

The new Hampshire School Funding Formula

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Content

- Recap and background – how we got here
- Consultation on the new Hampshire Formula for pupils in mainstream schools
- Questions

Timeline 2012

- 26 March First announcements and consultation document
- 21 May DfE consultation closed
- 28 June Consultation outcomes and amendments announced
DfE data to local authorities (decimal place pupils!)
- 9 July Schools Forum agrees principles, consultation timeline and gives an indication on de-delegation
- 31 August Hampshire formula consultation sent to schools
- 28 Sept Hampshire consultation closes
- 23 October Schools Forum to agree formula and de-delegation
- 31 October Local authorities to submit schools block pro-forma to Education Funding Agency.
- Jan 2013 DfE to confirm the DSG allocations for 2013-14
- Feb/March Hampshire school budget shares.

The National Framework

- Nationally simplified formula from 2013/14
- Principles of:
 - maximum delegation to schools
 - Simplicity and consistency
 - fairness and transparency
- Block arrangements:
 - Schools Block
 - High needs Block
 - Early Years Block
- 12 Permissible factors in a local formula
- Funding for Academies based on local formulae
- October pupil count

National framework (cont)

- Minimum Funding Guarantee of -1.5% per pupil will continue for 2013-14 and 2014-15
- Only per pupil protection, not whole of schools budget share
- Pupil premium continues – and is separate
- New role for Education Funding Agency
- Changes to roles of Schools Forums

The permitted formula factors

- 1) A basic per-pupil amount
- 2) Deprivation – based on free school meals (FSM) and/or income deprivation affecting children index (IDACI)
- 3) Looked after Children
- 4) Low cost SEN (using prior attainment as proxy measure);
- 5) English as an additional language (for 3 years only after the pupil enters the system)
- 6) Pupil mobility
- 7) A lump sum of up to £200k
- 8) Split site costs
- 9) Rates at actual cost
- 10) *Private Finance Initiative Funding*
- 11) *London Fringe Uplift (5 authorities)*
- 12) *Existing Sixth Form commitments*

Things to note

- The new SEN and deprivation indicators will cause gainers and losers
- Prior attainment thresholds linked to early years and KS2 attainment.
- Lose all premises characteristics apart from rates and an application to Education Funding Agency for high rent cases
- Growing schools funding continues – for basic need
- No protection for falling rolls
- SEN funding moves to high/low cost not incidence
- Resourced provision funded as high needs block
- Reception uplift and four year olds as full time
- No separate funding for NQTs, ASTs etc.

High needs pupils

- 'Place plus' made up of three elements
 - Core funding (mainstream unit of funding)
 - Additional support funding
 - Top up funding
- Base level of funding:
 - Specialist SEN and Learning Difficulties and Disabilities (LDD) placements: £10,000
 - Alternative Provision: £8,000
- Mainstream:
 - additional support funding up to £6,000 a child to come from the notional SEN budget in budget shares. Above that top up from Local Authority.

Role of the Education Funding Agency

To oversee local funding arrangements by:

- having observer status at Schools Forum meetings
- reviewing local funding formulae captured on the pro-forma for compliance with new arrangements
- investigate potential unfairness in formulae if prompted to do so through representation by schools or Academies
- using the pro-forma to calculate Academy budgets.

Academies

- Continue to be represented on Schools Forum
- Using the local formula, Academy funding will be calculated and paid by the Education Funding Agency
- Current 17 month time lag reduced to 5 months
- No separate Academies calculation of Schools Block LACSEG
- Free Schools to be funded on similar basis to maintained schools and other Academies by 2013/14
- Ongoing work on LA block LACSEG – moving to a national per pupil basis

Roles in the process

DfE / EFA

- Set overall framework for blocks
- For the Schools Block
 - Set factors that can be used
 - Set methods of distribution
 - Provide the data that must be used
- Deadlines
- Compliance

LA

- Within the constraints given, decide for the Schools Block:
 - Which factors to use
 - Apply for exceptional factors
 - How to distribute
 - Values applied
- Approach to High Needs and Early Years blocks.
- Schools Forum (school reps) vote on formula

Current Hampshire Formula

- Principle of targeting funding to meet local needs
- “Fine tuning” of formula resulted in 30+ formula factors
- Refined definition of deprivation through work with Schools Forum including:
 - General deprivation
 - Turbulence
 - Service Family Funding
 - English as an Additional Language
 - Looked after children
- Refined method of targeting deprivation funding through:
 - FSM, IMD, attainment, personalised learning, super output areas, specific programmes, SEN, tapers, thresholds, pupil characteristics, bandings, weightings, floors and ceilings.....

New Hampshire Formula

Key principles

- Maintain current funding distribution between phases and blocks
- Map current factors onto new factors and maintain current size of funding 'pot' for each
- High end lump sum to protect small schools

Local discretion limited

- Options for deprivation
- Options for restricting gains
- Size of the lump sum
- De-delegation decisions

Options for deprivation funding distribution

Options

- All distributed on basis of FSM (option 1)
- All distributed on basis of IDACI (option 2)
- A combination of FSM and IDACI (option 3)

Schools forum view

- Use Income Deprivation Affecting Children Index (IDACI) (option 2) rather than either option with Free School Meals (FSM) for long term stability (Universal Credit – Sept 2013)

Size of the lump sum

- To minimise the impact of the funding reform on smaller schools a sum of £190,000 has been calculated as being the optimum amount.
- As this appears to be the best solution after extensive modelling, the consultation asks only for objections to this proposal.

De-delegation choices and delegation

The following have to be delegated, but can then be de-delegated

- Contingencies (including schools in financial difficulties)
- Licences / Subscriptions
- Special staff costs -Trade union duties, suspensions, headteacher conferences
- Ethnic Minority and Traveller Achievement Service (EMTAS)
- Behaviour Support Teams

The following are already delegated and remain so:

- School milk
- Insurance
- Library and museum services

De-delegation choices and delegation

- Discussions with Primary & Secondary Heads
- Broad agreement on proposals
 - De-delegate in accordance with the schedule
 - Annual review
 - Quality assurance
 - Central retention of miscellaneous services
- No de-delegation possible for special schools, education centres or academies

Draft 13/14 Budget Share

School ID Number	XXXX		
School Name	Primary phase school		
Number on Roll October 2011	262		
Budget Share Headings	Total Value £K	No of Pupils Used for Calculation	Amount £K
1) Age Weighted Pupil Unit (AWPU)			
a) AWPU (Primary)	62,408.00	262	67,27,209
b) AWPU (ECCE)			00
c) AWPU (SEN)			00
Total Age Weighted Pupil Unit (AWPU)			67,27,209
2) Deprivation			
Income Deprivation Affecting Children Index (IDAC)			
a) Band 1	6,007	1.00	6,000
b) Band 2	8,879	0.13	40,480
c) Band 3	41,201	0.10	48,188
d) Band 4	41,888	0.10	470,408
e) Band 5	42,887	0.00	00
f) Band 6	43,024	1.00	43,000
Total Deprivation			478,088
3) Looked After Children (LAC)	43,711	1.00	40,180
4) Low cost, high incidence SEN	41,263	67.74	49,480
5) English as an Additional Language	4,085	4.00	49,544
6) Mobility	47.00	1.00	480
7) Lump Sums			478,088
8) Split Sites			00
9) Rates			478,078
10) Exceptional Circumstances			
a) Temporary Classrooms			00
b) Rents			00
Total Exceptional Circumstances			00
Special Funding Quotient			00
Small-Case-Share			00
Total Budget Share			£1,044,812

Schools Forum

Changes

- Remove minimum size rule
- School representation proportional
- Require PRU (Education Centre) representation
- Only school and early years representatives to vote on the funding formula
- Maintained school representatives voting by phase on de-delegation

Local impact

- Only minor changes to representation required
- Work underway to fill vacancies and name substitutes
- New voting arrangements to take effect October 2012

Questions