

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM - 29TH SEPTEMBER 2010

REPORT OF DIRECTOR OF CHILDREN'S SERVICES

CONSULTATION ON PROPOSED CHANGES TO LMS FUNDING FORMULA FOR SCHOOLS

EXECUTIVE SUMMARY

This report proposes consulting schools on a number of changes to the LMS funding formula with effect from 1st April 2011. The changes are in respect of the following:

- Gillbrook
- Equal pay and harmonisation costs
- Consolidation of grant funding

1.0 Background

Reaching the end of the latest 3 year funding period there is a natural break in the budget cycle. The LMS formula has been fixed over the last period, now is an appropriate time to review the formula and make any changes required.

It was expected that this process would follow on from the national formula review, which the previous government undertook. However as reported elsewhere, this review will not now proceed and the current Spend Plus methodology for DSG will continue for a further year. It seems appropriate to defer a more detailed formula review until the government intentions regarding school funding are clearer. However a number of interim changes are necessary and will require a short consultation.

2.0 Gillbrook

Gillbrook is reported elsewhere on this agenda. The views of all schools are sought regarding a model that will fund outreach centrally.

3.0 Equal Pay and Harmonisation Costs

The backdated costs (April 2007-March 2011) for implementation of the above for school support staff are £2.6m. The estimated costs if fully implemented (up to SCP point 34) from 2011-12 are in the region of £1.1m. The Forum have previously agreed to top-slice DSG and create a provision of £300,000. In 2011-12 this will need to be allocated within the funding formula. It is suggested that AWPU funding and Special School Units are adjusted accordingly.

4.0 Consultation on Consolidation of Grant Funding

The government are planning to consolidate grant funding into school budgets – SSG, SSG(P) and SDG totalling £27m. This can be modelled into the LMS formula using existing formula factors, mainly AWPU and deprivation / FSM. However, the initial findings show that whilst these may be relevant formula elements, they cause turbulence and a number of significant losers and gainers. The governments permitted alternative is to include the actual amounts of grant for 2010-11 as a formula factor.

5.0 **Process**

Schools will be contacted in early October requesting their comments which will be reported to the next Forum meeting.

6.0 **Financial Implications**

The LMS formula is the means to distribute £175m of DSG over all Wirral Schools. The formula changes described will make some changes to the distribution of resources.

RECOMMENDATION

That the report and consultation process is noted.

Howard Cooper
Director of Children's Services