

**Agenda item:**

**Report to:** Performance Scrutiny Committee

**Date of Meeting:** 6<sup>th</sup> September 2012

**Lead Member/Officer:** Lead Member for Education

**Report Author:** Education Finance Manager

**Title:** Denbighshire School Funding Formula Review

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**1. What is the report about?**

1.1 The report outlines the proposals for the new Denbighshire School Funding Formula in mainstream and special schools.

**2. What is the reason for making this report?**

2.1 To inform the committee of the proposals for the new funding framework and outline how it will change the way in which school funding is distributed.

**3. What are the Recommendations?**

3.1 Members to review the funding framework and consider whether the proposals will provide an effective and robust funding model for Denbighshire schools.

**4. Report detail**

4.1 In June 2012 the attached communication document (appendix 1) was issued to Schools outlining initial proposals for a new funding framework for Denbighshire.

4.2 In September 2012 a full consultation document will be issued outlining the specific detail of the new formula and providing detailed funding allocations for each school. These allocations will have been calculated using the proposed funding framework. The timetable for consultation is included within appendix 1

**5. How does the decision contribute to the Corporate Priorities?**

5.1 The outcome from the review will change the way in which school funding is distributed and allow schools to think differently about how they manage their delegated funding. This will support the priority of Modernising Education.

**6. What will it cost and how will it affect other services?**

6.1 There is no additional cost to this review as the Funding Formula is a means of distributing the total school quantum to each individual school. The total quantum will stay the same regardless of the outcome of the review but may result in funding being realigned differently across schools.

**7. What consultations have been carried out?**

7.1 Initial consultation has been carried out with Head Teachers, Governors, Trade Unions and Education Officers.

**8. What risks are there and is there anything we can do to reduce them?**

8.1 There is a risk that the new formula, once finalised, may result in an array of winners and losers across all schools as so much has changed in terms of schools funding since the inception of the Local Management of Schools (LMS) in 1990. It is important however that funding is distributed fairly and equitable to all schools so if the framework is right then we can be confident the funding awarded will be right. Transitional funding will be awarded, where necessary, to alleviate the impact of a loss of funding

**9. Power to make the Decision**

9.1 The School Funding (Wales) Regulations 2010 give Local Authorities the power to allocate funding to schools maintained by the authority in the form of budget shares, using a locally determined funding formula.

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