

Consultation on changes to the Torbay funding formula for Primary and Secondary Schools including maintained schools and academies from April 2013

1. Introduction

The Department for Education (DfE) have issued instructions to all local authorities (LA) to change their formula for distributing funding from the Dedicated Schools Grant (DSG) to Primary, Secondary, Special schools and PRUs. This formula is used for all schools in Torbay including academies. These instructions mark a very significant change as all local authorities will have to simplify their formula using fewer factors in their formulae to distribute funding.

The changes required by the DfE are a considerable amount of work and will involve extensive changes to our current formula. To inform and facilitate this process a Formula and Review group (FAR) was formed with representatives from a range of primary and secondary schools. A separate group for special schools was formed; Special Formula and Review group (SFAR). The discussion and advice of these groups has been invaluable and the Local Authority would like to record its thanks for all the head teachers, school business managers and governors who have given their time to be part of these working groups.

The current Torbay funding formula for primary and secondary schools contains over 30 separate elements. The funding that is distributed using these elements will have to be reassigned to the 12 factors set nationally by the DfE. A significant number of the elements currently used within the Torbay formula already use some of the factors outlined by the DfE such as Free School Meals (FSM), Income Deprivation Affecting Children Index (IDACI) and prior attainment such as the Early Years Foundation Stage Profile (EYFSP) scores.

The largest element of funding within the Torbay formula is and will remain the Age Weighted Pupil Unit (AWPU). This unit of funding is derived from an activity led resourcing model (ALR) which links to differential activities and funding levels for pupils at different stages of their education. The ALR model methodology within Torbay's funding formula that is used to set the per pupil entitlements for 2013/14 is unchanged by the proposed formula changes.

Throughout the proposed changes in this consultation the aim has been to maintain as closely as possible the current levels of funding within individual funding 'pots' and to maintain the current levels of primary and secondary funding. This decision has been made to limit the levels of turbulence within the formula changes to only those necessary for the prescribed legal changes and in recognition that the move to a national schools funding formula within the coming years will continue to produce turbulence for schools in the funding formula. However, any formula changes, particularly those as significant as outlined in this consultation paper will produce significant changes in formula allocations to schools. In short it will produce winners and losers.

It is important to highlight that all the financial modelling used throughout this consultation document uses January 2012 pupil Census data. This is to enable

consultees to see how the proposed changes match the actual allocations for schools in 2012/2013. Whilst this enables comparisons to be seen for proposed changes it does mean that the modelling can only be indicative and will be different from allocations in 2013/14 as these will be using different data from the October 2012 pupil Census.

To provide a safety net for schools which have a reduction in allocation the DfE have set the Minimum Funding Guarantee (MFG) at minus 1.5% (-1.5%) for April 2013. Conversely in order to keep the changes within the overall DSG allocation there will be ceilings on the amount of funding that schools have as increases as a result of the formula changes. There is no new or additional money for the formula changes within the DSG.

2. DfE Allowable Factors for Primary and Secondary schools in the 2013/14 Schools Funding Formula.

The formula for distributing funding to primary and secondary schools will be simplified to 12 factors. The LA does not have to use all 12 but cannot use any factors other than those specified.

There are 12 allowable factors:

- a. a basic per-pupil entitlement – there will be a single unit for primary aged pupils and a single unit for each of Key Stage 3 and Key Stage 4;
- b. deprivation, measured by Free School Meals (FSM) and/or Income Deprivation Affecting Children Index (IDACI). There can be separate unit values for primary and secondary;
- c. looked after children;
- d. prior attainment as a proxy measure for SEN (notional SEN budgets can still also include funding allocated through other factors such as pupil numbers and deprivation);
- e. English as an additional language, for a maximum of 3 years after the pupil enters the statutory age school system. There can be separate unit values for primary and secondary;
- f. pupil mobility, there can be separate values for primary and secondary;
- g. a standard lump sum for each school, with an upper limit of £200,000;
- h. split sites – the allocations must be based on objective criteria, both for the definition of a split site and for how much is allocated.
- i. rates, which must be at actual cost;
- j. private finance initiative (PFI) contracts;
- k. for the 5 local authorities who have some but not all of their schools within the London fringe area, an uplift to enable higher teacher pay scales in those schools to be reflected. The 5 local authorities are Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex ;
- l. a per-pupil factor which continues funding for post-16 pupils up to the level that the authority provided in 2012-13, either through directly allocating per pupil funding, or indirectly through premises and other factors.

The following paragraphs provide more detail about the factors.

Deprivation – Free School Meal eligibility and IDACI (with the option for banding) are the two deprivation indicators. This data will be taken from the October School Census at pupil level and aggregated to school level. The DfE have provided the data separately for primary and secondary pupils.

The IDACI bands have now been set as follows:

Band	IDACI score lower limit	IDACI score upper limit
1	0.2	0.25
2	0.25	0.3
3	0.3	0.4
4	0.4	0.5
5	0.5	0.6
6	0.6	1.0

Looked After Children – This will use data collected from the March SSSA903 and mapped to schools using the January School Census and will enable local authorities and the Education Funding Agency (EFA) to identify the number of looked after children in each school/academy.

Low cost, high incidence SEN – local authorities can use EYFSP and Key Stage 2 results as a proxy for low cost SEN. The measure will apply to all pupils in the school with a valid result:

- a. for primary schools, local authorities will be able to choose between two EYFSP scores. Funding can be targeted to either all pupils who achieved fewer than 78 points; or all pupils who achieved fewer than 73 points on the EYFSP; and
- b. for secondary schools, funding can be targeted at all pupils who achieved a Level 3 or below in both English and mathematics at KS2.

English as an Additional Language – This will be calculated using the National Pupil Database (NPD). The DfE have provided data for pupils who have been in the system for up to 1 year, 2 years or 3 years, and have separated the data into primary and secondary pupils.

Mobility – This has been calculated using the school start date for each pupil from the October School Census. It will include pupils who started in the last three academic years, but did not start in August or September (or January for Year 1). The DfE will provide this data separately for primary and secondary age pupils so that a separate unit value can be applied to each phase.

Uplift – The DfE will provide local authorities with Reception uplift data that will be applied to adjust the schools block funding. This data is calculated using the net difference in numbers on roll in Reception between the October 2010 and January 2011 census. Local authorities will have the choice to either apply the uplift to all of their schools or to none of their schools. If local authorities decide not to apply the uplift, the additional money received through the schools block adjustment must be included in the formula and distributed through other factors.

Data Sources

All data that will be used in the 2013/14 allocations will be supplied without exception by the DfE using the school returns from the October 2012 pupil census.

3. Current Torbay Schools Funding Formula.

The complete Torbay Scheme for Financing Primary and Secondary schools which includes the Torbay funding formula can be accessed at:-

<http://www.torbay.gov.uk/rd-financingscheme-schools.pdf>

The current formula has 29 elements/sub formulae;

Age Weighted Pupil Units (AWPU)
School Specific Lump Sums
Inclusion (includes personalised learning)
Premises & Facilities

Additional Pupil Led Funding

Key Stage 1 class size contingency
Early years Single Funding Formula
Special Educational Needs (SEN Delegated Statementing)
Enhanced Provision

Special Factors

Offsite Games
Split Sites
NNDR Business Rates
Rents
Free School Meals and Catering Lump Sum
Voluntary Aided and Ex GM Buildings Insurance
Admission Related Functions (Foundation and VA Schools only)
Teachers Threshold
Gifted and Talented (Personalised Learning)

Budget Adjustments

PFI Adjustment

Former Standards Fund and other Grants now included in DSG

School Standards Grant
School Standards Grant (Personalisation)
1-2-1 Tuition
Extended Schools – Sustainability
Extended Schools - Subsidy
Primary Strategy
Secondary Strategy
School Development Grant
Specialist Schools
School Lunch Grant
Ethnic Minority Achievement Grant

Appendix 1 shows the funding allocations to schools across these sub formulae for 2012/13.

4. Proposals for funding within the Torbay Schools Funding Formula 2013/14

Age Weighted Pupil Units (AWPU)

This is by far the largest single element of funding in the Torbay schools funding formula with £38 million being distributed to schools. This funding is linked to the ALR methodology and will continue to be distributed on a per-pupil entitlement but there will be a single unit for primary aged pupils and a single unit for each of Key Stage 3 and Key Stage 4.

The main change is a single unit value for all primary age children. This has been modelled and where pupil numbers are constant this makes less than 0.15% difference to funding allocations.

Appendix 2 shows the build up of the per pupil entitlement.

School Specific Lump Sums

Torbay does not have particularly small primary or secondary schools that require protection via a large lump sum. The new regulations do not enable a different lump sum for primary and secondary schools. Therefore, all schools will receive a lump sum of £71,897. To retain the primary/secondary pot size the additional funding needed to raise the primary lump sum from the current £58,532 has been taken from the primary per pupil entitlement pot. The surplus funding created by a reduction in the secondary lump sum from £122,018 has been added to the secondary per-pupil entitlement pot.

Inclusion

The current inclusion sub formula distributes almost £5 million to schools across Torbay within the Torbay schools funding formula. This funding is distributed using the data from pupil mobility/transience (25%), registered Free School Meal entitlement (25%), prior attainment data (25%) and IDACI (25%). The pupil mobility/transience is linked to threshold levels across all schools. The prior attainment data uses the scores from the EYFSP for primary schools and CATS scores for secondary schools.

The proposal for distributing this funding in 2013/2014 is registered FSM (33.3%); IDACI (33.3%) and prior attainment (33.3%).

Question 1

The proposal is to distribute the current Inclusion sub formula funding 33.3% IDACI, 33.3% FSM and 33.3% Prior Attainment.

Do you agree with these proportions and factors?

The IDACI data will be weighted according to 5 bands. The DfE allow for up to 6 band to be used for IDACI but we are proposing the use of 5 as this more closely matches the current formula and the introduction of a sixth 'less deprived' banding would cause too much turbulence by a less targeted allocation of this funding.

Prior attainment data for primary schools will be all pupils in the school who scored 78 points or less on the EYFSP on their admission to school. The proposal is not to use the lower 73 points score as this is not a good correlation with the current formula factor and will introduce a significant and unnecessary degree of turbulence into the formula changes. In secondary schools it will be all pupils in the school who achieved a Level 3 or below in both English and mathematics at KS2.

The DfE allow for the use of either the current years pupil numbers eligible for FSM or the use of 'Ever 6' which is any pupils who have been entitled to FSM over the past 6 years. The proposal is to use the current years eligibility for FSM as this is currently used in the formula and provides more targeted funding. If Ever 6 is used then this will provide unnecessary turbulence within the new formula. Ever 6 will continue to be used by the DfE to distribute the funding for the pupil premium which is outside the Torbay funding formula.

Question 2

The proposal is to use eligible FSM numbers to distribute funding in the formula not Ever 6 as this provides less targeted funding and has the potential to produce more turbulence in transition from the current formula to the new formula.

Do you agree with using eligible FSM numbers in the new formula not Ever 6.

The Income Deprivation Affecting Children Index (IDACI) is an index of deprivation which uses a range of separate income indicators. This data is matched to Lower layer Super Output Areas (LSOA) in England. Torbay has 89 LSOA (homogenous small areas of relatively even size, around 1500 people)

LSOAs are assigned a national rank. There are 32,482 LSOAs in England. The most deprived LSOA for each index is given a rank of 1, and the least deprived LSOA is given a rank of 32,482. The ranks show how a LSOA compares to all the other LSOAs in the country.

An IDACI score can be attached to each pupil based on their home postcode. IDACI codes range from 0.00 (least deprived) to 0.99 (most deprived). They are not specific at the level of *whole post-code*, instead they relate to Lower Level Super Output Areas. IDACI scores in Torbay range from 0.00 to 0.56.

For example if a LSOA scores 0.56 in the IDACI score then 56% of the LSOA's total 0-15 population is living in an income deprived household. For Torbay a score of 0.27 to 0.56 indicates the top 30% most deprived areas, and represents 38% of young people aged 4-15 in maintained Torbay schools & academies. This is the reason why the proposal is to not use the sixth IDAVCI band as this would include pupils living in wards outside the most deprived 30%.

The DfE guidance allows for LAs to use global IDACI numbers or bandings. The proposal is to use banded numbers as this is consistent with the current formula and targets funding more appropriately at higher deprivation and will cause less turbulence moving from 2012/13 to 2013/14.

Question 3

In the formula it is possible to use weighted IDACI bandings or just straight forward IDACI numbers not weighted. The proposal is to weight IDACI via bandings to target funding to more deprived pupils. This matches closely the current funding formula.

Do you agree with this proposal?

Appendix 3 shows the funding incorporated within the Low Incidence SEN element of the formula distributed against attainment data.

Appendix 4A shows the funding incorporated within the Deprivation element of the formula distributed against IDACI and FSM data.

Appendix 4B shows the IDACI banding values for Torbay.

Appendix 5 shows comparative distributions using the actual year numbers of pupils eligible for FSM and the 'Ever 6' eligible FSM numbers.

Premises & Facilities

This is a significant element of funding with almost £4 million distributed to schools via the premises and facilities sub formula in the Torbay schools funding formula. Premises factors are no longer allowable factors in funding formula. This funding will be distributed to schools via the per-pupil entitlement.

Key Stage 1 class size contingency

This is no longer an allowable factor in funding formula and will be added to the primary per-pupil entitlement

Early Years Single Funding Formula

There are no proposed changes to the Early Years Single Funding Formula (EYSFF). The detail of this is outlined within the Torbay Scheme for Financing Primary and Secondary schools. The Early Years count will continue to be termly and not the October census count.

<http://www.torbay.gov.uk/rd-financingscheme-schools.pdf>

Special Educational Needs (SEN) Delegated Statementing

For funding of SEN pupils see section 5 - SEN funding.

Enhanced Provision

For funding on the pupils in enhanced provision please see section 5 - SEN funding.

Offsite Games

Split sites allocations are an allowable formula factor in the new formula. The intention is to treat offsite games allocations as a split site allocation as they are only awarded to schools which do not have a playing field on their main school site. They will continue in their present qualification and rates of funding.

Split Sites

Split sites are an allowable factor in the new formula and will continue at their present rate of qualification and funding for secondary schools. The current category for primary schools will be removed and the funding allocated via the per- pupil entitlement.

NNDR Business Rates

Rates are an allowable factor in the new formula and will continue to be funded at the actual level of rates payable for the individual school

Rents

Rents are not an allowable factor in the new funding regime and this funding will be distributed via the per-pupil entitlement .

Free School Meals and Catering Lump Sum

This funding will be distributed via the number of pupils eligible for free school meals.

Voluntary Aided and Ex GM Buildings Insurance

This funding will be distributed via the per-pupil entitlement.

Admission Related Functions

This funding will be distributed via the per-pupil entitlement.

Teachers Threshold

This is a significant sum of funding with over £2 million distributed to schools via this factor within the Torbay schools funding formula. It is currently distributed to schools according to the number of post-threshold teachers employed at the school. This is no longer an allowable factor in 2013/2014. This funding will be distributed via the per-pupil entitlement

Gifted and Talented

This funding will be distributed via the per-pupil entitlement.

PFI Adjustment

In the current formula PFI schools do not receive any funding via the premises sub formula as the schools premises costs are covered within the overall PFI agreement. The schools receive a funding allocation which is the governor's contribution to the PFI costs. PFI schools also receive a small additional allocation in recognition of costs that sit outside the PFI agreement.

With the proposed changes to the premises sub formula PFI schools will now receive a share of premises funding via the per-pupil entitlement. To avoid double funding, the amount of premises funding that PFI schools receive via the per-pupil entitlement will be used as a baseline to which the balance of the governor's contribution to PFI costs is added. The current level of funding for costs outside the PFI agreement will be taken into account when determining the baseline.

The baseline will be established using October 2012 pupil census data.

Appendix 6 shows the PFI baseline calculations.

School Standards Grant

This is currently distributed to schools using the original grant methodology, consisting of a lump sum per school and a per-pupil amount. In 2013/2014 this grant will be distributed via the per pupil entitlement.

School Standards Grant (Personalisation)

This funding is currently distributed using the original grant methodology which is a mixture of pupils on roll, low attainment as determined by Key stage test results and the number of pupils eligible for free school meals. In 2013/14 this grant will be distributed in the same proportions via the per-pupil entitlement, pupils eligible for free school meals and prior attainment.

1-2-1 Tuition

This funding is currently distributed using a combination of pupils on roll and prior attainment. In 2013/14 this funding will be distributed 50% on prior attainment and 50% on pupils eligible for free school meals.

Extended Schools – Sustainability

This funding is currently distributed using the number of pupils on roll. The proposal is that this funding is distributed via the per-pupil entitlement.

Extended Schools - Subsidy

This funding is distributed via the number of pupils eligible for free school meals. The proposal is that this funding continues to be distributed by the number of pupils eligible free school meals.

Primary Strategy

This funding is currently distributed on primary pupil numbers. The proposal is that it will continue to be allocated via the per-pupil entitlement.

Secondary Strategy

This funding is currently distributed according to the percentage of pupils not making 3 levels of progress. The proposal is to distribute this funding using prior attainment data.

School Development Grant

This is a significant grant with almost £2.3 million being distributed via the sub formula. This is currently distributed via the original grant methodology, which is a baseline amount allocated by the number of pupils on roll across both secondary and primary phases. The proposal is that this funding is allocated via the per-pupil entitlement.

Specialist Schools

This funding will be distributed via the per-pupil entitlement in secondary schools

School Lunch Grant

This funding will be distributed via the number of pupils eligible for free school meals.

Ethnic Minority Achievement Grant

This is currently allocated using the number of ethnic minority pupils registered at schools. The proposal is to distribute this funding via the number of registered English as an additional language (EAL) pupils in schools.

Pupil Premium

This funding is not part of the Torbay schools funding formula and will continue to be distributed by those pupils who have been entitled to free school meals over the past 6 years.

The summary of these proposed changes and the amounts currently delegated are shown at Appendix 7.

Question 4

Looking at pages 5-9 and appendix 7 are there any budget areas that you think should be distributed by other criteria e.g the proposal is to distribute the premises budget via per pupil entitlement(pupil numbers) do you think this should be distributed via any of the other qualifying criteria e.g FSM or IDACI.

5. Special Educational Needs Funding (SEN)

Statementing in mainstream schools

Schools have always received an element of SEN funding in their delegated formula funding. There is an element of the Age Weighted Pupil Unit and separate sub formula allocations such as inclusion which enable schools to provide individual support for pupils with low level high incidence special educational needs. This will continue in the new funding formula. Appendix 15a outlines the DfE guidance and examples. The proposal for the calculation of a nominal SEN budget for primary and secondary schools in Torbay is 5% of the per pupil

entitlement is used which reflects current funding within the ALR. 50% of the FSM unit allocation is apportioned and 100% of the funding allocated by prior attainment data. Torbay examples are included in Appendix 15B.

In addition to this delegated formula funding for SEN, some pupils are assessed as having a higher special educational need and linked to this a statement of special educational need. Currently many of these statemented pupils also receive an additional sum of funding to support their needs. This can lead to children being allocated additional funding from between £2,239 and £14,624. This will not be the case in the new formula from April 2013.

In the new funding formula from 2013/2014 it will be for individual schools to provide for the first £10,000 of SEN funding for individual pupils from within their delegated budgets. Broadly the £10,000 is comprised of £4,000 per pupil entitlement (AWPU) and £6,000 of delegated SEN funding. It will only be individual allocations of over £6,000 which will qualify for individually assigned 'top up' funding over the £6,000 threshold.

Any pupil that currently has an individual SEN statementing allocation of less than £6,000 will not receive any specific individual funding in 2013/2014. The funding that is currently distributed for all statemented pupils in primary and secondary schools is £1.92 million. Allocations of £6,000 or less account for approximately £1.6 million. Rather than the £1.6 million being allocated to schools according to individual pupil locations, in 2013/14 this funding will be distributed to schools across the formula elements. The proposal is that the allocation is across per-pupil entitlement (15%), eligible free school meal pupils (15%), IDACI (25%) and attainment (45%). The remaining funding, £320k, will continue to be allocated to schools according to individual pupils whose allocation has been assessed as over £6,000.

Appendices 8 and 9 shows how this change in distribution of funding using the percentages outlined in the above paragraph compare to actual allocations in 2012/13. It is important to remember that funding allocated for statemented pupils varies from year to year as children enter and leave the school. Allocations have to be based on 2012/13 data but for comparisons this is a snapshot of that year and comparisons with other years would give different results. For this reason, the last four years of statemented pupil allocations for each school is shown at Appendix 10 so schools can see how the new formula changes compare with allocations as a trend over time.

Question 5

The proposal is to distribute the formula allocation of the current statementing funding via 15% Per Pupil Entitlement, 15% FSM, 25% IDACI and 45% Prior Attainment.

Do you agree with these % proportions against these criteria?

Enhanced Provision

The funding for enhanced provision will change from April 2013/14. The current funding for enhanced provision takes the individual pupils AWPU and then adds an amount per-pupil for each place in the enhanced provision.

In 2013/14 this model will change to a flat £10,000 per place commissioned in each enhanced provision with a per pupil place specific top up allocation which will be allocated to the school when the pupil is attending the provision.

The current allocations for enhanced provision are based upon a specific ALR methodology linked to the additional activities that enhanced provision provide for pupils and the funding needed to deliver these activities.

The £10,000 per place commissioned and specific pupil top up arrangements for 2013/2014 are based upon the current ALR methodology for each Enhanced Provision and AWPU values. In 2013/14 pupils attending enhanced provision **will not** be counted towards the schools per-pupil entitlement funding. Appendix 11 shows how top up calculations have been determined for individual provision.

6. Factors not proposed to be used within the Torbay schools funding formula

Looked After Children (LAC)

The current Torbay funding formula does not distribute any funding via this data. The Pupil Premium allocates funding via LAC numbers. There is an expectation that schools use funding from all the sub formula, such as inclusion and extended schools funding alongside the AWPU to support vulnerable children such as LAC. The proposal is to not delegate funding using LAC numbers as these are small across all schools and this pupil population can be transitory, making the appropriate targeting of funding difficult. It is expected that schools will use, as appropriate, elements of the per- pupil entitlement, deprivation and prior attainment funding alongside the pupil premium funding to support LAC.

Pupil Mobility (Transience)

The current Torbay funding formula allocates funding within the Inclusion sub formula using pupil transience (mobility). Within this sub formula, funding is targeted at schools which have high transience expressed as a % of their total school roll. The new regulations no longer allow a targeting of funding for pupil transience in this way. The funding has to be based on raw numbers of mobile(transient) pupils. This would lead to a large school with low level transience getting the same funding as a small school with very high levels of transience because the raw numbers of pupils are the same although the impacts on the school are very different. The proposal is not to use pupil mobility as a distribution factor in the Torbay Funding formula post April 2013.

Question 6

The proposal is to not use pupil mobility (transience) in the revised formula as it does not target schools with a high % level of mobility. The proposal is not to use Looked After Children numbers in the revised funding formula as they are small numbers and often mobile so a poor indicator for targeting funding to schools. Do you agree with these proposals?

7. Summary of proposed changes

Appendix 12A shows an exemplar of how the proposed changes outlined in this consultation would have changed allocations for 2012/13 if implemented this year.

Appendix 12B is a summary of how the formula changes and MFG would have combined to affect overall school allocations if the formula changes had been implemented in 2012/13.

The Minimum Funding Guarantee(MFG) has, for some years, set a funding allocation floor to 'protect' schools from significant funding changes. This will continue in 2013/14. The DfE have set the MFG at -1.5%. It is important to note that the MFG is not a year on year comparison of the overall school budget it is a per- pupil funding comparison from year to year. Some budget lines are excluded from the calculation such as SEN statementing, Enhanced provision, NNDR and Nursery. This means that whilst the per pupil rate is set at -1.5%, if a school's overall pupil numbers reduce or elements of the budget such as SEN statementing, Enhanced Provision, NNDR and Nursery reduce; a school may see its budget reduce by more than 1.5%.

It is also important to note the cushioning effect of the MFG. Whereas the MFG will only allow schools allocations to reduce by -1.5% per pupil to enable schools to manage funding changes over time there will also have to be restrictions placed on increases to ensure the affordability of the changes within the DSG. It is likely these increases will be capped around a global 1% in the first instance.

In Appendix 12B column A is the schools formula allocation for 2012/13 (this may not be the schools actual allocation if they were on MFG). Column B is the formula allocation if the new formula changes are implemented as outlined in this consultation. Column C shows that formula to formula some schools have large increases and some schools have large decreases(in brackets). It is important to remember that the MFG alters allocations under the current and future formula.

Column D shows the revised MFG calculations for the proposed new formula changes.

Column E is the revised allocation which schools would have received if the new formula changes had been implemented in 2012/13. This column shows how schools that have a lower formula allocation under the proposed changes are given a degree of protection by MFG.

Column F shows gains or losses with protection of MFG. The total of column F shows that implementing the new formula changes with protection of MFG would cost an additional £544k. Column G shows this as a % of the schools allocations. The DSG is likely to be a 'cash flat' allocation from 2012/13 to 2013/14 so to make the changes affordable within the overall DSG allocation there is likely to be a need to limit the increases as well as the losses. Column H shows the level of losses and gains through an MFG of -1.5% and increases capped at 1%.

Appendix 12B is an exemplar but it is important as it shows that despite significant formula changes the majority of schools, using January 2012 data do not gain or lose more than a few %. The financial modelling used throughout this consultation document uses January 2012 pupil Census data. This is to enable consultees to see how the proposed changes

match the actual allocations for schools in 2012/2013 shown in Appendix 1. Whilst this enables comparisons to be seen for proposed changes it does mean that the modelling can only be indicative and will be different from allocations in 2013/14 as these will be using completely different data from the October 2012 pupil Census.

It is important to look at the formula changes and to note why some allocations are different within the new proposed formula.

Using the information in the appendices to this consultation, individual schools will be able to compare how the changes affect their individual school but there are some general themes that result from these proposed changes. In primary schools, the large formula gains and losses are (in the majority of cases) a result of funding changes involving the inclusion sub formula, particularly the removal of targeted transience funding, and individual statementing allocations. Further examination of these two areas will most likely show the majority of schools why they have gained or lost in the proposed changes. There will, of course, be some individual circumstances, for example a school losing because it has a smaller NOR but occupies a large building and/or site. Threshold allocations now allocated via per pupil entitlement also make a difference in some primary schools.

In secondary schools the largest formula losses and gains are due to changes in distribution in threshold funding from per post threshold teacher to per pupil entitlement and the allocation of specialist schools funding across all secondary schools via per pupil entitlement.

The largest formula gains are also due to changes in distribution of threshold funding and specialist school funding alongside some individual circumstances such as the size of a school site.

The allocations modelled in Appendices 12A and 12B can be viewed alongside the schools actual allocations for 2012/13 in Appendix 1. They both use the January 2012 pupil census data. These will not correlate to 2013/14 allocations as these will use a new data set from the October 2012 pupil census data. This might mean that a school that is projected to gain or lose funding may not actually do so in 2013/14. For example, the pupil data changes such as the number of pupils on the school roll, the number of pupils entitled to free school meals or within IDACI.

It is also important to note that in future years with a national funding formula any movement of funding between elements of the formula such as moving funding out of the per pupil entitlement to deprivation using data such as FSM or moving funding from primary to secondary sectors will potentially have a significant effect on individual school allocations.

8. New delegation

Several budget items which can currently be retained centrally will have to be delegated through the formula from 2013-14. For each of these, authorities will need to identify how funding will be delegated through allowable factors.

Some of these can be de-delegated for maintained schools by the Schools Forum so a service can continue to be provided centrally whilst others will be subject to individual schools making a decision about buying back a service.

The section 251 budget lines that will now have to form part of the school formula if they are currently funded centrally are:

a. Funding threshold and performance pay.

In Torbay this funding is already delegated via the formula. The change will be delegation via per pupil entitlement not the number of post threshold teachers in a school.

b. 14-16 practical learning options

This funding is used to provide the Torbay universal curriculum and individual curriculum packages.

The proposal is to delegate this funding via attainment (50%) and entitlement to FSM(50%)

c. School meals (primary/special; secondary is already delegated)

This funding is to pay for the school meals client officer function (£24k) in primary and special schools and repairs and maintenance of kitchens for primary and special schools in the central Eden contract.(£69k). The proposal is to delegate this by the number of pupils eligible for Free School Meals.

d. Support for schools in financial difficulties;

Torbay does not have a budget for this function

e. Allocation of contingencies

Within the DSG there are contingencies for Key stage 1 class size (£50k), NNDR(rates) re-evaluations that take place due to new school buildings (£90k), Primary School Improvement (£300k) which currently funds school supporting school learning networks, funding for TAPS (£8k) and funding for TGA (£2k).

These contingencies will be delegated via the per-pupil entitlement.

f. Administration of free school meals eligibility

This covers the cost of determining, processing and checking parental applications for pupils free school meals eligibility. This will be delegated to schools via eligible free school meal pupil numbers.

g. Insurance;

This covers the costs of insurance for maintained schools in Torbay. This will be delegated via the per-pupil entitlement

h. Licences/subscriptions

This funding pays for the costs various licensing agreements such as of copyright licensing authority, and education recording agency. This is already delegated to schools in Torbay via the AWPU.

i. Staff costs – supply cover (long-term sickness, maternity, trade union and public duties);

The only budget within the DSG in this category is the funding for trade union facilities time. This will be delegated to schools via the per pupil entitlement.

j. Support for minority ethnic pupils or underachieving groups;

This funding covers the support for minority ethnic pupils/ English as an additional language (EAL) advisory service and the costs of the service level agreement with Devon County Council to provide a gypsy/Roma support service.

Support for ethnic minority pupils and EAL will be delegated via the number of EAL eligible pupils.

Funding for gypsy/Roma/traveller pupils will be delegated via the per-pupil entitlement.

k. Behaviour support services;

This funding covers a contribution towards elements of school support on behaviour. This funding is to be distributed via eligible FSM numbers.

l. Library and museum services.

This is already delegated to schools in Torbay

m. Extended Schools

This funding covers elements of services delivered through the localities teams such as Targeted Youth workers and Family Support workers. This funding will be distributed via eligible FSM numbers.

Appendix 14 shows the summary of the new delegation proposals.

Some of these budgets could subsequently be retained centrally on behalf of maintained schools by the School Forum if they so choose, but must initially be in the formula calculation. They will form part of Academies' delegated budgets from the outset and so there will be no need for a schools budget Local Authority Central Spend Equivalent Grant (LACSEG) calculation.

Question 7

In the proposals for new delegation of funding do you agree with the proposed indicators for distribution e.g Insurance via per pupil entitlement?

Responding to consultation

Please reply using the separate consultation sheet either by e-mail to

Education.Finance@Torbay.gov.uk

.....or on paper to Children Services Finance Team, Tor Hill House, Floor 2 South, Torquay by 12 noon on Friday 5th October.

Thank you