

**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](mailto:ian.mcvicar@education.gsi.gov.uk) or

Natalie Patel: Telephone: 020 7340 7475 e-mail: [Natalie.patel@education.gsi.gov.uk](mailto: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](mailto: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:

The traditional rationale for separate rates has been to reflect higher costs of provision at KS4. These include teaching in smaller groups, higher exam costs, more practical exams, etc.

If these cost differentials still remain then the response should support separate rates.

*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:

Wiltshire currently allocates 72% of funding through AWPUs and is therefore already exceeding the proposed minimum threshold for the basic entitlement.

The stated aim of the proposal for a minimum threshold for the basic entitlement is to reduce variation between LA formulae and ensure that funding follows the pupil. The option that would produce the most consistency between LA formulae is likely to be Option (a).

If LAs are currently distributing higher levels of pupil led funding through elements such as deprivation then Option (b) may be the model that retains the most stability for schools within LA areas whilst providing a broad comparison between LAs. With the restrictions on the level of lump sum the percentage driven by all pupil led factors is likely to be more consistent across LAs anyway.

### 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:

Banding is only allowable if we use the IDACI data.

Detailed modelling has not yet been completed but Schools Forum could confirm in principle whether a banding approach, targeting pupils from higher levels of deprivation, or a broader approach which funds all deprived pupils in a school, is the preferred approach.

### 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?**

<input type="checkbox"/>	£100k	<input type="checkbox"/>	£110k	<input type="checkbox"/>	£120k	<input type="checkbox"/>	£125k	<input type="checkbox"/>	£130k
<input type="checkbox"/>	£140k	<input type="checkbox"/>	£150k	<input type="checkbox"/>	None	<input type="checkbox"/>	Not Sure		

**Comments:**

In Wiltshire the lump sum for primary schools is approx £80k. For secondary schools the range is from £311k to £346k. All of the proposals above will have an impact, particularly on small secondary schools. No variation is allowed between phases in the new proposals.

The rationale behind the lump sum within Wiltshire has been a calculation of the management costs of a school of particular size – for example Head Teacher, Caretaker, Head of Year, etc

**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:**

The requirements would be similar to a new maintained school setting up within a LA area. School proposers need to know the values for each formula driver.

A ready reckoner could be produced based on the proforma submitted by the LA to the EFA

**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:

It will be important to be clear how commissioners (LAs) are going to work together regionally to ensure strategic planning of places within special schools and other settings. Schools will now be dealing directly with the commissioner rather than through the inter-authority recoupment process. This may cause an administrative burden for schools but will also potentially impact on the ability of the LA to plan strategically for the high needs pupils in its area.

Clarity on framework for top-up funding: there will be administrative burdens for providers and commissioners if individual top-up fees have to be negotiated for each pupil. The solution would be to continue to apply the current banding framework in Wiltshire which would enable fixed top up rates to be agreed according to level of need.

Clarity of roles of the commissioner and the EFA to ensure there is no duplication.

*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:

Wiltshire would propose to continue the current mechanism of banding to enable calculation of the top up values and the existing processes for agreeing planned place numbers on an annual basis.

There will be implications for residential schools as the £10,000 base value is a smaller proportion of the costs for a residential setting compared with a Resource Base for example. Could there be a higher base rate for residential settings? (note the DfE is clear that it does not want to differentiate between types of settings)

A key issue here is that of empty places within specialist settings. Transitional protection is based on special schools and resource bases being full however at certain points in the year it would not be unusual for Special Schools, for example, to carry a small number of vacant places – for example in Term 1. Whilst Wiltshire would agree that it is not good practice to continue to fund high levels of empty places special schools and resource bases will have staffing models in place based on the current planned place funding and it could cause significant disruption if funding is reduced for 2013/14.

Schools within the independent sector would already build in this level of uncertainty in to their prices but there would be affordability issues if LAs have to do this for maintained special schools and academies.

This may also make strategic planning for places difficult for the commissioner if schools have more incentive to fill places with out of county pupils in order to ensure continuity of funding.

This issue could, in part, be managed through a review of the numbers of places and associated place values, in particular for resource bases, prior to April 2013.

For post-16 pupils it will be important to have early details of the individuals for whom the LA will be responsible for funding and the funding to be transferred to the LA for the top up element

*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:

Given Wiltshire's participation in the national pilot for exclusions and alternative provision it is difficult to respond to this question. Further clarification needs to be given by the DfE as to how these proposals are affected by the AP pilot. Issues to be addressed include how we identify pupils who should be funded through the High Needs block? What (if any) are the implications of the place plus approach on Wiltshire's devolved funding? Will PVI providers receive the base funding of £8k?

*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:

Why not do all on a daily rate?

*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 Wiltshire we are not expecting to be affected by the floor for 3 year olds in 2012/13 as take up is already greater than 90% of the 3 year old population. In order to comment on this question we would need to see the overall data to understand how many authorities are affected in 2012/13 and to what degree.

*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:

We believe that free early education in academies should be funded directly by local authorities through the Early Years Single Funding Formula.

## Question 15: Have you any further comments?

Comments:

### **National Funding Formula**

No national redistribution of funding through a new formula has been proposed, this was a key element of the initial consultation documents issued by the DfE. Without a national redistribution Wiltshire will retain its relative position as a low funded authority and will need to make the required changes within existing levels of funding. Whilst it is difficult to predict the impact of a national formula on any individual LA at this stage, there is the potential for significant turbulence in schools budgets from implementation of the new local formula in 2013/14 and then again if a national formula is implemented from April 2015.

### **Pupils from Service Families**

The proposals state that the EFA will only have discretion to consider exceptional circumstances relating to premises. Wiltshire would view this as too restrictive and would wish to propose that an exception be allowable for the specific issues associated with schools with a high proportion of pupils from Service families. Currently the Wiltshire local formula contains two factors to protect schools against in year and year on year on year changes in pupil numbers resulting from the high proportion of service pupils and associated levels of pupil movement. These structural issues are not catered for by the Pupil Premium Grant which is designed to support schools in meeting the additional needs of individual pupils in the school.

### **High Needs Pupils**

We are concerned about the high level of change proposed for the funding of specialist provision and the associated impact on schools budgets, particularly where special schools are resource bases do carry a level of empty places – this is not unusual at certain points in the year, for example in term 1.

There is a lack of clarity with regard to the identification of high needs pupils within mainstream schools and the potential disruption and impact on inclusion within schools if pupils within a mainstream school are funded differently. This could be resolved by ensuring that only pupils in specialist provision are funded through the place plus methodology and there is some conflict between the consultation document and the detailed data entry guidance on this issue.

### **Draft Proforma for Schools Block**

The draft proforma does not include provision to identify formula factors after any de-delegation of central budgets. It would make more sense for the proforma to show both sets of values.

The proforma also excludes details of the MFG and any potential capping of gains and so does not show a complete picture of the schools block budget.

It is also unfortunate that the modelling tool sent to LAs to model the changes does

not include a link to the MFG which would enable the impact and cost to be modelled throughout.

### **Schools Forum**

Currently School membership of Schools Forum in Wiltshire is agreed by the Head Teacher bodies representing primary, secondary and special schools. There is concern in Wiltshire that strict adherence to the proportionate representation according to pupil numbers in maintained schools and academies could work against the current good working relationships on the forum by polarising discussions between particular groups.

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

Wiltshire is concerned that some of the services that are proposed for delegation would, if delegated, work against the achievement of economies of scale for example, licences and subscriptions and contingency budgets.

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](mailto:carole.edge@education.gsi.gov.uk)