

## **Wiltshire Council**

### **Schools Forum**

**7 December 2017**

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## **Schools Funding 2018-19 - Local Funding Formula for Schools**

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### **Purpose of Report**

1. The purpose of this report is to propose a revised funding formula for Wiltshire schools in 2018-19 following consideration of the government's proposals for a national funding formula (NFF) and consultation with schools. It is proposed that the revised formula is implemented from the 2018-19 financial year. The formula will be recommended for approval by the council's Cabinet on 12 December 2017.
2. The report outlines the proposed formula factors to be used in 2018-19. Final values for each factor cannot be determined until the funding settlement for 2018-19 has been received and individual school budgets calculated.
3. The report also outlines the responses of maintained schools to the consultation on delegation of central services in order that Schools Forum can make decisions for 2018-19.

### **Background**

4. All mainstream schools in Wiltshire, whether they are academies or maintained schools, are funded according to a locally agreed formula which has to be approved by Cabinet and submitted to the Education & Skills Funding Agency (ESFA) to confirm compliance with the funding regulations. The current arrangements for Wiltshire schools were agreed by Cabinet in October 2012 for the financial year 2013-14 and the Wiltshire Schools Forum has confirmed the local formula each year since then without making significant changes.
5. In January 2017 the Department for Education (DfE) issued a consultation document outlining proposals for a new national funding formula (NFF) for schools to be implemented in 2018-19. Following that consultation the government issued a policy document on a national funding formula for schools and high needs on 14 September 2017. The government also issued the Operational Guidance for schools revenue funding in 2018-19. Local Authorities will use the operational guidance in the setting of local formulae for 2018-19. The proposals include a 2 year period in which a "soft" formula will be operated. Under the soft formula local authorities will receive funding on the basis of the NFF but will continue to set a local formula. It is assumed that from April 2020 a "hard" formula will be implemented under which schools will

all receive their funding according to the national formula and will be funded directly by the ESFA. This has not been confirmed at this stage.

6. Schools Forum considered the policy document at the October 2017 meeting and proposed that Wiltshire should aim to set a local formula in line with the National Funding Formula during the “soft” formula transitional period. To do so includes:
  - a. Changing the sources of data that drive some of the existing factors in the Wiltshire local funding formula
  - b. Incorporating new funding factors in to the Wiltshire local formula – these will be factors that have been allowable in previous years but that Wiltshire has chosen not to include
  - c. Amending some of our locally agreed factors to bring Wiltshire in to line with other authorities, in preparation for the introduction of a national factor (this may include areas such as split site allowance, growth factors etc where the DfE proposals do not yet include a national factor)
7. The rationale behind this recommendation is that the government has stated its long term intention to move towards funding all schools through the national formula. Whilst 2018-19 and 2019-20 are identified as transition years in which LAs can still set their own local formula it is expected that all schools will be funded on the NFF after that. LAs will be funded based on the national formula and it therefore makes sense to set a local formula that reflects the formula factors being proposed nationally.
8. Any significant changes to the local schools formula require consultation with schools and political sign off for the amended formula.

## **Main Considerations**

### ***Proposed Funding Formula for Schools 2018-19***

9. Appendix 1 to this report outlines the proposed formula factors to be included in the Wiltshire funding formula for schools in 2018-19. For each formula factor detail is provided on the data to be used to drive funding, the DfE rationale and description of the factor (taken from the Operational Guidance), and the values proposed by the government compared with the values in the current Wiltshire formula. It is important to note that these values are included for exemplification only, the actual values for each factor in 2018-19 will not be finalised until the DSG funding settlement is received in mid-December. The published values do, however, give an indication of the different weightings applied to each factor in the NFF compared with the current Wiltshire formula.
10. The current Wiltshire formula already includes the majority of factors proposed for the NFF but uses different data sources in some cases. An example of this is the proposed factor for deprivation funding. Currently Wiltshire uses the Free School Meal Ever6 indicator for distributing funding. In the proposed formula we will use Free School Meal data, Free School Meal Ever6 data and data from the IDACI index (see definition of the IDACI index in appendix 1). This will give a potentially different distribution of funding for deprivation. The

NFF also proposes higher funding values for deprivation meaning more funding will be distributed through these factors.

11. There are two factors which Wiltshire has not used before:
12. **Sparsity** – The sparsity factor is designed to support small rural schools and is based on the average distance that pupils would have to travel to their nearest alternative school if the school were to close. Wiltshire has not previously used the factor because, whilst the County has a significant number of small rural schools, schools in Wiltshire are not remote and therefore the factor benefits some small schools, based on distance, but not others. There are 28 schools, 25 primary and 3 secondary, which will meet the criteria to benefit from sparsity funding. Despite not having used the factor before, it is to be included in the NFF and therefore it is proposed to implement sparsity in the 18-19 formula.
13. **Minimum Per Pupil Funding Level** – the proposed NFF sets a minimum value per pupil for primary schools of £3,300 and for secondary schools of £4,600. It is therefore necessary to include a formula factor to provide a top up to schools if the main formula does not fund schools at that level. The factor tends to be required for schools with low levels of deprivation and/or high levels of prior attainment. There are 4 secondary schools that are expected to benefit from this factor.

#### ***Impact of the Proposed Formula***

14. The proposed formula is likely to result in a shift in the way that funding is allocated to schools. The current Wiltshire formula distributes 83% of funding through the basic per pupil amount. Modelling of the new formula suggests this will reduce to 77%. Conversely the current formula distributes 6% of funding through additional pupil led factors ie., deprivation, low prior attainment and English as an additional language. This will increase to approximately 11% in the proposed formula.
15. The table in appendix 2 shows the distribution of funding in 2017-18 under the current local formula compared with the proposed distribution using the NFF factors.

#### ***Protection and Limits to Gains***

16. The Secretary of State confirmed in July that the NFF will provide for at least a 0.5% per-pupil increase in funding for each school in 2018 to 2019.
17. Local authorities will continue to set a pre-16 minimum funding guarantee (MFG) in their local formulae, to protect schools from excessive year-on-year changes, and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through. The MFG has been applied by LAs in their local formulae for a number of years and it provides a level of protection against losses in any formula change. The application of the MFG is funded by the capping of gains for those schools which gain the most under any change.

18. In previous years the government has set the level of the MFG at -1.5% per pupil. This means that no school can lose more than 1.5% in cash terms per pupil as a result of any formula change. The guidance for 2018-19 gives greater flexibility for the MFG in 2018 to 2019; local authorities will be able to set the MFG between 0% and minus 1.5% per pupil without seeking permission.
19. Despite this flexibility, financial modelling work on the formula to date indicates that the 0.5% per pupil increase announced in September can only be guaranteed to Wiltshire schools if the MFG is set at that level. Because of this schools were consulted on a proposal to seek a disapplication from the Secretary of State to enable Wiltshire to set positive MFG value of 0.5% per pupil. This was supported by schools and a disapplication request has been submitted.
20. In order to seek permission to set a positive MFG, the original guidance stated that local authorities need to have consulted with schools on the level of the MFG, and on the rest of the formula. Since the consultation with schools closed the DfE has announced that the funding regulations will be amended to enable local formulae to include a positive minimum funding guarantee (MFG) up to + 0.5% per pupil. We will now no longer need to wait for Secretary of State approval as the proposed level of MFG is now allowable within the regulations.
21. Initial modelling estimates that if the MFG is set at +0.5% per pupil, 35 schools will be in receipt of the MFG and that 42 schools will have their increases capped in order to fund the protection required under the MFG.

### ***Consultation with Schools***

22. A consultation on the proposed move towards the NFF formula factors was carried out with all schools in November. A summary of the consultation results on the formula is included at Appendix 3. The three consultation questions were:
- 1) Do you agree with the principle that Wiltshire should move as close as possible to the national funding formula for allocating funding to schools in 2018-19?
  - 2) Do you agree with the proposed change to the definition of a split site for the purposes of calculating the split site allowance? (*see appendix 1 for proposed definition and criteria*)
  - 3) Do you agree with the proposal to set the Minimum Funding Guarantee at 0.5% per pupil in order to ensure each school receives an increase in funding of at least 0.5% per pupil?
23. All schools were provided with an impact statement which demonstrated their school income under the NFF. The statements were based on the October 2016 pupil census data and were therefore only indicative as actual funding will be based on the October 2017 pupil census which will not be available until December 2017.

24. Of those who responded, all but one (97%) agreed with the proposed formula. The one school that did not agree commented that they disagreed with the two year transitional period and thought schools should move direct to the NFF.
25. 91% of schools who responded agreed with the proposal to set the MFG at 0.5%.
26. 95% of schools who responded agreed with the proposed change in definition to the split site allowance.

### ***De-Delegation of Central Services***

27. There are a number of budgets currently included in the local formula that maintained primary and/or secondary schools can agree to de-delegate so that they continue to be provided centrally. De-delegation cannot be applied to amounts delegated to academies or to special schools.
28. There are a number of outcomes that could flow from the proposals to delegate the budgets. These include:
- a) Following consultation, maintained schools agree that budgets should be de-delegated and retained centrally with services provided to all maintained schools;
  - b) Schools agree that budgets should be delegated and schools make/purchase their own provision as appropriate;
  - c) Schools agree that budgets should be delegated and they then cluster together to purchase or deliver services.
29. Under scenario (a) the LA would be able to retain a level of service to provide to maintained schools. The size of the service may also need to reduce over time if the number of academies increases but this would not impact on the level of service to maintained schools.
30. Under scenarios b and c the LA would not be able to continue to deliver a service unless there is sufficient buy back on a traded basis from schools (maintained or academy) to enable retention of sufficient staff. This will be difficult to predict and the LA will need to decide whether it can afford to continue to deliver services centrally on a fully traded basis with full cost recovery. This would require a risk assessment.
31. Delegation of the budgets can only be through the allowable formula factors and the final methodology needs to be determined using the factors in the proposed formula for 2018-19.
32. In the initial consultation on the NFF the government clearly indicated its intention to move towards full delegation of funding to schools. It is therefore not expected that schools forum will opt to de-delegate those services which have already been agreed for delegation to schools in previous years. For those services that are currently de-delegated schools forum is asked to consider whether that should continue for a further year. Decisions can only be taken on an annual basis, the government has made no announcement in relation to de-delegation of services after April 2020.
33. Maintained schools have been consulted on the options for de-delegation and the responses to that consultation are summarised in appendix 4 to this report.

Those maintained schools that responded expressed a preference to continue to de-delegate the following services:

- HCSS Software Licence
- Trade Union Facilities Costs
- Maternity Costs
- Ethnic Minority Achievement Service
- Traveller Education Service
- Behaviour Support Service

34. Approval for de-delegation is by the relevant phase members of Schools Forum following responses to this consultation.

### **Next Steps**

35. A report is being taken to Cabinet on 12 December 2017 recommending the proposed formula for political ratification in line with the operational guidance for 2018-19.

36. The Dedicated Schools Grant (DSG) funding settlement will be announced in mid-December and the October 2017 pupil census data will also be published at the same time. The October census data will be used to drive the formula for the allocation of school budgets for 2018-19. The final values for each factor will be determined as part of this process.

37. The final values of the formula factors will be brought to Schools Forum on 18 January in time to meet the ESFA deadline for submission of school budgets on 19 January 2018. Budgets will be issued to schools in February 2018.

### **Proposals**

38. Schools Forum is asked to approve the following recommendations in relation to the school funding formula for 2018-19:

- a) That the Wiltshire formula be changed to reflect the factors used in the NFF for 2018-19
- b) That the minimum funding guarantee be set at +0.5% per pupil in 2018-19
- c) That the criteria to be used for allocating funding for split sites be defined as follows:

‘A school will receive split site funding if, of necessity, it has 2 (or more) distinct campuses between which travel of 0.5 miles or more, by means of a public highway, is required and Class teaching and learning must take place on all sites with physically detached administration’

39. Schools Forum is asked to determine those budgets/services that will continue to be de-delegated in 2018-19 taking in to account the outcomes of the consultation with maintained schools.

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## **Appendices**

Appendix 1 – Details of the formula factors included in the proposed Wiltshire funding formula for schools 2018-19

Appendix 2 – impact of the proposed formula

Appendix 3 – consultation outcomes

Appendix 4 – consultation outcomes on de-delegation of central services

## **Background Papers**

The following documents have been relied on in the preparation of this report:

Schools revenue funding 2018 to 2019 Operational Guide (September 2017)

The national funding formula for schools and high needs: Policy Document (September 2017)

## Appendix 1 – Proposed Formula Factors 2018-19

### A1 – Basic Entitlement

**Name of Factor:** Basic Entitlement (compulsory factor)

**What is the formula driver?**

Under the proposed formula LAs are required to include a per pupil element of funding within the local formula. A single per pupil rate is allowable for primary school pupils and separate per pupil amounts are allowable for Key Stage 3 and Key Stage 4 pupils.

*The 2018-19 Operational Guidance states:*

*This factor assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census.*

- funding is allocated according to an age-weighted pupil unit (AWPU)*
- there is a single rate for primary age pupils, which must be at least £2,000*
- there can be different rates for KS3 and KS4, with a minimum of £3,000 for each*
- local authorities can choose to increase the pupil number count for schools with higher reception pupil numbers in January 2017 than the October 2016 census*
- we'll not include reception uplift in the national funding formula; local authorities currently using a reception uplift factor should consider whether to do so in 2018 to 2019 schools with reception uplift will not be financially disadvantaged in the national funding formula calculations, as the funding will remain in their baselines*

The data used to drive per pupil funding will be the **October** pupil numbers prior to the start of the financial year. Wiltshire will follow the national approach and not apply a reception uplift in 2018-19.

Within the proposed formula Wiltshire has previously opted to apply separate rates for KS3 and KS4 and will continue to do so, **whilst moving closer to the values proposed in the NFF as follows:**

| <u>Funding Factors</u> | <u>Proposed NFF Values</u> | <u>Current Wiltshire Values</u> |
|------------------------|----------------------------|---------------------------------|
| AWPU – Primary         | 2,747                      | 2,998                           |
| AWPU – KS3             | 3,863                      | 3,850                           |
| AWPU – KS4             | 4,386                      | 4,698                           |



## A2 – Deprivation Funding

**Name of Factor:** Deprivation Funding (a compulsory factor)

**What is the formula driver?**

Under the proposed NFF LAs are required to distribute a proportion of funding to target funding towards pupils from deprived backgrounds within schools.

The following indicators of deprivation are allowable:

1. Free School Meals (FSM or FSM Ever6)
2. Income Deprivation Affecting Children Index (IDACI) Data; or
3. Both

*The operational guidance for 2018-19 states:*

*Local authorities can use free school meals (FSM), the income deprivation affecting children index (IDACI), or both to calculate the deprivation factor.*

- *we measure eligibility for current FSM using the previous October census, and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous January census*
- *local authorities using FSM to calculate deprivation can choose to use either current FSM, Ever6 FSM, or both*
- *the IDACI measure uses 6 bands, and different values can be attached to each band; different unit values can be used for primary and secondary within each band*
- *we'll automatically set the FSM Ever6 ratio equal to the current FSM ratio for schools where the FSM Ever6 rate is recorded as lower than the current FSM rate*

The proposed NFF uses both FSM and IDACI data and this has been incorporated in to the proposed Wiltshire formula with the intention to move as close to the NFF funding values as possible:

| <b><u>Funding Factors</u></b> | <b><u>Proposed<br/>NFF<br/>Values</u></b> | <b><u>Current<br/>Wiltshire Values</u></b> |
|-------------------------------|---|--|
| FSM – Primary                 | 440                                       | 0  |
| FSM – Secondary               | 440                                       | 0  |
| FSM Ever6 – Primary           | 540                                       | 841  |
| FSM Ever6 – Secondary         | 785                                       | 815  |
| IDACI band F – Primary        | 200                                       | 0  |
| IDACI band F - Secondary      | 290                                       | 0  |
| IDACI band E – Primary        | 240                                       | 0  |
| IDACI band E - Secondary      | 390                                       | 0  |
| IDACI band D – Primary        | 360                                       | 0  |
| IDACI band D - Secondary      | 515                                       | 0  |
| IDACI band C – Primary        | 390                                       | 0  |
| IDACI band C - Secondary      | 560                                       | 0  |
| IDACI band B – Primary        | 420                                       | 0  |
| IDACI band B - Secondary      | 600                                       | 0  |

|                          |     |   |
|--------------------------|-----|---|
| IDACI band A – Primary   | 575 | 0 |
| IDACI band A - Secondary | 810 | 0 |

### **Further Information**

**IDACI** - this is the Income Deprivation Affecting Children Index, and measures in a local area the proportion of children under the age of 16 that live in low income households. IDACI codes range from 0.00 (least deprived) to 0.99 (most deprived). They are not specific at the level of whole post-code, instead they relate to what are called Lower Level Super Output Areas (similar size to electoral wards). IDACI data is available from the Office of the Deputy Prime Minister and provided by the DfE to all Local Authorities for use in their local formulae. It is included in the funding formula in 6 different bands so that higher IDACI scores are weighted more heavily and thus receive more funding.

### A3 – Prior Attainment

**Name of Factor:** Prior Attainment

**What is the formula driver?**

Local authorities can apply this factor for:

- primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)
- secondary pupils not reaching the expected standard in KS2 at either English or maths

Weightings are applied in the NFF to ensure funding delivered through the primary prior attainment factor is not disproportionately affected by the year groups assessed under the new framework EYFSP (years 1 to 5).

Weightings are also applied to the secondary low prior attainment factor in 2017 to 2018, to ensure that the new year 7 cohort (the first pupils to sit the new, more challenging, KS2 tests at the end of academic year 2015 to 2016) did not have a disproportionate influence within the total for the prior attainment factor in the mainstream formula

In each case the data is applied to all pupils within the school with an eligible result, not just the most recent cohort of pupils.

The proposed funding values in the NFF are as follows:

| <u>Funding Factors</u>           | <u>Proposed<br/>NFF Values</u> | <u>Current<br/>Wiltshire Values</u> |
|----------------------------------|--------------------------------|-------------------------------------|
| Low Prior Attainment - Primary   | 1,050                          | 637                                 |
| Low Prior Attainment – Secondary | 1,550                          | 503                                 |

## A4 – Looked After Children

**Name of Factor:** Looked After Children

**What is the formula driver?**

Number of looked after children as per previous March SSDA903 return for each LA

Wiltshire does not currently include a formula factor for Looked After Children and there is no factor proposed in the NFF. It is not proposed to include a factor for Looked After Children in the Wiltshire funding formula for schools on the basis that it is not currently a factor used locally and will not be incorporated in to the NFF.

The DfE has announced that the Pupil Premium Plus Grant will increase to £2,300 from April 2018.

## A5 – English as an Additional Language

**Name of Factor:** English as an Additional Language (EAL)

**What is the formula driver?**

Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system.

Local authorities can choose to use indicators based on one, two, or three years, and there can be separate unit values for primary and secondary

Wiltshire currently uses the indicators based on one year and it is proposed in the NFF to use the 3 year indicator. Wiltshire will move to the 3 year indicator in its proposed 2018-19 formula.

The values proposed in the NFF are as follows:

| <b><u>Funding Factors</u></b> | <b><u>Proposed<br/>NFF Values</u></b> | <b><u>Current<br/>Wiltshire<br/>Values</u></b> |
|-------------------------------|---------------------------------------|--|
| EAL – Primary                 | 515                                   | 1,480  |
| EAL – Secondary               | 1,385                                 | 597  |

## A6 – Pupil Mobility

|                                       |
|---------------------------------------|
| <b>Name of Factor:</b> Pupil Mobility |
|---------------------------------------|

|                                    |
|------------------------------------|
| <b>What is the formula driver?</b> |
|------------------------------------|

LAs are allowed to include an element within the funding formula to reflect pupil mobility within the school year.

*The Operational Guidance for 2018-19 states:*

*This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils). there is a 10% threshold, and funding is allocated based on the proportion above the threshold (for example, a school with 12% mobility, will attract pupil mobility funding for 2% of pupils)*

Wiltshire does not current include a mobility factor in its current formula. Because there has been no final agreement on a mobility factor within the proposed NFF the DfE has stated that LAs will be funded for 2018-19 on the basis of their 2017-18 mobility factor value. This means Wiltshire will not receive any funding specifically for mobility and is therefore not proposing to incorporate a factor in the 2018-19 formula. To do so would draw funding away from the published NFF values for other factors.

It is not proposed to include a formula factor based on Pupil Mobility in the Wiltshire funding formula on the basis that it is not currently a factor used locally and will therefore not be funded as part of the NFF allocation to Wiltshire

|                                |
|--------------------------------|
| <b>Any other relevant info</b> |
|--------------------------------|

Financial modelling work carried out in the development of the current Wiltshire formula demonstrated that the application of a per pupil rate for pupil mobility does not target funding sufficiently at schools with high levels of pupil mobility unless significant amounts of funding are distributed using this factor, diverting funding from the per pupil element of the formula. Without the ability to include a threshold to target mobility funding it is not considered that the benefit of including a mobility factor outweighs the impact on other elements of the formula of diverting funding towards mobility.

## A7 – Sparsity Factor

**Name of Factor:** Sparsity

**What is the formula driver?**

Schools that are eligible for sparsity funding must meet two criteria:

1. they are located in areas where pupils would have to travel a significant distance to an alternative should the school close
2. they are small schools

For the pupils for whom the school is their closest compatible school<sup>1</sup>, the factor measures the distance (as the crow flies) from their home to their second nearest compatible school and the mean distance for all pupils is then calculated. Since the pupil population changes each year, it's possible for a school to be eligible for sparsity funding in one year but not in the next.

The school eligibility criteria for sparsity funding is as follows:

| School phase | Maximum average number of pupils per year group | Minimum average distance to second nearest compatible school |
|--------------|---|--|
| Primary      | 21.3  | 2 miles  |
| Secondary    | 119   | 3 miles  |
| Middle       | 69.1  | 2 miles  |
| All-through  | 62.4  | 2 miles  |

**Table: Eligibility criteria for schools to attract sparsity funding**

Pupil numbers include reception to years 11 only, that is, excluding nursery and sixth form pupils.

The maximum value for the sparsity factor is £100,000 (including the London fringe uplift), which can be applied as a taper or as a lump sum. If a taper methodology is used, a school will attract sparsity funding in inverse proportion to its average year group size. Different values and methodologies can be used for the primary, middle, all-through, and secondary phases.

Wiltshire does not currently include a sparsity factor in its local formula however the factor is incorporated in to the proposed NFF using a taper methodology with differential values between primary and secondary phases. A number of Wiltshire schools will gain from the implementation of a sparsity factor. The proposed values in the NFF are as follows:

| Funding Factors | Proposed | Current Wiltshire |
|-----------------|----------|-------------------|
|-----------------|----------|-------------------|

<sup>1</sup> A school is compatible if the pupil is within its age range and the school accepts pupils of this pupil's gender. Selective schools and those in Wales and Scotland are discounted when identifying the second nearest school.

|                      | <u>NFF Values</u> | <u>Values</u> |
|----------------------|-------------------|---------------|
| Sparsity – Primary   | 25,000            | 0             |
| Sparsity - Secondary | 65,000            | 0             |

These values will taper depending on distance and size of school.

## A8 – Lump Sum

**Name of Factor:** Lump Sum

**What is the formula driver?**

LAs are allowed to include a lump sum for each school within the funding formula. The purpose of the lump sum is to recognise the fixed costs within a school.

*The operational guidance for 2018-19 states:*

*Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary.*

- *local authorities should give middle schools a weighted average, based on the number of year groups in each phase*
- *the maximum lump sum is £175,000, even for schools that receive London fringe uplift*

The Wiltshire local formula currently has differential lump sums between the primary and secondary phases. The proposed NFF includes a single value across all phases:

| <u>Funding Factors</u> | <u>Proposed<br/>NFF Values</u> | <u>Current<br/>Wiltshire Values</u> |
|------------------------|--------------------------------|-------------------------------------|
| Lump Sum – Primary     | 110,000                        | 85,000                              |
| Lump Sum – Secondary   | 110,000                        | 175,000                             |

## A9 – Split Site Allowance

**Name of Factor:** Split Site Allowance

**What is the formula driver?**

LAs are allowed to include an element within the funding formula to reflect the additional costs experienced by schools operating across more than one site. Any factor must be based on objective criteria for the definition of a split site and for how much is allocated. The factor can be included as a lump sum or per pupil amount.

In Wiltshire the split site allowance is currently applied to schools meeting the following definition of a split site school:

‘A school will receive split site funding if, of necessity, it has 2 (or more) distinct campuses between which travel of one mile or more, by means of a public highway, is required and Class teaching and learning must take place on all sites with physically detached administration’

A lump sum is applied for each additional site, values £65,000 for Primary and £100,000 for Secondary.

There is no proposed methodology for applying a split site allowance in the NFF and LAs will be funded at the levels of spend in 2017-18. The DfE will work to develop a national formula factor for split site allowances, and other premises related factors, and in 2018-19 LAs continue to have discretion over the level and definition of split sites as long as they fit the requirement for objective criteria.

As part of the financial modelling for 2018-19 we have reviewed all of those schools with split sites and identified a need to review the definition to ensure all schools are appropriately captured in the definition and also to bring the Wiltshire definition more in to line with other LAs in preparation for the implementation of a national factor. It is therefore proposed to amend the definition as follows:

‘A school will receive split site funding if, of necessity, it has 2 (or more) distinct campuses between which travel of **0.5 miles** or more, by means of a public highway, is required and Class teaching and learning must take place on all sites with physically detached administration’

This would bring one more school in to scope for split site allowance following a rebuilding programme.



## A 10 & A11 – Rates and PFI Contracts

**Name of Factor:** Rates and PFI Contracts

**What is the formula driver?**

Rates – must be reflected at actual cost. This is unchanged from the current Wiltshire formula

PFI contracts – LAs are allowed to include a formula factor for PFI contracts. The current Wiltshire formula factor will remain unchanged

## A 12 – Exceptional Premises Factors

**Name of Factor:** Exceptional Premises Factors

**What is the formula driver?**

Local authorities can apply to ESFA to use exceptional factors relating to school premises (for example, for rents, or joint-use sports facilities).

- exceptional factors must relate to premises costs
- local authorities should only submit applications where the value of the factor is more than 1% of a school's budget, and applies to fewer than 5% of the schools in the authority's area
- local authorities can use exceptional premises factors used in 2017 to 2018 (for pre-existing, and newly-qualifying schools) in 2018 to 2019, if the qualification criteria are still met

Wiltshire does reflect a number of exceptional premises factors in its local formula and is proposing to continue to do so in 2018-19.

## A13 - Minimum level of per pupil funding for primary and secondary schools

**Name of Factor:** Minimum Level of Funding for Primary and Secondary Schools

**What is the formula driver?**

The proposed NFF includes a new formula factor to bring pupil led funding levels up to the minimum required in the formula.

The operational guidance states:

- The purpose of this factor is to allow local authorities to provide amounts up to the minimum per pupil funding levels for primary and secondary schools.
- The formula will provide local authorities with per-pupil funding of at least £3,500 for primary schools and £4,800 for secondary schools with pupils in years 10 and 11 in 2019 to 2020
- The formula will provide a transitional minimum amount of per pupil funding of at least £3,300 for primary schools and £4,600 for secondary schools in 2018 to 2019, as a step towards the £3,500 and £4,800 in 2019 to 2020.
- Where local authorities choose to use this factor, any capping and scaling cannot take the school below the minimum value set in the local formula
- Local authorities should calculate the minimum per pupil level on the basis of the school's total funding. This will be set out in the APT guidance. Local authorities who wish to reflect the NFF calculation by excluding premises factors that have been excluded from the NFF calculation should submit a disapplication request to agree this change.

If it is to replicate the NFF Wiltshire will need to include this factor in the local formula for 2018-19