CYNGOR SIR *POWYS* COUNTY COUNCIL.

CABINET EXECUTIVE
14 December 2021

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REPORT TITLE:	**School Delegated Budget Funding Formula Review / Revisions to the Powys Scheme for Financing Schools**

REPORT FOR:	**Information / Decision**

1 Purpose

1.1 To inform members of the responses received to the consultation and to recommend changes to the School Funding Formula for mainstream Primary phase schools and revisions to the Powys Scheme for Financing Schools.

2 Background

2.1 Part of the Authority's Post Inspection Action Plan (PIAP) following the Estyn inspection in July 2019 was to maintain a rolling programme of review of the school budget formula and the Powys Scheme for Financing Schools. The remit for formula review in 2021 was to develop a schools' delegated budget formula that was suitable for the schools' estate following the implementation of the Strategy for Transforming Education in Powys.

2.2 A Formula Review Group was established with a range of stakeholders along with Council officers, chaired by the Strategic Lead for Education. The group reviewed a range of school funding formulae from other rural Welsh local authorities before developing a set of formula proposals for mainstream primary phase schools for consultation during that were consulted upon in October 2021 (the full consultation document can be found at Appendix A).

2.3 The aim of the proposed formula is to support a move to a pupil-led formula that would provide a stable, transparent and equitable funding arrangement for mainstream, primary phase schools, which will:

- Create a **more equitable provision for all learners** across Powys
- **Support the aspirations of the transformation programme**
- **Support all learners** including helping **offset the effects of disadvantage**
- **Support a collaborative schools' community** which offers effective professional learning to facilitate the self improving system.
- **Support inclusion and bilingualism, and promote access to excellence for all learners.**

2.4 The proposals are intended to support the distribution of funding to every primary phase school. The allocation of funding within the school remains a matter for the Headteacher and the Governing Body within the quantum delegated to them and the regulations that apply to the local management of schools.

2.5 Fundamentally, the proposed new formula moves away from the class funding steps that form the basis of the current formula where an increase or decrease of 1 pupil can lead to a funding increase or decrease of approximately £50,000 to £70,000.

2.6 The Formula Review Group also put forward proposals to amend the pupil numbers of primary schools with specialist centres used in the current formula to allow for reintegration of pupils to mainstream classes.

2.7 The Scheme for Financing Schools is a requirement of the School Funding (Wales) regulations 2010 and sets the framework for financial relationship between the authority and schools. A number of minor changes were consulted upon during May / June this year, in relation to procurement, the outline process to be followed if a school's financial management is not compliant with the Scheme and controls on surplus balances. The proposed changes are set out in Appendix B.

3 Consultation Proposals

Current Formula: Amendments for Primary Schools with Specialist Centres

3.1 Amendments were proposed to the current school funding formula to adjust the pupil numbers used for the mainstream funding for primary phase schools with specialist centres and to protect those schools from falling below a class funding step purely as a result of pupils attending the specialist centre. The aim of these changes is to ensure that the school has the capacity to manage reintegration of learners who attend the specialist centre.

New School Funding Formula: mainstream primary phase schools

3.2 Drawing from international best practice[1] the new formula is proposed to be based on 4 components:

- **Component 1:** Distribute a **per pupil sum to each school** – based on an agreed amount per learner in different stages and phases of their education. This sum is meant to cover the costs of running an inclusive school that can provide for the needs of all mainstream learners.

- **Component 2:** Add **funding to support pupils with a wide range of additional learning needs**. This sum should be delivered to an agreed formula/methodology.

- **Component 3:** Add **additional sums to reflect matters that are unique to the school**, or unique to a group of schools e.g. split site, dual stream, a school managing transformational change, a school that is too small to provide an effective education if dependent on its per pupil allocation. The sums should be clearly identified.

- **Component 4:** Additional **sums to promote approaches that underpin county-wide and national improvement priorities** e.g. development of the Welsh language, collaboration funding, all-age and cluster developments.

Component 1: Per Pupil Allocation

3.3 The initial Per Pupil Allocation was calculated broadly based on the current school funding formula, adjusted to remove any small school protection. This was then applied to a 135 pupil school, which was then used to provide a Per Pupil Allocation for the Foundation Phase and for Key Stage 2 pupils. While it might be expected that a formula should be designed for a 210 pupil school (which is the full single form of entry primary school), in Powys of the total number of primary phase schools only 7 are larger than the full single form of entry primary school, while 37% of Powys schools have more than 120 pupils.

3.4 The methodology also moved away from funding the notional number of teachers in the model school based on average teacher costs and instead point L2 on the Leadership scale was chosen. This more generous pay point was used as teacher costs form the largest part of schools' expenditure and to ensure that the per pupil allocations were sufficient for all schools, once the additional funds from other components are included.

Component 2: Additional Learning Needs

3.5 The distribution of the £1 million delegated funding for mainstream additional learning needs in primary phase schools was reviewed and updated during 2020 so there are no further proposed changes to that

[1] The OECD document "The Funding of School Education: Connecting Resources and Learning"

element in this consultation. However, the pupil numbers used for component 1 funding for mainstream primary phase schools with specialist centres is proposed to change to include 50% of the pupil numbers attending the specialist centres.

Component 3: Additional Funding for Unique Factors

3.6 The four component model recognises that not every school will receive sufficient funding purely through the Per Pupil Allocation and component 3 then provides additional funding for a wide range of factors that reflect the wide range of schools within Powys.

Small school top up

3.7 A move to a Per Pupil Allocation for funding distribution will inevitably not provide sufficient funding for our smallest schools with pupil numbers below 91 (in line with the Welsh Government's definition of a small school) unless additional funding is provided through a small school top up.

3.8 The initial proposal in the consultation was that the top up is scaled on bands of pupil numbers as set out below, with initial modelling suggesting the following amounts for these bands:

- 0-40 pupils: £60,000
- 41-60 pupils: £50,000
- 61-80 pupils: £30,000
- 81-91 pupils: £25,000

3.9 More detailed modelling undertaken in November using updated pupil numbers and inflation factors suggests that the very smallest schools (those with 30 or fewer pupils) need a greater level of small school top up than previously expected. It is therefore proposed that an additional band be included as follows (these figures now include inflation[2]):

- 0-30 pupils: £71,200
- 31-40 pupils: £61,200
- 41-60 pupils: £51,000
- 61-80 pupils: £30,600
- 81-91 pupils: £25,500

Class Size top up

3.10 Initial modelling showed that for schools in the range of 61 – 179 pupils the Per Pupil Allocation needed to be topped up to allow the school the required funding to run a class that is below the full capacity of 30, further benefitting smaller schools. The proposed class-size top up provides funding for the difference between actual pupil numbers and the next multiple of 30 based on £1,308 (75% of teacher grade main scale 6) for each "gap" pupil.

[2] These figures are subject to this is subject to approval as part of the Council's budget setting process

Example 1: Actual pupils in school = 78
Next 30 Multiple = 90
Difference = 12 pupils
Top up (12 x £1,308) = £15,696

Example 2: Actual pupils in school = 91
Next 30 Multiple = 120
Difference = 29 pupils
Top up (29 x £1,308) = £37,932

3.11 The table below sets out how many of the smaller schools in Powys would receive the small school top up and/or the class size top up if approved:

Number of schools receiving the Small School Top Up only	21
Number of schools receiving the Small School Top Up plus the Class Size Top Up	12
Number of schools receiving the Class Size Top Up only	25
Total	**58**

Junior School top up

3.12 The Per Pupil Allocation for the Foundation Phase includes additional funding to ensure that the recommended ratios can be met. This additional funding, and the resultant flexibility, is not available to junior schools that only have Key Stage 2 pupils.

3.13 This top up is proposed to provide junior schools with additional flexibility and is based on the funding required to employ a teaching assistant on Grade 4, point 6 for 28 hours per week, term time only.

Dual Stream top up

3.14 It is proposed that dual stream schools are funded as separate streams and top ups provided for each stream as follows:

Small Stream top up

Streams with up to 61 pupils receive an extra top up of 75% of the values above from the small school top up.

Dual stream class size top up

Calculated as set out for the class size top up above but for each language stream.

3.15 Of the 10 dual stream primary phase schools, 5 would receive a small stream top up (1 for both streams, 1 for their Welsh stream and 3 for their English streams). All dual stream schools would receive the dual stream class size top up.

Bilingual top up

3.16 It is proposed that dual stream and Welsh medium schools will receive a lump sum top up of either £3,000 (for schools with 150 pupils or fewer) or £5,000 (for schools with more than 150 pupils) in recognition of the additional costs related to bilingual resources, correspondence and administration.

Surplus Internal and External Grounds Area top ups

3.17 The per pupil allocation includes a standard internal area per pupil based on the building bulletin. This proposed top up provides a top up for the difference between the pupil led internal area and the school's actual internal area (at 90%), modelled at £39.58 per square metre. This brings the total funding provided for building size through this proposed formula to the same level as the current formula.

3.18 Similarly, the per pupil allocation includes a standard external grounds area per pupil and this top up provides a top up for the difference between the pupil led external grounds area and the 10% of the school's actual external grounds area to bring the total funding provided through this proposed formula for external grounds to the same level as the current formula. This is modelled at £3.10 per square metre.

Building Condition top up

3.19 It is proposed that the new formula retains the uplift on total premises funding to account for the condition of the building as follows:

Condition A 0%
Condition B 1%
Condition C 2%
Condition D 3%

Top up for non-domestic rates, statutory testing, insurance for premises and employees

3.20 It is proposed that the new formula provides funding to match the actual cost of non-domestic rates, statutory testing, insurance for premises and employees, as is the case with the current formula.

Component 4: Additional Funding for National or County-Wide Improvement Priorities

3.21 Component 4 provides additional sums to promote approaches that underpin county-wide and national improvement priorities, linked to the National Mission, Regional School Improvement Grant and so on. This entire section of the proposed formula will develop over time to ensure the formula moves forward with the priorities and vision of the council and of the Welsh education system. There are no specific proposals for this component at this point.

Proposed Implementation

3.22 It is proposed that the implementation of the proposed formula is staggered over 3 years to mitigate any risk and minimise disruption, whilst also providing a clear signal regarding the direction of travel, allowing schools to plan for full implementation.

3.23 The implementation proposed is as follows

Year 1 2022-23 = 20% new formula, 80% current formula.
Year 2 2023-24 = 50% new formula, 50% current formula.
Year 3 2024-25 = 100% new formula, if appropriate following a full review of the previous years.

Revisions to the Powys Scheme for Financing Schools

3.24 The proposed revisions to the Scheme are set out at Appendix B to this report and relate to minor changes relating to procurement, the outline process to be followed if a school's financial management is not compliant with the Scheme and controls on surplus balances.

4 Responses to the Consultation

4.1 30 schools responded to the consultation, which is 49% of the 77 mainstream, primary phase schools in Powys. Responses to the questions where schools were asked if they agreed or disagreed with a specific proposal are analysed in Appendix C and comments received as part of the consultation can be found at Appendix D, along with the officers' responses to them.

Current Formula: Amendments for Primary Schools with Specialist Centres (Questions 4 & 5)

4.2 There was strong support for both proposed changes in the responses received to the consultation, with 25 respondents agreeing to the proposed changes to the pupil numbers and 26 respondents agreeing to the protection from falling below a class funding step purely as a result of pupils attending the specialist centre.

New School Funding Formula: Four Components (Questions 6 & 7)

4.3 26 respondents agreed or strongly agreed with basing the new funding formula on the 4 components set out above, with 2 respondents disagreeing and another 2 respondents indicating a neutral response.

Component 1: Per Pupil Allocation

4.4 Questions 8 – 15 related to the elements included within the calculation of the Per Pupil Allocation. Common issues raised by respondents relate to the cost elements within this. Because traditionally there have been clear distributions of funding for very specific areas of work, this appears to cloud the process of moving towards a formula that seeks to deliver a

total allocation for a school, which should then be distributed by the Headteacher and Governing Body to deliver what they need as a school. It is at their discretion how various parts are managed within a school, and should not seek to identify 0.6 FTE for administration as being a proposed contract allocation, any more than they should seek to pay every teacher L2 because that is also in the proposed funding model. The model is only intended to provide an equitable and transparent global sum to each school, and it is for the schools themselves to take the relevant decisions within that budget.

4.5 Overall, the responses to questions 8 – 15 were supportive of the methodology used to calculate the Per Pupil Allocation.

Component 3: Additional Funding for Unique Factors

Small school top up (Question 16)

4.6 Of the 30 responses received for this question, 14 agreed with the proposal of a small school top up, 10 were neutral and 6 disagreed, sufficient support for this proposed top up.

Class Size top up (Question 17)

4.7 18 of the 30 respondents agreed with the proposed class size top up, with 4 respondents disagreeing and the remaining 8 being neutral, sufficient support for this proposed top up.

Junior School top up (Question 18)

4.8 13 of the 30 respondents agreed with the proposed Junior School top up,12 were neutral and 5 disagreed, sufficient support for this proposed top up.

Dual Stream top ups (Question 19)

4.9 Of the 30 responses received for this question, 15 agreed with the proposal for dual stream top ups, 12 were neutral and 3 disagreed, there is sufficient support for this proposed top up.

Bilingual top up (Question 20)

4.10 18 of the respondents agreed with the proposal to provide a bilingual top up for Welsh medium or dual stream schools, 9 respondents were neutral and 3 disagreed, meaning that there is sufficient support for the bilingual top up.

Surplus Internal and External Grounds Area top ups (Questions 21 and 23)

4.11 14 respondents agreed with the proposed surplus internal area top up, 10 respondents were neutral and 6 disagreed, sufficient support for the surplus internal area top up.

4.12 Of the 30 responses to the External Grounds top up, 12 respondents agreed with the proposed surplus external grounds area top up, 14 were neutral and 4 disagreed, sufficient support for this proposed top up.

Building Condition top up (Question 22)

4.13 22 respondents agreed with the proposal to maintain the building condition top up, 5 were neutral and 3 disagreed, sufficient support for the building condition top up.

Top up for non-domestic rates, statutory testing, insurance for premises and employees (Question 24)

4.14 Of the 30 responses to this question, 27 agreed with the proposed top up with 2 neutral and no respondents disagreeing, indicating strong support for this top up.

Proposed Implementation (Questions 26 & 27)

4.15 17 respondents agreed that implementation should be phased and 15 agreed that it should be phased over 3 years. 9 respondents disagreed with phasing implementation with a further 1 respondent disagreeing with phasing over 3 years. There appears to be no compelling reason not to phase implementation of the new formula over 3 year period.

Revisions to the Powys Scheme for Financing Schools

4.16 A total of 6 responses were received to the consultation on the changes to the Scheme in May / June 2021 and these are set out in Appendix C, along with comments on them. None of the responses opposed the proposed changes.

4.17 The results of the consultation were reported to Schools Budget Forum in July 2021 and the revisions to the Scheme were approved by the Schools Budget Forum at that meeting.

5 Feedback from Schools Budget Forum

5.1 The proposals and the consultation responses were discussed at the School Budget Forum on 12th November and their comments on the specific areas of the consultation are set out in the paragraphs that follow.

5.2 The Forum was content with the proposed changes to the current formula for primary schools with specialist centres.

5.3 The Forum was content with the proposal to base the new funding formula on the four components set out in paragraph 3.2 above.

5.4 The Forum was broadly content with the methodology used to calculate the initial Per Pupil Allocation subject to the caveats set out below regarding the overall impact of the formula changes on individual schools.

5.5 The Forum was content with the proposed top ups under Component 3 for unique factors affecting Powys schools.

5.6 The Forum asked that cabinet be made aware of their concerns as set out below:

5.6.1 That if Service Level Agreement (SLA) funding were delegated within the per pupil allocation, schools would bear the risk of increased costs being passed on to them without the delegated funding being increased in line with this.

5.6.2 That it should not be assumed that the current funding provided for premises / grounds maintenance matches the amount that schools need to spend to keep their buildings and grounds in order.

5.6.3 the impact on individual schools - requested that Cabinet be given the detailed breakdown of this.
Please note that some data items are not available until January so these figures are subject to further change, however both the current formula and the proposed formula have been calculated on a like for like basis to enable comparison. All schools would be supported as they transition to their new funding, if approved.

5.6.4 the impact on particular groupings of schools eg large / small.

5.6.5 the opportunity to continue to review the formula as it is phased in.

5.6.6 evidence that the proposed funding formula meets the requirements of the School Funding (Wales) Regulations 2010.

6 Resource Implications

6.1 Modelling of the proposed changes to the current formula for mainstream primary phase schools with specialist centres indicates that £378,000 more would be distributed through the formula but this can be accommodated within budget from the existing amount of schools delegated budget retained by the authority for redistribution for ALN purposes.

6.2 Updated modelling of the proposals for the new formula indicate that the proposals would provisionally require an additional approximately £135,000 to be added to the anticipated primary phase school funding for 2022-23 based on the current primary school estate. If implemented as proposed this would be phased over three years with £27,000 in 2022-23; and the remaining £108,000 in future years. These figures are tentatively included within the School's Delegated Financial Resource Model.

6.3 Inflation has been included in the updated modelling but this is subject to approval as part of the Council's budget setting process.

6.4 The Head of Finance (Section 151 Officer) notes the content of the report. The implementation of the proposed formula will incur costs and these will need to be considered as the Council develops its financial plans including the use of savings generated through the Schools Transformation Programme.

7 Legal implications

7.1 The School Funding (Wales) Regulations 2010 set out the requirements of the School Funding Formula and these are set out in Appendix F. The proposed school funding formula meets the requirements set out in the Regulations.

7.2 Legal : The recommendation can be supported from a legal point of view.

7.3 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".

8 Data Protection

8.1 The proposals do not involve the processing personal data.

9 Comment from local member(s)

9.1 Not applicable

10 Impact Assessment

10.1 The proposed formula changes will lead to a stable, transparent and equitable funding arrangement for mainstream primary phase schools which will create more equitable provision for all primary aged pupils across Powys, supporting collaboration, inclusion and bilingualism, supporting all learners including helping offset the effects of disadvantage. Risks to schools with a reduced level of funding will be mitigated by the proposed phasing in of the proposals, providing support for schools to reduce their costs and access to the wider "Team around the School" to support them with the transition.

11 Recommendations

11.1 It is recommended that:

11.1.1 the proposed amendments to the current formula for primary schools with specialist centres be implemented in full from 1 April 2022;

11.1.2 the initial Per Pupil Allocation is calculated using the cost elements set out in Appendix A of the Consultation document;

11.1.3 Component 3 includes a top up for small schools, scaled by bands of pupil numbers, for schools with fewer than 91 pupils;

11.1.4 Component 3 includes a class size top up for schools with between 61 and 149 pupils (inclusive) as calculated in 3.9 above;

11.1.5 Component 3 includes a junior school top up as set out in 3.10 – 3.11 above;

11.1.6 Component 3 includes a dual stream top up which includes a small stream top up and a dual stream class size top up as set out in 3.12 above.

11.1.7 Component 3 includes a bilingual top up for Welsh medium or dual stream schools, as set out in 3.13 above;

11.1.8 Component 3 includes a surplus internal area top up as set out in 3.14 above;

11.1.9 Component 3 includes a surplus external grounds area top up as set out in 3.15 above;

11.1.10 Component 3 includes a building condition top up as set out in 3.16 above;

11.1.11 Component 3 includes a top up to match the actual cost of non-domestic rates, statutory testing, insurance for premises and employees;

11.1.12 Implementation is phased over a three year period;

11.1.13 The revisions to the Powys Scheme for Financing Schools as set out in Appendix B and approved by Schools Budget Forum are agreed.

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School Funding Formula Review Consultation Document for consultation (Dates 5th to 22nd October 2021)

Table of Contents

Background

- The current funding formula came into effect in the 2019-20 financial year following a fundamental review carried out to create a clear and transparent funding model to deliver a core educational offer to schools in Powys.
- The funding formula should be subject to ongoing review and should underpin the local authority's vision for the education of its school pupils, as set out in the Strategy for Transforming Education in Powys 2020-2030, with learner entitlement at its core.

Aims and scope

- The proposals on which we are consulting are intended to support a move to a pupil-led formula whilst also securing stability for schools across Powys. This should provide a stable, transparent and equitable funding arrangement for schools, which will:

    - Create a **more equitable provision for all learners** across Powys

    - **Support the aspirations of the transformation programme**
    - **Support all learners** including helping **offset the effects of disadvantage**
    - **Support a collaborative schools' community** which offers effective professional learning to facilitate the self improving system.
    - **Support inclusion and bilingualism, and promote access to excellence for all learners.**
- The proposals will apply to primary schools and the primary phase of all-age schools only. Work on reviewing the formulae for secondary schools and special schools is ongoing and will align with the progression of the Strategy for Transforming Education in Powys 2020-2030.
- So as not to destabilise schools' finances, it is proposed that the introduction of a new funding formula for primary schools should be introduced on a phased implementation over three years.
- In addition to designing a new funding formula, the current formula has also been reviewed and some changes have been proposed which will affect primary schools with specialist centres only, which are also part of this consultation.

Process

- The Formula Review Group was established with a range of stakeholders. The group has been meeting with Council officers since June 2021 to review the formula and develop proposals for consultation.
- During the summer term the group looked at developing models and some "reasonableness" testing, refining options and proposals. This work carried on over the summer leading to the development of a set of proposals for this consultation.
- Council officers and the group also looked in depth at other Local Authority funding formulae across Wales to aid with the proposals.

Amending the Current Funding Formula: Pupil Numbers (Primary Schools with Specialist Centres)

- The pupil numbers used in the current funding formula to determine delegated funding do not currently include the pupils attending the specialist centres that form part of some Powys primary schools, which has the potential to limit the ability for reintegration of those pupils into mainstream education. It is proposed that the pupil numbers used for calculating the delegated funding be increased by 0.5 for each pupil attending the specialist centres at those schools.
- It is further proposed that primary schools with specialist centres should be protected from their formula funding falling below the next class threshold purely as a result of the number of their pupils on roll that attend the specialist centre.
- Both these measures would protect these schools' ability to reintegrate pupils.

Question 4: Do you agree that the pupil numbers used in the current funding formula should be increased by 0.5 for each pupil attending the specialist centres at those primary schools with specialist centres?

Question 5: Do you agree that primary schools with specialist centres should be protected from their formula funding falling below the next class threshold (in the current formula) purely as a result of the number of their pupils on roll that attend the specialist centre?

Please note, primary schools with specialist centres will receive additional funding to reflect the costs incurred through the school budget as a result of the specialist centre provision (which will include management time, lunchtime supervision, PPA, resources and training). This funding will be outside the formula, and will be designed to ensure that schools are not at detriment by providing a specialist centre, and will support schools to ensure that pupils based in the specialist centre can also enjoy mainstream experiences as appropriate.

Designing the New Funding Formula for Primary Schools

- Globally, there are many approaches to the funding of schools. The OEDC document "The Funding of School Education Connecting Resources and Learning" has aided the development of these proposals.

- Effective jurisdictions often have different components to their distribution models, such as the following 4 areas:

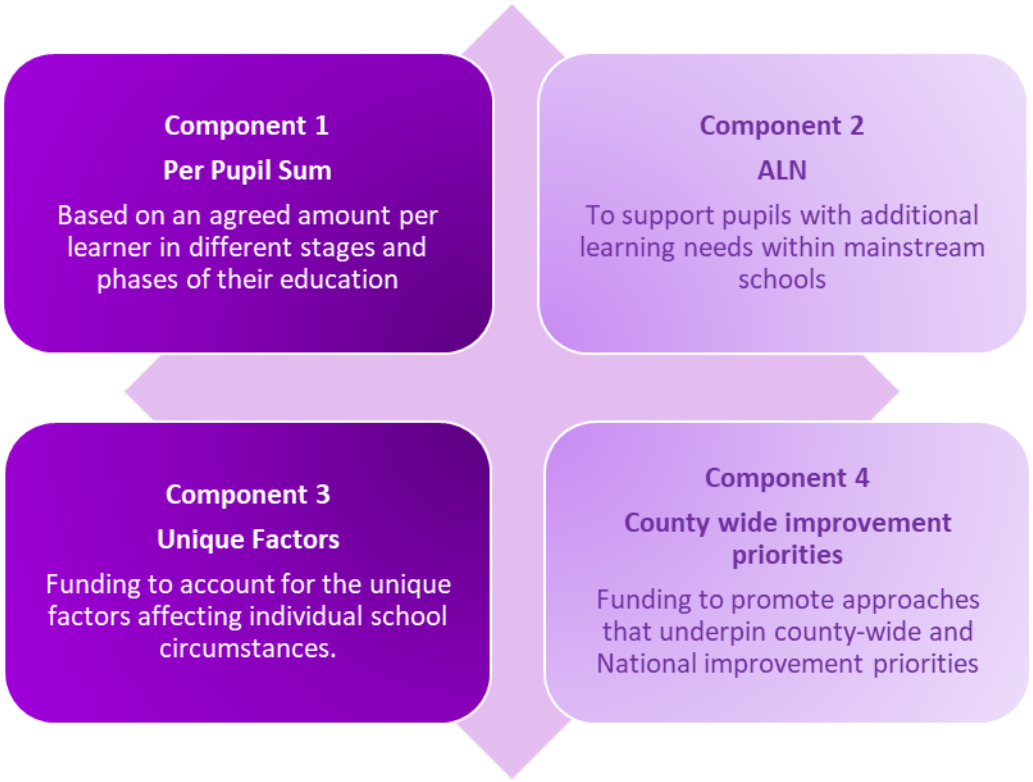
    - Distribute a **per pupil sum to each school** – based on an agreed amount per learner in different stages and phases of their education. This sum is meant to cover the costs of running an inclusive school that can provide for the needs of all mainstream learners.

    - Add **funding to support pupils with a wide range of additional learning needs**. This sum should be delivered to an agreed formula/methodology.

    - Add **additional sums to reflect matters that are unique to the school**, or unique to a group of schools e.g. split site, dual stream, a school managing transformational change, a school that is too small to provide an effective education if dependent on its per pupil allocation. The sums should be clearly identified.

    - Additional **sums to promote approaches that underpin county-wide and national improvement priorities** e.g. development of the Welsh language, collaboration funding, all-age and cluster developments.

- The proposed revised formula has been broken down into four component led funding streams, as per the diagram below. Each component of the formula is described in detail within this consultation paper. Components 1 and 3 are the main ones impacted through these proposals.



Question 6: Do you agree that a revised funding formula should be based on these four components?

Question 7: If not, please explain why and let us know if we have missed anything.

Component 1 – Per pupil sum

- Distributes a per pupil sum to each school – based on an agreed amount per learner in different stages and phases of their education. This sum should cover the costs of running an inclusive school that can provide for the needs of all mainstream learners.

- The methodology for calculating the per pupil amount for the different stages in the Primary phase is based on the current formula but any compensation for unique factors (e.g. small school) removed to be included within Component 3. The detail of the changes are set out in Appendix A) and includes the following areas:

    - Teachers incl. PPA and Leadership
    - Teaching Assistants (Foundation Phase ratios)
    - Mid-day Supervisors (Foundation Phase ratios)
    - Administrative support / Supply / ALNCo / Capitation
    - SLAs
    - Premises: 4.1sqm per pupil at £38.90 per square metre
    - Grounds: £3.05 per square metre for for grounds costs, funded at 10% of total grounds area based on average total grounds area of 15000sqm

- All parameters must meet regulatory requirements, respecting health and safety guidelines and workload management needs.

Question 8: Do you agree with the changes to the teacher funding calculation included in the Per Pupil Allocation?

Question 9: Do you agree with the changes to the administrative support calculation included in the Per Pupil Allocation?

Question 10: Do you agree with the changes to the teaching assistants calculation included in the Per Pupil Allocation?

Question 11: Do you agree with the changes to the Additional Learning Needs Coordinator (ALNCo) calculation included in the Per Pupil Allocation?

Question 12: Do you agree with the changes to the SLA funding calculation included in the Per Pupil Allocation?

Question 13: Do you agree with the changes to the premises funding calculation included in the Per Pupil Allocation?

Question 14: Do you agree with the changes to the grounds funding calculation included in the Per Pupil Allocation?

Question 15: Please list any other elements that you think should be included.

Component 2 – Additional Learning Needs Funding

Primary Sector

- This funding block is intended support schools to provide an inclusive education, for pupils with a wide range of ALN.
- The current methodology for distribution of this element of funding was reviewed and updated for the 2021-22 financial year (the description of this methodology can be found within Appendix A). It has already been consulted upon and has been implemented in the 2021-2022 financial year. Additional targeted funding for pupils with high level needs is provided outside the general distribution formula.

Component 3 – Unique Factors

- Powys County Council has a significant range of differences between its schools e.g. size, language of instruction, condition of buildings.
- This component is designed to ensure that learners in all schools have an equity of provision. Items listed here provide additional sums to reflect matters that are unique to individual schools, or unique to a group of schools e.g. dual stream schools, a school managing

transformational change, a school that is too small to provide an effective education if entirely dependent on its per pupil allocation, school buildings in poor condition and so on.

- The description of these funding adjustments is in **Appendix B (Component 3 section – Unique factors)**.

- There is no proposed change to the way Rates, Statutory testing, Premises and Employee insurance are funded.

- There is no proposed change to the building condition top up from the current formula.
- A new bilingual administration top up is provided for in this section to recognize some of the additional costs incurred by schools that are required to produce their materials and correspondence in both languages.

Question 16: Do you agree that there should be a small schools' top up for the Primary Sector (as described in Appendix B)?

Question 17: Do you agree with how the proposed class size top up is funded for the Primary Sector (as described in Appendix B)?

Question 18: Do you agree that there should be a Junior School top up to allow some flexibility for these schools (as described in Appendix B)?

Question 19: Do you agree with the proposed Dual Stream funding for the Primary Sector (as described in Appendix B)?

Question 20: Do you agree with providing a bilingual top up for Welsh medium or dual stream schools (as described in Appendix B)?

Question 21: Do you agree with how the proposed Surplus Square meterage on internal floor area (as described in Appendix B)?

Question 22: Do you agree with maintaining the building condition top up funding method?

Question 23: Do you agree with how the Grounds area adjustment is funded (as described in Appendix B)?

Question 24: Do you agree with continuing the current funding arrangements for non-domestic rates, Statutory testing, Premises and Employee insurance?

Question 25: Please provide any comments on the proposals for Component 3 – Unique Factors, or any other elements that should be included.

Component 4 – County wide and national improvement priorities

- This Component provides additional sums to promote approaches that underpin county-wide and broader improvement priorities, linked to the National Mission, Regional School Improvement Grant and so on.

- This entire section of the proposed formula will develop over time to ensure the formula moves forward with the priorities and vision of the council and of the Welsh education system.

Implementation

- Changes to a distribution method will cause changes to individual schools' total funding. How this is managed is key to a school being able to ensure continuity and smooth transitioning for the staff and pupils.

- It is proposed that the implementation of the proposed formula is staggered over 3 years to mitigate any risk and minimise disruption, whilst also providing a clear signal regarding the direction of travel.

- The implementation proposed is as follows

    - Year 1 2022-23 = 20% new formula, 80% current formula.
    - Year 2 2023-24 = 50% new formula, 50% current formula.
    - Year 3 2024-25 = 100% new formula, if appropriate following a full review of the previous years.

Question 26: Do you agree that the implementation of the new formula should be phased?

Question 27: Do you agree with the proposed phasing over 3 years?

Future-proofing

- In order to maintain the integrity of the formula, arrangements will be needed to periodically review the underlying principles, educational model and the cost of delivery. The Council will commit to consider:

    a. Educational changes, including the full implications of the new national curriculum, developments in digital learning and local education policy.

    b. Financial changes such as cost pressures, procurement initiatives, "invest to save" strategies etc.

    c. Demographic changes, in the number of pupils, their distribution and characteristics.

    d. Structural changes relating to the organisation of school provision or in the functions delegated to schools.

    e. Legislative changes, particularly those affecting direct school provision and/or the education of children with additional needs.

- The Schools' Budget Forum has an important role to play in advising the local authority in this matter.

Question 28: What other comments about the School Funding Formula would you wish to make?

Appendix A: Methodology for initial Per Pupil Allocation – Primary Phase

To arrive at the initial Per Pupil Allocation the funding was built up of the elements listed below for a school with 135 pupils. The Per Pupil Allocations (for Foundation Phase and Key Stage 2) will be applied across all primary schools based on their pupil numbers.
For future years, the per pupil allocations will be inflated by a single inflation factor (to be determined each year).

Component 1 – Per Pupil Allocation	**Proposed Basis for a per pupil sum to each school** – based on an agreed amount per learner in different stages and phases of their education. This sum to cover the costs of running an inclusive school that can provide for the needs of all mainstream learners	***Current Analysis of Powys School Fair Funding Formula Primary***
Teachers	A school has funding of: • 1.0FTE teacher per 30 pupils. • 0.1FTE for Management time. • An additional FTE uplift for leadership and Management capacity based on 10% of class teacher funding. • A Planning and Preparation Allowance (PPA) is added based on 10% of teacher contact time, funded at HLTA Grade 7 (Mid-point). The above elements dictate the notional number of Teachers to be funded in the model school and this is then funded at approx. Leadership point L2 (rather than average teacher costs) to allow for leadership time.	*A school has a minimum funding of:* • *1.5FTE teachers,* • *0.2FTE for Management time* • *An additional FTE uplift for leadership and Management capacity based on 10% of class teacher funding,* • *A Planning and Preparation Allowance (PPA) is added based on 10% of teacher contact time, funded at Grade 7 (Mid-point).* *Number of classes are then calculated on a stepped approach of 30 per class based on the pupils on the pupil count date.* *An average teacher cost for each primary school is calculated and used to fund the notional number of Teachers to be funded in each school as per the basis above.*
Admin Support	0.1FTE for every funded class. (Grade 4, mid point)	*Every primary school receives a minimum funding of 0.4FTE (37hrs, term time only Grade 4 mid-range), then 0.1FTE for every additional funded class above the first class.*
Supply	£710 per FTE funded Teacher.	*£710 per FTE funded Teacher per primary school.*
Teaching Assistants	Funded 1FTE (28hrs, term time only, Grade 4 mid-range) for every 19 foundation phase pupils.	*Minimum funding of 1FTE (28hrs, term time only, Grade 4 mid-range) then 0.5FTE for every additional funded class above the first class.*
Mid-day supervisors	Funded 1 x 1hr post per day per 30 foundation phase pupils and per 75 KS2 pupils (Grade 3 mid-point, term time only).	*Funded 1 x 1hr post per 30 foundation pupils and 75 KS2 pupils (Grade 3 mid-point, term time only).*
Additional	Funded 0.1FTE teacher per 100 pupils.	*Funded 0.1FTE teacher up to 100 pupils. Then*

Learning Needs Coordinator (ALNCO)	Funded at upper payscale 3 (UPS3)	*an additional 0.1FTE per every 100 pupils thereafter (funded at AVTC rate).*
Capitation	Lump sum of £1500 £52 for each funded pupil.	*Lump sum of £1500* *Plus £52 for each funded pupil.*
Service Level Agreement (SLAs) / core package	Funded at £47 per pupil	*All corporate SLAs with schools delegated (Finance, HR, employment services and BPU) are funded in line with the exact charge that is levied for the enhanced offering, whether they opt into the service or not.*
All premises costs excluding Rates and Statutory testing	4.1sqm internal area allowed per pupil (in line with Building Bulletin recommendations) funded at £38.90 per square metre for Premises (excluding Grounds) costs. Funded at 90% of the standard internal floor area required for the pupil numbers at the school.	*A sum of £38.25 per Square metre for Premises costs (excluding Grounds and leased halls). Funded at 90% of the internal floor area.* *Plus, a % uplift depending on the following Category that the school has for building, energy and Cleaning.* • *A = 0%* • *B = 1%* • *C = 2%* • *D = 3%*
Grounds	A sum of £3.05 per square metre for grounds costs. Funded at 10% of total grounds area based on average total grounds area of 15000sqm.	*A Sum of £3 per square metre for Ground costs for 10% of the grounds area.*
	See component 3	*Leased halls will be funded on actual costs incurred in previous financial year, but will be assessed by property to show best value.*
	See component 3	*Rates and Statutory testing: The school is funded the exact charge it is levied.*

Appendix B: Proposed Analysis of Funding Formula – Primary Phase

Analysis of Powys School Fair Funding Formula Primary schools

Pupil Numbers
Pupil counting date is the Friday in the first week following the October Half Term.
The numbers on roll in mainstream classes plus 50% of specialist centre pupils (to allow for reintegration) in all years are used to calculate funding for Reception to Years 6.

Component 1 - Curriculum Lead Funding Streams	**Basis for a per pupil sum to each school** – based on an agreed amount per learner in different stages and phases of their education. This sum to cover the costs of running an inclusive school that can provide for the needs of all mainstream learners
Per pupil funding for Component 1 is applied to all schools based on actual pupil numbers. The amounts per pupil are as follows Foundation Phase pupil = £4,025 KS2 pupil = £3,116	
Component 2 - ALN	General allowance to support pupils with additional learning needs within mainstream schools. Additional support is provided on top of this outside the formula for pupils with high level needs.
ALN Allowance	The total ALN funding for primary schools less the cost of the ALNCo, is split over all primary schools using proxy indicators: • Learners on the SEN / ALN Register (80%) • Learners entitled to Free School Meals (20%)
Component 3 – Unique factors	These are funding adjustments made to the Component 1 pupil led funding to account for the unique factors affecting individual school circumstances.
1. Small School Top up	Schools with fewer than 91 pupils receive an additional small school allowance as follows • 0-40 pupils = £60,000 • 41-60 pupils = £50,000 • 61-80 pupils = £30,000 • 81-91 pupils = £25,000
2. Class Size top up	Schools with between 3-6 classes receive this additional top up to manage class sizes as follows: • This top up funds the difference between the actual pupils and the next 30 multiple so that each school has the required pupil led funding to run a class that is below the full capacity of 30. • Schools receive per pupil funding based on £1,266 (75% of grade MS6). *Example: Actual pupils in school = 78* *Next 30 Multiple = 90* *Difference = 12 pupils* *Top up = £15,192*

3. Junior Schools top up	• Junior schools have a top up for TA support as they attract no Foundation Phase TA through the Pupil led Component 1 element. • Top up of 1FTE (14hrs, term time only, Grade 4 mid-range) is provided as a lump sum.
4. Dual Stream	These schools are funded as separate streams and top ups provided on each stream as follows <u>Dual Stream class size top up</u> • Same as the class size top up above but for all classes in each stream. <u>Small Stream top up</u> • Streams with up to 61 pupils receive an extra top up of 75% of the values above from the small school top up.
5. Bilingual Top Up	Welsh Medium and Dual stream schools will receive a top up as follows in recognition of additional costs of bilingual resources, correspondence and administration • 150 pupils or less = £3,000 lump sum • 151 plus pupils = £5,000 lump sum
6. Surplus SQM floor area / Grounds area adjustment	• Top up provided for any schools where the actual floor area SQM is higher than the standard per pupil SQM funded in Component 1. Funded at £38.90 per "surplus" SQM (up to 90% of the standard internal floor area). • Adjustment made for external grounds area to reflect 10% of actual grounds area where this differs from the area per pupil funded in Component 1
7. Building Condition	• This % uplift is applied to the total premises funding after the surplus SQM top up to account for the condition of the building. Condition A 0% Condition B 1% Condition C 2% Condition D 3%
8. Rates, Statutory Testing, Employee Insurance and Premises Insurance	• Funded at actual cost per school
All-age & Split Site schools	• Will be funded as 2 separate schools
Component 4 - County wide improvement Priorities	To promote approaches that underpin county-wide improvement priorities
	• To be developed in partnership with schools over time

Appendix C: Analysis of Current Funding Formula – Primary Phase

Analysis of Powys School Fair Funding Formula Primary

Pupil Numbers

Pupil counting date is the Friday in the first week following the October Half Term.
The numbers on roll in all years are used to calculate funding for Reception to Years 6

Curriculum Lead Funding Streams Core Block 1	
Teachers	A school has a minimum funding of: • 1.5FTE teachers, • 0.2FTE for Management time • An additional FTE uplift for leadership and Management capacity based on 10% of class teacher funding, • A Planning and Preparation Allowance (PPA) is added based on 10% of teacher contact time, funded at Grade 7 (Mid-point). Number of classes are then calculated on a stepped approach of 30 per class based on the pupils on the pupil count date. An average teacher cost for each primary school is calculated and used to fund the notional number of Teachers to be funded in each school as per the basis above.
Admin Support	Every primary school receives a minimum funding of 0.4FTE (37hrs, term time only Grade 4 mid-range), then 0.1FTE for every additional funded class above the first class.
Supply	£710 per FTE funded Teacher per primary school.
Teaching Assistants	Minimum funding of 1FTE (28hrs, term time only, Grade 4 mid-range) then 0.5FTE for every additional funded class above the first class.
Mid-day supervisors	Funded 1 x 1hr post per 30 foundation pupils and 75 KS2 pupils (Grade 3 mid-point, term time only).
Additional Learning Needs Coordinator (ALNCO)	Funded 0.1FTE teacher up to 100 pupils. Then an additional 0.1FTE per every 100 pupils thereafter (funded at AVTC rate).
Capitation	Lump sum of £1500 Plus £52 for each funded pupil.
Service Level Agreement (SLAs) / core package	All corporate SLAs with schools delegated (Finance, HR, employment services and BPU) are funded in line with the exact charge that is levied for the enhanced offering, whether they opt into the service or not.
ALN Block 2	

ALN Allowance	The total ALN funding for primary schools less the cost of the ALNCo, is split over all primary schools using proxy indicators: • Learners on the SEN / ALN Register (80%) • Learners entitled to Free School Meals (20%)
Property Block 3	
All premises costs excluding Rates and Statutory testing	A sum of £38.25 per Square metre for Premises costs (excluding Grounds and leased halls). Funded at 90% of the internal floor area. Plus, a % uplift depending on the following Category that the school has for building, energy and Cleaning. • A = 0% • B = 1% • C = 2% • D = 3% A Sum of £3 per square metre for Ground costs for 10% of the grounds area. Leased halls will be funded on actual costs incurred in previous financial year, but will be assessed by property to show best value.
Rates, Statutory Testing and Premises Insurance	The school is funded the exact charge it is levied.
Block 4	
Split Site	Split Site schools are funded as two separate sites for all elements of the funding formula except for the following adjustments • Funded as a single school for Admin • Funded as a single school for ALNCO
Dual Stream	Funded as one single stream for all elements of the funding formula except for the following additions • Teacher & Teaching assistant (pupil led) funding – run as two streams.
All through School	Funded as two separate schools except for the following adjustments • Remove the minimum 0.2 Management time capacity (primary formula) • ALENCO as one school

Cabinet Report - Appendix B

Key:

Existing text in Scheme

Proposed changes to Scheme

Changes to the Powys Scheme for Financing Schools

Change 1: Section 2.10 Purchasing, tendering and contracting requirements

i. To amend paragraph (a)
ii. add a clarifying paragraph immediately after paragraph (d)
iii. add a clarifying sentence at the end of the following paragraph

(a) to do anything incompatible with any of the provisions of the scheme, or any statutory provision, ~~or any EU Procurement Directive~~;

(b) to seek Local Authority officer countersignature for any contracts for good or services for a value below £60,000 in any one year;

(c) to select suppliers only from an approved list;

(d) to seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

For the purposes of the Procurement regulations, schools are viewed as discrete operational units if they choose to purchase independently. However, schools must ensure that their individual purchases for the same or similar goods and services do not exceed the thresholds set out in the Public Contract Regulations 2015 (which enact the Official Journal of the European Union (OJEU) thresholds) after aggregating their own orders.

The County Council has established a list of approved suppliers and there is an expectation that schools will utilise these contracts in order to ensure and demonstrate they are they obtaining value for money. Details of these contracts can be found at http://intranet.powys.gov.uk/index.php?id=390. Whilst Schools are under no obligation to use such lists, providers have been subjected to a rigorous vetting process.

Change 2: Section 2.17 Use of LA powers to suspend delegation

To replace the paragraph immediately following the table

After Point 5 above and where the Authority deems it appropriate to issue a Warning Notice to a school the Welsh Government Schools Causing Concern Guidance 2017 (222/2017) will be adopted alongside the relevant legislative provisions.

with the following paragraphs providing greater clarity:

The Authority may issue a notice of concern at any stage in the table above.

Where the Authority deems it appropriate, the authority may issue a Warning Notice to a school and will adopt the Welsh Government's Schools Causing Concern Guidance 2017 (222/2017) alongside the relevant legislative provisions.

Where a warning notice has been issued which has not been complied with to the satisfaction of the local authority within the compliance period, the school is eligible for intervention, as set out in the Welsh Government's Schools Causing Concern Guidance 2017 (222/2017).

Change 3: Section 4.2 Controls and recovery of surplus balances

i. To remove the paragraph relating to automatic clawback
ii. To add in a paragraph regarding a surplus of more than £10,000 or 5% of the budget share
iii. To add in a paragraph after paragraph b) setting out when the authority could ask for some or all of a surplus balance to be repaid

~~The Authority will automatically clawback year end balances which exceed 5% of the delegated school budget share or £10,000 whichever is greater. Schools may request to carry forward a balance greater than 5% or £10,000 which will be considered and approved the Chief Education officer.~~

Where a cumulative surplus balance exceeds 5% of the school budget share or £10,000, whichever is greater, the Authority will request a statement from the governing body as to the use that it proposes to make of that cumulative surplus.

In addition, the authority may direct the governing body as to how to spend the surplus in the school balance for a funding period, if:

a) in the case of a Primary school the surplus is £50,000 or more, and
b) in the case of a Secondary School or Special school the surplus is £100,000 or more

The Authority may, if the governing body does not comply with such a direction, require the governing body to pay all or part of that surplus to the authority to be applied as part of the Authority's schools budget for the funding period in question.

Schools with balances above these limits will be required to report to the Authority on the proposed use of the planned surplus in subsequent years. Planned use of surplus funds will be considered by the Authority and approved where appropriate.

~~Any funding clawed back form schools will be held as a reserve for the benefit of all schools.~~

Cabinet Report - Appendix C

Responses to Consultation on Changes to the Powys Scheme for Finance Schools

Comments on proposed changes	Local Authority's response
In relation to Change 3: Section 4.2 Controls and recovery of surplus balances and the surplus figure of £10,000: *"My feedback then would be that this figure is far too low £10,000 is a very small amount and should be higher - not the £50,000 it was but not as low"*	The thresholds are set out in the School Funding (Wales) regulations 2010 and are not at the authority's discretion.
"They all look sensible to me."	Comment noted
In relation to Change 1: Section 2.10 Purchasing, tendering and contracting requirements *"Surely this is incompatible with the deletion in (a)? i.e we are outside EU law?"* *"So why not delete para c and insert this."* In relation to Change 2: Section 2.17 Use of LA powers to suspend delegation *"As you are aware there seems a lack of clarity how you get out of having a warning notice. This would be the place to give some statement on how this judgement is made. For example you either move to the interventions in 222/2017 within 12 months or the warning notice is withdrawn."*	The Public Contract Regulations 2015 (which enact the Official Journal of the European Union (OJEU) thresholds) remain in force in the UK. A more thorough review of the Scheme will be undertaken and this comment will feed into those considerations.
"The annexes regarding maintenance are not included. During the past year we had other priorities, but I think the annexes should be included with the document and if there are proposed changes that should be subject to consultation as well."	A more thorough review of the Scheme will be undertaken and the annexes will be updated and consulted on at that stage.
"I am glad to see that the Authority has moved away from automatic clawback. It always seemed unfair and	

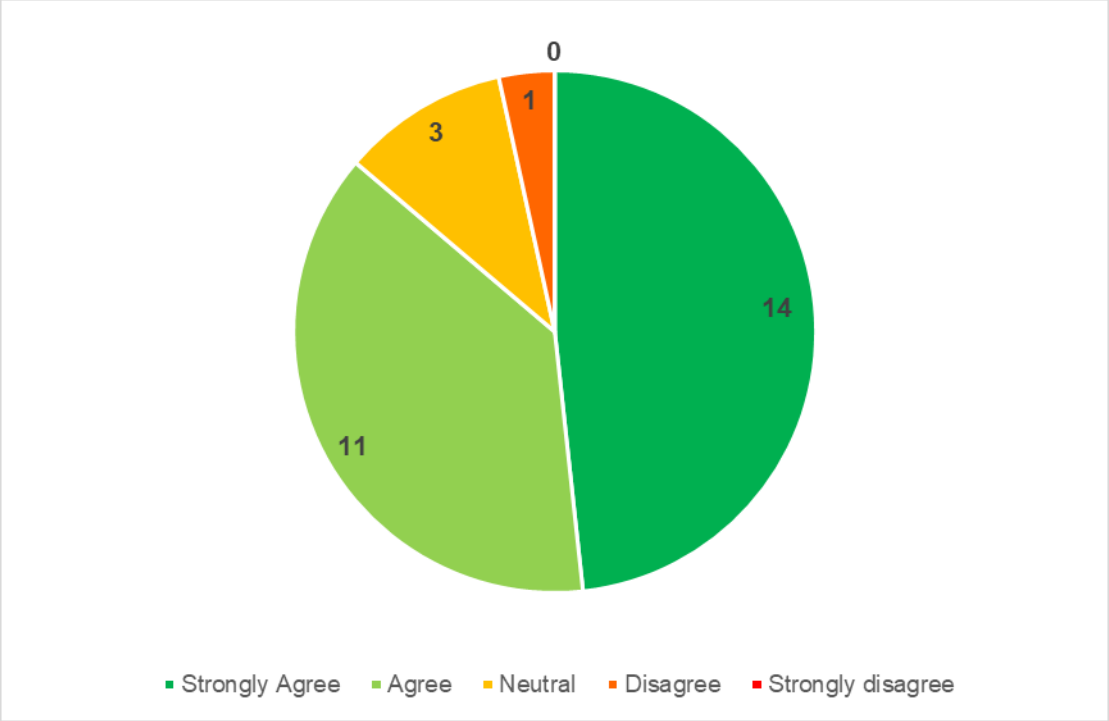
PCC never got the drafting of the relevant clause quite right. Subject to two points below, the new controls on surplus balances in the revised section 4.2 would appear to give the Authority adequate means of persuading schools to commit over-large reserves. The two points are:	
(a) The wording of the redraft means that if (for example) a primary school has a surplus balance of £60,000 (i.e. £10,000 over the £50,000 limit) the Authority may direct the GB how to spend the whole £60,000, not just the £10,000 excess and if the GB does not comply the Authority can grab the whole £60,000. Was this really the Authority's intention? Assuming that the power to direct how to spend and the right to require repayment were intended to apply only to the excess over £50,000 or £100,000, I suggest that the draft should read: *"In addition, if the cumulative surplus of a Primary school exceeds £50,000, or the cumulative surplus of a Secondary school or Special school exceeds £100,000, the Authority may direct the Governing Body of that school as to how to spend the excess over £50,000 or £100,000 (as the case may be).* *The Authority may, if the Governing Body does not comply with such a direction, require the Governing Body to pay all or part of the excess to the Authority… etc…"*	The wording is taken directly from Schedule 4 of the School Funding (Wales) Regulations 2010.
(b) *Any Governor looking at a school budget should be able to identify at a glance whether the cumulative surplus exceeds 5% of "school budget share" but I believe the phrase doesn't actually appear in school budgets – and looking up section 47 of the 1998 Act doesn't help much either. If the figure for the school's "Budget Share" is the same as for either "Delegated Budget" or "Total Delegated Funds" I suggest that section 4.2 should say so. If it is different from both of them then it and the correct figure should be added as a line in school budgets.*"	A school's budget share is the delegated budget as determined by the funding formula. This can be clarified in school budgets.

"The management Committee at [redacted] has considered closely the proposed changes to the Powys Scheme for Financing Schools. *We have unanimously agreed to offer our approval of the changes. The changes add welcome clarification on the selected items, and we consider that the statements around management of surpluses are reasonable and acceptable."*	Comment noted

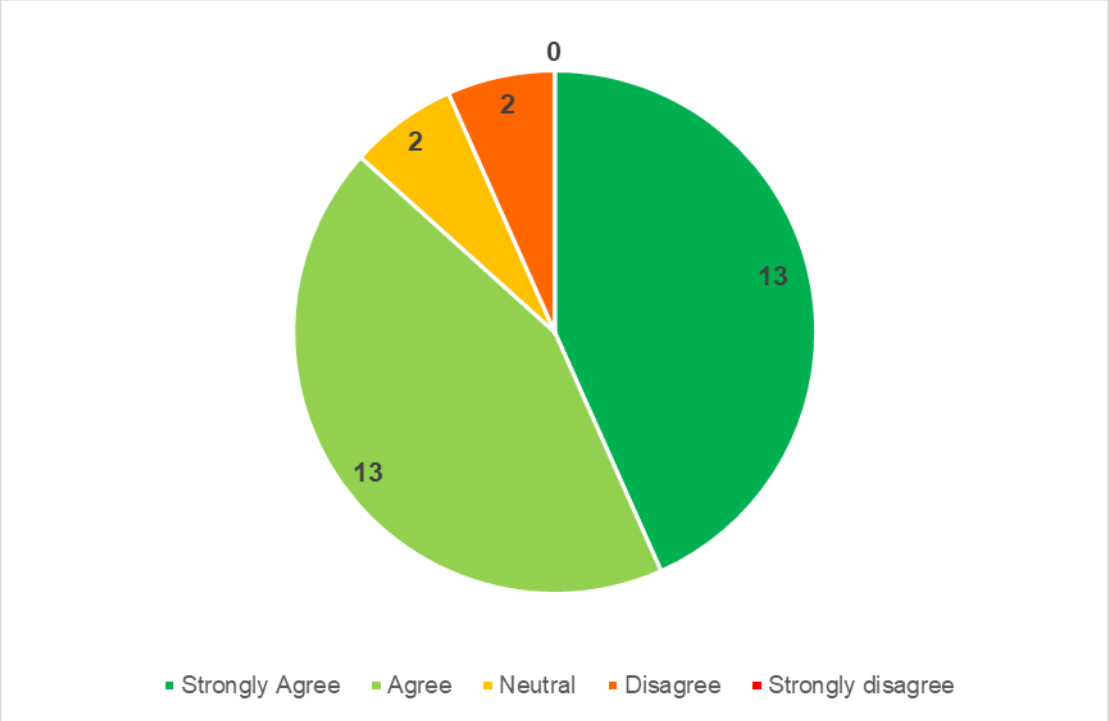
Responses to the Funding Formula Consultation Questions

Current Formula: Pupil Numbers for Primary Schools with Specialist Centres

Question 4: Do you agree that the pupil numbers used in the current funding formula should be increased by 0.5 for each pupil attending the specialist centres at those primary schools with specialist centres?

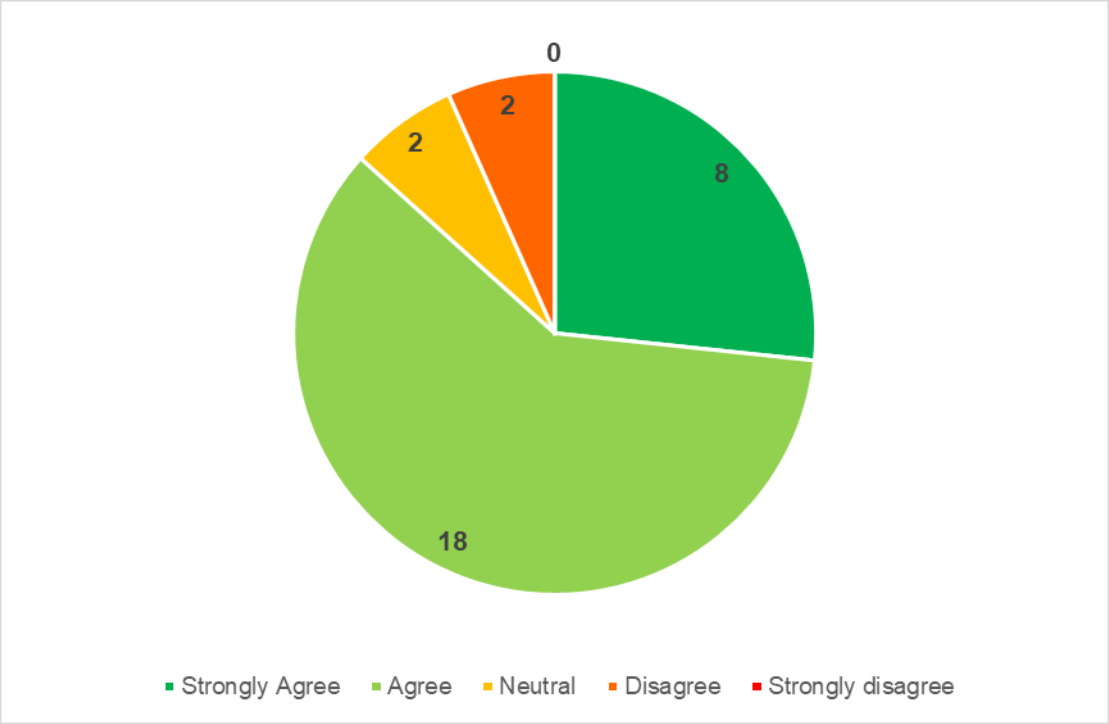


Question 5: Do you agree that primary schools with specialist centres should be protected from their formula funding falling below the next class threshold (in the current formula) purely as a result of the number of their pupils on roll that attend the specialist centre?



Proposed Formula: Four Components

Question 6: Do you agree that a revised funding formula should be based on these four components?

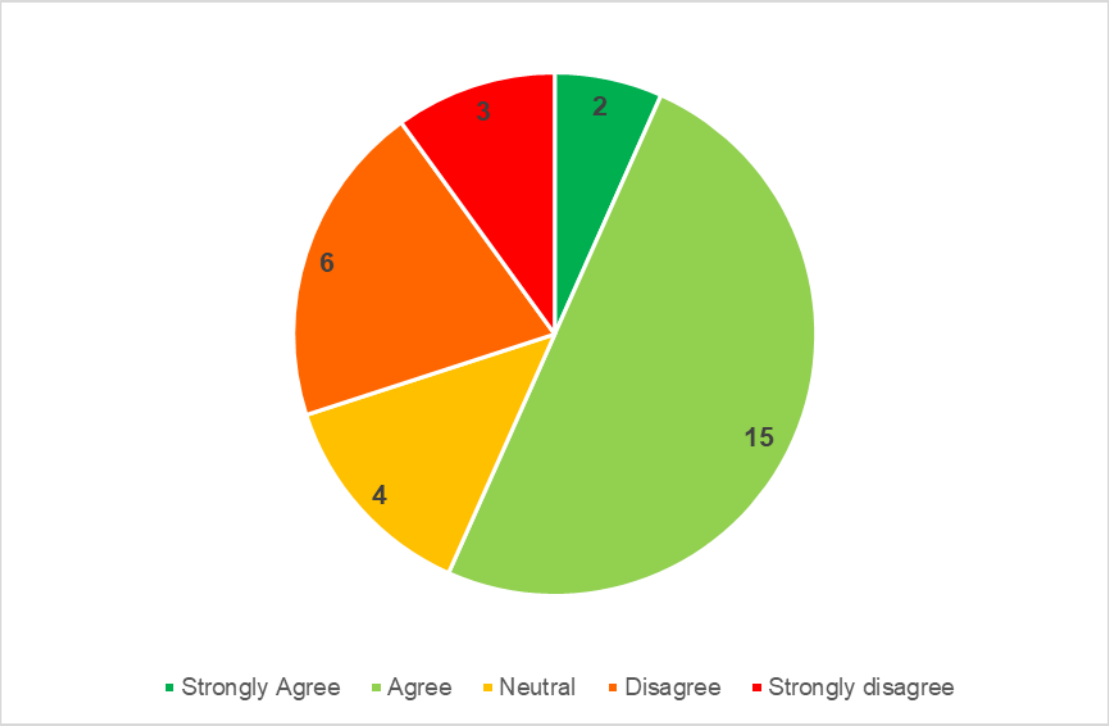


Question 7: If not, please explain why and let us know if we have missed anything

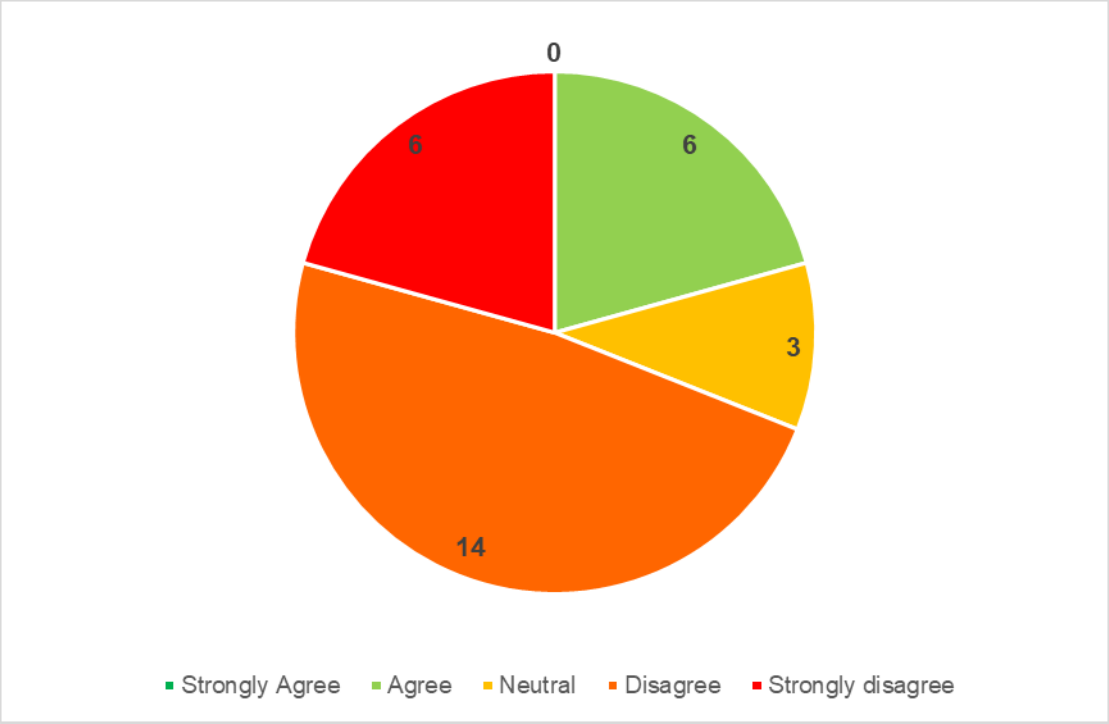
This methodology seems to be sensible; however, without knowing the other options, their pros and cons and why these were rejected in favour of the four-component method it is impossible to make an informed decision.
No other method has been shared with us. The pros and cons have not been explained and indicative figures have not been supplied for comparison. Furthermore, the logic for the metrics chosen have not been explained.

Proposed Formula: Component 1 – Per Pupil Allocation

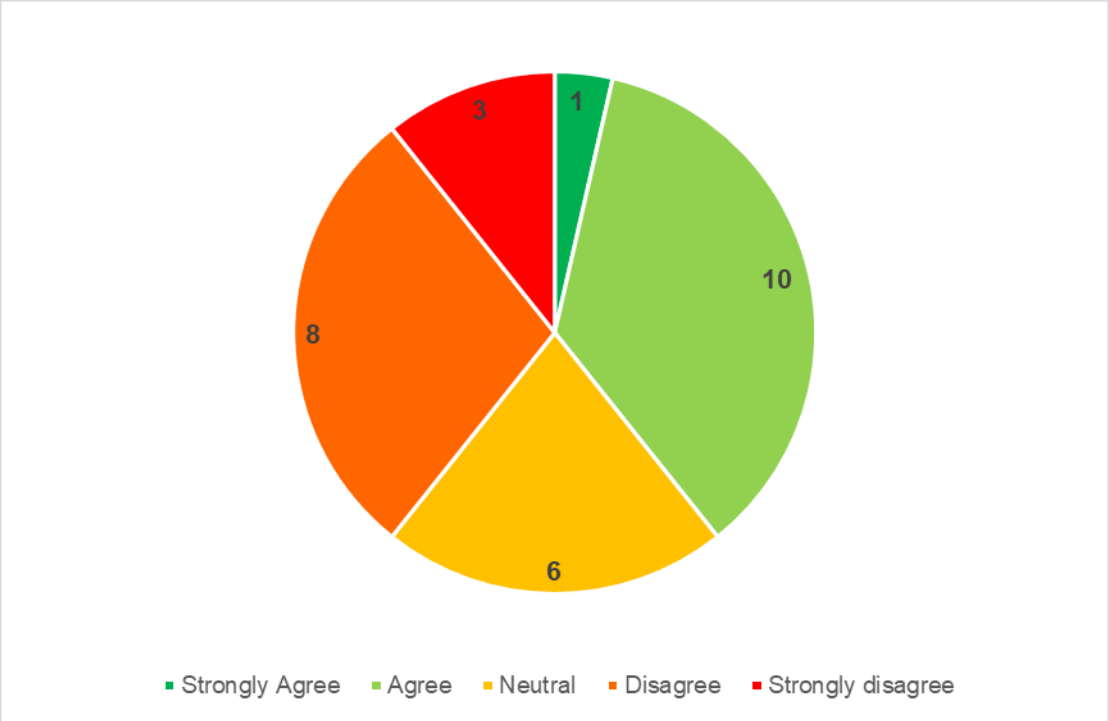
Question 8: Do you agree with the changes to the teacher funding calculation included in the Per Pupil Allocation?



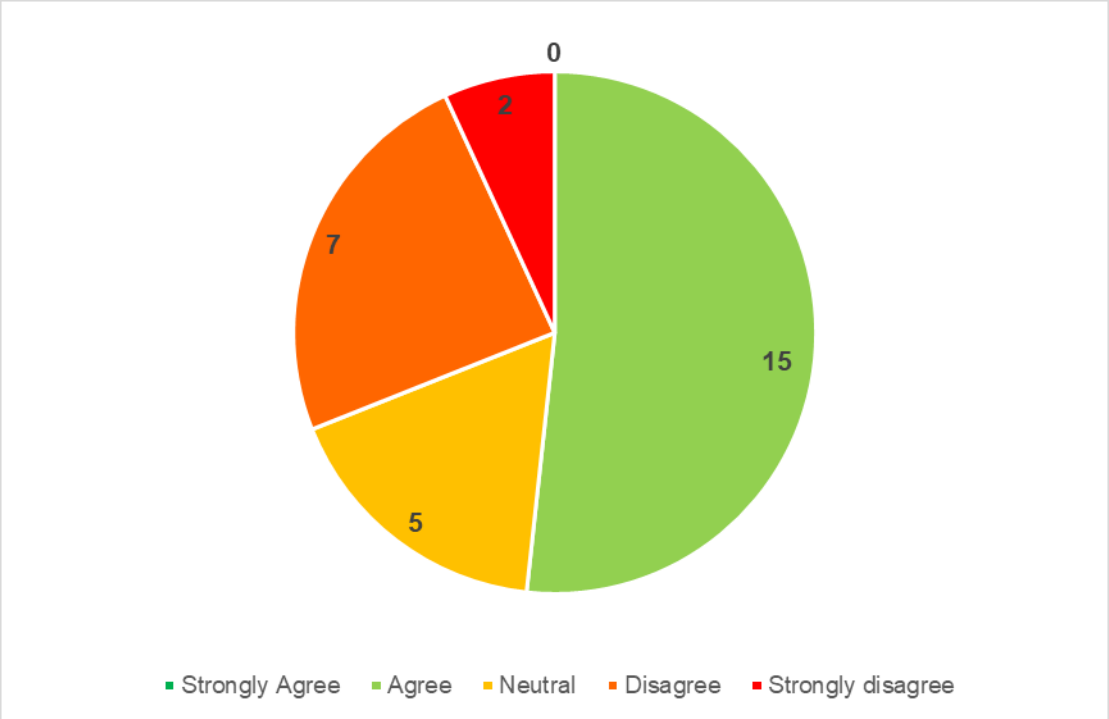
Question 9: Do you agree with the changes to the administrative support calculation included in the Per Pupil Allocation?



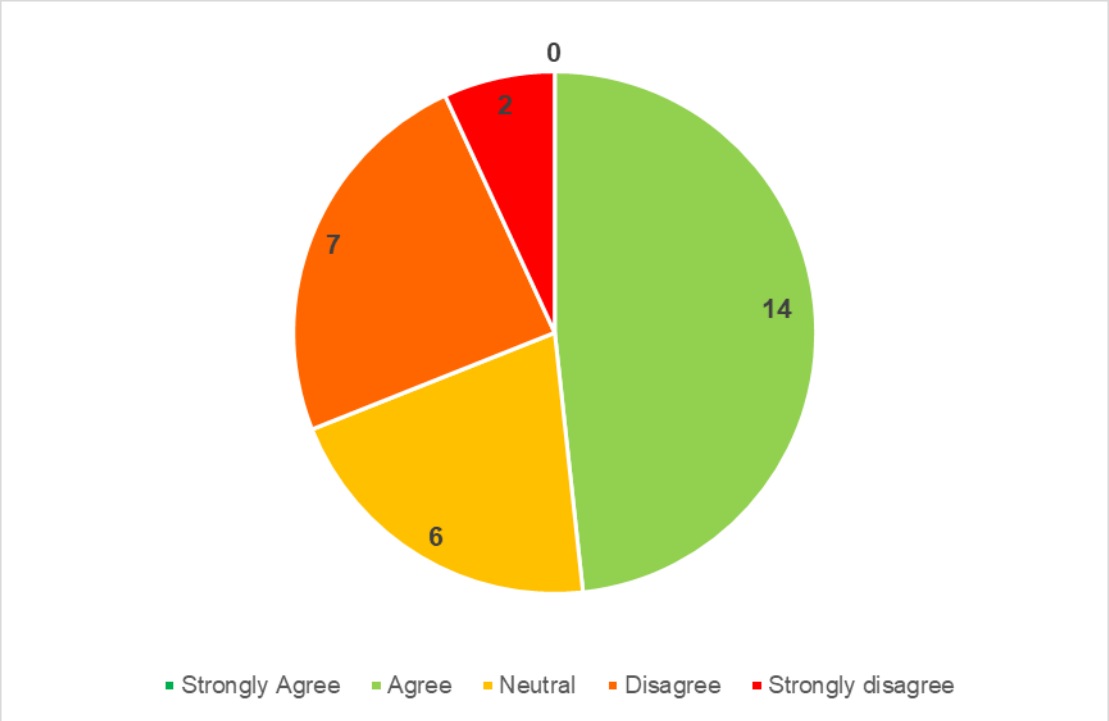
Question 10: Do you agree with the changes to the teaching assistants calculation included in the Per Pupil Allocation?



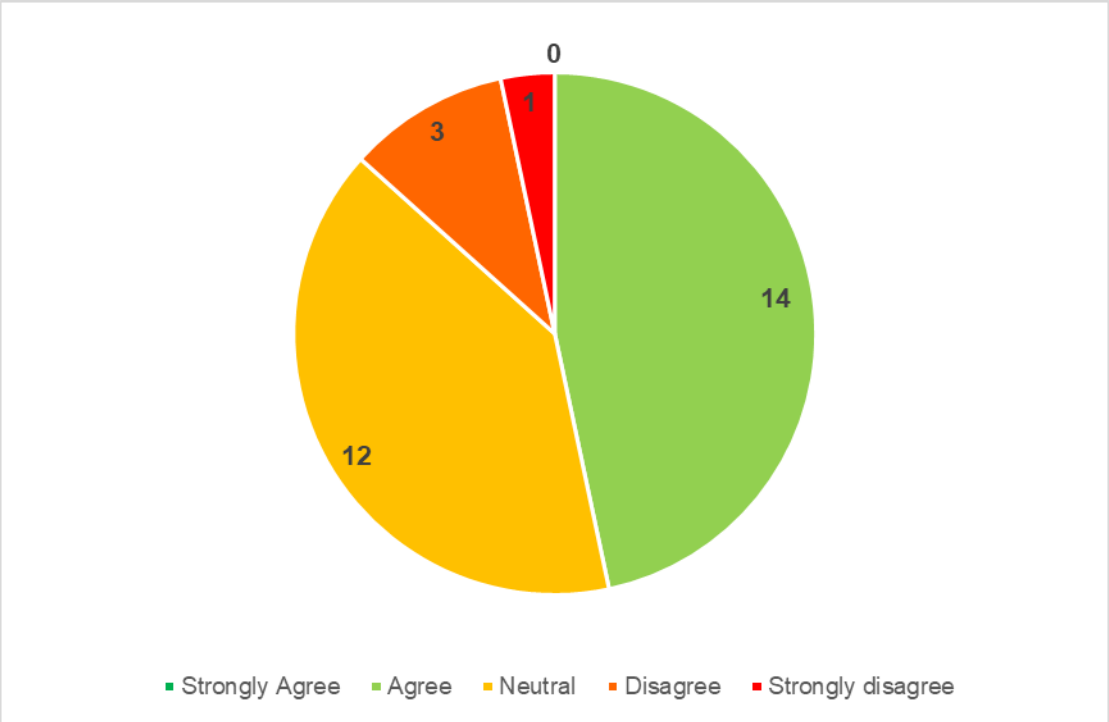
Question 11: Do you agree with the changes to the Additional Learning Needs Coordinator (ALNCo) calculation included in the Per Pupil Allocation?



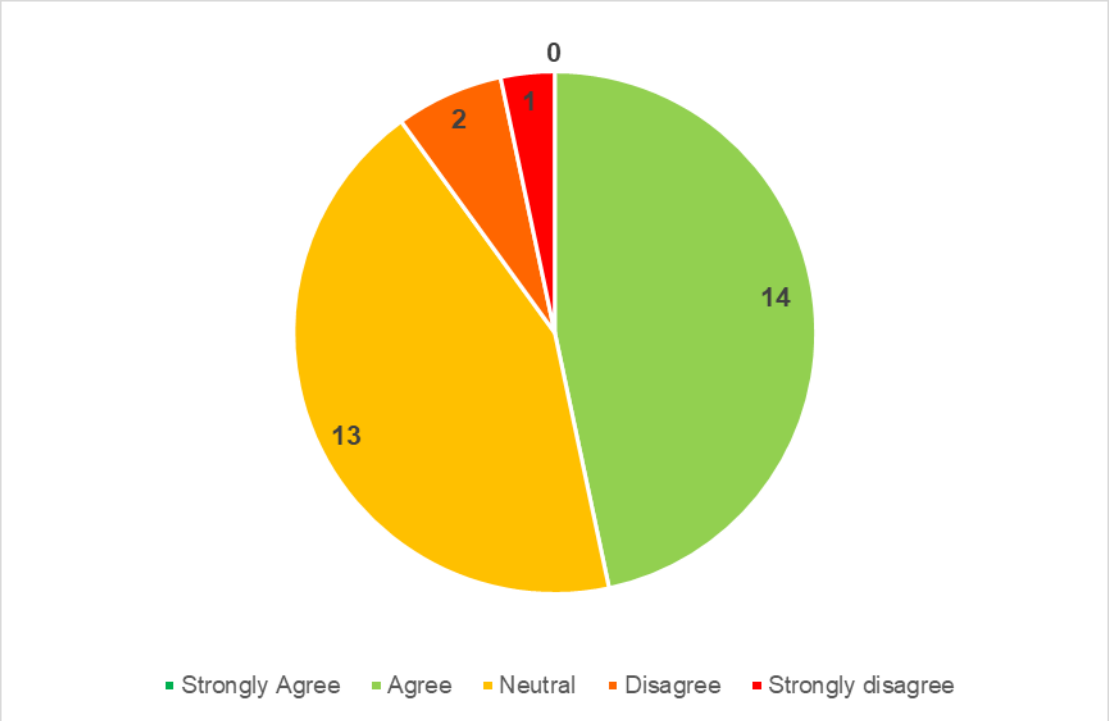
Question 12: Do you agree with the changes to the SLA funding calculation included in the Per Pupil Allocation?



Question 13: Do you agree with the changes to the premises funding calculation included in the Per Pupil Allocation?

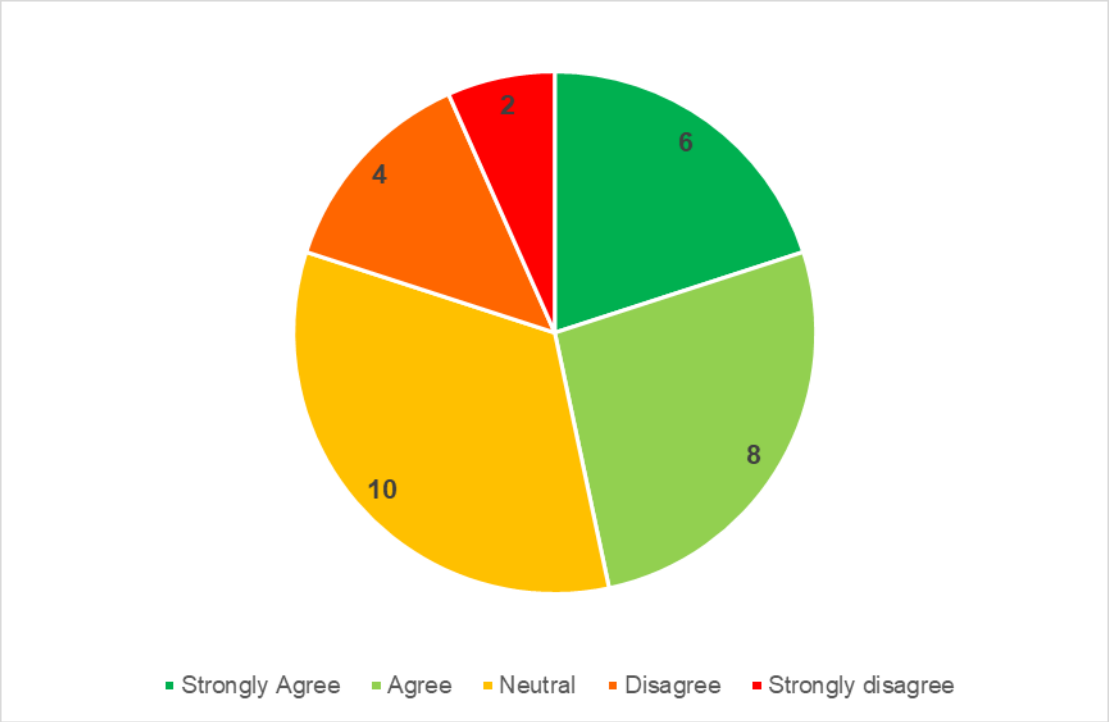


Question 14: Do you agree with the changes to the grounds funding calculation included in the Per Pupil Allocation?

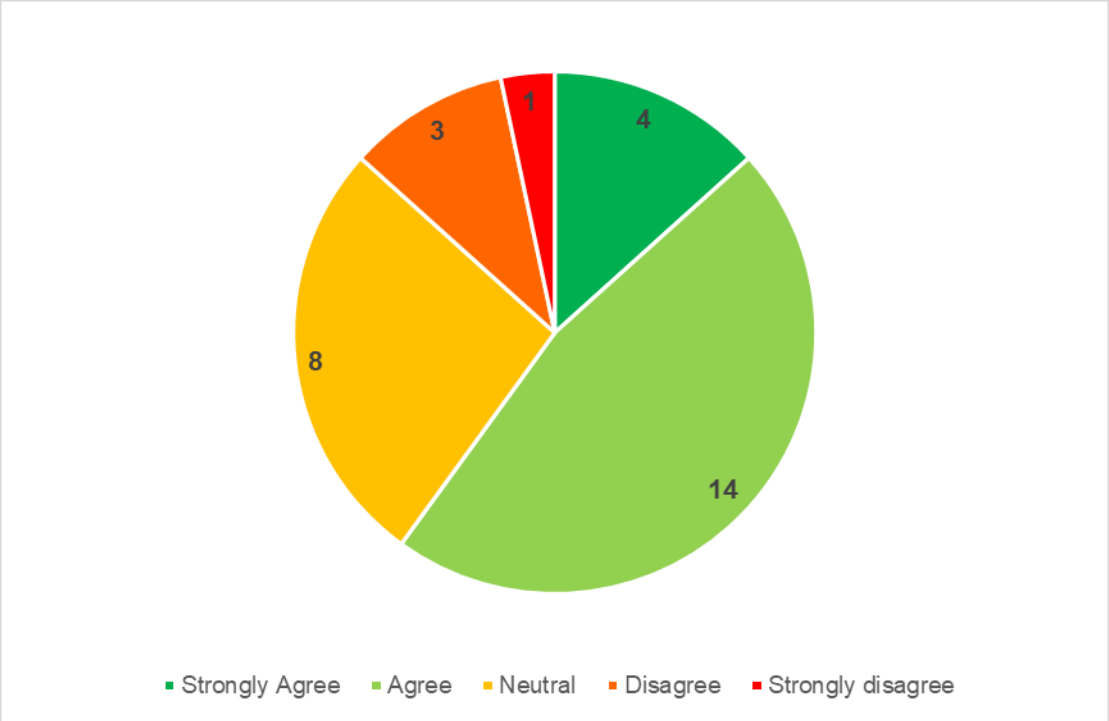


Proposed Formula: Component 3 – Unique Factors

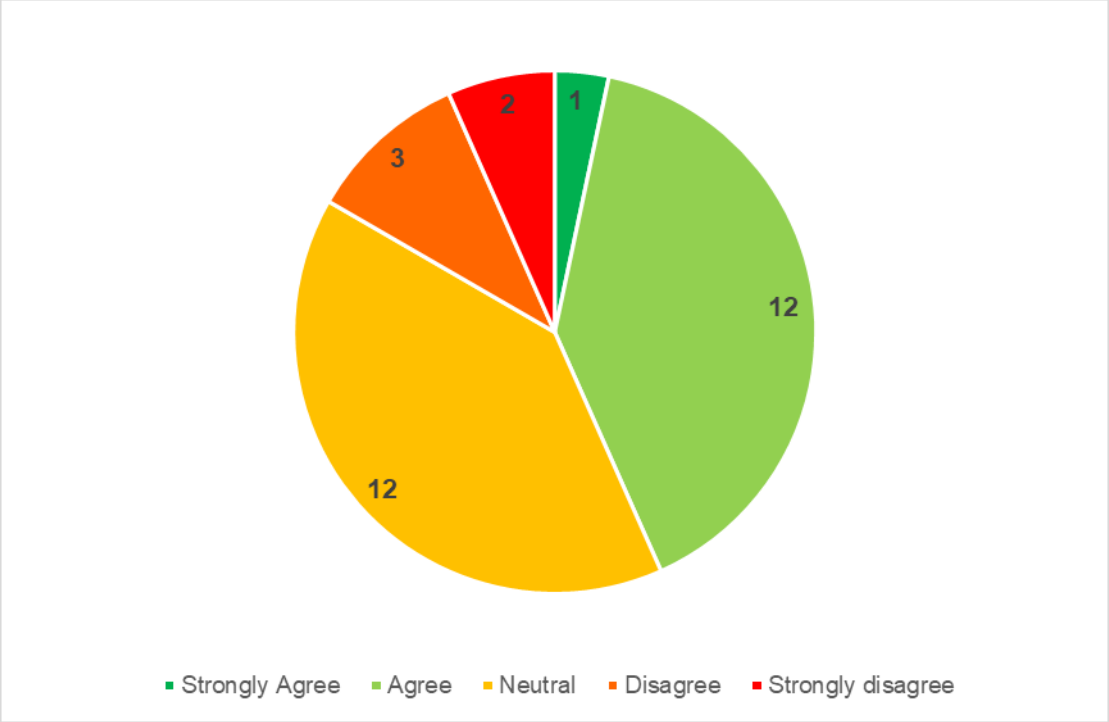
Question 16: Do you agree that there should be a small schools' top up for the Primary Sector (as described in Appendix B)?



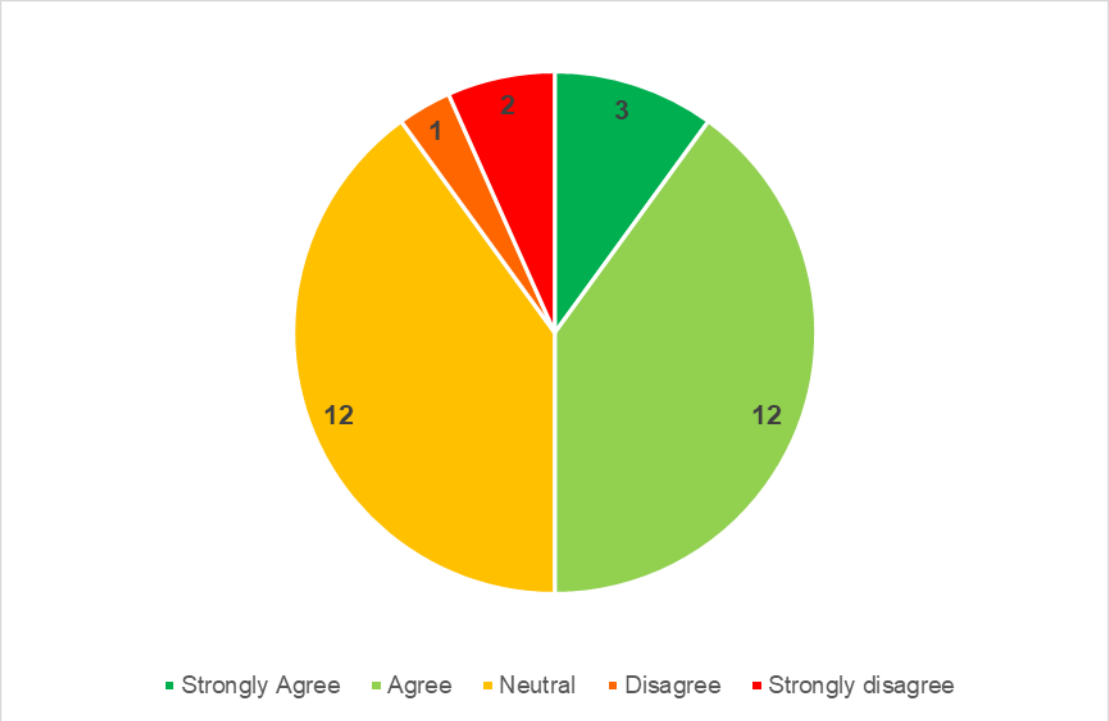
Question 17: Do you agree with how the proposed class size top up is funded for the Primary Sector (as described in Appendix B)?



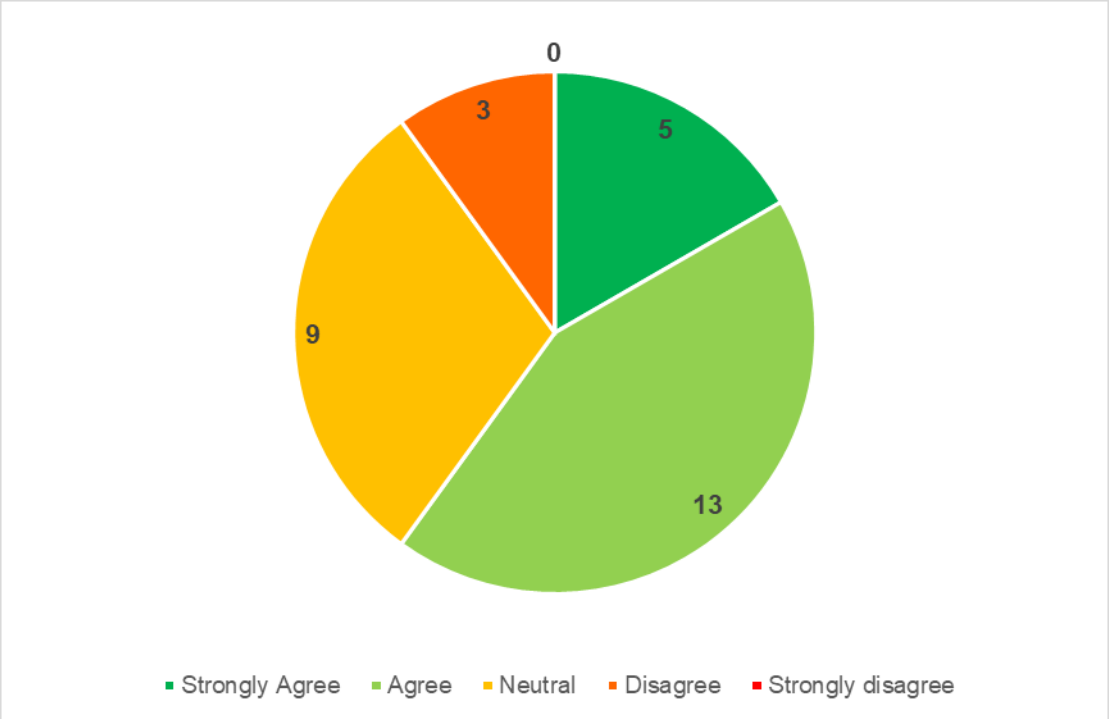
Question 18: Do you agree that there should be a Junior School top up to allow some flexibility for these schools (as described in Appendix B)?



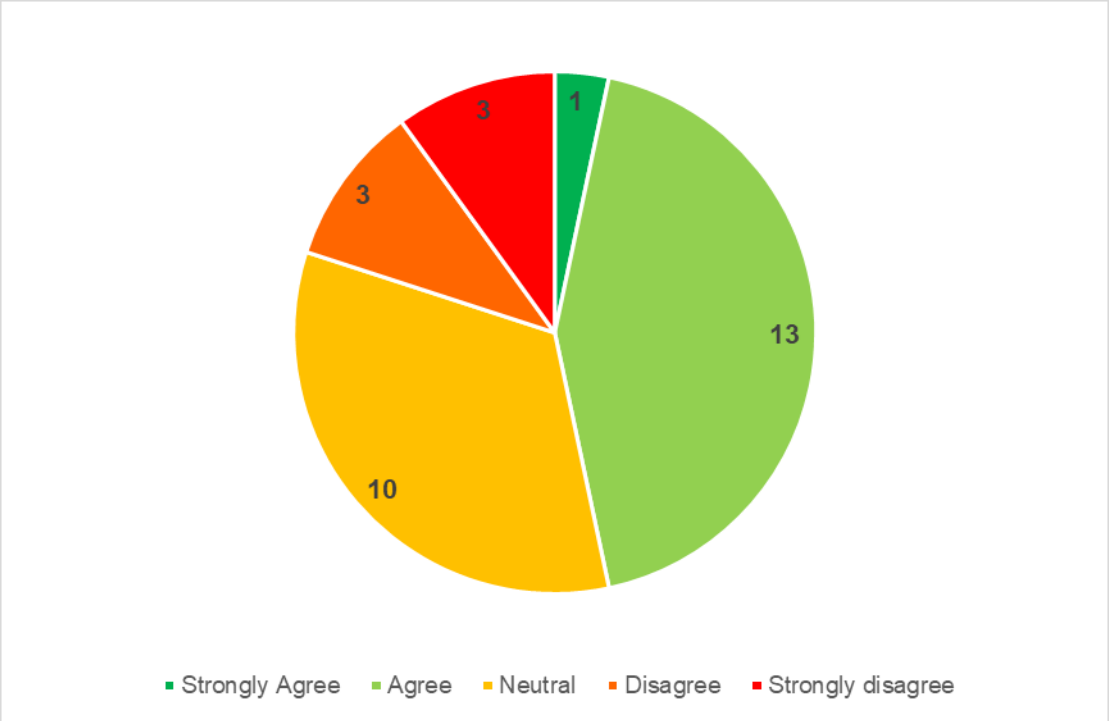
Question 19: Do you agree with the proposed Dual Stream funding for the Primary Sector (as described in Appendix B)?



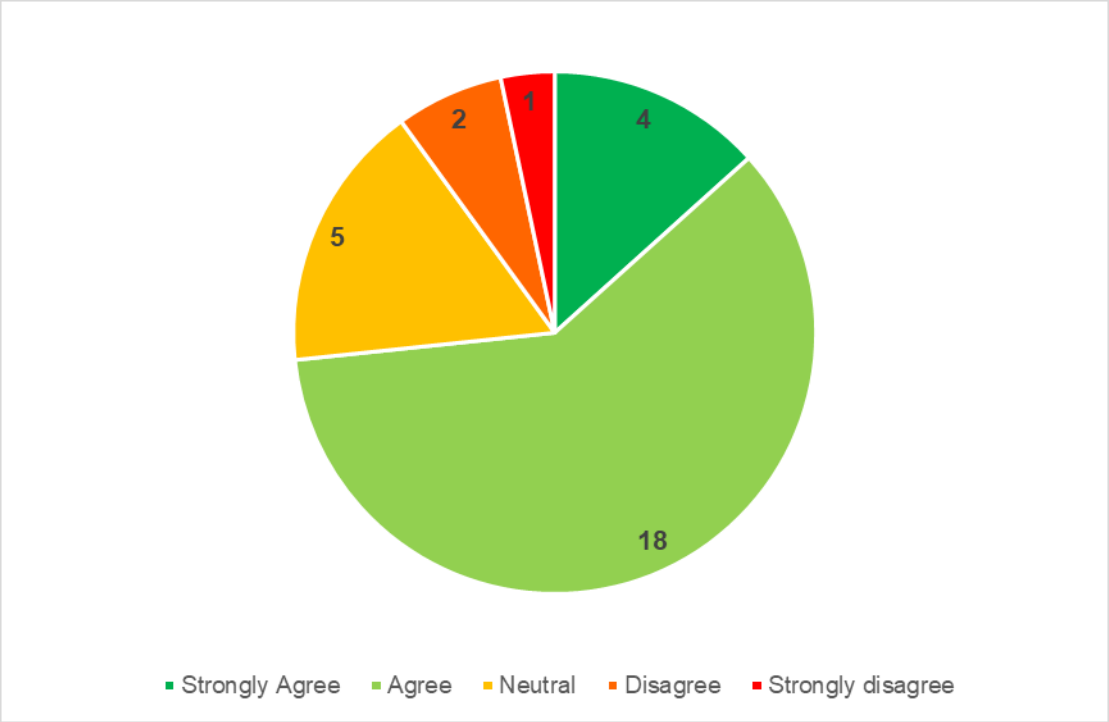
Question 20: Do you agree with providing a bilingual top up for Welsh medium or dual stream schools?



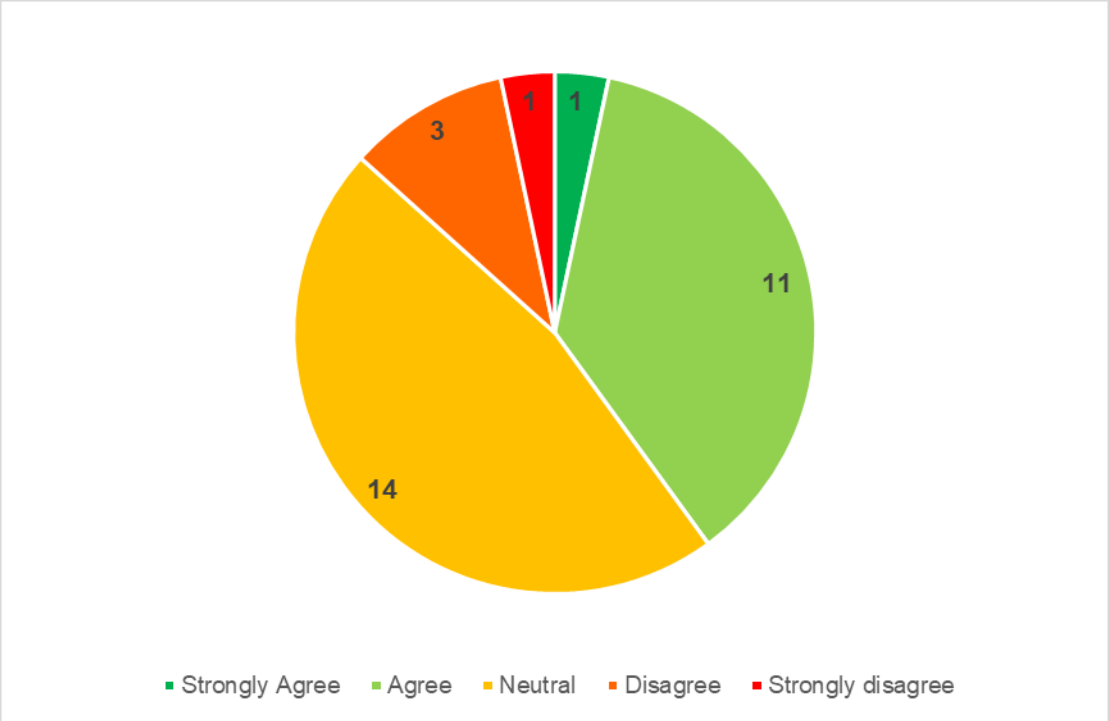
Question 21: Do you agree with how the proposed Surplus Square meterage on internal floor area is funded (as described in Appendix B)?



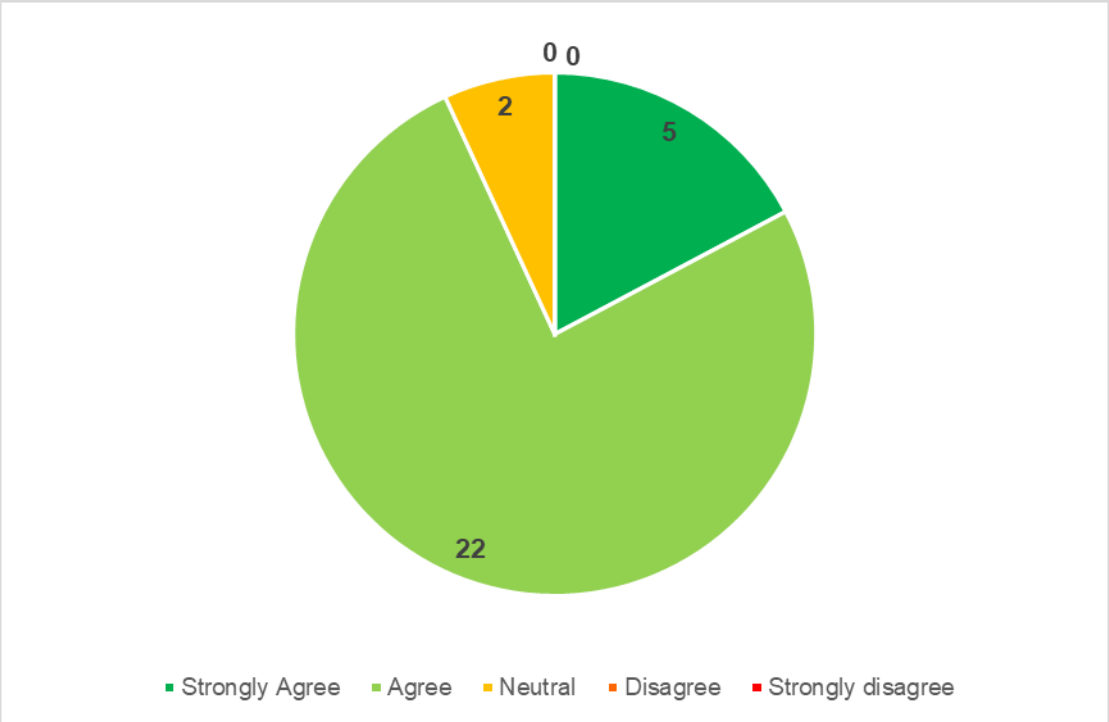
Question 22: Do you agree with maintaining the building condition top up funding method?



Question 23: Do you agree with how the Grounds area adjustment is funded (as described in Appendix B)?

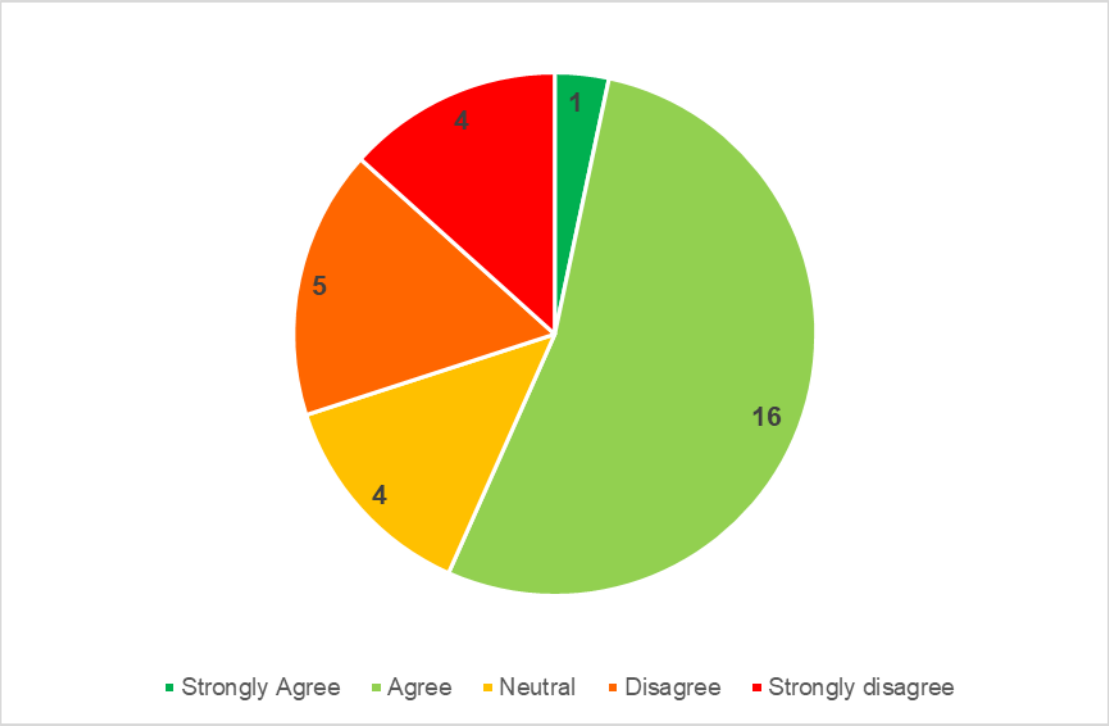


Question 24: Do you agree with continuing the current funding arrangements for non-domestic rates, Statutory testing, Premises and Employee insurance?

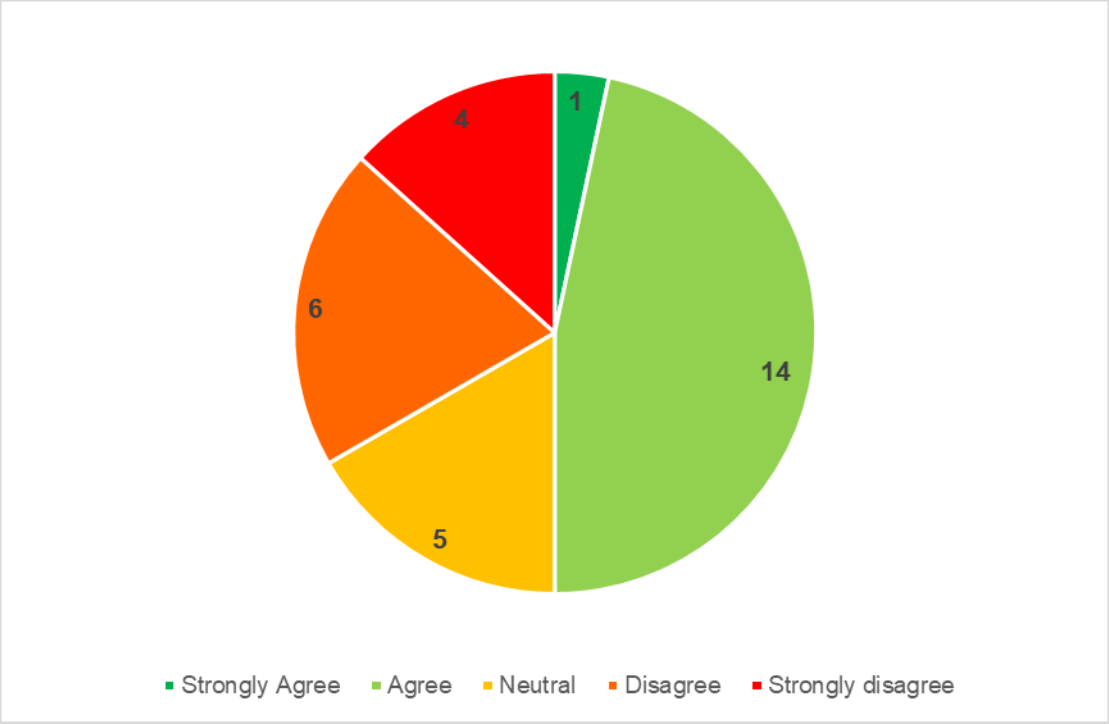


Proposed Formula: Implementation

Question 26: Do you agree that the implementation of the new formula should be phased?



Question 27: Do you agree with the proposed phasing over 3 years?



Cabinet Report - Appendix E

Comments made in Consultation Responses

The following tables list the comments made as part of the consultation responses and provide the local authority's response to these comments:

1. Comments on the aims of the Funding Formula review

	Comment	Proposed Response
1.01	The scope of the review was to lessen the band width of funding for pupils in different schools for equity. It is important that the funding in component 3 does not just replace the elements that have been taken out of component 1, and therefore still leave a wide band of funding overall.	The range in the per pupil funding was part of the reason for the review, not just to reduce the range but to provide transparency as to why there is such a range, by providing the same basic allocation per pupil supplemented by funding for unique factors that demonstrates the reason for those differences. It is not intended for this review to put individual schools into financial difficulty but to be transparent about the level of supplements.
1.02	General comment - the overall effect of these changes do not make the proposed new formula easier to understand than the current one.	Comment noted - the authority believes it will be easier for schools to predict their future funding levels

2. Comments on Specialist Centres

	Comment	Proposed Response

2.01	Specialist Centres have separate funding but the funding isn't sufficient to run them as a separate entity in the way it has been described. The ALSC is heavily dependent on the school for resources, admin time, provision of training, etc. This isn't accounted for anywhere.	Funding for specialist centres is being addressed outside of the formula review.
2.02	As we have a pre school specialist centre how does this affect the allocations? Are the pupils funded as per FP or ks2 centres? Will there be management payments for heads with specialist centres?	Funding for specialist centres is being addressed outside of the formula review.

3. Comments on Elements used in the Calculation of the Per Pupil Allocation

	Comment	**Proposed Response**
3.01	Component 1. Teachers. Bullet point 4. Planning and preparation (PPA). The rate for PPA to cover teacher non contact time, funded at Grade 7 HLTA mid point, may suffice for smaller schools. A big school with 30 pupils in each class is asking too much of a person of that grade to maintain the standard of education in that school. That individual would be required to teach full time for a whole week and every week in the whole year. This certainly needs to be considered under unique circumstances.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.02	We do not agree with the HLTA proposed for PPA cover. What has influenced the decision to replace a teacher with a HLTA. With the new curriculum, high numbers of ALN, difficult class dynamics and large class sizes, the expectations that they SHOULD be able to cope are unrealistic. We are sure that parents would also agree with this.	It is widely accepted that HLTAs can and do provide PPA cover. The decision to base funding levels on HLTA costs rather than Teacher costs was taken at the time of the introduction of the current formula (2019). A school has discretion about how it manages its PPA cover arrangements, but must work within their overall funding levels as required by the Scheme for financing schools.

3.03	The management time allowance represents a reduction on the current formula and cannot be justified when we need more time, rather than less, spent on leadership. Further justification needs to be provided that using the Leadership point L2 as the calculation for the costs of teachers will, in all cases, make up for this loss of funding for management time.	The 0.2 FTE minimum included in the current formula was one of the factors used to compensate a small school, which has now been included within the small school top up or class size top up. Larger schools will receive more based on their per pupil allocation. The notional number of FTE teachers is also funded at a more generous level (L2).
3.04	It also needs to be demonstrated that using Leadership point L2 will be sufficient to meet the full costs of all teaching staff, especially in those schools where there are heads and deputies and experienced staff on higher grades. Will larger schools be in a worse position than now?	Initial modelling indicates that the notional teacher funding delivered through Component 1 (per pupil allocation) is approximately £150,000 less than the notional teacher funding delivered through the current formula. With the proposed formula, the top ups related to school or class sizes will also contribute towards teacher costs and these amount to over £2.8 million. Schools have discretion on the number of teachers they employ and the grades that they are employed at. The authority will provide funding within Component 1 (per pupil allocation) based on notional teacher numbers at Leadership point L2.
3.05	Q7 - we cannot see the justification for using the 1 to 30 ratio. This has grown over the years and there needs to be some discussion as to whether this has gone too far and should be reduced to, say 1 to 28. There is most definitely a case for applying a lower teacher pupil ratio over the next 2 years as schools try to help all children catch up after the Coronavirus pandemic.	30 pupils per class is the limit for planned foundation phase classes.
3.06	Teacher - answered neutral as not sure how the new L2 will affect funding Admin - answered neutral as what is FTE when it comes to Admin hours?	Comment noted
3.07	Calculating admin support per pupil suggests that there is less admin in a smaller school, which is not the case	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.

3.08	The combined Management and Admin element is insufficient to properly provide safeguarding in smaller schools, e.g. making contact with parents on the first morning of absence.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.09	We also disagree on the reduction of funding of admin staff. Headteachers do not have time to overlook any admin tasks which there is plenty.	Appendix A set out the basis for the Per Pupil Allocation calculation to provide an overall funding sum to schools which they can allocate as they choose
3.10	Cutting on admin is false economy as admin tasks will further fall upon the already over stretched Headteacher.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.11	School admin support is vital - with a greater number of systems moving online and a flow of emails and communication, schools must have good clerical support. A few hours a day, or a couple of days a week is not enough to meet demand, and this places additional burden on headteachers / SLT.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.12	Admin support reduction in a large school is significant.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.13	Admin Support - concerns about the grade it is based on. The role of admin in school is far more complex than it used to be and the existing grade 7 job evaluated description better describes what admin has to do, for at least some of the week. If it was based on a higher grade obviously we could afford fewer hours.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.

3.14	We do not agree with the decrease in admin support. For some of the above reasons, and introduction of the new ALN. The close working relationships that admin staff have in supporting teaching heads and the assisting in the day to day running of school is imperative. Just because you are a smaller school, it doesn't mean that you have fewer issues.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.15	Q8 - the admin allowance represents a reduction on the current formula and we cannot see how this is going to be covered elsewhere. Admin work is increasing all the time and reducing the allowance cannot be justified. Further thought also needs to be given to using Grade 4 mid-point as the salary allowance, as in larger schools there may well be higher level work necessary as well as supervision of other workers necessitating a higher salary.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose. Any consideration of increasing the grade used as a salary allowance in this initial funding model will need to be considered alongside the development of the schools business and finance support model.
3.16	Teaching Assistants - we disagree with the funding of TA's as pupils within key stage 2 also need support with learning basic literacy and numeracy skills to work within their full potential. TA's play a very important role in supporting pupils of all ages. In a mixed aged class where there are pupils from 7 - 11 a teaching assistant is invaluable. Work needs to be differentiated for a range of abilities and a teacher alone will not be able to ensure that all abilities are catered for if he/she is alone in the class with potentially 30 pupils. Also taking the TA away from the key stage 2 teacher will also lead to staff illness due to stress.	The aim of the proposed formula provides sufficient funding for schools to meet the Foundation Phase ratios, but how schools structure and deploy their staff is a decision for the school. Schools also receive additional grant funding which is often targetted at additional teaching assistant time.
3.17	I think that the TA full time should be funded on 15 FP pupils	The aim of the proposed formula provides sufficient funding for schools to meet the Foundation Phase ratios, but how schools structure and deploy their staff is a decision for the school. Schools also receive additional grant funding which is often targetted at additional teaching assistant time.

3.18	It is highly concerning that there is no TA allowance built into the formula for KS2. There is a higher need following covid, and a greater range of interventions for BESD as well as learning are now coming under universal provision rather than an ALN intervention. Without funding of a good level of TAs throughout the school, there will be no means of delivering this support. Within our current budget, there is an additional line that says "formula teaching assistant funding" which is added to the delegated budget amount. Is the new formula including this element of the budget?	The aim of the proposed formula provides sufficient funding for schools to meet the Foundation Phase ratios, but how schools structure and deploy their staff is a decision for the school. Schools also receive additional grant funding which is often targetted at additional teaching assistant time. Any additional costs related to COVID is currently covered by the additional grants schools are receiving and this will be monitored going forward.
3.19	Re 9 - it is unclear on appendix A whether the ratio is 1/19 or 1 to each part of 19. Ie if there were 30 pupils in the class, would it be funded for 1 LSA (1:9), 1.5 LSA (1:19 %) or 2 LSAs being 1 per 19 and 1 for the other children.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.20	TAs - disagree as Grade 4 does not allow for specialist TAs as needed in some schools, such as ours. Also, no TA allocation at KS2 as in needed in our school due to the high number of vulnerable pupils previously mentioned.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.21	Regarding the junior school element - if TAs are properly funded for acceptable ratios throughout primary schools, not just FPh, this will not be needed.	The aim of the proposed formula provides sufficient funding for schools to meet the Foundation Phase ratios, but how schools structure and deploy their staff is a decision for the school. Schools also receive additional grant funding which is often targetted at additional teaching assistant time. The combination of these resources provides sufficient flexibility for schools with both foundation phase and junior age pupils, whereas Junior schools would not have the same level of flexibility within their funding.

3.22	Please see first answer in relation to this proposal for Component 3. Fundamentally we need TAs in KS2 to be able to manage the number of vulnerable pupils effectively.	The aim of the proposed formula is to provide sufficient funding for schools to meet the Foundation Phase ratios, but how schools structure and deploy their staff is a decision for the school. Schools also receive additional grant funding which is often targetted at additional teaching assistant time.
3.23	Q9 - we cannot see the justification for basing TA funding on the 1 TA to 19 foundation children ratio. In the first instance this implies that funding is only being made available for foundation pupils. That cannot be correct if schools are meant to provide the TA support in non foundation classes. The ratio is, in any case, flawed. We cannot see any reasonable justification for a 1 to 19 ratio. Those with long memories will recall that on the introduction of the foundation phase the recommended ratios were 1 to 8 for reception, 1 to 12 for year 1 and 1 to 16 for year 2. These have been changed by the Council for financial rather than education grounds over the year to make savings. 1 to 19 falls a long way short of these recommended levels and we have seen no evidence to suggest that this level of TA support has lessened. Our view is that it has actually increased.	The 1 to 19 ratio takes account of the teacher that will be present in each class as well as teaching assistants. Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose. Schools also receive additional grant funding which is often targetted at additional teaching assistant time. How schools structure and deploy their staff is a decision for the school.
3.24	Q10 - the ALNCO allowance is insufficient especially bearing in mind the introduction of the new ALN arrangements and the importance of this being led by an expert of SLT who has adequate time to properly do the job. At the very least there should be an increased allowance for the next 2 years to enable ALNCOs to carry out the extra work to implement the new system and bed it in. It is unrealistic to expect this to be done from within existing resources.	Comment noted - The ALNCo's role covers all pupils. The more pupils a school has the greater the funding allocation through the Per Pupil Allocation. This area will be reviewed as implemention of the ALN arrangements takes place.

3.25	I have two schools which would both receive the same amount of funded ALNCo time, but one school has 5 pupils on the ALN register and the other has over 50. The workload is not equal and this should be looked at further.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which they can allocate as they choose. The ALNCo's role covers all pupils. The more pupils a school has the greater the funding allocation through the Per Pupil Allocation
3.26	ALNCo - we currently have over 100 pupils on the ALN register.	Comment noted
3.27	ALNCo - the amount of work needed to adopt the new ALN code and associated systems, such as Tyfu, is being seriously underestimated by Powys officers. ALNCos need additional time for the short term at least until the Code is fully embedded. The ALN Code also states that the ALNCo should be a senior leader on the SLT but the funding for the pay grade doesn't reflect this sufficiently well.	Comment noted - this area will be reviewed as implemention takes place.
3.28	ALNCo element should be linked to number of ALN pupils in the school not total numbers.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which they can allocate as they choose. The ALNCo's role covers all pupils.
3.29	Q11: The SLAs costs should be covered like for like (like rates and statutory testing) to ensure schools work with the Authority and work together and have messages.	The SLA funding has been included within the Per Pupil Allocation to give schools the freedom to choose who supplies these services to them.
3.30	Schools should be fully funding for entering into SLAs, otherwise they may be forced to cut back on essential support for buildings and staffing/recruitment, finance etc.	The SLA funding has been included within the Per Pupil Allocation to give schools the freedom to choose who supplies these services to them. The statutory support that the authority must provide is not part of these SLAs and is not delegated to schools.

3.31	SLA - by basing it per pupil, this seems to penalise the larger schools.	Appendix A set out the basis for the Per Pupil Allocation calculation. This combined with the unique factors funding in component 3 will provide an overall funding sum to schools which schools can allocate as they choose.
3.32	Question why the funding for SLAs is increasing so significantly, knowing that this will be a direct charge to schools.	Funding for SLAs (in Component 1) has been included at the current costs and has been included within the Per Pupil Allocation to give schools the freedom to choose who supplies these services to them.
3.33	Q11 - this change is likely to lead to schools having insufficient funding in future years to meet the SLA costs from this element of the formula. This would then require schools to cut the funding dedicated to the education of children so that the SLA costs can be fully funded. This cannot be right.	The SLA funding has been included within the Per Pupil Allocation based on current rates to give schools the freedom to choose who supplies these services to them. The statutory support that the authority must provide is not part of these SLAs and is not delegated to schools.

4. Comments regarding Additional Learning Needs and Deprivation

	Comment	**Proposed Response**
4.01	We feel strongly that a school like Maesyrhandir where there is such a high level of ALN and Deprivation- more than other mainstream schools then this is an element that should be built into the unique factors. It doesn't appear to be a part of this element and we need a much higher level of staffing to deal with the issues that we face.	Component 2 provides additional funding for ALN & Deprivation; Additional targetted ALN funding also follows Statements of SEN / Banding / IDPs In addition to this, the Pupil Development Grant also provides additional funding for pupils from a deprived background. This may be an area to develop in the future.

4.02	We agree, but feel that the unique factors component is not wide enough. It should also include the number of pupils 'at risk' - for example those with multiple factors that could impact on standards of wellbeing and learning. These may include (but not be limited to) EAL, GRT, being a Young Carer, having involvement at some level with Social Services, and being at risk of exclusion. Pupils may have several of these factors in play in their lives at any one time, making them vulnerable and requiring a higher level of support being needed. Funding must reflect the needs of the most vulnerable pupils, and extra funding for these schools could allow them to provide valuable services and resources.	Component 2 provides additional funding for ALN & Deprivation; Additional targetted ALN funding also follows Statements of SEN / Banding / IDPs In addition to this, the Pupil Development Grant also provides additional funding for pupils from a deprived background. This may be an area to develop in the future.
4.03	Where a school has a high number of ALN pupils (but not necessarily complex needs) and also a high level of deprivation this should be factored into the unique factors as these circumstances do require a higher level of staffing support to provide the children with an equal chance-eg. Key emotionally available adults	Component 2 provides additional funding for ALN & Deprivation; Additional targetted ALN funding also follows Statements of SEN / Banding / IDPs In addition to this, the Pupil Development Grant also provides additional funding for pupils from a deprived background. This may be an area to develop in the future.
4.04	I would query the idea of teachers with a significant level of ALN pupils within their mainstream class having an ALN allowance built in to the formula.	Component 2 provides additional funding for ALN & Deprivation; Additional targetted ALN funding also follows Statements of SEN / Banding / IDPs In addition to this, the Pupil Development Grant also provides additional funding for pupils from a deprived background. This may be an area to develop in the future.
4.05	In fact, our fsm/ALN are at levels not seen before, are rising and disproportionate to the rest of the cluster.	Comment noted. Individual school difficulties / issues such as those described should be discussed with the Authority.

5. Comments on individual Unique Factors

	Comment	Proposed Response
5.01	Class size top up - this is a good idea, but will not work in all schools. For example, Guilsfield school has small classes so 30 pupils in a KS2 class results in packed classrooms. Each school should be assessed to ascertain pupil class sizes. Also, this top up funding works for certain number (e.g. numbers close to the next multiple of 30), but may not fund another teacher (but another teacher is needed due to pupil numbers and physical size of classrooms) for other pupil numbers closer to next below multiple of 30.	Individual school difficulties / issues such as those described should be discussed with the Authority.
5.02	Class size top up should be offered to two class schools.	Two class schools should receive sufficient small school top up to mean that this is not necessary
5.03	Q16 - we cannot see the justification for saying that schools with more than 6 classes will not receive the top up. It is wrong to assume they can manage without this. Larger primary schools already seem to do less well out of the formula in terms of funding per head and this proposal will make it worse. We also cannot see the justification for making the top up 75% grade MS6 rather than a full time teacher salary. It looks as though the calculation has been made to fit the finances available and is not based, as it should be, on the educational need.	Schools with 6 or more classes will receive sufficient funding through component 1 (the per pupil allocation) and should not need a school / class size related top up. The reason behind using 75% grade MS6 rather than 100% is that the top up is required for teaching time only.
5.04	Teachers - this is still a stepped approach and although class size top up funding appears in appB it will not fund an extra teacher when a school has certain pupil numbers above the 30s, or when a school cannot manage 30 pupils in a class due to physical size.	Appendix A set out the basis for the Per Pupil Allocation calculation which does not include steps.

5.05	It is very reassuring to note that the authority are addressing the issue for those schools who are sitting on the multiples of 30, and the inability to advance plan when working on this knife edge. It is stressful and constantly demoralising for staff. The plan to 'iron out' this cliff edge is very welcome.	Comment noted
5.06	The per pupil formula sees to be a fairer way to fund schools and takes away the anxiety of working towards getting to a number of pupils each year. This will hopefully decrease shortfalls for schools who fall just below each band currently.	Comment noted
5.07	Junior School top up should be for all schools with Junior age pupils.	The aim of the proposed formula provides sufficient funding for schools to meet the Foundation Phase ratios, but how schools structure and deploy their staff is a decision for the school. Schools also receive additional grant funding which is often targetted at additional teaching assistant time. The combination of these resources provides sufficient flexibility for schools with both foundation phase and junior age pupils, whereas Junior schools would not have the same level of flexibility within their funding.
5.08	Q17 - the top up for juniors does not tie in with the TA allowance in component 1 which calculates the funding for TAs based on the numbers of foundation children. If TAs are only funded for foundation children we don't see why junior schools should get a top up as they don't have foundation children.	The aim of the proposed formula is to provide sufficient funding for schools to at least meet the Foundation Phase ratios, but how schools structure and deploy their staff is a decision for the school. The Junior School top up is aimed at providing this same flexibility for Junior schools.
5.09	For dual stream schools of our size, we would need 4 classes - this may come up later in the survey but we couldn't run our school effectively with anything less than 4 classes.	Comment noted
5.10	Q18 - the dual stream class top up includes the same 75% grade MS6 top up which we have said we don't agree with in Q16 above	The reason behind using 75% grade MS6 rather than 100% is that the top up is required for teaching time only.

5.11	Bilingual top up should be on a tapered basis based on number of pupils.	Comment noted
5.12	With reference to the Bilingual administration top up - 150 pupils or less - £3,000 lump sum 151 or more - £5,000 lump sum Could some consideration please be given to the increased needs of large schools e.g. 300+ - which are double the size ? There is quite a difference in size and the large Welsh schools are not represented in this particular area/scale. High numbers of pupils entering Welsh medium provision from English speaking homes should also be considered - in terms of additional admin costs and additional costs of learning resources.	Comment noted. Larger schools, whether English or Welsh medium will benefit from the increased Per Pupil Allocation. Smaller schools will inevitably need to be topped up but these top ups will be clear and transparent to all.
5.13	With reference to the Bilingual administration top up - 150 pupils or less - £3,000 lump sum 151 or more - £5,000 lump sum Could some consideration please be given to the increased needs of large schools e.g. 300+ - which are double the size ? There is substantial difference in size and the large Welsh schools are not represented in this particular area/scale. Could this be included in 'exceptional circumstances'?	Comment noted.
5.14	As HT of a category C building, a transparent assessment of building condition category needs to be carried out with the funding review in mind. Logically, if more schools are becoming category A (new builds) then category C buildings could now be in category D 'state'. What is the different in funding depending on the building condition category? At what point could we access funding of a category D building?	The school building condition categories used in the formula funding calculations are updated each January so any change in condition category will be updated from the following financial year. Any urgent requirements / issues should be discussed with the Authority.
5.15	How would the building top up funding work for aided church schools?	There would be no difference in how the building top up funding works for aided church schools

5.16	Funding is per class of 30 pupils. This should be brought down to admission number. This is the number of pupils a school can accommodate in each class.	30 pupils per class is the limit for planned foundation phase classes. Individual school difficulties / issues such as those described should be discussed with the Authority.
5.17	Schools are forced to potentially educate 30 pupils in small classrooms of under 35m2. This can't be right for pupils, teachers and TAs.	30 pupils per class is the limit for planned foundation phase classes. Schools have discretion as to how they structure their classes. Individual school difficulties / issues such as those described should be discussed with the Authority.
5.18	Please consider the option to allow halls to send their invoice directly to PCC instead of to the school.	The arrangements are between the School and the Hall and invoices / payments is best managed locally.
5.19	Please consider how kitchens with a high use of energy and water can be funded.	The funding formula (both current and proposed) already includes an allowance for areas such as kitchens within each school.
5.20	We are concerned about the amount of top up available for premises costs, but understand the funding will remain at the current rate. Anything less will be unviable.	Comment noted
5.21	The adjustments made for extra floor space and grounds do not address the needs of some historic sites that have difficult buildings and grounds to maintain. This will cause major H&S concerns, which may have a seriously detrimental effect on schools' budgets.	Comment noted. Individual school difficulties / issues such as those described should be discussed with the Authority.
5.22	As before regarding building condition category.	Comment noted. Individual school difficulties / issues such as those described should be discussed with the Authority.
5.23	Q20 & 22- we strongly disagree with the formula for calculating funding for buildings and grounds - see our response to Q12 and Q13. Therefore we strongly disagree with using the same formula for these top ups	Comment noted. Overall the proposed new formula should not change the amount of funding each school gets for its buildings and grounds from the funding levels in the current formula.

5.24	Q12 & 13 - we can see no justification for using the figures in these two calculations for premises and grounds. They seem to be based on financial considerations rather than on the real costs of looking after premises. It is clear from the condition of many schools that these allowances are insufficient. In addition to this we can see no justification for the application of percentages to these 2 figures. They seem to have been applied in the past to make savings in the budget and make the figures used for calculating premises costs even lower.	Comment noted. Individual school difficulties / issues such as those described should be discussed with the Authority.
5.25	Both schools that I represent have unique buildings and grounds, which cause serious H&S and liability issues. These issues are unlikely to be covered by the unique factors uplift that is simply based on SQM. The risk with this is that governing bodies may find it easier to restrict access to a site or building, for which they are the custodian, based simply on cost. This would be a waste of public property and probably be more costly in the long run as these areas could run into serious disrepair.	Comment noted. Individual school difficulties / issues such as those described should be discussed with the Authority.
5.26	Q21 - we cannot see how the percentages for the 4 condition types have been calculated and whether they are a realistic assessment of the actual extra costs involved. As with an earlier comment they look as though they have been calculated to fit the finances available rather than what is actually needed to help meet the costs of buildings that are in a poorer condition.	Comment noted. There is no proposed change to the building condition uplift from the current formula.

5.27	The unique factors component should also include larger schools above 250/260 pupils. It seems to include Welsh language schools, bilingual schools and smaller schools, but does not include those schools where numbers are higher and where there is still capacity to grow. Our school may be atypical at present and perhaps that is why the new formula does not refer to larger schools. However, at the current time, our budget is not sustainable, many classes are over 30 (both at KS2 and FPh) and we have had an new intake since September of 15 pupils. A rolling deficit means this can't be rectified at present, and makes us afraid about what the future holds.	The proposed formula is designed to suit larger, single stream schools in buildings that are in good condition, without the need for supplementary funding.

6. Comments on Implementation / Phasing

	Comment	**Proposed Response**
6.01	We agree with the phasing over a 3 year period and also would like to emphasise the need to amend the formula if it is not working. The formula should be reviewed at critical points during the 3 year period and consideration should be given to piloting the formula with different sized schools in the first instance. Have you run a model of how an under 60 pupil school would look? How many hours admin etc.	The formula will be reviewed each year and updated as necessary. The aim of the new formula is to provide an overall amount of funding within which schools will be expected to manage. Schools will be able to allocate resources as they need to within this overall funding level.
6.02	The phased implementation process will result in underfunded schools being underfunded and overfunded still overfunded for 3 years.	Comment noted

6.03	We can see that this School Funding Formula has some good points and could benefit our school. However, we don't agree that the funding should be phased in and take three years to become 100% effective. This is because of the unique needs of our school at the moment, and because we were hard hit by the previous funding changes. In three years time, the school will have no carry forward to offset the deficit position, and staff and expertise will be lost due to this and there is then a potential risk to reputational damage. Can't the roll-out be bespoke dependent on the needs of each school?	To ensure that the introduction of any new formula can be managed within existing budgets the phasing of the implementation must be consistent across all schools. All schools will be supported as they transition to the new formula.
6.04	It is really hard to know what the impact of the Schools Transformation will be in this area when we are faced with reducing the number of classes under the current formula. Unless the new formula is adopted 100% immediately we are concerned that we will have to start a process of reorganisation which isn't needed. As an immediate concern, and in relation to the comment above, planning for the next school year is going to be complicated by having a new formula - potentially phased in - starting at the same time that we need to finalise a business case to restructure.	To ensure that the introduction of any new formula can be managed within existing budgets the phasing of the implementation must be consistent across all schools. All schools will be supported as they transition to the new formula.
6.05	There wasn't space earlier to comment on the reasons for saying we seriously disagreed with some of the proposals so we have set them out here Q25 & 26 - as the Council has said there will not be any major winners and losers it is difficult to see why there should be a phase in period. This means some schools will continue to get funding thy don't merit for 3 years (albeit decreasing each year) and school that merit more will be denied this for three years (although they will get some increase in years 1 and 2)	To ensure that the introduction of any new formula can be managed within existing budgets the phasing of the implementation must be consistent across all schools. All schools will be supported as they transition to the new formula, especially if they need to go through management of change processes. Should more detailed modelling show that changes are minimal then the phasing timeline can be reviewed.

6.06	If this proposal is implemented what happens to a school that runs into a deficit due to the phased approach over 3 years? For example, Guilsfield School presently has 149 pupils and is spending more than its delegated budget to teach in manageable class sizes.	Schools are expected to work within their overall funding levels regardless of phasing as required by the Scheme. The authority exercises discretion and flexibility over the 3 year period of budget plans.
6.07	The proposal is to phase the new formula in over three years to ensure that schools have time to plan for any change to their funding levels: • Year 1 2022-23 = 20% new formula, 80% current formula. • Year 2 2023-24 = 50% new formula, 50% current formula. • Year 3 2024-25 = 100% new formula, if appropriate following a full review of the previous years. HOW WILL THIS BE DONE? CLARITY REQUIRED AS VERY DIFFICULT TO WORK WITH 2 FORMULAS AT THE SAME TIME. Year 1 - 20% of new formula seems too little. If the benefits of the new formula have been established why defer to such an extent? Part introducing a new formula will cause more confusion especially when also having adjustments following annual review.	The authority will run both the current formula and the new formula to calculate the total funding for each school for each formula. In the first year a school will receive a total of 80% of the amount calculated by the current formula plus 20% of the amount calculated by the new formula. It is up to the school how they deploy the funding they receive.

7. Comments on Other Specific Issues

	Comment	**Proposed Response**

7.01	Schools which have Federated have a different staffing structure than a typical 1 head primary school. This is not reflected in the staffing costs in this consultation. Executive Head teacher who has responsibility for leading 3 different schools needs to be reflected in the budget. Also the consultation needs to look at the Federation management as each school has an Assistant Headteacher who is a full time class teacher with responsibility for the day to day running of the school in the absence of the Executive Headteacher therefore additional management and leadership time should be built in to the budgets to reflect this. Recently the Federation was highly praised for the way in which it is structured and this lead to us having an excellent grading during the inspection. All three schools are very well run and we need to ensure that this level of excellence is continued.	Although the schools are federated, they are still separate schools, so the regulations require that we must fund each school separately through the funding formula, so the funding formula itself does not specifically mention federation. Each school's budget should be sufficient for a headteacher and assistant headteacher in each school and it is up to each federation how they structure their staffing. If for example, they share a headteacher (& their costs) across more than one school, each school should save some head teacher costs.
7.02	Also we cannot emphasise enough the importance of looking into the way you would finance a school which shares a headteacher over 3 schools as this surely needs to be taken into account.	Although the schools are federated, they are still separate schools, so the regulations require that we must fund each school separately through the funding formula, so the funding formula itself does not specifically mention federation. Each school's budget should be sufficient for a headteacher and assistant headteacher in each school and it is up to each federation how they structure their staffing. If for example, they share a headteacher (& their costs) across more than one school, each school should save some head teacher costs.
7.03	On-site pre-school, breakfast club and after-school club are all important aspects of community provision but all 3 are heavily dependent on the goodwill of staff to manage the workload in their 'free time'. We need a 3 year budget plan instead of continually having to react year-on-year.	These functions are not covered by the school funding formula as they are non-delegated functions. It is up to the settings to manage their income and expenditure appropriately, including covering staff costs and time. Any non-delegated functions that are currently managed through the authority already have 3 year budget plans in place.

7.04	It seems (as in answer 1) that there are many top-ups for factors that don't apply to our school. They are all in favour of small schools that are dual stream and have empty rooms.	Comment noted. The formula is designed to provide sufficient funding for larger primary schools to operate without the need for top ups.
7.05	Larger primary schools already seem to do less well out of the formula in terms of funding per head and this proposal will make it worse.	Comment noted. The formula is designed to provide sufficient funding for larger primary schools to operate without the need for top ups. Smaller schools will inevitably need to be topped up but these top ups will be clear and transparent to all.
7.06	However, there still seems to be preferential support for small schools and it will be very interesting to see how the funding per pupil figures actually materialise.	Comment noted
7.07	We feel that the top up funding could provide significant monies for some schools who are very short of the number which could be disproportionate.	Comment noted. The formula is designed to provide sufficient funding for larger primary schools to operate without the need for top ups. Smaller schools will inevitably need to be topped up but these top ups will be clear and transparent to all.
7.08	The funding formula should reflect the economies of scale that can come from all through/split site schools rather than funding them as two separate schools.	Comment noted
7.09	Furthermore, absolutely no consideration has been given to how an all-through-school shares its site between primary and secondary phase, the uniqueness of these arrangements and the complications of managing these needs with age groups ranging from 4 to 18.	The current formula reduces the funding for single, all-age schools on a split site by the factors that would be duplicated if they were funded as separate schools. It is proposed that this will no longer happen with the new formula. Further developments for all-age schools will take place as the formula review of the secondary phase progresses.

7.10	During Monday's meeting the point was made that, in the future, all-through-schools (ATS) would need to be factored into the process, beyond the current methodology. However, I fear this is too late. ATSs have unique situations that need addressing now and, unless the formula will be reviewed again in the near future, we are missing an opportunity. For an ATS the arbitrary cut off between years 6 & 7 does not exist, except for pupils joining in year 7. My recollection of the secondary funding for premises, halls and grounds is different to primaries; however, for an ATS they can be one and the same. Therefore, this review does not meet an ATS's needs.	The current formula reduces the funding for single, all-age schools on a split site by the factors that would be duplicated if they were funded as separate schools. It is proposed that this will no longer happen with the new formula. Further developments for all-age schools will take place as the formula review of the secondary phase progresses.
7.11	We would strongly recommend that you re look at this issue as this will affect many small rural schools across the county and perhaps research should be made into the affect that this will have on pupils abilities and development.	Comment noted
7.12	We should receive a top up for rural schools, due to the additional expenses for transporting to other facilities.	Comment noted
7.13	There needs to be a significant contribution to sustaining the financial commitment to digital hardware once the WG Wave 1-5 funding ends.	The SLA with Ceredigion CC includes an element for updating hardware year on year, and grant funding was provided for the initial upgrading of equipment. Schools will need to manage these costs within their funding allocation but are also able to supplement their funding by contributions and fund-raising as has happened in previous years.
7.14	Our school serves a bilingual community (Polish and English) and in order to communicate effectively with this community, we offer a bilingual (English/Polish) and a trilingual (English/Welsh/Polish) service. We feel that there should be a funded Polish speaking TA to support the school with this, that is not counted in the usual funding.	Individual school difficulties / issues such as those described should be discussed with the Authority.

7.15	The spread of pupils across the school varies, year on year. This often means the structure changing annually and with current numbers top heavy at KS2 - 65 opposed to 42 in FP	Comment noted
7.16	We would like it built into the system that where extra monies have been generated by a school they are taken into account before clawback is instigated.	The School funding (Wales) regulations 2010 set out the requirements for the Authority surrounding any actions in relation to a school's surplus.

8. Comments on the Quantum of the Schools Delegated Budget

	Comment	**Proposed Response**
8.01	We do have a concern that over time the basis upon which the funding per head has been calculated will be forgotten and the Council will simply add a percentage rise each year without having proper regard to the actual increases in costs for each of the individual elements that make up the original calculation. It would therefore be helpful if the formula could say that it will be increased each year to take account of the actual additional costs incurred by schools through extra staff salaries, NI and pension contributions.	The precise detail of the process for estimating the inflationary pressure within the schools delegated budget has not yet been finalised but it will be possible to apply different inflation factors to different elements of the per pupil allocation and top ups without re-running the detailed 135 model school each year. The amounts identified would be included within the Council's budget process. Following this process, the agreed changes to the schools delegated will be applied to the Per Pupil Allocation or Top Up amounts as appropriate.
8.02	There needs to be consideration of the quantum of funding delivered by the funding formula in future years.	The overall quantum which is delegated to schools through the funding formula is considered each year at budget setting time and indicative funding levels for future years are also estimated.

8.03	We need to be able to respond to the extra immediate commitments that we face when preparing for the new curriculum for Wales and ALN Code. We need more money for resources and training. Phasing could impede this.	Any pressures as a result of new legislation will be identified during the Council's annual budget setting process and through the medium term financial plan. While decisions around resource allocation to the schools delegated budget remains with PCC Cabinet, Schools have been prioritised in recent years. To ensure that the introduction of any new formula can be managed within existing budgets the phasing of the implementation must be consistent across all schools. All schools will be supported as they transition to the new formula.
8.04	As Schools transformation in Powys continues, does this mean that the components in 2,3 & 4 increase for all schools with excess money distributed fairly?	Decisions around resource allocation to the overall schools delegated budget remains with the Cabinet / Administration at the time. Education and schools are amongst the highest priorities for the Authority and budget allocations will reflect the Council's priorities. Should sums be reinvested within the schools delegated budget, how that is reflected in the formula will be the subject of discussion with the Schools Budget Forum.
8.05	It is important that any funding available as a result of any schools closures/transformation process, is reinvested in the remaining schools.	Decisions around resource allocation to the overall schools delegated budget remains with the Cabinet / Administration at the time. Education and schools are amongst the highest priorities for the Authority and budget allocations will reflect the Council's priorities. Should sums be reinvested within the schools delegated budget, how that is reflected in the formula will be the subject of discussion with the Schools Budget Forum.

9. Comments on the Impact on Individual Schools / Worked Examples

	Comment	**Proposed Response**

9.01	We should know as soon as is practically possible how this formula will affect our school.	Agree that all schools should know the impact of any change as soon as practically possible, once approved. All schools will be supported as they transition to any new formula.
9.02	Having not had the chance to apply the new formula to our current school situation it unclear what the impact will be. Therefore, as we are on the cusp of a 3/4 class structure we would very much like our budget modelled as soon as possible so that we can carefully plan any staff restructuring to avoid any unnecessary impact on staff well being. This especially important as staff have supported the school in managing the challenges of COVID over the last two years.	Agree that all schools should know the impact of any change as soon as practically possible, once approved. All schools will be supported as they transition to any new formula.
9.03	It is difficult to comment on the implementation and time scale, as until the model is worked on current school budgets we don't know what sort of differences we will be dealing with. For those with negligible change, it could be done immediately, for those with large differences to the negative, this would have to be phased in to enable planning.	Agree that all schools should know the impact of any change as soon as practically possible, once approved. All schools will be supported as they transition to any new formula.
9.04	With any funding review there will be 'winners and 'losers.' It is vital that each school knows well in advance what impact there will be on their budgets in order to plan and manage any changes.	Agree that all schools should know the impact of any change as soon as practically possible, once approved. All schools will be supported as they transition to any new formula.
9.05	Every school should be funded adequately. It seems that formulas used over the years create "winners" and "losers". This is because every school is unique and circumstances change. There is no formula that can cover all issues and is always fair unless there is a flexible component or hardship clause.	Comment noted
9.06	The unique factors component is a sensible component; however, from my brief calculations it appears that what Brynhafren may lose in component 1 we won't adequately gain in component 3; however, as I said before, it is impossible to have an informed opinion on this.	Agree that all schools should know the impact of any change as soon as practically possible, once approved. All schools will be supported as they transition to any new formula.

9.07	It would be helpful if we could see direct comparison for our school or even some examples of how this may look as it is not clear enough in terms of explanation	Comment noted
9.08	A question on why I disagree. I agree with the concept; however, I'm yet to be convinced that the detail in the calculation correctly reflects needs.	Comment noted
9.09	A question on why I disagree. The per pupil funding is good in principle; however, I'm not convinced that the figures reflect what it is actually supposed to be covered. Furthermore, the unique features is a good section; however, my calculations show that the actual amount does not cover the actual needs. At Brynhafren the challenges caused by the builds and the grounds require us to staff the school in a manner that will neither be covered by the per pupil funding nor the unique factors component. This will cause H&S risks, which may affect provision.	Comment noted. Individual school difficulties / issues such as those described should be discussed with the Authority.
9.10	Some of the proposals are not clear and once again examples of how it may work would be useful	Comment noted
9.11	Difficult to comment on some buildings and premises aspects as we don't know how we would be affected.	Comment noted
9.12	It would be helpful for each school to have a clear view on the impact it will have on their school in terms of the figures in order to make a comparison and respond more fully	Comment noted

9.13	Thank you for the presentation on Monday. I've submitted a response for both Brynhafren and Llanfyllin; however, I wanted to share some thoughts with you. During the previous revision of the current formula the point was made that worked figures were needed to fully engage with the consultation. I have found it very difficult to accurately work the figures for these proposals and suspect that this is the same for most governors; I agree with the general methodology; however, without worked examples for each school it is near impossible to give anything other than a general response. Unfortunately, this was the same issue we had the last time the formula was reviewed.	Comment noted
9.14	As previously stated, I do not believe that the figures accurately reflect the needs. Without indicative figures and the methodology on how the proposed figures were calculated it is impossible to make a judgement. The unique features component is unlikely to cover the extraordinary issues we have with our buildings and site because it is not only a matter of increased cost to manage the site but because we require an increase in staff to fulfil our H&S responsibilities and duty of care.	Individual school difficulties / issues such as those described should be discussed with the Authority.

10. Comments about future Funding Formula Reviews

	Comment	Proposed Response
10.01	At the presentation to heads and chairs the point was made that the formula would be reviewed and 'tweaked' on an annual basis. These tweaks would require Forum approval and consultation, which would be unnecessarily arduous and increase the risk of disagreement. The Formula requires a 3 stage process that is transparent to all: Stage 1 - the raw formula as currently proposed. Stage 2 - an optimisation process that irons out perfect storms by identifying peaks and troughs where some schools are over funded and others underfunded and reallocates funds in a manner that is agreed from the outset, understood and transparent. Stage 3 - a common sense check that would refine any minor changes. The Formula should also have a subset of funding rules that manages the peaks and troughs in funding caused by the academic year and financial year being out of phase.	Comment noted
10.02	PLEASE SEE PREVIOUS COMMENTS MADE. THERE SEEMS TO BE A CONTRADICTION BETWEEN - PHASING IN OVER THREE YEARS AND THE NEED FOR CONTINUOUS REVIEW. THIS COULD ADD TO GREATER UNCERTAINTY AND CONFUSION. ADJUSTMENTS FOLLOWING REVIEW WOULD MAKE GREATER SENSE.	It is important that the funding formula is kept under continuous review to ensure that it meets the needs of our learners and schools.

10.03	As I represent 2 schools I will add a copy of a previous comment: At the presentation to heads and chairs, the point was made that the formula would be reviewed and 'tweaked' on an annual basis. These tweaks would require Forum approval and consultation, which would be unnecessarily arduous and increase the risk of disagreement. The Formula requires a 3 stage process that is transparent to all: Stage 1 - the raw formula as currently proposed. Stage 2 - an optimisation process that irons out perfect storms by identifying peaks and troughs where some schools are over funded and others underfunded and reallocates funds in a manner that is agreed from the outset, understood and transparent. Stage 3 - a common sense check that would refine any minor changes. The Formula should also have a subset of funding rules that manages the peaks and troughs in funding caused by the academic year and financial year being out of phase.	Comment noted
10.04	Furthermore, because the formula needs to adequately reflect the all-through-school policy, the formula will require to be reviewed in the near future; therefore, there is a likelihood that the formula will undergo a wholesale review before it is fully implemented.	The current formula reduces the funding for single, all-age schools on a split site by the factors that would be duplicated if they were funded as separate schools. It is proposed that this will no longer happen with the new formula. Further developments for all-age schools will take place as the formula review of the secondary phase progresses.

10.05	Finally, no single funding formula will achieve absolute fairness; therefore, as was stated on Monday, tweaks would need to be made on an annual basis. My interpretation of the Regulations is that this will require consultation with the Forum, all GBs and every HT. An annual consultation on tweaks will become an arduous undertaking that will, in all likelihood, end in tweaks not being adequately considered. A better solution is to have a formula that tackles in-year anomalies by having optimisation cycles, which become part of the formula, are transparent and agreed. I have suggested this process in the past; however, I have not received any reasoning as to why it wouldn't work. The risk with the current proposal is that it will produce 'perfect storms' that will result in some schools being overfunded and others underfunded, both of which have risks. The unique component goes some way to alleviate this; however, it may also exacerbate it in certain circumstances (ie ticking all the boxes or not quite ticking any boxes). As an example, a simple optimisation cycle could be that the top and bottom 10% of the total per pupil funding (total delegated budget/number of pupils) are analysed for specific criteria then these extremes are redistributed via an agreed methodology. Ideally, a second cycle would then refine the first, for example the top and bottom 5% after cycle 1 or those whose total per pupil funding fall outwith a defined parameter. The development of these cycles would require historical analysis of budgets; however, the issues that cause big winners and losers are fairly well known; therefore, it would not be a difficult task. Let's not forget that the Education Dept employs both IT specialists and mathematicians!	Comment noted - It is important that the funding formula is kept under continuous review to ensure that it meets the needs of our learners and schools.

11. Other Comments

	Comment	Proposed Response
11.01	Please release the spreadsheet with underlying data to schools. This enables schools to check if the data is correct and to assess the impact of e.g. changing pupil numbers.	This is an area for future development.
11.02	Every school is unique and may have their own challenges that also may change over time. Introducing a clear procedure to ensure that raised issues are assessed independent and objectively, within a short period of time, would guarantee that schools can have confidence that if the funding does not match the schools' reasonable needs, there is a way of addressing it.	Comment noted - this is an area for future development
11.03	This methodology seems to be sensible; however, without knowing the other options, their pros and cons and why these were rejected in favour of the four-component method it is impossible to make an informed decision.	Comment noted
11.04	No other method has been shared with us. The pros and cons have not been explained and indicative figures have not been supplied for comparison. Furthermore, the logic for the metrics chosen have not been explained.	Comment noted
11.05	The process has been transparent and inclusive. Officers and school leaders work together to find the optimum provision for our children in the current financial situation. Thank you.	Comment noted.
11.06	The governing body has not been able to discuss the proposal on such short notice. This is my personal response as school governor.	Comment noted

11.07	furthermore, for most GBs in Powys, I suspect that the committees with financial responsibilities and full GBs would have met before the consultation was released. Therefore, PCC is relying on chairs and head teachers to either disseminate the information for response from their governors or simply rely on chairs and heads to respond. If the latter is the case this would not fulfil my interpretation of Funding Reg 11(1), which requires the authority to consult "the governing body and head teacher of every school…".	Comment noted
11.08	At a time when the mental health of pupils is deteriorating and work load / anxiety of staff is increasing, the funding of schools has to be an even greater priority.	Comment noted
11.09	Re 10: We do not know what AVTC means!	An explanatory summary of acronyms used will be included in consultation documents in the future

Cabinet Report - Appendix F

Extracts from School Funding (Wales) Regulations 2010

Formula for determination of budget shares

10.—(1) A local authority must determine before the beginning of a funding period, and after the consultation referred to in regulation 11, the formula which they will use to determine schools' budget shares in that funding period having regard to the factors, criteria and requirements set out in this Part of these Regulations.

(2) A local authority must have regard to the desirability of such a formula being simple, objective, measurable, predictable in effect and clearly expressed.

(3) A local authority may not use factors or criteria in their formula which make an allowance, in whole or in part, for any amount allocated to the school from any grant paid to the authority by the Welsh Ministers.

(4) Subject to regulation 25 (additional arrangements approved by the Welsh Ministers) a local authority must use the formula determined under paragraph (1) in all determinations and redeterminations of budget shares.

Consultation

11.—(1) In relation to their formula for a funding period, in addition to consulting the schools forum for their area, a local authority must consult the governing body and head teacher of every school which they maintain about any proposed changes to the factors and criteria which were taken into account, or the methods, principles and rules which were adopted in their formula in the preceding funding period (including any new factors, criteria, methods, principles or rules).

(2) Paragraph (1) does not apply to changes made pursuant to regulations 8(2), 19(4) or 22.

(3) Consultation under this regulation must take place in sufficient time to allow the outcome to be taken into account in the determination of the authority’s formula and in the initial determination of schools' budget shares.

(4) A local authority must inform all those who were consulted of the outcome of the consultation.

Pupil numbers

13.—(1) In determining budget shares for maintained nursery, primary and secondary schools, a local authority must take into account in their formula the number of registered pupils at those schools on such dates as may be determined by them weighted if the authority consider it appropriate in accordance with paragraph (7).

(2) For the purpose of paragraph (1), the number of registered pupils does not include—

(a)pupils in respect of whom grant is payable to the authority by the Welsh Ministers under section 36 of the 2000 Act;

(b)pupils in places which the authority recognise as reserved for children with special educational needs or (except where the local authority chooses not to exercise their discretion under regulation 15 in respect of children in nursery classes) for children in nursery classes.

(3) Where the authority determine only one date for the purposes of paragraph (1) it must be a date which falls—

(a)before the beginning of the funding period in question; and

(b)in the school year in which the beginning of the funding period in question falls.

(4) Where the authority determine more than one date for the purposes of paragraph (1) then—

(a)one of those dates must satisfy paragraph (3);

(b)as respects the other date or dates—

(i)no date may be earlier than the beginning of the school year in which the beginning of the funding period in question falls, and

(ii)the authority may determine a date or dates which are in the future and estimate the number of registered pupils at the school on that date or those dates.

(5) The restrictions on the dates in paragraphs (3) and (4) do not apply in relation to pupils in nursery or reception classes whom the authority take into account under paragraph (1).

(6) An authority may, in determining budget shares for special schools, or for primary or secondary schools with places which the authority recognise as reserved for

children with special educational needs or for children in nursery classes, take into account in their formula–

(a)the number of registered pupils at those special schools; or

(b)the number of pupils in those reserved places at primary or secondary schools;

on the date or dates determined for the purpose of paragraph (1) (weighted if the authority consider it appropriate in accordance with paragraph (7)).

(7) A local authority may weight pupil numbers according to any or all of the following factors–

(a)age, including weighting according to key stage or year group;

(b)whether a pupil is provided with nursery education by a school;

(c)in the case of pupils aged under five, their exact age when admitted to the school;

(d)in the case of pupils aged under five, hours of attendance;

(e)special educational needs;

(f)whether a pupil at a school is also attending an institution within the further education sector; and

(g)whether a pupil is being educated through the medium of Welsh.

(8) Subject to paragraph (9), where—

(a)a primary school operates a policy of admitting children into nursery or reception classes in the summer term, and

(b)it will admit pupils into such classes in the summer term immediately after the date or dates determined under paragraph (1),

a local authority may determine a number representing the number of pupils who will be admitted in that summer term, and take such number into account in their formula.

(9) In determining the number of pupils they will take into account under paragraph (8), a local authority—

(a)must not determine any number which exceeds the number of pupils admitted in the summer term immediately prior to the date or dates determined under paragraph (1) and

(b)must make any such determination before the beginning of the funding period during which the pupils will be admitted.

(10) A local authority must include provision in their formula enabling them to adjust the number of registered pupils used to determine a school's budget share where it is appropriate to do so in order to take into account, wholly or partly, the permanent exclusion of a pupil from the school or the admission of a pupil following that pupil's permanent exclusion from another school maintained by a local authority.

Pupil Numbers: Dual Registration

14. Where a pupil is, in accordance with regulations made under section 434 of the 1996 Act(**1**), a registered pupil at more than one school then that pupil must be treated as being a full-time pupil at each such school unless the authority expressly provide otherwise in their formula.

Differential funding

17. A local authority must not use in their formula any factors or criteria which discriminate between schools by reference to their category under the 1998 Act except where differences in the functions of the governing bodies of schools of different categories justify such discrimination

Additional factors or criteria

18.—(1) Subject to regulations 16 and 17, a local authority may, in determining budget shares, take into account in their formula, as they consider appropriate, any or all of the factors or criteria set out in Schedule 3, as provided for in that Schedule.

(2) A local authority must, in determining budget shares for both primary and secondary schools which they maintain, take into account in their formula a factor or factors based on the incidence of social deprivation among pupils registered at all such schools.

(3) A factor included in an authority's formula pursuant to paragraph 19 of Schedule 3, is not, for the purpose of paragraph (2), a factor based on the incidence of social deprivation among pupils registered at a school.

(4) The factors and criteria set out in Schedule 3, may not be taken into account by a local authority on the basis of actual or estimated cost unless otherwise stated in that Schedule.

(5) Where a local authority take new factors or criteria into account in their formula or delete factors from their formula or determine a formula substantially or wholly different from the previous funding period, they may make such transitional provision as they consider reasonable.

Budget share adjustments

21.—(1) To the extent that a school's budget share for a funding period was—

(a)determined by reference to an estimate of the number of registered pupils at the school on a particular date or dates; and

(b)differences between the estimated number of pupils on that date or those dates and the actual number of pupils at the school on that date or those dates were not taken into account in a redetermination of the school's budget share for that funding period,

the local authority must determine that school's budget share for the following funding period so as to take into account those differences.

(2) A local authority may determine a school's budget share for a funding period so as to take into account any other change during the course of the preceding funding period in the data by reference to which the school's budget share for that preceding funding period was determined, if those changes were not taken into account in a redetermination of the school's budget share for that preceding funding period.

(3) A local authority may adjust the number of registered pupils used to determine a school's budget share for a funding period where it is appropriate to do so in order to take into account, wholly or partly–

(a)any reduction or increase in the school's budget share for the preceding funding period arising from the permanent exclusion of a pupil from the school or the admission to the school of a pupil permanently excluded from another maintained school; or

(b)any increase in the school's budget share for the preceding funding period arising from increases in pupil numbers during the course of that funding period.

(4) A local authority must include factors or criteria in their formula which satisfy the requirements of this regulation.

Percentage of “pupil-led” funding

23.—(1) Subject to paragraph (2), in determining and redetermining budget shares for primary and secondary schools a local authority must ensure that their formula provides that at least 70 per cent of the amount which is their individual schools budget is allocated in one or more of the following manners—

(a)in accordance with regulation 13(1) or (6);

(b)in accordance with any other factors or criteria using pupil numbers which provide for the same funding for pupils of the same age irrespective of the nature of the school which they attend;

(c)to places in primary schools which the authority recognise as reserved for children in nursery classes;

(d)for children with special educational needs who do not have statements of special educational needs but only up to 5 per cent of the total amount allocated by the authority to primary and secondary schools from their individual schools budget;

(e)to places in primary or secondary schools which the authority recognise as reserved for children with special educational needs;

(f)for pupils with statements of special educational needs where funding in respect of such pupils forms part of schools' delegated budgets.

(2) For the purposes of this regulation, the budget shares of schools providing education only for pupils over compulsory school age, of special schools and any part of the individual schools budget retained pursuant to regulation 8(2) for the purpose of redeterminations or the correction of errors must be excluded from the local authority’s individual schools budget.