School funding reform:

Technical Guidance for Local Authority Formula Tool v2.0

Next Steps Modelling Tool v2.0

1.   Introduction

1.1. The modelling tool has been updated to reflect the decisions taken in the *"School Funding Reform: Arrangements for 2013-14"* published by the Secretary of State on 28 June 2012.

1.2. The tool is intended for use by local authorities in defining and allocating their schools block funds for 2013-14 and has been provided to offer a framework to support this modelling process. Much of the information collated in the toll will be required for your submission of your formula to the Education Funding Agency (EFA). We will be in touch in September with further details of the format for that submission.

1.3. The tool and this guidance should be used in conjunction with the Operational Guidance and the 'Proforma and Underpinning Data Content' which can be found here.

1.4. As before, the tool has been issued with a data set which can be downloaded through our secure server using the same Key to Success username and password as for version 1. If you need assistance with this (for example, because you have lost your login details) then please contact us at SCHOOLFUNDING, Reform stating "PASSWORD" in the subject and providing a name and contact number and we will call you to remind you of your login details.

1.5. Please note that version 2 of the tool **will not work** with version 1 data (or vice versa).

2.   User Guidance

2.1.   Please refer to version 1 of this user guidance (available [here](#)) in parallel to this note as this note is intended only as an updated. It will only contain information on changes / additions.

3.   Summary of technical changes:

3.1.   The tool now works with automatic calculation, once you have imported the data and updated schools from the input data sheet you do not need to update the model manually, however you can work with calculation switched to manual if you prefer to do so.

3.2.   Each school level table now has URN and LAESTAB for easier indexing.

3.3.   Each sheet has variable column widths.

3.4.   We have added a references tab listing each 'Range Name' and its location in the workbook.

3.5.   As with version 1 the tool is locked to protect the calculation cells. However you can request the password from the [School Funding Reform](#) inbox using the subject Tool Key. We cannot offer support for problems arising from unlocked versions of the tool.

4. Walk Through

Cover

4.1. No changes

Input Data

4.2. Please refer to the detailed data specification in section 5 of this guidance.

4.3. Once you have imported your data (by clicking on *1. Import Schools from Supplied Data Set*) you may need to modify the data:

<u>Changes to whole schools</u>

4.4. New schools (with estimated values) can be added at the end of the list.

4.5. Schools that are changing maintained status midway through the year should be left as they are.

4.6. Schools that will not be funded at all in 2013-14 can be deleted but you must not leave blank rows in your schools data.

4.7. Amalgamations should be handled by recalculating factors as weighted sums.

4.8. **Please note**: you can indicate schools which should only be funded for part of the year in 'Local Factors'.

4.9. Partial Recoupment Academies - For the few schools where part of the school is Non Recoupment and the remainder of the school is Recoupment or Maintained, then these schools will need to be added to the schools list, with the values (taken from the Non Recoupment sheet of the data set) adjusted to exclude the Non Recoupment part of the school.

<u>NOR (Number on Roll):</u>

4.10. Alter to reflect a planned change for numbers.

4.11. Any changes must be reflected in the main NOR and the sub NOR categories.

4.12. DO NOT subtract pupils, who are allocated to a High Needs Place at this stage, you can do this in 'Local Factors'.

4.13. DO NOT adjust for January starts in Reception classes.

4.14. After making changes to the data click on *"3. Update Schools"*

4.15. **Please note:** clicking this button clears the contents of cells in 2012-13 Baselines and Local Factors so it is recommended that you only do this once at the start of your model. If you do need to repeat this process please ensure that you have a back up copy of these sheets.

12-13 LA Table

4.16. Updated to reflect new formula factors.

4.17. As well as the compulsory delegation items we have now highlighted the SEN categories that may map to the High Needs Block, or the Schools Block.

12-13 Table 4

4.18. Updated to reflect new formula factors.

12-13 Baselines (New Sheet)

4.19. This takes the 2012-13 data that was in 'Local Factors' and expands the data so that Minimum Funding Guarantee (MFG) can be calculated correctly. For each school list:

URN	Pre populated
LAESTAB	Pre populated
School Name	Pre populated
R - y11 NOR (from October 11)	Calculation Cell
On roll Oct 11	Pre populated from NOR on Input data
Manual adjustments to NOR	Use negative numbers to decrease NOR. Adjust for pupils in High Needs Places
12-13 Actual SBS	Enter the Actual SBS (including academies)
12-13 Early Years	Enter the value of funding in the SBS that is now in the Early Years Block (based on "12-13 Table 4") (including academies)
12-13 High Needs	Enter the value of funding in the SBS that is now in the High Needs Block (based on "12-13 Table 4") (including academies)
12-13 Non DSG Sixth Form	Enter the value of funding in the SBS that is Non DSG sixth form funding (based on "12-13 Table 4") (including academies)
12-13 Adjusted SBS	Calculation Cell
12-13 Rates	Actual 12-13 rates
12-13 Approved Exemptions 1 … 6	There are up to 6 spaces to enter exemptions
12-13 MFG Total	Calculation Cell
12-13 Adjusted SBS Per Pupil	Calculation Cell
12-13 MFG Per Pupil	Calculation Cell

4.20. The note section in row 2 can be used to describe any MFG Exemptions.

Local Factors

13-14 School Level data for Non Pupil led factors

URN	Pre populated
LAESTAB	Pre populated
School_Name	Pre populated
Opening / Closing	If a school will only be open for part of the year, enter a fraction here, default is 1.
Primary Pupils in High Needs Places	Enter the (positive) number of primary pupils exclusively funded through the High Needs Place System
Key Stage 3 Pupils in High Needs Places	Enter the (positive) number of Key Stage 3 pupils exclusively funded through the High Needs Place System
Key Stage 4 Pupils in High Needs Places	Enter the (positive) number of Key Stage 4 pupils exclusively funded through the High Needs Place System
Split Sites	Enter actual values
Rates	Enter actual values
PFI	Enter actual values
Sixth Form Funding From DSG	Enter actual values
Excep Circs 1…3	Enter actual values

4.21. Use the notes (row 2) section to add detail to any of the factor headings.

Factors (new sheet)

4.22. This sheet uses the values in 'Input Data' to create Unit Values for each school.

4.23. NOR will be:
- NOR from input data, less High Needs Pupils identified in 'Local Factors', plus reception difference if the Reception Uplift is set to yes on the control panel.
- This number is then multiplied by the Fringe Factor (default is 1) and the Opening/Closing Schools Factor (default is 1).

4.24. All indicators are then multiplied by the new NOR to create funding units.

New delegation Control (new sheet)

4.25. As outlined in the operational guidance, in order to be able to exclude 'New Delegation' from MFG you need to show how the 'New Funds' are allocated using the allowable factors.

4.26. The total new delegation will be populated from 12-13 LA Table

in rows 2 and 3, with new SEN delegation grouped under one heading.

4.27. Values should be entered as total allocation (not Unit Values).

4.28. Any funds you intend to hold back for growth can be indicated in row 4.

4.29. A single unit value for each factor will be indicated in column R.

4.30. These unit values are applied to the school level table below and the total new delegation value for each school is calculated in the school level table below.

Control Sheet

4.31. The main table has been updated to include the new factors/indicators.

4.32. The 'Overall Budget' table (top left) now has a space to indicated existing ISB funds to be held back for growth (C6). 'Total Growth' (C9) also includes 'New Delegation' (C5 taken from 'New Delegation Control').

4.33. On the right hand side there is a new table showing the overall pre MFG Primary Secondary ratios.

4.34. If you select 'Yes' in cell K3, the reception uplift will be applied to NOR calculations. This will mean that each schools NOR will be increased by the amount indicated in the 'Reception Difference' field. This uplift is not included when comparing per pupil funding or calculating MFG.

4.35. You can control MFG calculations in cells H8:K12. Please see our MFG exemplification for more guidance.

New ISB

4.36. New factors included.

4.37. MFG calculations added to columns AU to BA.

4.38. De-delegation in BB to BC.

De-delegation (new sheet)

4.39. The top part of the sheet contains a table for 'Primary De-delegation' (Columns B-N) and another for Secondary Columns Q to AC).

4.40. Schools are Primary/Secondary as they are deemed in the 'Phase' field of the school census. Academies are not included and will have a De-delegation value of £0.

4.41. Against each of the headings in row 6, you can indicate a target budget (optional) in row 7.

4.42. Against each of the factors listed, indicate a unit value e.g. contingencies at £xx per pupil or Free School Meals Eligibility at £xx per pupil and £xx per FSM pupil. The total budget generated will be shown in row 8.

4.43. The bottom part of the sheet calculates the total de-delegation for each school.

4.44. These values are applied to school budgets after MFG calculations in New ISB.

Summary Data

4.45. The chart can now show overall percentage change or MFG percentage change against each of the pupil level indicators.

Pro-Forma

4.46. This has been updated to include the new indicators and MFG.

Pro-Forma Commentary (new sheet)

4.47. This is a mock up of the detailed information you will be required to supply along with your Pro-Forma for non pupil based factors.

Chart Data (new sheet)

4.48. Taking the control variables from K33 and K34 on the 'Summary Data' sheet, this sheet looks up the X and Y values for the chart.

References (new sheet)

4.49. This is a new sheet containing a list of all the named ranges used in the Tool. This list is updated each time you use the 'Update Schools Button' on the 'Input Data' sheet.

5. Data Specification

5.1. The specification of the data to be used with the tool is described below including the schools and numbers on roll (NOR) as well as the indicators that can be used with each allowable funding factor. Some factors can be considered separately for primaries and secondaries and some are broken down with several options or bands as set out in the funding reform operational guidance.

Data	Breakdown	Data source
School list		Mainstream schools on Autumn 2011 Census
Number on roll	Primary, Secondary, Key Stage 3, Key Stage 4	Autumn 2011 Census
EAL	1st, 2nd, 3rd year in system Primary/Secondary	Autumn 2008-2011 Censuses
IDACI	Split into six different bands, Separate Primary/Secondary	Autumn 2011 Census
FSM	Separate Primary/Secondary	Autumn 2011 Census
FSM ever 6	Separate Primary/Secondary	Published pupil premium Ever6 Data which was mapped to Spring 2011
Primary phase low attainment	EYFSP score below 78 or score below 73	EYFSP or KS2 results for AY 2010/11 mapped to Autumn 2011 Census
Secondary phase low attainment	Level 3 or below in both English and maths at KS2	KS2 Data Table AY 2010/11 mapped to Autumn 2011 Census
Looked After Children	Any Looked After Children, Looked after for at least 6 months, Looked after for at least 12 months	SSDA903 March 2011 mapped onto Spring 2011 Census
Mobility	Start date in last three academic years, separate Primary/Secondary	Autumn 2011 Census
Reception Uplift	Difference between on roll in October 2010 and January 2011 in Reception	Autumn 2010 and January 2011 Census

Schools included

5.2. All mainstream schools whether Academies or maintained that were recorded on the Autumn 2011 Census have been included. While any special, nursery or alternative settings are not included. New schools can be added by local authorities within the tool. As local authorities do not fund non-recoupment Academies or Free Schools only the data for recoupment Academies and maintained schools is loaded into the model automatically. The data for non-recoupment Academies will be included separately within the data workbook however so local authorities can take their census characteristics into account in designing their formula.

Deriving Indicators

5.3. In all cases the indicators have been taken from the pool of qualifying pupils. Where no data is available (e.g. a missing

IDACI score) those pupils are not included in either the numerator or the denominator.

Missing Data

5.4.   Omissions on the school census, a timing mismatch in the data (e.g. Ever6 FSM data which is mapped to schools open in Spring 2011) and opening schools may mean some schools do not have values for some or all of the indicators. Where this is the case local authorities should use their own data or best judgement of how to handle these schools within the tool. The notes column on the data sheet points out any missing data values.

School Information

URN
School_Name
Local_Authority
LAESTAB
Phase

5.5.   The model uses the school URN to reference schools. The dataset also includes the LAESTAB and indicates the 'deemed' phase of the school.

Academy Type

5.6.   This field is NULL for maintained schools, for Academies and Free Schools, recoupment status is indicated.

London Fringe uplift for the five affected Authorities

London Fringe

5.7.   For the 5 local authorities (Buckinghamshire, Essex, Hertfordshire, Kent, and West Sussex) who have some of their schools within the London fringe area, we have determined an appropriate uplift that should be applied to the affected schools budgets. The uplift is calculated using the specific cost of teaching staff within the different pay band areas and the proportion of school expenditure that goes on teaching staff. Using the national distribution of teaching staff by pay band spine point (School Workforce Census, 2010) and spine point salary data (School Teachers' Pay and Conditions Document 2011) we have calculated the average uplift between the London Fringe and the rest of England teacher pay band areas to be 2.97%.

5.8. Analysis of the latest Section 251 Outturn reporting lines indicates that 55% of School Expenditure goes on teaching staff costs. On this basis, the uplift for London Fringe schools should be 55% of 2.97% which gives a value of 1.63% to be applied to the school formula funding (excluding factors that should be paid as actuals i.e. rates, PFI, split-site and exceptional circumstances).

School Number on Roll

NOR
NOR_Primary
NOR_Secondary
NOR_KS3
NOR_KS4

5.9. Pupils have been counted (equally, whether or not they are part time) if they met the following criteria:

- They were on roll on the Autumn 2011 census;

- Their enrol status was sole or dual-main;

- They were in a mainstream school (not in a special, Early Years, Pupil Referral Unit or Nursery setting);

- They were at least 4 at the start of the academic year;

- They were not in any of the following national curriculum year groups (N1, N2, 12, 13, 14, X) or if the NC year group data was missing.

5.10. Pupils recorded as in National Curriculum years groups R-Y6 are classed as in the primary phase and those in Y7-Y11 are classed as in the secondary phase. Secondary pupils are additionally split in to key stage groups (KS3, yr 7-9, KS4, yr 10-11)

High needs pupils in special units and specially resourced provision within mainstream schools

5.11. These pupils should be funded through place led funding from the High Needs block. The number on roll for mainstream schools should therefore exclude any pupils within special units and specially resourced provision. School census data on special units is not sufficiently robust for this to be carried out centrally so this has not been done within the data provided (A later exercise will be undertaken to refine and check local authorities' data on high needs pupils). Local authorities should have the required information to account for this and will be able

to adjust the number on roll data after it has been fed into the model. It may also be appropriate to adjust the Low Attainment indicators where there are enough pupils to cause a significant skew.

Anomalous primary/secondary pupils

5.12. Where a primary school has only one or two secondary phase pupils or the reverse for a secondary school this may suggest a school census recording error. The notes column on the data sheet indicates where this is the case and local authorities may wish to verify whether these are errors to avoid incorrect formula allocations.

Detailed specification for individual factors

EAL

EAL_%_1 PRI
EAL_%_2 PRI
EAL_%_3 PRI
EAL_%_1 SEC
EAL_%_2 SEC
EAL_%_3 SEC

5.13. LAs are given a choice as to how many years a pupil using EAL can attract EAL funding. This is to be implemented locally by selecting one of the three EAL factors available at school level, EAL1, EAL2 or EAL3. The number gives the maximum number of Autumn censuses on which a pupil can be on roll and still be counted in the factor. So EAL1 counts the proportion of pupils that are EAL and only on roll in the most recent Autumn census; EAL2 counts those on only the previous two Autumn censuses, and so on. Pupils whose first language is unknown are not assumed to be EAL but are excluded from the denominator.

5.14. If a pupil was first recorded on the Autumn census in N1, N2 or Reception this has been excluded from the count.

Deprivation

5.15. The options available fall into three categories, IDACI-based, FSM-based and Ever6-based. Any combination of these may be used and pupils are split by primary and secondary phase allowing separate unit values.

IDACI

IDACI_0_PRI	**IDACI_0_SEC**
IDACI_1_PRI	**IDACI_1_SEC**
IDACI_2_PRI	**IDACI_2_SEC**
IDACI_3_PRI	**IDACI_3_SEC**
IDACI_4_PRI	**IDACI_4_SEC**
IDACI_5_PRI	**IDACI_5_SEC**
IDACI_6_PRI	**IDACI_6_SEC**

5.16. The Income Deprivation Affecting Children Index (IDACI) is part of the Indices of Multiple Deprivation (IMD). It is an area based measure defined at the level of Lower Super Output Area and was last collected in 2010. It takes the form of a score between 0 and 1, which can be interpreted as the proportion of families in the LSOA, with children aged under 16, which are income deprived. More information is available here.

5.17. The IDACI score has been matched to pupil records where the pupil's postcode is known, and this has been placed into 6 bands as shown below. Only pupils with an IDACI score above 0.2 can be assigned deprivation funding through this factor meaning there are five bands which can be given different unit values each for primary and five for secondary phase pupils.

IDACI Score	IDACI band
$x < 0.2$	0
$0.2 \leq x < 0.25$	1
$0.25 \leq x < 0.3$	2
$0.3 \leq x < 0.4$	3
$0.4 \leq x < 0.5$	4
$0.5 \leq 0.6$	5
$0.6 \leq 1$	6

5.18. The bands have been selected so that each band above band 0 contains a broadly similar number of pupils across the country. For each of the bands, the proportion of pupils on the Autumn 2011 census with valid IDACI scores has been aggregated to school level with separate indicators for primary and secondary phase pupils.

FSM

FSM_%_PRI
FSM_%_SEC

5.19. The proportion of pupils eligible for free school meals according to the Autumn 2011 census has been aggregated to school level

with separate indicators for primary and secondary phase pupils.

<u>Ever 6</u>

FSM6_%_PRI
FSM6_%_SEC

5.20. This counts the proportion of pupils that were recorded as eligible for FSM in any of the censuses (Autumn, Spring and Summer) over the past 6 years. In order to be consistent with the deprivation Pupil Premium the same published percentage has been provided which is mapped to the Spring 2011 census. A consequence of this is that newly opened schools for the Autumn 2011 Census will not have Ever6 FSM data. More information on this indicator and the Pupil Premium can be found here. Where schools have pupils from both phases, the same indicator will be used as this data is not currently available at phase level.

Low Attainment

LowAtt_%_PRI

5.21. Local authorities can use Early Years Foundation Stage Profile (EYFSP) results and Key Stage 2 as a proxy for low cost SEN.

5.22. For primary schools, funding can be targeted at pupils who achieve either fewer than 78 points or fewer than 73 points on the current EYFSP. We have supplied data relating to all pupils in each school who achieve below this threshold.

5.23. For schools where the earliest primary year group is year 4 or later a consistent EYFSP score is not available due to a change in the examination. For these schools the indicator is based on the most recent year 6 KS2 results using the percentage who achieve a Level 3 or below in both English and mathematics. The notes column on the data sheet points out where this is the case.

LowAtt_%_SEC

5.24. For secondary schools, funding can be targeted at pupils who achieve a Level 3 or below (so pupils scored as 2, 3, B or N) in English and mathematics. The eligible percentage of pupils all year groups has been provided which will be applied to all secondary phase pupils in the school.

5.25. Only pupils who have undertaken assessment have been considered in calculating the eligible school percentage so

pupils marked as absent are excluded from the denominator.

Looked After Children

LAC_X_Mar11
LAC_6_Mar11
LAC_12_Mar11

5.26. A school level percentage has been provided based on the SSDA903 March 2011 return and mapped to the Spring 2011 census at pupil level. Three options have been given allowing the use of:

- Any looked after children

- Children looked after for at least 6 months

- Children looked after for at least 12 months

Mobility

Mobility_%_PRI
Mobility_%_SEC

5.27. A primary school level percentage has been provided based on the number of pupils whose start date (at current school) is within the last 3 academic years and whose start month was not in August, or September. If the pupil started in Reception then start months August, September or January will not be counted.

5.28. A secondary school level percentage has been provided based on the number of pupils whose start date (at current school) is within the last 3 academic years and whose start month was not in August or September.

Reception Difference

Reception Difference

5.29. The difference between the number of pupils on roll in Reception (only those pupils aged 4 and over) in each school between October 2010 and January 2011 has been provided.