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Subject:	In response to the request from the Outer North East area committee, please find a note to explain the current formula arrangements.
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Cluster Funding 2011/12 and 2012/13

- The funding allocated to clusters from the Dedicated Schools Grant (£5.2m which is 1.03% of the total dedicated schools grant), an average of £51 per pupil, is the same cash value as in 2010/11. The funding attached to clusters was previously paid to the Local Authority as a separate grant up until 2011/12.
- The previous grants were allocated to Local Authorities with a brief that much of the funding should be targeted. The formula is a simple continuation of the formula used to distribute the previous grants, and is based on 23% of the funding being allocated on a lump sum and amount per pupil, and 77% being based on more targeted methods. The allocation to each cluster is therefore the same as under the previous grant requirement.
- The formula used to allocate the funding to clusters is based on the pupil numbers and their attributes attending each school. Allocations therefore reflect the needs of pupils attending each school, and not the location of the school itself. Other than the lump sum for each school, the funding received by each cluster is based on the needs of the pupils attending schools within the cluster. The funding allocated per pupil on the formula is related to where the pupil lives, this funding then follows the pupil to the cluster where they go to school.
- Allocations per pupil between clusters ranges from £26 to £88, reflecting the range of relative deprivation, e.g. the free school meal eligibility rates range from 6.4% to 42.8% of pupils between clusters.
- The Formula is based on the latest data drawn from PLASC at January 2012, or as used in the main school funding formula for 2012/13.
- The £5.2m is all allocated out to clusters, other than an amount of £50,000 that has been centrally retained in order to pay for any cases of maternity amongst staff employed to work within clusters, as requested by the

Headteacher Forum.

- The Schools Forum was consulted on options in both 2011/12 and 2012/13 to reduce the proportion of funding allocated on targeted needs, and increasing the proportion based purely on pupil numbers, but has expressed a view that the funding should remain targeted as under the previous grant.

Cluster Funding 2013/14 onwards

In respect of the funding arrangements for 2013-14 onwards, the Local Authority has a continuing commitment to clusters and their funding but the Schools Forum has only agreed that the funding may be held centrally and devolved to clusters as a contribution to combined budgets in 2012/13, with a review to take place this year. The views of all schools is currently being obtained as to whether funding should continue to be held centrally and devolved to clusters for the next three years, or whether the funding should be delegated to individual schools and therefore the decision as to the continuation of cluster funding left to individual schools. The results of this will be reported to the Schools Forum on 18th October where a vote will be taken as to whether the funding remains from the end of this financial year.

Schools Forum will also be consulted on the formula for the devolution of funding to clusters, if the decision is to remove the continuing commitment to the funding of clusters, the forum will also give a view about the delegation of funding to individual schools.

Any decision to delegate funding is binding on the Local Authority, but the view of the Schools Forum on the formula is recommended to the Director of Children's Services.

The allocation of resource could be calculated on a per pupil basis, this is an option that we have presented to schools forum each year to consider, however this would remove the targeting of resource to the most deprived areas, Schools Forum have not supported this approach.

Strategic approach

Schools forum have supported the targeting of a proportion of the funding to the clusters where the children attend school receiving additional funding through the formula. Clusters are focusing on building systems to identify those most in need through the top 100 methodology and investing in the right service provision for their area.

The refreshed Children and Young Peoples Plan (CYPP) 2011-2015 is endorsed by the council and re-iterated the importance of developing strong clusters of multi-agency resources across the city that effectively target and direct resources to those most in need and support the readiness of children and young people to learn. The refreshed CYPP articulated the ambitions of the Leeds Education Challenge (LEC) that:

- every child and young person of school age will be in school or in learning
- every school will have an achievable plan to being recognised as a great school
- we will improve achievement for every young person year on year
- every school will benefit from a fully qualified, skilled, committed and well led staff team
- every child will move confidently through their education.

The report on clusters presented to School forum in September described the resource allocation across the clusters from the local authority, with the alignment of social care teams and targeted services. Also there is increasing alignment of early start services with health provision being organised on a cluster level. This approach will continue as we embed early intervention provision across the city, enhancing the cluster arrangements to increase the impact of locality working in improving outcomes for children and young people.

I understand that the resource allocation when analysed per pupil appears to be lower in the O.N.E. area, however, I am confident that the students who live in areas of deprivation and attend school in the O.N.E are funded at a higher level and that this resource follows the student to the cluster.

The local area partner and targeted services leader for the clusters in this area will support the cluster manager in ensuring that there is the right level of provision for the students who require additional support to access and be successful in their learning.

We will feedback to elected members following Schools Forum in mid October on the decision to continue and delegate the funding and also the recommendation on funding formula.