

Children and Young People
Overview and Scrutiny Committee

Warwickshire School Funding Review

14 December 2011

Simon Smith (Strategic Finance Manager)

Sara Haslam (School Funding and Strategy Manager)

Introduction

- The National Position
 - Context
 - Proposals and Considerations
 - Responses
- Warwickshire Local School Funding Formula
 - Process and Consultation
 - Rationale and Recommendations

The National Position Context

Key Issues

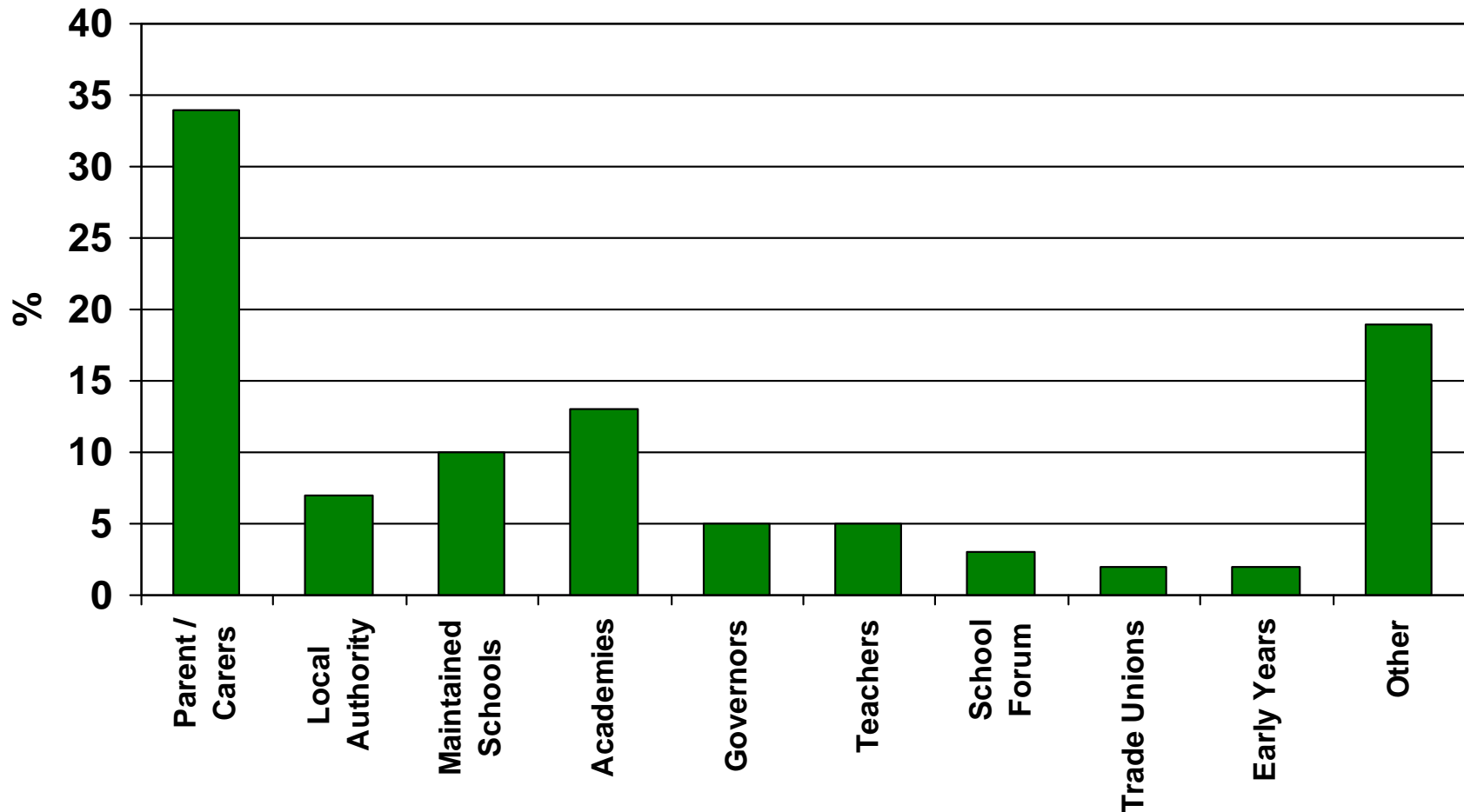
- Disparity of funding between Local Authorities
- Complex Local Authority Formulas
- Academy Agenda – equality of funding

Key Principles

- Clear and Transparent
- Comparability within local areas
- Continue to be a degree of local flexibility i.e. Local Authority involvement

DfE issued consultation in the summer with proposals for a new formula

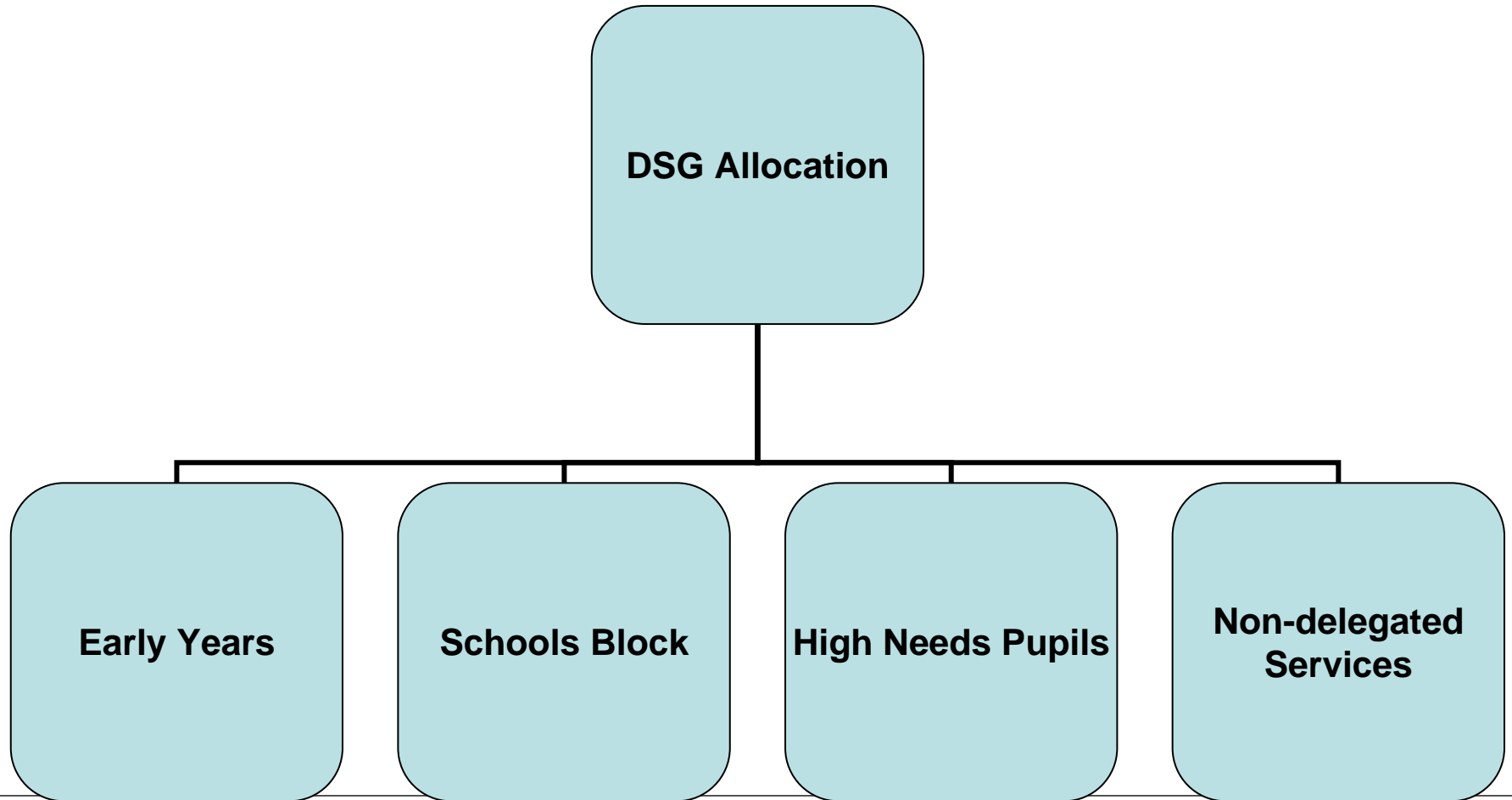
Consultation Responses by Respondee



Proposals of a Fairer Funding System

- Current position:
 - We receive £4,662 per pupil
 - Based on pupils numbers in January census
 - Local Formula is “historic-plus” approach i.e. previous year plus uplift
 - Streamlined grants in 2010/11
 - Pupil Premium allocated over and above DSG

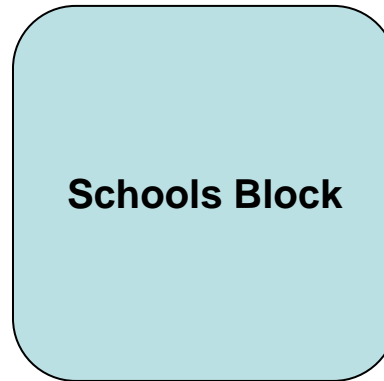
Suggested Funding System



Funding System

- Nationally set funding to each block based on S251 return
- Restrictions on movement between blocks but changes can be agreed through the School Forum
- Clearly laid out responsibilities of Schools, Academies and Local Authorities
- Retain Local Flexibility i.e. local funding formula

Schools Block Allocation to Local Authority



Deprivation:
FSM 6 most popular

Small School:
Opinion divided

ACA:
72% prefer mixed approach

AWPU

A fixed amount

Deprivation

- Existing plus Pupil Premium
- Allocate using FSM
- Estimate current expenditure

Small Schools

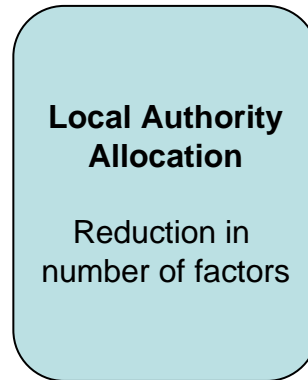
A fixed sum
(£95,000)
or
Sparsity measure

Area Cost Adjustment (ACA)

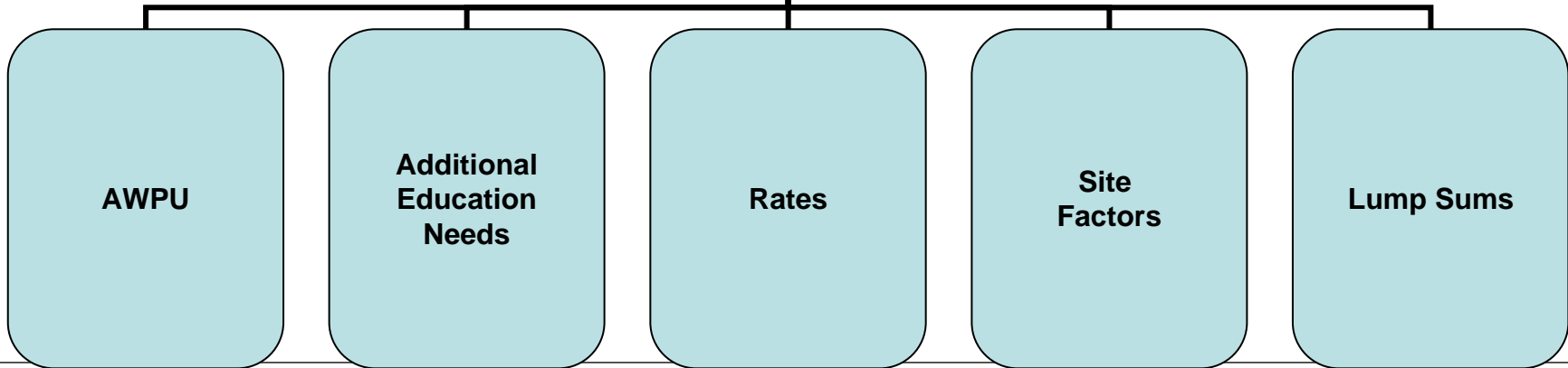
General labour market
and/or
Specific cost

Schools Block

Allocations to Schools



45% Agreed With All Factors



Schools Block

Allocations to Schools

- Limit funding through each heading
- Fixed ratio of funding between Primary and Secondary of 1.27
- Two options for calculating Academy budgets
 - LA calculate and advise EFA
 - EFA calculate based on LA pro-forma
- Changes to School Forums

46% Agreed

47% Agreed LA

Needs reconsideration

Central Services

- Forced delegation of some currently retained services:
 - Support for schools in financial difficulties
 - Allocation for contingencies
 - Supply cover
 - Behaviour Support Services
- School Forum can opt to de-delegate

Local Authority Central Spend Equivalent Grant (LACSEG)

Two Elements

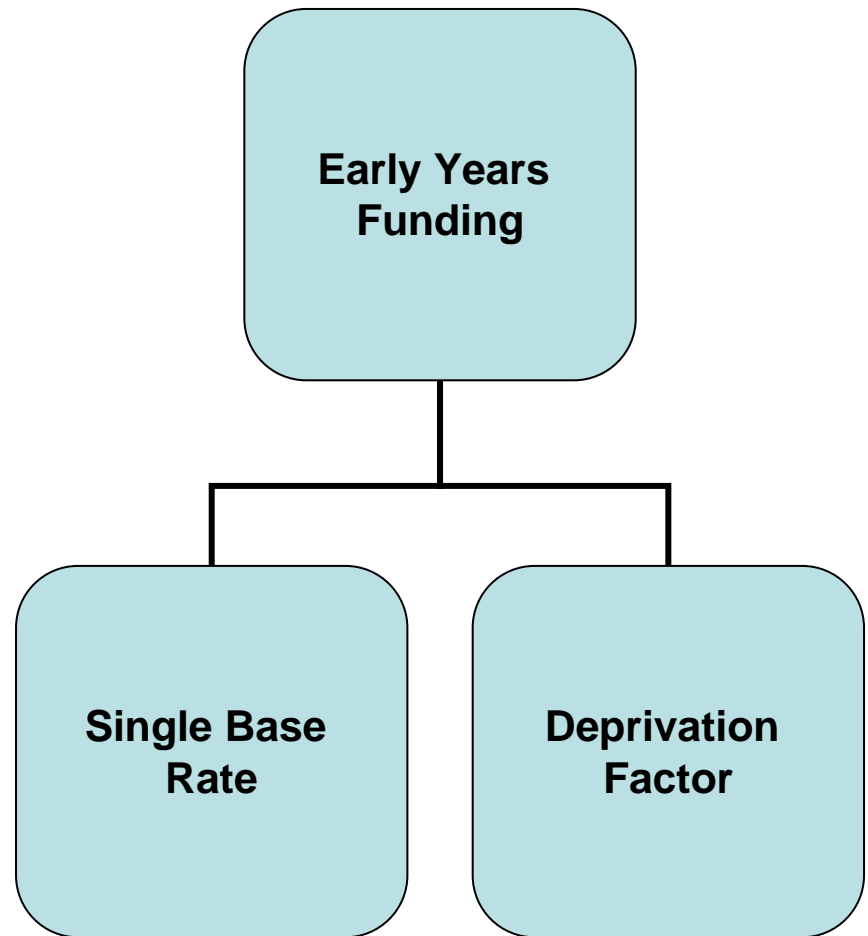
- Services funded through DSG that are no longer provided by the LA
- DCLG top-slice - £1.4m for 2011/12
- Given increased take-up of Academies, recent consultation sought views on
 - Increase top-slice element for 2011/12, or
 - Introduce a formula approach

High Needs Pupils

- Linked to the SEN Green Paper and Local Authorities will retain a key role
- High needs = cost more than £10,000
- c£6,000 assumed in school base budget as part of Schools Block
- Top-up from Local Authority funding
- Aim to remove disincentives to certain providers
 - Consistently funded base budget to all providers with top-up from local authority
 - Continue funding places in the short term but move to actual numbers

Early Years

- Retain model of local discretion i.e. local authority operate the EYSFF
- Look to reduce complexity
- Allocate using Cost Plus or Historic Funding



Pupil Premium

- Remains in addition to other deprivation related funding
- Ultimately all deprivation funding channelled through pupil premium
- Two main options
 - Free School Meal Ever 3 (FSM3)
 - Free School Meal Ever 6 (FSM6)

Timing for Implementation

- Could implement
 - From 2013/14
 - Wait until next spending period could be 2016/17
- Immediate (?) Changes
 - Reduce number of factors in schools budgets
 - Complete pro-forma
 - EFA fund Academies
 - Changes to Local Authority LACSEG
- LA reviews = easier implementation for the national review

Conclusion

“....local authorities begin to consider what changes could be made to their local formulae in order to make them simpler and transparent inline with the proposals for the future.”

Consultation on school funding reform: Proposals for a fairer system (July 2011)

Warwickshire Local School Funding Formula

Local Schools Funding Formula Review

Rationale for change

- The WCC Schools Funding Formula has not been updated since 2005/06
- Review was delayed at the last minute in 2010/11 but planned for 2011/12
- The national agenda followed and acted as guidance in our approach – encouraged to simplify local formula immediately

Local Schools Funding Formula Review

What should a fair funding formula look like?

- Project Review – robust, transparent, defensible, funding to meet pupil needs
- National Consultation – supports the needs of pupils, clear and transparent, enables schools to make informed decisions, schools to be funded on a comparable basis

Local Schools Funding Formula Review

Does our current formula meet these requirements?

- Not really transparent and clear
- Not relevant in all instances
- Could meet the needs of specific pupils better
- Does not have enough funding following the pupil

Local Schools Funding Formula Review

Approach

- Project Team and Project Board
- Head Teachers and Governors consultation on broad principles and later on detailed issues
- Local Authority officers and cost analysis
- Schools Forum reports

Local Schools Funding Formula Review

Increase Transparency

- Reduce the number of headings from 32 to 11
- AWP, Deprivation, SEN, Premises, Base Allocation, Rates, Special Schools Matrix, Site Specific, EMAG/EAL, Specialist Schools, MFG

Local Schools Funding Formula Review

Better Target of Deprivation Funding

- No longer use 4 year average AEN data
- Use of FSM ever 3 years

(national response preferred FSM ever 6 but FSM ever 3 could be a mid point)

Local Schools Funding Formula Review

Ensure Relevant

- Re-allocation of historic old TSF grant lump sums to AWPU
- Re-allocation of Specialist Schools Funding

Local Schools Funding Formula Review

More Funding Following Pupils

- The reduced headings, lump sum re-allocations and Specialist Schools on a per pupil basis increase AWPUP from 51% to 68%

Local Schools Funding Formula Review

Also.....

- £95k base allocation in primary schools and no change to base allocation for secondary and special schools (mixed response to £95k but this very similar to current arrangements and average core costs of these schools in Warwickshire)
- Improvement to the way that Ethnic Minority Achievement and English as an Additional Language are funded

Local Schools Funding Formula Review

Change in funding	Primary Schools	Secondary Schools	Special Schools	All Schools
Reduced funding	79	13	3	95
Same funding	28	5	3	36
Increased funding	86	17	3	106
TOTAL	193	35	9	237

Area	% Change in overall funding	% Change in Deprivation Funding
Central	-0.05	0
East	0.15	0.95
North	-0.05	-0.38
South	-0.05	-0.57

Local Schools Funding Formula Review

Conclusion

- The national consultation was clear that local formulae should be simplified now
- Project approach and wide consultation resulted in recommendations to simplify the Warwickshire formula, which:
 - meet the agreed objectives
 - were generally supported through consultation
 - were pretty much unanimously supported by the School Forum

Any questions

