

Making the most of local flexibility in the context of a National Funding Formula

Susan Fielden, Compact
Executive Officer, Somerset



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Assumptions:

- A National Funding Formula will allocate Schools Block funding to a local authority area based on the number of pupils and schools and a handful of other factors
- A local authority and Schools Forum will consider the total Schools Block and determine:
 - Central retention
 - Virement to and from another block of funding (High Needs and/or Early Years)
 - Local formula
- Local formula will be able to use up to 13 factors as set out in the Regulations and the data set provided by the DfE/EFA



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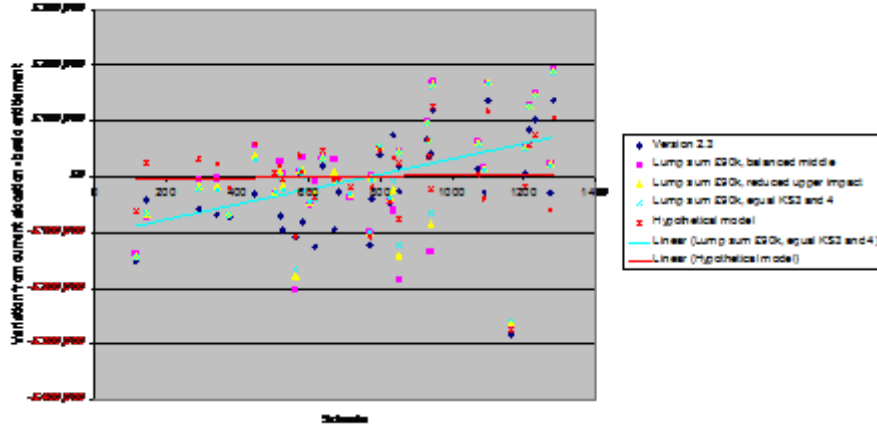


Local choices

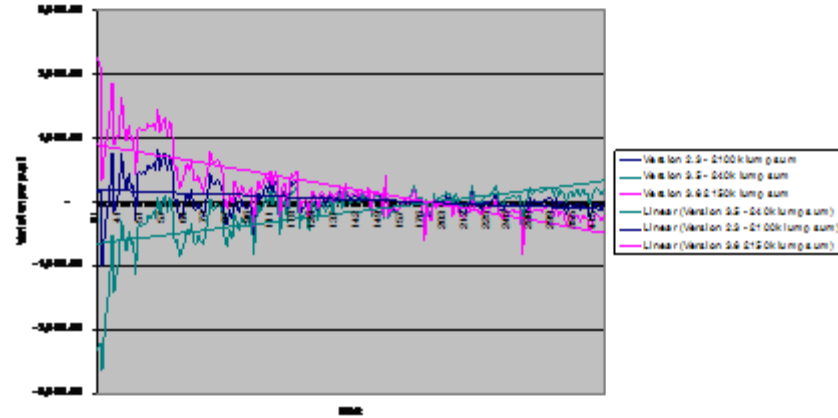
- Movement between funding Blocks
- Central retention levels
- Basic entitlement vs targeted funding
- Primary vs Secondary (and within that KS3 vs KS4)
- Lump sum vs per pupil funding
- Sparsity factor or not
- Deprivation vs poor prior attainment
- Vulnerable groups – formula or top-up

Formula change in Somerset in 2013/14

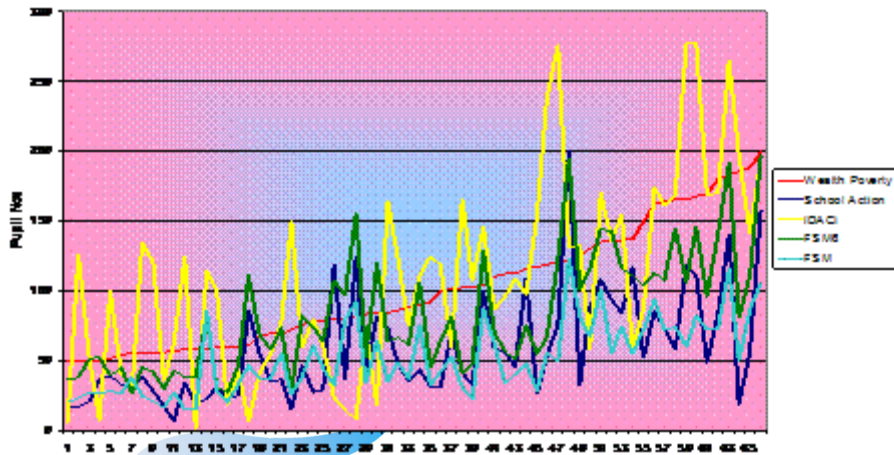
Secondary and middle schools – Basic entitlement



Primary schools – basic entitlement



Funding for additional needs – all schools



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The differences between 2012/13 and 2013/14 as a result of restrictions in formula factors meant that no school got the funding it needed. Increased flexibility offered an opportunity to establish a new “fair” activity-referenced baseline.

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Local ambition?

- A fair and transparent distribution of funding between schools
- “Necessary” schools are financially and educationally viable
- Notional SEN funding reflects distribution and level of need
- High Needs pupils in mainstream have access to the support they need to achieve
- Vulnerable learners have access to appropriate and timely support

Local flexibility demands a local debate on the meaning of “fair”, an understanding of context and shared ambition



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Taking advantage of local flexibility in Somerset

- C&YP Compact – schools, academies, early years and local authority working together to agree priorities, commission services, etc
- Build on over 10 years of Activity Led Funding to rediscover an activity reference point for the formula
- Find a local interpretation for “necessary”
- Variation on per pupil funding across key stages linked to class size assumptions
- Variation in lump sums linked to differential fixed costs
- Sparsity funding protecting very small and isolated primary schools as well as middle schools (“necessary” in a three tier system)
- Targeted termly top-ups for low incidence vulnerable groups



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Some additional material about the Somerset formula – for reference only

Activity descriptions and formula response relating to lump sum, per pupil and sparsity funding



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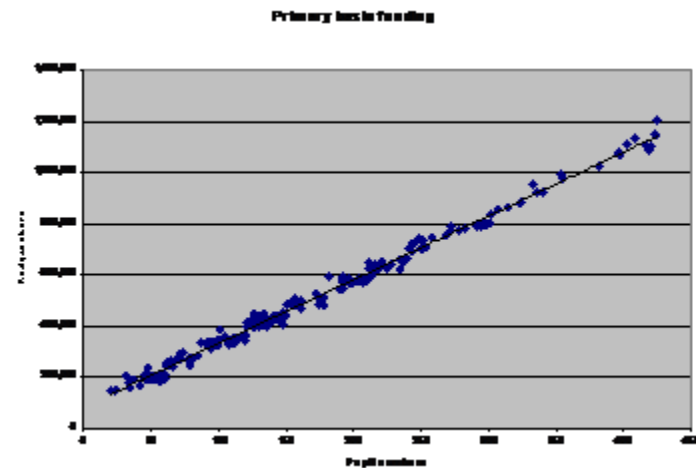
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Basic Entitlement - Primary

- The minimum funding (lump sum) for a primary school should allow for 0.5 of a full class cost (so a 15 pupil school would have enough for a whole class, a school of 30 would have enough for 1.5 classes), plus two days a week non-teaching time for the head and a contribution to admin and fixed costs
- Primary per pupil value – this should be sufficient to ensure that 30 pupils generate enough funding for the full cost of a class worth of children (including staff (teaching and non-teaching) contact and non-contact time, resources, premises, services, leadership, management and admin)

An analysis of the 2012/13 ALF formula for basic entitlement



TWG concluded that this indicated a reduction in the lump sum and a corresponding increase in the per pupil amount compared to 2013/14

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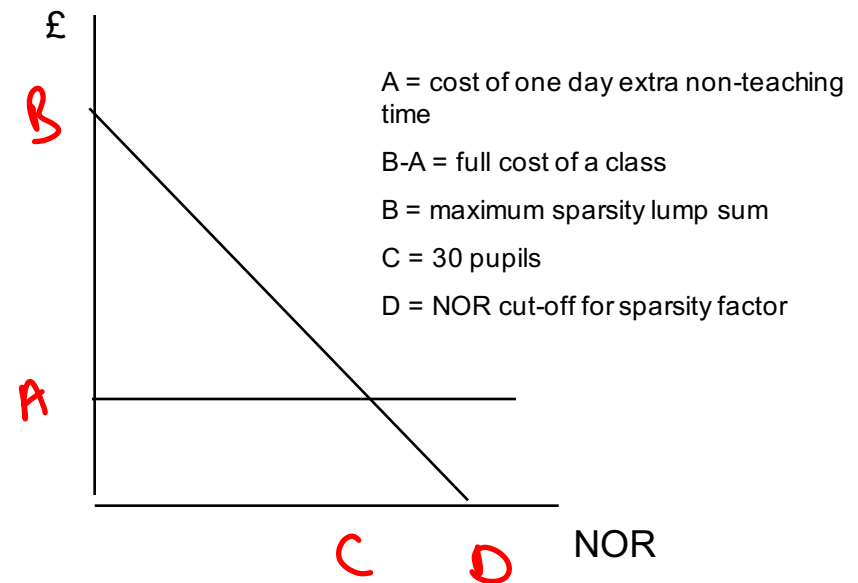


Sparsity in the primary phase:

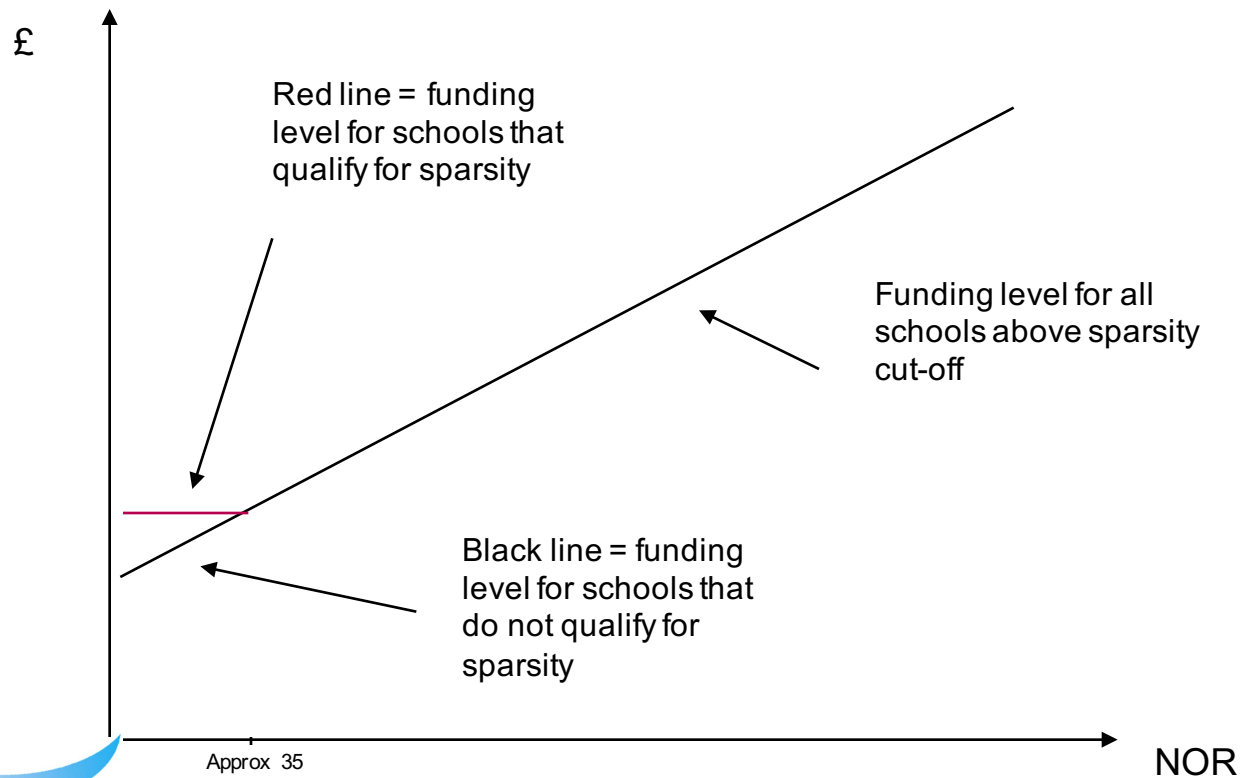
Activity to be funded:

- some additional non-teaching leadership and admin time to reflect the isolated nature of the school (extra day per week);
- “ghost pupil” funding up to 30 pupils, allowing for the funding of two classes for half the week and one class for the remainder
- the additional cost of extracurricular activities due to distance and availability (not possible given the nature of the sparsity factor) – this activity cannot be funded through existing formula flexibility.

TWG response:



Primary - total Basic Entitlement funding



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Basic Entitlement - secondary

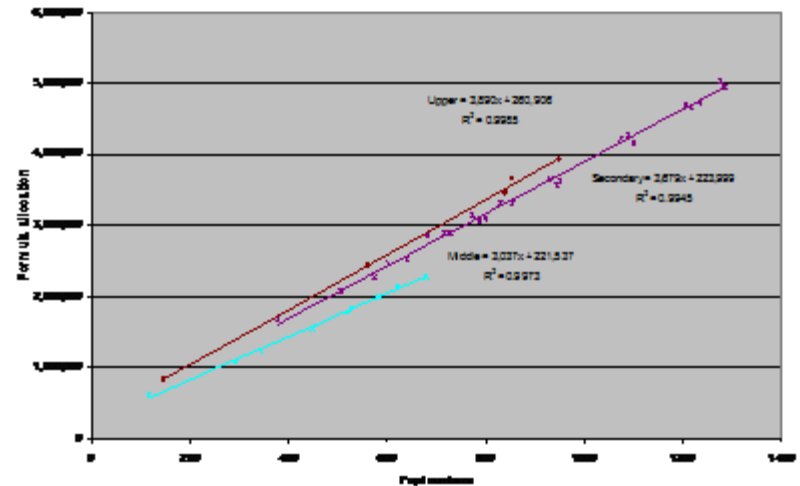
Compact Activity Reference:

- The lump sum for secondary schools should reflect minimum fixed (non-pupil number related) costs and should be sufficient to cover the cost of a Headteacher, administrative capacity and a modest non-staffing fixed cost;
- KS3 and KS4 – as above, with class sizes of 26 and 22 respectively, and with recognition of the additional expenditure required to cover reasonable exam costs at KS4;

TWG response:

- Previous formula best fit required lump sum of >£220k
- Maximum allowed £175k
- Increase lump sum, reduce per pupil amount

Enabling School Funding - formula analysis



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Sparsity factor - secondary

Compact Activity Reference:

- For a school recognised through DfE data and local criteria to be serving a sparsely populated area, the sparsity element would then reflect
 - the need for a minimum number of subject specialists to cover core subjects, to provide for options at KS4 and to have access to staff with specific qualifications for certain activities;
 - sufficient adult /child ratios to satisfy H&S requirements, to deliver PE in single sex groups
 - the additional cost of extracurricular activities due to distance and availability

TWG Response:

- Maximum sparsity lump sum is £100k
- Equivalent to two FTE teachers, allowing for four specialist teachers at 0.5 FTE each to cover core subjects, as a minimum
- Taper to 600 pupils to allow for inclusion of middle schools as middle schools are “necessary” in an area with a three tier system



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But the sparsity factor raises questions:

- When half the county is under water over the winter, or for schools in a National Park, is an “as the crow flies” measure of distance to school realistic?
- Is a factor that measures travelling distances for the children that live closest to a school appropriate for a boarding school?
- The factor has identified small schools with distances below the qualifying limit – do we assume that they are “small and unnecessary”?

