysis will then be used to identify the most appropriate way in which to use these resources before transferring the funds to school budget shares in 2009-10 and 2010-11. This work will include a review of the funding and support arrangements for looked after children.
- 5.2 Retention of the additional personalisation funding in this way will give rise to a breach of the Central Expenditure Limit in the indicative budget statements for 2009-10 and 2010-11 to be returned to the DCSF at the end of March. Members are asked to give their approval for any element of the breach of the CEL arising specifically from the retention of additional personalisation funding in the indicative budgets.

6. Conclusion

- 6.1 The Schools Forum is asked to note the proposal to allocate all of the additional personalisation resources to schools and other educational settings proportionately to pupil numbers in 2008-09, and to comment on the formulaic bases which could be used for that allocation.
- 6.2 The Schools Forum is asked to approve the retention of the further personalisation allocations for 2009-10 and 2010-11 as a central budget pending further work to identify the most appropriate allocation basis. Members are asked to note the likely impact on the Central Expenditure Limit for the indicative budget returns to DCSF, and give their approval for any breach arising specifically from this retention.