

Formula Review

1. Purpose of the Report

To consult Forum on proposed changes to Lewisham's ISB formula and facilitate discussion regarding whether it is appropriate to provide additional funding to schools with high levels of statemented pupils.

2. Recommendation

That Forum agree proposals regarding

- The simplification of the AWPU calculation, which moves to all elements to a calculation method using a per pupil rate
- The simplification of the Secondary AEN calculation, which removes the least material elements of the allocation.

That Forum decides on the need for additional funding for schools with high levels of statemented pupils and provides a steer on the data and thresholds to be used along with the appropriate level of funding.

3. Background

- 3.1 The current funding framework requires that local authorities use a formula to split their school funding between individual schools and that this formula should be fair, objective, simple and predictable.
- 3.2 From the DfE consultations that have been discussed at previous Forum meetings we know that simplicity and predictability will be increasingly valued in future years.
- 3.3 In an attempt to remove complexities that provide little benefit and in order to prepare for anticipated regulatory changes in a considered manner, officers have been working on simplification proposals to implement in 2012/13.
- 3.4 Officers have also been asked to look into the possibility of providing additional funding to schools with high levels of statemented pupils.

4. AWPU (Age Weighted Pupil Unit)

- 4.1 As it's name would suggest, the AWPU is the element of the ISB formula which provides funding on the basis of the number of pupils at each age.
- 4.2 As such, all elements of the AWPU are based on a per pupil figure. However, some elements are based on a per pupil figure which is carried forward from one year to the next (with or without inflation) whilst others are based on a total amount which is carried forward from one year to the next (with or without inflation) and then divided by the number of pupils.

4.3 The table below shows an example of the first type of AWPU allocation.

	Year 1	Inflation	Year 2	
Per Pupil Rate	£ 100	5%	£ 105	A
School Pupil Total	200		210	B
Allocation	<u>£ 20,000</u>		<u>£ 22,050</u>	A * B

4.4. The table below shows an example of the second type of AWPU allocation.

	Year 1	Inflation	Year 2	
Allocation Total	£ 100,000	5%	£ 105,000	W
LA Pupil Total	10,000		11,500	X
Per Pupil Rate	£ 10.00		£ 9.13	Y = W/X
School Pupil Total	200		210	Z
Allocation	<u>£ 2,000</u>		<u>£ 1,917</u>	Y * Z

4.5. The logic behind these allocations, when introduced, was that the associated costs would be fixed at an authority level. For example, an SLA charge would cover the costs of an LA team, with that amount then split between schools using pupil numbers

4.6. It is now proposed that the AWPU be simplified and made more predictable by moving all elements onto the first type of calculation. The allocation will be more predictable as it will be solely dependent upon each school's pupil numbers

4.7. The following table shows how much additional funding would have been needed in 2011/12 had the proposed changes been implemented in 2008/09.

SLA Costs	Personalisation	Infant Class Size	Total
£ 5,325	-£ 3,207	£ 48,833	<u>£ 50,952</u>

4.8. As you will see the impact is not material for SLA Costs and Personalisation. Given the rapid increase in primary pupil numbers that has been experienced over the period, it will not be surprising to see the increase in the Infant Class Size allocation. This period will, of course, also have seen and increase in the DSG as a result of this growth in pupil numbers and it is this growth that would be used to cover the increased allocation.

- 4.9. In conclusion, the proposal is made as it will simplify the AWPU calculation, will lead to greater predictability and as it's only material impact is in an area where growth in the allocation would be expected.

5. Secondary AEN Calculation

- 5.4. The secondary school AEN allocation is made up of the elements shown in the table below.

Allocation	Data	% Of Total AEN Allocation	Total AEN Allocation
Social Deprivation	FSM	57%	£ 5,796,210
Prior Attainment	Band 3 At PST	36%	£ 3,700,364
Mobility	Casual Joiners	2%	£ 188,504
Mobility	Casual Leavers	0%	£ 44,863
Mobility	3 Or More Schools In Phase	0%	£ 22,840
EAL	Category A	3%	£ 261,413
EAL	Category B	1%	£ 148,997
EAL	Category C	1%	£ 51,590
		100%	£10,214,781

- 5.5. You will note that 93% of the allocation is represented by just the Social Deprivation and Prior Attainment elements and that four elements represent 1% or less individually.
- 5.6. It is these four most minor elements that it is proposed are merged into the remaining elements. This would result in a simplified formula and would reduce the administrative burden of the data collection for schools. (Historically there have been data issues with both 3 schools or more and EAL in the secondary phase)
- 5.7. Definitions of the AEN elements concerned are contained within the Appendices to this report.
- 5.8. The first part of the proposal is to merge the Casual Leavers element into the Casual Joiners element. The movements that would result are shown in the table below.

	Before Merging	After Merging	Movement
Addey and Stanhope School	£ 2,763	1,778	- 985
Bonus Pastor Roman Catholic School	£ 2,622	1,846	- 777
Connisborough College	£ 6,993	7,852	859
Prendergast Ladywell Fields College	£ 2,820	9,060	6,240
Deptford Green School	£ 5,865	4,094	- 1,771
Forest Hill School	£ 4,709	4,429	- 280
Trinity Lewisham	£ 3,327	2,785	- 542
Prendergast Hilly Fields College	£ 761	1,040	279
Sedgehill School	£ 9,305	7,718	- 1,588
Sydenham School	£ 5,696	4,261	- 1,435
	£ 44,863	£ 44,863	-£ 0

- 5.9. As you might expect from merging one form of mobility into another the movements are largely immaterial; the one large figure being a gain rather than a loss.
- 5.10. The second part of the proposal is to merge the 3 Schools Or More In Phase element into the Casual Joiners element. The movements that would result are shown in the table below.

	Before Merging	After Merging	Movement
Addey and Stanhope School	£ -	905	905
Bonus Pastor Roman Catholic School	£ 10,151	940	- 9,212
Connisborough College	£ 7,190	3,997	- 3,193
Prendergast Ladywell Fields College	£ -	4,612	4,612
Deptford Green School	£ 211	2,084	1,873
Forest Hill School	£ 1,269	2,255	986
Trinity Lewisham	£ 634	1,418	783
Prendergast Hilly Fields College	£ -	530	530
Sedgehill School	£ 2,961	3,929	968
Sydenham School	£ 423	2,170	1,747
	£ 22,840	£ 22,840	£ -

- 5.11. This proposal results in a more material movement of funds, but as stated earlier this is one of the areas where there have been difficulties in obtaining data from schools.
- 5.12. It is suspected that allocations in this element are more dependent upon each school's data collection procedures than on actual pupils. The data indicates that Bonus Pastor and Connisborough both have more pupils in this category than all other schools combined. Looking in more detail, Sedgehill has four times as many casual admissions as Bonus Pastor, but Bonus Pastor has three times as many 3 Schools Or More pupils as Sedgehill.
- 5.13. The final part of the proposal relates to EAL. Three categories of EAL are funded each relating to a length of exposure to English for pupils from non-English speaking countries (for example EAL Category A is 0-18 months exposure).
- 5.14. The table below shows the existing allocations for Categories B and C along with the movement resulting from two alternate proposals; firstly merging Category C (5 to 10 years exposure) into Category B (18 months to 5 years exposure) and secondly merging both Categories B and C into Category A.

	EAL B Before Merging	EAL C Before Merging	Movement Merge C Only	Movement Merge B & C
Addey and Stanhope School	£ 6,036	£ 2,419	- 329	- 5,867
Bonus Pastor Roman Catholic School	£ 1,895	£ 789	- 133	- 2,684
Connisborough College	£ 41,688	£ 9,939	4,495	7,039
Prendergast Ladywell Fields College	£ 38,741	£ 9,150	4,263	20,265
Deptford Green School	£ 12,071	£ 7,625	- 3,446	- 13,370
Forest Hill School	£ 4,843	£ 2,998	- 1,321	- 1,801
Trinity Lewisham	£ 12,843	£ 1,052	3,395	- 4,836
Prendergast Hilly Fields College	£ 1,123	£ 53	336	1,700
Sedgehill School	£ 7,159	£ 7,257	- 4,779	10,891
Sydenham School	£ 22,599	£ 10,307	- 2,483	- 11,338
	<u>£148,997</u>	<u>£ 51,590</u>	<u>£ 0</u>	<u>-£ 0</u>

5.15. You will note that the proposal to merge Category C does not give material losses, given the size of the schools concerned.

5.16. Merging Categories B & C into Category A does produce larger movements, with two schools losing over £10k. However, please remember that all categories are triggered by the same pupils, the difference being just the length of exposure. So moving the funding into just Category A just changes when the funding is received; it increases the amount of funding when the child arrives at the expense of later periods.

5.17. The final table below shows the cumulative impact of all the above AEN proposals. As there are two alternative EAL proposals, two sets of figures are shown below.

	Cumulative Impact	
	EAL C Only	EAL B & C
Addey and Stanhope School	- 409	- 5,946
Bonus Pastor Roman Catholic School	- 10,121	- 12,672
Connisborough College	2,161	4,704
Prendergast Ladywell Fields College	15,116	31,118
Deptford Green School	- 3,345	- 13,269
Forest Hill School	- 615	- 1,095
Trinity Lewisham	3,636	- 4,595
Prendergast Hilly Fields College	1,145	2,509
Sedgehill School	- 5,398	10,272
Sydenham School	- 2,171	- 11,026
	<u>- 0</u>	<u>- 0</u>

6. High Numbers Of Statemented Pupils

6.4. Officers have been asked to look into the possibility of providing additional funding to schools with high levels of statemented pupils.

6.5. Work has been undertaken with regard to the data to be used, calculation of statemented levels and thresholds that would trigger

funding, but in order to proceed a steer is required on some of the broader questions relating to this issue.

- 6.6. Forum is being asked to discuss the case for additional funding for schools in this situation and to decide on whether to proceed with the development of a new ISB formula element.
- 6.7. Forum is also being asked to decide whether to;
 - Proceed with implementation in the ISB in April 2012 (and whether a working party would be helpful)
 - Pilot implementation outside the ISB for 2012/13
 - Defer implementation until 2013/14 pending greater development work.
- 6.8. The discussions required are likely to also cover the level of additional funding that is required, how to measure the level of statements and how “high” is defined. All these issues are interlinked and feed into each other.
- 6.9. In order to facilitate discussion, a number of questions are listed below.

What additional costs would a high level of pupils give rise to?
What triggers any additional costs; the number of statemented pupils or the proportion of the roll they represent? Either? Or are both necessary?
Would any additional costs be triggered by high statement levels across the whole school or by year group? Either? Or are both necessary?
Should high be defined as an absolute (e.g. 25 statements or 3% of roll) or should a relative measure be used (e.g. 2.5 times the average)?
Or should funding be dependent upon both an absolute and relative threshold being passed?
Would these costs be ongoing or only be applicable for a limited period?
Are there other existing sources of funding that should be considered?
- 6.10. Tables showing statement levels in individual schools are included in the appendices (based on January 2011 data).