

Appendix A – Schools Funding Consultation

Simplification of the local funding arrangements

Basic per-pupil entitlement

In paragraphs 1.3.10 and 1.3.11 we discuss the basic per-pupil entitlement. The difference between providing education for Key Stage 3 compared to Key Stage 4 is sometimes significant due to the additional costs of practical work and examinations incurred in the latter Key Stage.

Question 1: Should local authorities and Schools Forums be able to agree separate rates for Key Stage 3 and Key Stage 4?

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|-------------------------------------|-----|--------------------------|----|--------------------------|----------|
| <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | Not Sure |
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Comments:

Consultation of secondary schools in Warwickshire last year identified views that there are additional costs associated with KS4 when compared to KS3 and that a higher value was required.

In para. 1.3.13 we consider setting a minimum threshold for the basic entitlement. There is an interaction between the amount of funding that goes through the basic entitlement and the amount remaining for other factors, such as deprivation and low-cost SEN. There are three options available:

- To require a minimum percentage to go through **the basic entitlement only** (and we think that 60% represents a reasonable starting point);*
- To require a minimum percentage to go through **all of the pupil led factors** (so would include the basic entitlement, deprivation, looked after children, low cost SEN and EAL). We think that 80% represents a reasonable amount for this threshold.*
- To not set a threshold at all and accept that there will be inconsistency in some areas*

Question 2 : Do you think we should implement option a, b or c?

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|--------------------------|-----|-------------------------------------|-----|--------------------------|-----|--------------------------|------|--------------------------|----------|
| <input type="checkbox"/> | (a) | <input checked="" type="checkbox"/> | (b) | <input type="checkbox"/> | (c) | <input type="checkbox"/> | None | <input type="checkbox"/> | Not Sure |
|--------------------------|-----|-------------------------------------|-----|--------------------------|-----|--------------------------|------|--------------------------|----------|

Comments:

Deprivation, LAC, SEN and EAL are all pupil led and should be part of the consideration of maximising funding that follows the pupil.

Leaving only 20% to factors other than the above will focus local formulae on pupil

based criteria.

Deprivation

In paragraphs 1.3.15 to 1.3.23 we discuss deprivation funding and the issue of banding. Our preference is to allow banding only for IDACI under a new system, and to keep it as simple as possible, for example by only allowing a certain number of bands with a fixed unit rate applied to each and a minimum IDACI threshold. We do not propose to allow banding for FSM.

Question 3: Do you agree with our proposals on banding? How do you think they might be applied locally?

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|---|-----|--------------------------|----|----------|
| x | Yes | <input type="checkbox"/> | No | Not Sure |
|---|-----|--------------------------|----|----------|

Comments:

Whilst Warwickshire does not use IDACI in its allocation methodology for deprivation funding in the main schools formula, banding will encourage transparency and simplicity.

Lump Sums

In paragraphs 1.3.38 to 1.3.42 we discuss the issue of lump sums. Many local formulae currently allocate a lump sum to schools. We want to set the upper limit on the lump sum at a level no higher than is needed in order to ensure that efficient, small schools are able to exist where they are genuinely needed. We think that the upper limit should probably fall somewhere between £100k and £150k, and is certainly no higher than £150k.

Question 4: Where within the £100k-150k range do you think the upper limit should be set?

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|--------------------------|-------|--------------------------|-------|--------------------------|-------|--------------------------|----------|--------------------------|-------|
| <input type="checkbox"/> | £100k | <input type="checkbox"/> | £110k | <input type="checkbox"/> | £120k | <input type="checkbox"/> | £125k | <input type="checkbox"/> | £130k |
| <input type="checkbox"/> | £140k | x | £150k | <input type="checkbox"/> | None | <input type="checkbox"/> | Not Sure | | |

Comments:

The principle of funding following the pupil implies that lump sums should not be excessive. However, different local authorities have used this lump sum to offer protection at different levels. Establishing the maximum at a higher level, at least

offers local authorities some local flexibility that is not apparent in most other areas of the funding formula

Free Schools, University Technical Colleges (UTCs) and Studio Schools

In paragraphs 1.8.12 to 1.8.14 we discuss the funding of Free Schools, UTCs and Studio Schools. We have decided that Free Schools, UTCs and Studio Schools, like other Academies, should move across to be funded from 2013/14 through the relevant local simplified formula. One consequence of this is that confirmed funding levels for new schools will not be available until the spring prior to a September opening.

Question 5: What sort of information do Free School, UTC and Studio School proposers need, and at what stages, to enable them to check viability and plan effectively?

Comments:

There seems little alternative other than for the funding arrangements of a Free School, UTC or Studio School which is opening in September, to be based on the draft Pro Forma. This would be an outline funding estimation from the end of October the previous year and would be firmed up in the January before to opening.

Prior to this, funding indications could be based on the LA section 251 to establish average AWPU, deprivation rates etc

Improving arrangements for funding pupils with high needs

In Section 3 and Annex 5a, b and c we discuss the new arrangements for funding pupils with high needs. In Section 3.8 we discuss the roles and responsibilities under the new place plus approach, specifically those of providers, commissioners and the EFA, We want to ensure that unnecessary bureaucratic burdens are not placed on providers and that there is clarity as to the respective roles and responsibilities of the EFA and local authorities.

Question 6: What are the ways in which commissioners can ensure responsibilities and arrangements for reviewing pupil and student progress and provider quality can be managed in a way that does not create undue administrative burdens for providers?

Comments:

Currently for pre-16 the Local Authority will visit providers to ensure quality which is a practice that can continue. However, for post 16 the Local Authority is not required to as the Education Funding Agency (previously the YPLA) has the contract but does not make the LA aware of any issues unless they are major, therefore quality issues post 16 are not routinely flagged to us. This would therefore require a change in processes and procedure between the LA and the EFA.

Intended pupil outcomes need to be expressed in relation to progress across education, health and needs as appropriate. This would mean that providers are clear as to the expectations of the commission; providers can use their own monitoring data, informed by accurate assessment, that will also reflect commissioner evaluation.

The intended outcomes can be informed by the detail of formula funding (e.g. matrix of pupil needs) which sets out transparently how high needs will be resourced, and needs to dovetail into what is not regarded as higher needs and therefore addressed via the clock funding.

It could be that a LA negotiates and agrees:

- The universal specialist SEN offer – notional SEN budget,
- The targeted specialist SEN offer – high needs block for mainstream schools / academies,
- The intensive specialist SEN offer – high needs top up for special schools / academies.

In section 3.9 we discuss transitional protection for providers. We want to ensure that the transition from the current funding system to the new arrangements is as smooth as possible. In the document we set out a number of ways we intend to provide support through the transitional period and enable commissioners and providers to become accustomed to the new approach

Question 7: Are there other ways that we can help to ensure a smooth transition for commissioners and providers to the reformed funding approach for high needs pupils and students?

Comments:

We would want to ensure that factored into this model is the additional funding supplied by third parties, ie health and adult social care

It is recommended that providers adopt a uniform provision contract, which will secure quality provision for generic special needs across education care and health – with the detail of individual needs perhaps representing the additional / top up higher need. There is a West Midlands model that has been employed regionally by LAs with independent providers since April 2011.

In Annex 5a, paras 38 to 41 we discuss the level of base funding for AP settings and suggest that £8,000 would be an appropriate level of base funding.

Question 8: Do you agree that £8,000 per-planned place would be an appropriate level of base funding for AP settings within a place-plus funding approach?

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|-----|-----------------------------|------------|
| Yes | <input type="checkbox"/> No | x Not Sure |
|-----|-----------------------------|------------|

Comments:

Whilst this level of funding is a start point to negotiating overall costs, the report entitled Improving Alternative Provision by Charlie Taylor notes that current costs vary dramatically. However, this would create some stability to funding on which further funding is negotiated.

However, careful regard needs to be given to the development of Area Based Partnership working in this area which will not see pupils identified on a PRU census. The policy work that has started in this area needs to be included in the funding allocation proposals.

In Annex 5a paras 42 to 46 we discuss the top-up funding for AP settings. For short-term and part-time placements, we propose that appropriate pro rata arrangements would be put in place for calculating top-up funding and that it would be sensible to calculate top-up funding for short-term placements on a termly or half-termly basis, while part-time placements could be calculated on a daily rate. For very short-term placements, for example those that lasted less than ten days in an academic year, we would envisage that AWPU would not be repaid by a commissioning mainstream school and that the commissioner would pay an appropriate level of top-up funding to reflect this.

Question 9: Do you agree that it would be sensible to calculate pro rata top-up payments for short-term placements in AP on a termly or half-termly basis?

| | | |
|----------|--------------------------------------|-----------------------------------|
| x Termly | <input type="checkbox"/> Half-termly | <input type="checkbox"/> Not Sure |
|----------|--------------------------------------|-----------------------------------|

Comments:

It is important to secure on going quality provision, and therefore pro rata calculations are essential. Termly calculations seem reasonable: manageable administration alongside resourcing medium term planning

Question 10: Do you agree that it would be sensible to calculate pro rata top-up

payments for part-time placements in AP on the basis of a daily rate?

Yes

No

Not Sure

Comments:

Not sure that the example of less than 10 days would result in many / any placements would be considered. Daily calculation rate is very problematic given surety of continuing provision, and its quality

In Annex 5a paras 47 to 52 we discuss hospital education. Hospital schools occupy an important place in the education system and we need to think carefully about how hospital education is funded within the parameters of a new approach to high needs funding. Hospital education is not an area where commissioners plan education provision and where pupils and their families exercise choice about the institution in which they will be taught. In funding terms, our aim must be to ensure that high-quality education provision is available whenever a pupil has to spend time in hospital.

Question 11: What are the ways in which hospital education could be funded that would enable hospital schools to continue to offer high-quality education provision to pupils who are admitted to hospital?

Comments:

It may be that Hospital Schools are funded on planned places (similar to the proposals for Special Schools) which could be based on historic average places. Due to the potentially additional needs of these children, the funding could be based on the £10,000 per pupil assumption.

In Annex 5a paras 53 to 56 we discuss the base level of funding for specialist providers. Under the place-plus approach there will be a simple process, with clear responsibilities and transparent information, for reviewing and, if appropriate, adjusting the allocation of base funding for specialist placements. The key components of this process are set out in the document.

Question 12a: Do you agree with the proposed process for reviewing and adjusting the number of places for which specialist settings receive base funding?

Yes

No

Not Sure

Comments:

It is important to ensure that data is drawn across medium term time frames, a longitudinal view will provide accurate needs analysis and avoid disruption of commissioning arrangements and uncertainty for providers. The environment, staff skills and equipment necessary in specialist provision has to be sustained/refreshed if pupil outcomes can be achieved.

Question 12b: Are there any other ways in which this process could be managed in a way that is non-bureaucratic and takes account of local need and choice?

Comments:

An expectation that commissioning agencies (i.e. health, care and education) use their local joint strategic assessment analysis to underpin the review process – the strategic needs assessment links directly with expected outcomes so it is integral to the process. It will also inform respective agency thresholds for commitment to resourcing.

Simplifying arrangements for the funding of early years provision

In paragraphs 4.5.1 to 4.5.5 we discuss the 90% funding floor for three year olds. Current funding for three year olds is based on the actual number of three year olds who take up their entitlement to free early education or an amount equivalent to 90% of the estimated three year old population doing so, whichever is higher. We now think the time is right to phase out the floor so it is removed entirely from 2014-15. We also think it is right that we use 2013-14 as a transition year. Removing the floor from 2014-15 will require a level of transition support for local authorities, enabling them to increase participation levels. There are various options for how this transitional protection could operate but we think the most obvious way is to lower the floor in 2013-14 from 90% to 85%.

Question 13: Do you have any views on the move to participation funding for three year olds, particularly on how transitional protection for 2013-14 might operate?

Comments:

Whilst this is not an issue relevant to Warwickshire, it seems fair to those Local Authorities who not meet their targeted 3 year old levels, that some protection is included in the funding calculations.

In paragraphs 4.6.1. to 4.6.3 we discuss free early education provision in academies. A small number of Academies with early years provision which existed prior to September 2010 continue to be funded by the Young People's Learning Agency (YPLA) through replication. We believe there is a strong case to be made for bringing together free early education funding for three and four year olds for all providers. This would mean that wherever a child accesses their free early education they would be funded and paid by local authorities through the EYSFF. This would further support simplicity and transparency in funding for free early education.

Question 14: Do you have any views on whether free early education in all Academies should be funded directly by local authorities?

Comments:

Whilst this could be a workable process and is quite straight forward in the case of a Nursery School, for a Primary/Infant school with nursery classes, this could be confusing with the EFA funding the main school and the LA funding the nursery class.

Question 15: Have you any further comments?

Comments:

Not including rates in the MFG exemptions seems a bit odd – if there are changes in rates, currently there is no need to investigate the reasons why. In the future, if there are changes, there is going to need to be a process to identify why which seems to be adding time and effort to the process that adds no value.

Has an realistic impact assessment been carried out within the EFA to ensure that there is capacity to cope with these changes? Whilst the introduction of the pro forma should undoubtedly reduce the burden of academy budget calculation, there are also new responsibilities, such as in the form of regulations that the EFA will be taking on. It is imperative that where both the LA and the EFA fund schools that both are able to deliver its key roles and responsibilities. Failure to do so causes frustration in schools and puts pressure on the other body to resolve issues which it may not be best placed to do.