



Walsall Council

Walsall Children's Services

Report to: Schools Forum

Date: 11 June 2013

Subject: Schools funding formula

Contact: Dan Mortiboys (Mortiboysd@walsall.gov.uk)

Chris Knowles (knowlesc@walsall.gov.uk)

Purpose of the report: This report compares the Walsall Schools Funding Formula with the formula of other authorities and in particular other West Midlands authorities

Recommendation: To note the comparison.

1. Background

- 1.1. The Department for Education (DfE) produced "School funding reform: Next steps to a fairer system" on 26 March 2012. The document detailed the significant changes to the funding methodologies available to local authorities and the requirement to introduce these changes in local funding formula from April 2013.
- 1.2. The Walsall revised funding formula was the subject of many reports to Schools Forum throughout the 2012/13 financial year. The principles of the funding formula were agreed in the autumn and the final values in the spring term
- 1.3. The DfE have vastly reduced the number of factors allowable and the formula is much more prescriptive. There will still be local variation based on values associated within factors. This report compares how different LA's have approached the 'choices' that can still be made and how Walsall compares

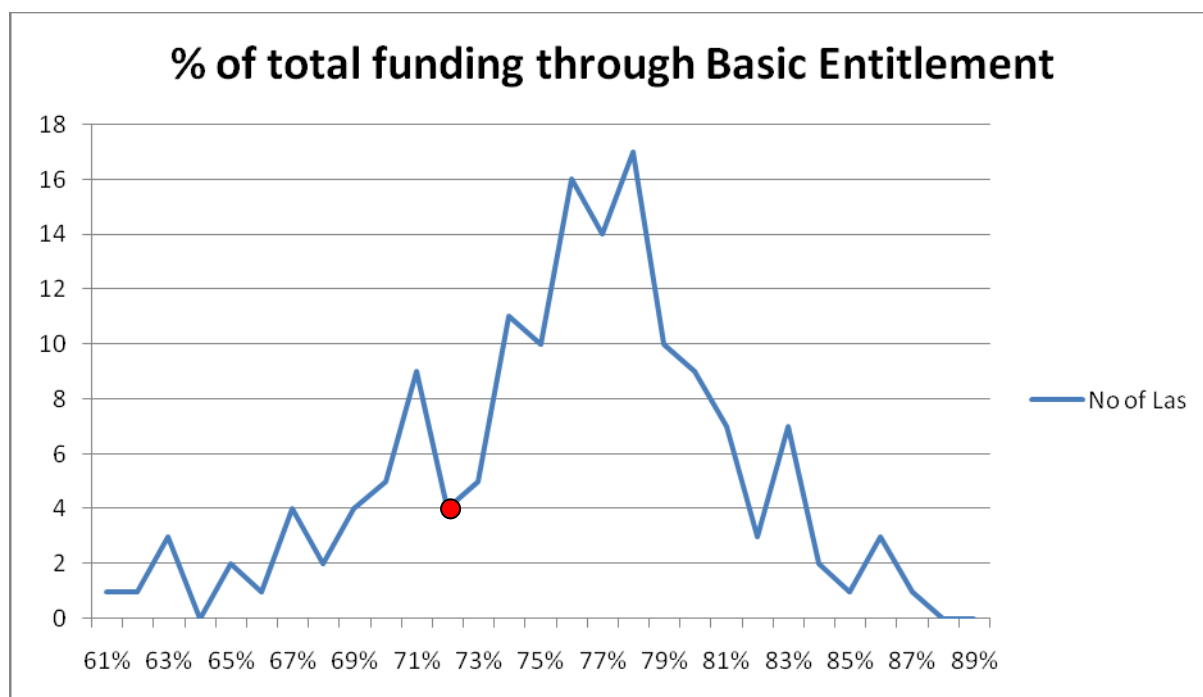
2. Overview of allocations by factor

- 2.1. It is important to note that each factor needs to be looked at in context individually and looked at as part of the whole picture. Comparisons have been made on a very generic basis and only in depth analysis may present a useful picture
- 2.2. An example would be looking at deprivation funding. Walsall would appear to provide a higher proportion of funding for deprivation. Statistically you would expect that as Walsall will have a lot more deprivation than some of the LA's it is being compared to. To understand this further significant analysis would need to also be done on deprivation factors.

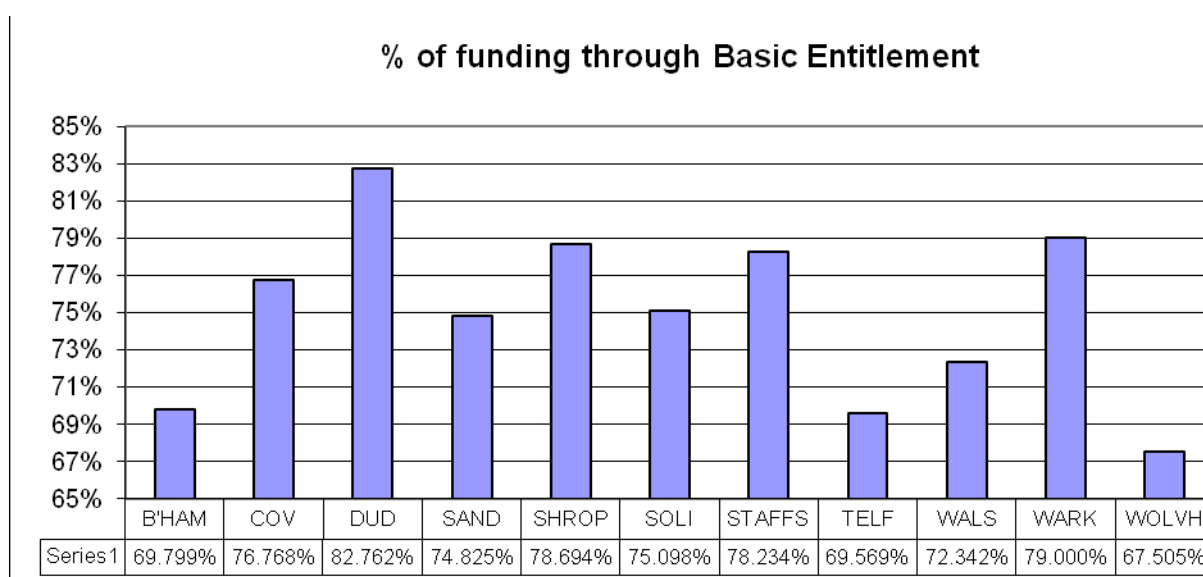
3. Overall allocation

3.1. Overall basic entitlement

- 3.1.1. Graph One (below) shows the proportion of total funding each LA put through basic entitlement. Basic Entitlement is the amount per pupil that schools get regardless of any other factors. This is more commonly known as AWPU (Age Weighted Pupil Unit).
- 3.1.2. Walsall has put 72% of funding through basic entitlement. This was lower than the average of 76%
- 3.1.3. The proportion nationally varied from 61% to 87%.
- 3.1.4. From a West Midlands regional perspective Wolverhampton was the lowest with 67.5% and Dudley the highest at 82.8% (graph two)



Graph One – proportion of total funding through Basic Entitlement.

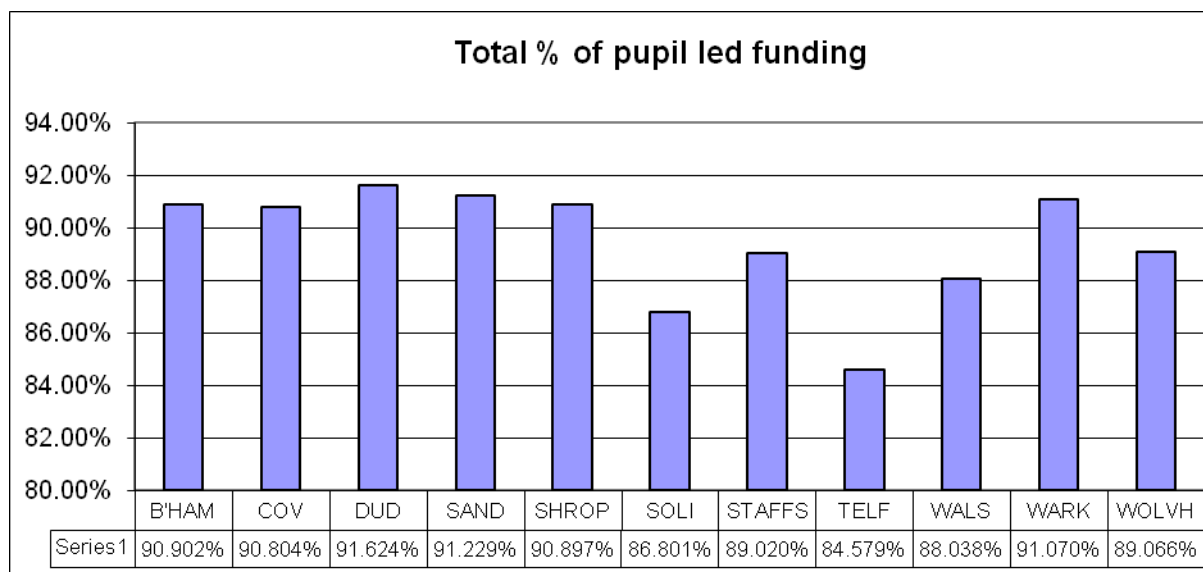


Graph Two - % of total funding through basic entitlement

3.2. Overall Per Pupil Funding

3.2.1. Adding together all factors that are 'pupil led' Walsall has allocated 88.038% of funding on this basis. (Graph Three)

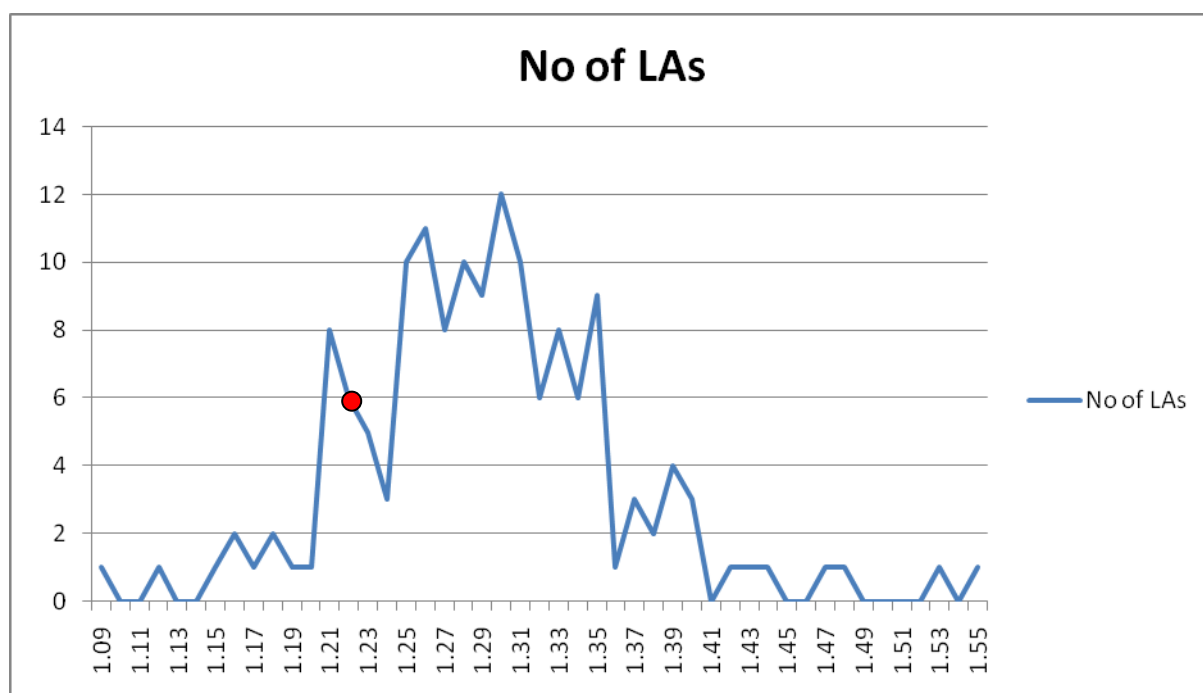
3.2.2. Compared to West Midlands authorities the range is from 84.6% in Telford to 91.624% in Dudley.



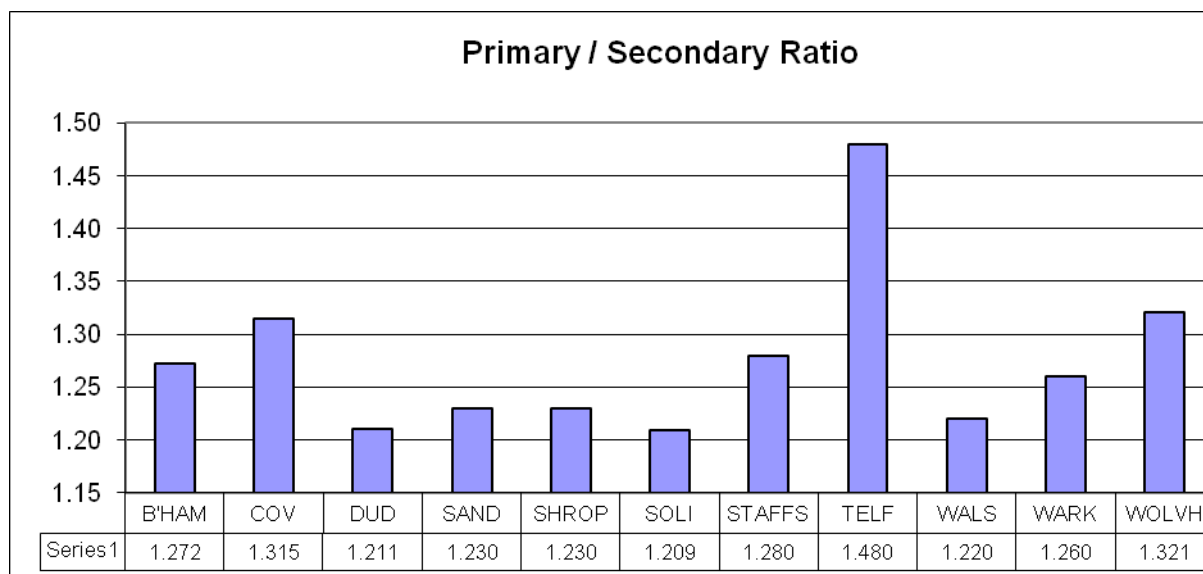
Graph Three - Pupil Led Funding as a % of the total formula for West Midland Authorities

3.3. Primary / secondary funding ratio

- 3.3.1. The graph split of funding ratios as a result of each local authorities' formula.
- 3.3.2. A ratio of 1.09 on the x axis means secondary-age pupils in a local authority receive, on average, 9 per cent more funding per head than primary-age pupils.
- 3.3.3. The overall ratio nationally across all local authorities is 1.27. Walsall's is 1.22. (Graph Four). The mean average was 1.29.
- 3.3.4. In the West Midlands the range is from 1.209 in Solihull to 1.480 in Telford
- 3.3.5. Quite noticeably Solihull, Birmingham, Dudley, Sandwell and Walsall all range between a narrow range of 1.209 and 1.23. (Graph Five)



Graph Four – ratio of primary / secondary funding



Graph Five - Primary to Secondary Ratio West Midlands

4. Analysis of Factors

4.1. This report shows several of the allocation bases and gives the Walsall position for comparison.

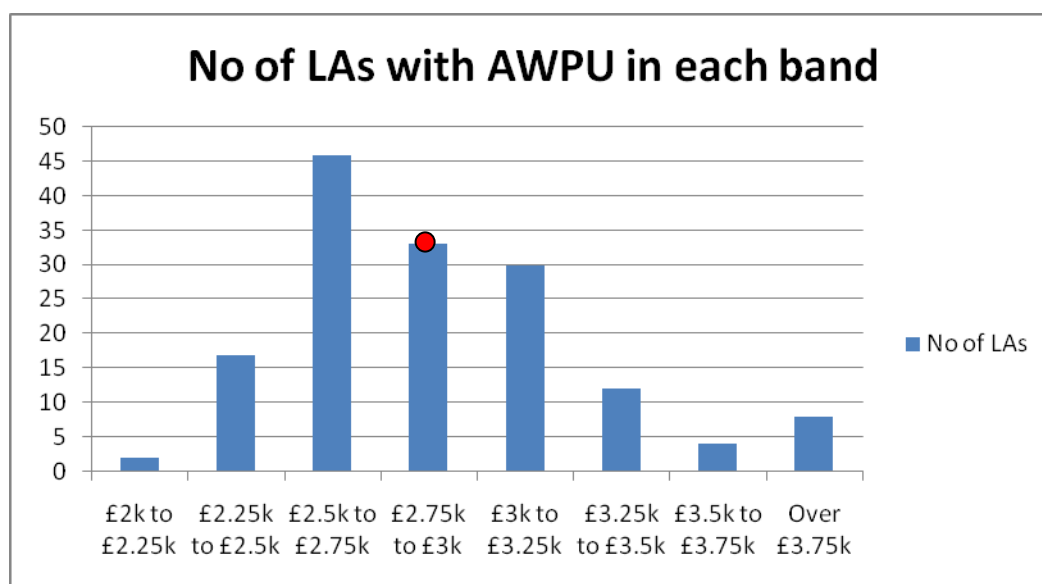
4.2. AWPU - Primary

4.2.1. The below graph shows the number of Local Authorities (LAs) with an AWPU within each band listed.

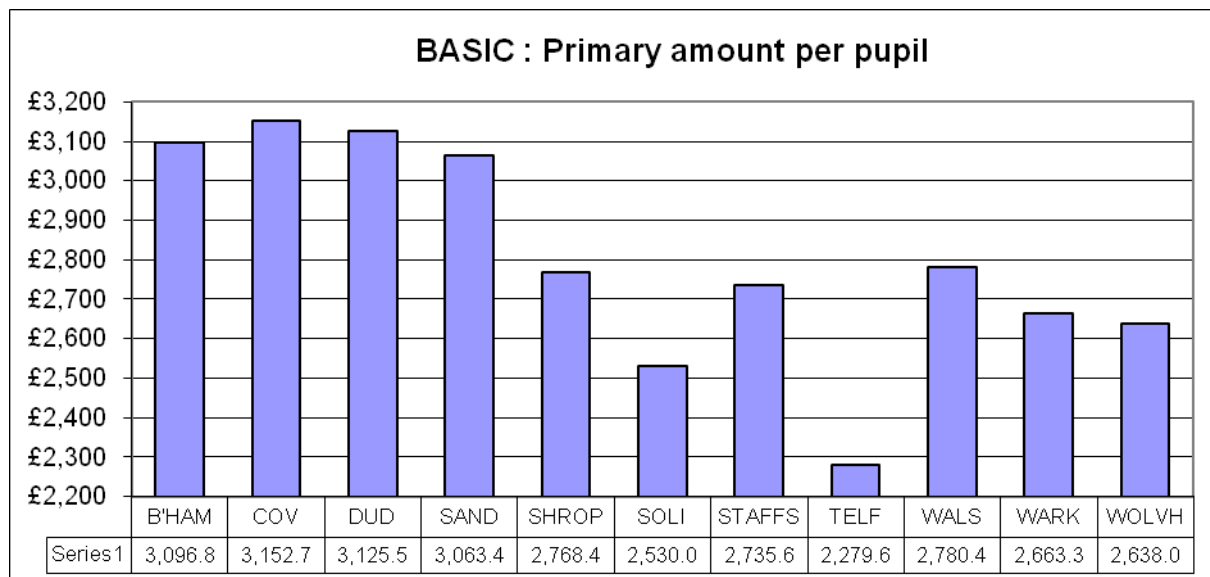
4.2.2. Walsall had an AWPU of £2,780 and so was roughly in the middle of the overall allocation. Of 152 authorities, Walsall's was 71st. (Graph Six)

4.2.3. The lowest was £2,122, the highest £5,142.

4.2.4. Graph Seven shows the split between West Midlands authorities



Graph Six – No. of LAs by Primary AWPU banding



Graph Seven - Primary AWPU values in the West Midlands

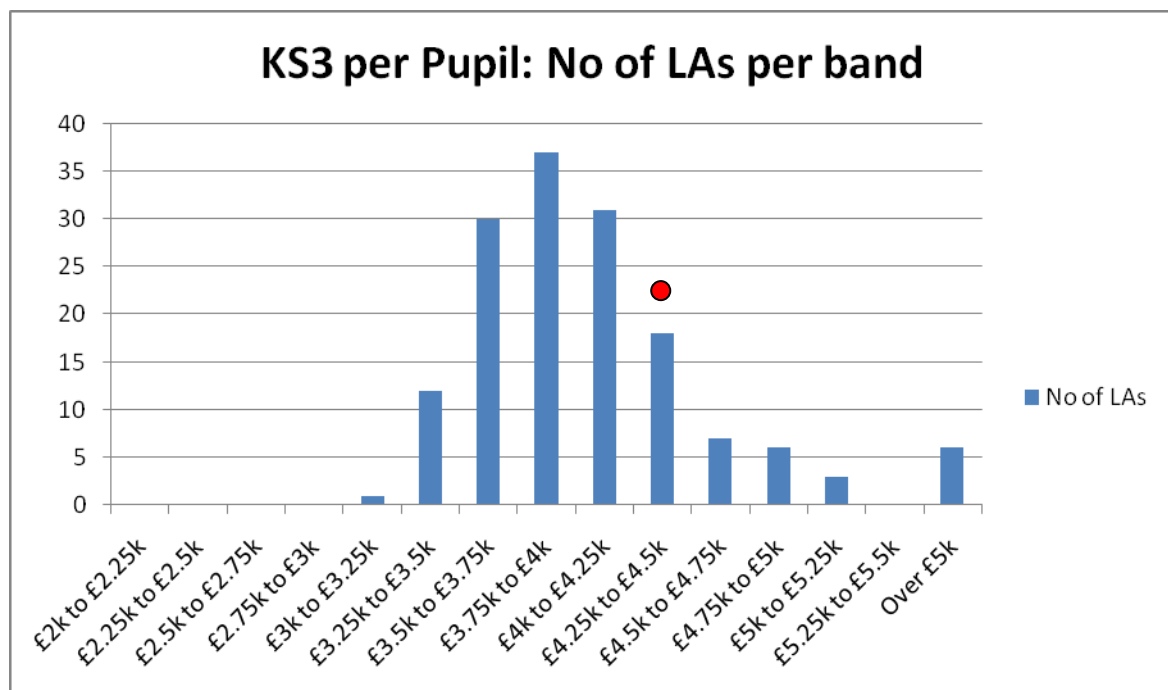
4.3. AWPU - Key Stage 3

4.3.1 Graph Eight below shows Key Stage 3 funding per pupil by band.

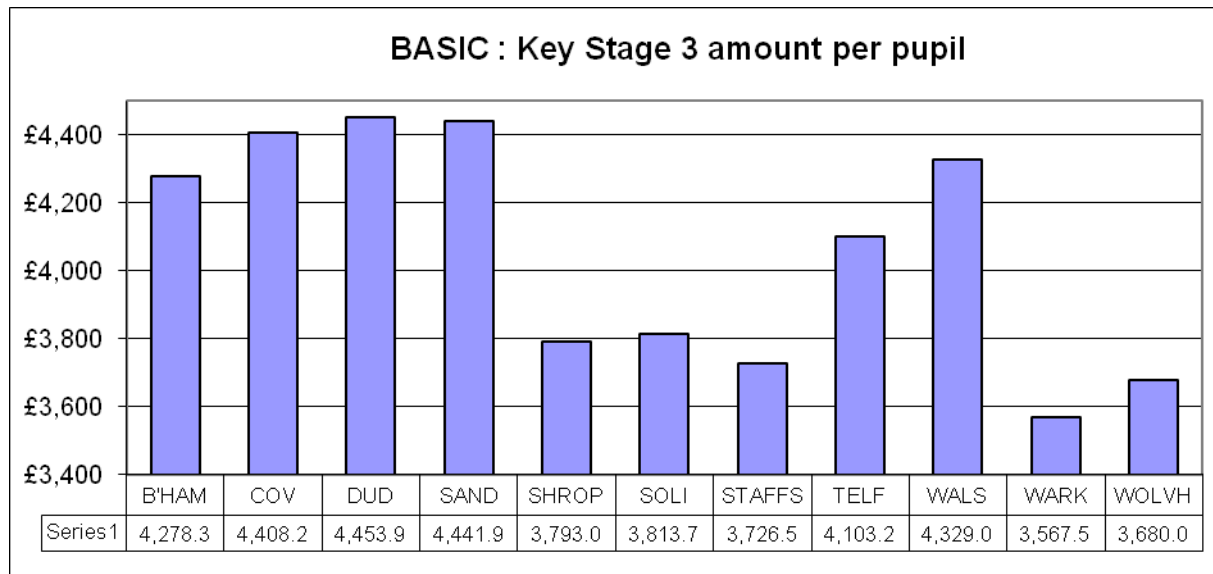
4.3.2 Walsall has a funding level of £4,329 and so was in the highest quartile for funding, 121st of 152.

4.3.3 The highest was £7,496, the lowest funded was £3,178.

4.3.4 Graph Nine shows the values used in the West Midlands



Graph Eight: No of LAs by KS3 funding banding



Graph Nine - Key Stage 3 AWPU

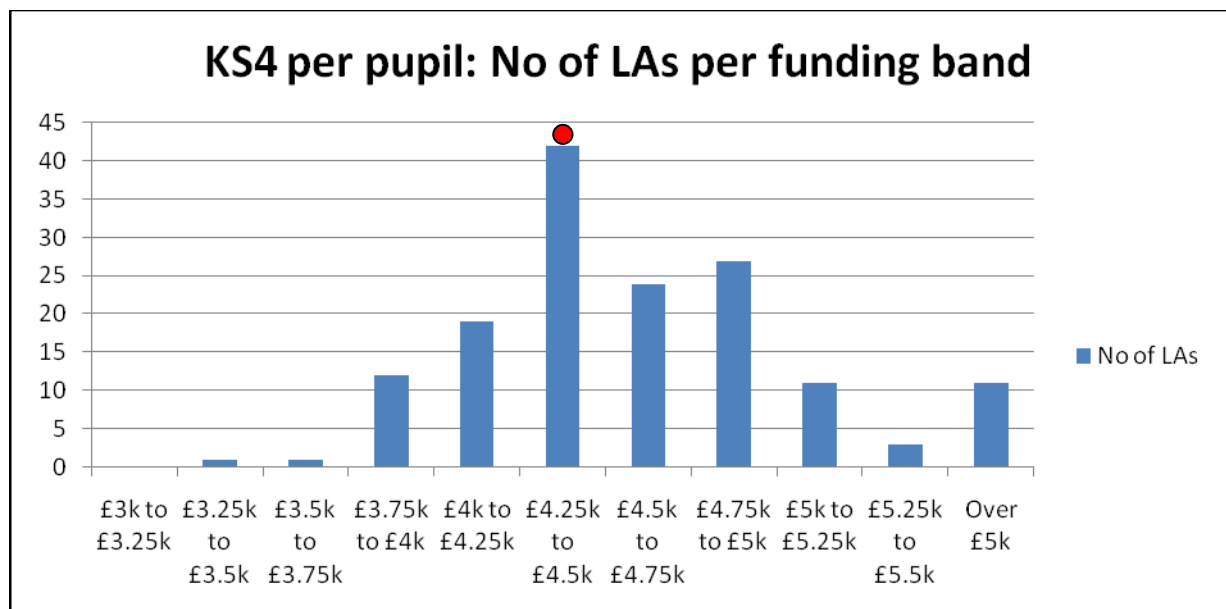
4.4. AWPU - Key Stage 4

4.4.1 Graph Ten below shows Key Stage 4 funding per pupil by band.

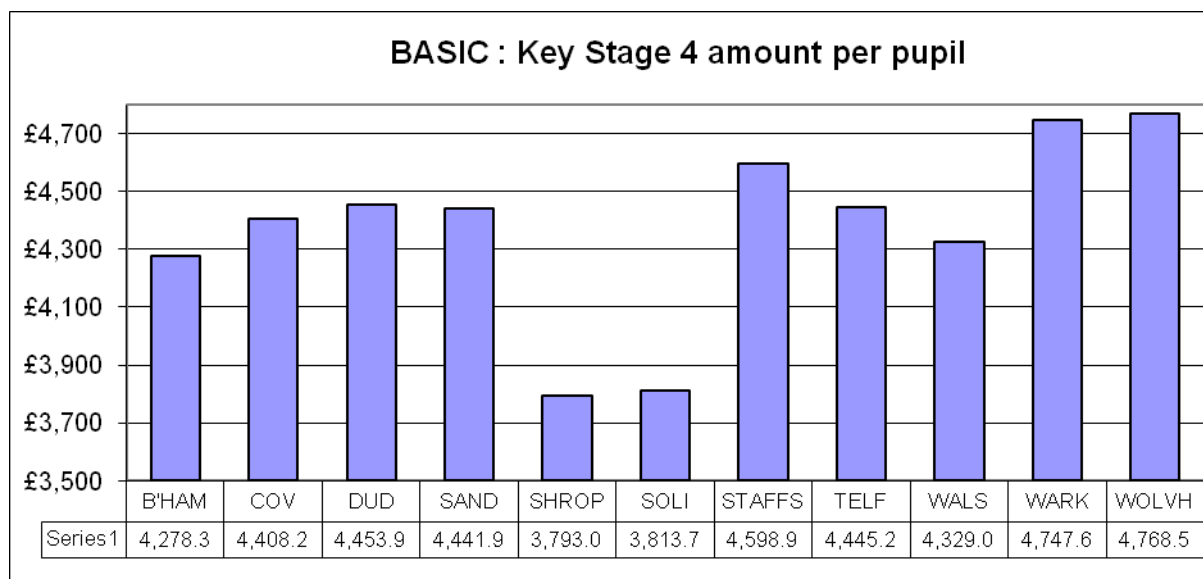
4.4.2. Walsall has a funding level of £4,329 and so was below halfway for funding, 47th of 152.

4.4.3. The highest was £10,708 (second highest £7,291), the lowest funded was £3,414.

4.4.4. Graph Eleven shows the values used in the West Midlands



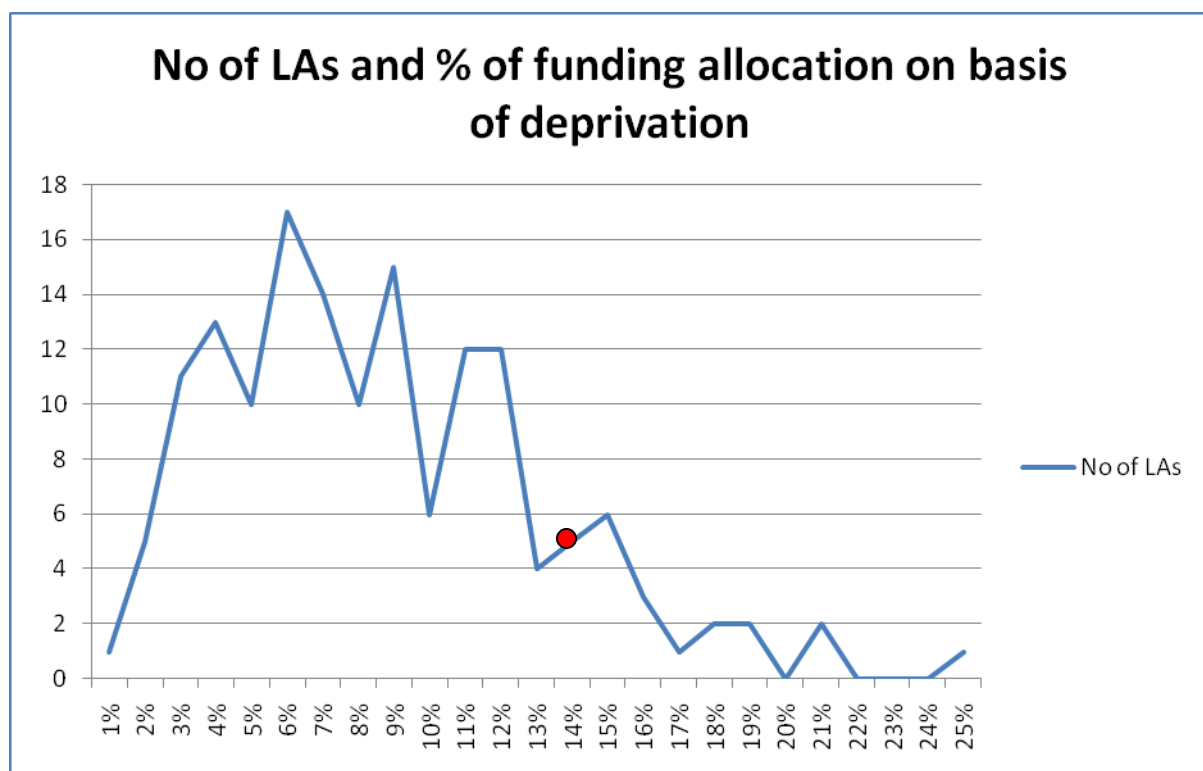
Graph Ten – KS4 funding per pupil



Graph Eleven - KS4 Values in West Midlands

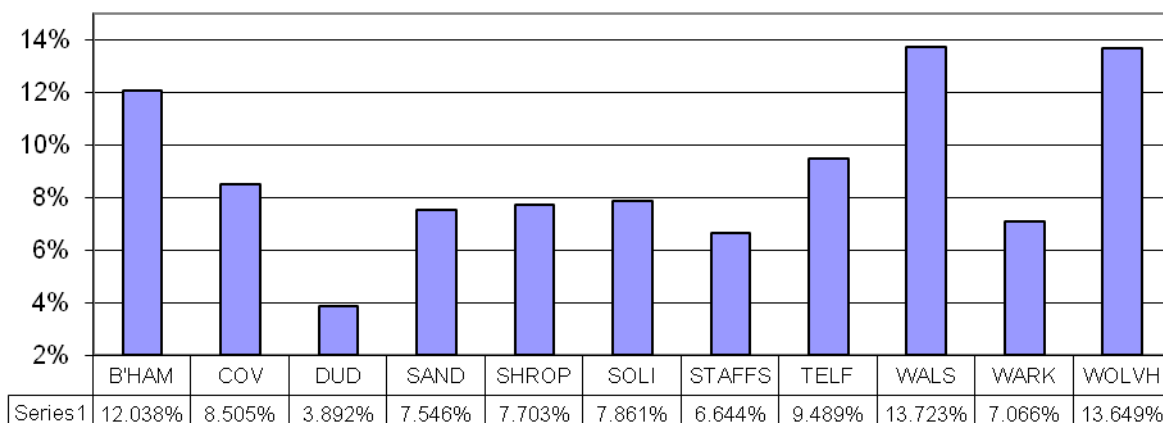
4.5. Funding allocated on basis of deprivation

- 4.5.1. Graph Twelve shows the proportion of total funding each LA put through deprivation.
- 4.5.2. Walsall has put 13.7% of funding through deprivation. This was higher than the average of 8.7%
- 4.5.3. The proportion put through varied from 1% to 25%.
- 4.5.4. Graph Thirteen shows the values for the West Midlands



Graph Twelve – proportion of funding on the basis of deprivation

% of funding through Deprivation



Graph Thirteen - West Midlands % of funding through deprivation

4.6. Looked after children

- 4.6.1. This was optional, and Walsall was one of 81 authorities to use this.
- 4.6.2. Walsall allocated £1.4k per pupil, which was higher than the average of £1k allocated by those that used this formula.

4.7. Low cost, high incidence SEN

- 4.7.1. This was again optional, though only 6 authorities declined to use it.
- 4.7.2. Walsall allocated £215 per pupil, this was one of the lowest allocations, 5th lowest for Primaries and 3rd for secondary's.

4.8. English as an Additional Language

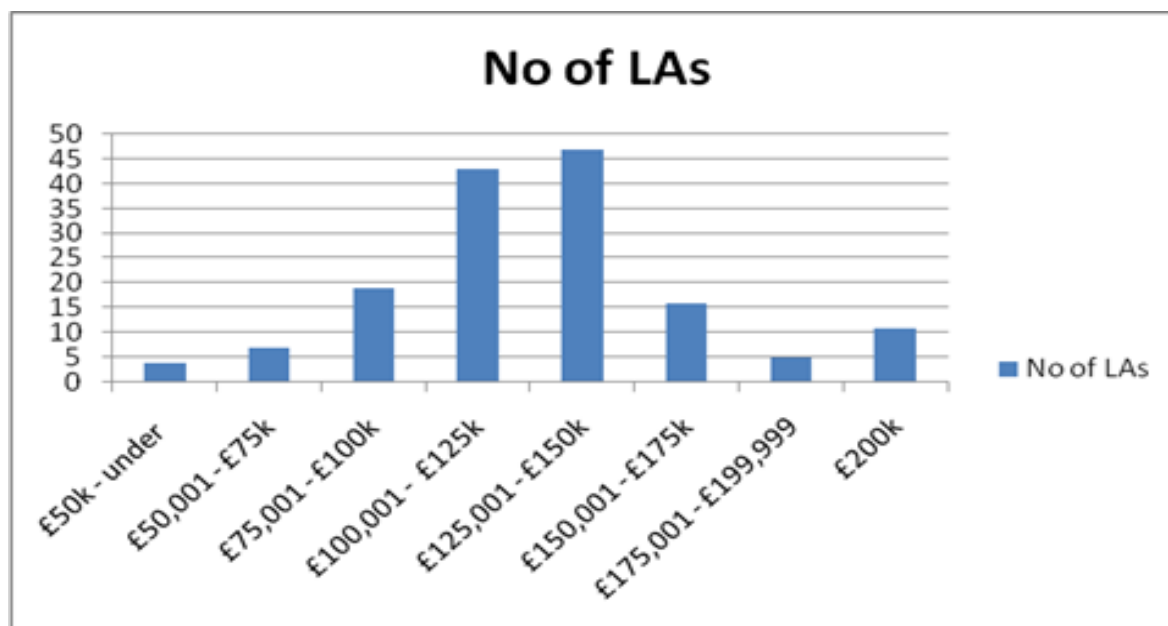
- 4.8.1. Walsall allocated £439 per pupil.
- 4.8.2. 128 authorities used this indicator, with there being greater variance in secondary's than primaries, and some high outliers paying over £3k per pupil.
- 4.8.3. In primaries the average was £591 per pupil, in secondary's £1.1k per pupil.

4.9. Mobility

- 4.9.1. Not used by Walsall, only 62 authorities used this paying between £10 and £4,900 per pupil.

4.10. Lump Sum

- 4.10.1. Walsall was one of 11 authorities to allocate the maximum of £200k per school. (Graph Ten)
- 4.10.2. The lowest was £42k, the most common £150k. The mean average was £131k.
- 4.10.3. Table 1 shows the actual lump sum used by neighbouring authorities



Graph Ten - Level of lump sums in bands

Table 1

Authority	Lump Sum
Birmingham	170,000
Coventry	160,753
Dudley	130,000
Sandwell	129,057
Shropshire	62,000
Solihull	200,000
Staffordshire	116,900
Telford	175,000
Walsall	200,000
Warwickshire	95,000
Wolverhampton	125,000

5. What does all this mean?

- 5.1. Ultimately in Walsall the process around the schools funding formula has in recent years been that Schools Forum designates a working party to design a formula which meets the needs of Walsall Schools. This is then endorsed by full Schools Forum after review. For legal reasons Walsall Council then confirm that formula.
- 5.2. The role of Schools Forum is to design a formula which is fit for purpose for Walsall and within guidance. What other LA's and areas do, does not impact on Schools Forum recommending on what is right for Walsall schools. Significant analysis can be done on what other LA's have done and national averages but it must always be the needs of Walsall children that are most important.
- 5.3. Looking through the analysis, in general it would be fair to say that Walsall distribute a little less money than other LA's through basic entitlement and overall a little less through total per pupil funding. However that is not massively significant in percentage terms.

- 5.4. The primary to secondary ratio in Walsall seems to be very close to several neighbouring authorities and authorities that are similar. Overall there is not an over riding trend. Taking into account 5.3, the fact that Walsall allocate a little less through per pupil funding therefore does not impact one sector more than another when looking on a West Midlands basis.
- 5.5. The lump sum was a point of discussion through the funding formula process. Walsall has the maximum lump sum. One of the reasons was that Walsall allocated a proportion of funding through lump sum that was intended for SEN.
- 5.6. The areas where Walsall is more 'extreme' would be areas such as funding through Low Impact High Incidence (LCHI) SEN and English as an Additional Language (EAL). The LCHI SEN is particularly 'low' based on the national and local data set.
- 5.7. It would be possible with enough analysis to develop trends but how meaningful these are is open to debate. Birmingham for instance put less funding through AWPU than Walsall do but overall they put more monies through on a per pupil basis. Birmingham does this by putting more money through LCHI SEN. Walsall schools made a conscious choice that LCHI SEN measures were not good measures of SEN and preferred not to use those in the formula.

6. Schools Funding Formula Group

- 6.1. At the meeting of 9 October 2012 Schools Forum endorsed the creation of a permanent 'Schools Funding Formula Working Group'. This would allow work to take place outside of Schools Forum meetings. The group at that time was:

Sean Flynn
Gary Crowther
Max Vlahakis
Michelle Sheehy
Heather Lomas
Jenni Ward

- 6.2. Since the meeting of 9 October 2012, two of the members have retired. Therefore Schools Forum would need to consider who would be appropriate individuals to replace Heather and Sean. Alternately, it maybe that this is left in abeyance until further formula work is required. Unless DfE publish further criteria or Schools Forum wants to make changes it would be believed that the funding formula is fit for purpose.
- 6.3. It is believed that that DfE will look to introduce a national funding formula from 2015/16. Any work for that formula would be likely done during 2014 based on recent changes. What work would need to be done on a local level is hard to predict. Schools Forum may wish to consider the option of not engaging in extensive formula review work for the 2014/15 and wait to see what DfE does next.

7. References

- 7.1. The DfE has produced a spreadsheet of each authorities funding allocations, which was used to produce the information above, it can be found here:
<http://media.education.gov.uk/assets/files/xlsm/s/la%20data%20proforma.xlsm>

7.2. The DfE has also produced a summary document, which can be found here:
<http://media.education.gov.uk/assets/files/pdf/a/january%20proforma%20analysis%20vfinal.pdf>

8. Recommendation

- 8.1. That School's Forum note the report
- 8.2. Schools Forum note that further analysis of funding formulae is available on request
- 8.3. Schools Forum to recommend whether the Schools Formula Working Group needs to have an updated membership