

Wiltshire Council

Schools Forum 4th October 2012

School Funding Reform – Outcomes of the Consultation with Schools on the Proposed Wiltshire Formula

Purpose of report

1. To inform Schools Forum of the outcome of the consultation with schools on the new Wiltshire funding formula and delegation of central budgets for 2013-14
2. To seek School's Forum's views on the proposed funding formula and the delegation of central budgets

Background

3. The DfE issued the consultation document *School Funding Reform: next steps towards a fairer system* on 26th March 2012. The proposals contained within the document required a full review of the Wiltshire funding formula for schools to comply with the more limited flexibility for local formula and the new requirements on delegation of central budgets and for funding provision for high needs pupils. Final arrangements for 2013-14 were published by the DfE on 28th June 2012.
4. At the meeting on 13th July Schools Forum agreed the elements of the local funding formula on which mainstream schools would be consulted. These were:
 - a. The level of the lump sum to be included in the formula. Options to be consulted on were agreed as £85,000 or £100,000;
 - b. The data that should be used to drive funding for deprived pupils in to schools. Options to be consulted on were agreed as Free School Meals (FSM) Ever6 or Income Deprivation Affecting Children Index (IDACI) data.
5. At the same meeting Schools Forum received further detail on the requirements for the delegation of central budgets. There are a number of services for which the budgets need to be allocated through the new funding formula but which can be de-delegated for maintained schools. Approval for de-delegation is by the relevant phase members of Schools Forum. It was agreed by Schools Forum at the July meeting that details of those budgets and associated costs would be included within the consultation issued to schools in order to inform the responses from maintained schools.

Main Considerations for School Forum

Consultation with Schools

6. A consultation document was issued to all Wiltshire maintained schools and academies on 3rd September 2012 with a response date

of 21st September 2012. A copy of the document is attached at Appendix 1.

7. There were 6 sections to the document itemised in the table below. Not all schools were able to respond to all of the questions.

Section	Key Issues included	Who could respond?
A – Mainstream Formula	Whilst each of the new funding formula factors is described in this section there are 4 main options being consulted on – the options differ in the level of flat rate/lump sum included within schools budgets and also the data which is used to drive funding to support pupils from deprived areas.	<u>All mainstream</u> schools (academies and maintained)
B – High Incidence, Low Cost SEN funding	This part of the document describes the changes that have been made to the funding formula in order to comply with the DfE requirement that schools meet the first £6,000 of provision for pupils with special educational needs	No specific consultation questions included in this section
C – Delegation of Central Budgets	This section includes details of all of the centrally held budgets that are now required to be delegated. In each case there is a description of the budget or service and examples of the potential costs that schools would be responsible for following delegation of those budgets. In each case maintained schools can be consulted on whether those budgets can be retained centrally by the local authority (ie., “De-delegated”) on behalf of maintained schools.	<u>Maintained</u> primary and secondary schools
D – High Needs Pupils	This section of the document will outline the required changes to provision for pupils with high needs – including special schools, resource bases and ELP	No specific consultation questions included in this section
E – Impact Statement	An Impact Statement will be provided for each consultation option on the mainstream formula and to show the potential impact of the changes to funding for high needs provision. In each case for the mainstream formula the impact statement will show your school’s 12-13 budget under the current Wiltshire formula compared with what funding would have been received under the new proposed formula	Provided for information
F – Response form	This section will contain all of the consultation questions and details of how to respond	

8. Impact statements were provided for each school demonstrating the potential impact on the school had each model been applied in the current financial year. Each school received 4 impact statements to illustrate the combinations of options being consulted on ie.,
 1. Model 1 - £100,000 Flat Rate, FSM Ever6 for funding deprivation
 2. Model 2 - £85,000 Flat Rate, FSM Ever6 for funding deprivation
 3. Model 3 - £100,000 Flat Rate, IDACI for funding deprivation
 4. Model 4 - £85,000 Flat Rate, IDACI for funding Deprivation
9. A series of roadshows were held around the County in order to support schools in working through the document and to highlight the main issues and address questions. The roadshows were well attended by head teachers, governors and business managers.

Consultation Outcomes

10. The responses from schools are summarised in Appendix 2 to this paper. The comments received are summarised in Appendix 3.
11. A total of 141 responses were received to the questions on the formula factors, representing 61.8% of primary and secondary schools in Wiltshire.
12. 128 maintained schools responded to the questions on the delegation of central budgets, representing 64.3% of schools who were eligible to respond.
13. 57.6% of schools who responded indicated that they would prefer to use FSM Ever6 data to allocated funding for deprivation. 63.1% showed a preference for a lump sum of £100,000. This would indicate a preference across schools for Model 1: £100,000 flat rate, FSM Ever6 for funding deprivation.
14. Based on the modelling using 2012-13 data, Model 1 represents the lowest cost for the minimum funding guarantee (MFG) and, therefore, the lowest level of capping for schools who would gain through the model. The potential cost of the MFG for each model is illustrated in the following table:

Deprivation factor	Lump sum	Cost of MFG (£m)
IDACI	£85,000	£2.719
IDACI	£100,000	£2.385
FSM6	£100,000	£2.176
FSM6	£85,000	£2.479

15. It is recommended that Model 1 be adopted as the preferred model for the funding formula in 2013-14.

16. Responses from maintained schools on the delegation of central budgets are shown in Appendix 2 and are summarised in the table below:

Service/Budget	Delegate %	Retain %
Schools Contingency	31.7	68.3
FSM Eligibility Service	20.3	79.7
Insurance	46.1	53.9
SIMS Licence	6.3	93.8
HCSS Licence	7.0	93.0
Copyright Licence	10.2	89.8
Trades Union Duties	17.2	82.8
Maternity costs	9.4	90.6
Ethnic Minority Achievement Service (EMAS)	38.6	61.4
Traveller Education Service	31.5	68.5
Primary Behaviour Support Service	26.2	73.8

17. Across all of the services itemised above the majority of maintained schools have responded that they would prefer budgets to be retained centrally. Budgets will be delegated to academies and special schools in accordance with DfE requirements.
18. Following discussion with the School Funding Working Group a review has been carried out to identify if responses vary with the size of school, particularly in relation to the budgets for EMAS, Traveller Education and Behaviour Support. That review indicates that generally schools are consistent in their responses although primary schools with greater than 300 on roll tended to support the delegation of budgets for the EMAS and Traveller Education services (8 out of 13 schools in this category responded) with the majority of primary schools below 300 on roll supporting the de-delegation of all central budgets.
19. The DfE requirement is that the central budgets listed above are delegated to schools unless maintained schools agree that they wish the local authority to continue to retain them centrally on their behalf (ie., de-delegate). Schools Forum will need to decide for each budget whether it is to be de-delegated for maintained schools, taking in to account the outcomes of the consultation. In each case approval for de-delegation is to be made by the relevant phase members of Schools Forum. It is possible to make different decisions for each phase although consideration would need to be given to the impact on each service of partial delegation.
20. At this meeting it is requested that Schools Forum give a steer on whether the budgets listed above should be delegated or retained centrally. Further work is required to analyse the potential impact of the delegation to academies and special schools on the level of funding that would be retained centrally if de-delegation is the preferred option. The outcome of that analysis will be brought to the

Schools Forum meeting on 18th October 2012 to enable a final decision to be made.

21. It is recommended, however, that the budget for Insurance be delegated regardless of the responses above as there are no additional costs to be incurred by schools arising from the delegation of the budget.
22. It should be noted that if budgets are retained centrally and a school converts to academy status during the financial year it is possible to continue to retain central budgets on behalf of that school during the year in which it converts but budgets must be delegated thereafter.

Proposals

23. That Schools Forum consider the outcomes of the consultation with schools on the funding formula for 2013-14 and give a steer on the following:
 - a. The preferred lump sum value and deprivation indicator to be used;
 - b. The views of Schools Forum on the delegation/de-delegation of central budgets

to enable the final proposals for the funding formula to be agreed at the meeting on 18th October 2012.

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Appendices

- Appendix 1 – copy of the consultation document issued to schools
- Appendix 2 – summary of consultation responses
- Appendix 3 – summary of comments from schools