

HERTFORDSHIRE COUNTY COUNCIL

CABINET

MONDAY 29 JANUARY 2001 AT 10.00AM

EXECUTIVE COMMITTEE

MONDAY 29 JANUARY 2001 AT 2.15 PM

Agenda Item No:

8

SCHOOL FUNDING ARRANGEMENTS 2001/02

Report of the Director of Education

Author:- Jennifer Hill, Head of School Funding Unit, 01992 555736

Executive Member: Keith Emsall

1. Purpose of report

In the light of the comments from the School Provision and Resources Panel and the Children Schools & Families Select Committee:

- To determine the changes to the formulae for distributing delegated budgets to schools in 2001/02 and later years.
- To agree changes to the Scheme for Financing Schools.

2. Summary

The report provides information about the results of consultation on the proposed funding arrangements for schools in 2001/02 and later years.

The proposals refer to the arrangements for funding nursery, primary, secondary and special schools that are maintained by the Authority, including schools that were formerly grant maintained, and comprise:

Proposed changes to the Funding Formulae

Implementation of the recommendations of the School Funding Review Steering Group, concerning

- Economic and social deprivation
- Casual admissions
- Looked after children
- Adjustments to the Age Weighted Pupil Units (AWPUs)

Implementation of the interim recommendations of the Special School Funding Review Steering Group

- Introduction of small school payments
- Delegation of income from meals
- Introduction of weighting factor based on the age of the school buildings

Options for new delegation

- Delegation of SEN units (partial hearing, speech and language, and autism bases)
- Property and liability insurance
- School meals and kitchen maintenance

Changes to simplify the formula

- Factor for the provision of school meals
- London fringe factor
- SEN units for pupils with emotional and behavioural difficulties

Other proposal formula changes

- Budget protection for schools with falling numbers
- Factor for funding brand new primary schools
- Secondary schools' split site funding

Proposed changes to the Scheme for Financing Schools

- Minor changes

3. School Provision and Resources Panel

This report was considered at the meeting of the School Provision and Resources Panel on January 12th 2001. It was agreed that the following issues, whilst not resolutions of the Panel, should be further analysed:-

“that the proposals to delegate School Meals Funding should not be implemented at this juncture.” (discussed in paras 2.10.1 to 2.10.4 of the report)

“that the additional funds being proposed for the implementation of Curriculum 2000 should be reduced by £400,000 and that this resource should instead fund ICT; this would also result in approximately £250,000 moving from secondary to primary/nursery schools.” (discussed in paras 2.4.1 to 2.4.3 of the report)

“furthermore, that one half of the Curriculum 2000 additional resource should be conditional upon schools participating within the Authority’s 16-19 strategy; this would approximately double the financial incentives to collaborative groups.”

“that the introduction of an Economic Deprivation factor in the Nursery sector should be funded from growth rather than from the SEN budget.” (discussed in para 2.1.1 of the report)

4. Children, Schools and Families Select Committee

This report will be considered at the meeting of the Select Committee on 22 January 2001. The comments of the Select Committee will be reported to Cabinet.

5. Conclusion

Members will wish to decide what changes should be made to the formulae for distributing delegated budgets to schools in 2001/02 and later years, and to the Scheme for Financing Schools.

1. Background

- 1.1 The Authority operates three funding formulae for:
- primary and secondary schools
 - special schools
 - nursery schools
- 1.2 The formulae for primary, secondary and special schools must comply with DfEE regulations. The formulae are published annually in March in the Section 52 Budget Statement. The formula for nursery schools is non-statutory, and is published separately. Schools must be consulted about any changes to the statutory funding formulae.
- 1.3 Following the publication of the Fair Funding regulations in 1999, Hertfordshire published its Scheme for Financing Schools. This document, which was approved by the Secretary of State in March 1999, sets out the financial relationship between the Authority and schools. Any changes to the Scheme must follow consultation with schools, and are subject to the approval of the Secretary of State.
- 1.4 Following a meeting of the School Provision and Resources Panel, the Executive Member for Children, Schools and Families (Schools) authorised consultation with schools on proposed changes to both the statutory and the non-statutory funding formulae, and to the Scheme for Funding Schools.
- 1.5 The proposed changes were included in a consultation document 'School Funding Arrangements 2001/02'. Two copies were sent to each primary and nursery school and four copies to each secondary and special school. Copies were also sent to Members, professional associations and to public libraries.

Further copies of the document are available from Peter Hudson on 01992 555812.

- 1.6 Schools were invited to respond to the proposals by completing a questionnaire. By the closing date 18 December, responses had been received from 94 primary schools (22.1%), 3 middle (33.3%) and 25 secondary (32.5%) schools, 15 special schools (57.7%), and 5 nursery schools (29.4%).

The responses from schools are summarised below. The detailed responses were considered by the Resources Management Partnership Group at their meeting on 11 January and by the School Provision and Resources Panel on 12 January. The summary refers to the Panel's discussion.

- 1.7 A letter was received in late November from the DfEE containing new information about the definition of the delegation target. The contents of the letter are referred to in the text below (proposals 8-10).

1.8 The provisional education standard spending assessment (SSA) was announced during the consultation period. Subject to the County Council’s budgetary processes this is anticipated to provide £6.3 million growth in schools delegated budgets (in addition to fully funding inflation and demography). Proposal 1-4 were illustrated for the purpose of consultation using a growth figure of £2 million. The distribution of the additional funding is referred to in the text below (proposals 1-4).

1.9 The subsequent sections of this report is set out as follows:

- proposal
- summary of responses
- commentary

2. Detail

2.1 Proposal 1 : Economic and Social Deprivation

2.1.1 Proposal

In view of the LEA’s determination that targeted schools should make accelerated progress, and of the apparent scope for many schools with high levels of economic deprivation to make such progress, it is proposed that:

- an economic deprivation factor should be introduced for nursery schools, using free school meal entitlement data for the two primary schools to which the majority of children normally transfer, funded at the level for nursery pupils in primary schools, i.e. £107 for each entitlement. The new factor will be funded from the current SEN budget: the introduction of the new factor will not reduce the total delegated budget for nursery schools.
- primary, secondary and nursery schools with more than twice the Hertfordshire sector (primary or secondary) average proportion of pupils entitled to free school meals, should receive additional funding for economic deprivation, increasing the basic values per entitled pupil to £204 for nursery age pupils, £408 for primary age pupils and £234 for secondary age pupils.

2.1.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	5	100.0	0	0.0	0	0
Primary	425	78	83.0	7	7.4	9	9.6
Secondary	86	21	75.0	5	17.9	2	7.1
Special	26	5	33.3	1	6.7	9	60.0
Total	554	109	19.7	13	2.3	20	3.6

2.1.3 Commentary

Schools' responses indicate general support for this proposal with 89.7% of primary, secondary and nursery schools that expressed a view being in agreement. The Steering Group had originally recommended that schools with more than twice the Hertfordshire sector average proportion of pupils entitled to free school meals should receive additional funding increasing the value per entitled pupil to £215 for nursery age children, £428 for primary age children and £246 for secondary age pupils. These figures were adjusted by 9% in the published proposals in order to contain growth to an illustrative total of £2 million, reducing the cost of this proposal by £78,000. In the context of the recently announced education standard spending assessment Members may wish to consider implementing the Steering Group's original recommendations.

2.2 Proposal 2 : Casual Admissions

2.2.1 Proposal

In view of the difficulties in raising achievement experienced by schools with very high levels of casual admissions, it is proposed to include in the formula for primary and secondary schools a factor to provide additional funding to a small number of schools with very high levels of pupil mobility. Schools that had experienced high levels of mobility during the previous year should be invited to submit evidence. On this basis, a threshold value above which schools qualify for this factor and the formula for distributing funding should be calculated by officers for application in April 2001.

It is envisaged that the threshold would be set so that approximately 30 (5%) schools would benefit from the new factor, and that sums of approximately £1,800 and £9,000 would be allocated to the qualifying primary and secondary schools respectively, reflecting the particular proportion of casual admissions at individual schools.

The factor would be subject to review for future years.

2.2.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	3	60.0	0	0.0	2	40.0
Primary	425	76	80.9	5	5.3	13	13.8
Secondary	86	22	78.6	3	10.7	3	10.7
Special	26	5	33.3	0	0.0	10	66.7
Total	554	106	19.1	8	1.4	28	5.1

2.2.3 Commentary

Schools' responses indicate general support for this proposal: 92.5% of primary and secondary schools expressing a view were in agreement. The Steering Group had originally recommended that sums of approximately £2,000 and £10,000 should be allocated to qualifying primary and secondary schools respectively, reflecting the particular proportion of casual admissions at individual schools. These figures were adjusted by 9% in the published proposals in order to contain growth to an illustrative total of £2 million, reducing the cost of this proposal by £13,000. In the context of the recently announced education standard spending assessment, Members may wish to consider implementing the Steering Group's original recommendation.

2.3 Proposal 3 : Looked After Children

2.3.1 Proposal

In view of the LEA's commitment to improving the educational achievement of looked after children and the identified costs of supporting these pupils appropriately, it is proposed to introduce a factor into the formulae for primary, secondary and nursery schools allocating £546 for each looked after child. The data for these allocations would be extracted from the authority's database on 'Form 7 day'.

2.3.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	5	100.0	0	0.0	0	0.0
Primary	425	79	84.0	3	3.2	12	12.8
Secondary	86	20	71.4	4	14.3	4	14.3
Special	26	5	33.3	2	13.3	8	53.3
Total	554	109	19.7	9	1.6	24	4.3

2.3.3 Commentary

Schools' responses indicate general support for this proposal with 93.7% of primary, secondary and nursery schools that expressed a view being supportive of the proposal. The Steering Group had originally recommended that a sum of £600 should be allocated in relation to each looked after child. This figure was adjusted by 9% in the published proposals in order to contain growth to an illustrative total of £2 million, reducing the cost of the proposal by £22,000. In the context of the recently announced education standard spending assessment, Members may wish to consider implementing the Steering Group's original recommendation.

2.4 Proposal 4 : Adjustment to the Age Weighted Pupil Units (AWPUs)

2.4.1 Proposal

It is proposed that the formula for nursery, primary and secondary schools should be amended to increase 'per pupil' allocations (AWPUs) in relation to ICT by £0.36 for

nursery age children, by £0.72 for primary age pupils and by £2.34 for secondary age pupils.

It is proposed that the funding formula for nursery and primary schools be amended to increase non-contact time for deputy headteachers and curriculum co-ordinators, by increasing age weighted pupil units (AWPUs) by approximately £0.95 for nursery age pupils and £1.68 for other primary age pupils.

It is proposed that the age weighted pupil units (AWPUs) for students aged 16 should be increased by £54.60 to assist in maintaining teaching time per subject in year 12, and to recognise the additional costs of implementing Curriculum 2000 identified in the survey, and for students aged 17+ should be increased by £12.40 to recognise additional teaching costs.

2.4.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	5	100.0	0	0.0	0	0.0
Primary	425	72	76.6	16	17.0	6	6.4
Secondary	86	21	75.0	5	17.9	2	7.1
Special	26	5	33.3	0	0.0	10	66.7
Total	554	103	18.6	21	3.8	18	3.2

2.4.3 Commentary

The proposal was supported by 82.8% of nursery and primary and 80.8% of secondary schools that expressed a view. The Steering Group's recommendation had been adjusted in order to contain growth to an illustrative figure of £2 million. In the light of the recently announced education SSA announcement members may now wish to fund the Steering Group's proposals more fully.

In this context it would be feasible to:

- Increase the age weighted pupil unit (AWPUs) in relation to ICT by £4.77 for nursery age children, £9.55 for primary age children and £6.65 for secondary age pupils.
- Increase non-contact time for deputy headteachers and curriculum coordinators by increasing the age weighted pupil unit (AWPU) by £11.85 for nursery age pupils and £20.96 for other primary age pupils.
- Increase the age weighted pupil units (AWPUs) for students aged 16 by £207.76, to assist in maintaining teaching time per subject in year 12 and in recognition of the identified additional costs of implementing Curriculum 2000, and for students aged 17 the AWPU could be increased by £47.18.

2.5 Proposal 5 : Introduction of small school payments

2.5.1 Proposal

It is proposed to introduce ‘small school payments’ into the special school formula and to remove funding in relation to empty places for day provision. The table below sets out the proposed formula for the small school factor:

Pupil Numbers	Primary EBD (day only) all places £	PI Schools (day only) all places £	Secondary EBD (day only) all places £	Secondary HI (residential) all places £
0-33 places	58,448	86,627	51,411	124,236
34 places	58,448	77,002	51,411	124,236
35 or 36 places	58,448	77,002	51,411	114,679
37 or 38 places	58,448	67,377	51,411	105,123
39 places	58,448	67,377	51,411	95,566
40 places	50,098	57,751	51,411	95,566
41 or 42 places	50,098	57,751	51,411	86,010
43 or 44 places	41,749	48,126	51,411	76,453
45 places	41,749	48,126	51,411	66,896
46 places	33,399	38,501	51,411	66,896
47 or 48 places	33,399	38,501	51,411	57,340
49 or 50 places	25,049	28,876	51,411	47,783
51 places	25,049	28,876	51,411	38,226
52 places	16,699	19,250	51,411	38,226
53 or 54 places	16,699	19,250	51,411	28,670
55 places	8,350	9,625	43,021	19,113
56 places	8,350	9,625	34,632	19,113
57 places	8,350	9,625	26,242	9,557
58 places	0	0	17,853	9,557
59 places	0	0	9,463	0
60 places	0	0	1,074	0

If in later years the number of funded places at a school increases, the small school payment would reduce or cease according to the scale set out above.

The table below shows the number of empty places to be removed.

School Name	No of places
Haywood Grove	7
Brandles	5
Batchwood	7
Knightsfield	13
Meadow Wood	9

It is also proposed that the staff and organisation returns for special schools, that inform discussions about place planning, should be made by schools on the first day after each half term break.

2.5.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	2	40.0	0	0.0	3	60.0
Primary	425	48	51.1	4	4.3	42	44.7
Secondary	86	8	28.6	0	0.0	20	71.4
Special	26	11	73.3	2	13.3	2	13.3
Total	554	69	12.5	6	1.1	67	12.1

2.5.3 Commentary

This proposal, affecting special schools, was supported by 84.6% of special schools that expressed a view. Members may now wish to implement the published proposal.

2.6 Proposal 6 : Delegation of income from meals

2.6.1 Proposal

It is proposed that from April 2001 residential special schools should retain the income from paid school meals, and pay this income into the school's bank account.

In order to recover the money that would otherwise have accrued to the County Council, the value of each day place will be reduced by approximately £55.

2.6.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	2	40.0	0	0.0	3	60.0
Primary	425	37	39.4	7	7.4	50	53.2
Secondary	86	9	32.1	0	0.0	19	67.9
Special	26	8	53.3	2	13.3	5	33.3
Total	554	56	10.1	9	1.6	77	13.9

Responses from residential special schools

Residential special	7	4	66.7	2	33.3	0	0.0
---------------------	---	---	------	---	------	---	-----

2.6.3 Commentary

66.7% of schools affected by the proposal, and who responded to the proposals, were in agreement. Members may now wish to implement the published proposal.

2.7 Proposal 7 : Introduction of a weighting factor bases on the age of the school buildings (special schools)

2.7.1 Proposal

In view of the profile of relatively low expenditure on repairs and maintenance at schools built since 1990, and the expectation that over time expenditure will rise in line with other schools, it is proposed that the following change should be introduced for the distribution of funding according to floor area.

Age of school, years	Weighting factor
0-5	0
6-10	0.25
11-15	0.5
16-20	0.75
More than 20	1.00

The factor will be applied according to the age of the major part of the school building. The cash sum released by the introduction of the weighting factor will be used to increase the value of allocations to special schools according to floor area.

2.7.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	3	60.0	0	0.0	2	40.0
Primary	425	50	53.2	3	3.2	41	43.6
Secondary	86	11	39.3	1	3.6	16	57.1
Special	26	8	53.3	6	40.0	1	6.7
Total	554	72	13.0	10	1.8	60	10.8

2.7.3 Commentary

57.1% of special schools expressing a view supported this proposal. Members may now wish to implement the published proposal.

2.8 Proposal 8 : Delegation of SEN units (partial hearing, speech and language and autism bases)

2.8.1 Proposal

It is proposed to delegate funding for SEN units on the basis of the formula in the following table, which mirrors current arrangements as closely as is feasible within the regulations.

Unit/base type	Funding per planned place £	Supplementary funding per place, for London Weighting £(a)	Funding per pupil £(b)
Partial Hearing Units	7,398	173	78
Speech and Language Units	5,474	137	78
Autism bases	13,319	308	78

(a) applies to all units/bases excepting those in the Stevenage Borough and North Hertfordshire District Council areas

(b) based on Form 7 numbers for the preceding January

Where schools have received supplementary payments in relation to individual pupils, these will continue to be made from the additional welfare and tuition budget.

2.8.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	2	40.0	0	0.0	3	60.0
Primary	425	38	40.4	7	7.4	49	52.1
Secondary	86	10	35.7	0	0.0	18	64.3
Special	26	5	33.3	3	20.0	7	46.7
Total	554	55	9.9	10	1.8	77	13.9

2.8.3 Responses from schools with SEN units (other than EBD)

		Agree		Disagree		No view	
		No	%	No	%	No	%
Primary	22	3	50.0	1	16.7	2	33.3
Secondary	4	2	7.1	0	0.0	0	0.0
Special	8	2	50.0	2	50.0	0	0.0
Total	34	7	20.6	3	8.8	2	5.9

2.8.4 Commentary

35.3% of schools affected by the proposal responded to the consultation document, 70% of those schools that expressed a view were supportive of the formula. Paragraph 2.10.4 summarises the priority attached by schools to the central retention of this service. Schools as a whole gave this service lower priority than the other two options. Schools with units did not give this a higher rating than the other options.

The DfEE has redefined the delegation target: we will now be in a position to meet the requirement that 85% of the Local Schools Budget (LSB) be delegated to schools in April 2001 without delegating any additional responsibilities. However additional delegation will be needed to achieve the 87% target that has been set for April 2002, and the higher levels in later years. Delegation of the SEN units (partial hearing, speech and language and autism bases) would increase the proportion of the LSB delegated by 0.32%. Delegation would not materially alter the practical responsibilities of the schools concerned. In this context members may wish to consider delegation from April 2001.

2.9 Proposal 9 : Delegation of property and liability insurance

2.9.1 Proposal

It is proposed to delegate responsibility and funding to secure property and liability insurance to all schools using the formula currently applied for schools electing delegation, but with the property insurance funding values updated in the light of savings recently achieved in the tender process for the County's policies.

Property Insurance

Funding is distributed according to the total floor area of the school. For voluntary aided schools, the funding rate per square metre is 60% of the funding rate for community and foundation schools, except for the kitchens which are funded at 100%

The following table provides estimated values:

School Type	Per sq m £
Primary, secondary, nursery and special (other than voluntary aided)	1.15
Voluntary aided schools:	
Except kitchen	0.69
Kitchen	1.15

Liability Insurance

Funding is distributed in relation to pupil numbers (full time equivalents) in primary, secondary and nursery schools, and per weighted place in special schools.

The table below provides current values:

	Per pupil £	Per weighted place £
Primary age	0.94	---
Secondary age	1.33	---
Special school	---	
• MLD Primary		4.26
• EBD Primary		5.68
• PI Primary		6.57
• MLD Secondary		3.55
• EBD Secondary		5.68
• HI Secondary		6.10
• MLD All age		3.73
• SLD All age		7.06
• PI All age		6.57
• HI All age		6.10

The LEA would offer a buy-back service to schools that wished to continue to benefit from the LEA negotiated insurance contract.

In the event that a school failed to arrange suitable cover the Scheme for Financing Schools states that the LEA may charge school budgets, without the consent of the Governing Body, in regard to 'expenditure incurred by the Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Authority'.

2.9.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	2	40.0	0	0.0	3	60.0
Primary	425	27	28.7	24	25.5	43	45.7
Secondary	86	15	53.6	2	7.1	11	39.3
Special	26	4	26.7	5	33.3	6	40.0
Total	554	48	8.7	31	5.6	63	11.4

2.9.3 Commentary

60.8% of schools that expressed a view supported the proposed delegation formula. Paragraph 2.10.4 summarises the priority attached by schools to the central retention of this service. Primary schools indicated that they considered central retention of this service more important than SEN units, but less important than school meals. Few secondary schools indicated that this was a priority for central retention.

The DfEE has re-defined the delegation target: we will now be in a position to meet the requirement that 85% of the Local Schools Budget (LSB) be delegated to schools in April 2001 without delegating additional functions. However, additional delegation will be needed to achieve the 87% target that has been set for April 2002, and the higher levels in later years. Delegation of property and liability insurance would increase the proportion of the LSB delegated by 0.28%: the buy back facility should limit the extent to which schools incur additional work as a result of delegation. In this context Members may wish to consider delegation from April 2001.

2.10 Proposal 10 : Delegation of school meals and kitchen maintenance to primary and special day schools

2.10.1 Proposal

It is proposed to delegate responsibility and funding for school meals and kitchen maintenance to all schools, using the current formula, incorporating a simplification which is the subject of proposal 11 shown below.

School meals and kitchen maintenance budgets are distributed on the following basis to primary and special day schools:

	Annual allocation for provision of a free meal daily	Per school	Per kitchen
	£	£	£
Primary Schools	230	202	1,174
Special Day Schools			
Secondary	254	202	1,174
Primary	230	202	1,174
All Age	243	202	1,174

The budget for rental, lease and hire of premises, relating to particular schools where dining and kitchen areas are rented, is delegated on the basis of actual expenditure.

The number of free meals is defined as the number of free meals taken up on the date of the Form 7 return. The LEA has published the minimum provision qualifying as a free meal for this purpose.

Schools will be required to maintain daily records of the number of free meals provided. In the event that, over the course of the calendar year preceding the financial year, the number of free meals provided by a school varies from the Form 7 figure by more than 10%, or 5 meals daily, the following year's budget share will include an appropriate retrospective adjustment.

Since the income from paid meals will accrue to the school's delegated budget, the value of the age weighted pupil unit (or, in special day schools, the place funding) for all pupils will be reduced as follows:

Primary £1.20 reduction in AWPU for reception to year 6

Special Day £1.20 average reduction in day school weighted place values

2.10.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	1	20.0	1	20.0	3	60.0
Primary	425	13	13.8	35	37.2	46	48.9
Secondary	86	13	46.4	1	3.6	14	50.0
Special	26	3	20.0	5	33.3	7	46.7
Total	554	30	5.4	42	7.6	70	12.6

2.10.3 Commentary

Of those primary and secondary schools that expressed a view, the majority disagreed with the proposed delegation formula. They also considered that of the options for delegation, this was the service they most wanted to be centrally retained. Following the redefinition of the delegation target we now expect to meet the target in April 2001: however, further delegation will be needed for April 2002. Further work will be needed in order for delegation to be as straight-forward as possible for the schools concerned. Members may therefore wish to consider agreeing to the principle of delegating school meals to primary and special day schools from April 2002. In the meantime the education department would work with schools to devise simple and efficient arrangements for delegation that minimise the additional day-to-day responsibility falling to schools.

2.10.4 Schools were also asked to indicate which of these three optional items for delegation they would prefer to be retained centrally. In the following scores the highest number indicates the option most preferred for retention of responsibility by the LEA.

	Nursery	Primary	Secondary	Special	Total
Proposal 8 SEN units	4	63	6	7	80
Proposal 9 Property & liability insurance	6	136	31	27	200
Proposal 10 Schools meals and kitchen maintenance	10	195	7	21	233

The ranking of these options by schools with SEN units (partial hearing, speech and language, and autism base) was as follows:

	Primary	Secondary	Special	Total
Proposal 8 SEN units	8	2	3	13
Proposal 9 Property & liability insurance	4	3	7	14
Proposal 10 Schools meals and kitchen maintenance	10	0	8	18

2.11 Proposal 11 : Simplification of the factor for the provision of school meals (primary and secondary schools)

2.11.1 Proposal

It is proposed to change the annual allocation for provision of a free meal daily to:

For primary age pupils £230

For secondary age pupils £254

In middle schools the funding level will depend on the age of the pupil taking a free meal.

2.11.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	4	80.0	0	0.0	1	20.0
Primary	425	68	72.3	6	6.4	20	21.3
Secondary	86	26	92.9	0	0.0	2	7.1
Special	26	7	46.7	1	6.7	7	46.7
Total	554	105	19.0	7	1.3	30	5.4

2.11.3 Commentary

94.0% of primary and secondary schools expressing a view supported this proposal:
Members may now wish to implement the proposal.

2.12 Proposal 12 : Simplification of London fringe factor (primary and secondary schools)

2.12.1 Proposal

It is proposed to introduce the following simplified two-element formula that could be applied to primary and secondary schools, except those within the North Herts District and Stevenage Borough Council areas.

School type	Lump sum payment	Per pupil allocation
Primary	£737	£23.80
Middle	£3,624	£25.70
Secondary	£3,582	£36.70

2.12.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	3	60.0	0	0.0	2	40.0
Primary	425	68	72.3	11	11.7	15	16.0
Secondary	86	20	71.4	3	10.7	5	17.9
Special	26	6	40.0	1	6.7	8	53.3
Total	554	97	17.5	15	2.7	30	5.4

2.12.3 Responses from schools within London fringe area

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	13	3	75.0	0	0.0	1	25.0
Primary	340	57	82.6	6	8.7	6	8.7
Secondary	68	17	60.7	2	7.1	2	7.1
Special	20	5	38.5	1	7.7	7	53.8
Total	441	82	18.6	9	2.0	7	1.6

2.12.3 Commentary

86.3% of primary and secondary schools, expressing a view, support this proposal. Members may now wish to implement the published proposal.

A number of schools in the Stevenage and North Hertfordshire District Council areas, where London fringe is not payable, expressed the view that the national arrangements for teachers' pay and conditions should extend payments to teachers working in these areas.

2.13 Proposal 13 : Simplification of formula for SEN units for pupils with emotional and behavioural difficulties

2.13.1 Proposal

It is proposed to simplify the formula for EBD units to the following formula:

Allocation per planned place	£7,509
Allocation per pupil (Form 7 actual)	£78
Supplementary allocation per planned place except schools within the North Herts District and Stevenage Borough Council areas	£166

2.13.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	4	80.0	0	0.0	1	20.0
Primary	425	59	62.8	2	2.1	33	35.1
Secondary	86	15	53.6	0	0.0	13	46.4
Special	26	5	33.3	0	0.0	10	66.7
Total	554	83	15.0	2	0.4	57	10.3

Responses from schools with SEN units for pupils with emotional and behavioural difficulties were as follows:

		Agree		Disagree		No view	
		No	%	No	%	No	%
Primary	13	3	75.0	1	25.0	0	0.0

2.13.3 Commentary

75.0% of schools with EBD units expressing a view supported the proposal. Members may now wish to implement the published proposal.

2.14 Proposal 14: Budget protection for primary, secondary and nursery schools with falling numbers

2.14.1 Proposal

It is proposed to amend the formula so that schools experiencing a reduction in individual budget share between one year and the next receive an allocation to limit this reduction to 3% in cash terms. The list of exclusions applying to the calculation of the threshold would be extended to include changes in funding between years relating to rationalisation and reorganisation. In the case of a new school opened during the course of a financial year, the threshold would be calculated in relation to the full year equivalent budget.

2.14.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	5	100.0	0	0.0	0	0.0
Primary	425	83	88.3	5	5.3	6	6.4
Secondary	86	20	71.4	2	7.1	6	21.4
Special	26	5	33.3	0	0.0	10	66.7
Total	554	113	20.4	7	1.3	22	4.0

2.14.3 Commentary

93.9% of primary, secondary and nursery schools expressing a view supported the proposal. Members may now wish to implement the published proposal.

2.15 Proposal 15 : Factor for funding brand new primary schools

2.15.1 Proposal

In order to provide some planning certainty for the schools concerned, it is proposed to establish a funding factor for brand new primary schools (as laid down in Section 35 of the Education Act 1996, but excluding the types of new schools separately detailed below). This will comprise the following two elements

- **Allocation on opening**

A school shall be allocated £100 per full time equivalent (fte) pupil, towards equipping the classrooms with computers, consumables, curricular materials and text books. The pupil number to be used will be the eventual capacity of the school for years R-6, plus an estimated number of full time equivalent nursery pupils, which is equivalent to half the standard number of the school.

- **Annual allocation for head/deputy costs**

This will be based on the non-occupancy of the school and will continue until such time as, in the opinion of the LEA, the school ceases to require special support. It will be calculated as follows:

Average fte pupil numbers for formula funding of a school this size when full, less the fte pupil number estimates used to calculate the budget share for the current financial year, multiplied by £30.

The average fte pupil numbers for formula funding of schools when full to be used in this calculation will be:

	2 admissions	3 admissions
1 form of entry primary	220	215.83
2 forms of entry primary	440	431.66

If a school opens part way through the year the annual allocation that financial year for head/deputy costs will be multiplied by the proportion of the financial year for which the school is open.

2.15.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	3	60.0	0	0.0	2	40.0
Primary	425	66	70.2	5	5.3	23	24.5
Secondary	86	10	35.7	1	3.6	17	60.7
Special	26	3	20.0	1	6.7	11	73.3
Total	554	82	14.8	7	1.3	53	9.6

2.15.3 Commentary

92.1% of schools expressing a view were supportive of the proposal. Members may now wish to implement the published proposal.

2.16 Proposal 16 : Secondary schools’ split site funding

2.16.1 Proposal

It is proposed that the definition of split site in the secondary sector be amended to “a school with its main teaching sites (excluding sports facilities) separated by more than 0.5 miles, by the shortest road route measured from the main vehicle entrance”.

2.16.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	3	60.0	0	0.0	2	40.0
Primary	425	45	47.9	2	2.1	47	50.0
Secondary	86	9	32.1	1	3.6	18	64.3
Special	26	10	66.7	1	6.7	4	26.7
Total	554	67	12.1	4	0.7	71	12.8

2.16.3 Commentary

94.4% of schools expressing a view were supportive of the proposal. Members may now wish to implement the published proposal.

2.17 Proposal 17 : Changes to the Scheme for Financing Schools (primary, secondary and special schools)

2.17.1 Proposal

It is proposed to make the following amendments to the Scheme:

- **Child protection**

A paragraph will state that funding is retained centrally to provide cover for teachers who are required to attend case conferences in respect of pupils on the Child Protection Register.

- **School meals**

The following paragraph will be added to the Scheme under Section 11 (Miscellaneous):

“Funding for the provision of free meals to pupils with a statutory entitlement, and to provide paid meals to other pupils, is delegated to all (secondary) schools, (and to primary and special schools on request). The responsibility delegated to these schools covers the repair and maintenance of school kitchens, and health and safety aspects associated with them. (Where funding for school meals is retained centrally, the LEA retains responsibility for repair and maintenance of the school kitchen and for health and safety in the kitchen.)”

Depending on the decisions that are made concerning further delegation of school meals, the words in brackets may be omitted.

- **Other changes**

The following paragraphs of the Scheme will be amended as shown:

- 1.2.1 Application of the scheme to the Authority and maintained schools
To read: “The scheme applies to all community, voluntary, foundation and community special schools maintained by the Authority. A list of all schools covered by the scheme is shown at Annex A. New maintained schools will be covered by the scheme by virtue of Section 48 of the Act.”
- 1.6 Maintenance of schools
Delete reference to GM schools.
- 2.12 Central funds and earmarking
In the penultimate sentence, delete “in-year” and replace with “in the specified time period”.
- 3.4 Bank and building society accounts
Delete reference to interim arrangements for the financial year 1999/2000.
- 3.4.1 Restrictions on (bank) accounts
In first paragraph, delete “GM and”.
- 4.1 The right to carry forward surplus balances
Delete the second sentence, which reads: “*A school’s surplus balance at 1 April 1999 will be equal to that at 31 March 1999, except for Grant Maintained schools, for which special conditions apply (see section 12)*”.
- 4.4 Obligation to carry forward deficit balances

Delete the second sentence, which reads: “A school’s deficit balance at 1 April 1999 will be equal to that at 31 March 1999, except for Grant Maintained schools, for which special conditions apply (see section 12)”.

- 4.10 Grant maintained schools’ balances
Refer to *former* grant maintained schools.
- 6.2.12 Recovery of amounts of annual maintenance grant for a GM or ex-GM school
Refer to a *former* grant maintained school.
- 11.8 Option to receive delegated funding
Second sentence to read: “This relates to optional delegation for insurance, meals, admissions and appeals funding”.
This amendment will be reviewed in relation to additional delegation.
- 11.9 Provision of SEN
Second and third sentences to read:
“The Authority delegates significant levels of funding to schools for this purpose through the AWPU, and allocations based on free school meal entitlements, Key Stage assessments, Cognitive Ability Tests and nursery and infant baseline assessments. Earmarked pupil funding is also made available through an SEN audit and individual statements of SEN.”
In third paragraph, delete “LEA Advisers (HES)” and substitute “LEA Advisers (SIAS)”.
- 11.10 Other publications
Add:
- Value for Money Guides (Purchasing & Contracting, ICT, Telecommunications, Integrated Financial & School Improvement Planning, School Meals, etc.).
12. Grant maintained schools’ balances
Refer to *former* grant maintained schools.

2.17.2 Responses

		Agree		Disagree		No view	
		No	%	No	%	No	%
Nursery	17	3	60.0	1	20.0	1	20.0
Primary	425	71	75.5	6	6.4	17	18.1
Secondary	86	23	82.1	1	3.6	4	14.3
Special	26	7	46.7	1	6.7	7	46.7
Total	554	104	18.8	9	1.6	29	5.2

2.17.3 Commentary

92.7% of primary, secondary and special schools, expressing a view, supported the proposal. Members may now wish to implement the proposal subject to the approval of the Secretary of State.

3. Financial Implications

Proposals 1-4 concern the distribution of growth to primary, secondary and nursery maintained schools in Hertfordshire. The following table summarises the costs of the proposals:

Proposal Number	Nursery and Primary, £000	Secondary Schools, £000	Total £000
1	725	168	893
2	40	100	140
3	125	119	244
4	2865*	2158	5023
Total	3755	2545	6300

* includes primary age pupils in middle schools.

Proposals 5, 7, 11, 12, 13, 14, 15 and 16 concern a re-distributive effect between schools. These effects were illustrated in the consultative document.

Proposal 6 delegates the receipt of income from school meals to residential special schools. The income foregone by the County Council will be offset by the reductions in place values contained in the proposal.

Proposals 8 and 9 would transfer £2.98 million to schools from April 2001: a further £2.3 million would transfer under proposal 10 in April 2002.

Proposal 17 has no financial effect: the costs of republishing the Scheme for Financing Schools will be met from existing budgets.

Background information referred to by the author whilst compiling this report

If you wish to know more about the issues covered in this report please contact Jennifer Hill, telephone no. 01992 555736.