

School Funding Reform – Approval of Wiltshire Funding Formula for 2013-14

Purpose of report

1. To agree the Wiltshire schools funding formula for 2013-14 in accordance with the DfE's school funding reform proposals, and to recommend the formula to Cabinet for approval.

Background

2. 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.
3. 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 to schools. Options to be consulted on were agreed as Free School Meals (FSM) Ever6 or Income Deprivation Affecting Children Index (IDACI) data.
4. 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

School Funding Formula

5. A consultation document was issued to all Wiltshire maintained schools and academies on 3rd September 2012 with a response date of 21st September 2012. The outcomes of the consultation were

reported to Schools Forum at the meeting on 4th October. That summary is attached again to this report (Appendix 1).

6. At the meeting on 4th October Schools Forum requested further analysis of the deprivation data firstly to show the responses in terms of pupil numbers covered in each response, and, secondly, to compare the two options with the Experian post-code data currently used by Wiltshire in the funding formula. The analysis of responses on deprivation by pupil numbers is shown in Table 1 below.

Table 1 – analysis of responses on deprivation indicators by pupil number

FSM or IDACI - by pupil number

Phase	FSM	IDACI	Total Pupil numbers covered by responses	FSM	IDACI
Primary	11,186	9,749	20,935	53%	47%
Secondary	1,946	3,237	5,183	38%	62%
Primary Academy	318	485	803	40%	60%
Secondary Academy	1,954	3,313	5,267	37%	63%
Grand Total	15,404	16,784	32,188		

47.9% 52.1%

7. The data in Table 1 indicates that a majority of pupils in maintained primary schools are covered by schools which show a preference for FSM data whilst the majority of pupils at secondary level and in primary academies are within schools expressing a preference for IDACI data.
8. The comparison with Experian data is attached as Appendix 2 to this report. The appendix shows schools ranked by Experian score (high score = high deprivation) and the corresponding “rank” for FSM and IDACI data. The data indicates that the schools with the highest levels of deprivation according to Experian tend to score highly under each dataset however, in primary schools FSM does appear to be a better fit to the Experian score in more rural schools – there are a number of examples in which the IDACI data varies significantly from the Experian data. There is less variation in secondary schools although there are 3 schools where the FSM data gives a significantly different result to the Experian and IDACI indices.
9. Schools Forum initially set a principle that a single deprivation factor should be applied across the whole formula. It is possible within the regulations to apply a combination of the two sets of data.
10. The options open to Schools Forum for determining how funding for deprivation will be distributed to schools are:
 - a. Free School Meals data across all schools
 - b. IDACI data across all schools

- c. A combination of both – for example FSM at primary level and IDACI at secondary
- 11. Schools Forum is asked to agree the data to be used to allocate funding for deprivation.
- 12. Based on the outcome of the consultation it is recommended that the level of the lump sum within the formula be set at £100,000.
- 13. Following consultation with schools it is therefore recommended that Schools Forum agree a funding formula for Wiltshire Schools based on the formula factors outlined in **Appendix 3** (with a separate decision to be made on deprivation).

Delegation of Central Budgets

- 14. Maintained schools were consulted on the delegation of a number of centrally held budgets. Whilst these budgets must be delegated to academies and to special schools it is possible to de-delegate the funding where maintained schools agree that they wish budgets to be held centrally by the local authority.
- 15. The responses from to the consultation indicated that the majority of schools within each phase would prefer that budgets continue to be retained centrally, ie., de-delegated. A review has been carried out of the central services to establish whether a viable service could be retained based on the likely level of budget to be de-delegated. Based on the outcomes of that review, and the views expressed by schools in the consultation responses, recommendations are listed in **Appendix 4** to this report.
- 16. It is important to note that central budgets will reduce over time as more schools convert to academy status and it will be important to continue to review the viability of any centrally retained service as budgets are set each year.

Proposals

- 17. That Schools Forum agree the data to be used to distribute funding for deprivation.
- 18. That Schools Forum agree the following recommendations to Cabinet:
 - a. The formula factors for the Wiltshire funding formula in 2013-14 are approved as laid out in Appendix 3
 - b. Central budgets are de-delegated or incorporated within the formula as laid out in Appendix 4.

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Appendices

Appendix 1 – summary of consultation responses

Appendix 2 – comparison of Free School Meals and IDACI data with Experian score for each school

Appendix 3 – Recommended formula factors for 2013-14

Appendix 4 – recommendations for delegation or de-delegation of central budgets