

Wiltshire Council

Schools Forum
3rd October 2013

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 proposed changes to the Wiltshire funding formula and delegation of central budgets for 2014-15
2. To seek School's Forum's views on the proposed funding formula and the delegation of central budgets

Background

3. Under the funding reform proposals implemented by the DfE for 2013-14 a full review of the Wiltshire funding formula for schools was undertaken during the last financial year. The new formula was approved by Cabinet in October 2012 and all schools within Wiltshire, including academies, are now funded according to the new funding formula implemented for the 2013-14 financial year.
4. The government agreed to review the changes implemented for 2013-14 and consulted with schools and local authorities in March of this year. In June 2013 the DfE issued proposals for school funding in 2014-15. These proposals build on the changes to the funding formula implemented in 2013-14 and have been introduced following the review of the impact of the changes implemented in this year. The proposals are not intended to bring about large scale changes but are made in order to address any unintended consequences of the new funding model. It is important to note that the changes proposed by the DfE are part of the journey towards the development of a national funding formula for schools from 2015-16.
5. The main elements of the funding formula are left unchanged however there are 3 changes that local authorities could now incorporate within their local funding formulae for 2014-15. These are:
 - a. **Lump sum** – it is now possible to set differential lump sums for primary and secondary schools, with a maximum allowable lump sum of £175,000
 - b. **Pupil mobility** – a threshold has now been introduced to enable funding to be more targeted
 - c. **Sparsity** – a new factor can now be used to target funding at necessary small rural schools
6. The new proposals from DfE for 2014-15 are aimed at supporting schools in rural authorities and so Wiltshire Schools Forum considered

the implications of the new proposals to establish whether they should be incorporated in to the Wiltshire local funding formula. Following consideration of the potential financial impact of the proposals Schools Forum agreed to consult with schools on the implementation of a differential lump sum for primary and secondary schools. It was also agreed that the Wiltshire formula should not be amended to include mobility or sparsity factors. This is because the reversal of the national decision on the single lump sum gives the flexibility needed to take account of local needs and the complexity and constraints of the new mobility and sparsity factors have negative consequences locally

7. Maintained schools were also consulted on the potential delegation of budgets for a number of centrally provided services. Budgets for these services must be delegated to academies but maintained primary and secondary schools can opt for the budgets to be de-delegated so that they continue to be provided centrally.

Main Considerations for School Forum

Consultation with Schools

8. A consultation document was issued to all Wiltshire maintained schools and academies on 4th September 2013 with a response date of 23rd September 2013. A copy of the document is attached at Appendix 1.
9. 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 1 impact statement to illustrate the combinations of options being consulted on ie.,
 1. Primary Schools – Lump Sum of £100,000 or £85,000
 2. Secondary Schools – Lump Sum of £175,000 or £100,000
10. 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.

Consultation Outcomes

11. The responses from schools are summarised in Appendices 2 to 4 to this paper. The comments received are summarised in Appendix 5.
12. A total of 101 responses were received to the questions on the formula factors, representing 44.3% of primary and secondary schools in Wiltshire.
13. 84 maintained schools responded to the questions on the delegation of central budgets, representing 44.4% of schools who were eligible to respond.
14. 84% of secondary schools who responded indicated that they would prefer the lump sum for secondary schools to be set at £175,000.
15. 51% of primary schools that responded indicated that they would prefer the lump sum for primary schools to be set at £100,000 whilst

49% opted for £85,000. Responses tended to be influenced by the size of school as indicated in Appendix 2.

16. Following discussion at the School Funding Working Group a further summary is included to indicate the funding per pupil that would result for different sizes of primary school under each option for the lump sum. This is included as Appendix 6 to this report.
17. Responses from maintained schools on the delegation of central budgets are shown in Appendix 2 and 3. The majority of maintained schools who responded have indicated that they would prefer budgets to be retained centrally. Budgets will be delegated to academies and special schools in accordance with DfE requirements.
18. The DfE requirement is that the central budgets included in the consultation 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.
19. 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

20. That Schools Forum consider the outcomes of the consultation with schools on the funding formula for 2013-14 and agree:
 - a. The lump sum value to be used within the formula;
 - b. The delegation/de-delegation of central budgets

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Appendices

- Appendix 1 – copy of the consultation document issued to schools
- Appendix 2 - 4 – summary of consultation responses
- Appendix 5 – summary of comments from schools
- Appendix 6 – impact of lump sum on per pupil funding in primary schools of different sizes