

Schools Forum - 17th October 2012

Schools Block – 4th October 2012 Census – For information and discussion

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Executive Summary

This report makes the following key points:

- The Provisional Actual NOR is marginally lower than forecasted and therefore the DSG will be marginally lower.
- Primary NOR is DOWN on forecast mainly because of 4FE fewer admissions into reception classes.
- Secondary NOR is UP by 3FE on forecast because of in-year growth across all year groups.
- Overall funding for primary schools is up by 4.4% of which 2.7% is due to growth in NOR – giving real growth of 1.7%.
- Overall funding for secondary and all-through schools is up by 1.6% of which 0.6% is due to growth in NOR – giving real growth of 1.0%.
- The difference in real growth between the sectors reduces the primary/secondary funding ratio per pupil from 1:1.446 to 1:1.410.
- Final school budget shares will be determined in January 2013 after receipt of the official NOR data from EFA in mid-December 2012.

It invites members to discuss issues arising from the report and to confirm their advice on how any unallocated funding should be used – e.g. raise the AWPU for primary schools and/or raise the level of the Ceiling Gain. It also asks members to agree to the Local Authority sending provisional school budget shares and Pre-16 Pupil Growth Fund allocations to schools and Academies by the end of October 2012 to assist early financial planning for 2013/14.

Census Data:

The main report entitled “Schools Block and funding to be delegated to schools in 2013/14” stated that The Education Funding Agency [EFA] had confirmed that the Schools Block GuF for Waltham Forest would be **£5,217.40** per pupil. Given our forecast of **34,796** pupils (after adjustments to remove Special Resource provision pupils) we had calculated that the Schools Block in 2013/14 would be **£181.545m**. After allowing for funding retained centrally of **£4.848m** this left **£176.697m** for delegation to schools and Academies through the Local Funding Formula.

The School Census took place on 4th October 2012 and the research team have provided the provisional data (subject to removal of duplications). The EFA and DfE will verify the data in mid-December and it will be the EFA data which will be used to produce the final school budget shares. The data shows that our forecasted figures were very close (DOWN by 40) to actual NOR but that the distribution was slightly different as shown in **Table 1** below.

Table 1 difference between forecasted and actual NOR

Year Group	October 2011	October 2012 - forecast	October 2012 - actual	Growth between 2011 and 2012	Change between Forecast and actual NOR
R	3485	3678	3553	68	-125
Yr1	3359	3594	3608	249	14
Yr2	3210	3375	3373	163	-2
Yr3	3115	3218	3197	82	-21
Yr4	2984	3108	3104	120	-4
Yr5	2823	3014	3011	188	-3
Yr6	2758	2828	2845	87	17
PRIMARY	21734	22815	22691	957	-124
Yr7	2355	2350	2381	36	31
Yr8	2353	2394	2427	74	33
Yr9	2389	2368	2372	--17	4
Yr10	2501	2384	2412	-89	28
Yr11	2447	2522	2510	63	-12
SECONDARY	12045	12018	12102	82	84
TOTAL	33779	34833	34793	1014	-40

Overall there has been a 3% increase in mainstream school rolls between October 2011 and October 2012 with almost 95% of the growth coming in the primary phase. The provisional actual numbers are very close but just below forecasted numbers. The large increase in Year 1 compared to October 2011 is partly due to the delay in admissions to reception last year of some 110 pupils who were admitted **after** the Census date of 11th October 2011. Overall, there are two clear trends which were not anticipated:

- **Reception intake**

This is significantly down by some 4 forms of entry on forecasts made by school place planning. This has left some schools with a large number of vacancies. Unlike last year there does not appear to be any backlog in admissions. **Table 2** below shows school with **five or more** vacancies. Most of them are schools which have been expanded in size. The + sign means where schools have been expanded on a permanent basis (black) or have an additional reception class for this year only (blue).

Table 2 – Vacancies in primary schools:

School	Provision	Pupils	Shortfall
Ainslie Wood	60	45	15
Chase Lane	90 + 30	113	7
Davies Lane	60 +60	115	5
Mission Grove	60 +60	106	14
Newport	90 +30	113	7
Selwyn	90	55	35
St Marys C of E	30 + 60	80	10
St Saviours C of E	30 + 30	52	8
Sybourn	90	81	9
The Woodside	120 +30	132	18
Thorpe Hall	60 + 30	83	7
Parkside	30 +30	43	17
Winns	90 + 30	111	9
Chingford Hall	30 + 30	52	8
Total			170

These schools will have to bear the resultant shortfall in funding for years to come, if they are unable to recruit additional pupils. The Local Authority has taken action to ensure that it does not over provide places for 2013/14 which is why funding being retained for 2013/14 is less than that allocated for 2012/13. There is an opportunity cost of funding empty places as this funding could have been allocated to all primary schools through a higher AWPU. The Local Authority will now calculate the provisional allocations for additional reception classes for September 2013 from the Pre-16 Pupils Growth Fund based on the funding formula rates and provisional numbers on roll.

- **Secondary NOR**

Secondary school numbers have proved to be more resilient than expected mainly as a result of in-year growth and overall numbers have risen and not fallen. This means that more funding will have to be allocated to the secondary phase rather than this funding being used in the primary phase. Nonetheless, there are also significant vacancies in Year 7 at a number of schools equivalent to 5FE as shown in **Table 3** below:

Table 3 – Vacancies in Secondary and All-through schools

School	Provision	Pupils	Difference
Buxton	180	135	-45
Norlington Boys	120	78	-42
Rush Croft	180	115	-65
Total			152

However, Highams Park was able to fill the additional 22 places which increased its intake from 218 to 240 as part of the BSF proposals which were agreed with the Local Authority.

Changes to Funding Allocation:

The different distribution to the growth in NOR has slight effects on the primary/secondary funding ratio and the balance of funding between the primary / secondary & all-through phases as shown in **Table 4** below.

The figures for NOR have been adjusted to take account of pupils in Special Resource Provision who will be fully funded from the High Needs Block. Overall funding allocated has risen despite the slight drop in NOR because the cost of 74 extra secondary pupils is more than the savings from 95 fewer primary pupils.

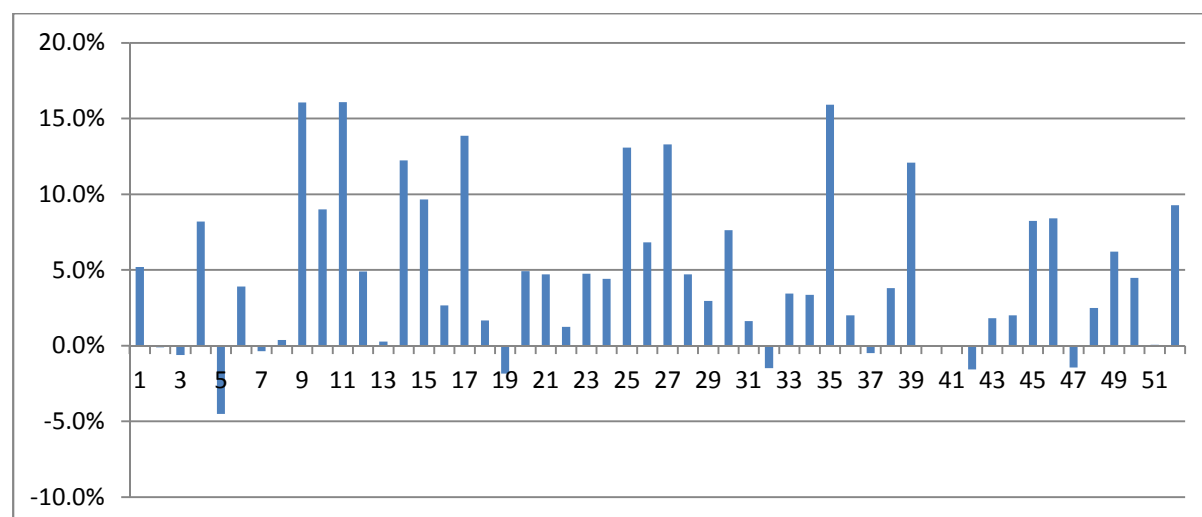
Table 4: Changes in funding between using forecasted and actual NOR

Phase	NOR - forecast	NOR - actual	Total Funding -forecast	Total Funding - actual	Funding per pupil - forecast	Funding per pupil - actual	Ratio - forecast	Ratio - actual
Primary	22724	22629	£101,234,444	£100,746,406	£4,455	£4.452	0.709	0.709
Secondary	11963	12037	£75,126,786	£75,574,119	£6,280	£6.278	1.410	1.410
Total	34687	34666	£176,361,230	£176,320,525				

Appendix A to this report gives the updated breakdown in funding for individual schools and Academies. It is in the same format as Appendix A to the main report on Schools Block so that differences in funding for individual schools and Academies can be easily seen.

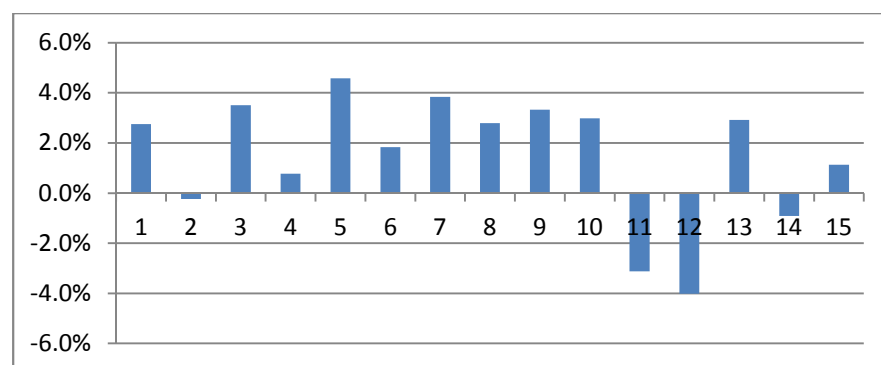
Graph A below shows the change in funding for each primary school compared with similar data for 2012/13 (e.g. not including one-off funding, funding for new receptions classes and organisational change and SEN). The big gains are due to growth in NOR. Overall there is a growth of **4.4%**.

Graph A – Change in funding for primary schools



Graph B shows similar information for the secondary and all-through schools. Overall there is an increase in funding of **1.6%**.

Graph B - Change in funding for secondary and all-through schools



Imposing the compulsory MFG of **minus 1.5%** and a locally determined Ceiling Gain of **3%** means that schools and Academies funding allocations are adjusted in the following way as shown in **Table 5** below:

Table 5 – Impact of applying MFG of minus 1.5% and a Ceiling Gain of 3.0%

	Primary	Secondary	Total
MFG Protection (£)	£469,845	£686,658	£1,156,503
MFG Protection (schools)	13	3	16
Ceiling Gain (£)	£589,725	£832,884	£1,422,609
Ceiling Gain (schools)	17	6	23
Net balance	-£119,879	£-146,226	-£266,105
Schools Unaffected	20	6	26

What this shows is that in both sectors the amount of funding clawed back from schools with net growth of funding of over 3% is more than enough by **£0.266m** to fund the MFG protection. Modelling shows that the Ceiling Gain could be raised to **3.5%** before this excess in claw back is removed. However, there is no requirement to balance MFG costs by Ceiling Gain clawback and any unallocated funding could be distributed through the formula.

Appendix B to this report shows the proforma that the Local Authority will send to the EFA by the 30th October 2012 giving the summarised breakdown of funding allocations in Waltham Forest. Note that the figure of **£176.561m** at the bottom of the page is the amount available to be delegated to schools. At the moment as Appendix A shows, some **£176.054m** has been allocated (after taking account of the net difference between MFG Protection and clawback from a 3% Ceiling Gain) which leaves **£0.507m** unallocated. However, at the moment this is being held back to cover possible duplications between schools which will reduce the value of our DSG allocation.

Therefore the area where advice and guidance was sought from members of Schools Forum in the main report still holds true e.g. if there is funding unallocated after final data is received from the EFA and DFE in mid- December 2012, should the Local Authority:

- (a) Further increase the AWPUP for primary schools which would reduce the extent to which some schools were better off under MFG but at the same time give no extra funding to those schools whose funding is restricted by the Ceiling Gain; and /or
- (b) Raise the Ceiling Gain which would benefit only those schools affected by the restriction of 3%. However this benefits both primary and secondary schools.

Action by Schools Forum

- **To note the content of the report and discuss any issues arising in it.**
- **To confirm their advice on the allocation on any unallocated funding that may be left after the Local Authority is informed by the EFA and DfE in December 2012 on the final value of DSG and individual school's NOR and pupil characteristics data which will determine final school budget shares.**
- **To agree that provisional school budget shares of £176.054m and provisional Pre-16 Pupil Growth Fund allocations should be sent to schools and Academies before the end of October 2012 to assist early financial planning for 2013/14.**