

## School Funding Reform – Consultation with Schools

### Why are we consulting with Schools?

On 26<sup>th</sup> March 2012 the DfE issued a consultation document outlining proposals for a new funding system for schools to be implemented in 2013/14, final arrangements for 2013-14 were published by DfE on 28<sup>th</sup> June 2012. The new arrangements cover all aspects of schools funding.

The documents from the DfE 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>

**The proposals required us, in conjunction with Schools Forum, to undertake a full review of Wiltshire's funding formula for mainstream schools and for specialist provision for pupils with high needs in order to meet the requirements for simplification of local funding arrangements.** The current Wiltshire funding formula includes elements that reflect specific 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) by the end of October 2012 in time for implementation in schools budgets for April 2013 (September 2013 for academies).

Under the new arrangements for funding mainstream provision the new funding formula will apply to all mainstream academies, maintained schools and free schools in Wiltshire.

**All schools must be consulted on the new funding formula and must receive details of the potential impact on their individual school budgets. Detail on the proposed formula for funding Wiltshire schools and an Impact Statement to provide details of the potential impact of each proposal on your school are included in this document. This consultation needs to take place in order to meet the EFA timescales for approval of the new formula and so has a very tight turnaround time.**

The DfE proposals also include requirements to delegate a number of centrally held budgets to schools and details of this are included in the document. For a number of services it is possible for maintained schools to agree to continue to retain funding for these services centrally but funding for academies and special schools must be delegated. Further details of these services and the associated costs for schools are included in the consultation document.

Finally the DfE proposals require changes to be made to the way in which specialist provision for pupils with high needs is funded. Initial work has taken place to model the impact of this on Special Schools, Resource Bases and Enhanced Learning Provision (ELP) and whilst there are no specific consultation questions on this part of the funding arrangements, an estimate of the potential impact on schools is included as part of this document so that you can see the full picture.

### What are we consulting on?

There are 6 main sections to this consultation document:

- A. Mainstream funding formula
- B. High Incidence, Low Cost SEN
- C. Delegation of central budgets
- D. High needs pupils
- E. Impact Statements
- F. Response form

**The aim of this document is both to inform schools of the required changes, and the impact of those changes, and to seek views on specific aspects of the funding proposals.**

In each of the Sections A through to D there will be an explanation of the background, a description of the issues/options to be consulted on and details of the questions and who is eligible to respond in each case.

Key elements of each section are:

| <b>Section</b>                           | <b>Key Issues</b>   | <b>Who can respond?</b>                                     |
|--|---|---|
| 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   |   |

## How have we arrived at these proposals?

More detail will be provided throughout the document on how proposals have been developed however it is important to stress that proposals have been developed in conjunction with representatives from schools and with Schools Forum. A Formula Review Group which included head teachers and school business managers was established to develop proposals for the mainstream funding formula and a High Needs Pupils Formula Review Group, again consisting of head teachers, school business managers and managers of resource bases, has been consulted on the proposals for specialist provision. Specific groups of schools have been involved with certain elements of the proposals for example considering the impact of split sites and considering the costs associated with service schools.

## Who are we consulting with?

This consultation is being sent to all maintained schools and academies within Wiltshire, addressed both to the Head Teacher and to the Chair of Governors.

The consultation is being sent both hard copy and electronically.

## When do we need your response?

In order to meet the required timescale of submitting the proposed formula to the Education Funding Agency (EFA) by 31<sup>st</sup> October the outcome of the consultation needs to be considered by Schools Forum on 4<sup>th</sup> October and approved by the Council's Cabinet on 23<sup>rd</sup> October. For this reason there is a short timescale for responses and we will require your response **by close of play on Friday 21<sup>st</sup> September 2012.**

In order to assist you in considering the consultation document and to try to answer questions that you may have we have arranged a series of consultation roadshows between 4<sup>th</sup> and 13<sup>th</sup> September – details have been circulated previously.

If you have any specific questions please contact Liz Williams, Head of Finance, or Phil Cooch, Principal Accountant (Schools) as follows:

[Elizabeth.williams@wiltshire.gov.uk](mailto:Elizabeth.williams@wiltshire.gov.uk) (01225) 713675

[Phil.cooch@wiltshire.gov.uk](mailto:Phil.cooch@wiltshire.gov.uk) (01225) 713814

**Responses should be forwarded electronically to**

[absupport@wiltshire.gov.uk](mailto:absupport@wiltshire.gov.uk)

**OR**

**By hard copy to:**

Accounting & Budget Support Team  
County Hall – East Wing  
Cradle Bridge  
Bythesea Road  
Wiltshire  
BA14 8DQ

By close of play on 21<sup>st</sup> September 2012 at the latest

## SECTION A – FUNDING FORMULA FOR MAINSTREAM SCHOOLS

### Introduction

Under the new funding arrangements it is proposed that all schools in a local authority (LA) area including maintained schools, academies and free schools will be funded on the same formula, this will be the local formula developed by the LA. This is a change from the current system in which academies are funded on a lagged basis based on the LA formula for the previous year.

The proposals include moving towards a more consistent approach to the development of local funding formulae between LAs which in turn limits the number of formula factors LAs can utilise

The number of allowable formula factors in local funding formulae has been reduced by the government from 37 to 12, only 11 of which will apply in Wiltshire. As a result a full review has been undertaken of the Wiltshire funding formula in order to develop a formula that is compliant with the new proposals.

Formula factors that will be allowed within the new funding formula are summarised below and further detail is provided on the following pages:

| <b>Allowable Factor</b>             | <b>Mandatory/ Optional</b>  | <b>Proposed to Use in Wiltshire formula?</b>  | <b>Consultation Options included in this document?</b> | <b>Section Ref</b> |
|-------------------------------------|-----------------------------|---|--|--------------------|
| Per Pupil Entitlement               | Mandatory                   | <b>Yes</b>  | No   | A1                 |
| Deprivation                         | Mandatory                   | <b>Yes</b>  | <b>Yes</b>   | <b>A2</b>          |
| Looked After Children               | Optional                    | No  | No   | A3                 |
| Prior Attainment – as proxy for SEN | Optional                    | <b>Yes</b>  | No   | A4                 |
| English as an Additional Language   | Optional                    | No – not in formula but will be proposed for delegation of specific central budgets | No   | A5                 |
| Pupil Mobility                      | Optional                    | No  | No   | A6                 |
| Lump Sum                            | Optional                    | <b>Yes</b>  | <b>Yes</b>   | <b>A7</b>          |
| Split site allowance                | Optional                    | <b>Yes</b>  | No   | A8                 |
| Rates                               | Optional                    | <b>Yes</b>  | No   | A9                 |
| PFI Factor                          | Optional                    | <b>Yes</b>  | No   | A10                |
| Post 16 per pupil allowance         | Optional                    | No  | No   | A11                |
| London Fringe Area                  | Not applicable to Wiltshire |   | No   | n/a                |

It is clear from the table above that there are certain formula factors in the current Wiltshire funding formula that will not be allowable from April 2013. These include service school turbulence and safety net factors, and small school curriculum protection.

The remaining pages in Section A detail each formula factor, the data used to drive funding and any consultation questions for schools. The final part of this section details the Minimum Funding Guarantee (MFG) and how this will be applied.

## A1 – Per Pupil Entitlement

**Name of Factor:** Per Pupil Entitlement

**What is the formula driver?**

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

The data used to drive per pupil funding will be the **October** pupil numbers prior to the start of the financial year. This is a change for schools in Wiltshire as currently schools are funded on January pupil numbers.

Within the proposed formula Wiltshire has opted to apply separate rates for KS3 and KS4 using the same proportionate split between the rates as in the current formula.

All per pupil elements of funding from the current Wiltshire formula have been mapped in to the new per pupil element so that the same proportion of funding is distributed according to pupil numbers. In primary schools previous Age Weighted Pupil Unit (AWPU) funding has been consolidated and divided by pupil numbers to arrive at a single per pupil rate for primary age pupils.

You will see the indicative amount for each per pupil funding rate on the attached impact statements for your school.

During the DfE consultation period, local authorities queried how children who defer entry to reception classes might be accounted for as they would not appear in the October census and so would not attract funding. To prevent schools with lots of deferred entries to Reception classes being disadvantaged, Wiltshire's Dedicated Schools Grant will be uplifted to reflect the difference in Reception pupil numbers between the October and January counts of the previous academic year. Regulations will allow local authorities to apply this uplift in pupil numbers to all schools with Reception classes, reflecting what actually happened in each school in the previous year. Where this is applicable to your school it is shown on the impact statement.

**Are there any options being consulted on?**

No options for consultation with schools on this formula factor

## A2 – Deprivation Funding

**Name of Factor:** Deprivation Funding

### What is the formula driver?

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

Two indicators of deprivation are allowable:

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

In developing the Wiltshire formula it was agreed at a very early stage by the Formula Review Group that a combination of deprivation indicators should not be used and therefore Wiltshire will use either Free School Meals Ever6 or IDACI data to drive all deprivation funding. Both data sources are described in more detail below.

The current Wiltshire formula has a number of different deprivation elements – all of that previous funding has been combined to define the total amount of funding to be allocated according to the new deprivation formula factor.

### Are there any options being consulted on?

Schools Forum has opted to consult schools on the deprivation indicator to be used within the new funding formula. **The options to be consulted on are:**

1. **Free School Meals Ever6 data**
2. **Income Deprivation Affecting Children Index (IDACI) data**

Impact statements are provided for both options so that schools can understand the impact of each on their funding. Further detail on the data sources for each option is provided below and schools are encouraged to consider the principles behind each data set in making their response.

### Further Information

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

**Free School Meals Ever 6** - means those pupils recorded on the January 2012 School Census who were recorded as known to be eligible for Free School Meals (FSM) on any of the termly censuses since Summer 2006, including the January 2012 School Census. Each pupil will only be counted once: for example, if a pupil on the January 2012 Census is recorded as known to be eligible for FSM and was recorded as known to be eligible for FSM on the Summer 2011 and Autumn 2011 Censuses, they will be counted as one FSM Ever 6 pupil. The same data is used for calculating the free meals element off the Pupil Premium Grant (PPG). Funding within the formula is applied at a unit value per eligible pupil.

If IDACI is used a proposed banding system has been set out by DfE which has the effect of targeting funding at the higher levels of deprivation. Use of Free School Meals data ascribes a financial unit value to each eligible pupil and therefore does not differentiate between "levels" of deprivation.

### A3 – Looked After Children

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| <b>Name of Factor:</b> Looked After Children  |
| <b>What is the formula driver?</b><br><br>Number of looked after children as per previous March SSSDA903 return for each LA   |
| <b>Are there any options being consulted on?</b><br><br>It is not proposed to include a formula factor based on numbers of looked after children in the Wiltshire funding formula. The reason for this is that use of the annual return for numbers of looked after children means that the data for this potentially mobile group of young people would be static and quite out of date. The Wiltshire approach is consistent with the majority of other LAs in the South West.<br><br>Pupil Premium Grant for Looked After Children will continue to be funded and is based on more current data. |
| <b>Any other relevant info</b><br><br>None included   |



## A4 – Prior Attainment

**Name of Factor:** Prior Attainment

**What is the formula driver?**

LAs are allowed to incorporate an element within the local funding formula to reflect prior attainment as a proxy for high incidence, low cost SEN to be delegated to mainstream schools. The attainment data that LAs are allowed to use within the formula has been prescribed by DfE:

- For secondary schools Key Stage 2 (KS2) data must be used – the allowable formula driver is “all pupils achieving Level 3 or below in both English and Mathematics”.
- For primary schools Early Years Foundation Stage Profile (EYFSP) data is to be used - LAs can choose between either “all pupils achieving fewer than 78 points” or “all pupils receiving fewer than 73 points”

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

Wiltshire has opted to use prior attainment data to drive part of the funding for high incidence low cost SEN and will apply KS2 data for secondary school funding and all pupils achieving fewer than 78 points in the EYFSP for primary schools.

**Are there any options being consulted on?**

No options for consultation with schools on this formula factor

**Any other relevant info**

Please refer to Section B of this document for further detail on how funding to meet the needs of pupils with high incidence, low cost SEN has been allocated within the proposed formula.

## A5 – English as an Additional Language

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

**What is the formula driver?**

LAs are allowed to include an element within the funding formula to target funding towards pupils with English as an additional language. This is to be calculated using the National Pupil Database (NPD) and can only be applied for a maximum of 3 years after the pupil enters the statutory age school system. The impact of this is to target any funding towards the primary sector.

**Are there any options being consulted on?**

It is not proposed to include a formula factor based on EAL in the main Wiltshire funding formula. There are no options proposed for consultation with schools.

**Any other relevant info**

It is, however, proposed to use EAL data as a formula driver in the proposed delegation of specific central budgets ie., funding for support for minority ethnic pupils or underachieving groups. This is discussed further in Section C of this document.

## A6 – Pupil Mobility

**Name of Factor:** Pupil Mobility

**What is the formula driver?**

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

This is to be calculated using the school start date for each pupil from the October School Census as provided by DfE and includes pupils who started in the last three academic years, but did not start in August or September (or January for Year 1). A unit rate is to be applied to each pupil, different rates can be applied in primary and secondary schools.

**Are there any options being consulted on?**

It is not proposed to include a formula factor based on Pupil Mobility in the Wiltshire funding formula. There are no options proposed for consultation with schools.

**Any other relevant info**

In carrying out the financial modelling work to develop the new Wiltshire funding formula consideration was given to the issue of pupil mobility, in particular in relation to the impact of pupil mobility on schools with a high proportion of pupils from service families. The current Wiltshire funding formula contains formula factors to recognise the impact of high levels of pupil movement within service schools and a detailed piece of work was carried out with service schools to identify the additional costs that arise in schools with a high proportion of service pupils.

The DfE has highlighted the Pupil Mobility factor as the method through which these issues would be addressed. Financial modelling work carried out in the development of the Wiltshire formula demonstrates that the application of a per pupil rate for pupil mobility does not target funding sufficiently at schools with high levels of pupil mobility unless significant amounts of funding are distributed using this factor, diverting funding from the per pupil element of the formula. Without the ability to include a threshold to target mobility funding it is not considered that the benefit of including a mobility factor outweighs the impact on other elements of the formula of diverting funding towards mobility.

## A7 – Lump Sum

**Name of Factor:** Lump Sum

**What is the formula driver?**

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

Within the new funding framework the maximum allowable lump sum is £200,000 and a single value must be applied across all types of school and across both secondary and primary.

**Are there any options being consulted on?**

The change to the application of the lump sum has the biggest single impact on schools in Wiltshire in the revised funding formula. The current Wiltshire funding formula includes a lump sum of £85,000 for primary schools and a lump sum of between £311,000 and £346,000 for secondary schools. Moving to a single lump sum across both phases is therefore challenging in Wiltshire and has the potential to result in significant redistribution of funding between schools under the new funding model.

**Two options for the value of the lump sum in the new Wiltshire funding formula are being consulted on:**

- 1. A lump sum of £85,000**
- 2. A lump sum of £100,000**

Impact statements are provided for both options so that schools can understand the impact of each on their funding.

**Any other relevant info**

None included

## A8 – Split Site Allowance

**Name of Factor:** Split Site Allowance

**What is the formula driver?**

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

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

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

A lump sum will be applied for each additional site, values £65,000 for Primary and £100,000 for secondary in 2013-14

**Are there any options being consulted on?**

There are no options proposed for consultation with schools.

**Any other relevant info**

Specific work was carried out with all school currently in receipt of a split site allowance in Wiltshire to identify the associated costs and arrive at an appropriate definition for inclusion in the new formula.

## A 9 & A10 – Rates and PFI Contracts

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| <b>Name of Factor:</b> Rates and PFI Contracts  |
| <b>What is the formula driver?</b><br><br>Rates – must be reflected at actual cost. This is unchanged from the current Wiltshire formula<br><br>PFI contracts – LAs are allowed to include a formula factor for PFI contracts. The current Wiltshire formula factor will remain unchanged |
| <b>Are there any options being consulted on?</b><br><br>There are no options proposed for consultation with schools.  |
| <b>Any other relevant info</b><br><br>None included   |

## A11 - Post 16 per pupil allowance

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| <b>Name of Factor:</b> Post 16 Per Pupil allowance  |
| <b>What is the formula driver?</b><br><br><p>While the core purpose of the DSG is not to fund post-16, many local authorities have used it for this purpose in the past, particularly since the mainstreaming of Standards Funds in to the delegated budget in 2011-12. Where local authorities have used DSG for sixth forms, in the past, they will be allowed to honour this commitment in 2013-14, but no new commitments or increases in expenditure will be allowed.</p> <p>It is not proposed to include a post-16 per pupil allowance in the Wiltshire formula (a) due to the uncertainty over whether it could be continued beyond 2013-14 and (b) inclusion of a post-16 factor would have the effect of further diverting funding away from smaller secondary schools and compounding the impact of other formula factors, for example the lump sum.</p> |
| <b>Are there any options being consulted on?</b><br><br><p>There are no options proposed for consultation with schools.</p>   |
| <b>Any other relevant info</b><br><br><p>None included</p>  |

## **A12 – Exceptional Formula Factors**

1. There is a process by which LAs can request the inclusion of additional factors in their formula for exceptional circumstances. The regulations will restrict the additional factors that will be approved and it is intended that they will only apply to premises related factors which give rise to significant additional cost greater than 1% of the schools budget and where such costs affect fewer than 5% of the schools in the authority. In Wiltshire a number of schools receive funding for rents in cases where they need to rent separate premises, for example a village hall, in order to deliver the curriculum. It has been agreed by Schools Forum that a request is made for an exceptional factor for rents in those schools where the cost is greater than 1% of the budget.

## **A13 - Protection and Limits to Gains**

1. The Minimum Funding Guarantee (MFG) will be set at -1.5% per pupil in 2013-14 and 2014-15, however the calculation has been amended and simplified compared with previous years. The revised MFG calculation has been applied to all formula options and this is illustrated in each Impact Statement. The estimated cost of implementing the MFG varies with each model, however it is estimated that it could cost up to £2.5 million for 2013-14.
2. In order to fund the MFG it is possible to limit gains to individual schools. The approach that has been agreed with Schools Forum is that the cost of the MFG needs to be met through the capping of gains. The impact of any application of capping will also be illustrated in each Impact Statement.
3. As in previous years LAs will be able to make requests to disapply the MFG but requests will only be considered if there is a significant change in a school's circumstances. As the work on the formula is finalised it will be necessary to identify any specific circumstances for which a request will need to be made and these will be agreed by Schools Forum in October.



## **SECTION B – FUNDING TO MEET HIGH INCIDENCE, LOW COST SPECIAL EDUCATIONAL NEEDS**

1. Funding for high incidence, low cost special educational needs (SEN) within mainstream provision is to be allocated through the main funding formula. LAs are allowed to use prior attainment data, deprivation and per pupil allocations to drive funding to meet these needs.
2. The strong recommendation from the DfE is that mainstream schools should meet the first £6,000 of additional support for pupils with additional needs and that the allocations of funding for high incidence, low cost SEN should reflect this. In order for Wiltshire to meet this requirement it is necessary to increase the amount of funding to be delegated to primary schools and it is required that the first 15 hours of funding for statements is delegated rather than the first 10 hours as reflected in the current formula. An additional £848,862 will therefore be added to the funding to be allocated to primary schools for SEN. This will be funded by reducing the current Named Pupil Allowance (NPA) budget to reflect the delegation of an additional 5 hours support.
3. The Formula review Group agreed that a mixture of prior attainment, deprivation and per pupil funding should be used to allocate funding to meet high incidence low cost SEN needs, split as follows:
  - i. Deprivation 18%
  - ii. Prior Attainment 53%
  - iii. Per Pupil 29%
4. The notional SEN budget for each school will need to be identified as part of the funding allocation. This already happens in Wiltshire and the notional SEN budget for your school will be illustrated on the impact statements provided with this consultation.
5. It is recognised that in some schools the high proportion of pupils with additional needs cannot be reflected adequately in the funding formula and so LAs will be able to define circumstances where the formula can be “topped up” from the High Needs funding block. Wiltshire already has a mechanism for allocating additional funding to schools with a high proportion of pupils with SEN and it is proposed that this mechanism be continued in 2013-14 with the top up being provided from the High Needs Funding Block. Currently, if a school has more than 3.5% of its pupils with a statement of SEN each pupil or part thereof above 3.5% attracts £4,402, equivalent to 10 hours funding. Under the new model the same percentage threshold could apply but funding equivalent to 15 hours will be allocated.
6. Additional funding for statements over 15 hours will continue to be provided in the form of NPAs from the High Needs Block.

## SECTION C – DELEGATION OF CENTRAL EXPENDITURE

1. In order to give schools greater choice over how to spend their budgets LAs are required to work on the basis that services within the notional Dedicated Schools Grant (DSG) Schools Block, and the funding for them, should be delegated to schools in the first instance. This means that a number of DSG funded budgets that have previously been retained centrally must now be delegated to schools. There are a number of exceptions to this and there are also a number of budgets that maintained primary and/or secondary schools can agree to de-delegate so that they continue to be provided centrally. De-delegation cannot be applied to amounts delegated to academies or to special schools.

### Services which can be retained centrally before allocating the formula

2. It is possible to retain a central budget to provide for significant pupil growth in pre-16 pupil numbers, including meeting basic need. In Wiltshire provision for pupil growth and supporting new schools has previously been funded from the schools contingency budget. It was agreed by Schools Forum that an amount be identified from within the current schools contingency budget should be held centrally as a pupil growth factor. It is anticipated that the current Wiltshire formula for funding pupil growth may be allowable under the new regulations
3. It is possible to retain funding for statutory services such as Admissions and the servicing of Schools Forum. No increase in expenditure from 2012-13 levels is allowable.

### Services which have to be allocated through the formula but can be de-delegated for maintained schools

4. There are a number of services for which the budgets need to be allocated through the new funding formula but which can then be de-delegated for maintained schools. Approval for de-delegation is by the relevant phase members of Schools Forum following responses to this consultation.
5. There are a number of outcomes that could flow from the proposals to delegate the budgets. These include:
  - a. Following consultation with all schools, maintained schools agree that budgets should be de-delegated and retained centrally with services provided to all maintained schools;
  - b. Schools agree that budgets should be delegated and schools make/purchase their own provision as appropriate;
  - c. Schools agree that budgets should be delegated and they then cluster together to purchase or deliver services.
6. Under scenario (a) the LA would be able to retain a level of service to provide to maintained schools, this service may be reduced from current levels unless there is also buyback from academies. The size of the service may also need to reduce over time if the number of academies increases.
7. Under scenarios b and c the LA would not be able to continue to deliver a service unless there is sufficient buy back on a traded basis from schools (maintained or academy) to enable retention of sufficient staff. This will be difficult to predict and the LA will need to decide whether it can afford to continue to deliver services centrally on a fully traded basis with full cost recovery. This would require a risk assessment.
8. Delegation of the budgets can only be through the allowable formula factors and so the most likely formula drivers will be per pupil, deprivation data or possibly English

as an Additional Language. The impact statement will indicate how much each school will receive for the newly delegated budgets.

9. The services included in this category, and the associated budgets, are itemised on the following pages. Detail is included on the total amounts to be delegated, what the budgets are currently funding, the costs/provision that schools would be responsible for following delegation and the potential level of costs. The amount to be delegated to your individual school will be included on the Impact Statements attached to this consultation document.

## C1 – School Contingency budget

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| <b>Name of Budget:</b> School Contingency   |
| <b>Total Amount to be delegated:</b> £100,105 (after deduction of funding to be retained for pupil growth)  |
| <b>Basis for delegation:</b> Per Pupil  |
| <b>What does the budget currently fund?</b><br>The element of the budget proposed for delegation currently funds corrections of any budget errors and rates revaluations. The element of the budget currently used to fund in year pupil growth will continue to be retained centrally. |
| <b>What Schools would be responsible for if the budget is delegated</b><br>No funding will be available to correct any budget errors or rates revaluations  |
| <b>Examples of Costs/resource requirement</b><br>N/A in this example  |

## C2 – Free School Meals eligibility

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| <b>Name of Budget:</b> Free School Meals eligibility  |
| <b>Total Amount to be delegated:</b> £35,796  |
| <b>Basis for Delegation:</b> Deprivation (either IDAC1 or FSM Ever6 depending on outcome of formula consultation)   |
| <b>What does the budget currently fund?</b><br>The budget funds the provision of a service to schools to calculate and regularly review free school meal eligibility of pupils  |
| <b>What Schools would be responsible for if the budget is delegated</b><br>Schools would be responsible for their own assessment of free school meal eligibility and to keep families who are eligible under regular review. This would require a member of staff within the school to be familiar with the appropriate regulations and eligibility criteria and to process applications and handle queries from parents. (Note that schools do not have access to the DfE free school meals eligibility checking service and support helpdesk) |
| <b>Examples of Costs/resource requirement</b><br>This service has been offered as a traded service to academies to date and schools have been accessing it on this basis. If the budget is delegated a traded service could only continue to be offered if there was sufficient buy back from maintained schools and academies to enable it to continue to be viable.   |

## C3 – Insurance

|  |
|--|
| <b>Name of Budget:</b> Insurances  |
| <b>Total Amount to be delegated:</b> £25,434   |
| <b>Basis for delegation:</b> Per Pupil   |
| <b>What does the budget currently fund?</b><br>All insurance budgets are already delegated to schools. This budget had previously been held against insurance costs no longer incurred |
| <b>What Schools would be responsible for if the budget is delegated</b><br>No additional responsibilities or costs are transferred to schools as a result of delegating this budget    |
| <b>Examples of Costs/resource requirement</b><br>N/A in this example   |

## C4 – Licences & Subscriptions

|  |
|--|
| <b>Name of Budget:</b> Licences and Subscriptions  |
| <b>Total Amount to be delegated:</b> £380,649  |
| <b>Basis for delegation:</b> Per Pupil   |
| <b>What does the budget currently fund?</b><br>A number of items are funded from this centrally held budget:<br><br><b>Copyright Licences</b> – Wiltshire Council hold and pay the fees for blanket licences with five copyright agencies, ensuring schools have sufficient cover for curricular and some extra-curricular and extended school activities within the defined limits of each licence. The licences held are with the following bodies: <ul style="list-style-type: none"><li>• Copyright Licensing Agency (CLA)</li><li>• Educational Recording Agency (ERA)</li><li>• Phonographic Performance Ltd (PPL)</li><li>• Performing Right Society (PRS)</li><li>• Ordnance Survey (OS)</li></ul> By entering into these licence agreements for all Wiltshire schools, the Council has been able, in some instances, to secure significant discounts and cover at more competitive rates than if schools were to hold individual licence agreements. It also removes the need for schools to broker their own agreements.<br>The LA provides guidance and support to schools; promoting good practice and disseminating the terms and conditions of the five blanket licences held. Advice is also provided in respect of additional copyright services which some schools may need to procure, depending upon the activities that take place at their premises. We offer peace of mind for schools in terms of copyright compliance.<br><br><b>SIMS Licences</b> – Currently the LA purchases an umbrella licence for all <u>maintained</u> schools. This would cover the Core, Curriculum and Resources modules. Purchase of the umbrella licence has consistently been more cost effective than individual site specific licences for schools. Academies are not included within the current umbrella licence.<br><br><b>HCSS Licences</b> – Wiltshire enters in to a block purchasing arrangement with the provider of financial planning software for schools. This includes Wiltshire specific software (customised), including Wiltshire reports, and budget share information for 3 years |
| <b>What Schools would be responsible for if the budget is delegated</b><br><br><b>Copyright</b> - Schools would be responsible for copyright compliance and for brokering individual licence agreements. Please view the Copyright at a Glance leaflet ( <a href="#">Copyright folder, WISEnet</a> ) if you would like information about the conditions of the above licences and other copyright licenses which your school may need or wish to purchase e.g. Christian Copyright Licensing (CCLI).<br><br><b>SIMS</b> – Schools would be responsible for purchasing their own SIMS licence directly from Capita<br><br><b>HCSS</b> – schools could opt to continue to purchase a financial planning package. For maintained schools Wiltshire’s current requirement is that budget templates etc are submitted in a specific format and this is built in to the current software.  |
| <b>Examples of Costs/resource requirement</b><br><br><b>Copyright Licences</b> – illustrative costs for some of the copyright licences described above   |

are shown here, these prices include any discount that the LA has secured with the agencies concerned and so cost for individual school licences may be higher if purchased separately:

**CLA**

Age 5-11 £1.35 per pupil  
 Age 11-15 £1.42 per pupil  
 Age 16-18 £3.83 per pupil  
 Special £1.35 per pupil

**ERA**

32p per primary pupil, 57p per secondary (includes 30% discount)

**PPL & PRS**

PRS £69.52 > 200 pupils  
 £77.63 for next 50 pupils  
 with £11.01 for each subsequent group of 50 pupils

PPL £62.42 > 200 pupils  
 £72.64 for next 50 pupils  
 with £10.22 for each subsequent group of 50 pupils

**SIMS Licence** – the LA umbrella licence cannot be transferred to individual schools however the LA can provide permission in writing for schools to continue to use their LA SIMS Licences. In this circumstance each school would pay an administration charge of £200 and the relevant annual entitlement rate direct to Capita. Illustrative examples of annual rates are shown below:

| Example of size of school  | SIMS Direct 12-13 Charge | Current 12-13 charge under umbrella licence |
|----------------------------|--------------------------|---|
| Secondary School NOR 1,600 | £9,988                   | £6,080                                      |
| Primary School NOR 250     | £3,078                   | £762.50                                     |

**HCSS Licence** – illustrative examples of the costs within the current agreement compared with potential costs if schools purchase individually are as follows:

**Price through Local Authority:**

|               | 2011-12        | 2012-13        | 2013-14        |
|---------------|----------------|----------------|----------------|
| FPS.Net       | £225           | £245           | £265           |
| Helpdesk      | £15            | £15            | £15            |
| Customisation | £2.60          | £2.60          | £2.60          |
| <b>TOTAL</b>  | <b>£242.60</b> | <b>£262.60</b> | <b>£282.60</b> |

*Includes – Wiltshire specific software (customised), including Wiltshire reports, and budget share information for 3 years.*

**Price Direct from HCSS:**

|              | 2011-12     | 2012-13     | 2013-14     |
|--------------|-------------|-------------|-------------|
| FPS.Net      | £550        | £550        | £550        |
| <b>TOTAL</b> | <b>£550</b> | <b>£550</b> | <b>£550</b> |

*Includes – Mandatory helpdesk support through HCSS, Off the shelf software with NO customisation.*

## C5 – Staff Costs (supply cover)

| <b>Name of Budget:</b> Staff Costs – Supply Cover  |           |          |                    |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
|--|-----------|----------|--------------------|-------|---|---|---|--|-----------|--------|----------|--------------------|-----------|--------|---------|-------|---|---|---|--|-----------|--------|----------|--------------------|
| <b>Total Amount to be delegated:</b> £909,178  |           |          |                    |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| <b>Basis for delegation:</b> Per Pupil   |           |          |                    |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| <p><b>What does the budget currently fund?</b></p> <p>Trade Union Facility costs (£50,000) – the cost of backfill for trade union representatives to attend meetings relating to the Wiltshire terms and conditions. Wiltshire currently has a collective agreement and representatives negotiate on behalf of all staff.</p> <p>Maternity Costs (£859,178) – costs of maternity leave for school staff</p>  |           |          |                    |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| <p><b>What Schools would be responsible for if the budget is delegated</b></p> <p>Schools would need to cover the backfill costs of staff attending Union Facilities Meetings.</p> <p>Schools would need to cover the costs of all staff on maternity leave in addition to the cost of cover.</p>  |           |          |                    |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| <p><b>Examples of Costs/resource requirement</b></p> <p>Example of employer’s costs for a full year for a member of staff on maternity leave can be summarised as follows:</p> <p><b>A Years Maternity Leave - Employers Cost</b><br/>01/04/2012 to 31/03/2013</p> <p><b>Full-Time Teacher - MPS6</b></p> <table> <thead> <tr> <th>Gross Pay</th> <th>Ers NI</th> <th>Ers Pen</th> <th>Total</th> </tr> <tr> <th>£</th> <th>£</th> <th>£</th> <th></th> </tr> </thead> <tbody> <tr> <td>11,629.73</td> <td>617.50</td> <td>1,639.79</td> <td><b>£ 13,887.02</b></td> </tr> </tbody> </table> <p><b>Full-Time Teacher - UPS3</b></p> <table> <thead> <tr> <th>Gross Pay</th> <th>Ers NI</th> <th>Ers Pen</th> <th>Total</th> </tr> <tr> <th>£</th> <th>£</th> <th>£</th> <th></th> </tr> </thead> <tbody> <tr> <td>12,810.63</td> <td>744.61</td> <td>1,806.30</td> <td><b>£ 15,361.54</b></td> </tr> </tbody> </table> | Gross Pay | Ers NI   | Ers Pen            | Total | £ | £ | £ |  | 11,629.73 | 617.50 | 1,639.79 | <b>£ 13,887.02</b> | Gross Pay | Ers NI | Ers Pen | Total | £ | £ | £ |  | 12,810.63 | 744.61 | 1,806.30 | <b>£ 15,361.54</b> |
| Gross Pay  | Ers NI    | Ers Pen  | Total              |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| £  | £         | £        |                    |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| 11,629.73  | 617.50    | 1,639.79 | <b>£ 13,887.02</b> |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| Gross Pay  | Ers NI    | Ers Pen  | Total              |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| £  | £         | £        |                    |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |
| 12,810.63  | 744.61    | 1,806.30 | <b>£ 15,361.54</b> |       |   |   |   |  |           |        |          |                    |           |        |         |       |   |   |   |  |           |        |          |                    |



## C6 - Support for minority ethnic pupils and underachieving groups (i)

|   |
|---|
| <b>Name of Budget:</b> Ethnic Minority Achievement Service  |
| <b>Total Amount to be delegated:</b> £599,503   |
| <b>Basis for delegation:</b> English as an Additional Language  |
| <b>What does the budget currently fund?</b><br><br><i>Ethnic Minority Achievement Service</i> <ul style="list-style-type: none"><li>• Provide advice to schools on all areas of provision, including classroom strategies, resources, induction, school policies and equalities</li><li>• Provide bilingual support to schools, young people and families</li><li>• Support teachers through shared planning and team teaching</li><li>• Provide specialist assessments and support EAL learners</li><li>• Provide training for teachers, support staff, leadership teams and governors</li><li>• Provide support at transition for learners between schools and into post-16 education</li><li>• Work with schools to raise student and staff awareness of diversity, through assemblies and special events</li><li>• Facilitate access to Community Language exams for learners</li></ul> |
| <b>What Schools would be responsible for if the budget is delegated</b><br>Schools would be responsible for meeting all of the above support needs for pupils from minority ethnic groups including guidance and support related to pupils with Statements of SEN   |

## C6 - Support for minority ethnic pupils and underachieving groups (ii)

|   |
|---|
| <b>Name of Budget:</b> Traveller's Education Service  |
| <b>Total Amount to be delegated:</b> £295,837   |
| <b>Basis for delegation:</b> English as an Additional Language  |
| <b>What does the budget currently fund?</b><br><br><i>Traveller Education Service</i> <ul style="list-style-type: none"><li>• Provide educational provision for visiting Circus and Fairground children and young people on site whilst in the County</li><li>• Provide support to ensure regular school attendance; follow up movement of pupils and promote their general welfare and safeguarding</li><li>• Provision of distance learning during periods of travelling</li><li>• Provide support and guidance for schools to adapt and enhance educational provision for Traveller children</li><li>• Improve school/home liaison and foster positive relationships between families, schools, other agencies and the wider community</li><li>• Provide support for families to encourage and empower them to access pre-school and early years provision</li><li>• Support schools in raising awareness of cultural diversity in schools and other associated settings</li></ul> |
| <b>What Schools would be responsible for if the budget is delegated</b><br>Schools would be responsible for meeting all of the above support needs for pupils from traveller families including guidance and support related to pupils with Statements of SEN   |

## C7 – Behaviour Support Services

|  |
|--|
| <b>Name of Budget:</b> Behaviour Support Services  |
| <b>Total Amount to be delegated:</b> £845,891  |
| <b>Basis for delegation:</b> Deprivation   |
| <b>What does the budget currently fund?</b><br>This budget covers behaviour support services to Primary Schools, ie. <ul style="list-style-type: none"><li>• Provide coaching and mentoring through demonstration and advice on effective strategies to build staff expertise in behaviour management techniques / approaches</li><li>• Provide surgeries for school staff to offer informal consultation / advice on behaviour management related issues</li><li>• Provide specialist knowledge to senior managers in schools</li><li>• Undertake whole school behaviour audits in order to help develop robust school behaviour policies and systems</li><li>• Provide direct support to individual pupils and or groups of pupils including: assessment of need, identification of support strategies, implementation of support packages and reviews of progress</li><li>• Provide support with transition planning from early years and into secondary provision</li><li>• Provide advice and support through attendance at Primary Emergency Annual Reviews (PEARS) and Emergency School Action Plus (SA+) Reviews</li><li>• Contribute to school action plus review meetings and provide advice for statutory assessment on pupils known to the behaviour support service</li><li>• Facilitate co-ordinated and/or collaborative working with other specialists, schools, parents etc.</li><li>• Plan and deliver a variety of tailor made training packages on topics related to social/emotional and behavioural issues to a wide range of school staff</li></ul> Please note that the budget for provision for permanently excluded pupils cannot be delegated and those services will continue to be provided centrally |
| <b>What Schools would be responsible for if the budget is delegated</b><br>Schools would be responsible for meeting through provision or commissioned support all of the above behaviour support needs of pupils in their schools including meeting the needs of pupils with Statements of SEN   |

## SECTION D – HIGH NEEDS PUPILS

### Specialist SEN Provision – pre-16 (maintained schools and academies)

1. Specialist provision for high needs pupils in Wiltshire is identified as provision in special schools, resource bases and Enhanced Learning Provision (ELP) in secondary schools. It is defined by DfE as provision costing more than £10,000.
2. All specialist provision will need to be funded on a place plus methodology on the basis of an agreed number of places with a base level of funding provided for each planned place. For pre-16 provision this will be £10,000 per planned place. Top up funding above this level will be agreed between the commissioner (mostly the LA) and the provider on a per pupil basis and paid directly to the provider by the commissioner. The delegated budget allocation for specialist provision therefore comprises only the base funding of £10,000 per planned place.
3. By September 2012 the LA must confirm with the Education Funding Agency (EFA) the number of planned places to be funded in 2013-14. For the purposes of financial modelling planned places are assumed to be as they are in the current year but this will need to be confirmed.
4. Budgets for special schools, resource bases and ELP have been recalculated as base funding and top up funding. In calculating the estimated top up values the current band values have been used as a framework. For special schools different top up values have been estimated for residential and day provision for each band.
5. The main issues arising from the work to date in recalculating budgets for specialist provision are:
  - Empty places – unfilled places are only funded at the base rate of £10,000, with no transitional protection applied. Transitional protection is applied to the value of the top-up payment in 2013-14 but not to unfilled places.
  - In year pupil movement – top up rates are to be paid in real time with pupils only funded whilst they are on the roll of the school or setting. This may make it more difficult for special schools and resource bases to plan their budgets and will cause uncertainty in estimating funding for the year.

### Specialist setting – post-16

6. LAs will need to identify the numbers of post-16 planned places within specialist provision. For post 16 places in maintained schools and academies the base value will be paid through the post-16 funding formula and the amount of funding has yet to be confirmed. As a result the financial modelling to date has assumed a base value of £10,000 for all places but this may vary slightly for post-16.

**Impact statements are included as part of this document so that schools can understand the potential impact of the changes to funding for high needs provision on budgets. It is important to note that further work is required on the high cost provision element of the formula review and this will be developed between now and the distribution of budgets to schools for 2013-14.**

## SECTION E – IMPACT STATEMENTS

Impact Statements are attached for each consultation options. Four statements are enclosed illustrating the different options being consulted on:

1. **£100,000 lump sum, using FSM Ever6 to drive deprivation funding;**
2. **£85,000 lump sum, using FSM Ever6 to drive deprivation funding;**
3. **£100,000 lump sum, using IDACI data to drive deprivation funding;**
4. **£85,000 lump sum, using IDACI data to drive deprivation funding**

Each statement shows how much funding you would have received in 2012-13 under each of the models proposed. The statement also indicates the impact of the Minimum Funding Guarantee or any capping of gains.

For academies it is important to note that the impact statement compares the budget that the school would have received through the Wiltshire funding formula in 2012-13 with the funding that you would receive under each of the models.

### ***Additional Information:***

- The source data used in the models has been provided by the DfE and cannot be changed.
- LAs are required to show how much funding is included for deprivation and high incidence, low cost SEN. This is shown in columns C and D on the statements. It is **not** additional funding but is included in the allocations shown in column B.
- As required, the statements also show a breakdown of the funds that LAs are required to delegate from April 2013 (ref Section C of the main document for further details).
- For completeness the statements also show an estimate of any high needs SEN that has been removed from the mainstream budget and transferred to the high needs block.



## SECTION F – CONSULTATION RESPONSE FORM

Please use the following form to respond to this consultation

Type of School (please tick)

|                             |  |
|-----------------------------|--|
| Maintained Primary School   |  |
| Maintained Secondary School |  |
| Maintained Special School   |  |
| Primary Academy             |  |
| Secondary Academy           |  |
| Special Academy             |  |

Name of School:.....

### Section A – Mainstream formula (all mainstream schools eligible to respond)

#### Deprivation Funding

Which factor should be used to distribute funding to target pupils from deprived backgrounds? (please tick)

|   |  |
|---|--|
| Free School Meal Ever6 data                 |  |
| Income Deprivation Affecting Children Index |  |

Comments:

|  |
|--|
|  |
|--|

#### Lump Sum Allowance

What is your preferred option for the value of the lump sum? (please tick)

|                      |  |
|----------------------|--|
| Lump sum of £85,000  |  |
| Lump Sum of £100,000 |  |

Comments:

|  |
|--|
|  |
|--|

**Section C – Delegation of Central Budgets (maintained primary and secondary schools eligible to respond)**

For each of the following budgets/services please indicate through ticking the appropriate box whether you would prefer the budget to be delegated or retained centrally:

| <b>DfE Heading</b>   | <b>Wiltshire Budget</b>                    | <b>Delegate?</b> | <b>Retain Centrally?</b> |
|--|--|------------------|--------------------------|
| Contingencies  | Schools Contingency                        |                  |                          |
| Free school meals eligibility                                | Free School Meals Eligibility Service      |                  |                          |
| Insurance  | Insurance                                  |                  |                          |
| Licences/subscriptions                                       | SIMS Licence                               |                  |                          |
|  | HCSS Licence                               |                  |                          |
|  | Copyright Licences                         |                  |                          |
| Staff costs – supply cover                                   | Trade Union Duties                         |                  |                          |
|  | Maternity Costs                            |                  |                          |
| Support for minority ethnic pupils and underachieving groups | Ethnic Minority Achievement Service (EMAS) |                  |                          |
|  | Traveller Education Service                |                  |                          |
| Behaviour support services                                   | Primary Behaviour Support Service          |                  |                          |

Additional comments



Please use this space to add any further comments that you wish to raise on the proposed formula:

**Responses should be forwarded electronically to**

[absupport@wiltshire.gov.uk](mailto:absupport@wiltshire.gov.uk)

**OR**

**By hard copy to:**

Accounting & Budget Support Team  
County Hall – East Wing  
Cradle Bridge  
Bythesea Road  
Wiltshire  
BA14 8DQ

**By close of play on 21<sup>st</sup> September 2012 at the latest**