

WIRRAL COUNCIL

SCHOOLS FORUM 24th JANUARY 2012

REPORT OF ACTING DIRECTOR OF CHILDREN'S SERVICES

CONSULTATION OF THE SCHOOLS FUNDING FORMULA 2012-13

EXECUTIVE SUMMARY

Schools have responded to a consultation on proposed changes to the funding formula used by Wirral to fund Schools in 2012-13. The Forum are asked for their views on the changes recommended.

Background

The DfE are continuing to develop proposals for a new funding formula for all schools and academies and to move away from the current "spend plus" methodology used to distribute DSG. The DfE indicated over the summer that changes would not be introduced before 2013-14 at the earliest (and may be delayed further). With this in mind the views of schools have been sought on any interim changes that may be needed.

Responses were received from schools as follows:

		%
Nursery	-	0
Primary	36	39
Secondary	9	39
Special	7	53
Total	52	40

Questions asked

Q1. *Do you agree that grants (mainstreamed in 2011-12) should continue to be allocated within the formula as previously?*

In 2011-12 many grant funded areas (totaling £34M) such as SSG, Specialist Schools and SDG were consolidated within the overall schools formula, at the rate equivalent to the previous grant distribution. This methodology, agreed for 1 year, maintained some stability in the formula and funding for schools at a time when there was much uncertainty.

46 out of 52 responses indicated that this arrangement should continue in 2012-13. Funding stability continues to be a priority for schools. The decision will be reviewed again when the governments intentions for funding reform are clearer.

Q2. *Should Formula Elements such as free school meals and prior attainment be updated?*

44 out of 52 schools support the recommendation to update formula elements, and agree with the view that data should be regularly updated to better reflect the mix and needs of schools.

Q3. *Should the free school meal deprivation element within the local funding formula be amended and replaced with a measure taking account of FSM Eligibility over the last 3 or 6 years?*

Schools supported this change. However, having considered the responses this change is no longer recommended because:

- Resources are not as focused on the highest levels of deprivation.
- A broader entitlement will move resources from Primary to Secondary totaling £700,000, such a shift is not the intended outcome of this change.
- Ever 3 or Ever 6 introduce a further level of funding protection over and above that provided through the Minimum Funding Guarantee.

Q4. *Do you agree with the proposal to increase 8 SCD/ASD places from April 2012 and to find this from surplus special school places?*

Within Special Schools 4 schools supported this change and 2 did not; most secondary and primary schools agreed to the increase in places. The change was agreed in principle by the Forum in September and is the majority view of schools. It will now be included within the budget for 2012-13. Funding has initially been found within the SEN Plan until final decisions are taken regarding Special School places in March.

Q5. *Do you agree that the Hospital School should be funded by a broader AWPU deduction as described?*

Funding is needed to meet the new statutory requirement for appropriate full time provision in Hospital Schools. This will be met in part from growth within the Schools Budget (£130,000) and also from an increased pupil funding transfer from schools. These transfers will in future take account of all pupil funding, not just AWPU, and will apply across all years where pupils are on the rolls of both schools (not just year 11).

Q6. *Do you have any comments on the funding arrangements for WASP?*

Many schools chose not to comment on this question. The views of those who did were:

- Funding should be delegated to schools.
- Excluding schools should fund some or all of the costs.
- There should be more primary provision in PRU's.
- Pupil funding should follow the student.

- Secondary Schools should not contribute £60,000.

Since the introduction of a delegated budget for PRU's has been deferred until 2013 a specific consultation seems preferable in the summer term to consider more detailed funding proposals.

Q7. *Do you support the proposal to retain funding for City Learning Centres within the centrally managed schools budget?*

42 out of 52 supported this proposal and this has been included within the proposed budget for 2012-13. All schools (including academies) will continue to have free access to CLC's with charges levied only for additional services or costs incurred.

The facilities will be reviewed in 2012-13 with a view to reducing costs and making more sustainable.

Recommendation

1. That the Forum notes the responses from schools.
2. With the exception of Q3 implement the views of the majority of schools as described.

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Acting Director of Children's Services

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Dear Headteacher

School Funding 2012-13

I am writing to seek your views on proposals for school funding for the next financial year 2012-13. Over the summer the Department for Education issued a detailed consultation around the introduction of a new funding formula for all schools and academies. This will, when introduced, bring about changes in the overall distribution of school funding between authorities, adjustments in the funding of High Cost Pupils and changes in the Pupil Premium. At this stage it seems unlikely that changes will include a national funding formula for schools, instead budgets will continue to be set locally. The proposals will not be introduced before 2013-14, at the earliest; therefore the current system will continue next year.

With this in mind there are some specific questions with regard to Wirral's School Funding Formula.

1. Mainstreaming Grants

In 2011-12 many grant funded areas within the budget (totalling £34m) such as School Standards Grant, Specialist Schools, and Extended Schools, were consolidated within the overall formula in line with the wishes of almost all schools. In the current year school budget allocations have included this funding at a rate equivalent to the previous grant

distribution. This methodology was agreed for 1 year and maintained some stability at a time when there was much uncertainty in school funding and no overall increase in resources. It is proposed that this arrangement continues for a further year or until the national position is determined.

Q1 Do you agree that these grants should continue to be allocated within the formula as previously?

2. Formula Factors

Last year factors within the formula such as Free School Meals and prior attainment were updated with new data, having previously been fixed for 3 years. A decision is needed as to whether to update data for next year or to leave it unchanged. The evidence from last year suggests that fixing data over the funding period led to significant changes and larger shifts in funding than would otherwise have been the case, creating challenges for schools. Data that is regularly updated will better reflect the mix and needs of schools and will cause less turbulence.

Q2. Should formula elements such as Free School Meals and Prior Attainment be updated?

3. Free School Meals

Schools will be aware that there is likely to be significant reduction in the overall number of eligible free school meal numbers next year, compared to previous years. This is the result of clarification following recent access to a national DfE on-line checker system and the continuing fall in school rolls. Overall a reduction in numbers of between 10 and 20% is anticipated. Free School Meal eligibility is a significant element within the local funding formula for deprivation funding and also the Pupil Premium. In the case of the latter entitlement is likely to be based on a new measure taking account of all children who have been eligible for free school meals over the last 3 or 6 years (this change is subject to confirmation by the DfE). If this were also applied to the local funding formula from 2012-13 it would be a means of phasing in the impact of fewer FSM and also being consistent with other grant funding.

Q3 Should the FSM deprivation element within the local funding formula be amended and replaced with a measure taking account of FSM eligibility over the last 3 (or 6 years)?

4. Special School Places for Social Communication Difficulties/Autistic Spectrum Disorders (SCD/ASD)

The demand for specialist SCD/ ASD places continues to grow nationally and locally and since the cost of places in the non-maintained sector is 2 to 3 times higher, it makes sense to continue to develop local provision. Clare Mount School currently provides 30 such places, 10 from historic funding and a further 20 created over the last 2 years. This process has been in parallel to the development of Resourced Provision in mainstream secondary schools for pupils with MLD.

It has been proposed that provision should be increased by a further 8 places at Clare Mount from April 2012 at a cost of £120,000. Funding proposals have been outlined to the Schools Forum and are likely to be from a reduction in the number of surplus school places at some other special schools where there has been a sustained reduction in demand.

Q4. Do you agree with the proposal to increase 8 SCD/ASD places from April 2012 and to fund this proposal from surplus special school places?

5. Wirral Hospital School Full Time Provision.

There is a new statutory requirement for all Hospital Schools to make appropriate full-time provision for the education of children (subject to the degree and nature of their current medical needs, physical, emotional and mental health). This came into force on 1st September 2011.

Currently the school, which is funded for 80 places, makes part time provision for most children, with some full time teaching having recently been implemented in Year 11, achieved through cost savings and efficiencies. The school roll rises during the year, starting from a position in September of around 70 students and increasing by the summer term to over 100; there being six admissions periods through the year.

In addition the school provides teaching at Adcote House (CAMHS), teaching and support for pregnant schoolgirls and school-age mothers in the Seedlings Unit at Joseph Paxton and teaching on the Children's Ward at Arrowe Park Hospital, whilst liaising with families of Wirral children in Alder Hey and other hospitals.

The Headteacher, on behalf of the Local Authority, also manages the Wirral LA Home Education Service, moving young people from Home Teaching to full or part-time return to school, often through Wirral Hospitals' School Joseph Paxton provision.

Taking account of the medical needs of students it is unlikely that it will be appropriate for all to receive full time tuition. An initial estimate is that this change will affect about 50% of students and additional teaching and support staff of 4.2 FTE and resources would be required. This would cost between £200,000 and £250,000 pa.

The Hospital School is funded partly from core DSG and partly from a Secondary School AWPU transfer for year 11 students. It is proposed to broaden this transfer. In future it would take account of all pupil-led funding and all year groups of children who are on the roll of both schools. This would generate additional income for the Hospital School of between £100,000 and £150,000 pa. The remaining sum required, £50,000 - £100,000, would need to be considered as part of the Schools Budget for 2012-13 alongside other cost pressures.

Q5 Do you agree that the Hospital School should be funded by a broader AWPU deduction as described.

6. WASP

Initial guidance from the DfE suggested that local authorities would be required to give Management Boards of Pupil Referral Units a delegated budget from April 2012. Although this has now been deferred for 12 months to fit in with plans for future school funding,

authorities are being encouraged to devolve funding from next April. This change would effectively confirm the existing practice in Wirral.

WASP is funded partly from a core budget (£1,050,000), partly from AWPU funding (£150,000) and partly from secondary school budgets (£60,000). Your views on the balance of funding would be useful in the light of comments by the DfE regarding a 3 year pilot project to give schools the continuing financial responsibility for the schools they exclude.

Q6 Do you have any comments on the current arrangements for the funding of WASP?

7. City Learning Centres

Wirral has 3 City Learning Centres with a combined revenue budget of £814,700. Previously the CLC's were funded by a separate grant and this has now been consolidated into DSG. The centres support all schools and academies across all sectors, although take up is greatest in the primary sector. Currently as part of reviewing provision, business plans are being drawn up which will look to secure both revenue and capital funding in the future. This will take some time to develop. It is proposed to make no changes in the funding for CLC's in 2012-13.

Q7. Do you support the proposal to retain funding for City Learning Centres within the Centrally Managed Schools Budget?

8. School Funding

A number of references have been made in this letter to the DfE's proposals for reforming school funding. A recent consultation paper by the DfE has been responded to by the Schools Forum. Some of the key points appear to be:

- Changes will not introduce a nationally determined formula for schools
- There may be some shadow funding issued to schools by the DfE in 2012-13. This will be indicative only.
- In future local funding formulae will have to be simplified and contain fewer factors
- Transitional protection may result in the move to a new funding formula over a number of years
- The Pupil Premium will increase significantly in 2012-13 (nationally resources will double). The calculation will change and be based on either a measure called Ever 3 (Eligible Free School Meals in then last 3 years) or Ever 6.
- There is a discussion about place and pupil funding for high cost provision in special schools.
- Using the Disability Living Allowance as a proxy to determine overall High Cost Allocations.

Thank you for considering the issues raised. I hope you have sufficient information on which to base a response. Please let me know if you think not. I would be grateful for your views on or before Friday 18th November. These will be collated and reported to your headteacher groups and the Schools Forum and Cabinet as part of the budget process.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'David Armstrong', with a stylized flourish at the end.

David Armstrong
Acting Director of Children's Services