

# AGENDA

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**Meeting:** Schools Forum  
**Place:** The Kennet Room - County Hall, Trowbridge BA14 8JN  
**Date:** Thursday 9 March 2017  
**Time:** 1.30 pm

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Please direct any enquiries on this Agenda to Edmund Blick, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718059 or email [edmund.blick@wiltshire.gov.uk](mailto:edmund.blick@wiltshire.gov.uk)

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## Membership:

Mr N Baker (Chairman)	Mrs S Jiggins
Mr M Watson (Vice Chairman)	Mr J Proctor
Mrs A Bates	Mr N Roper
Ms A Burnside	Mr D Whewell
Ms M Chilcott	Mr S White
Mrs J Finney	Mrs C Williamson
Miss Tracy Cornelius	Mr P Cook
Mr J Hamp	Mr M Cawley
Mr J Hawkins	

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## Substitutes:

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The full constitution can be found at [this link](#).

For assistance on these and other matters please contact the officer named above for details

# AGENDA

## PART I

Items to be considered whilst the meeting is open to the public

### 1 **Apologies and Changes of Membership**

To receive any apologies.

To note the following changes in membership;

Ingrid Sidmouth, Head of Rowdeford School, is to be replaced by Phil Cook, Head of Larkrise, as Maintained Special School Representative to the Committee.

Rosemary Collard, from Snapdragon Nurseries, is to be replaced by Mark Cawley, fro New Road Nurseries, as Early Years Reference Group Representative.

### 2 **Minutes of the previous Meeting** (*Pages 7 - 14*)

To approve and sign as a correct record the minutes of the meeting held on Thursday 12 January 2017.

### 3 **Declaration of Interests**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

### 4 **Chairman's Announcements**

To receive any announcements from the Chairman.

### 5 **Children and Young People's Trust Board Update**

To receive a verbal update from the Associate Director of Commission Perform School Effectiveness and Head of Commissioning and Joint Planning.

### 6 **Budget Monitoring**

To receive budget monitoring information for the financial year 2016-17.

This report will be provided late as a supplementary item.

7 **Reports from Working Groups** (*Pages 15 - 20*)

To receive minutes, reports and/or verbal updates from the following working groups:

- Early Years Reference Group, (this update report will be provided late as a supplementary item).
- Joint Meeting of School Funding Working Group and SEN Working Group, update on the meeting held on 24th February 2017, (papers attached).

8 **School Budgets 2017-18 - Update Report** (*Pages 21 - 26*)

To outline the key changes resulting from the schools funding formula for 2017-18.

The report is for information only.

9 **Analysis of Independent Provision Spend** (*Pages 27 - 30*)

To update Schools Forum on the work undertaken to analyse ISS/P activity and spend.

10 **Allocation of Funding from Schools Block 2017-18** (*Pages 31 - 34*)

To consider proposals for the allocation of funding released from the Schools Block 2017-18.

11 **National Funding Formula for Schools - Draft Consultation Response**  
(*Pages 35 - 54*)

To present a draft consultation response, to the government consultation on a National Funding Formula for schools, in order that a response can be finalised, prior to the deadline for submission.

12 **High Needs National Funding Formula - Draft Consultation Response**  
(*Pages 55 - 64*)

To present a draft consultation response, to the government consultation on a National Funding Formula for High Needs, in order that a response can be finalised, prior to the deadline for submission.

13 **Confirmation of dates for future meetings**

To confirm the date of future meeting as Thursday 22 June 2017.

14

**Urgent Items**

Any other items of business, which the Chairman agrees to consider as a matter of urgency.

**PART II**

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

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## SCHOOLS FORUM

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### MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 12 JANUARY 2017 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

#### Present:

Mr N Baker (Chairman), Mr M Watson (Vice Chairman), Mrs A Bates, Ms M Chilcott, Miss Tracy Cornelius, Mr J Hawkins, Mrs S Jiggins, Mr J Proctor, Mr N Roper, Ms I Sidmouth, Mr S White, Mrs C Williamson and Mr D Wragg

#### Also Present:

Cllr Richard Gamble

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#### 1 Apologies and Changes of Membership

Apologies were received from Rosemary Collard, John Hamp and Amanda Burnside, who sent David Wragg as substitute.

#### 2 Minutes of the previous Meeting

The minutes of the meeting held on Thursday 6<sup>th</sup> October 2016 were considered.

#### RESOLVED:

**The minutes were agreed and signed as a true and accurate record by the Chairman.**

#### 3 Declaration of Interests

Nigel Roper stated that if Growth Funds were to be discussed, his school would benefit from the scheme, although he said that he would approach discussions with an open mind.

Neil Baker also stated that his school would benefit from Growth Funds but said that he would approach discussions with an open mind.

#### 4 Chairman's Announcements

The Chairman thanked the officers for the quick turnaround in the reports following legislative changes at the start of the year.

He also explained that the agenda was extraordinary, in that the reports would be considered and the decisions would be made at the end, under the decisions report, agenda item 12.

5 **Children and Young People's Trust Board Update**

There was no relevant update for the Trust Board.

6 **Budget Monitoring**

Head of Finance Liz Williams gave an update regarding the Budget Monitoring Report.

Specific attention was drawn towards the £0.585 million projected overspend to the overall Schools Budget. A £1.2 million move in spending within the High Needs budget including top up payments was also highlighted, as an increase from the last Budget Monitoring Report in October 2016.

Members were asked to note the contents of the report

**RESOLVED:**

**Members noted the Budget Monitoring Report.**

7 **National Funding Formula for Schools 2018-19: Phase II Consultation and High Needs funding formula consultation**

School Strategic Finance Support Manager Grant Davis introduced the report explaining the consultation period and the two- stage process involved, lasting for 14 weeks and ending on 22 March 2017.

The new funding blocks were outlined and attention was drawn towards the new structure of the Dedicated Schools Grant (DSG) to include; Schools Block, High Needs Block, Early Years Block and a new Central Services Block for 2017-18.

The 'soft' formula was explained as the approach to be adopted in 2018-19, with a move to the 'hard' formula of National Funding for 2019-20.

The table at para 15 of the report for National Funding Formula was highlighted as giving an indicative funding oversight as to the overall position for Wiltshire and how it stands to be impacted by the National Funding Formula.

The indicative movements in funding were explained in the paper which showed a small increase in funding under the National Funding Formula for schools and no increase under the proposed High Needs formula. Concerns were expressed at the impact, particularly, with the High Needs due to issues with historical spend and deprivation of the area.

Questions were asked by members regarding the determination of historical spend and criticism was raised over the fact that the data was based on historical spend.

**RESOLVED:**

**Members noted the Funding Formula Report.**

8 **Reports from Working Groups**

The Head of Finance Liz Williams introduced the Working Group update reports and asked Members to note the updates.



**RESOLVED:**

**Members noted the update reports from Working Groups.**

9 **Exceptional Numbers of Statements (EHCP's) Formula**

Schools Strategic Finance Support Manager Grant Davis explained the report and the targeting of funding towards schools with High Needs.

Attention was drawn to the tables and figures in the report detailing 6 options considered by the Working Groups, for future funding formulas, at para 9 of the report.

The officer explained that it was proposed to keep the current mechanism unchanged with a capped budget at £100,000 for 2016-17 but for options for future years to be brought to a subsequent for members to consider.

**RESOLVED:**

**Members agreed to keep funding formula unchanged for 2016-17 and to cap expenditure at £100,000 with funding for 2017-18 onwards to be determined at later meetings.**

10 **School Revenue Funding 2017-18 - Funding Settlement and Budget Setting Process**

The Chairman introduced the Revenue Report, highlighting aspects of significance.

Head of Finance Liz Williams further expanded on the reports, including the clarification of decision making powers, and asked members to note the contents.

A question was asked as to how decisions made by for the High Needs Block would be scrutinised if authority was taken away from Schools Forum. It was clarified that it would be part of the overall budget setting process and would be open to scrutiny via the normal processes, such as, the Overview and Scrutiny teams of the Council.

**RESOLVED:**

**Members noted the content of the Revenue Funding Report.**

11 **Update reports on DSG Funding Block**

Head of Finance Liz Williams gave a brief overview of the update reports.

**RESOLVED:**

**Members noted the updates from the DSG Funding Block.**

12 **Schools Block- Central Budgets**

Head of Finance Liz Williams explained the report which sought to update Members on issues surrounding the Central Budget and identify the decisions that needed to be made as part of the budget setting process.

Attention was drawn to the decisions table outlining Sections A-D that needed approval.

Technical questions were asked Appendix 4, and specifically regarding the data on monies being spent on looked after children.

Members noted the reports and the identification of eligible and ineligible spend.

**RESOLVED:**

**Determination of this report was deferred until the other reports were heard and for the decisions paper at the end.**

13 **Schools Block-Delegated Budget**

Head of Finance Liz Williams introduced the report, highlighting decisions table at para 11. The options for funding pupil led factors in 2017-18 were indicated in Appendix 1 and technical aspects were explained to the Members.

Technical issues were discussed surround de-delegation of maternity costs and funding for additional school improvement funding as outlined in the operational guidance.

Members were advised that the proposal was that the formula would stay the same for 2017-18.

**RESOLVED:**

**Confirmed Lump Sum to remain £85,000 for Primary Schools and £175,000 for secondary schools.**

**Agreed to retain the quantum for pupil led factors (Deprivation, EAL and Prior Attainment) at 2016-17 levels. Impact will be small change in funding rates per pupil. It was confirmed that the cost of the minimum funding guarantee would continue to be met through the capping of any gains.**

**Agreed to de-delegate the budget for maternity costs, as in previous years all other de-delegation decisions made at the October meeting confirming delegation of contingency and SIMS licences but all others to remain as in previous years.**

14 **High Needs Block**

Head of Finance Liz Williams introduced the report and emphasised the need to reduce the pressure on the High Needs Block.

There was a discussion in relation to the use of any funding released from central schools block in order to support pressures in the high needs block. Questions were asked by Members regarding the allocation of funds and aspects of the report were clarified.

**RESOLVED:**

**Determination of this report was deferred until the other reports were heard and for the decisions paper at the end.**

15 **Early Years Block**

Head of Finance Liz Williams introduced the reports and explained the proposed Early Years Single Funding Formula, as a simplified formula.

Questions were asked regarding early years pupil premium. There was a discussion about the proposed 98% pass through of the 3 & 4 year old funding and use of early years block funding to support central Local Authority costs in administering the new entitlement.

**RESOLVED:**

**Determination of this report was deferred until the other reports were heard and for the decisions paper at the end.**

16 **Budget 2017- 18: Decision Paper**

As stated by the Chairman in his announcements most of the decisions to be made were deferred until the end of the meeting to be heard in this section.

An updated Decisions Matrix was presented to Members in the meeting. This outlined all the decisions that needed to be deliberated and approved.

The decisions made by Members, based on consideration of the reports and deliberation in the meeting were as follows.

**Central Schools Block proposals**

1. To approve Line by Line summary, appendix 1 to Central DSG Report. Summarised in Proposed Budget summary.
2. Propose agree eligible expenditure as per table in Appendix 3 Central DSG Report.
3. To be confirmed - SFWG/SEN Group recommendation to consider impact on moving to high needs block to support top up rates and capacity for change.
4. Propose Budget for central copyright licences set at £0.346m.
5. Propose budget for retained ESG duties set at £1.005m as per funding settlement and analysis of costs.
6. No top slice proposed in initial reports.

**RESOLVED:**

1. **Budgets for Admissions, Schools Forum Support, and Infant Class Size payments agreed as per Appendix 1 to the Central Schools Block Report. Budget for Basic Need Element of Growth fund set at £0.9m and agreed virement between basic need and infant class size elements of growth fund if required during the year. Confirmed previous decision not to implement a Falling Rolls Fund in Wiltshire.**
2. **After considering eligibility and the evidence presented funding was agreed for the following historic commitments: Support for**

Personal Education Plans for Looked After Children (£0.233m). Funding for Child Protection Adviser in Schools (£0.041m). Funding for Prudential Borrowing (£0.3m). Funding for ineligible commitments of £1.7m released for reallocation

3. Agreed to release £1.7m from central schools block for allocation across other funding blocks
4. Noted LA decision to set budget at £0.346m for central copyright licences to reflect cost of licence notified by the Department for Education
5. Agreed budget for centrally retained duties to be set at £1.005m
6. Agreed no funding to be retained centrally from maintained schools to cover former ESG spend

#### **Delegated Schools Block Proposals**

1. Propose retain quantum as per 16-17 for pupil led factors
2. No proposal brought to Schools forum to dedelegate funding for additional school improvement.

#### **RESOLVED:**

1. **Confirmed Lump Sum to remain £85,000 for Primary Schools and £175,000 for secondary schools. Agreed to retain the quantum for pupil led factors (Deprivation, EAL and Prior Attainment) at 2016-17 levels. Impact will be small change in funding rates per pupil It was confirmed that the cost of the minimum funding guarantee would continue to be met through the capping of any gains. Agreed to de-delegate the budget for maternity costs, as in previous years all other de-delegation decisions made at the October meeting confirming delegation of contingency and licences but all others to remain as in previous years.**
2. **No further de-delegation for additional school improvement costs**

#### **High Needs Block Proposals**

1. No change proposed to top up rates however other decisions may change this.
2. Separate paper on exceptional numbers of statements refers. Proposal to leave formula unchanged for 2016-17 but cap at £100k.
3. Recommend High Needs Block to fund cost of speech & language service.
4. Initial proposal no change from 2016-17 values.
5. Propose additional £100k to support addition of University Technical College (UTC) to list of participating schools
6. Proposal for £100k to support development of funding mechanism to support children at key transition points.
7. Propose to move funding of Inclusion Support Fund to Early Years Block.

#### **RESOLVED:**

1. **Central spend on high needs provision to be increased with funding reallocated from central schools block. From this: £0.5m to be added to top up budget for mainstream schools. £0.357m to be utilised to continue to fund Inclusion support fund from High Needs**

Block. For remainder proposals to be brought to March meeting based on SEN strategy for consideration and approval.

2. Agreed to leave formula for exceptional number of statements unchanged for 2016-17 and to cap expenditure at £100,000.
3. Agreed Therapies budget to be met from High Needs Block.
4. Agreed that £0.5m be added to the top up budget (from the £1.7m reallocation) to increase top up values for mainstream schools by 11% compared with 2016-17.
5. Agreed £0.100m to be added to the alternative provision budget.
6. Not agreed - proposals to be considered at March meeting.
7. Proposal to fund base budget for Inclusion support fund from Early Years Block not agreed.

#### **Early Years Block Proposals**

1. Proposed formula as per EY Block report with supplements for Rurality and Deprivation. Proposed Basic Hourly rate £4.06
2. Proposed ISF £467,300, fully funded from Early Years Block
3. Proposal in Early Years report for 98% pass through to providers.

#### **RESOLVED:**

1. Wiltshire Early Years Single Funding Formula (EYSFF) agreed. The agreed base rate of funding to providers was set at £4.14 per hour.
2. It was agreed that the increase of £110,000 to the Inclusion Support Fund be funded from the Early Years Block and that the base budget continue to be funded from High Needs Block
3. It was agreed that 98% of 3 & 4 year- old funding would be passed through to providers.
4. It was agreed that the funding rate for two year olds would be set at £5.32 per hour

#### 17 **Confirmation of dates for future meetings**

The date of the next meeting was confirmed as Thursday 9<sup>th</sup> March 2017.

#### 18 **Urgent Items**

There were no urgent items.

(Duration of meeting: 11.00 am - 4.00 pm)

The Officer who has produced these minutes is Edmund Blick of Democratic Services, direct line 01225 718059, e-mail [edmund.blick@wiltshire.gov.uk](mailto:edmund.blick@wiltshire.gov.uk)

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## **Wiltshire Council**

**Schools Forum**  
**9<sup>th</sup> March 2017**

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### **Report from the School Funding Working Group and SEN Working Group**

#### **Purpose of report**

1. To report on the joint meeting of the School Funding Working Group and SEN Working Group held on 24<sup>th</sup> February 2017.

#### **Main considerations for School Forum**

2. The minutes of the meetings are attached at Appendix 1.
3. The working group considered the draft responses to the DfE funding consultations and proposals for additional spend in the high needs block..

#### **Proposals**

4. That Schools Forum notes the minutes of the School Funding Working Group and SEN Group meeting.

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Report author: Liz Williams, Head of Finance

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## Meeting of Schools Funding Working Group and SEN Working Group

24<sup>th</sup> February 2017, 8:30am, County Hall

### MINUTES

**Present:** Neil Baker, Simon White, John Hawkins, Martin Watson, Susan Tanner, Grant Davis, Liz Williams

**Apologies:** Tracy Cornelius, Debbie Bennett, Carol Grant, Phil Cook, Catriona Williamson

Agenda Item	Action
<p>1 <b><i>Minutes of Previous Meeting</i></b></p> <p>The minutes of the previous meeting were reviewed. All items had either been presented at Schools Forum for decision, or were on the agenda for today's meeting.</p>	
<p>2 <b><i>Budget Update 2017-18</i></b></p> <p>GD presented a report updating the group on final funding rates within the formula and on the numbers of schools currently subject to MFG or capping.</p> <p>It was noted that there was an impact of new schools skewing the MFG/capping calculation so the group requested that information be included in the report of the impact of MFG/Capping excluding new schools.</p> <p>It was also requested that the top up values for all types of schools be included in the report alongside the original values against which the 2016-17 reductions were made.</p>	<p style="text-align: center;">GD</p> <p style="text-align: center;">GD/EW</p>
<p>3 <b><i>Review of Independent Special School Placements</i></b></p> <p>ST presented a report analysing current placements in Independent Special Schools (ISS) for pre-16 pupils. Placements were categorised according to the reasons for the placement and whether appropriate provision could have been made within Wiltshire schools.</p> <p>It was agreed that the paper should be presented to Schools Forum at the March meeting.</p>	
<p>4 <b><i>High Needs Block – spending proposals for funding released from central schools block 2017-18</i></b></p> <p>Following the decision at the January Schools Forum meeting to release funding from the central schools block to support proposals to support the delivery of the SEN Supporting Schools Strategy, ST presented a report outlining a number of proposals to support the strategy and to support longer term reductions in expenditure.</p>	

	<p>The paper included the following proposals:</p> <p><b>Proposal 1</b> – Creation of specialist resource base provision (in-reach and out-reach) for SEMH KS1 &amp;KS2 - £600k  <b>Proposal 2</b> – Transition Funding £130k  <b>Proposal 3</b> – Funding to support development of peripatetic Hearing Impairment Service £20k  <b>Proposal 4</b> – Support savings</p> <p>The group supported proposals 1 to 3 but confirmed that the Schools Forum decision did not allow for the funding to be held within the high needs block to support potential overspends.</p> <p>A further proposal to allocated £10k to support a contribution being made by the LA towards development of alternative provision was also supported by the group.</p> <p>ST to update the paper for Schools Forum</p>	ST
	<p><b><i>Schools National Funding Formula – draft consultation response</i></b></p> <p>EW had circulated a draft response to the government’s consultation on a national funding formula (NFF) for schools. As part of the discussion NB also fed back following his attendance at the Select Committee discussion at the Houses of Parliament on 23<sup>rd</sup> February.</p> <p>It was agreed that the response needed to offer solutions to elements of the formula that Wiltshire Schools Forum disagrees with. NB fed back that he felt changes would be made to the proposals based on the feedback at the Select Committee meeting and that there had been discussions in relation to the de-minimis amount that a school required to run the curriculum before additional needs are taken in to account. It was noted that the government had taken a similar approach when responding to the Early Years funding consultation earlier in the year and had set a minimum hourly rate in the final operational guidance.</p> <p>A number of amendments and additions were agreed to the draft response. EW to update for Schools Forum</p>	EW
	<p><b><i>High Needs National Funding Formula – draft consultation response</i></b></p> <p>The group considered the 8 questions in relation to the high needs national funding formula and agreed the response needed to include a clear message that high needs is insufficiently funded. EW to draft response for consideration at Schools Forum.</p>	EW
	<p><b><i>AOB</i></b></p> <p>JH expressed concern that the recent roadshows had not been open to governors to attend. EW confirmed that this year the roadshows had been set up as headteacher briefings as they had a wider remit than the budget roadshows from previous years. EW confirmed that any further roadshows on the impact of the NFF would include a wider audience.</p>	

	<p><b><i>Date and Time of next meeting</i></b></p> <p>It was agreed that the next meeting should also be a joint meeting of the two groups and the date was agreed as:</p> <p>Date confirmed: Friday 9<sup>th</sup> June 2017, 8:30am, Longleat Room, County Hall</p>	

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## Wiltshire Council

Schools Forum  
9<sup>th</sup> March 2017

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### Schools Budget Update 2017-18

#### Purpose of report

1. To outline the key changes resulting from the schools funding formula for 2017-18. The report is for information only.

#### Background

2. The Department for Education (DfE) published the 2017-18 financial settlement for schools on 20<sup>th</sup> December 2016. The settlement included details of the Dedicated Schools Grant and its corresponding blocks of funding.
3. The funding allocated through the DSG is then modelled through the Wiltshire Funding Formula to ensure that the schools budget is affordable. This incorporates decisions taken by Schools Forum regarding any additional funding and any pupil and premises, funding-factor rates.
4. The schools block was set at £260.78 million which is an increase of £4.68m on the 2016-17 funding level. The increase is accounted for by the growth in pupil numbers, detailed below.
5. The High Needs Block of funding has seen an increase for 2017-18 to £45.30m, which incorporates the changes in the post-16 funding in FE colleges now forming part of the LA funding, along with population growth funding.
6. The Early Years Block has been provisionally set at £24.72m, which will be subject to change during the year. The funding incorporates the changes from the implementation of the additional 15 hours of funding for 3 and 4 year olds.

#### Main Changes for Information

##### Pupil Numbers

7. There has been an overall increase in the pupil numbers within Wiltshire. The increase has been in the primary sector and Key Stage 3 pupils, with a decrease in pupils at Key Stage 4, in the secondary sector. The movement is detailed below;

Key Stage	2014-15	Increase	2015-16	Increase	2016-17	Increase	2017-18
KS1 & KS2	35,181	<b>832</b>	36,013	<b>958</b>	36,971	<b>944</b>	<b>37,915</b>
KS3	13,999	<b>-71</b>	13,928	<b>139</b>	14,067	<b>485</b>	<b>14,522</b>
KS4	10,103	<b>-270</b>	9,833	<b>-262</b>	9,571	<b>-299</b>	<b>9,272</b>
TOTALS	59,283	<b>491</b>	59,774	<b>835</b>	60,609	<b>1,130</b>	<b>61,739</b>

## Per Pupil Funding and Other Funding Rates

8. The 'per pupil' funding rates for pupils in Wiltshire are detailed below. There was a significant uplift for the 2015-16 'per pupil' funding due to the additional £5.7m awarded through the Fairer Funding mechanism which has now been built into the base level of funding, going forwards. The small increase in the 'per pupil' funding rates for 2017-18 relate to the increased funding received for the pupil growth, along with reduction in centrally held funding and de-delegation.
9. Funding for 'per pupil' and other pupil led factors, deprivation, prior attainment and English as an additional language have been funded retaining the quantum's at their 2016-17 levels, as agreed with Schools Forum.

<b>'Per Pupil' funding</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Primary (KS1 & KS2)	2,912.12	2,989.50	2,984.65	<b>2,998.34</b>
Secondary (KS3)	3,739.55	3,838.91	3,832.69	<b>3,850.26</b>
Secondary (KS4)	4,562.50	4,683.72	4,676.13	<b>4,697.57</b>

<b>Element</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Deprivation – Primary	825.73	843.15	838.21	<b>840.71</b>
Deprivation - Secondary	831.70	849.25	823.43	<b>815.34</b>
English as an Additional Language – Primary	1922.48	1500.63	1,476.84	<b>1,479.52</b>
EAL – Secondary	658.66	578.77	542.30	<b>596.68</b>
Prior Attainment - Primary	614.95	627.93	628.43	<b>637.50</b>
Prior Attainment - Secondary	459.11	468.80	497.88	<b>502.90</b>

## Minimum Funding Guarantee

10. The Minimum Funding Guarantee ensures that schools are protected from a drop in their overall per pupil funding of greater than -1.5%. In order to fund the MFG, schools seeing a gain in their level of per pupil funding are capped. For 2017-18, this cap is set at 0.90%.

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Total MFG	1,611,101	533,217	609,350	<b>776,082</b>
Largest MFG	133,628	67,647	69,457	<b>261,731</b>
Largest Cap	117,442	53,553	431,695	<b>471,722</b>
Schools in Receipt of MFG	77	27	48	<b>34</b>
Schools Capped	91	47	27	<b>62</b>
% Increase before Capping	0.88%	4.61%	1.70%	<b>0.90%</b>

11. The MFG calculation is quite often skewed due to the funding impact of newly opened and growing schools. The impact of the newly opened school in September 2016 is due to receive a significant MFG adjustment, as detailed in the table below. Without the need to fund this MFG, there would still be 34 schools in receipt of the MFG but only 7 schools being capped, with the level of increase capped at 2.68%.

### **High Needs Funding – Top Up Rates**

12. At the Schools Forum meeting in January 2017, it was agreed that the funding rates for top ups in Resource Bases, Enhanced Learning Provisions and Named Pupil Allowances would all be increased in mainstream settings by approximately 11% from the prevailing 2016-17 rates, due to a decision to direct funding specifically into the High Needs block.
13. Despite standardised bandings and rates being introduced from 2016-17 due to cost pressures within the High Needs Block, the rates were reduced in mainstream settings by approximately 20% in 2016-17, whereas MFG protection resulted in the special schools seeing a far lower reduction in the top up rates for 2016-17. Appendix 1 details the funding rates for 2017-18 and also the proposed standardised rates arising from the banding review implemented in 2016-17 before reductions were made.
14. Due to the protection awarded to special schools, the proposed increase in top up rates of 11% in mainstream schools will still result in rates for special schools exceeding those in mainstream settings. The rates for special schools in 2017-18 will remain at the 2016-17 levels and will not be subject to further planned reductions in 2017-18.
15. The longer term objective is for convergence across all settings to ensure that funding rates are consistent across all bandings, as proposed in 2016-17. This will demonstrate parity within bandings across both mainstream and special schools.

### **High Needs – Place Change Request Outcomes**

16. The results of the High Needs Place Change Request have been announced by the EFA. All of the requests submitted by Wiltshire were approved, which included the following:
  - A new Resource Base of 7 places at Castle Mead Primary
  - Increase of 104 additional post-16 places at Wiltshire College
  - Removal of all post-16 places in secondary schools, increasing the number of pre-16 places where required

### **Proposal**

17. Schools Forum is asked to note the content of this report.

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## Schools Funding Settlement and Budget Proposals for 2017-18

### Mainstream Schools - NPAs, Resource Bases and ELP

	Day	Day	Day	Increase from 2016-17
Band	Original Proposed Bands for ALL Settings	2016-17	2017-18	2017-18
L1	2,290	1,832	2,023	191
U1	4,580	3,664	4,067	403
L2	6,271	5,017	5,569	552
U2	8,361	6,689	7,384	695
3	12,188	9,750	10,822	1,072
4	17,801	14,241	15,796	1,555

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### Special Schools 2017-18 (unchanged from 2016-17)

*Note - St Nicholas rates include Split Site Allowance*

Band	DAY						Residential
	Rowdeford	Downlands	Exeter House	St Nicholas	Larkrise	Springfield	Springfield
	£	£	£	£	£	£	£
L1	2,405	2,336	2,301	2,342	2,317	2,336	11,577
U1	4,809	4,672	4,603	4,879	4,635	4,672	17,610
L2	6,585	6,396	6,302	6,980	6,346	6,396	25,391
U2	8,779	8,528	8,403	9,373	8,461	8,528	31,805
3	12,797	12,432	12,249	13,503	12,334	12,432	39,931
4	18,691	18,157	17,890	19,722	18,015	18,157	54,101

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## Analysis of Independent Provision Spend

### Purpose of the Report

1. To update Schools Forum on the work undertaken to analyse ISS/P activity and spend.

### Main Considerations

#### **Post 16 SEN Placement Activity and Spend**

2. There has been a significant reduction in independent specialist Post 16 placement (ISP) spend, alongside a significant increase in the number of post 16 learners (as a consequence of the reforms set out in the Children and Families Act 2014);
  - a. Increase in no's of post 16 learners
    - 57% increase since 13/14 (247 to 388 learners)
  - b. Spend decreased by 30% from £6.2M - £4.4.M between 13/14 and 15/16
    - Projecting another 17% decrease (16/17), savings of £2.6M
3. How has this been achieved?
  - a. Outcomes based commissioning (developing FE offer)
  - b. Introduced banded funding across all FE colleges & several ISPs
  - c. Increase in learners attending FE colleges (rather than ISPs)
    - 119% increase, decrease of 52% attending ISP
      - ISP: 67 – 32 learners (16/17), residential 43 – 12 places
  - d. Negotiated decreases in ISP fees (more local competition)
    - From average of £56k to average of £24k per learner
4. Increase of 57% in learner numbers<sup>1</sup>, decreased spend by ~47%. It can be done but it takes time (avoiding, not moving, placements) and we needed to have the local provision – we didn't, but we do now.

#### **Analysis of Independent Provision spend:**

5. Current position (Dec 2016)
  - a. ~ £7.150M on ISS/ISP; £5.3M DSG funded <sup>2</sup>
  - b. ~115 children and young people with SEND placed.

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<sup>1</sup> Following both RPA and SEND Reforms

<sup>2</sup> Please note all figures are full year costs (not actuals)

- c. Rate of growth in ISS had been slowed, but this masked by a rise in average costs. Growth now evident, albeit slower.
  - d. As set out above, there has been a good reduction in Post 16 ISP placements, but placements are historic – once placed in ISS hard to move young person into FE or cheaper ISP.
6. In order to understand why we place CYP in ISS/P we undertook a detailed analysis of all current placements; 9 different reasons identified.
- a. Complex and Require Residential, or just unusually complex
  - b. Case Law
  - c. Moved into area with placement (or ex Stanbridge Earls)
  - d. No available places (but technically we could have met need locally)
  - e. Tribunal loses (but LA view that we could have met need)
  - f. Distance to travel tribunal loses (but LA view that we could have met need)
  - g. No appropriate places commissioned locally
  - h. Local schools couldn't meet need (but LA view that with minor adaptations perhaps could have)
  - i. Miscellaneous
7. Complex and Require Residential, or unusually complex
- a. 23 cyp. DSG Spend = £1.7M
 

– Complex ASD =	£1.5M (9)
– Complex SEMH =	£630k (6)
– SLD=	£547k (4)
– SLCN (SEMH)=	£94k (1)
– PMLD=	£208k (1)
– ASD/SLD=	£177k (1)
– ASD/PD/VI=	£79k (1)
  - b. Commissioning response: We could meet need locally for some of these cyp, if we were able to secure an appropriate children's home, with or without education facility. Potential for savings to both LA and HNB budgets. Would require capital and could be part of longer term plan.
8. Case Law
- a. 21 cyp. £338.5k
 

– ASD =	£42k (3)
– SEMH=	£18k (1)
– SLCN=	£51.5k (3)
– SpLD=	£193k (12)
– SpLD/MLD=	£33k (2)
  - b. Commissioning response: Case law has now changed and we expect to see a significant reduction in ISS placements for this reason over time. Need to monitor numbers to ensure this is case. Would be a useful exercise to understand why parents did not think local provision could meet needs, particularly for SpLD – is there a need to re-shape/ improve local practice?
9. Moved in with placement (or ex Stanbridge Earls)
- a. 11 cyp. £359k
  - b. Commissioning response: little we can do about this, difficult to move placements once established. Stanbridge Earls cyp placed in emergency.

10. No available places (but technically we could have met need)

a. 4 cyp. £176k

b. Commissioning response: Most surprising category, the narrative has been we don't have enough places hence we place independently. Of these 4 cyp, a decision was taken not to place 2 of them (in available places) to support a local special school in difficulty. One other pupil could not be placed in the only appropriate designated special school because of family links to other pupils.

11. Tribunal loses (but LA view that we could have met need)

a. 8 cyp. £311k

- 3 cyp SLCN at secondary
- 2 cyp ASD parental preference (at time S/F inadequate)
- 3 cyp various – tribunal ruled for continuation of pre 16 placement

b. Commissioning response: Difficult to predict Tribunal outcomes, balance seems to be in favour of parents regardless of cost and capacity to meet need. However we could look at how we can secure more parental confidence in local secondary schools capacity to meet SALT needs.

12. Distance to travel Tribunal loses (but we could have met need otherwise)

a. 15 cyp. £757k

- 3 cyp ASD £299k
- 2 cyp SEMH £179k
- 1 cyp SLCN £52.5k
- 1 cyp PD £46k
- 1 cyp SpLD £16.5k
- 6 cyp HI £164k

b. Commissioning response: lost 6 tribunals because our SS provision for ASD and SEMH single school (so no provision in some parts of county). Costs ~£350k could have been avoided. Other big issue is only HI unit for secondary schools is in North (Sheldon). Need to secure provision in South or develop peripatetic service.

13. No appropriate places commissioned

a. 17 cyp. £1.2M

- 10 cyp KS1&2 SEMH £686k
- 4 cyp SEMH Girls £365k
- 3 cyp PD/HI £102k

b. Commissioning response: This is a big category, reflecting changing need. Have gone to consultation on changing Downland from single sex to co-ed, change effective in September 2017. Developing KS1 and KS2 SEMH provision biggest priority which, given HNB budget constraints, we have not been able to address. PD/HI – low incidence and unlikely that we will ever be able to secure cost effective local provision.

14. Local schools couldn't meet need (but LA view that with minor adaptations perhaps could have?)

a. 7cyp. £382k

- 2 cyp SEMH £48k
- 5 cyp ASD £340k

- b. Commissioning response: Need to explore these cases with SS to understand whether, with minor funded adaptations, we could have retained locally so that local provision can be enhanced.

15. Miscellaneous

- a. 8 cyp. £380k

- Largest placement cost for pupil is £112k – where physical adaptations to local school far outweighed the cost of specialist provision. Rest of costs mostly relate to On Track provision.

- b. Commissioning response: not much can be done here to reduce spend.

## Conclusion

- 16. Have shown that, where able, we can re-shape local provision to better meet need locally, and reduce cost. We have now to ensure that we can re-shape and support specialist provision (mostly in special schools) to meet more needs locally – where appropriate, and with additional support where needed – to reduce spend, invest locally, and improve life chances for children and young people with SEND.

- 17. This work (previously called Seizing the Agenda, now Wiltshire Area Special Schools Partnership Proposal - WASSPP) continues with our special schools. A final report from this project is expected Mid May.

## Proposals

- 1. Schools Forum is asked to note this report.

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**Proposals for allocation of funding released from Schools Block 2017-18**

**Purpose of the Report**

1. At its meeting in January 2017, Schools Forum identified a sum of money (£800k) which should be allocated to the Schools Block of funding. However, following discussion it was noted that as the national funding formula has been released and comes into effect in 18/19, and it was agreed that allocating this money to Schools Block would simply increase schools' base funding for one year (there would be no long term gain).
2. Following discussion it was agreed that the Head of Commissioning and Joint Planning be tasked with identifying proposals for the use of this one –off money to support the delivery of the SEN Supporting Schools Strategy.
3. Schools Forum were clear that, in order to allocate this money to the High Needs Block;
  - a. proposals would need its approval at the March meeting,
  - b. must be designed to secure long term reductions in spend (could not be used to prop up the current pattern of provision), and
  - c. must be DSG eligible.
4. As requested, this paper outlines proposals for Schools Forum consideration.

**Main Considerations**

**5. SEMH**

- a. Social, Emotional and Mental Health (SEMH) needs are growing – Table 1 below refers.

Year	2010	2011	2012	2013	2014	2015	2016	2017
No. Pupils EHCP SEMH/BESD	300	287	294	288	300	324	368	453
Actual rise/fall		-13	7	-6	12	24	44	85
Percent rise		-4%	2%	-2%	4%	8%	14%	23%

- b. Lack of SEMH KS1 & KS2 specialist provision is one of the biggest reasons why the SEND Service has to place children in independent specialist provision (see paper on ISS spend). We are currently (December 2016) spending £686k on 10 children. If a local solution is not secured it can only be anticipated that this number will continue to grow.
- c. Difficulties associated with meeting the needs of children with SEMH, diagnosed or emerging, is also one of the single biggest pressures on the Behaviour Support Team, and results in many of the difficulties that primaries experience in meeting children's needs, and accounts for many exclusions at primary level.
- d. These are the children that go on to experience difficulties accessing secondary education, and are more likely to become known to Social Care.

- e. The HNB has, to date, not been able to support the development of new provision to meet these needs.
6. **HI**
- a. Currently spending £164k on 6 cyp with HI, many of whom have been placed in independent provision because we do not have a secondary HI base in the South of the county (see paper on ISS/P spend).
7. **Transitions**
- a. Schools Forum, and LA, keen to re-instate this fund – and extend it to include primary to secondary transitions.
8. **Alternative Provision**
- a. Wiltshire Council has allocated £20k, from its own strategic fund, to support minor developments in the three secondary clusters.

**Proposal 1 – Creation of specialist resource base provision (in-reach and out-reach) for SEMH KS1 &KS2 - £600k**

9. The proposal is to
- a. develop a programme of therapeutic intervention based on a review of academic research (see Annex 2 for initial findings) and identified good practice, by working with specialists including schools, Oxford Health CAMHS, SALT Virgin Care, SSENS and Educational Psychologists.
  - b. develop at least three specialist resource bases (North, South and Central/West) that will operate as Centres of Excellence – providing in-reach places for up to 6 Reception and KS1 pupils, and up to 4 out-reach (virtual) pupils at KS2. Over time, to develop capacity to develop a traded out-reach service to support and upskill mainstream settings (at both primary and Yr6/7 transition).
  - c. In order to get this provision up and running (and able to deliver from the 1 September 2017) it is likely that there will be significant up-front costs, including (estimated)
    - Cost of places = £300k.
    - Cost of supporting development of RBs, including backfill, training and development for school staff £100k.
    - Equipment £50k.
    - Costs of developing programme £100k (may include recruitment of specialist lead for programme development)
    - Misc. £50k (potential to employ 'floating' HLTAs?)
  - d. Once RBs up and running, with pupils in place, application can then be made to the EFA for additional place money and the top up costs funded from savings made from reduction in ISS placements.
10. If agreed, detailed project plans, budgets and outcome measures would be developed, these and regular progress reports will be shared with Schools Forum.

**Proposal 2 – Transition Funding £130k**

11. The proposal is to
- a. re-instate transition funding and extend it to include pre-school into primary, and primary into secondary.
  - b. to monitor and report on the impact of this funding to understand how it is used by schools, and whether it does reduce the number of applications for statutory assessment.
  - c. Provide this information to Schools Forum to inform future budget setting discussions.



**Proposal 3 – Funding to support development of peripatetic Hearing Impairment Service £20k**

12. The proposal is to
  - a. Set aside a small amount of money to provide equipment to enable the development of a peripatetic hearing impairment service.

**Proposal 4 – Allocate £10k to support minor developments in AP**

13. The proposal is to
  - a. Provide funding of £10k which, together with the LA £20k, can be used to provide support for developments in each of the three secondary cluster groups.

**Proposal 4 – Balance to support any further identified developments in Proposals 1-3**

14. The proposal is to
  - a. Allow the use of any unspent funds in the further development of proposals 1-3.

**Proposals**

1. Schools Forum is asked to consider funding the proposals as outlined above.

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## Wiltshire Council

Schools Forum  
9<sup>th</sup> March 2017

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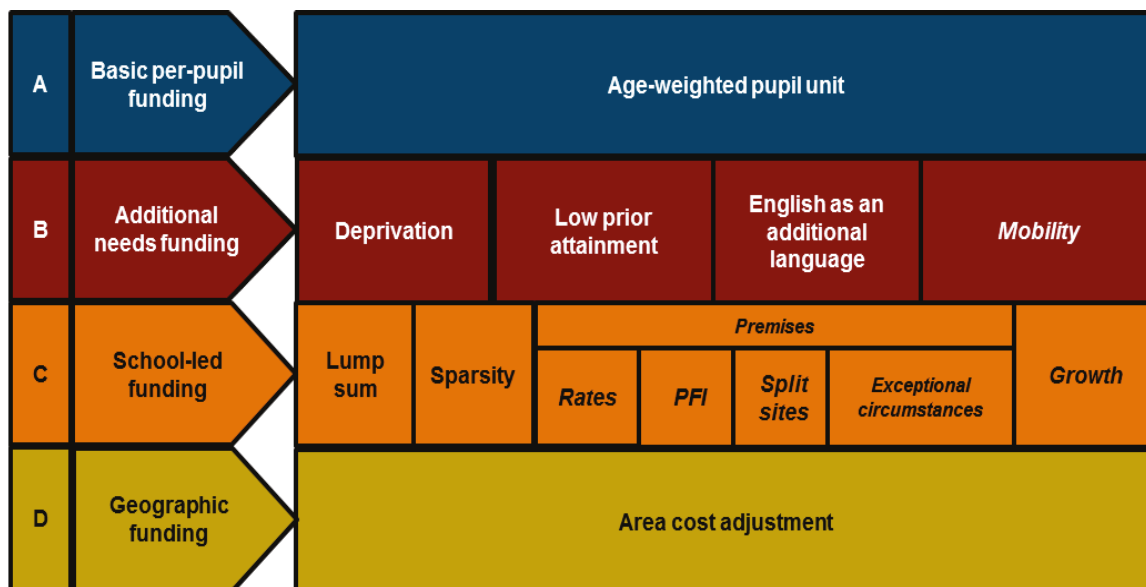
### National Funding Formula for Schools – Draft Consultation Response

#### Purpose of report

1. To present a draft consultation response to the government consultation on a national funding formula for schools in order that a response can be finalised prior to the deadline for submission.

#### Main considerations for School Forum

2. On 14<sup>th</sup> December 2016 the government issued a stage 2 consultation on proposals for a national funding formula for schools. The closing date for the consultation is 22<sup>nd</sup> March 2017.
3. The initial consultation on a national funding formula was issued in March 2016 and focussed on the principles of a national funding formula. It was proposed that a funding system should have seven underpinning principles – that a funding system should:
  - Support opportunity
  - Be fair
  - Be efficient
  - Get funding to the front line
  - Be transparent
  - Be simple
  - Be predictable
4. Having analysed the responses to the phase 1 consultation the government has proposed a national funding formula (NFF) for schools to be implemented in 2018-19 with a 1 year transition towards the full formula implementation in 2019-20.
5. A brief update report was brought to Schools Forum at the January meeting to give the main headlines for the impact of the formula on Wiltshire schools. the previous report can be accessed via the following link:  
<http://cms.wiltshire.gov.uk/documents/s127238/Paper%20-%20NFF%20Consultation%20Phase%20II%20V1.pdf>
6. It was reported at that time that Wiltshire would gain 2.4% in a full year of the NFF compared with the 16-17 funding levels. Within this overall position 29 schools would lose funding, 3 would receive no change and 199 would gain funding.
7. The key building blocks of the proposed formula can be summarised as follows:



8. The proposals within the NFF in relation to schools budgets are summarised within the consultation document and reproduced in Appendix 1 to this report.
9. The consultation document also includes a number of proposals in relation to the Central Schools Block, including a proposal to base the allocation on pupil numbers and deprivation in future years. Funding for historic commitments still needs to be reviewed and further proposals are likely later in the year.

#### **Draft Consultation Response**

10. A draft response to the consultation is attached as Appendix 2 to this report.
11. The draft response was considered at the joint meeting of the School Funding Working Group and the SEN Working Group on 24<sup>th</sup> February and the comments from the meeting have been incorporated in to the draft document. The key feedback from the meeting was that the response should include recommendations for an alternative approach wherever possible.

#### **Proposals**

12. That Schools Forum considers the draft consultation response and agrees a final response to be submitted to DfE prior to 22nd March 2017.
13. That the agreed response be circulated to all Wiltshire schools to inform any response those schools may wish to submit.

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**Appendix 1 – main proposals within the NFF (source DfE consultation document December 2016)**

## **Summary of our proposals**

*In summary, we are proposing:*

### **Across the whole formula, to:**

- *maintain the primary to secondary ratio in line with the current national average*
- *maximise the proportion of funding allocated to pupil-led factors compared to the current funding system, so that as much funding as possible is spent in relation to pupils and their characteristics*

### **With regard to basic per-pupil funding, to:**

- *reflect that the majority of funding is used to provide a basic amount for every pupil, but that some of this funding is at present specifically supporting pupils from disadvantaged backgrounds. To do this, we propose increasing the total spend on the additional needs factors in the national funding formula*
- *continue to increase the basic rate as pupils progress through the key stages*

### **With regard to additional needs funding, to:**

- *increase total spend on the additional needs factors (socio-economic deprivation, low prior attainment, English as an additional language, and mobility) to recognise that some basic per-pupil funding is currently supporting pupils from disadvantaged backgrounds, and recognise disadvantage in a broader sense*
- *continue to have a substantial deprivation factor, in addition to the pupil premium, to ensure schools with pupils from a socio-economically disadvantaged background attract significant extra funding, and within this:*
  - *increase the amount of funding explicitly targeted towards deprivation*
  - *include a greater weighting towards areas with high concentrations of just managing families who do not typically qualify for FSM deprivation funding, through the use of a significant area-level deprivation factor (using the Income Deprivation Affecting Children Index, IDACI). This will help to ensure that we are supporting all those whose background may create a barrier to their education, not only those with a history of free school meal (FSM) eligibility*
- *increase substantially the weighting of the low prior attainment factor, because we know that attainment data is one of the strongest indicators of how children are likely to do later, and we want to target funding to schools to help all pupils catch up*
- *continue to have an English as an additional language factor, increased in terms of total spend in comparison to the current system because the national funding formula will fund all eligible pupils consistently*
- *protect local authorities' spend on the current mobility factor, while we develop a more sophisticated mobility indicator for use in the national funding formula from 2019-20 onwards, as discussed in our response to the stage one consultation*

### **With regard to school-led funding, to:**

- *continue to provide every school with a lump sum, but at a lower level than the current national average so that we can direct more funding to the pupil-led factors*

- *provide small and remote schools with additional funding, over and above the lump sum, to recognise that they can face greater challenges in finding efficiencies and partnering with other schools*
- *proceed with our proposal to fund rates and premises factors (PFI; split sites; exceptional circumstances) in 2018-19 on the basis of historic spend, but with an adjustment to the PFI factor so that it is automatically updated in line with inflation, using the RPIX measure*
- *proceed with our proposal to fund the growth factor on an historic basis for 2018-19, and seek views through this consultation on what we think would be a better approach for the long term, using lagged growth data*

***With regard to geographic funding, to:***

- *recognise the higher salary costs faced by some schools, especially in London, by making an area cost adjustment. We will use the hybrid area cost adjustment methodology, which takes into account variation in both the general and teaching labour markets*

***To ensure sufficient stability, we also propose:***

- *to build in an overall 'funding floor', so that no school will face a reduction of more than 3% per-pupil overall as a result of this formula*

***And during transition:***

- *The minimum funding guarantee of minus 1.5% per-pupil in any year will continue, providing additional stability for schools*
- *schools will receive gains of up to 3% per-pupil in 2018-19, and then up to a further 2.5% in 2019-20. The real terms protection on the national core schools budget means we can invest resources – over and above flat cash per-pupil – in 2018-19 and 2019-20 to increase the rate at which we can allocate gains. We are able to allocate around £200 million in each year above flat cash per-pupil, allowing us to combine significant protections for those facing reductions and more rapid increases for those set to gain.*

**Wiltshire Schools Forum**  
**Schools National Funding Formula Consultation Stage 2**

**(Closing Date 22<sup>nd</sup> March 2017)**

**Overall Approach**

1. **In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance? (Pages 7-15)**

Yes

**No**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire welcomes the consultation and the proposal to move towards a funding system that is fair and not based on historical spending patterns. Wiltshire also welcomes the fact that the proposed formula shows an increase in funding for Wiltshire as a whole. However as a low funded authority we have strong concerns that a new “fairer” formula only increases funding for Wiltshire in a full year by 2.4% and that there are schools within Wiltshire, already a low funded authority, that will lose funding under the new proposals. Under the proposals 29 out of 231 schools in Wiltshire will lose funding and a further 3 will see no change at all in their funding compared with 2016-17 levels. This means that in a low funded authority 14% will see their funding reduced or unchanged.

Wiltshire does not agree that the right balance between fairness and stability has been reached. The emphasis on stability is understandable to a degree to prevent large swings in funding, however it continues to perpetuate historical allocations through the proposed implementation of the 3% floor.

The key concerns from a Wiltshire perspective are:

1. The proportion of weighting given to AEN rather than basic entitlement funding
2. The 3% funding floor

Wiltshire also supports the concerns raised by the F40 group in its own response, in relation to the continued use of averages within the proposed formula, and associated lack of evidence for the individual funding factors, and also the overall quantum for funding the NFF and assumptions in relation to the ability to make spending cuts.

**Proportion of weighting given to AEN rather than basic entitlement funding**

This is further examined in the response to Q4 and Q5 below.

As a low funded authority Wiltshire has consistently taken the view that funding should be distributed to maximise the resources allocated to all pupils within the County’s schools. This enables head teachers and governing bodies to have improved predictability of funding as the largest proportion of funding is based on pupil numbers.

Wiltshire would also argue that there is an element of double counting in the emphasis on AEN factors, particularly in relation to deprivation as this is also covered by Pupil Premium Grant.

The emphasis on the use of prior attainment as a proxy for additional needs also represents

a perverse incentive within the system.

Wiltshire is concerned that schools are facing significant cost pressures over the next few years and that the emphasis on allocating funding through AEN indicators will leave schools insufficiently funded through the basic entitlement to meet cost pressures that apply across the whole school. Cost pressures faced by schools include:

- Apprenticeship Levy (0.5% of maintained schools annual pay bill, but not for VA&Foundation, and academies with pay bill >£3m)
- Support Staff Employers Pension contributions (1% p.a. for next 3 years)
- Teachers Pension contributions (expected to increase from 16.4% to 18%)
- RPI currently sitting at 2.6% for all non-pay expenditure (Highest rate since Oct 2014)

### **3% Funding Floor**

One of the key principles set out in Stage 1 of the consultation, supported by Wiltshire, was that pupils of similar characteristics should attract similar levels of funding wherever they are in the country (allowing for the area cost adjustment). The proposed 3% funding floor “locks” in some of the historical differences for those schools which have been better funded for several decades. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country. Stability for schools in funding is important, but not at the expense of never reaching a fair formula and outcome.

It is important that if a funding system is going to be fair, simple, transparent and gets funding straight to schools that need it then any protection built in to the system needs to support moving towards those objectives. The funding floor means that historical unfairness will be perpetuated.

### **Proposed Solution**

Wiltshire would offer the following solution to the concerns raised above:

1. Increase the proportion of funding allocated through the basic entitlement to ensure that sufficient funding is allocated for all of the pupils in a school
2. Take out the double funding element for deprivation as this is met through Pupil Premium Grant (PPG)
3. Remove the proposed 3% funding floor and allow the Minimum Funding Guarantee (MFG) to support schools losing funding.

## **2. Do you support our proposal to set the primary to secondary ratio in line with the current national average? (Pages 16-17)**

We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage one. We are now consulting on how great the difference should be between the phases.

The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

Yes



No – the ratio should be closer (i.e. primary and secondary phases should be funded at more similar levels)

No – the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase)

**None of the above**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire recognises the need for differential funding between primary and secondary schools. Over recent years the ratio in Wiltshire has been:

2014-15 – 1:1.24

2015-16 – 1:1.25

2016-17 – 1:1.25

2017-18 – 1:1.25

This would suggest that the impact of the proposed ratio will not be material in Wiltshire however we are concerned that the proposed ratio is not evidenced within the proposals and is simply set at the current national average. Without any detail on what the differential is based on then it is difficult to demonstrate that the objectives of transparency and fairness are being achieved.

Wiltshire would support the work done by the F40 group that states the amounts and relative weightings need to be evidence based with reference to actual costs and factors such as:

- Teaching group sizes.
- Teacher contact time, including an allowance for planning, performance and assessment (PPA).
- Teaching assistant time.
- Absence e.g. sickness, maternity etc.
- Leadership costs.
- Non-class staff costs.
- Resources.
- Exam fees (Key Stage 4 only).

When this has been calculated the ratio will be what it is.

### **3. Do you support our proposal to maximise pupil-led funding? (Pages 17-18)**

We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average (see question 7 on the lump sum value).

Yes

**No - you should further increase pupil-led funding and further reduce school-led funding**

No - you should keep the balance between pupil-led and school-led funding in line with the current national average

No - you should increase school-led funding compared to the current national average

Please explain your reasoning and any further evidence we should take into account:

Wiltshire agrees that the formula should maximise the amount of funding allocated through pupil led factors. In the responses to future questions in this consultation we will outline our concerns about the balance between the proposed pupil led factors. The table below illustrates the difference in the weightings of the factors between the current Wiltshire formula and the proposed NFF. As stated in Q1 above, as a low funded authority Wiltshire has taken the approach to maximise the amount of funding allocated through the basic per pupil entitlement.

	% of overall budget	
	National	Wiltshire
Basic per-pupil funding	72.5	83.45
Additional need factors	18	6.23
School led funding	9.5	10.32

Note that these weightings do not include PPG. When the deprivation element of PPG is included the proportion of funding schools receive through additional needs factors increases even further.

It is Wiltshire's view that the relatively high proportion of funding allocated through AEN factors goes against the principles of a funding system that is fair and supports every child wherever they are in the country.

### **Pupil-Led Factors**

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right proportions for each factor.

#### **4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors? (Pages 20-21)**

Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language).

The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may be only just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system.

We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

Yes

No – allocate a greater proportion to additional needs  
**No – allocate a lower proportion to additional needs**

Please explain your reasoning and any further evidence we should take into account:

It is vital that the basic level of funding allocated to all schools is adequate for the school to staff and operate sufficiently. The additional needs funding should be as the name suggests, additional. If the DfE can clearly evidence that additional funding needs to be targeted at the AEN factors, this should not be at the expense of the basic entitlement funding which is intended to provide a core baseline of funding for all pupils and is imperative to achieving a fair, balanced and equitable funding formula.

As shown in the response to Q3 Wiltshire currently allocates a higher proportion of funding through the basic entitlement than the proposed NFF. This reflects a clear and consistent approach from the Wiltshire Schools Forum that limited resources need to “follow the child” and that funding allocated through the basic entitlement should therefore be maximised. Cost pressures currently being experienced by schools are relevant to the whole school rather than just those pupils with additional needs and therefore whole school funding is important. Those cost pressures would include:

- Apprenticeship Levy (0.5% of maintained schools annual pay bill, but not for VA&Foundation, and academies with pay bill >£3m)
- Support Staff Employers Pension contributions (1% p.a. for next 3 years)
- Teachers Pension contributions (expected to increase from 16.4% to 18%)
- RPI currently sitting at 2.6% for all non-pay expenditure (Highest rate since Oct 2014)

The impact of increasing the weighting of AEN factors, coupled with the proposed values for school led factors, is to reduce the amount distributed via the basic pupil amount. This is a major cause of reduction in funding to some Wiltshire schools. In some cases this shortfall is not made up by funding allocated through AEN factors. The impact of the NFF proposals on the basic per pupil entitlement for Wiltshire schools is as follows:

<b>‘Per Pupil’ funding</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Proposed NFF</b>	<b>Reduction per pupil</b>
Primary (KS1 & KS2)	2,912.12	2,989.50	2,984.65	<b>2,711.64</b>	<b>-£273.01</b>
Secondary (KS3)	3,739.55	3,838.91	3,832.69	<b>3,797.29</b>	<b>-£35.40</b>
Secondary (KS4)	4,562.50	4,683.72	4,676.13	<b>4,311.59</b>	<b>-£364.54</b>

**5. Do you agree with the proposed weightings for each of the additional needs factors?**

**Deprivation - pupil based at 5.5% (Pages 21-25)**

Allocate a higher proportion

The proportion is about right

### **Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above.

Wiltshire is concerned that there is an element of double funding of deprivation through pupil premium as well as through FSM indicators within the formula. This becomes more of a concern as the proportion of funding allocated based on FSM indicators increases. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

What is the evidence for the higher rate of funding for FSM Ever6 for secondary pupils compared with primary age pupils? Is there evidence for these rates or are they based on current averages?

Parents with children in infant year groups do not always apply for free school meals because of the universal infant free meal. Schools with these year groups are being underfunded for their pupil needs as a result and to allocate more funding via this route will make that unfairness worse.

### **Proposed Solution to under funding of pupil led deprivation**

Regardless of the issue of double counting with PPG, Wiltshire would support proposals for the DfE to develop methods of removing the need for parents to need to apply for free school meals and this should now be an automatic entitlement for all that are eligible.

### **Deprivation - area based at 3.9% (Pages 21-25)**

Allocate a higher proportion

The proportion is about right

### **Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire does not believe that the IDACI model works well for large rural postcode areas as the area is too large to achieve a homogenous population. Whilst Wiltshire does not currently use IDACI data in its local formula, a review of the data and experience of other local authorities shows the impact of reviews of IDACI data on individual schools which can bring about step changes in funding. This suggests that the objectives of stability and predictability are not met through use of IDACI or other area based data

### **Proposed Solution**

Wiltshire would propose that a single, pupil led source of data for deprivation funding is used. The current proposed methodology is complex and does not support the proposed principles for the NFF.

Wiltshire would also propose that if PPG is to continue then a single census should be used to calculate funding for deprivation and PPG.

### **Low prior attainment at 7.5% (Pages 25-27)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire does not support the allocation of 7.5% of funding through prior attainment measures. National changes in assessments have resulted in data volatility which seriously undermines confidence when using to allocate funding and impacts on the objectives of predictability and stability. 93% of pupils in Wiltshire are in good or outstanding schools and the emphasis on prior attainment will draw funding away from an already low funded authority. These pupils are still required to make progress and by drawing funding away from these good and outstanding schools there is a risk that they become coasting schools.

**English as an additional language at 1.2% (Pages 27-28)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire questions the balance between the factors allocated for primary and secondary. Wiltshire has previously supported the weighting of funding towards pupils in primary schools. What is the evidence for the significant differences in rates between primary and secondary pupils?

The current formula in Wiltshire uses EAL1 data rather than EAL3.

The weightings are a proportion of the total schools budget.

**6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond? (Pages 28-29)**

We have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while we develop a more sophisticated indicator. We would welcome any comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.

For Wiltshire the main issue for mobility is in respect of schools that have a high proportion of service children where whole regiments can be transferred in and out and the mobility

factor needs to provide sufficient funding to keep a stable staff in school. This will be a particular issue for Wiltshire with large changes proposed for the Salisbury Plain area. Historically Wiltshire has recognised the need to provide funding to support the stability in structure of a school that may experience large turnover of pupils and also to recognise the additional needs that service pupils often have that are not recognised by the proposed AEN factors. Service families do not trigger deprivation funding and may have good prior attainment

### **School-Led Factors**

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right amounts for each factor.

#### **7. Do you agree with the proposed lump sum amount of £110,000 for all schools? (Pages 29-31)**

This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

##### **Primary**

Allocate a higher amount

This is about the right amount

**Allocate a lower amount**

##### **Secondary**

**Allocate a higher amount**

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

Wiltshire does not agree with the principle that the lump sum should be set at the same value for primary and secondary. Primary and Secondary schools will have different levels of fixed and core costs and these should be reflected in differential lump sum values. Currently the lump sum values in Wiltshire are set at £85,000 for a primary school and £175,000 for a secondary school.

It should be noted that the current allowable lump sum had the biggest single impact on secondary schools in Wiltshire when the current funding arrangements were put in place as Wiltshire had previously set a higher value. The reduction to £110,000 would compound that impact.

For primary schools in a rural authority the lump sum and the sparsity factor are closely linked. It is the view of Wiltshire Schools Forum that setting the lump sum at £110,000

would provide sufficient support to small primary schools without the need for a sparsity factor. If a sparsity factor is to be included then the proposed lump sum is considered to be too high.

The proposed change to the lump sum would result in additional funding being directed through the school-led factors by £3m rather than through the pupil-led factors.

### **Proposed Solution**

Wiltshire would propose:

- Increase the lump sum for Secondary schools
- Keep the proposed lump sum for primary at or below the proposed £110,000 figure
- Increase the proportion allocated through the basic entitlement
- Remove the proposed sparsity allowance

### **8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools? (Pages 31-33)**

We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £65,000 for secondary schools.

#### **Primary**

Allocate a higher amount

This is about the right amount

Allocate a lower amount

#### **Secondary**

Allocate a higher amount

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

See also the answer to Q7.

Wiltshire does not agree with the inclusion of the proposed sparsity factor. Whilst we agree with the need to support small rural schools, we do not believe that the current proposal for a sparsity factor is the right tool to achieve that outcome. Wiltshire has a number of small schools that would meet the criteria for pupil numbers but the majority of them do not meet the criteria for distance. Wiltshire is a rural authority with many school village schools but it is not necessarily a sparse County.

The impact of the proposed sparsity factor, therefore, is to allocate very different funding to schools that may, in every other respect, be similar ie, small village schools.

A real example would be two schools in Wiltshire currently each with 48 pupils on roll, one for which pupils will need to travel an average of 2.09 miles from its nearest alternative and another school with 48 pupils for which the average distance is 1.87 miles from the nearest alternative. Under the proposals one school could receive £25,000 more than the other but it would be difficult to argue that it would cost an additional £520 per pupil to educate pupils in that school due to pupils having to travel more than 2 miles to an alternative school when in all other respects the schools would have similar costs.

There is also the danger that schools will move in and out of an entitlement to the sparsity factor from year to year. For example if a school fluctuates between, say, 148 on roll and 152 what would be the impact.

Similarly if the cohort of pupils changes slightly and therefore the average distance to travel moves between 1.99 miles and 2.01 miles there would also be instability of funding for those schools. There is evidence of this within Wiltshire which would have a detrimental impact upon funding for individual schools.

The sparsity factor as currently proposed would cost £820,000 in Wiltshire. If that funding were added to the basic entitlement it could represent an additional £13 per pupil across all schools rather than being targeted at a small number of schools. If distance and number on roll thresholds were applied, as proposed by the NFF, then the amount payable could be as low as £543,000, a reduction of £9 per pupil available for funding through the formula.

It is our view that the lump sum should be used to support small rural schools. The proposed value for primary schools of £110,000 already represents an increase in school led funding of £25,000 on the current local formula. The lump sum for secondary should be increased as noted in the response to Q7.

There may be a case for a sparsity factor in counties where schools might genuinely be sparsely located but the current factor does not address the funding needs of the larger group of small rural schools.

**9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term? (Pages 34-37)**

The growth factor will be based on local authorities' historic spend in 2018-19. For the longer-term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

Wiltshire would not support the use of lagged pupil growth data on a long term basis and would support a full review of how growth in existing and new schools is to be funded. Clear and consistent criteria are required.

Use of lagged numbers cannot reflect the significant pupil growth that will occur in Wiltshire as a result of the Army Rebasing Programme which will see significant numbers of service families relocating to Wiltshire. There will need to be a methodology to take in to account forecast growth based on evidence.



## **Funding Floor**

### **10. Do you agree with the principle of a funding floor? (Pages 37-39)**

To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the minimum funding guarantee (see question 13).

Yes

**No**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire does not support the proposed 3% funding floor and is of the view that the -1.5% per pupil per year MFG should be sufficient protection for schools that lose funding under the proposed formula. It is our view that the proposed 3% funding floor will perpetuate historical differences in funding and will mean that funding is not sufficiently redistributed to schools and local authority areas that should gain under the proposed NFF.

The application of a funding floor does not enable the model to achieve the stated objectives of fairness or transparency or to get funding directly to schools who need it.

### **11. Do you support our proposal to set the funding floor at minus 3%? (Pages 37-39)**

This will mean that no school will lose more than 3% of their current per-pupil funding as a result of this formula.

Yes

**No – the floor should be lower (i.e. allow losses of more than 3% per pupil)**

No – the floor should be higher (i.e. restrict losses to less than 3% per pupil)

Please explain your reasoning and any further evidence we should take into account:

Wiltshire does not support a funding floor

The MFG mechanism provides stability to schools and if the NFF identifies schools that have been considerably better funded for many years then this funding should be removed over time and re-distributed accordingly.

MFG should be sufficient protection to allow change over a period of time. This floor locks in past inequities. In fact, new schools in 'floor areas' are likely to attract new floor funding so it will be perpetuated.

### **12. Do you agree that for new or growing schools (i.e. schools that are still filling up and do not have pupils in all year groups yet) the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity? (Page 43)**

**Yes**

No

We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled all their year groups.

Please explain your reasoning and any further evidence we should take into account:

Wiltshire agrees that new/growing schools may require additional protection. At a local level this is currently dealt with through the pupil growth fund.

### **Transition**

#### **13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5%?**

The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil per year.

**Yes**

No – the minimum funding guarantee should be lower (i.e. allow losses of more than 1.5% per pupil in any year)

No – the minimum funding guarantee should be higher (i.e. restrict losses to less than 1.5% per pupil in any year)

Please explain your reasoning and any further evidence we should take into account:

Wiltshire supports the continuation of the MFG. However, it is disappointing that in a currently low funded authority there are schools that would be subject to MFG under the new proposals

### **Further Considerations**

#### **14. Are there further considerations we should be taking into account about the proposed schools national funding formula?**

Yes, there are many issues that need to be taken in to account. These include:

##### **Education Services Grant (ESG)**

The removal of the ESG will have an impact on all schools, whether maintained or academy. Academies will have costs which were supported by the ESG which they will need to fund from their General Annual Grant and local authority cuts are likely to lead to additional charges to maintained schools. This is another cost which schools across the country will have to bear without additional resources.

##### **Movement between blocks**

Wiltshire Schools Forum is concerned that the high needs block continues to be

underfunded and that this has a potential impact on the schools block.

### **Schools Forum and Local Expertise**

There is no clarity in the consultation about the ongoing purpose of the Schools Forum. The members of Schools Forums and locally elected Councillors have a considerable number of combined years of experience of the management of schools and education. They work in the local area and understand the needs of their communities. This is a huge resource of local expertise about what works locally and supports children locally. By moving to a funding formula managed from the centre, this local expertise could be lost.

There are still significant areas of the NFF and of the HNB funding that will require local authority input, yet the removal of the major element of funding for schools is likely to lead to this becoming a marginalised area of work, especially without a Schools Forum. This in turn could lead to a loss of the relevant officer expertise to understand split sites, other exceptional arrangements and the changes to the school landscape and the impact on the MFG. Any fairness that starts with the National Funding Formula will quickly ebb away, leaving schools in local areas unfairly funded compared to their neighbouring schools (let alone schools in other parts of the country). Clarity about how this is to be managed in future is needed very shortly.

The EFA currently does not attend local schools forum meetings but we would consider that this would be important moving forward in order that the EFA has an understanding of local issues including growth funding, PFI and split sites as well as any unintended consequences of the funding mechanism.

### **Capacity of EFA to consider local issues**

Following on from above, we question the ability and capacity of the Education Funding Agency to be able to properly consider all the data it uses and to work with schools to apply the necessary local knowledge to a national funding formula. This is what LAs do all the time in the management of their local formula. It is difficult enough to manage at a local level: doing so at a national level will be a considerable challenge. An example of this is that the EFA currently send local authorities lists of data that looks out of step as part of the APT process. This is the type of work the EFA will need to look at in future and we doubt that they have the capacity or local understanding to do this type of work).

### **Review Mechanism**

The NFF is not something that is done once and just applied every year ad infinitum. Yet this is the way that it appears at present. There must be a rational process for reviewing, adding or subtracting from the formula and the NFF does not provide that as it currently stands.

### **Auto-registration for free school meals**

Wiltshire supports the F40 view that there ought to be auto-registration for free school meals. Parents with children in infant year groups do not always apply for free school meals because of the universal infant free meal. Schools with these year groups; which are the building blocks for a child's future education path are being underfunded for their pupil needs as a result and to allocate more funding via this route will make that unfairness worse. As a minimum, f40 believes that the DfE should be developing methods of removing the need for parents to need to apply for free school meals and this should now be an automatic entitlement for all that are eligible.

**15. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?**

Yes

No - a higher proportion should be allocated to the deprivation factor

**No - a lower proportion should be allocated to the deprivation factor**

No - there should not be a deprivation factor

Please explain your reasoning and any further evidence we should take into account:

There is some logic to using a deprivation factor as part of the allocation of the central schools block in order to reflect levels of need for services such as Education Welfare. It is difficult to comment on whether 10% is the "right" amount.

As a rural authority Wiltshire does not support the use of IDACI data to allocate deprivation funding.

**16. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?**

Yes

No - allow losses of more than 2.5% per pupil per year

No - limit reductions to less than 2.5% per pupil per year

Please explain your reasoning and any further evidence we should take into account:

Wiltshire would agree with the need to limit reductions to central schools services block although the rationale behind 2.5% is unclear. Should the limit be aligned with the MFG within the NFF?

**17. Are there further considerations we should be taking into account about the proposed central school services block formula?**

Paragraph 5.22 refers to the ability of the LA to recycle money that is no longer needed for historic commitments into schools, high needs or early years in 2018-19. Clarity is required as to how this will be taken into consideration against a move towards a 'hard' national funding formula for schools i.e. if funding is moved into the schools block in 2018-19 is there a danger it will be "lost" when the hard funding rates are introduced from 2019-20?

The consultation states that the department will "set out our long-term intention for funding released from historic commitments at a later point". We would request this guidance as early as possible as it is likely to influence Schools Forum decisions on where best to recycle

this funding as and when it becomes available.

**Equalities Analysis**

**18. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?**

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## Wiltshire Council

Schools Forum  
9<sup>th</sup> March 2017

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### High Needs National Funding Formula and Other Reforms – Draft Consultation Response

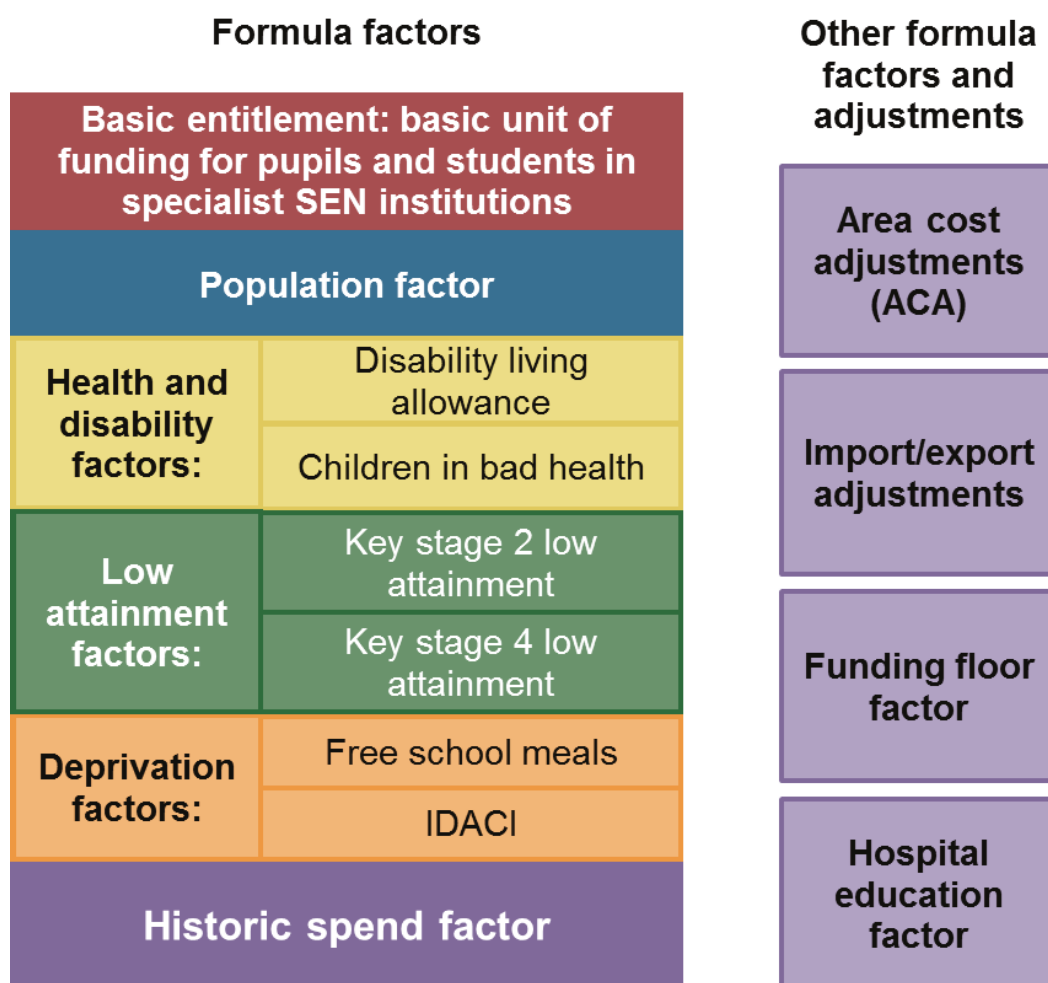
#### Purpose of report

1. To present a draft consultation response to the government consultation on a national funding formula for high needs in order that a response can be finalised prior to the deadline for submission.

#### Main considerations for School Forum

2. On 14<sup>th</sup> December 2016 the government issued a stage 2 consultation on proposals for a national funding formula for high needs funding. The closing date for the consultation is 22<sup>nd</sup> March 2017.
3. The initial consultation on a national funding formula was issued in March 2016 and focussed on the principles of a national funding formula. It was proposed that a funding system should have seven underpinning principles – that a funding system should:
  - Support opportunity
  - Be fair
  - Be efficient
  - Get funding to the front line
  - Be transparent
  - Be simple
  - Be predictable
4. Having analysed the responses to the phase 1 consultation the government has proposed a national funding formula for high needs comprising a number of building blocks based on population, proxy indicators for high needs, and historical spend. Other adjustments will then be applied including an adjustment for net “import/export” of pupils with high needs and an area cost adjustment. The proposed formula factors are illustrated in the following diagram:

**Figure 1 – Building Blocks and Factors in the high needs national funding formula** (source: DfE consultation on high needs funding formula)



5. The key principles that the government is aiming to balance in the proposed formula are fairness and stability. The consultation document seeks views on whether that balance has been achieved.
6. In order to achieve stability of funding it has been proposed that approximately 50% of the funding received by each local authority will be allocated according to the historical spend factor which is calculated as 50% of the cash baseline figure for each LA. This amount would be held as a flat cash amount in the formula for 4 years until the formula is next reviewed.
7. The remaining 50% (approximately) of the funding is proposed to be allocated according to the following factors. The allocation for high needs is split across SEN, Alternative Provision (AP) and an element for Hospital Education. These allocations for SEN and AP are based on formula factors weighted as follows:



**Table 1 – High Needs National Funding Formula Factor Weightings** (source: DfE consultation on high needs funding formula)

Formula factor	Proposed weightings			Data we have used for illustrative allocations
	SEN (90%)	AP (10%)	Combined	
1. Population	50%	50%	50%	Latest population aged 2-18 projection for 2018 from the Office for National Statistics (ONS)
2. Deprivation				
a. Free school meals (FSM) eligibility	8.3%	25%	10%	Number of children eligible for FSM
b. Income deprivation affecting children index (IDACI)	8.3%	25%	10%	Number of children in bands A-F from 2014 ONS population estimates
3. Low attainment				
a. Key stage 2 (KS2) results	8.3%	0%	7.5%	Number of children not achieving level 3 or above in KS2 tests in 2011-15
b. Key stage 4 results	8.3%	0%	7.5%	Number of children not achieving 5+ A* to G GCSEs in 2011-15
4. Health and disability				
a. Children in bad health	8.3%	0%	7.5%	Number of children and young people declared as in bad or very bad health in the 2011 census
b. Disability living allowance (DLA)	8.3%	0%	7.5%	Number of children aged 0-15 for whom parents receive DLA

8. The consultation seeks views on the proposed weightings of the formula factors.
9. The consultation also outlines proposals for a funding floor such that local authorities that would otherwise lose funding under the other factors in the formula are protected. It is proposed to set the funding floor so that no LA will see a reduction in funding compared to their current baseline.
10. The exemplification data provided by DfE indicates that Wiltshire will be on the funding floor under the new national formula for high needs and therefore will not gain any funding under the new proposals.
11. The final element of the consultation considers the degree of flexibility that may be allowable between funding blocks following the implementation of the national funding formula for high needs and the national funding formula for schools.

#### **Draft Consultation Response**

12. A draft response to the consultation is attached as Appendix 1 to this report.
13. The response was considered at the joint meeting of the School Funding Working Group and SEN Working Group on 24<sup>th</sup> February. The main concerns of the group related to the overall level of high needs funding and the use of proxy data for SEN that does not support the needs of pupils in a rural authority such as Wiltshire.

14. A regional meeting of LA Finance Officers is taking place on 1<sup>st</sup> March to consider responses across the region and any pertinent points from that meeting will be fed back to Schools Forum at the meeting.

### **Proposals**

15. That Schools Forum considers the draft response and agrees the final response to be submitted to DfE by 22nd March 2017.
16. That the agreed Schools Forum response be circulated to all Wiltshire Schools to inform their responses to the consultation.

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**Wiltshire Schools Forum**  
**High Needs National Funding Formula Consultation Stage 2**

**(Closing Date 22<sup>nd</sup> March 2017)**

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

Yes

**No**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire is strongly of the view that to allocate 50% of the funding based on historical spend does not support the principle of fairness. The use of the historical spend factor will perpetuate historical patterns of spend. If a national formula is thought to be the fairest way to allocate funding then there needs to be a clear direction of travel towards that national funding formula albeit with a protection mechanism such as a minimum funding guarantee (MFG) and/or a funding floor, to reduce turbulence.

Wiltshire is also strongly of the view that the funding within the high needs block is insufficient to meet the need. This has an impact on the principles of fairness and stability.

2. We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals?

**Historic Spend Factor – to allocate to each local authority a sum equal to 50% of its planned spend baseline**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

The use of the historic spend factor perpetuates historic patterns of spend which are acknowledged in the consultation document as not being fair and which are not based on need. The principle of stability should be achieved through a mechanism such as the MFG through which it can be demonstrated that there is a clear direction of travel towards the fair distribution of funding.

**Basic Entitlement – to allocate to each local authority £4,000 per pupil**

Allocate a higher amount

The amount is about right

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

The figure used for the basic entitlement should be linked to what is calculated to be the de-minimis level of funding for each child in a special school regardless of any additional need. This should be linked to the similar calculation for mainstream schools and has yet to be evidenced by DfE in the proposed NFF.

**Question 3 – we propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?**

- **Population 50%**
- **Free School Meals eligibility 10%**
- **IDACI 10%**
- **KS2 low attainment 7.5%**
- **KS4 low attainment 7.5%**
- **Children in bad health 7.5%**
- **Disability Living Allowance 7.5%**

**Population 50%**

**Allocate a higher proportion**

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Wiltshire is of the view that a higher proportion of funding should be based on population. The biggest driver of demand is initially going to be the numbers of children within any one area. Children should receive support regardless of the area in which they live or the prior attainment of pupils in an area.

**Free School Meal Eligibility 10%**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire is of the view that a higher proportion of funding should be allocated based on population. If a measure of deprivation is to be used then Wiltshire would support the use of a pupil based measure rather than an area based measure and would therefore prefer FSM

to IDACI as an indicator. If FSM data is to be used Wiltshire would support proposals for the DfE to develop methods of removing the need for parents to need to apply for free school meals and this should now be an automatic entitlement for all that are eligible. Because of the universal free school meal entitlement at KS1 it is felt that FSM data currently understates the amount of funding that should be attracted through this measure.

**IDACI 10%**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire does not support the use of IDACI data to allocate funding. As a rural authority IDACI does not target funding sufficiently towards small pockets of deprivation and therefore underfunds

**KS2 Low Attainment 7.5%**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

As with the NFF for schools Wiltshire has concerns about the use of low prior attainment data as a proxy for SEN. Wiltshire has a high proportion (93%) of pupils in good and outstanding schools and so would not attract significant funding from this measure despite continuing to need to support pupils with SEN.

**KS4 Low Attainment 7.5%**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

As with the NFF for schools Wiltshire has concerns about the use of low prior attainment

data as a proxy for SEN. Wiltshire has a high proportion (93%) of pupils in good and outstanding schools and so would not attract significant funding from this measure despite continuing to need to support pupils with SEN.

**Children in bad health 7.5%**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

Wiltshire has concerns about the use of this data which is based on the 2011 census and therefore not based on current need. The data is also subjective as it relies on individual families to make the returns in the census.

**Disability Living Allowance 7.5%**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

As stated above Wiltshire would want to maximise the amount of funding allocated on a population basis rather than through a multitude of additional measures.

**4 Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as the funding floor in this document.**

**Yes**

No

Please explain your reasoning and any further evidence we should take into account:

Wiltshire supports the use of a funding floor in the case of high needs funding as high needs budgets are under significant pressure across all authorities. As a low funded authority

Wiltshire is seriously concerned to find itself on the funding floor for a high needs formula.

**5 Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?**

Yes

No

Please explain your reasoning and any further evidence we should take into account:

Yes – see response to Q4 above

**6 Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?**

Yes

No

Please explain your reasoning and any further evidence we should take into account:

We think that the high needs block should be funded sufficiently well not to require continued subsidisation from the schools block. We also have concerns about the impact that any movement between blocks in 2018-19 may have on baselines for 2019-20 and the implementation of the hard formula.

**7 Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?**

See response to Q6. It is Wiltshire's view that the high needs block needs to be sufficiently well funded to meet the needs of pupils within an area and not reliant on historical levels of funding and/or cross subsidisation from other blocks.

**8 Are there further considerations we should be taking in to account about the proposed high needs national funding formula?**

Wiltshire's main concern is the level of funding within the high needs block. High needs budgets are under considerable pressure across the country and by simply redistributing the existing quantum of funding these pressures will continue – the national funding formula

needs to be a fair way of distributing adequate levels of funding across local authority areas rather than simply reallocating insufficient funding. Without additional funding the core principles of fairness and stability cannot be achieved in any of the funding blocks.

- 9 Is there any evidence relating to the eight protected characteristics as identified in the Equalities Act 2010 that is not included in the Equalities Analysis Impact Assessment and that we should take in to account?**

DRAFT