

## Appendix A3: Comment on the Powys School Fair Funding Formula Proposals

### Introduction

The table below provides comment on areas specifically highlighted through the consultation, by the Formula Review Group and/or by the external consultant. An officer response indicates the action taken or proposed.

Formula element	Comments arising from the consultation, from FRG or the External Consultant	Officer response
<b>Core Provision: Block 1</b>		
Class teaching	<p>Whilst the balance of consultation responses favoured a simple lump sum and per pupil funding allocation, citing the avoidance of cliff-edges and the requirement to revise class structures annually, the Formula Review Group favoured the allocative efficiency of a step-funded approach, linking funding directly to the number of classes a school would need according to the core educational model.</p> <p>This approach is only truly efficient if the model is updated for pupil numbers for each academic year, if the school's average teacher cost is used rather than the sector average and if a further adjustment is made to ensure that Foundation Phase pupils are not in classes of over 30. These adjustments are to be included in the primary model.</p> <p>The External Consultant recommends that a clear commitment is given to movement towards a simple lump sum and per pupil amount, supporting swifter budget forecasting and encouraging a greater degree of delegated responsibility.</p> <p>The FRG echoed the concerns raised by some within the consultation about the proposal to fund 10% of class teaching (for Planning, Preparation and Assessment) at the HLTA rate, citing phase inconsistency and concerns over the supply of HLTAs. The External Consultant comments that this could be an area of further collaborative development between the LA and the primary sector, to enhance the supply of well-qualified experts who could add curriculum breadth in primary schools and a route into teaching.</p>	<p>The transition from a complex formula to a simpler formula is a huge step in the right direction. Moving towards a lump sum and per pupil allocation can be developed as trust in the new approach becomes embedded and financial planning skills in schools mature.</p> <p>The LA will work with primary school leaders to develop appropriate measures to support the provision of HLTAs and expert coaches, to provide cost-effective curriculum breadth.</p>

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Sickness cover and supply costs	On reflection, the consultation proposals were inconsistent across the phases, reflecting current arrangements in many but not all schools. A simple and consistent approach was favoured by FRG and the external consultant, with a percentage uplift to cover insurance, agency staff, supply teachers and cover supervisors, without specifying a specific route.	Supply cover is now provided for within the formula.
Teachers – leadership and management	<p>The consultation proposals were for a class number allocation for primary or a simple percentage as for secondary. The responses favoured a simple percentage for both phases but FRG members were concerned to ensure adequate transparency and protection for Heads of very small schools, at least initially. FRG members also expressed concern over the calculation for additional management time in secondary schools, as this equated to a higher contact ratio than discussed during the development phase. This, combined with the capping of salary funding bands, is likely to reflect a squeeze on capacity in secondary schools, consistent with the proposal to fund PPA cover in primary schools at HLTA rates.</p> <p>The External Consultant recommends a move towards a simple percentage calculation over time, with a top-up for very small schools to protect a minimum entitlement. This would support local flexibility and innovation.</p>	<p>This will be looked at as part of future proofing the formula.</p> <p>Transitional financial support and HR advice will be provided to those schools implementing a restructuring of staffing roles and grades.</p>
Administration Support	<p>Some concern was raised about inconsistency between phases and the grades used to calculate the amount of funding.</p> <p>The External Consultant recommends that a cross-phase model based on a lump sum and per pupil allocation could be developed for implementation within a few years and this could facilitate pooled funding for cluster arrangements.</p>	<p>This will be looked at as part of future proofing the formula.</p> <p>Care is needed in considering the fairness of the allocation for administration in that SLA support services between the phases differ in scope and level.</p>

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Teaching Assistants (TA) and other Education Support Staff	<p>The different approaches proposed for primary and secondary phases do not allow for a straightforward comparison to ensure equity. Concern was raised at FRG over the apparent disconnect at the point of transition, but this is obscured by the more detailed definition of roles in secondary and by the fact that additional capacity is expected to be afforded through Block 2.</p> <p>The External Consultant recommends that a cross-phase model based on a lump sum and per pupil allocation could be developed for implementation within a few years, facilitating local innovation and flexibility.</p>	This will be looked at as part of future proofing the formula.
Additional Learning Needs Coordinator (ALNCO)	<p>The consultation proposals were not clear enough about how capacity in secondary schools would grow with school size. This was discussed with FRG and a modified proposal developed that would suit both phases in a consistent way.</p> <p>Concern was expressed that higher levels of additional need would demand greater ALNCO capacity and this would need to be covered in Block 2.</p>	<p>The final proposal reflects the need to increase ALNCO capacity with school size across all schools.</p> <p>This will also be addressed as part of the ALN review, in relation to capacity and the scope for cluster-based approaches.</p>
Capitation	Reasonableness testing had identified the need for a lump sum allocation within the primary model to ensure small schools have sufficient funding for fixed costs such a telephone line and photocopier. FRG agreed.	This has been built in to the formula.
SLAs / core package	As the planned review of SLAs was deferred, this area of the formula has not been subject to scrutiny as yet. The interface with administrative capacity and capitation will need to be taken into account when the review does take place, as a different level of support for each phase could account for differences in other areas of the formula.	The review of support service SLAs will take place in time to inform funding allocations for 2020/21.
<b>Additional Needs: Block 2</b>		
ALN Allowance	<p>The consultation sought views on the essential elements of this area of the formula. Given the ongoing ALN Review, the recommended approach is to minimise the turbulence in this block at this stage.</p> <p>FRG considered the difficulty of determining the funding pot required for this area, acknowledging that staff in schools and parents would always desire a higher level of support, whatever level of funding is available, which is entirely understandable. A minimum level of funding was considered, consistent with the existing budget,</p>	<p>This is going to be addressed more as part of the ALN review.</p> <p>Establishing a shared understanding of core provision is an essential precursor to the development of funding arrangements for the support for children and young people</p>

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	<p>less that amount that could be clearly demonstrated as having moved into the core Block 1 to reflect inclusive practice.</p> <p>The External Consultant recommends that as the new formula develops in this area care is taken to ensure its scope reflects both learning needs and the support required for vulnerable children, and that the implications for leadership and ALNCo time, for administration and non-contact time are all reflected, not just TA capacity.</p> <p>The External Consultant reflected that care is also needed to ensure that proxy indicators cannot be manipulated, that the phase balance is appropriate and that the interface with top-up funding for named pupils is as clear as possible.</p>	<p>with additional needs. The proposed formula seeks to fund inclusive provision, providing for a diversity of need in every school in Powys.</p>
<b>Property Block 3</b>		
All premises costs	<p>Many schools raised concerns that the use of historic spend on premises to guide future funding allocations would lead to poor condition school buildings and potential safety risks over the medium to longer term.</p> <p>The External Consultant noted that capital investment in building condition and energy efficiency would release savings in schools and through the formula and it would be important not to double count the benefits.</p>	<p>A review of this area will need to take place in 2019 to address any issues.</p> <p>The implications for formula funding will be modelled as part of every capital investment project in schools.</p>
Sixth Form premises	<p>The formula proposals make an adjustment to the premises calculation to reflect the proportion of the buildings used for post 16 provision. FRG and the External Consultant raised concerns that the Post 16 grant is only just adequate for marginal teaching costs and with further cuts expected, this adjustment could leave secondary schools with a funding shortfall. This is an area to cover further in work on the Post 16 formula.</p>	<p>This area will need to be looked at as part of the Post 16 review.</p>
<b>Policy priorities and exceptional circumstances Block 4</b>		
Split Site	<p>Consultation responses were polarised in this area, with strong arguments for split site schools delivering efficiency savings rather than extra costs set against equally strong arguments that a school with two sites at some significant distance must be funded as it was two schools initially before savings could be identified.</p>	<p>Split site schools have been treated as two separate schools with a couple of amendments listed in Appendix A2.</p>

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Dual Stream	<p>The consultation responses echoed FRG discussion in this important policy area, with views often reflecting the type of school represented. Consensus was only achieved over the need for equity although the implications and mechanisms for funding were not always agreed upon.</p> <p>The consultation identified two options for funding dual stream provision. On balance, the responses indicated a preference towards reflecting the actual provision taking place in each school, the balance of pupils and proportion of the curriculum taught in two languages. This approach is the most sensitive to changes in pupil numbers and could result in significant turbulence year on year.</p> <p>The External Consultant recommends strong consideration is given to a simple approach, giving both schools and the LA greater predictability in planning finances and provision.</p>	<p>The formula has been calculated assuming that the whole curriculum is available in two languages in both primary and secondary bilingual/dual stream schools, to minimise the year on year turbulence.</p> <p>This provides for the development of Welsh Education in line with the strategy.</p>
Curriculum protection in secondary schools	<p>The Curriculum Regulations require a minimum of twenty-five subjects to be offered, although there is no requirement for all to be delivered, particularly if it is not viable. This is a difficult area of policy for the LA as the discretion to provide fewer subjects rests with the school and there is a strong case for equity in curriculum breadth without penalising pupils in rural areas and small schools.</p> <p>This case was made strongly at FRG and External Consultant recommends that this could be an area of further collaborative development between the LA and the secondary sector.</p>	<p>The formula proposals ensure funding for a minimum of nine option choices in addition to core subjects. Additional breadth could be achieved through innovative and collaborative approaches.</p> <p>This aspect of the core offer will need to be discussed further with the sector, aligned to the implementation of the new curriculum.</p>