

AGENDA

Meeting: Schools Forum
Place: Committee Room III - County Hall, Trowbridge
Date: Thursday 10 May 2012
Time: 1.00 pm

Briefing Arrangements:

There will be no pre-meeting briefing, but lunch will be provided from 12.30pm

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

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

Membership:	Representing:
Mr N Baker	PHF, Christ Church CE Primary School
Mr Peter Biggs	WGA, Secondary School Governor Representative
Mrs Julia Bird	PHF, Southwick Primary School
Mr David Cowley	Academy Schools, The Wellington Academy
Mrs A Ferries	WGA, Primary Governor Representative
Mrs Judith Finney	PHF, Dilton Marsh Primary School
Mrs Jane Franchi	Salisbury Diocesan Board of Education
Mr Tim Gilson	WASSH, Malmesbury School
Mrs Carol Grant	WASSH, Pewsey Vale
Mr John Hawkins	Teacher representative
Mr Michael Keeling	Maintained Schools with Nursery Representative
Rev Alice Kemp	WGA, SEN Governor Representative
Ms I Lancaster-Gaye	WASSH, SEN Sector, Rowdeford School
Dr Tina Pagett	14-19 Group Representative
Mr J Proctor	Early Years Representative (PVI)
Sue Jiggins	WGA, Primary Governor Representative
Mr M Watson	WASSH, Lavington School
Mrs C Williamson	PHF, Mere Primary School

AGENDA

PART I

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

1. **Apologies**

2. **Declaration of Interests**

To receive any declarations of personal or prejudicial interests.

3. **Chairman's Announcements**

4. **Schools Funding Reform**

4.1. **Next steps towards a fairer system**

To receive a presentation from the Head of Finance to brief the Forum on the Department of Education's proposals and the potential implications for Wiltshire.

4.2. **Operational Implications of DfE Proposals** (*Pages 1 - 18*)

To consider a report from the Head of Finance to outline the operational implications and project plan for implementation of the DfE proposals for School Funding Reform.

4.3. **Response to DfE Consultation** (*Pages 19 - 32*)

To receive a report and consider the Schools Forum's response to the DfE Consultation (brief report and consultation response form attached – further work is needed before responses can be drawn up because detailed monitoring will be required Response to be discussed at the meeting).

5. **Confirmation of dates for future meetings**

To confirm the dates of future meetings, as follows:

21 June 2012

4 October 2012

6 December 2012

6. **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

None

Wiltshire Council

Schools Forum

10 May 2012

Schools Funding Reform: Next Steps Towards a Fairer System - Operational Implications of DfE Proposals

Purpose of Report

1. To inform members of the Schools Forum of the DfE consultation on School Funding Reform and the operational requirements for implementation of the proposals.
2. To consider the project plan for the work required.
3. To consider the principles that Schools Forum wish to apply to the review of the funding formula for mainstream schools.

Background

4. During 2011 the government issued two consultations on the principles of a new school funding system, including the move towards a national funding formula for the distribution of funding to local authorities from which each LA and Schools Forum would agree a formula to distribute funding locally.
5. On 26th March 2012 the government issued further proposals to explain how it is planned to move forward from April 2013. This document is available on the DfE website via the link below:

<http://www.education.gov.uk/consultations/index.cfm?action=consultationDetails&consultationId=1817&external=no&menu=1>

6. A briefing outlining the main principles and potential implications of the DfE proposals will be provided to Schools Forum at the meeting on 10th May.
7. Whilst the document mainly consists of proposals to be implemented in April 2013, views are sought on a number of areas where there are different options. The individual consultation questions are considered in a separate report on this agenda.
8. There are significant operational requirements arising from the DfE proposals. The DfE has issued a document, *Reformed Funding System: Operational implications guidance for local authorities*, in order to assist LAs and Schools Forums in planning the implementation of the new funding system for 2013-14. This document can be accessed via the following link:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00205567/school-funding-reform-and-arrangements-for-2013-14>

9. In order that a local funding formula that is compliant with the new regulations can be agreed for Wiltshire, and budgets issued to schools for 2013/14, work needs to start now to review the Wiltshire's funding formula for maintained schools. A full review of the formula will be required.
10. Under the proposals funding for Special Schools, Resource Bases and Enhanced Learning Provision (ELP) will be removed from the funding formula and provision will be funded on a "place plus" basis as outlined in the document. The implications of this will need to be worked through in order that funding for specialist provision can be finalised for 2013/14 budgets.
11. A review of the Early Years Single Funding Formula (EYSFF) will be required in order to ensure it is compliant with the new formula requirements.
12. Changes will need to be made to the constitution of Schools Forum in order to ensure that the new requirements are met and that the composition of schools forum reflects the pupil numbers expected to be in each category of school at 1 September 2012. A further paper will be brought to Schools Forum in June 2012 on this issue.

Main Considerations

13. This report focuses on the work plan for Schools Forum between now and February 2013 to enable schools budgets to be issued for 2013/14.

Creating the New, Simpler Formula

14. The number of allowable formula factors for the local formula has been reduced from 37 to 10, only 9 of which are applicable to Wiltshire. Funding arrangements for high needs will be very different and will not be included in the main local formula. The list of allowable factors for the local formula is:
 - a. ***A basic per-pupil entitlement*** – there will be a single unit for primary aged pupils and either a single unit for secondary pupils or a single unit for each of key stage 3 and key stage 4.
 - b. ***Deprivation***, measured by Free School Meals (FSM) and/or Income Deprivation Affecting Children Index (IDACI)
 - c. ***Looked after children***
 - d. ***Prior attainment as a proxy measure for SEN*** (notional SEN budgets can still also include funding allocated through pupil numbers and deprivation; see paragraph 33)
 - e. ***English as an additional language***, for a maximum of 3 years after the pupil enters the school system

- f. **A standard lump sum for each school**, with an upper limit between £100,000 and £150,000
 - g. **Split sites**
 - h. **Rates**, which may be at actual cost
 - i. **Private finance initiative (PFI)** contracts
 - j. For the 5 local authorities who have some but not all of their schools within the London fringe area, an uplift to enable higher teacher pay scales in those schools to be reflected (*Note the authorities are Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex*).
15. The table in Appendix 1 to this report identifies the current formula factors applied in Wiltshire and suggests which category the funding allocated through the factor may now fit in to. There are a number of factors that may fit in to more than one category and some that are not compliant with the new proposals and a decision will be required as to how that funding is allocated in the future.
16. There will be a process for LAs to request additional factors for exceptional circumstances. The DfE has made it clear that the scope for this will be very restricted and will be limited to factors relating to premises and only in cases where the exception would affect less than 5% of schools and account for more than 1% of the budget of those schools. In our initial consideration of how the current Wiltshire formula maps in to the new factors, the key element that could impact on a small group of schools is the current protection within Wiltshire for schools with large numbers of service pupils. It would appear that there is no scope for this to be considered as an exception under the new rules. This can be fed back in Wiltshire's consultation response but the initial modelling work should continue on the basis that a service school factor will not be allowed in the new funding system.
17. Schools Forum is asked to confirm the mapping of current formula factors in to the new formula. In doing so members of Schools Forum will need to consider the following principles to give officers and working groups a steer in how the modelling work should be carried out:
- a) Achieving “best fit” – it is suggested that in order to minimise turbulence across school budgets that current pupil led funding should be mapped in to the new pupil led funding element of the formula, current deprivation funding in to the new quantum for deprivation, etc
 - b) Methodology for distributing deprivation funding – Schools Forum may have a view on whether deprivation funding should be allocated using FSM or post code data. The recommendation of the Schools Funding Working Group was that initially both should be modelled.
 - c) Maintaining funding within phase – turbulence could be reduced through maintaining the quantum for each phase ie., maintain the current total for Primary and Secondary. This would also ensure

that the current ratio between primary and secondary funding could be maintained.

- d) New funding factors – Wiltshire does not currently include funding factors for Looked After Children or English as an Additional Language. Schools Forum is asked to consider whether these should be included.
- e) Split site factor – it is proposed that a specific project is undertaken as part of the modelling work to identify the additional costs associated with operating on a split site.

Delegation of Central Services

- 18. Budgets for a number of costs and services that are currently retained centrally will need to be delegated through the formula from 2013-14. These will need to be delegated using allowable formula factors as listed above.
- 19. The services recorded within the LA Section 251 Return that will need to be delegated in the future are:
 - Funding threshold and performance pay;
 - 14-16 practical learning options;
 - School meals (primary/special; secondary is already delegated);
 - Support for schools in financial difficulties;
 - Allocation of contingencies;
 - Free school meals eligibility;
 - Insurance;
 - Licences/subscriptions;
 - Staff costs - supply cover (long-term sickness, maternity, trade union and public duties);
 - Support for minority ethnic pupils or underachieving groups;
 - Behaviour support services;
 - Library and museum services
- 20. The table in Appendix 2 to this report shows the budgets recorded for each of these services on Wiltshire's 2012/13 section 251 budget return, including the amount deducted for the Local Authority Central Spend Equivalent Grant (LACSEG) which will need to be added to the total for 2013/14. Schools Forum is asked to give a steer for how these budgets should be incorporated in to the formula for 2013/14 in accordance with the allowable formula factors and the principles already agreed.
- 21. It is important to note that some of these factors could subsequently be retained centrally for maintained schools if this is agreed following consultation on the formula.

SEN as part of the mainstream formula

22. It is recommended within the DfE proposals that the maximum level of funding to be provided by mainstream schools for SEN is £6,000. Above this level pupils will receive support from the budget for high needs pupils. The expectation of the DfE is therefore that mainstream schools will meet the first £6,000 of provision for pupils with SEN in their schools.
23. The formula through which SEN funding is delegated to mainstream schools will need to change because of the DfE proposals for allowable deprivation and prior attainment data. In Wiltshire the level of funding delegated for low cost, high incidence SEN will also need to be reviewed. Initial estimates suggest that in order for schools to be able to meet the first £6,000 of provision then, on current NPA values, the first 15 hours of funding for each statement will need to be delegated. The current formula for secondary schools is funded at this level however for primary schools only the first 10 hours of each statement is currently delegated. Within the formula review we will need to increase the level of delegation of SEN funding to primary schools.
24. The impact of this on schools with relatively high numbers of pupils with statements will need to be considered.

Other issues to be considered in the Mainstream Formula

25. There are proposals within the DfE document to apply a minimum percentage to be allocated through pupil led factors, the percentage will need to be recorded through all of the modelling work to ensure any minimum requirement is met.
26. Similarly there are proposals in relation to constraints on the primary/secondary ratio and we will be required to calculate that ratio within the proposed new formula.

Minimum Funding Guarantee and Protection

27. The minimum funding guarantee (MFG) will remain at -1.5% through the current comprehensive spending review period. The calculation will be simplified.
28. The MFG is the only allowable methodology for protecting budgets in those schools which would lose funding under the new local formula. The application of the MFG would potentially be funded through limiting gains in those schools which would receive additional funding through the new formula.

High Needs Pupils – pre-16

29. Funding for special schools, resource bases and ELP will be removed from the main local formula and provision will be funded on the basis of £10,000 base funding per planned place and top-up funding for each pupil. In the initial work to identify the total funding available for the new local formula for maintained schools the amount spent on specialist provision has been identified and removed.

30. The total number of planned places in each type of provision for high need pupils will need to be identified. Wiltshire already has a mechanism in place for agreeing planned places on an annual basis. This is well established for special schools and ELP but is in its earlier stages for resource bases. The DfE proposals assume that provision for high need pupils will be funded at a base level of £10,000 per planned place plus a top-up where appropriate for individual pupils. The £10,000 base level is a proxy for the per pupil element and the £6,000 per pupil for high incidence special needs identified within the mainstream formula.
31. A methodology for agreeing the top-up level of funding for pupils will need to be put in place. Wiltshire currently operates a banding process for identifying levels of need for particular pupils and it is anticipated that this could continue under the new funding system. Continuation of the banding framework could allow a system for identifying top-up values whilst providing least turbulence to school budgets. There will not be a minimum funding guarantee (MFG) as such for specialist provision but there will be a requirement that top-ups are set at such a level that, if all the places are filled and the pupils come from the maintaining authority, the school's budget would reduce by no more than 1.5% in cash.
32. Implications for special schools and/or resource bases that have higher numbers of empty places will need to be considered throughout the process.

High Needs SEN – post-16

33. LAs will take on greater responsibility for funding post-16 provision for high needs pupils from 2013-14. It will be necessary to identify all post-16 learners with high needs so that Wiltshire can work with other LAs and providers to calculate the appropriate levels of top-up funding from April 2013. This will need to form part of the process of agreeing a baseline of pupil numbers with the Education Funding Agency so that funding can be included within the High Needs Block of the dedicated schools grant. Work has commenced on identifying those pupils for whom Wiltshire will have responsibility.

Alternative Provision

34. The DfE document includes proposals for Alternative Provision, including Pupil referral Units (PRUs) on a place plus basis. The implications of this and the changes to the local formula on Wiltshire in relation to its participation of the pilot on personalised learning provision need to be further understood.

Early Years

35. A review of Wiltshire's EYSFF will be required. Consultation was held with settings in Autumn 2011 on proposals to simplify the formula for 2012/13 and the agreed changes were implemented. As a result it is not expected that significant change will be necessary for the Wiltshire EYSFF

although it will be necessary to ensure that only allowable deprivation indicators are used. The formula factor for rurality will need to be removed from the formula as will the rates abatement for maintained nurseries.

36. It is proposed that the Early Years Reference Group consider the required changes to the EYSFF and bring proposals back to the June Schools Forum meeting.

Changes to Schools Forum

37. LAs are required to review the composition of Schools Forums to ensure that they are compliant with the regulations and reflect pupil numbers expected to be in each category of school at 1 September 2012. Any required elections will need to be held before the end of the summer term.
38. It will also be necessary to take in to account the other proposed changes ie.,
 - a) Remove the minimum requirement for 15 members
 - b) Restrict LA attendees to Lead Member, Director of Children's Services or those providing specific financial or technical advice
 - c) Restrict voting arrangements by allowing only schools members and the PVI members to vote on the funding formulae.
39. It is proposed that a further paper on the required changes to Schools Forum constitution be presented to the June meeting.

Consultation on the new funding formula

40. All maintained schools and academies must be consulted on the new local formula for 2013/14. The consultation must include a demonstration of the effect of the changes and should therefore include an impact statement for each school.
41. Consultation will also need to take place with PVI providers on any proposed changes to the EYSFF.
42. LAs are also encouraged to consult with parents and the voluntary sector in addition to schools and colleges on any changes arising from the proposals for high needs pupils.

Timescales for the Formula review

43. LAs are required to submit proposals for the simplified local formula to the Education Funding Agency (EFA) by **31 October 2012**. This will then be checked for compliance and any further changes agreed by 18th January 2013.
44. In order to meet the 31st October deadline the following timetable will need to be applied to the formula review:

- 20 April 2012 – Joint Meeting of SFWG and SEN Group to commence project – agree schedule of working group meetings
- 10th May 2012 – **additional** Schools Forum meeting to agree way forward, set principles, etc
- 25th May – SF Early Years Reference Group to agree revisions to formula
- 21st June '12 – **Schools Forum to agree proposals for consultation**. Schools Forum also consider proposals for the new membership and constitution
- Early July '12 – issue consultation and impact assessments
- 14th September '12 – close consultation
- 4th October '12 – Scheduled Schools Forum meeting – consider outcomes of consultation
- Late October '12 – **additional** schools Forum meeting to agree final formula
- December '12 – Schools Forum – DSG estimate, impact of October pupil numbers on formula values, budget issues, high needs pupils elements
- January '13 – Schools Forum – set final budget
- End February '13 – issue budgets to maintained schools

Project Plan and Governance Arrangements

45. It is clear that the funding reform proposals will impact more widely than just the funding formula for schools. There are links to the School Organisation Plan, the development of traded services and the Council's wider business planning process for 2013/14.
46. Appendix 3 to this report shows the draft project plan for implementation of the school funding reform in Wiltshire. A Project Board is to be established to oversee the project. The key role of Schools Forum is the development of the revised formula for mainstream schools, the review of the EYSFF and to confirm the funding arrangements for high needs pupils in special schools, resource bases and through ELP.
47. It is proposed that two working groups be established to consider the detail of the formula changes for mainstream schools and high needs pupils, a formula review group and a high needs pupils group. These will need wider membership than the Schools Funding Working Group and SEN Group, for example we will require input from service schools, split site schools and schools with resource bases. The working groups may need to meet frequently during May and June in order to finalise proposals and will report initially to the Schools Funding Working Group and the SEN

Working Group. The Chairs of PHF and WASSH have been consulted to identify potential working group members.

Proposals

48. The following proposals are brought for consideration:
- a. That Schools Forum confirm the mapping of current formula factors in to the new list of allowable factors (paragraph 17).
 - b. That Schools Forum confirm the principles that should be applied to the modelling of the new formula (paragraph 17).
 - c. That Schools Forum confirm which formula factors should be used to delegate the list of central services that must be included in the formula (paragraph 20).
 - d. That the Early Years Reference Group consider the required changes to the Early Years Single Funding Formula and bring proposals back to the June Schools Forum meeting (paragraph 36)
 - e. That proposals for the composition of Schools Forum be developed for consideration at the June meeting (paragraph 39).
 - f. That the proposed timescales for the formula review and consultation with schools be agreed (paragraph 44)
 - g. That two additional working groups be established to work on the detailed formula proposals and make proposals to the School Funding Working Group and SEN Working Group in order that proposals for the revised formula can be considered at the June Schools Forum meeting (paragraph 47).

Carolyn Godfrey
Corporate Director

Report Author:

Liz Williams, Head of Finance

29 April 2012

Background Papers

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

None

Appendices

1. Mapping of current formula factors to the new allowable factors
 2. Central Budgets for Delegation in new formula
 3. Project Plan
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Appendix 1 – Mapping of Current Formula Factors to Allowable Factors

Current Formula Factor	Proposed Formula factor	Comment
Age Weighted Pupil Unit	Per Pupil entitlement	
Small School Curriculum Protection	Per Pupil entitlement	
Primary SEN -Exceptional SEN Element	Per Pupil entitlement OR low cost/high incidence SEN formula	Currently drives SEN funding but allocated on a per pupil basis. Should contribute to the £6,000 SEN funding?
Primary SEN - Pupil element	Per Pupil entitlement OR low cost/high incidence SEN formula	
Secondary Personalised learning - Pupil element	Per Pupil entitlement	
Primary Personalised learning-pupil element	Per Pupil entitlement	
Catering - Free Meal subsidy	Per Pupil entitlement	
Broadband contribution	Per Pupil entitlement	
Threshold Pay funding- Post 16	Per Pupil entitlement	
School Standards Grant-Replicated	Per Pupil entitlement	
Primary SEN -Deprivation element	Deprivation OR low cost/high incidence SEN formula	Currently drives SEN funding but allocated on the basis of deprivation. Should contribute to the £6,000 SEN funding?
Secondary Personalised learning- Deprivation	Deprivation	
Primary Personalised learning-deprivation element	Deprivation	
Secondary Social needs Factor	Deprivation	
Primary Social needs Factor	Deprivation	
Social Deprivation targeted funding	Deprivation	
Secondary Educational Needs Allowance (SENA) - Year 7	SEN Prior Attainment	
Secondary Educational Needs Allowance (SENA) - Year 8	SEN Prior Attainment	
Secondary Educational Needs Allowance (SENA) - Year 9	SEN Prior Attainment	
Secondary Educational Needs Allowance (SENA) - Year 10	SEN Prior Attainment	
Secondary Educational Needs Allowance	SEN Prior Attainment	

(SENA) - Year 11		
Primary SEN - Prior attainment element	SEN Prior Attainment	
Secondary Personalised learning - attainment element	SEN Prior Attainment	
Primary Personalised learning-attainment element	SEN Prior Attainment	
Secondary Practical learning - attainment element	SEN Prior Attainment	
Learn to Swim-Primary and Junior schools	Lump Sum	Final quantum for lump sum allowance will be determined by size of lump sum agreed and maximum level imposed by DfE. Proposed any remaining funding be allocated on per pupil basis?
Large Primary School Basic Flat Rate	Lump Sum	
Small Primary School Basic Flat Rate	Lump Sum	
Very Small Primary School Basic Flat Rate	Lump Sum	
11-16 Large Secondary School Flat Rate	Lump Sum	
11-16 Small Secondary School Flat Rate	Lump Sum	
11-18 Large Secondary School Flat Rate	Lump Sum	
Primary SEN - Basic Flat Rate	Lump Sum	
Split Sites & amalgamation allowance	Split site Factor	
Rates/PFI	Rates/PFI	
Special staff costs arising from county reorganisation of schools		Not allowable within new formula
New schools allowance-Primary Phase		Not allowable within new formula
New schools estimate of September intake-Primary Phase		Not allowable within new formula
Service schools turbulence factor		Not allowable within new formula
Service schools safety net factor		Not allowable within new formula
Rents	Exceptional Factor?	For example, paid to schools who do not have their own hall
Abatement of Primary Funding		Not allowable within new formula
Abatement of Secondary Funding		Not allowable within new formula
Minimum funding Guarantee	Per Pupil entitlement	

LA Table: FUNDING PERIOD (2012-13)

Section 251 Return 2012/13

LA Table Local Authority Information

Wiltshire				LA Number			
Description	Early Years	Primary	Secondary	Special	Gross	Income	Net

1. SCHOOLS BUDGET - CENTRALLY HELD BUDGETS (include Central Support Recharges)

1.1.2 Contingencies		291776	254030	4298	550105		550,105	To be delegated - can retain centrally for maintained schools
1.2.1 Provision for pupils with SEN (including assigned resources)	589975	2435158	528058	143167	3696359	0	3,696,359	SEN Support Services - High Cost Pupil Block
1.2.2 SEN support services	465668	789768	342461	125803	1723699	0	1,723,699	SEN Support Services - High Cost Pupil Block
1.2.3 Support for inclusion	0	4186	1502	269	5957	0	5,957	SEN Support Services - High Cost Pupil Block
1.2.4 Fees for pupils with SEN at independent special schools & abroad	0	99144	0	4858062	4957206	0	4,957,206	SEN Support Services - High Cost Pupil Block
1.2.5 SEN transport	0	0	0	0	0	0	-	SEN Support Services - High Cost Pupil Block
1.2.6 Fees to independent schools for pupils without SEN	0	0	0	0	0	0	-	SEN Support Services - High Cost Pupil Block
1.2.7 Interauthority recoupment	0	267379	683418	1364828	2315625	701883	1,613,742	SEN Support Services - High Cost Pupil Block
1.2.8 Contribution to combined budgets	0	251303	16754	6444	274500	0	274,500	to be delegated - unless historical Commitments
1.3.1 Pupil Referral Units	0	1302256	2291903	0	3594159	144643	3,449,516	SEN Support Services - High Cost Pupil Block
1.3.2 Behaviour Support Services	0	845891	0	0	845891	46725	799,166	To be delegated - can retain centrally for maintained schools
1.3.3 Education out of school	0	114588	228884	2938	346410	29600	316,810	SEN Support Services - High Cost Pupil Block
1.3.4 14-16 More practical learning options			0	0	0	0	-	
1.4.1 Support to underperforming ethnic minority groups and bilingual learners	6635	888435	56709	0	951779	49803	901,976	To be delegated - can retain centrally for maintained schools
1.5.1 School meals/milk - nursery, primary and special schools	0	0		0	0	0	-	To be delegated - can retain centrally for maintained schools
1.5.2 Free school meals eligibility	0	23277	12176	343	35796	7808	27,988	To be delegated - can retain centrally for maintained schools
1.5.3 School kitchens repair and maintenance	0	0		0	0	0	-	To be delegated - can retain centrally for maintained schools
1.6.1 Insurance	0	23399	1526	509	25434	0	25,434	To be delegated - can retain centrally for maintained schools
1.6.2 Museum and Library Services	0	0	0	0	0	0	-	To be delegated - can retain centrally for maintained schools
1.6.3 School admissions	0	190245	165118	3590	358952	0	358,952	Retain centrally - statutory
1.6.4 Licences/subscriptions	0	247422	129421	3806	380649	0	380,649	To be delegated - can retain centrally for maintained schools
1.6.5 Miscellaneous (not more than 0.1% total of net SB)	48695	166100	10833	3611	229238	37	229,201	To be delegated - can retain centrally for maintained schools
1.6.6 Servicing of schools forums	0	13140	6873	202	20215	0	20,215	Retain centrally - statutory
1.6.7 Staff costs supply cover (including long term sickness)	0	674568	217159	17452	909178	0	909,178	To be delegated - can retain centrally for maintained schools
1.6.8 Termination of employment costs	0	455583	29712	9904	495199	0	495,199	Retain centrally - historical commitment
1.6.9 Purchase of carbon reduction commitment allowances	0	0	0	0	0	0	-	Retain centrally - historical commitment
1.7.1 Other Specific Grants	0	0	0	0	0	0	-	
1.8.1 Capital Expenditure from Revenue (CERA) (Schools)	0	1179580	453836	80781	1714197	0	1,714,197	Retain centrally - historical commitment
1.8.2 Prudential borrowing costs	0	276000	18000	6000	300000	0	300,000	Retain centrally - historical commitment
1.9.1 TOTAL SCHOOLS BUDGET	1110973	10539198	5448371	6632008	23730551	980499	22,750,052	Total

3,823,698	To be delegated - can retain centrally for maintained schools
2,509,396	Retain centrally - historical commitment
379,167	Retain centrally - statutory
274,500	to be delegated - unless historical Commitments
15,763,290	SEN Support Services - High Cost Pupil Block
22,750,052	
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School Funding Reform 2013/14

Project Plan April 2012

(v1 for discussion with Children's Services Leadership Team 19/4/12)

Why?

On 26th March 2012 the DfE issued a consultation document outlining proposals for a new funding system for schools to be implemented in 2013/14. The document covers all aspects of schools funding. The stated aims of the proposals are to:

- Move towards a national funding formula
- Simplify local funding arrangements
- Change the way in which LAs are funded
- Improve funding arrangements for pupils with high needs
- Improve funding arrangements for Early Years provision

The proposals will require a full review of Wiltshire's funding formula for mainstream schools and for special schools in order to meet the requirements for simplification of local funding arrangements. The current Wiltshire funding formula includes elements that reflect local circumstances and needs and will not be compliant with the new simplified arrangements proposed by the government. The new formula must be approved by the Education Funding Agency (EFA) (who replace the Young Person's Learning Agency from 1/4/2012) by the end of October 2012 in time for implementation in schools budgets for April 2013.

Proposals for the new LMS formula will also need to include proposals for the delegation of a number of services and budgets that are currently held centrally. These services will be delegated to academies via the formula and for maintained schools Schools Forum can agree to de-delegate and retain centrally or incorporate within the delegated budgets for schools. The impact on those central services will need to be quantified.

A review of the Early Years Single Funding Formula (EYSFF) will also be required.

All schools and early years settings must be consulted on the new formula and must receive details of the potential impact on their individual budgets.

There are proposed changes to the constitution of Schools Forum which will require us to reconstitute our Schools Forum by September 2012.

What?

In order to achieve the aims set out by the DfE within the timescales the following broad pieces of work will need to be completed:

- To respond to the consultation element of the document and ensure particular impacts on Wiltshire are raised.
- To fully review the Wiltshire LMS formula and implement a compliant formula for approval in October 2012
- Develop formulae for centrally held services that need to be delegated
- To implement the new funding mechanism for high cost pupils
- To review and implement a revised EYSFF
- To reconstitute Schools Forum in accordance with the rules
- To consult with all schools on the new formula and issue impact statements
- Implement appropriate systems and process changes that are required in order to issue schools budgets and to ensure a mechanism is in place for funding provision for high cost pupils.

How?

The following Workstreams are proposed:

1. Early Years – review of formula to ensure compliance
2. Schools Block – review of LMS formula
3. Schools Block – delegation of centrally retained services and potential proposals to “de-delegate”
4. High Needs Pupils – including banding moderation, planned places, funding of specialist provision
5. High Needs Pupils – implications of the proposals to align post-16 funding with funding for 0-16 year olds
6. Schools Forum Constitution
7. Consultation Response
8. Update of Financial Planning Software
9. Issuing budgets to schools
10. Overall DSG budget setting and Implications of changes to LGFS 2013/14
11. Communications Strategy – including consultation roadshows, briefing for members, etc

A detailed project task plan is being developed to include all tasks and milestone dates. Key dates are outlined further on within this document

Who?

Whilst focussing on school funding reform the project cannot be a purely finance led project because of the wider implications of the changes to the funding regime.

Key stakeholders include:

- Schools Forum – and associated working groups
- Elected members
- Children’s Services Leadership Team
- Schools & Learning Leadership Team
- PHF & WASSH
- Wiltshire Governors Association

Key officers who will need to be involved in the detail of the project are:

- Liz Williams – Head of Finance – overall lead
- Phil Cooch – Principal Accountant (Schools) – detailed modelling work and lead on developing software and issuing budgets to schools
- Simon Burke – Head of Business & Commercial Services – lead on Early Years workstream, through EY Reference Group and link with traded services
- Julie Cathcart – Head of School Improvement – post-16 issues and school organisation/strategic issues
- Mark Brotherton – Head of Targeted Schools & Learner Support – high cost pupil element
- Karina Kulawik – Head of Inclusion – high cost pupils
- Julia Cramp – Service Director for Commissioning & Performance – high cost pupils and development of commissioner/provider relationship with special schools etc
- David Hitch – Research & Stats – detailed modelling work and data provision
- Jayne Hartnell – data provision re attainment

- Annabel Billet – Post 16 issues
- Kath Elsdon – PA Support

Owners of specific workstreams and tasks are detailed on the project task plan

When?

See Project Plan for key milestone dates

The proposed timetable for the review of the Schools Block formula is as follows:

Revised Schools Block formula to be submitted to EFA by end October 2012

No date has been specified by the DfE for issuing budgets to schools. Our initial proposal is that we should aim to have budgets issued by the end of February in the first year of operating the new formula.

In order to meet the EFA's approval deadline the timetable for **Schools Forum meetings** and consultation is proposed as follows:

- 20 April 2012 – Joint Meeting of SFWG and SEN Group to commence project – agree schedule of working group meetings
- 10th May 2012 – **additional** Schools Forum meeting to agree way forward, set principles, etc
- 25th May – SF Early Years Reference Group to agree revisions to formula
- 21st June '12 – Schools Forum to agree proposals for consultation. Schools Forum also consider proposals for the new membership and constitution
- Early July '12 – issue consultation and impact assessments
- 14th September '12 – close consultation
- 4th October '12 – Scheduled Schools Forum meeting – consider outcomes of consultation
- Late October '12 – **additional** schools Forum meeting to agree final formula
- December '12 – Schools Forum – DSG estimate, impact of October pupil numbers on formula values, budget issues, high needs pupils elements
- January '13 – Schools Forum – set final budget
- End February '13 – issue budgets to maintained schools

Council Business Planning and budget process for 2013/14 to commence June 2012

Governance

The revised funding formula for schools and the revised EYSFF will need to be signed off by Schools Forum. The detailed work on the formula can therefore be managed through the existing Schools Forum working groups although there is an expectation that there will need to be additional working groups focussing on the more detailed proposals – for example we will need to involve schools with Resource Bases, School Business Managers, etc

Because of the impact on strategic issues and on services provided by the LA there needs to be oversight within Children's Services in addition to the work managed through Schools Forum. It is therefore proposed that a Project Board be established – membership to be confirmed.

Interdependencies/links with other projects

Other projects that this work will be linked to include:

- Section 251 Budget Return (lead Liz Williams)
- School Organisation Plan (lead Nick Glass)
- Changes to post 16 funding
- TSLS restructure (lead Mark Brotherton)
- Recharges/trading project (lead Liz Williams)
- Budget setting 2013/14 (lead Michael Hudson)
- Academies Board/Academy strategy (lead Stephanie Denovan)
- DCA Review and Personal Budgets

Resources and Constraints

There is no national redistribution of funding through a national funding formula and therefore the new funding regime for school, early years settings and high cost pupils must be implemented from within the existing schools budget resource. The Council has consistently confirmed its policy not to top up Dedicated Schools Grant.

Any transition for schools who would lose funding under the new formula will be managed through the Minimum Funding Guarantee of -1.5%. This would need to be paid for through capping the gains in those schools who should receive more funding.

The DfE has indicated it will provide a modelling tool and the required deprivation data to enable modelling to take place. This is to be provided by the end of April – any delay will delay the work that needs to take place and so we are reliant on DfE meeting its deadlines

The project will require significant officer capacity through May and June to work on the modelling of the formulae and through September and October to consult with schools and finalise the formula. This will need to be managed within existing capacity. Within Finance a workforce plan is currently being drawn up.

Two formula review groups will need to be established – one for the mainstream formula and one for high needs pupil. As well as officer capacity we will require contributions from Head Teachers, Business Managers and other school based staff (for example SENCOs) and potentially Governors. Schools Forum have requested that the LA consider providing backfill funding to schools where staff are attending frequent meetings – no funding for this has yet been identified.

Risks

(Risk Register required – not yet completed)

Wiltshire Council

Schools Forum

10 May 2012

Subject: Schools Funding Reform: Next Steps Towards a Fairer System – Consultation Response

Purpose of Report

1. To inform members of the Schools Forum of the DfE consultation on School Funding Reform and the consultation questions.

Background

2. During 2011 the government issued two consultations on the principles of a new school funding system, including the move towards a national funding formula for the distribution of funding to local authorities from which each LA and Schools Forum would agree a formula to distribute funding locally.
3. On 26 March 2012 the government issued further proposals to explain how it is planned to move forward from April 2013. This document is available on the DfE website via the link below:

<http://www.education.gov.uk/consultations/index.cfm?action=consultationDetails&consultationId=1817&external=no&menu=1>

4. Whilst the document mainly consists of proposals to be implemented in April 2013, views are sought on a number of areas where there are different options. Because the consultation element of the document is relatively limited, and LAs and Schools Forums need to be working on the detail of the proposals, the timeframe for the consultation is shorter than normal and the response date is 21 May 2012. The consultation response document is included at Appendix 1 to this report.

Main Considerations

5. As discussed in the previous report on this agenda the government has not proposed the implementation of a national funding formula within the current comprehensive spending review period. The new proposals therefore need to be implemented within the current funding levels received by each LA and this may influence responses to the consultation.
6. Whilst the consultation timeframe is limited it is necessary to do some modelling work on the new local formula in order to formulate a response to some of the questions, for example differential AWPU levels and the appropriate value of the lump sum. The DfE issued details of its modelling tool to assist LAs and Schools Forums in developing their local formula on

Friday 27 April so at the time of writing this report it has not been possible to complete the detailed modelling work that might be required in order to fully respond to the questions. More modelling work will have been completed prior to the date of the meeting and this will inform Schools Forum's discussions on the proposed response.

7. Prior to the meeting further work will also be completed on the issues relating to high needs pupils in order to inform the discussion on those questions.

Proposals

8. To note the consultation questions issued by the DfE included within the document *School Funding Reform: next steps towards a fairer system*.
9. Through discussions at the meeting, incorporating the results of further discussions and modelling work that will be completed prior to the 10 May, agree Schools Forum's response to the DfE consultation.

Carolyn Godfrey
Corporate Director

Report Author:

Liz Williams, Head of Finance

29 April 2012

Background Papers

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

None

Appendices

1. School Funding Reform: next steps towards a fairer system – Consultation Response Form
-

School funding reform:

Next steps towards a fairer system

Consultation Response Form

The closing date for this consultation is:

21 May 2012

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

Organisation (if applicable)

Address:

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

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

Natalie Patel: Telephone: 020 7340 7475 e-mail: Natalie.patel@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 type="checkbox"/> Individual Local Authority	<input 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:

Simplification of the local funding arrangements

Basic per-pupil entitlement

In paragraphs 1.3.10 and 1.3.11 we discuss the basic per-pupil entitlement. The difference between providing education for Key Stage 3 compared to Key Stage 4 is sometimes significant due to the additional costs of practical work and examinations incurred in the latter Key Stage.

Question 1: Should local authorities and Schools Forums be able to agree separate rates for Key Stage 3 and Key Stage 4?

Yes

No

Not Sure

Comments:

In para. 1.3.13 we consider setting a minimum threshold for the basic entitlement. There is an interaction between the amount of funding that goes through the basic entitlement and the amount remaining for other factors, such as deprivation and low-cost SEN. There are three options available:

- a) *To require a minimum percentage to go through **the basic entitlement only** (and we think that 60% represents a reasonable starting point);*
- b) *To require a minimum percentage to go through **all of the pupil led factors** (so would include the basic entitlement, deprivation, looked after children, low cost SEN and EAL). We think that 80% represents a reasonable amount for this threshold.*
- c) *To not set a threshold at all and accept that there will be inconsistency in some areas*

Question 2 : Do you think we should implement option a, b or c?

(a)

(b)

(c)

None

Not Sure

Comments:

Deprivation

In paragraphs 1.3.15 to 1.3.23 we discuss deprivation funding and the issue of banding. Our preference is to allow banding only for IDACI under a new system, and to keep it as simple as possible, for example by only allowing a certain number of bands with a fixed unit rate applied to each and a minimum IDACI threshold. We do not propose to allow banding for FSM.

Question 3: Do you agree with our proposals on banding? How do you think they might be applied locally?

Yes

No

Not Sure

Comments:

Lump Sums

In paragraphs 1.3.38 to 1.3.42 we discuss the issue of lump sums. Many local formulae currently allocate a lump sum to schools. We want to set the upper limit on the lump sum at a level no higher than is needed in order to ensure that efficient, small schools are able to exist where they are genuinely needed. We think that the upper limit should probably fall somewhere between £100k and £150k, and is certainly no higher than £150k.

Question 4: Where within the £100k-150k range do you think the upper limit should be set?

£100k

£110k

£120k

£125k

£130k

£140k

£150k

None

Not Sure

Comments:

Free Schools, University Technical Colleges (UTCs) and Studio Schools

In paragraphs 1.8.12 to 1.8.14 we discuss the funding of Free Schools, UTCs and Studio Schools. We have decided that Free Schools, UTCs and Studio Schools, like other Academies, should move across to be funded from 2013/14 through the relevant local simplified formula. One consequence of this is that confirmed funding levels for new schools will not be available until the spring prior to a September opening.

Question 5: What sort of information do Free School, UTC and Studio School proposers need, and at what stages, to enable them to check viability and plan effectively?

Comments:

Improving arrangements for funding pupils with high needs

In Section 3 and Annex 5a, b and c we discuss the new arrangements for funding pupils with high needs. In Section 3.8 we discuss the roles and responsibilities under the new place plus approach, specifically those of providers, commissioners and the EFA. We want to ensure that unnecessary bureaucratic burdens are not placed on providers and that there is clarity as to the respective roles and responsibilities of the EFA and local authorities.

Question 6: What are the ways in which commissioners can ensure responsibilities and arrangements for reviewing pupil and student progress and provider quality can be managed in a way that does not create undue administrative burdens for providers?

Comments:

In section 3.9 we discuss transitional protection for providers. We want to ensure that the transition from the current funding system to the new arrangements is as smooth as possible. In the document we set out a number of ways we intend to provide support through the transitional period and enable commissioners and providers to become accustomed to the new approach

Question 7: Are there other ways that we can help to ensure a smooth transition for commissioners and providers to the reformed funding approach for high needs pupils and students?

Comments:

In Annex 5a, paras 38 to 41 we discuss the level of base funding for AP settings and suggest that £8,000 would be an appropriate level of base funding.

Question 8: Do you agree that £8,000 per-planned place would be an appropriate level of base funding for AP settings within a place-plus funding approach?

Yes

No

Not Sure

Comments:

In Annex 5a paras 42 to 46 we discuss the top-up funding for AP settings. For short-term and part-time placements, we propose that appropriate pro rata arrangements would be put in place for calculating top-up funding and that it would be sensible to calculate top-up funding for short-term placements on a termly or half-termly basis, while part-time placements could be calculated on a daily rate. For very short-term placements, for example those that lasted less than ten days in an academic year, we would envisage that AWPU would not be repaid by a commissioning mainstream school and that the commissioner would pay an appropriate level of top-up funding to reflect this.

Question 9: Do you agree that it would be sensible to calculate pro rata top-up payments for short-term placements in AP on a termly or half-termly basis?

Termly

Half-termly

Not Sure

Comments:

Question 10: Do you agree that it would be sensible to calculate pro rata top-up payments for part-time placements in AP on the basis of a daily rate?

Yes

No

Not Sure

Comments:

In Annex 5a paras 47 to 52 we discuss hospital education. Hospital schools occupy an important place in the education system and we need to think carefully about how hospital education is funded within the parameters of a new approach to high needs funding. Hospital education is not an area where commissioners plan education provision and where pupils and their families exercise choice about the institution in which they will be taught. In funding terms, our aim must be to ensure that high-quality education provision is available whenever a pupil has to spend time in hospital.

Question 11: What are the ways in which hospital education could be funded that would enable hospital schools to continue to offer high-quality education provision to pupils who are admitted to hospital?

Comments:

In Annex 5a paras 53 to 56 we discuss the base level of funding for specialist providers. Under the place-plus approach there will be a simple process, with clear responsibilities and transparent information, for reviewing and, if appropriate, adjusting the allocation of base funding for specialist placements. The key components of this process are set out in the document.

Question 12a: Do you agree with the proposed process for reviewing and adjusting the number of places for which specialist settings receive base funding?

Yes

No

Not Sure

Comments:

Question 12b: Are there any other ways in which this process could be managed in a way that is non-bureaucratic and takes account of local need and choice?

Comments:

Simplifying arrangements for the funding of early years provision

In paragraphs 4.5.1 to 4.5.5 we discuss the 90% funding floor for three year olds. Current funding for three year olds is based on the actual number of three year olds who take up their entitlement to free early education or an amount equivalent to 90% of the estimated three year old population doing so, whichever is higher. We now think the time is right to phase out the floor so it is removed entirely from 2014-15. We also think it is right that we use 2013-14 as a transition year. Removing the floor from 2014-15 will require a level of transition support for local authorities, enabling them to increase participation levels. There are various options for how this transitional protection could operate but we think the most obvious way is to lower the floor in 2013-14 from 90% to 85%.

Question 13: Do you have any views on the move to participation funding for three year olds, particularly on how transitional protection for 2013-14 might operate?

Comments:

In paragraphs 4.6.1. to 4.6.3 we discuss free early education provision in academies. A small number of Academies with early years provision which existed prior to September 2010 continue to be funded by the Young People's Learning Agency (YPLA) through replication. We believe there is a strong case to be made for bringing together free early education funding for three and four year olds for all providers. This would mean that wherever a child accesses their free early education they would be funded and paid by local authorities through the EYSFF. This would further support simplicity and transparency in funding for free early education.

Question 14: Do you have any views on whether free early education in all Academies should be funded directly by local authorities?

Comments:

Question 15: Have you any further comments?

Comments:

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:

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Funding Policy and Efficiency Team
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SW1P 3BT