

A consultation on school funding reform: Proposals for a fairer system

Consultation Response Form

The closing date for this consultation is:

11 October 2011

Your comments must reach us by that date.

THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online response facility available on the Department for Education e-consultation website (<http://www.education.gov.uk/consultations>).

The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically-generated e-mail confidentiality statement, will necessarily exclude the public right of access.

Please tick if you want us to keep your response confidential.

Name Elizabeth Williams

Organisation (if applicable) Wiltshire Council & Schools Forum

Address: Finance Department
Wiltshire Council
East Wing County Hall
Cradle Bridge
Trowbridge
BA14 8DQ

If you have an enquiry related to the policy content of the consultation you can contact either

Ian McVicar on: Telephone: 020 7340 7980 e-mail: ian.mcvicar@education.gsi.gov.uk
or

Juliet Yates on: Telephone: 020 7340 8313 e-mail: juliet.yates@education.gsi.gov.uk,

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Consultation Unit by e-mail: consultation.unit@education.gsi.gov.uk, by Fax: 01928 794 311, or by telephone: 0870 000 2288.

Please tick the box that best describes you as a respondent.

<input type="checkbox"/> Maintained School	<input type="checkbox"/> Academy	<input type="checkbox"/> Teacher
<input checked="" type="checkbox"/> Individual Local Authority	<input checked="" type="checkbox"/> Schools Forum	<input type="checkbox"/> Local Authority Group
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union / Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Governor Association	<input type="checkbox"/> Parent / Carer	<input type="checkbox"/> Other

If 'Other' Please Specify:

This is a joint response by the LA and Schools Forum in Wiltshire

Chapter 1 - The National Funding System

In paragraphs 1.8 to 1.14 we discuss two ways we are considering using to calculate the schools block:

- a) A formula based on the schools within the area and the pupils within those schools (“School-level”);
- b) A formula based solely on the pupils within the area (“local authority-level”).

Question 1: Would you prefer the formula to be based on

a) a notional budget for every school; or

b) the pupils in each local authority area?

School level

LA level

Neither

Not Sure

Comments:

The view of Wiltshire Schools Forum is that in principle budgets should be allocated at a school level. However, a concern would be that, as there will be local flexibility to vary the formula, Schools Forums and LAs would need to develop clear communication strategies to ensure schools understand the difference between any notional allocation and the final allocation for each school under the local formula.

Chapter 2 - The Schools Block - system

Local flexibility

In paragraphs 2.6 to 2.9 we discuss local funding formulae and propose reducing the number of formula factors which local authorities can apply. We suggest that the local formula factors could cover:

- a. Basic entitlement per pupil (currently Age-Weighted Pupil Units)
- b. Funding for additional educational needs (e.g. deprivation, SEN)
- c. Rates
- d. Exceptional site factors (e.g. split site, PFI and rent)
- e. Lump sums for schools

Question 2: Do you agree that these are the right formula factors to retain at a local level?

All

Some

None

Not Sure

Comments:

We agree these are the right factors however Schools Forum has a concern that there is a potential for double funding with the deprivation and the pupil premium being based on the same driver data – see response to question 46 in this document. A clear principle needs to be that a deprived pupil in one area is funded at the same level overall as a deprived pupil in another.

Question 3: What other factors, if any, should be able to be used at local level or could any of these factors be removed?

Comments:

Wiltshire currently has a formula factor to recognise the issues of significant pupil movements in schools with a high population of service families reflecting both turbulence in year and a safety net to account for large movements of regiments in and out of an area. Whilst there is now a Pupil Premium Grant for service children this reflects the needs of the pupils in the school but does not reflect the problems in running a school with high fluctuations in numbers. Wiltshire would want local flexibility to retain such a factor.

A factor for new schools would be helpful as this would recognise the particular situation of a new school that is not yet full.

Because of the particular local circumstances in Wiltshire we have incorporated formula factors that support federation and amalgamation of small schools. Some of this can be dealt with through site specific elements within the factors listed in the document but we would want to ensure that the more limited flexibility did not work against this in future.

Paragraphs 2.12 to 2.14 discuss primary/secondary ratios:

Question 4: Do you think that setting a range of allowable primary / secondary ratios around the national average is the right approach to ensure that there is consistency across the country?

Yes

No

X Not Sure

Comments:

This may cause practical issues in budget setting – we would need the flexibility of a range of allowable ratios.

Wiltshire's Schools Forum works effectively to ensure the formula reflects agreed local

priorities and would need time to move towards a more formal ratio.

Arrangements for Academies

Paragraphs 2.17 to 2.22 discuss options for the future of calculating Academies' budgets. Option (i) suggests that local authorities could calculate budgets for all schools in the area and then tell the EFA how much Academies should be paid; and Option (ii) that the EFA could calculate Academies' budgets using a pro-forma provided by local authorities setting out their formula factors.

Question 5: Do you think we should implement option (i) or (ii) when calculating budgets for Academies?

X (i)

(ii)

Other

Not Sure

Comments:

This option would reduce duplication and increase the overall efficiency of the system ensuring that all schools budgets are calculated on the same consistent basis.

Ensuring accountability and fairness

Paragraphs 2.23 to 2.26 discuss options to improve the working of Schools Forums - whether the main groups on the Forum should all separately have to approve a proposed formula and whether the Forum should have more decision making powers.

Question 6: Do you think these options would help to achieve greater representation and stronger accountability at a local level?

Yes

X No

Not Sure

Comments:

It is difficult to tick a single box in response to this item because there are two separate questions.

Wiltshire does not agree that the main groups on Schools Forum should be required to separately approve a proposed formula. Wiltshire Schools Forum works well collaboratively and this would be a backwards step and may prove unnecessarily divisive and bureaucratic.

The current system of Schools Forum agreeing the formula and recommending the schools budget to elected Members works well and Wiltshire would want to retain the

- Protection for small schools
- An Area Cost Adjustment (ACA)
- English as an Additional Language (EAL)

Question 9: Are these the right factors to include in a fair funding formula at a national level?

All
 Some
 None
 Not Sure

Comments:

Again there is the potential for double funding of deprivation through the formula and the pupil premium grant (see response to Q46).

It may be possible to include an element for service pupils within the national formula.

Wiltshire would not benefit significantly from the inclusion of EAL as a national formula factor.

Deprivation

Paragraphs 3.14 to 3.17 discuss possible indicators we could use in a national formula for reflecting deprivation.

Question 10: Do you agree that we should use Ever FSM to allocate deprivation funding in the national formula? Should this be Ever 3 or Ever 6?

Ever 3
 Ever 6
 Neither
 Not Sure

Comments:

This would be less targeted and spread resource more thinly.

Small school protection

Paragraphs. 3.19 to 3.28 discusses funding protection for small schools, suggesting

that a £95,000 lump sum would be sufficient to provide protection, that it should be applicable to primary schools only and should adopt Middle Super Output Areas to derive the sparsity factor. If a local authority formula is used a choice between a lump sum payment and a sparsity measure is offered and there is also discussion on whether the threshold for eligibility should be narrowed so that sparsity funding is focused on the most sparsely populated areas.

Question 11: If we have a school-level formula, do you agree that £95,000 is an appropriate amount for a primary school lump sum?

X Yes

No

Not Sure

Comments:

Question 12: Do you agree that the lump sum should be limited to schools with Year 6 as the highest year-group?

X Yes

No

Not Sure

Comments:

Question 13: If we have a local authority-level formula, should we use a primary school lump sum or the sparsity measure?

Primary
X School
lump sum

Sparsity
Measure

Neither

Not Sure

Comments:

Question 14: If we have a sparsity measure, do you think we should narrow the sparsity threshold as described above?

X Yes

No

Not Sure

Comments:

Wiltshire would be in favour of a primary school lump sum however if a sparsity measure is to be used then it needs to be narrowed to ensure that areas with the most small schools are targeted.

Area Cost Adjustments

Paragraphs 3.29 to 3.33 (and annex D) discuss approaches to calculating the area cost adjustment.

Question 15: Which option should we use to calculate the Area Cost Adjustment: the current GLM approach or the combined approach?

X GLM
Approach

Combined
Approach

Other

Not Sure

Comments:

Wiltshire has previously suffered as a result of neighbouring authorities receiving ACA funding whilst Wiltshire did not. The most recent changes which recognised the pressures experienced within the M4 corridor have better reflected the costs in Wiltshire and we would want to see this continued.

English as an Additional Language and Underperforming Ethnic Groups

Paragraphs 3.34 to 3.38 considers what further factors of underachievement there might be for school age pupils and proposes the inclusion of an EAL factor in a national formula.

Question 16: Do you agree that we should use an EAL factor in the national formula?

Yes

X No

Not Sure

Comments:

Wiltshire's view would be that this is not an effective measure of need or relative cost in a school or LA area. It is our view that the overall number of pupils with EAL is not the best measure of impact as the impact of a small number of pupils in a school with EAL, or a large number of different ethnic groups within a single school, may be more significant.

Question 17: Do you agree that this should cover the first few years only? How many years would be appropriate?

X Yes

No

Not Sure

Comments:

Transitional Arrangements

Paragraphs 3.39 to 3.41 discuss transitional arrangements to minimise turbulence.

Question 18: Do you think we should:

(a) Continue with a maximum decrease of -1.5% per pupil each year and accept that this will mean very slow progress towards full system reform; or

(b) Continue with a -1.5% per pupil floor in 2013-14 but lower it thereafter so that we can make faster progress?

(a)

X (b)

Neither

Not Sure

Comments:

In principle Wiltshire would want to move more quickly towards the new system however it is difficult to comment until the degree of change is known.

Chapter 4 - Central services and defining responsibilities

Paragraphs 4.1 to 4.7 discuss the development of a funding model, having first defined the respective responsibilities of maintained schools, Academies and local authorities. The model would clarify what elements of funding would be delegated to schools or centrally retained for maintained schools, if there is local discretion.

Question 19: Do you agree that some of these services could be retained centrally if there is local agreement by maintained schools?

X Yes

No

Not Sure

Comments:

This is particularly important in an area with a large proportion of small schools who may find it difficult to achieve the economies of scale and access the services they require if funding for all services is delegated. Schools Forum should be able to form a view as to the level of each of these services that is retained centrally in order to meet a core level of need if that is what is required.

Paragraphs 4.8 to 4.13 set out details of the funding blocks which make up the funding model and their functions. Funding blocks for schools, High Needs Pupils, early years, central services and formula grant are proposed.

Question 20: Do you agree that the split of functions between the blocks is correct? If not, what changes should be made?

X Completely Correct

Broadly, but some changes required

No

Not Sure

Comments:

Chapter 5 - Future arrangements for the Local Authority Central Spend Equivalent Grant (LACSEG)

Paragraphs 5.1 to 5.9 discuss the future arrangements for the calculation of LACSEG.

Question 21: Do you think the funding for local authority LACSEG should be moved to a national formula basis rather than using individual LA section 251 returns?

Yes

X No

Not Sure

Comments:

We believe that the funding for the LA LACSEG should still be based on the level of expenditure within that LA area although we recognise the limitation of the current methodology based on a Section 251 return that does not identify the split of expenditure between education and other children's services.

Question 22: Do you think the distribution mechanism should be changed to one that more accurately reflects the actual pattern of where Academies are located?

X Yes

No

Not Sure

Comments:

This would be the fair approach.

Chapter 6 - Children and Young People requiring high levels of support

Principles

Paragraph. 6.7 sets out the high level principles behind the proposals for funding children and young people with high levels of need.

Question 23: Is this the right set of principles for funding children and young people with high needs?

X Yes

No

Not Sure

Comments:

We agree that these are the right funding principles however other documents and approaches that are being taken appear to work at cross purposes with these principles, for example there is a lack of clarity around the role of the LA as commissioner across different documents.

A Base Level of Funding for High Needs SEN

Paragraphs 6.11 to 6.18 discuss proposals to set a base level of funding to reflect high needs SEN.

Question 24: Would it be appropriate to provide a base level of funding per pupil or place to all specialist SEN and LD/D settings, with individualised top up above that?

Yes

No

X Not Sure

Comments:

There would need to be clear criteria around the base level. We would have a concern that £10,000 does not equate to a particularly high level of need and so expectations may be raised around the base level without clarity on the types of need it is expected to fund – need to link with banding criteria.

Question 25: Is £10,000 an appropriate level for this funding?

Yes

No – too high

No – too low

X Not Sure

Comments:

It depends on the defined level of need that is to be met with this funding. As stated above this would need to be clearly defined and there is little link between this consultation document and the references in the SEN Green Paper to a funded banding framework

Applying this approach to post-16

Paragraphs 6.19 to 6.21 discuss proposals for funding high needs pupils to post -16 pupils.

Question 26: Is the idea of a base rate of funding helpful in the post-16 context?

X Yes

No

Not Sure

Comments:

We are unclear as to how this might impact on the 16+ pathway funding in to adulthood.

Question 27: Should local authorities be directly responsible for funding high level costs over £10,000 for young people in post-16 provision in line with their commissioning responsibilities?

X Yes

No

Not Sure

Comments:

Wiltshire would agree with this principle however there are a high number of post 16 learners in Wiltshire with special needs and funding would need to reflect the level of need.

Question 28: Do the proposed funding arrangements create risks to any parts of the post-16 sector?

X Yes

No

Not Sure

Comments:

Financial risk to the LA of needs being higher than funding available, with the potential knock on effect of young people's need not being met.

Risk of increase in NEET if schools/colleges can't provide for £10,000 and the LA cannot/will not pay top up – again links to need for clarity on what needs are to be met within levels of funding and the need for a national banding framework.

Funding by Places or Pupil Numbers

Paras 6.22 to 6.26 discuss whether institutions providing for high needs children and young people should be funded on the basis of planned places or pupil numbers. It also sets out four options for doing so.

Question 29: Should institutions providing for high needs children and young people be funded on the basis of places or pupil numbers?

X Places

Pupil Numbers

Not Sure

Comments:

The LA needs to retain a level of planned places to enable strategic planning as a commissioner. A properly managed system of planned places should not result in significant funding of empty places in a special school as this would be taken in to account in the commissioning strategy.

Question 30: Are any of options (a)-(d) desirable?

(a)

X (b)

(c)

(d)

None

Not Sure

Comments:

Option b is the preferred option as it would clearly link to the commissioning strategy of the LA and the level of planned places. Planned places would be increased or decreased according to need. Wiltshire has a successful moderation process which ensures special schools are funded for the appropriate number of places each year and that pupils are funded for the appropriate level of need.

Funding Special and AP Academies and Free Schools

Paragraphs 6.27 to 6.39 discuss how funding for special and AP Academies and Free Schools should be managed in the short term and, in the longer term, whether funding should be routed through the Education Funding Agency (EFA) or the commissioner.

Question 31: For the longer term, should we fund Special and AP Academies and Free Schools:

- a) with all funding coming direct from the commissioner?
- b) with all funding coming through the EFA and recouped from the commissioner?
- c) through a combination of basic funding from the EFA and top-up funding for individual pupils direct from the commissioner?

(a)

(b)

X

(c)

Neither

Not
Sure

Comments:

A recoupment methodology is too complicated with potential for duplication and bureaucracy.

As stated in the response to previous questions it will be necessary to have a clear banding framework within which to work otherwise LAs will be competing for places with the Academy able to take the highest bidder for a particular need. Currently different LAs operate quite different banding mechanisms so a level of consistency will be required.

Question 32: If we go for the combination funding approach, should we pass all funding through the EFA for a limited period while the school is establishing itself before moving to this approach?

Yes

X No

Not Sure

Comments:

Constructing the High Needs Block for local authorities

Paragraphs 6.40 to 6.47 propose a new formula for determining the High Needs Block building on the research carried out for the Department by PricewaterhouseCoopers in 2009.

Question 33: Given there is no absolute method of determining which pupils have high needs, and given local variation in policy and recording, is this approach to determining proxy variables acceptable?

X Yes

No

Not Sure

Comments:

The comment in paragraph 6.43 that the link between deprivation and SEN is no longer valid supports work carried out in Wiltshire to identify proxy measures for the delegation of SEN funding to mainstream schools. We would also agree that deprivation and youth population are appropriate measures for alternative provision.

Question 34: Do you agree that deprivation is linked more to AP rather than the wider SEN needs?

X Yes

No

Not Sure

Comments:

Yes we would agree that deprivation is linked more to AP and are reflecting this in our proposed formula for devolving funding to schools as part of the pilot project for giving schools financial responsibility for excluded pupils.

Paragraphs 6.48 to 6.49 suggest the need for substantial transitional arrangements in moving to a new formula as the formula will fail to reflect the spend of local authorities on high need pupils.

Question 35: Do you agree that in the short term we should base allocations to local authorities for the high needs block largely on historic spend?

X Yes

No

Not Sure

Comments:

We agree with this as a short term measure however if we are to use a formulaic allocation then it makes sense towards using that as a funding mechanism rather than continuing to protect LAs against the change as a formula should be more reflective of the needs in the area.

Post-16

Paragraph 6.50 proposes aligning pre- and post-16 funding for high needs pupils over time.

Question 36: Do you agree that post-16 funding should also become part of the local authority's high needs block over time, but that there might be a particular need for transitional arrangements?

Yes

No

x Not Sure

Comments:

This would be in line with the increase in age range in the SEN Green Paper but there would need to be a transitional arrangement and funding would need to reflect need in an area. We would have a concern that post 16 needs have not been adequately resourced and this would result in cost pressures on the overall schools budget in Wiltshire.

Question 37: What data should ideally underpin the funding allocations both initially and for a potential high needs block arrangement?

Comments:

Issues Specific to Alternative Provision

Paragraphs 6.51 to 6.56 highlight issues specific to AP provision but suggest that AP should continue to be treated alongside SEN for funding purposes.

NB: Questions 38 is displayed together with question 39 in the document.

Question 38: Should AP continue to be treated alongside high needs SEN for funding purposes?

X Yes

No

Not Sure

Comments:

Question 39: What differences between them need to be taken into account?

Comments:

Differences described above in identifying appropriate proxy indicators of need.

Early Years

Paragraphs 7.5 to 7.8 set out current arrangements for early years funding and discuss whether the Early Years Single Funding Formula could be made simpler:

Question 40: Do you agree we should aim for a simpler EYSFF? If so, how?

X Yes

No

Not Sure

Comments:

We agree that the formula should be simplified subject to deprivation and rurality factors being retained as these factors have particular relevance in a large rural county such as Wiltshire with pockets of deprivation throughout the county.

Wiltshire would prefer that banded rates should be removed as these cause confusion however rates to reflect different types of provider should remain. Wiltshire has a higher rate for Childminders which reflects the different Adult:Child ratios.

Consolidation of the deprivation and hourly rate elements of the formula should be avoided as this reduces transparency in the formula.

Paragraphs 7.9 to 7.11 sets out options for improving the focus on tackling disadvantage and improving consistency in the support offered to disadvantaged children.

Question 41: How could we refine the EYSFF so that it better supports disadvantaged children?

Comments:

Disadvantage funding should be decided locally and should not be based on settings. Wiltshire feels strongly that this funding should be driven by pupil deprivation data as this reflects the needs of the pupils within the setting at any time.

Within the formula the DfE could set a minimum or set amount for deprivation

Bringing more consistency to free early education funding

Paragraphs 7.12 to 7.15 consider two options for continuing to fund local authorities for free early education: on the basis of their current spend or on the basis of a formula.

Question 42: Do you agree we should allocate funding to local authorities on the basis of a formula?

X Yes

No

Not Sure

Comments:

We agree that the current spend plus methodology is unfair and is not sensitive to changing needs over time. We therefore agree that a formulaic approach needs to be taken and that any formula should include a sparsity factor to recognise the needs of rural counties.

Paragraphs 7.16 to 7.18 discuss how a formula to local authorities for funding early years would operate.

Question 43: Do you agree a formula should be introduced based largely on the same factors as the schools formula?

X Yes

No

Not Sure

Comments:

We would suggest that the formula should be pupil based and not setting based, and must include elements for deprivation and sparsity.

Bringing greater transparency to free early education funding

Paragraphs 7.19 to 7.20 discuss what has been done so far to improve transparency and our plans for the future.

Question 44: We would be grateful for views on whether anything else can be done to improve transparency.

Comments:

The simplification of the formula will assist in bringing greater transparency as providers find the current formula difficult to understand in some cases.

We would agree with the proposal to develop a proforma to describe the formula in the same way as proposed for schools.

Pupil Premium

Paragraphs 8.1 to 8.8 set out two options for extending the coverage of the pupil premium to include pupils previously eligible for Free School Meals: an 'ever 3' measure or an 'ever 6' measure which extend cover to those eligible for FSM at some point in the last three or six years.

Question 45: What is your preferred option for determining eligibility for the Pupil Premium from 2012-13? Should it be based on the Ever 3 or Ever 6 measure?

X Ever 3

Ever 6

Neither

Not Sure

Comments:

The figures presented in the consultation document indicate that the use of FSM Ever 3 will increase the coverage of the pupil premium within Wiltshire. Wiltshire is concerned that use of FSM Ever 6 does not significantly increase coverage for a County such as Wiltshire but may limit the government's ability to increase the amount of funding per pupil.

There is no mention in the document regarding the amount of the pupil premium for service children. Wiltshire would want to see that this increases in line with the increase to the amount to the main pupil premium grant.

Paragraphs 8.9 to 8.10 seek views on other issues for calculating the pupil premium, such as whether to reflect differences in funding already in the system.

Question 46: What is your preferred approach for calculating the Pupil Premium?

Comments:

Wiltshire would want the pupil premium grant to compensate for differences in funding by providing higher funding for deprived pupils in areas that currently receive lower

levels of funding.

Timing for implementation

Paragraphs 9.1 to 9.4 consider the issue of when to begin the process of moving to a new funding formula.

Question 47: Do you think we should implement the proposed reforms in 2013-14 or during the next spending period?

X 2013-14

Next
Spending
Period

Neither

Not Sure

Comments:

Question 48: Have you any further comments?

Comments:

An important principle needs to be that a pupil from a deprived background in one authority should receive the same funding overall as a deprived pupil in another authority.

This response is a joint response from the LA and Schools Forum in Wiltshire. The response has the support of representatives from maintained schools and academies on Schools Forum.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

Yes

No

All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations are conducted, please contact Carole Edge, DfE Consultation Co-ordinator, tel: 01928 738060 / email: carole.edge@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed questionnaires and other responses should be sent to the address shown below by 11 October 2011

Send by e-mail to: schoolfunding.consultation@education.gsi.gov.uk

Send by post to:

Consultation Unit
Area 1C
Castle View House
Runcorn
Cheshire
WA7 2GJ