

## AGENDA

---

**Meeting:** Schools Forum

**Place:** The Usher Suite - Civic Centre, St Stephens Place, Trowbridge.  
BA14 8AH

**Date:** Thursday 6 December 2012

**Time:** 1.30 pm

### Briefing Arrangements:

Briefing will be held at 11.30 am in the Usher Suite and will focus on Schools Funding Reform Update and Budget Setting Process 2013-14

Please direct any enquiries on this Agenda to Kirsty Butcher, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 713 948 or email [kirsty.butcher@wiltshire.gov.uk](mailto:kirsty.butcher@wiltshire.gov.uk)

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

<b>Membership:</b>	<b>Representing:</b>
Mr N Baker	<b>PHF, Christ Church CE Primary School</b>
Dr Peter Biggs	<b>WGA, Secondary School Governor Representative</b>
Mrs Julia Bird	<b>PHF, Southwick Primary School</b>
Mr Andy Bridewell	<b>PHF, Ludgershall Castle Primary School</b>
Mr Steve Clark	<b>Maintained Secondary - Melksham Oak Community School</b>
Mrs A Ferries	<b>WGA, St Patrick's Catholic Primary School</b>
Mrs Jane Franchi	<b>Salisbury Diocesan Board of Education</b>
Mr Tim Gilson	<b>Academy, Malmesbury School</b>
Jan Hatherell	<b>Academy, Hardenhuish School</b>
Mr John Hawkins	<b>Teacher representative</b>
Mrs Sue Jiggins	<b>WGA - Primary Governor Representative</b>
Mr Michael Keeling	<b>Early Years Representative</b>
Rev Alice Kemp	<b>WGA, SEN Governor Representative</b>
Dr Tina Pagett	<b>14-19 Group Representative</b>
Mr J Proctor	<b>Early Years Representative (PVI)</b>
Ms I Sidmouth	<b>SEN Sector, Rowdeford School</b>
Mr Martin Watson	<b>Academy, Lavington School</b>
Mrs C Williamson	<b>PHF, Mere Primary School</b>

# AGENDA

## PART I

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

1 **Apologies and Changes of Membership**

2 **Minutes of the previous Meeting** (*Pages 1 - 6*)

To approve and sign as a correct record the minutes of the meeting held on **18 October 2012** (copy attached)

3 **Declaration of Interests**

To receive any declarations of disclosable or non-disclosable interests.

4 **Chairman's Announcements**

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

To receive a verbal update from the Service Director for Commissioning and Performance, Department for Children and Education.

6 **Budget Monitoring** (*Pages 7 - 10*)

To receive a report from Liz Williams, Head of Finance, presenting budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2012-13 as at 31st October 2012.

7 **Reports from Working Groups** (*Pages 11 - 28*)

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

- School Funding Working Group
- High Needs Formula Review Group
- Early Years Reference Group
- Schools Services Working Group (*verbal update*)

8 **Young People's Support Service Update** (*Pages 29 - 32*)

To receive an update from Mark Brotherton, Head of Targeted School and Learner Support.

9 **The Early Years Single Funding Formula - extension to 2 year olds** (*Pages 33 - 42*)

To receive a report from Simon Burke, Head of Business and Commercial Services detailing the outcome of consultation with the early years settings on the inclusion of funding for 2 year old places within the EYSFF.

10 **Controls on Surplus Balances Scheme** (*Pages 43 - 46*)

To receive a report from Jane Ralph, Schools Strategic Financial Management Adviser outlining options in relation to the continuation of the Controls on Surplus Balances Scheme into 2013-14.

11 **Dedicated Schools Grant 2012-13** (*Pages 47 - 50*)

To receive a report from Liz Williams, Head of Finance outlining the changes to how the Dedicated Schools Grant (DSG) settlement will be calculated for 2013-14 and the associated risks and issues for budget setting for 2013-14.

12 **Funding for Pupil Growth** (*Pages 51 - 52*)

To receive a report from Liz Williams, Head of Finance proposing the criteria to be used to allocate funding to schools for pupil growth from April 2013.

13 **Section 251 Benchmarking 2012-13** (*Pages 53 - 60*)

To receive a report from Liz Williams, Head of Finance summarising the key items from the Section 251 Benchmarking data for 2012-13.

14 **Confirmation of dates for future meetings**

To confirm the dates of future meetings, as follows:

24 January 2013  
14 March 2013  
27 June 2013  
3 October 2013  
12 December 2013  
23 January 2014  
13 March 2014

15 **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

This page is intentionally left blank

## SCHOOLS FORUM

---

### **DRAFT MINUTES OF THE SCHOOLS FORUM MEETING HELD ON 18 OCTOBER 2012 AT MELKSHAM TOWN HALL, MARKET PLACE, MELKSHAM, WILTS. SN12 6ES.**

#### **Present:**

Mr N Baker, Dr Peter Biggs, Mrs Julia Bird, Mr Andy Bridewell, Mr Steve Clark, Jan Hatherell, Mr J Hawkins, Mrs Sue Jiggins, Mr M Keeling, Mr J Proctor, Ms I Sidmouth, Mr Martin Watson and Mrs C Williamson

#### **Also Present:**

Stephanie Denovan - Service Director Schools and Learning and Cllr Lionel Grundy OBE

---

#### **40 Apologies and Changes of Membership**

Apologies were received from:

Mrs Ann Ferries  
Mrs Jane Franchi  
Mr Tim Gilson  
Rev. Alice Kemp  
Cllr Laura Mayes  
Dr Tina Pagett

#### **41 Minutes of the previous Meeting**

The Chairman introduced the item and drew attention to the amended wording for minute no. 29 circulated at the meeting.

In matters arising from the minutes the Forum's attention was drawn to minute no. 37 on the Minimum Funding Guarantee Exceptions 2012-13. A response had been received from the Education Funding Agency (EFA) in which 4 recommendations had been refused:

- Special staff costs
- Service school safety net
- Rents, where the school no longer qualifies under the revised funding proposals
- Split site funding where a school no longer qualifies

The Forums support was sought to appeal against the refusal of the recommendations for special staff costs and the service school safety net.

**Resolved:**

- 1. To accept the amended wording for minute no. 29;**
- 2. To approve and sign as a correct record the minutes from the meeting held on 4 October 2012 subject to the amendment above; and**
- 3. To support an appeal to the EFA to reconsider their refusal of the recommendations regarding special staff costs and service school safety net within the Minimum Funding Guarantee Exceptions 2012/13.**

**42 Declaration of Interests**

There were no declarations of interest.

**43 Chairman's Announcements**

The Chairman drew attention to the letter circulated to Committee members and attached to these minutes from Sarah Healy, Director of the Education Funding Group which stated that a Minimum Funding Guarantee (MFG) would operate post 2014-15.

It was noted that for special schools, whilst technically there is a MFG for the top up rate for each pupil, there is no protection against any loss of funding for unfilled places.

**44 Schools Forum Terms of Reference**

Kirsty Butcher, Democratic Services Officer introduced the report and highlighted section 10 of the Terms of Reference which introduced rules around public participation and reflected the requirement to hold all Schools Forum meetings in public.

In response to questions she confirmed that the agenda and minutes were currently circulated to all schools via wisenet, and it was suggested that the circulation be extended to include all early years providers given the change in the Early Years Single Funding Formula.

**Resolved:**

- 1. To endorse the Terms of Reference;**
- 2. To recommend that the Cabinet Member for Children's Services on behalf of the Cabinet approve the Terms of Reference for the Wiltshire Schools Forum; and**
- 3. To include Early Years Providers on the distribution list for agenda and minutes.**

## 45 Schools Funding Reform

Liz Williams introduced the item and confirmed the need to agree the formula at this meeting.

### Funding for deprivation

She introduced the new information that the Forum had asked for when considering deprivation and explained that the latest data available for Experian was from January 2012 census and the IDACI and FSM Ever 6 data was from October 2011. She explained that the most deprived schools ranked highly whichever data set was used however it was clearer with the rural primary schools that IDACI either picked them up or not and suggested that FSM Ever 6 may be a better fit.

Feedback from the WASSH meeting showed the difficulty in selecting either measure as there were variations within both which made it very tricky.

Despite frustrations around FSM Ever 6 there was a closer ranking between it and Experian with fewer moving significantly and it was confirmed that FSM Ever 6 was a measure that will continue to be used in the future.

Attention was drawn to the changes being introduced through Welfare Reform and the impact they could have in the future on the numbers of pupils eligible for free school meals. It was confirmed that the decision could be reviewed in a year's time.

In answer to questions the proportion of funding allocated to deprivation was confirmed as £4.5 million, or 2% of the total to be allocated on a per pupil basis.

### **Resolved:**

**To use Free School Meals data across all schools to determine how funding for deprivation will be distributed to schools.**

### Lump Sum

The Forum noted that the Education Funding Agency had sent a letter to Somerset stating that they would be working with rural counties to look at the impact of the formula and Wiltshire would be contacting them regarding involvement in this.

It was estimated that 48% of school would be losing using a lump sum of £100,000, combined with FSM Ever6, however this model gave the lowest number of schools losing compared with the other options.

Attention was drawn to the previous agreement that the cost of the MFG would be funded through limiting of gains to approximately 0.7%.

### **Resolved:**

**To set the level of lump sum within the formula at £100,000.**

## Formula Factors

Liz Williams detailed the factors seen in appendix 3 to her report and incorporating the resolutions above and confirmed the formula would go to Cabinet on Tuesday 23 October and be submitted to the EFA by 31 October 2012.

### **Resolved:**

- 1. To recommend to Cabinet that the formula factors shown in appendix 3 using FSM Ever 6 as the indicator for deprivation and a lump sum of £100,000 be approved; and**
- 2. To review the formula factors in 12 months time.**

## Delegation of Central Budgets

Liz Williams explained that viability of providing services centrally would continue to be looked at on an annual basis however it was agreed that for next year they could continue to be provided if budgets were de-delegated either for all maintained schools or for maintained primary schools.

She explained that decisions would be made separately for each phase and referred to the final operational guidance issued by DfE

In response to questions she confirmed that funding for Trade Union duties would have to be delegated to Academies next year and it was noted that a separate conversation was needed over how that would be managed with the collective agreement. She explained that funding would be delegated on a per pupil basis and that buy back from academies and special schools could be on the same basis.

Feedback from WASSH was that the understanding from maintained secondary schools had been that the phases could not be separated and this was reflected in the results in responses from secondary schools over the Ethnic Minority Achievement Services and the Traveller Education Service. Since these results had been submitted they now understood this was not the case and that the phases could be split.

As insurance had no central costs it was recommended that this was delegated.

The Forum noted that voting on the delegation of central budgets would be taken separately for each phase and only phase members from maintained schools were eligible to vote as explained in the DfE guidance.

### **Resolved in relation to the delegation or de-delegation of central budgets to maintained primary and secondary schools:**

- 1. To de-delegate Schools Contingency for both primary and secondary phases**
- 2. To de-delegate FSM Eligibility Service for both primary and secondary phases**



- 3. To delegate Insurance for both primary and secondary phases**
- 4. To de-delegate the SIMS, HCSS and Copyright Licences for both primary and secondary phases**
- 5. To de-delegate Trade Union duties for both primary and secondary phases**
- 6. To de-delegate Maternity Costs for both primary and secondary phases**
- 7. To de-delegate Ethnic Minority Achievement and Traveller Education Services for the primary phase**
- 8. To delegate the Ethnic Minority Achievement and Traveller Education Services for the secondary phase**
- 9. To de-delegate the Primary Behaviour Support Service for the primary phase**
- 10. To recommend to Cabinet that central budgets are de-delegated or incorporated as summarised in appendix 4 with amendments as detailed above.**

#### **46 Urgent Items**

The Forum thanked Phil Cooch for 38 years of service at Wiltshire Council and wished him every success in the future.

(Duration of meeting: 1.38 - 3.00 pm)

The Officer who has produced these minutes is Kirsty Butcher, of Democratic Services, direct line 01225 713 948, e-mail [kirsty.butcher@wiltshire.gov.uk](mailto:kirsty.butcher@wiltshire.gov.uk)

Press enquiries to Communications, direct line (01225) 713114/713115

This page is intentionally left blank

## **DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2012-13**

### **Purpose of the Report**

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2012-13 as at 31<sup>st</sup> October 2012.

### **Main Considerations**

2. Appendix 1 to this report outlines the budget monitoring summary as at 31<sup>st</sup> October 2012. At this point in the year an underspend of £0.221 million is projected against the overall schools budget. This is an adverse movement of £0.299 million since the previous report to Schools Forum, the main change is the forecast overspend on Premature Retirement Costs (PRC) in schools.
3. Key variances are as follows:
  - a. *Independent Special School Placements* – this budget is currently projected to underspend by £0.400 million. The forecast is based on all current placements and includes young people for whom a placement has been agreed by the Joint Complex Needs Panel but which may not yet be in place.
  - b. *Young Person's Support Service* – following the closure of the service at the end of August there is an underspend of £14,000.
  - c. *Early Years Free Entitlement for 3 & 4 year olds* – an underspend of £0.226 million is projected against the Early Years Single Funding Formula. This projection is updated termly based on the uptake of the free entitlement across settings and the underspend is likely to reduce through the year.
  - d. *Premature Retirement Costs* – all redundancy costs incurred in schools to 31<sup>st</sup> August have been analysed and a projection made of costs likely to be incurred in the remainder of the year. An overspend of £0.106 million is projected against this budget.
  - e. *Maternity Costs* - it is projected that the maternity budget will overspend by £0.300 million. The budget has been reduced in the current year to reflect the Local Authority Central Spend Equivalent Grant (LACSEG) recoupment from the Council's DSG allocation, however spend continues at a high level. The projection is based on spend to date.

### **Proposals**

4. Schools Forum is asked to note the budget monitoring position at the end of October 2012.

CAROLYN GODFREY  
DIRECTOR, CHILDREN & EDUCATION

---

Report Author: Liz Williams, Head of Finance (DCE)

Tel: 01225 713675 e-mail: [elizabeth.williams@wiltshire.gov.uk](mailto:elizabeth.williams@wiltshire.gov.uk)

This page is intentionally left blank

***Financial Monitoring***

<b>Service Areas</b>	<b>Approved Budget £m</b>	<b>Projected Outturn for £m</b>	<b>Variation for Year £m</b>
<b>1 Funding Schools</b>			
DSG Funded Expenditure	257.457	257.457	0.000
<b>Total</b>	<b>257.457</b>	<b>257.457</b>	<b>-</b>
<b>2 Schools &amp; Learning Branch</b>			
Independent Special Schools	3.934	3.534	-0.400
Named Pupil Allowances	2.135	2.132	-0.003
Special Recoupment	1.546	1.537	-0.010
Specialist SEN Service	0.804	0.736	-0.067
Sensory Service	0.522	0.522	0.000
Ethnic Minority Achievement Service	0.326	0.326	0.000
Travellers Education Service	0.192	0.192	0.000
Local Collaborative Partnerships	0.077	0.077	0.000
Young People's Support Services	0.994	0.980	-0.014
Behaviour Support	0.784	0.784	0.000
Other Targeted Services	2.155	2.135	-0.020
<b>Total Targeted Schools &amp; Learner Support</b>	<b>13.467</b>	<b>12.953</b>	<b>-0.515</b>
Strategic Planning	0.035	0.035	0.000
Admissions Service	0.263	0.263	0.000
Other School Improvement Services	0.025	0.025	0.000
<b>Total School Improvement</b>	<b>0.324</b>	<b>0.324</b>	<b>0.000</b>
Early Years Single Funding Formula	14.926	14.700	-0.226
Other Early Years Services	1.117	1.117	0.000
<b>Total Early Years &amp; Childcare</b>	<b>16.043</b>	<b>15.817</b>	<b>-0.226</b>
Business & Commercial Services	0.153	0.153	0.000
<b>Total Schools &amp; Learning</b>	<b>29.986</b>	<b>29.246</b>	<b>- 0.741</b>
<b>3 Commissioning &amp; Performance</b>			
Schools Maternity Costs	0.551	0.851	0.300
Trades Union Facilities Costs	0.048	0.048	0.000
Schools PRC - New Cases	0.411	0.517	0.106
SIMS Licence	0.131	0.160	0.029
Other services	0.138	0.186	0.048
<b>Total</b>	<b>1.279</b>	<b>1.762</b>	<b>0.484</b>
<b>4 Safeguarding</b>			
Child Protection in Schools	0.028	0.028	0.000
<b>Total</b>	<b>0.028</b>	<b>0.028</b>	<b>-</b>

***Financial Monitoring***

<b>Service Areas</b>	<b>Approved Budget £m</b>	<b>Projected Outturn for £m</b>	<b>Variation for Year £m</b>
<b>5 Social Care &amp; Integrated Youth</b>			
QES	0.033	0.033	0.000
Assisted Places Scheme	0.030	0.030	0.000
Looked After Children Education Service	0.133	0.169	0.036
<b>Total</b>	<b>0.196</b>	<b>0.232</b>	<b>0.036</b>
<b>6 DSG Within Corporate Services &amp; "LACSEG Reserve"</b>			
Gross Expenditure	4.817	4.817	0.000
<b>Total</b>	<b>4.817</b>	<b>4.817</b>	<b>-</b>
	<b>293.764</b>	<b>293.543</b>	<b>- 0.221</b>

**Note POSITIVE variances = OVERSPEND**

Wiltshire Council

Schools Forum  
6<sup>th</sup> December 2012

---

## Report from the School Funding Working Group

### Purpose of report

1. To report on the meeting of the School Funding Working Group held on 21<sup>st</sup> November 2012.

### Main considerations for School Forum

2. The draft minutes of the meeting are attached at Appendix 1.
3. The Group agreed the following recommendations to be made to Schools Forum in respect of reports to be considered at the meeting on 6<sup>th</sup> December.

#### 4. Controls on Surplus Balances Scheme

The School Funding Working Group considered a report reviewing the controls on surplus balances scheme and considering whether it should be continued in to 2013-14.

It was recommended that the scheme should not continue to be operated in 2013-14 and that a new process enabling a wider view of financial management in schools should be developed (Proposal (iii) in the Controls on Surplus Balances Report).

#### 5. DSG Estimate 2013-14

The group considered the report estimating the Dedicated Schools Grant (DSG) settlement for 2013-14.

It was recommended that the Schools Funding Working Group should meet prior to the EFA deadline for submission of the Schools Block proforma to finalise the funding values within the mainstream funding formula. It was also recommended that Stephen Clark should be invited to join that meeting to ensure that maintained secondary schools were represented within that decision making process.

#### 6. Pupil Growth Funding 2013-14

The group considered the criteria currently used to allocate additional funding for pupil growth in schools and agreed that these criteria should be recommended for 2013-14.

### Proposals

7. That Schools Forum note the minutes of the School Funding Working Group and the recommendations outlined above.

Carolyn Godfrey

Report author: Liz Williams, Head of Finance  
01225 713675  
[Elizabeth.williams@wiltshire.gov.uk](mailto:Elizabeth.williams@wiltshire.gov.uk)



**Schools Forum School Funding Working Group**

**21 November 2012, 8:30am, Orkney Meeting Room, County Hall**

**Minutes**

**Present:** Liz Williams, Jane Ralph (for item 2), Andy Bridewell, Catriona Williamson, John Hawkins, Sarah Findlay-Cobb, Neil Baker, Martin Watson

**Apologies:** Phil Cook

		Action
1	<p><b>Minutes from Previous Meeting</b></p> <p>The minutes of the previous meeting had been reported to Schools Forum in October and there were no outstanding actions</p>	
2	<p><b>Controls on Surplus Balances – continuation of scheme for 2013-14</b></p> <p>JR presented a report on reviewing the Wiltshire Controls on Surplus Balances Scheme and considering whether it should remain in operation for the 2013-14 financial year. JR highlighted the consultation carried out by DfE in response to a National Audit Office report on <i>Oversight of Financial Management in LA Maintained Schools</i> in October 2011. Following that consultation the DfE announced that they will challenge LAs with 5% of schools that have had a surplus of 15% or more for the last 5 years. DfE will also ask for more information from LAs that have 2.5% of schools that have been in deficit of 2.5% or more for the last 5 years.</p> <p>During discussion of the report the group noted that there is a need to be mindful of the balance between encouraging prudent financial management in schools and meeting the DfE view that “schools are best placed to manage their money”. The group also noted that there is no longer a controls on surplus balances scheme in place for academies.</p> <p>The Working Group recommended that a more “holistic” approach should be taken towards developing good financial management in schools throughout the year rather than continuing to focus just on year end balances. This would encourage a different level of challenge, for example reviewing in year Income &amp; Expenditure report projections and comparing with the year end position. It was recommended that a report should be produced at the end of the financial year highlighting the year end balance and requiring the Chair of Governors to sign to confirm that this had been discussed at a Governing Body meeting.</p> <p>It was agreed that the report should be amended to reflect this recommendation for Schools Forum</p>	JR
3	<p><b>School Funding Reform Update</b></p> <p>EW updated the group on progress with the implementation of School Funding Reform and issues that had been discussed at a recent regional finance meeting.</p> <p>Following Schools Forum on 18<sup>th</sup> October the recommended formula had been agreed by Cabinet and submitted to the Education Funding Agency (EFA) by the 31<sup>st</sup> October deadline. We have now received a number of requests for further information from the EFA including detail on the</p>	

	<p>proposed PFI factor and criteria for the Growth Fund.</p> <p>Schools have been written to notifying them of the outcome of the Schools Forum discussions.</p> <p>EW reported that across the south west all LAs except two have followed the recommendation to delegate the first £6,000 for high incidence, low cost SEN within the mainstream formula. It has been agreed regionally that LAs will top up over £6,000 for out of county pupils regardless of the sum delegated by the maintained LA. CW asked whether Wiltshire would continue to fully fund those pupils who now receive NPAs following the closure of specialist learning centres – EW to check.</p> <p>Work is now focussing on the implementation of the proposals for High Needs pupils and the High Needs Formula Review Group had met earlier in the week to continue this work</p>	EW
4	<p><b>DSG Estimate 2013-14</b></p> <p>EW presented a report outlining how the DSG settlement for 2013-14 would be calculated and what issues and pressures were likely to arise. EW explained that DSG would now be allocated in 3 blocks: Schools, High Needs and Early Years and that whilst the blocks are not ringfenced, timing issues in the various budget setting decisions may lead to an element of ringfencing.</p> <p>A number of adjustments have been made to the 2012-13 DSG settlement to arrive at the baseline for next year's settlement. This includes a reduction for the change in funding for hospital education provision and adjustments to the high needs block to reflect out of county pupils placed within Wiltshire.</p> <p>The funding settlement for 2013-14 is expected to be announced in mid to late December and will comprise:</p> <ol style="list-style-type: none"> <li>1. <u>confirmed</u> notional Schools Block based on the October 2012 census;</li> <li>2. an <u>initial</u> notional Early Years Block based on the January 2012 census, to be update during 2013-14 for January 2013 and 7/12ths of the January 2014 pupil numbers (to cover the September 2013 to March 2014 period); and</li> <li>3. a <u>confirmed</u> notional High Needs Block based on 2012-13 spend, possibly updated with 2013-14 population projections.</li> </ol> <p>A particular issue is that the final proforma outlining the individual funding values for each formula factor needs to be submitted to the EFA by 18<sup>th</sup> January 2013 – before Schools Forum will meet to finalise the budget. this means that the final schools block and formula funding values will need to be agreed by Schools Funding Working Group. It was agreed that the group will meet prior to 18<sup>th</sup> January and that Stephen Clark will be invited to join the meeting to ensure that maintained secondary schools are represented and voting requirements are met.</p> <p>It was noted that the Early Years block will be updated during the year to reflect pupil numbers and that there is currently no detail on how the funding for the statutory entitlement for 2 year olds will be incorporated in to the DSG settlement.</p> <p>It was also noted that the EFA has yet to provide any detail on the</p>	EW

	incorporation of funding for post 16 students not in schools.	
5	<p><b>School Expansions – funding from contingency 2013-14</b></p> <p>EW presented a paper outlining the criteria proposed for allocation of funding for pupil growth. From 2013-14 funding for growth must be retained as a central growth fund and the allocation of funding must be agreed by Schools Forum. It was highlighted that there are 3 main circumstances for the allocation of funding:</p> <ol style="list-style-type: none"> <li>1. New school allowance</li> <li>2. Expansion for Basic Need</li> <li>3. Significant in year pupil growth</li> </ol> <p>It was agreed that the current criteria should be recommended to Schools Forum for submission to the EFA, with the change that from April 2013 the calculation of funding for in year pupil growth should reflect movement from October to October as schools will be funded on October numbers in future.</p>	
6	<p><b>AOB</b></p> <p>No AOB was discussed</p>	
7	<p><b>Date of Next Meeting</b></p> <p>Friday 11<sup>th</sup> January 2013, 8.30am, County Hall</p>	

This page is intentionally left blank

**Wiltshire Council**

**Schools Forum  
6<sup>th</sup> December 2012**

---

**Report from the High Needs Formula Review Group**

**Purpose of report**

1. To report on the meeting of the High Needs Formula Review Group held on 20<sup>th</sup> November 2012 and to make recommendations on the principles to be incorporated in to the calculation of top up values for specialist provision.

**Main considerations for School Forum**

2. The draft minutes of the meeting are attached at Appendix 1.
3. Schools Forum had previously agreed that this formula review group should continue to be in place in order to develop proposals for the implementation of school funding reform for high needs provision, ie., special schools, resource bases and enhanced learning provision (ELP). The SEN Working Group would normally meet to consider proposals from this group prior to reporting to Schools Forum however on this occasion the SEN Group meeting did not take place and the recommendations from the group are therefore reported directly to Schools Forum.
4. The group considered a number of issues relating to the calculation of top up values for pupils in special schools, resource bases and in receipt of ELP.

Specialism funding in special schools

5. Following the mainstreaming of standards funds in 2011-12 specialism funding received by secondary schools was incorporated into the main funding formula and is now allocated across all secondary schools within the age weighted pupil unit of funding (AWPU). Schools Forum agreed that for special schools specialism funding would continue to be allocated to those schools which had achieved specialism status (3 out of the 6 schools). Two schools had received funding for a single specialism and 1, Springfields Academy, had received funding for two specialisms.
6. Under the place plus funding mechanism funding can only be allocated to special schools as part of the top up value, or to fund a specific service or activity. It is therefore necessary to determine whether the specialism funding is to be incorporated in to the top up values or allocated for specific activities.
7. Following discussion, the group recommends that the funding for 3 specialisms should be incorporated in to the overall budget for top up values and that for 2013-14 Springfields Academy should continue to be allocated funding for the activity associated with the second specialism. From 2014-15 funding for all specialisms should be included within the funding for top up values.

## Turbulence/In Year Pupil Movement

8. Modelling of in year pupil movement within special schools had demonstrated that funding of pupils in “real time” could have a significant impact on the funding received by a school in any year. As a result the possibility of including an additional amount within the top up value to reflect turbulence has been discussed.
9. For resource bases financial modelling has indicated that in year pupil movement has a less significant effect on the overall funding for the setting. This is to be expected as the top up funding represents a much smaller proportion of the overall cost of a place.
10. It is recommended by the group that a turbulence factor be incorporated in to the calculation of the top up value for special schools but not for top up values in resource bases or ELP.
11. The potential risk of incorporating a turbulence element is that a school could be “over funded” if it is full for most of the year and the final value of top ups for each band will be agreed by Schools Forum at the January meeting when the values are considered alongside planned place numbers and overall funding levels.
12. It is also recommended that turbulence within all settings should be mitigated through the agreed payment dates for pupils who start or leave during the year. It is therefore recommended that payments start and end as follows:
  - a. Pupils who leave because they reach the end of their school career, ie., end of year 11 or year 6 (in a resource base) will be funded until the end of the academic year.
  - b. In year leavers who leave before the 15th of the month will be funded until the end of the calendar month.
  - c. In year leavers who leave after the 15th of the month will be funded until the end of the following calendar month.
  - d. It was further agreed that in year starters would be funded from the beginning of the calendar month of admission.
13. This funding schedule will apply to special schools, resource bases and ELP.

## **Proposals**

14. That the recommendations of the High Needs Formula Review Group are accepted in order to allow calculation of top up values to be completed and final proposals brought to Schools Forum in January 2013. The recommendations are as follows:
  - a) That for special schools the funding for 3 specialisms should be incorporated in to the overall budget for top up values and that for 2013-14 Springfields Academy should continue to be allocated funding for the activity associated with the second specialism. From 2014-15 funding for all specialisms should be included within the funding for top up values.
  - b) That a turbulence factor be incorporated in to the calculation of the top up value for special schools but not for top up values in resource bases or ELP.

- c) That the payment schedule for in year starters and leavers outlined in paragraph 12 be adopted for special schools, resource bases and ELP.

**Carolyn Godfrey**  
**Corporate Director**

---

Report author: Liz Williams, Head of Finance  
01225 713675  
[Elizabeth.williams@wiltshire.gov.uk](mailto:Elizabeth.williams@wiltshire.gov.uk)

This page is intentionally left blank



**School Funding Reform**

**High Needs Formula Review Group**

**20 November 2012, 1pm, Mompesson Meeting Room, County Hall**

**Minutes**

Present: Jan Ball, Michael Keeling, Phil Cooch, Trystan Williams, Mandy Cole, Phil Cook, Liz Williams

Apologies, Hannah Knight, John Foster

	Item	Action
1	<p><b>Update on School Funding Reform</b></p> <p>EW updated the group on the progress made to date on implementing funding reform for high needs provision both within Wiltshire and across other SW authorities:</p> <ul style="list-style-type: none"> <li>• Initial modelling of top up rates is being based on 2012-13 funding levels and place/pupil numbers. Once principles are agreed then the top ups can be updated for 13-14 planned place numbers and final funding levels</li> <li>• At a regional finance meeting on 16<sup>th</sup> November the Education Funding Agency (EFA) had confirmed that Wiltshire's understanding of the Minimum Funding Guarantee (MFG) for high needs provision is correct, ie., that protection is applied to individual top up rates and not the overall 12-13 budget</li> <li>• For SEN funding allocated through the mainstream formula (High Incidence, Low Cost SEN) most LAs in the SW have applied the EFA recommendation of delegating the equivalent of the first £6,000 of provision (in Wiltshire this equates to first 15 hours), Bournemouth have delegated less than £6k, Bristol have delegated more.</li> <li>• It has been agreed that regionally we will apply the principle that there is no automatic right to an additional £10k for an additional place. EFA confirmed that this is their expected approach and that the £10k is about stability of funding not about funding for individual pupils.</li> <li>• In terms of time scales it is expected that the funding settlement, including the amount for the high needs block, for 2013-14 will be announced in mid to late December. Funding amounts for top ups for different bands will therefore need to be presented to the January Schools Forum meeting for approval.</li> </ul>	EW
2	<p><b>Calculation of Top-up values and associated issues</b></p> <p>PC presented the current work on modelling top up values. The main issues discussed were as follows:</p> <ul style="list-style-type: none"> <li>• <b>Special Schools</b> <i>Specialism funding</i> – following the meeting held with Head Teachers in October PC had modelled 3 options in relation to specialism funding and whether it should be included within the overall budget for top-ups. Following discussion it was agreed to</li> </ul>	



	<p>special schools above</p> <ul style="list-style-type: none"> <li>• Cashflow – payment schedules. EW confirmed that the financial regulations will require schools to be paid monthly, this will include payments from other LAs for out of county pupils. Payment schedules will need to be drawn up to determine the dates of payments and the dates at which any adjustments for starters or leavers will be made.</li> </ul>	
4	<p><b>Interauthority Recoupment</b></p> <p>Where pupils from other LAs are being placed in mainstream schools LAs in the SW have agreed that they will top up over and above £6k regardless of what the host authority has delegated to its schools.</p> <p>SW LAs have also agreed that in the first year they will honour the top up value of the LA maintaining the school in which the pupil is placed. This will give consistency of approach to schools.</p>	
5	<p><b>AOB</b></p> <p>Post-16 pupils in schools – EW noted that from April 2013 post 16 pupils in high needs provision will be funded through the 16-19 national funding formula for the first two elements of funding, with the LA paying the top up. This means schools will receive the equivalent of the first £10k direct from the EFA for each planned place identified as a post-16 place. The EFA will be issuing shadow allocations to schools, based on 12-13 numbers, in late November.</p>	

DRAFT

This page is intentionally left blank

**Wiltshire Council**  
**Children's Services**

**Early Years Reference Group**

Minutes of a meeting held on 16 November 2012 at The Melksham Professional Development Centre.

**Present:** Jackie Bedford (Wilts C), Simon Burke (Chair, Wilts C), Alan Butler (Learning Curve Day Nursery, Wootton Bassett), Sarah Clover (Wilts C), Rosemary Collard (Snapdragons Nurseries), Gill Hanlan (Wilts C), Jenny Harvey (Wilts C), Ted Hatala (St Josephs), Lucy Waterman (Rub a Dub Pre-school, Derry Hill)

**1.0 Welcome and Introductions**

SB welcomed everyone to the meeting.

**2.0 Apologies for Absence**

Mark Cawley (New Road Nursery), Mike Fairbeard (Little Fir Tree Nursery, YMCA), Jo Murray (CM representative), John Proctor (South Hills Independent School, Salisbury)

**3.0 Minutes of last meeting**

The minutes of the meeting held on 21 September 2012 were agreed as an accurate record of discussion.

**4.0 Matters arising from minutes of meeting held on 21 September 2012**

None

**5.0 Code of Practice/Local Agreement**

**5.1 Local Provider Agreement – proposed amendments**

The sub-group had met to discuss and compare Wiltshire's local agreement with national code and government changes; key area for update is around flexibility. The group has also concentrated on streamlining the local code to bring it more in line with the slimmed down national code. Have concentrated on updating sections 4, 7, 9 & 17 attempting to provide greater clarity/transparency.

- Flexibility – can now claim for 15 hrs over two days from 7am to 7pm with a maximum of 10 hours being claimed in any one day. This is not an actual condition for accessing free entitlement as some groups are unable to do this as availability of their accommodation may restrict this.
- Quality – this is currently quite wordy – have added extra section re withdrawal of funding for quality reasons and lack of willingness to improve.
- Childminders – current text sent to Jo Murray to review, especially seeking her thoughts on safeguarding requirements
- Safeguarding – tightening up on consistency and ensure complies with requirements of EYFS framework. Additional reference to needing to have an e-safety policy in place
- Withdrawals – Major update proposed spelling out clear expectations from both PVI's and Wiltshire Council. Added conditions for suspension of funding with proposed time schedules.
- Appeals – now added time line.
- Administration arrangements – very few amendments; main updates are to contacts details

**Action:** JH to complete updates and then circulate a copy of the final draft to all EYRG members for final comment before publishing. Document to be distributed to PVI's electronically with the offer of a paper copy being provided on request.

**Action:** JH to check that requirements of the national code have been published on Wiltshire website.

## **5.2 Condition of accessing free entitlement (EYFS)**

A query had been received from one of Wiltshire's independent provider asking whether following the EYFS framework was a condition for accessing the free entitlement or could they opt out of LA support & the EYFS learning & development requirements. General opinion of the group was that provided a proper exemption had been sought from DfE/OfSTED and obtained by the group which would prove an alternative framework was being used then they should be permitted to claim free entitlement. Provider would still be subject to Ofsted inspection but not against the EYFS. It was agreed that further research on any possible implications was required.

### **Action:**

SC to research further and assess implication

JH to arrange for an appropriate amendment to the draft local provider agreement.

## **6.0 Single Funding Formula**

### **6.1 Schools Funding Reform**

Deprivation factor indices – Schools Forum had approved the EYRG recommendation to use IDACI as the basis for calculating the deprivation factor within the single funding formula, hopefully aligning with schools. However, Schools Forum had resolved to use Free School Meals data across all schools to determine how funding for deprivation will be distributed to schools.

### **6.2 Two year old funding formula**

#### **6.2.1 Schools Forum meeting of 4 October**

A paper had been presented to Schools Forum detailing EYRG proposals for two year old funding as agreed by members at the previous meeting. Schools Forum resolved:

- i. To apply the methodology of the existing Early Years Single Funding Formula (EYSFF) to calculate the hour rates for two year olds;
- ii. To amend the EYSFF to add an element for consumable toiletries in respect of two year olds;
- iii. To amend the EYSFF staffing model with a staff:children ratio of 1:4 in respect of provision for two year olds;
- iv. To adopt a single hourly rate for all private/voluntary/independent settings providing free entitlement childcare for two year olds;
- v. That the hourly rate paid to childminders be consistent with that for three and four year olds
- vi. To incorporate a deprivation supplement into the basic hourly rate for two year olds (if allowed by regulations);
- vii. To approve the principle of applying the existing EYSFF, with the amendments above; be subject to consultation with all providers of free entitlement childcare for two year olds; and
- viii. To note concerns over affordability and bring costings of potential issues to the Schools Forum meeting being held on 6 December 2012.

**6.2.2 Consultation** – a paper was circulated to members detailing the results of the consultations with the sector over extending the early years single funding formula for funding two year old places with effect from April 2013. Responses were overwhelmingly in favour of using the principles of the current single funding formula as the basis for future two year old funding with adjustments proposed to staffing ratios and qualifications, inclusion of deprivation factor within the basic hourly rate and the addition of a small supplement for consumables.

**Action:** JH to publish results on Wiltshire website as soon as possible

**6.2.3 Hourly rate for two year old funding** – SRB presented a paper detailing a breakdown of cost and funding rates which had now been worked up for two year olds, both including and excluding a deprivation factor. The rate for the two-year old pilot is £4.85 per hour compared to a proposed rate of £5.74 (excluding deprivation) and £5.94 (including deprivation) calculated by application of the EYSFF model. RC confirmed that the proposed rate was in line with charges currently being made in her setting.

A general discussion about an appropriate hourly rate then took place and it was agreed that the current rate of £4.85 was inadequate, bearing in mind the additional work involved with working with these complex children and families. This was felt to be particularly relevant where a setting had a number of two year old funded children.

**Action:** SRB to report members, views to Schools Forum.

## **7.0 Two Year Old Funding – Strategy**

SC circulated a briefing paper to up-date members on progress of this project.

Members noted the number of children currently being funded and that a further 120 referrals were expected to be considered at the next panel meeting December.

A bid had been made to central government for capital funding to support capacity building. A response is still awaited.

The NDNA and Hemsells are working with a number of local authorities on behalf of the government to assess current progress and officers from Wiltshire would be meeting with representative in the near future to exchange ideas. Cross border funding issues would form a key area of interest.

## **8.0 Dates for Future meetings**

<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Venue</b>
22 February 2013	Friday	10:00 – 12:00	Melksham PDC, Falcon
24 May 2013	Friday	10:00 – 12:00	Melksham PDC, Falcon
20 September 2013	Friday	10:00 – 12:00	Melksham PDC, Falcon
22 November 2013	Friday	10:00 – 12:00	Melksham PDC, Falcon

## **9.0 Any Other Business**

### **9.1 Schools Forum Agenda**

A request had arisen through Schools Forum for all PVIs to be sent a link to Schools Forum agenda.

**Action:** JB to liaise with clerk of Schools Forum to organise.

### **9.2 Early Years Practitioner of the Year**

SC advised that Lucy Waterman had been awarded “Wiltshire Early Years Practitioner of the Year”. Lucy has been working across a number of Wiltshire settings over a 10 week period to help raise standards and role model good practise. Members congratulated Lucy on her award and success.

This page is intentionally left blank



## **YOUNG PEOPLE'S SUPPORT SERVICE – UPDATE REPORT**

### **Purpose of the Report**

1. This is an update report as requested by Schools Forum. This report contains the latest information on Wiltshire's development of the Department for Education's (DfE) Power to Innovate (PTI) and the development of the provision for those young people who were permanently excluded from their mainstream secondary school prior to the start of the PTI trial in May 2012. The closure of the Young People's Support Service (YPSS) in August 2012 followed the Cabinet decision in November 2011.

### **Background**

2. In October 2011 Schools Forum considered a report on the strategic direction for the YPSS and agreed the following proposals:
  - a) Schools' Forum supports the delegation of the responsibility of permanently excluded young people to secondary schools.
  - b) Schools' Forum agrees in principle to devolve funds to individual secondary schools to enable them to fulfil this responsibility.
  - c) Schools' Forum accepts the proposed formula as the most effective and equitable way to devolve the funds.
  - d) Schools Forum will set the quantum to be devolved in the light of the budget settlement for 2012-2013 and further work to be done to establish the real costs of provision. However in principle it accepts that at least for 2012-2013 the quantum should not be less than the current historical budget for YPSS.
  - e) Schools' Forum supports the general direction of development for alternative provision, Wiltshire's participation in the DfE trial and the proposed closure of YPSS.
3. This report provides an update for Schools Forum on progress to date.

### **Main Considerations**

#### ***Current Position***

1. YPSS was placed in Special Measures in May 2011 by an Ofsted inspection and a decision to seek closure from the Secretary of State was submitted in January 2012. Agreement was reached in March 2012 and the YPSS service was closed from August 2012. A number of young people (28) remain the responsibility of the local authority as their permanent exclusions took place before the PTI came into force. Their provision is currently being organised by the Education Other Than at School (EOTAS) team through the two previous YPSS facilities, namely the Trinity Centre in Trowbridge and the John Ivie Centre in Salisbury.
2. The EOTAS provision for the retained young people is a closed service. There are no new referrals from secondary schools as the PTI has enabled schools to take full responsibility for the provision for those young people who would previously have been excluded and become the responsibility of the local authority.

3. If the Government do not legislate for schools to continue to take responsibility for those they would previously have excluded, and schools themselves do not wish to retain their responsibilities then the local authority will revert to its responsibility for excluded young people. At this point arrangements will be made to commission and procure, the range of personalised learning provision that currently exists.
4. The retained EOTAS service is due to receive a monitoring visit by OfSTED. The previous three visits have noted the progress that was being made by the service and satisfactory judgements were made. However the new OfSTED framework places greater emphasis on teaching and learning and the progress made by young people as well as the personalised learning packages that are in place.
5. The EOTAS service has made good efforts to maintain the progress set from the three previous visits. Attendance of young people at both Centres has improved. Teaching is more focused and learning more tailored to individual needs. Resources have been consolidated and used more effectively in learning particularly the use of technologies such as interactive white boards.
6. In relation to the provision made by schools to personalised learning (alternative provision, that has become their responsibility, the LA has established an accredited framework of alternative providers following an application and detailed scrutiny process. There are 34 private providers accredited on the current framework and the LA is currently in the process of a second round of applications that will be completed in the new year with additional providers expressing interest and being added. Schools in the North and West (federations) of the local authority decided at an early stage to utilise the money delegated to them individually. They use their finances to enhance preventative work through approaches such as, additional learning mentors or have on-site and/or off-site facilities which are specifically adapted to meet their young people's needs. Schools in the south of the local authority (Wessex federation) decided to pool their finances and purchase places through an organisation known as CfBT. CfBT have facilities in other local authorities such as Bristol and Bath and North East Somerset and educated young people with their own staff. They currently share half of the John Ivie Centre premises in Salisbury for young people on personalised learning packages. Our own EOTAS service utilises the other half for those young people we have retained.
7. Service Level Agreements for the use of the devolved finances have been signed by schools and focus on finances being used exclusively for those they identify as being in need of a personalised learning package. Two schools in particular are using the National Foundation for Educational Research (NFER) questionnaire to identify young people at a very early stage and put into place a range of approaches to ensure preventative work is in place. The NFER questionnaire has been designed alongside the DfE PTI to help evaluate the effects on young people, their parents/carers and schools and to report back to ministers on the trial.
8. A third meeting for those organisations providing personalised learning packages or Alternative Provision (AP) who are in our published catalogue of providers was held in October 2012 with presentations from schools. We have

around 34 organisations who have signed up to our accreditation register. A further meeting is planned for February/March 2013

9. Although schools themselves have the responsibility for assuring the quality of any in-house provision and any external providers that they commission, the EOTAS team also monitor provision and make visits to sample the quality of provision being delivered by Alternative Providers.

### **Financial Implications**

- 1 At the meeting on 2 March 2012 Schools Forum agreed to allocate £0.400 million from the 2011/12 DSG underspend to support the costs of those young people for whom the local authority would retain responsibility for provision. The available budget for the retained service is therefore £0.400 million. Work has been carried out and three former teachers from the YPSS service have been employed with six support workers and an outdoor specialist support worker. These staff have had their redundancies deferred for a year until August 2013. The service will then close completely in August 2013.
- 2 Provision was made within the authority's accounts 2011/12 to meet the redundancy costs of YPSS staff. In addition part of that provision will need to be retained to meet the deferred redundancy costs of the staff who have been retained until 31 August 2013.

### **Proposals**

4. Schools Forum is asked to note the updated position for YPSS.

CAROLYN GODFREY  
DIRECTOR, CHILDREN & EDUCATION

---

*Report Author: Mark Brotherton,*

*Tel: 01225 713835 e-mail: [mark.brotherton@wiltshire.gov.uk](mailto:mark.brotherton@wiltshire.gov.uk)*

This page is intentionally left blank

## **THE EARLY YEARS SINGLE FUNDING FORMULA – EXTENSION TO TWO YEAR OLDS**

### **Introduction**

1. At its meeting on 4 October 2012 the Schools Forum received a report on the extension of the Early Years Single Funding Formula (EYSFF) to two year olds and resolved:
  - i. To apply the methodology of the existing Early Years Single Funding Formula (EYSFF) to calculate the hour rates for two year olds;
  - ii. To amend the EYSFF to add an element for consumable toiletries in respect of two year olds;
  - iii. To amend the EYSFF staffing model with a staff:children ratio of 1:4 in respect of provision for two year olds;
  - iv. To adopt a single hourly rate for all private/voluntary/independent settings providing free entitlement childcare for two year olds;
  - v. That the hourly rate paid to childminders be consistent with that for three and four year olds
  - vi. To incorporate a deprivation supplement into the basic hourly rate for two year olds (if allowed by regulations);
  - vii. To approve the principle of applying the existing EYSFF, with the amendments above; be subject to consultation with all providers of free entitlement childcare for two year olds; and
  - viii. To note concerns over affordability and bring costings of potential issues to the Schools Forum meeting being held on 6 December 2012.
2. This paper reports the outcome of the consultation with providers and the implications for the DSG budget.

### **Consultation**

3. An online questionnaire to seek the views of childcare providers on the proposals agreed by Schools Forum was published on 29 October 2012 and all settings were invited to respond by 15 November 2012. A total of 97 replies were received.
4. Respondents were overwhelmingly in favour of the proposals. The report on the consultation is presented as Appendix 1.

### **Financial Implications**

5. The consultation related only to the methodology and administration of the payment for the provision of free entitlement childcare for two year olds, it did not suggest an appropriate level of payment.
6. Application of the proposed adjustments to the EYSFF formula for the provision for two year olds to the current hourly rates for three and four year olds indicates that the appropriate hourly rate, based upon 2012-13 prices (which have remained static since 2010-11), will be £5.74 per hour without the universal deprivation supplement and £5.94 including the deprivation supplement.

7. The implications for the DSG of meeting the cost of the provision of free entitlement childcare for two year olds is shown at Appendix 2.
8. The Early Years Reference Group (EYRG) confirmed that £5.94 is an appropriate rate of reimbursement for the provision of free entitlement childcare for two year old children from the least wealthy households. Members noted that providers have been willing to accept a small number of two year olds in the pilot programme at the rate of £4.85 per hour but believed that this rate will not be sustainable for larger numbers of two year olds as the free entitlement provision grows to 40% of all two year olds.
9. Comments received as part of the consultation indicate that costs for providing childcare for two year olds will be significantly higher than for three and four year olds. Some respondents have suggested that the current payment for three and four year olds is insufficient to cover costs.
10. EYRG appreciated the financial implications for the DSG of meeting the cost of the free entitlement childcare for two year olds at the rate proposed but wished to stress that childcare providers are independent businesses and will not be able to provide the service unless they are adequately remunerated. Their costs are, by and large, prescribed by regulations, e.g. adult:children ratios, levels of qualification of staff, building regulations and curriculum requirements.

### **Recommendations**

11. In light of the consultation on the proposals and the statutory guidance on the EYSFF which requires local authorities to work with providers to determine the cost of delivery and calculate fair funding rates accordingly, the Early Years Reference Group recommends that Schools Forum:
  - i. confirm its resolutions i to vi made on 4 October 2012;
  - ii. extend the EYSFF and its associated systems and procedures to cover the payments to providers for the provision of free entitlement childcare to eligible two year olds with effect from 1 April 2013;
  - iii. to adopt an hourly rate of £5.74 per hour, plus £0.20 deprivation supplement, for the provision of childcare for eligible two year olds in private, voluntary and independent settings from 1 April 2013.

STEPHANIE DENOVAN  
Service Director, Schools and Learning

---

Report Author: Simon Burke  
Head of Business and Commercial Services  
Schools and Learning

Contact: Tel.: 01225 713840  
[simon.burke@wiltshire.gov.uk](mailto:simon.burke@wiltshire.gov.uk)

Unpublished documents relied upon in the production of this report: None

## The early years single funding formula – extension to two year olds

Online consultation – November 2012

Online consultation with PVI providers, childminders and schools with nursery classes

### 1) Should the methodology of the existing early years single funding formula be used to calculate the hour rates for two year olds?

A total of 93 out of 97 respondents answered this question. Of those who replied to the question, the results are as follows:

Response	Count	Percent
Yes	86	92%
No	7	8%

Respondents who answered 'no' were asked what they would recommend instead. Nine comments were included:

- Different ratios of adults to children.
- The hourly rates should reflect the additional paperwork and meetings required to fully engage with and support families and the team around the child.
- It would be easier for setting to see how the hours are broken down. It's a nightmare for our invoicing systems and accountant, and us!
- On the same basis as three year old funding.
- Extra items like toiletries as mentioned, plus sleeping areas, equipment, washing of cot bedding, inter room tannoys, pushchairs etc.
- Currently all three year olds are eligible, so the funding formula is quite straight forward. As there will only be selected two year old children eligible will the gross funding amount be a set amount then the funding formula will calculate how much is distributed per hour as the funding is currently distributed at a set amount per hour. Does this mean that under an SFF scheme the rate may reduce?
- Higher rate for two years olds as they "cost" settings more all around.
- The rates we are currently getting for funded three year olds are unrealistic and are not enough to cover all the costs we have to run a nursery provision. If the same methodology was applied for working out what to pay for funding of two year olds, it would be totally unrealistic as we need double the amount of staff. If no, what else would you recommend instead?
- We find the regular monthly payments helpful in balancing our books. However we cannot tolerate any reduction in the amount we receive as this would make our business non-viable.

### 2) An extra amount should be included in the hourly rate for consumable toiletries in respect of two year olds?

A total of 96 out of 97 respondents answered this question. Of those who replied to the question, the results are as follows:

Response	Count	Percent
Yes	90	94%
No	6	6%

Respondents who answered 'no' were asked what they would recommend instead. Six comments were included:

- Perhaps a supplement could be paid to providers to help train up staff from Level two to three.
- Parents to provide nappies and wipes if this is needed for the child.
- All our parents provide nappies, wipes etc. This keeps costs down.
- Parents provide their own nappies and wipes each time the child attends a session.

- I would expect parents would prefer to send their own nappies and wipes to a setting, in a named bag for their child, rather than the setting having to provide these.
- We would recommend an hourly rate that is less specific as our parents are happy to supply their own nappies, creams, wipes etc and in fact expect to do so. I think we should accept this as part of their contribution to their child's needs.

**3) The early years' single funding formula staffing model should be altered to reflect a staffing ratio of 75% level three and 25% level two assistants in respect of provision for two year olds?**

A total of 94 out of 97 respondents answered this question. Of those who replied to the question, the results are as follows:

Response	Count	Percent
Yes	74	79%
No	20	21%

Respondents who answered 'no' were asked what they would recommend instead. Seventeen comments were included:

- Should fewer than four staff be needed (e.g. only two) then the minimum level three be rounded down. The funding formula should recognize that qualified staff (and their holiday, maternity, sick costs, employers' NI etc) cost over £10 per hour and so the formula must reflect this.
- Only if working with a larger amount of child ratios. Not suitable for small settings like childminders.
- Perhaps there should be a time bubble to allow current level two to become level three?
- This should be in line with Nut Brown review and built up at the same time. 50% and then 75% as it is putting too much pressure on settings and stopping parental choice.
- Not applicable to my setting as it is just me so ratio of 1:3 unaltered.
- I would like to see people with level two who are working towards level three included in the 75%.
- It should look at each setting's qualification levels - mine employs 100% staff at level three.
- I believe that there should be a high ratio of level three staff. However, if settings are unable to employ unqualified staff but who must be willing to train, this could possibly discriminate against people wishing to pursue a career in childcare and compromise the setting in obtaining staff.
- 50% / 50%
- I would like to see 100% staffing at level three.
- Qualifications are not everything. I think it would be discriminatory to exclude unqualified staff although limiting it to one per setting for two year olds would be acceptable.
- Should there also be consideration that a setting must have a university qualified member of staff in order to be allowed to accept under privileged two year olds?
- 50% and 50%
- This seems a bit restrictive and non inclusive on people just setting out on their careers or mums/dads who are going into child care after having their own children. It may be something to aim for, but I know several parents who make ideal child cares, but would need much encouragement to study for qualifications at their stage in life.
- 100% level three is more realistic - many of our staff are level five or six.
- Not if a qualified teacher is in place.
- If there are only two staff members in a classroom, who can we achieve this?

**4) A single hourly rate should be adopted for all PVI settings providing free entitlement childcare for two year olds (see below for childminders)?**

A total of 82 out of 97 respondents answered this question. Of those who replied to the question, the results are as follows:

Response	Count	Percent
Yes	79	96%
No	3	4%

Respondents who answered 'no' were asked what they would recommend instead. Three comments were included:



- All rates the same regardless of whether private business or not.
- As the number of children receiving the funding in a setting will be relatively small in comparison to three year old numbers in a setting which are much larger I think that does make sense. My concern is will the hourly rate be sufficient to cover the costs as the three year old funding does not
- Some nurseries have far greater outgoings in relation to the running costs and upkeep of the building which is making it difficult to provide staff with a reasonable rate of pay and indeed making it difficult to pay the minimum wage. How can we expect to attract high caliber staff to work with the children if we offer such a low rate of pay? The running costs include a fire alarm system with a twice yearly inspection which costs over £1000 per year, annual PAT testing £200, heat and electricity £2000-£3000 depending on weather, mortgage £3000 per month, business rates £705 per month, business insurance £2500 water rates and this is without normal day to day expenses of paper towels, soap, nightly cleaning costs, nursery equipment, art materials etc.

**5) The hourly rate paid to childminders should be consistent with that for three and four year olds?**

A total of 78 out of 97 respondents answered this question. Of those who replied to the question, the results are as follows:

Response	Count	Percent
Yes	69	88%
No	9	12%

Respondents who answered 'no' were asked what they would recommend instead. Twelve comments were included:

- The rate of pay should be equal for all practitioners.
- I still do not understand why childminders are paid at a rate which is far in excess of PVI settings. The rate should be the same for every type of setting.
- They too will require additional tools/toiletries and therefore should be in line with PVI.
- Childminders have always cared for under twos - could not start charging more for this age.
- They don't have the same overheads.
- Extra equipment necessary for setting.
- As already identified, an allowance for toiletries etc should be included which will therefore mean that the hourly rate should be slightly higher for a funded two year old.
- Don't really understand what you mean or getting at.
- Not sure about this one.
- Needs to be a higher rate, for all the reasons listed above (eg higher staff ratios).
- I say yes because I am worried that if you count the yes and no answers my vote would get us less pay per hour. I enjoy the two year olds deeply and find it very rewarding to have them, BUT they are twice the work of the three year olds in time and paperwork. The families of the three year olds need the occasional support in childcare but the two year old families, in my experience, need huge support and continually have issues and stresses that need supporting. The council send their support out to these families where needed but childminders have to deal every day with the difficulties that go along side these struggling families for little pay. Also let's not forget these two year olds obviously become three year olds and continue to take more time than the other three year olds as the families are still struggling. I recommend the hourly rate be higher than the three and four year olds in recognition of the unseen work we do extra every day.
- Again for the above reasons. Childminders usually live in their own properties and only have this expenditure. We have our own homes to run as well.

## 6) A deprivation supplement should be incorporated into the basic hourly rate for all two year old funded children (if allowed by regulations)?

A total of 94 out of 97 respondents answered this question. Of those who replied to the question, the results are as follows:

Response	Count	Percent
Yes	91	97%
No	3	3%

Respondents who answered 'no' were asked what they would recommend instead. Two comments were included:

- Should be incorporated for specific children as for three and four year olds now - this I guess would pay for the consumables that a childminder might otherwise ask a parent to provide.
- Monitoring of deprivation in each nursery based on set criteria.

## 7) Comments

Respondents were asked for any additional comments. Responses were as follows:

- This will be expensive and the award should reflect the true cost of care of this age group as well the socio-economic benefit good care of them will bring in future years.
- The staff ratio should be reduced to at least 1:3 for vulnerable two year olds as they often require 1:1 attention in the early days to overcome the effects of their vulnerability on entry.
- If a child has a high level of need there should be additional funding for the extra paperwork and meetings. CAF, TAC and additional support is costing settings a lot of money and time at present. NEG grant for both three/four olds and two olds needs to increase before settings are forced to close through lack of funding. There needs to be a fairer rate paid so that settings are on an even par with childminders. We are starting to see children not going on to playgroup and preschool in time to prepare for school due to rates for childminders. There needs to be a level playing field of rates that in its self would save money and time at the LEA.
- We are finding many of our funded two year olds (16 children) are very hungry, we provide free healthy snack and often supplement inadequate lunch boxes, we think this is more important and costly than the toiletries and could be incorporated.
- It needs to be an hourly rate that is in line with outlay of costs, vulnerable two year olds in my experience cost more in the way of extra support (washing clothes, food etc) than the run of the mill three year old receiving funding.
- Two to three year olds children have, in most cases, very limited vocabulary in their first language so this year of learning in my opinion should focus on language comprehension and building vocabulary. Resources required for an effective learning, it will be different from the other age group (three to four year olds) so assistance, training and maybe funding for those resources would be ideal.
- Highly qualified childminders are usually full therefore using only 12-15 hours a week for one child may be difficult. The current hourly rate does not take into account extra consumables, food and time these families/children require eg, driving to collect child, providing breakfast, extra phone calls to children's centre, health visitor and holding meetings at my own house!!! I really feel there needs to be consultation with childminders as to how we can meet the needs of these children as their anticipated numbers increase in the future!
- Have found it strange that the funding for two year olds has been so low previously.
- If settings are going to be taking on two year olds where they have previously only had older children will there be any one off funding available to help with purchase of resources or alterations to settings (lower sinks etc)?
- Will providers be able to charge for extras such as meals? Or is food expected to be covered by the funding? I believe that some providers charge for nappies. Will they be prevented from doing so if there is an additional element added to the rate for consumables?
- Free training must be made more widely available for providers that are eligible to draw on the funding for two year olds, to enable them to effectively care for the most vulnerable children and their families.

- The qualifying two year old will require us to spend more money replacing damaged resources (especially books and toys).
- I think the idea of having a highly trained workforce working with our funded two year olds makes sense as it is the families as well as the children that need input from someone that can become a positive role-model and give advice and support.
- We are not meaning to be difficult, these are just the blunt facts. This is nothing to do with numbers of children in the nursery because we always need to keep a core staff and our running costs will remain the same.

### 8) Type of providers responding

Maintained nursery	3
Childminder	32
Private	31
Voluntary	19
Independent	9
Other	7

### 7) Your position within the setting

Head	13
Deputy	1
Bursar	2
Governor	0
Manager	37
Owner	34
Other	14

This question was answered by 88 out of 97 respondees. Because respondees were not limited to one response, some may have indicated they were both 'owner' and 'manager' for example, meaning that the sum of replies above equals more than the 88 who responded.

This page is intentionally left blank

## The early years single funding formula – extension to two year olds

### Two year old funding estimate (uses PVI model)

					Excluding deprivation A	With deprivation B	Current funding rate	Change v Rate A	Change v Rate B
Hourly rate:					£5.74	£5.94	£4.85		
Period	Numbers accessing	15 hours	10 hours	Total hours	Total	Total	Total		
April - Aug 12	248	186	62	44330	£254,454	£263,320	£215,001		
Sept - Dec 12	260	195	65	50050	£287,287	£297,297	£242,743		
Jan - Mar 13	350	262.5	87.5	52937.5	£303,861	£314,449	£256,747		
<b>Total</b>	<b>858</b>	<b>643.5</b>	<b>214.5</b>	<b>147317.5</b>	<b>£845,602</b>	<b>£875,066</b>	<b>£714,490</b>	<b>£131,113</b>	<b>£160,576</b>

April - Aug 13	450	337.5	112.5	80437.5	£461,711	£477,799	£390,122		
Sept - Dec 13	640	480	160	123200	£707,168	£731,808	£597,520		
Jan - Mar 14	860	645	215	130075	£746,631	£772,646	£630,864		
<b>Total</b>	<b>1950</b>	<b>1462.5</b>	<b>487.5</b>	<b>333712.5</b>	<b>£1,915,510</b>	<b>£1,982,252</b>	<b>£1,618,506</b>	<b>£297,004</b>	<b>£363,747</b>

April - Aug 14	1050	787.5	262.5	187687.5	£1,077,326	£1,114,864	£910,284		
Sept - Dec 14	1200	900	300	231000	£1,325,940	£1,372,140	£1,120,350		
Jan - Mar 15	1200	900	300	181500	£1,041,810	£1,078,110	£880,275		
<b>Total</b>	<b>3450</b>	<b>2587.5</b>	<b>862.5</b>	<b>600187.5</b>	<b>£3,445,076</b>	<b>£3,565,114</b>	<b>£2,910,909</b>	<b>£534,167</b>	<b>£654,204</b>

### Staffing ratios

Part time places	Level 3 Leader		Level 3 assistant		Level 2 assistant		Unqualified	
	No of hours per week	Number of staff	No of hours per week	Number of staff	No of hours per week	Number of staff	No of hours per week	Number of staff
16	11.11	1	19.78	3	19.78	1	19.78	0
24	11.16	1	19.78	4.5	19.78	1.5	19.78	0
32	11.21	1	19.78	6	19.78	2	19.78	0

### Notes

Current income rate is £4.85/hour.

Additional £0.05p added to model for toiletries.

£2,765 = current 2 year old income per part time child

£1,823 = estimated DSG guaranteed unit of funding per part time pupil based on most recent Baseline info from EFA

Current early years free entitlement hourly rates for Maintained nurseries and childminders are different to PVIs.

This page is intentionally left blank

## Controls on Surplus Balances Scheme

### Purpose of the paper

1. To review the Controls on Surplus Balances Scheme and consider whether the Local Authority (LA) should continue to operate such a scheme in 2013-14.

### Background and context

2. The Schools White Paper 2010, the *Importance of Teaching*, removed the requirement for LA's to have a claw back mechanism in place with effect from April 2011. Further to this it stated that the DfE would consult on making changes to the current arrangements from 2012-13 and would subsequently review guidance, including the level of balances deemed to be excessive.
3. The DfE's *Local Authority Scheme: Directed Revisions*, which took effect from 2011, included the following revision regarding balance control mechanisms:

“Local Authority Funding Schemes may contain a mechanism to claw back excess surplus balances. Any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. The mechanism should, therefore, be focused on only those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area.”
4. At its meeting in March 2011, Schools Forum decided to continue with the scheme for 2011-12 and review the situation once the national picture had been identified. In December 2011, Schools Forum agreed to continue with the scheme for the 2012-13 year.
5. The *Local Authority Scheme: Directed Revisions* which took effect from April 2012 did not offer any further guidance and the DfE has now advised that they will next revisit the Scheme for Financing Schools ahead of the 2013-14 year. This would be the point at which any further change in guidance would be considered.
6. The National Audit Office published a report, on *Oversight of financial management in local authority maintained schools*, in October 2011 which identified a weakness in the DfE's current assurance system. The DfE accepted these findings and agreed to strengthen their arrangements for approaching LA's about the financial management of their schools where there appeared to be areas for concern.
7. In response, the DfE launched a consultation on *Improving the assurance system for financial management in local authority maintained schools* in April 2012.

This included a proposal that the DfE would challenge LA's where more than 5% of schools have had a revenue surplus in excess of 15% for 5 years. The consultation document stated that:

"The Government believes that schools are best placed to manage their money and it is sound financial management for schools to keep a small balance from year to year. In this tight financial climate, it is reasonable for schools to keep some money aside for when it is needed most and they should be able to do this without criticism or claw back.

However, if a school has a very large surplus for several years, this suggests that they do not have a clear plan for how this will be deployed and so are not using their allocated funding to fully benefit today's pupils. LAs continue to have a key role in supporting and challenging schools on excessive surplus balances. This is why they are able to include a provision in their local schemes to claw back excessive, uncommitted, revenue surpluses. Although they are no longer required to operate a claw back mechanism, we do expect authorities to effectively challenge any schools that have very high, uncommitted surpluses."

8. The DfE has responded to the above consultation and, in order to strengthen the assurance system for financial management in LA maintained schools, will be asking LA's to provide additional information where they have concerns that money is not being used with propriety and that value for money is not being secured.

Significantly, from 2011-12, they will challenge LA's with 5% of schools that have had a surplus of 15% or more for the last 5 years.

9. The DfE will also be asking LA's to provide additional information where an LA has 2.5% of schools that have been in deficit of 2.5% or more for the last 5 years.

### **Main Considerations**

10. Wiltshire Council currently operates a claw back scheme with permissible thresholds of 5% and 8% for secondary and primary/special schools respectively. An analysis of revenue balances from 2007-08 to 2011-12 indicates that 8 maintained schools, 4% of total, have had revenue balances in excess of these thresholds for 5 years. This level of surplus would not trigger an enquiry from the DfE and is indicative of the robust measures that Wiltshire Council already has in place.
11. Wiltshire schools net revenue balances have reduced from £13.9m in 2008-09 to £8.76m in 2011-12. This could be perceived as a direct consequence of the scheme being in place but underlying factors and causes generating, or reducing, balances need to be taken into consideration. Factors which may skew any analysis include:
  - i) Pupil Premium – this does not have to be spent in year and some, or all, may be carried forward to future financial years. Such balances must be assigned, but not evidenced, as being retained for specific purpose on the Intended Use of Revenue Balances return to be submitted by all schools whose revenue balances exceed the permitted thresholds. For the financial



year 2011-12, 18% of balances retained for specific purpose were attributed to the Pupil Premium.

- ii) Formula Capital – schools received significantly reduced Devolved Formula Capital allocations in 2010-11 and 2011-12 compared to previous years. Some schools are therefore retaining revenue funding in support of planned capital projects.
  - iii) Academies – total revenue balance data should be discounted to reflect the effect of academy conversions in order to compare on a like for like basis.
12. The purpose of the scheme is not to claw-back excessive balances from schools but to ensure that schools exercise prudent financial control whilst addressing the moral issue of spending funds generated for pupils while they are pupils at the school. Its operation has enabled the LA to monitor and challenge schools that have built up excessive reserves which would prove difficult if the scheme was not in place.
  13. Continuing to consider the future of the Controls on Surplus Balances Scheme on an annual basis does not provide schools with long term certainty and, together with the expected turbulence in school budgets due to the new funding reforms, is counterproductive placing additional pressure on schools.
  14. The revised Academies Financial Handbook, published September 2012, has removed the limits previously set by the Education Funding Agency on the sum of General Annual Grant that could be carried forward by an academy from one year to the next.
  15. The School Financial Value Standard (SFVS), which replaced the Financial Management Standard in Schools, is an annual requirement for LA maintained schools. Governing bodies have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at them.  
  
SFVS questions whether the governing body receives clear and concise monitoring reports of the school's budget position at least three times a year and whether year end balances are at a reasonable level with a clear plan in place for using any surplus.
  16. As part of the Wiltshire LA assurance system, maintained schools are required to submit an Income and Expenditure return twice a year. This details actual income and expenditure to date and reviews original budget allocations to forecast the year end position. This enables schools to be proactive in their financial planning by anticipating under and overspends in advance and enabling timely remedial action to be taken.  
  
Both the Intended Use of Revenue Balances and Income and Expenditure returns should be considered and approved by the governing body.
  17. The Controls on Surplus Balances Scheme can only be removed or amended after consultation with all schools as this would require a revision of the Wiltshire scheme for funding schools. The consultation process could be completed in early 2013 with results being reported to Schools Forum in March.

## Proposal

18. That Schools Forum considers the following possible options:

- i) To continue with the existing Controls on Surplus Balances Scheme for 2013-14.
- ii) To remove the existing Controls on Surplus Balances Scheme with effect from 2013-14 and, in future, to challenge schools holding excessive balances as they approach the thresholds that the DfE has set following the recent consultation on *Improving the assurance system for financial management in local authority maintained schools*, i.e. a surplus of 15% or more for 5 years.
- iii) To remove the existing Controls on Surplus Balances Scheme with effect from 2013-14 and to implement a more holistic approach to fulfilling the LA's role, under section 48 of the School Standards and Framework Act 1998, to support schools in achieving sound financial control. This could consolidate the existing reporting regime in a year end report to individual schools on the effectiveness of their monitoring, to be considered and ratified by the governing body. There is potential to incorporate good practice guidance and include the process in the School Financial Returns Compliance Statement.

## Recommendation

19. That Schools Forum decides which of the above proposals to adopt with effect from 2013-14.

Name of Director Carolyn Godfrey  
Director, Children & Education

---

Report Author: Jane Ralph  
School Strategic Financial Management Adviser  
Contact: Tel.: 01225 718569  
[jane.ralph@wiltshire.gov.uk](mailto:jane.ralph@wiltshire.gov.uk)

## **DSG ESTIMATE 2013-14 – CALCULATION AND SUMMARY OF ISSUES**

### **Purpose of the Report**

1. To outline the methodology for calculating DSG for 2013-14 and to highlight issues and risks.
2. To consider the process for agreeing the schools block budget in order to ensure that funding values can be submitted to the Education Funding Agency (EFA) prior to the deadline of 18<sup>th</sup> January 2013.

### **Background**

3. The calculation of the total Dedicated Schools Grant (DSG) up to, and including, 2012-13 has been based on pupil numbers recorded in the January school and pupil level census, the Early Years census and the alternative provision census. The total pupil numbers from these 3 censuses are then multiplied by a Guaranteed Unit of Funding (GUF) to arrive at the total level of DSG for a Local Authority area.
4. The GUF is based on historical funding levels and is adjusted each year for inflation and, in more recent years, for the introduction of other funding streams in to DSG – for example the mainstreaming of standards funds in 2011-12. This methodology has been criticised as it lacks transparency and does not reflect changing circumstances in LA areas, for example if levels of deprivation increase.
5. Schools Forums have set the overall budget for each financial year based on an estimate of DSG as the final level of grant is not confirmed each year until the DfE has verified the census data, usually in late June/early July after the financial year has started. LAs have consistently fed back that this lack of certainty is unhelpful and can be difficult to manage.
6. As part of the wide ranging proposals on School Funding Reform the government has implemented changes to the way in which DSG is to be calculated from 2013-14 onwards. The DSG settlement for 2013-14 will be announced in December 2012 and will comprise:
  - a. confirmed notional Schools Block based on the October 2012 census;
  - b. an initial notional Early Years Block based on the January 2012 census, to be update during 2013-14 for January 2013 and 7/12ths of the January 2014 pupil numbers (to cover the September 2013 to March 2014 period); and
  - c. a confirmed notional High Needs Block based on 2012-13 spend, possibly updated with 2013-14 population projections.
7. LAs have been working with the Education Funding Agency (EFA) to confirm DSG baselines for 2012-13 as a starting point for the 2013-14 settlement.
8. It is not expected that the funding settlement will be received in time for the December Schools Forum meeting and so it will be difficult to hold detailed budget setting discussions at that meeting however there are a number of issues and risks that Schools Forum need to be informed of at this stage.

### **Main Considerations**

9. As stated above the DSG for 2013-14 will be allocated in 3 main blocks, Schools, Early Years and High Needs. These blocks are not intended to be ringfenced and are initially based on our 2012-13 spend. Schools Forum will need to consider whether they wish to move funding between blocks to reflect priorities or whether to consider priorities within each block. Because of timing issues described below, it may be difficult to view the blocks together, which may lead us to ringfence them by default.

10. There will no longer be a single GUF as a unit of funding, instead there will be a specific per pupil unit of funding for the schools block and the early years block, whilst the high needs block will not be calculated on a per pupil basis.

### **DSG Baseline**

11. A number of adjustments have been made by the EFA to the 2012-13 DSG baseline:

- *Hospital Recoupment* – changes have been made to the way in which hospital education provision is funded and LAs will now receive direct funding for hospital provision rather than operating a method of charging other local authorities for pupils who have received provision. This new funding methodology has been funded through a top slice from overall the 12-13 DSG settlement (including DSG to fund academies) that is then reallocated based on the number of places in hospital provision settings in each LA area. A reduction of £8.50 has been made to the 2012-13 GUF. The impact on Wiltshire is that £0.492 million has been deducted from the 2012-13 baseline with £0.184 million being added back to the high needs block for the 10 place hospital provision in Salisbury.
- *Inter authority recoupment (SEN)* – DSG baselines have been adjusted for those pupils with statements of SEN who are the responsibility of one LA but placed in another. The DSG baseline has been reduced for those Wiltshire pupils who are placed with another LA but increased for pupils placed in Wiltshire by other LAs. This is to ensure that each LA has the correct level of funding to reflect the number of planned places in high needs provision. This gives a net negative adjustment of £0.337 million to reflect the fact that Wiltshire will only need to pay the top-up element for Wiltshire pupils placed in other local authority schools.
- *EFA SEN Block Grant* – the SEN block grant previously funded by the EFA for post-16 pupils with SEN in schools will now be incorporated in to the high needs block DSG. This brings an additional £1.377 million in to the high needs block.

12. There are some adjustments that still need to take place to the baseline for the high needs block to represent the movement of base funding for post-16 high needs places in to the national 16-19 funding formula and the movement of base funding for non-maintained special schools.

### **Schools Block**

13. Essentially, this covers all pupils in maintained schools in National Curriculum Year Groups R-11 aged 4 or above, but does not include those pupils in SEN units or Resourced Provision; these will be covered by the High Needs Block. Any pupils recorded as Year R but who are less than 4 years old are counted in the Early Years Block.

### Summary of how the Schools Block allocations will be calculated

14. For 2013-14 allocations, the main source of the pupil count will be the October 2012 school census. All pupils in the Schools Block will be counted as 1 FTE regardless of part-time/full-time status. All duplicate pupils will be resolved as far as is possible in the time the October census database is open.

### Reception Uplift to census counts

15. In order to ensure that no LA loses out in respect of deferred entry to Reception arising from the use of the October census count, the final pupil numbers will be uplifted by any increase in the count of Reception pupils between October and January of the previous academic year. In other words, for 2013-14 allocations, the increase between October 2011 and January 2012 censuses will be applied. The change (calculated in terms of the number of pupils, not a percentage change) will be calculated for each school individually in the LA, and then all increases will be totalled across the whole authority area. For the purposes of calculating this uplift, any school with fewer Reception pupils counted in the January 2012 census than in the October 2011 census will be treated as having zero change, rather than a decrease. In Wiltshire it has been agreed that this increase will be reflected in individual school budgets.

16. Pupil numbers to determine the 2013-14 Schools Block allocations:

From the October 2012 School Census – (i) all pupils in maintained nursery, primary and secondary schools, and academies which are going through recoupmnt at census date, in National Curriculum year groups R-11 aged 4 or above at 31st August 2012; (ii) all pupils in maintained nursery, primary and secondary schools, and academies which are going through recoupmnt at census date, whose National Curriculum year group is missing or 'X' aged 4 to 15 at 31st August 2012.

**plus**

From the January 2012 Alternative Provision Census – all pupils in independent schools without a statement of SEN aged 4 to 15 at 31st August 2011. For Wiltshire there are no pupils in this category

**plus**

From the January 2012 School Census and October 2011 School Census – the increase (where applicable) in the number of National Curriculum year group R pupils aged 4 or above at 31st August 2011, in January 2012 compared to the October 2011 National Curriculum year group R figures, for maintained nursery and primary schools and academies which are going through recoupmnt at census date.

**minus**

From the August 2012 High Needs data returned by LAs – all funded places in Special Units or Resourced Provision in 2013-14.

17. The total number of pupils derived from this calculation will be multiplied by the per pupil unit of funding for the Schools Block. The DSG Baseline exercise indicates that for Wiltshire this amount will be £4,213.16 per pupil.

18. Work is currently taking place to estimate the schools block for 2013-14 based on the first cut of the October census data and to compare that with current commitments against the schools block in 2012-13.

Schools Block – Issues to be considered

19. It is expected that the updated data set for the local funding formula will be provided by the EFA on 10<sup>th</sup> December. This will enable us to begin updating the driver data for the mainstream funding formula.

20. Work is ongoing to estimate the schools block total funding now but we will receive the confirmed settlement later in December.

21. The EFA requires LAs to resubmit the funding proforma outlining the funding values within the formula, and therefore the indicative school budgets, by 18<sup>th</sup> January 2013. This means that the final delegated budget needs to be submitted to the EFA before Schools Forum meets in January. This may lead Schools Forum to take the approach of “ringfencing” the schools block and it is recommend that the School Funding Working Group will need to meet prior to 18<sup>th</sup> January in order to review and sign off the final submission on the local formula. Following discussion at the Schools Funding Working Group on 21<sup>st</sup> November it is also recommended that a head teacher from a maintained secondary school be invited to join that meeting to ensure that all types of school are represented.

**Early Years Block**

22. The Early Years Block will continue to use the January censuses as the source of funded pupils. The 2012-13 baselines will be divided by January 2012 pupils to derive the initial unit of funding for the Early Years Block. The block will be adjusted using January 2013 pupil numbers in summer 2013. Finally, the Early Years Block allocations will be adjusted once more at the end of the financial year using the January 2014 pupil numbers.

23. The initial unit of funding from the 2012-13 baseline has been calculated as £3,645.92

Early Years Block – Issues to be considered

24. The early years block will be subject to in year adjustments to update for January 2013 and summer 2013 pupil numbers. Any adjustment will reflect changes in the number of 3 & 4 year olds. Previously Schools Forum has adopted a principle that any changes to DSG levels arising from demography should be reflected in the relevant budget.
25. From September 2013 there is a statutory requirement to provide 15 hours free entitlement for child care to the most vulnerable 2 year olds. Schools Forum has previously discussed the principles of how funding for 2 year old places should be incorporated in to the Early Years Single Funding Formula and settings are being consulted on this.
26. The EFA has yet to issue any detail on how the funding for 2 year olds will be incorporated in to the DSG settlement for 2013-14. This will be an additional DSG allocation but until the amount is known it is difficult to agree an hourly rate to be incorporated into the EYSFF.

### **High Needs Block**

27. The nature of the reform to the DSG allocations in relation to the High Needs Block means that no pupil count data from the censuses, including the PRU and Alternative Provision censuses, will be used.
28. The high needs block will therefore be based on 2012-13 levels of spend with the adjustments outlined in paragraph 10 to reflect the cessation of inter-authority recoupment.

### **High Needs Block – Issues to be considered**

29. The EFA has yet to confirm how funding will be transferred to LAs to enable them to fund the top-up values for post 16 learners not in schools, ie., in colleges or other specialist provision. It is expected that this will be incorporated in to the funding settlement issued in December and does present a risk of a cost pressure that can't be quantified at this stage.
30. Work is ongoing with the High Needs Formula Review Group to calculate top-up values for Wiltshire's special schools, resource bases and Enhanced Learning Provision (ELP) in secondary schools. Recommendations will be taken to the SEN Working Group later this week based on the recommendations of the review group who met on 20<sup>th</sup> November.

### **Proposals**

31. That Schools Forum considers the issues arising from the changes to the way in which the DSG allocation will be calculated for 2013-14.
32. That the Schools Funding Working Group will meet to finalise the funding values within the Schools Block in order that the date for submission of detail to the EFA can be met

---

*Report Author: Liz Williams, Head of Finance (DCE)*

*Tel: 01225 713675 e-mail: [elizabeth.williams@wiltshire.gov.uk](mailto:elizabeth.williams@wiltshire.gov.uk)*

## ALLOCATION OF FUNDING FOR PUPIL GROWTH 2013-14

### Purpose of the Report

1. To seek agreement on the methodology for allocating funding for pupil growth from the centrally retained growth fund in 2013-14.

### Main Considerations

2. Funding for significant pupil growth can be retained centrally as part of the schools contingency before the formula is calculated. This can include funding to be allocated for additional classes arising from Basic Need or additional classes needed as a consequence of infant class size regulations. The requirements are that:
  - a. the growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need and to support additional classes needed to meet the infant class size regulation;
  - b. the fund must be used on the same basis for the benefit of both maintained schools and recouplement Academies;
  - c. any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula;
  - d. local authorities will be required to produce criteria on which any growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth funding. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid; and
  - e. local authorities will need to propose the criteria to the Schools Forum and gain its agreement before growth funding is allocated. The local authority will also need to consult the Schools Forum on the total sum to be top-sliced from each phase and must regularly update the Schools Forum on the use of the funding.
3. At the meeting on 13<sup>th</sup> July 2012 Schools Forum agreed that funding for pupil growth should be retained centrally and that a budget of £450,000 should be allocated for this purpose. This amount is based on historical spend on in year pupil growth, new school allowances and additional funding for school expansion.
4. The criteria currently used for funding pupil growth within the local Wiltshire funding formula are as follows:
  - a. **New School Allowance:** Schools receive funding in advance of pupils arriving in the school, based on the result of the pupil teacher ratio rounded up to the nearest next whole number. The PTRs used are 26.5:1 for KS1 & 27.5:1 for KS2 + 1.1. The topped up element to the next whole number is arrived at by multiplying the result by the salary of a teacher on the top point of the teachers mainscale + on-costs. This element will apply until the first year group has left the school or until the school is full. In addition the costs of a head teacher and 10 hours admin support will be available one "old" term before opening. 55% of the Basic Flat Rate will be available two "old" terms before opening. In the first year of opening the school will also receive 34% of the Basic Flat Rate, 17% in the second & 8.5% in the third year after opening. New schools may also receive an estimate of the new pupil intake for the

forthcoming academic year. This approach will be in place for the number of years equal to the number of year groups at the school. The initial estimate may be changed at a later date (but no later than the end of Term 6) to more accurately reflect the likely new intake, with the agreement of the school.

- b. **Class Expansion for Basic Need:** Where a school is expanded to provide additional classes to meet a basic need for places identified by the LA, from the month of opening for the remainder of the financial year only the school will receive  $7/12\text{ths} \times 30 \times$  relevant AWPU for each additional class. Where a full class may not be needed then the school would receive  $7/12\text{ths} \times$  estimate of increased September intake  $\times$  relevant AWPU. The definition of "expanded" is that a building project or addition of a mobile classroom has taken place.

- c. **In Year pupil number increases:** Funding for in year pupil growth is allocated is the in year increase in numbers would necessitate provision of an additional class. For primary schools total funded NOR is divided by 30 to arrive at a theoretical class number for the school. Total NOR from the following census is also divided by 30 to arrive at a new class number. If the total increase in NOR is greater than 13 and an extra class would be generated then additional funding is allocated per additional class. For secondary schools the calculation is based on the difference between the number of pupils arriving in Year 7 compared with the number of pupils leaving in Year 11. If the increase is greater than 18 pupils additional funding is allocated.

5. Schools Forum needs to approve the above criteria for application in 2013-14. For in year pupil increases the movement between January census dates is currently used, this would need to change to the movement between October census dates.
6. Further detail will be brought to Schools Forum in January 2013 on the anticipated spend against each of these criteria for budget setting purposes.

### **Proposals**

7. That Schools Forum approve the criteria for allocating the pupil growth fund in 2013-14.

---

*Report Author: Liz Williams, Head of Finance (DCE)*

*Tel: 01225 713675 e-mail: [elizabeth.williams@wiltshire.gov.uk](mailto:elizabeth.williams@wiltshire.gov.uk)*



## **SECTION 251: COMPARISON OF LOCAL AUTHORITY SPENDING 2012/13**

### **Introduction**

- 1 This report informs the Schools Forum of the information published in September by the Department for Education (DfE), based on the section 251 returns for all Local Authorities (LA) and giving the planned expenditure comparison for 2012/13.

### **Background**

2. Under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009, the Secretary of State is obliged to publish comparative details of every LA's expenditure on education and social care.

### **Section 251: Comparison of Budgeted Expenditure by LAs**

3. Benchmarking data on LA expenditure was published by the DfE in September. This consisted of a number of tables, all of which are available on the DfE website or from the Children's Services Finance Team should members of Schools Forum wish to study the detail. The DfE tables show both gross and net budgeted expenditure per pupil for each LA in respect of all lines included in the Section 251 Budget 2012/13 Return. The net (or gross) budgeted expenditure for education services is calculated by dividing the net planned expenditure by the total full time equivalent for all pupils aged 3 to 19 on roll, including those three and four year olds in private, voluntary and independent settings, whose places were funded by the LA. For non education services the population aged 0-17 is used.
4. A further table published by the DfE gives year on year comparisons for certain lines on the Section 251 return.
5. As in 2011/12 the data has been presented for schools forum showing the trend from 2007/08 (where available) to 2012/13 compared with the national average for all authorities and with the average for Wiltshire's Children's Services statistical neighbours. The data is shown both as data tables and graphically in Appendix 1. It is hoped that showing the data in this format will help to identify any trends as well as areas where Wiltshire is similar or different from other authorities.
6. For the purposes of this analysis Wiltshire's statistical neighbours are:

Shropshire  
Worcestershire  
Hampshire  
West Berkshire  
Oxfordshire  
Cambridgeshire  
Suffolk  
Somerset  
Dorset  
Gloucestershire

7. For some tables within Appendix 1 data has only been captured on the return since 2008/09.

## **Analysis of the tables**

### **Schools Budget**

The main findings in relation to the Schools Budget are that:

8. Funding levels – Wiltshire has the lowest Guaranteed Unit of Funding of the 11 LAs in the group, this is the per-pupil amount used in the DSG calculation and therefore the level of funding coming in to Wiltshire is lower than its comparator authorities. The range is £4,593 (Wiltshire) to £4,891 (West Berkshire). In comparison to this, the Individual Schools Budget (ISB) per pupil delegated to Wiltshire Schools is the 5th highest in the group indicating that a higher proportion of funding is delegated in Wiltshire than some comparator authorities.
9. Wiltshire has 17% of primary schools and 8% of secondary schools receiving the MFG. The range within the comparator group is 2% to 67% for primary schools and 0 to 40% for secondary schools. One special school in Wiltshire receives the MFG and the range across the group is 0 to 42%.
10. Wiltshire is 8<sup>th</sup> out of the 11 comparator authorities for SEN spend retained centrally. This is a significant movement from previous years when Wiltshire benchmarked high for these services.
11. For expenditure on Behaviour Support Wiltshire is in line with statistical neighbours.

### **LA Funded Services**

12. Wiltshire still spends above the national average and the average for statistical neighbours on LA funded SEN services which include the Psychology Service, Speech and Language Therapy, Statutory SEN and administration and management.
13. Expenditure on School Improvement has decreased in Wiltshire in 2012-13 and has moved closer to that of other authorities. Wiltshire has prioritised investment in narrowing attainment gaps within its business plan for 2011/12 and 2012/13.

## **Proposal**

14. Schools Forum is invited to note this report.

CAROLYN GODFREY  
Director, Department for Children and Education

---

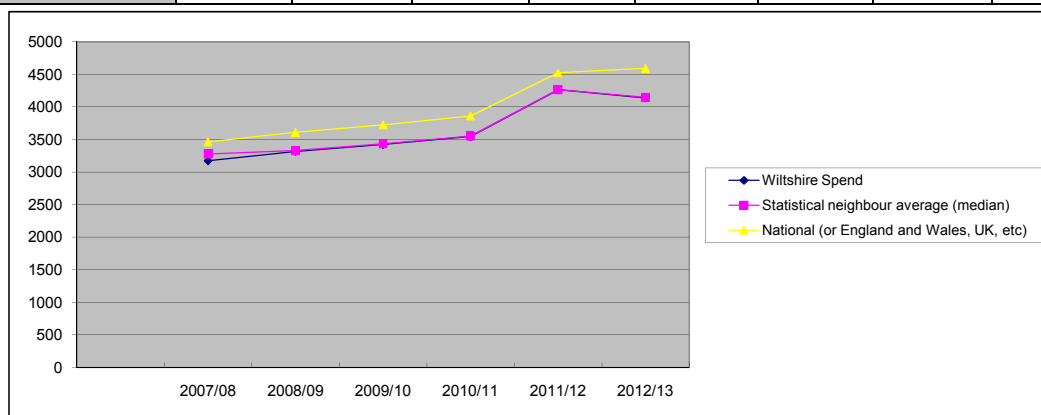
Unpublished documents relied upon in the production of this Report: None

Report Author: Elizabeth Williams, Head of Finance  
Telephone 01225 713675  
Email [elizabeth.williams@wiltshire.gov.uk](mailto:elizabeth.williams@wiltshire.gov.uk)

## Wiltshire Section 251 Benchmarking 2012-13 - NET Expenditure

<b>Section 251 Line</b>	<b>Individual Schools Budget</b>
<b>Definition</b>	<i>Line 1.0.1 Individual Schools Budget per pupil</i>

<b>Table of data</b>							
Financial year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
<b>Wiltshire Spend</b>	3176	3320	3426	3549	4268	4139	
<b>Statistical neighbour average (median)</b>	3278	3334	3435	3555	4268	4148	
<b>National (or England and Wales, UK, etc)</b>	3465	3610	3726	3864	4526	4594	



**Describe the data to pick out features of performance and trends compared to other Local Authorities and National performance**

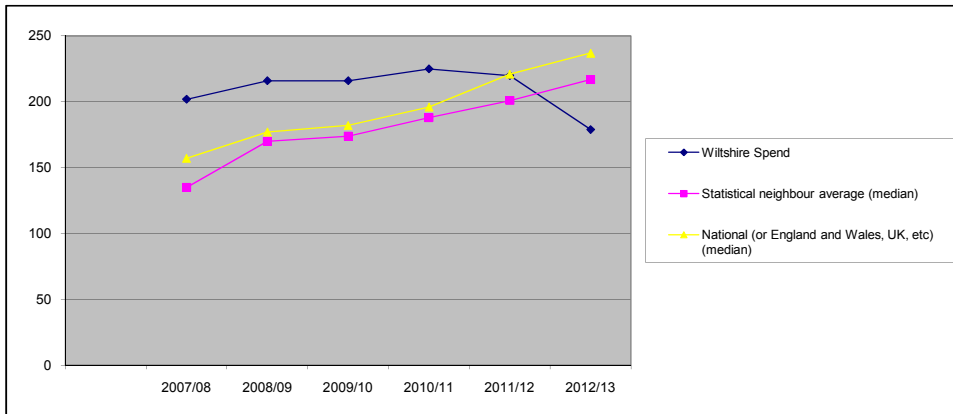
<b>2010/11</b>	<p>Funding Delegated to schools in Wiltshire is lower than the national average. This would be expected as funding received by the county is lower than more urban authorities, for example and lower than its statistical neighbours. Comparison with statistical neighbours shows Wiltshire is now in line with the average for similar authorities in terms of the amount delegated to schools. increased delegation of SEN funding to Primary Schools will have contributed to this, the position may also be affected by the way in which mainstreamed grants were delegated (although this should be reflected in all authorities and accounts for the overall increase in total in each case) and the fact that Wiltshire did not apply an negative inflation adjustment to schools budgets in 2011/12 when a number of other LAs did.</p>
----------------	---

<b>Data Source:</b>	
<i>Section 52/251 Benchmarking - line 1.0.1. includes school budget share comprising DSG and LSC allocations</i>	
<b>Date of completion</b>	<b>18/09/2012</b>
<b>Completed by</b>	<b>Liz Williams</b>

## Wiltshire Section 251 Benchmarking 2012-13 - NET Expenditure

<b>Section 251 Line</b>	<b>Lines 1.2.1 to 1.2.8 - Schools Budget SEN</b>
<b>Definition</b>	<i>Schools Budget SEN (not including PRUs, behaviour support, education out of school) £ / pupil (sum of lines 1.2.1 to 1.2.8)</i>

<b>Table of data</b>							
Financial year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
<b>Wiltshire Spend</b>	202	216	216	225	220	179	
<b>Statistical neighbour average (median)</b>	135	170	174	188	201	217	
<b>National (or England and Wales, UK, etc) (median)</b>	157	177	182	196	221	237	



**Describe the data to pick out features of performance and trends compared to other Local Authorities and National performance**

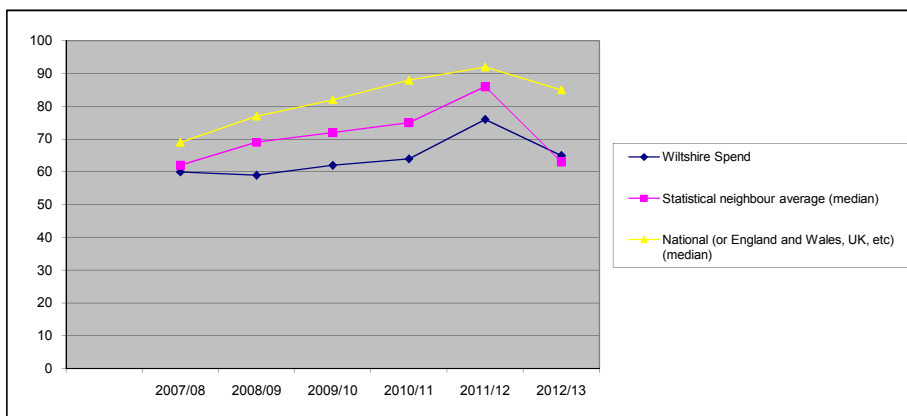
<b>2010/11</b>	Expenditure on SEN retained centrally within DSG is now in line with the national average. In previous years Wiltshire has benchmarked as retaining more funding centrally than the average for statistical neighbours and than the national average. The reduction in expenditure on external placements and the increased delegation of SEN funding to mainstream primary schools, in addition to investment in Wiltshire's special schools have brought Wiltshire in to line with other authorities.
----------------	---

<b>Date of completion</b>	<b>18/09/2012</b>
<b>Completed by</b>	<b>Liz Williams</b>

## Wiltshire Section 251 Benchmarking 2012-13 - NET Expenditure

<b>Section 251 Line</b>	Lines 1.3.1 to 1.3.3 Behaviour Support
<b>Definition</b>	PRUs/ Behaviour Support/ Education Otherwise £ / pupil (Sum of 1.3.1 to 1.3.3)

Table of data							
Financial year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
<b>Wiltshire Spend</b>	60	59	62	64	76	65	
<b>Statistical neighbour average (median)</b>	62	69	72	75	86	63	
<b>National (or England and Wales, UK, etc) (median)</b>	69	77	82	88	92	85	



**Describe the data to pick out features of performance and trends compared to other Local Authorities and National performance**

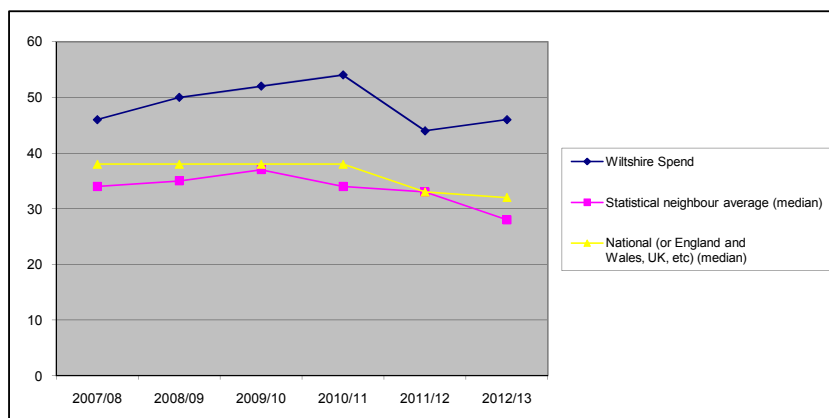
<b>2010/11</b>	Wiltshire spend is lower than statistical neighbours as in previous years.
----------------	--

<b>Date of completion</b>	<b>18/09/2012</b>
<b>Completed by</b>	<b>Liz Williams</b>

## Wiltshire Section 251 Benchmarking 2012-13 - NET Expenditure

<b>Section 251 Line</b>	<b>Line 2.0.6 SEN - non Schools Budget</b>
<b>Definition</b>	<i>SEN Expenditure by the LA - includes Psychology Service, SEN Administration, Assessment and Co-ordination, Therapies (Speech &amp; Language), Parent Partnership, Monitoring of SEN Provison</i>

Table of data							
Financial year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
<b>Wiltshire Spend</b>	46	50	52	54	44	46	
<b>Statistical neighbour</b>	34	35	37	34	33	28	
<b>National (or England and</b>	38	38	38	38	33	32	



**Describe the data to pick out features of performance and trends compared to other Local Authorities and National performance**

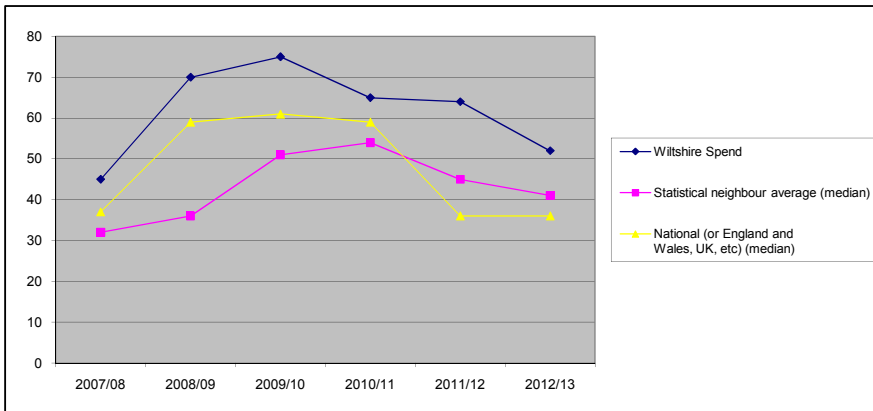
<b>2010/11</b>	Wiltshire spends above the national average and the average for statistical neighbours on SEN however spend in 2011/12 has reduced and is closer to the average. Savings have been made through the Management review and restructure of DCE and not in front line services.
----------------	--

<b>Date of completion</b>	<b>18/09/2012</b>
<b>Completed by</b>	<b>Liz Williams</b>

## Wiltshire Section 251 Benchmarking 2012-13 - NET Expenditure

<b>Section 251 Line</b>	Line 2.1.9 School Improvement
<b>Definition</b>	School Improvement Services

Financial year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13		
<b>Wiltshire Spend</b>	45	70	75	65	64	52		
<b>Statistical neighbour average (median)</b>	32	36	51	54	45	41		
<b>National (or England and Wales, UK, etc) (median)</b>	37	59	61	59	36	36		



**Describe the data to pick out features of performance and trends compared to other Local Authorities and National performance**

**2010/11**

Pattern of spend shows a wide gap between spend in Wiltshire compared with statistical neighbours - gap narrowing in 2010/11. Spend in 2010/11 was more reflective of the national pattern but higher.

The benchmarking data shows all authorities to have made reductions in their School Improvement expenditure, the reduction in Wiltshire is not as marked. This may reflect differing approaches in authorities towards reductions in LA spend following Government reductions and differing approaches to the new Academy regime.

<b>Date of completion</b>	<b>18/09/2012</b>
<b>Completed by</b>	<b>Liz Williams</b>

This page is intentionally left blank