

**Learning & Skills Scrutiny Committee**  
**18 January 2023**

<b>Report Title:</b>	<b>School Delegated Budget Funding Formula Review / Revisions to the Powys Scheme for Financing Schools</b>
<b>Lead Officer:</b>	Mari Thomas

**Key Issues in the report highlighted by Lead Officer**

- Reviewing and updating School funding formulae is good practice and part of the Authority's Post Inspection Action Plan
- The Authority must consult with the governing bodies of all schools and with the Schools Forum on proposals to change the school funding formulae or the Powys Scheme for Financing Schools, as required by the School Funding (Wales) Regulations 2010
- There were 5 elements to the consultation undertaken with schools in 2022
  - Pupil Movement Policy
  - Scheme for Financing Schools
  - Special Schools Formula
  - Secondary Phase Schools Formula
  - Post-16 Funding Principles
- The process is overseen by the Formula Review Group which includes school representatives from all school sectors
- 13 schools responded the consultation and a further 11 schools were involved either as part of the Formula Review Group or as part of Schools Forum
- Overall, responses were generally supportive of proposals with some exceptions which are set out in detail in the report and in Appendix F
- The proposed changes to the secondary phase school funding formula does increase the funding required within the Schools Delegated Budget
- It is recommended that the proposals are implemented, subject to the additional funding being identified and agreed.

**Key Feeders (tick all that apply)**

Strategic Risk		Cabinet Work Plan	
Director / Head of Service Key Issue		External / Internal Inspection	✓
Existing Commitment / Annual Report	✓	Performance / Finance Issue	✓
Suggestion from Public		Referral from Council / Committee	
Corporate Improvement Plan		Impacting Public / other services	
Service Integrated Business Plan	✓		
Suggestion from Members			
Partnerships			

**Scrutiny Impact (tick all that apply)**

Policy Review		Performance	
Informing Policy Development		Evidence Gathering	
Risk		Corporate Improvement Plan	
Service Integrated Business Plan		Partnerships	
Pre-Decision Scrutiny	✓	Finance / Budget	

**Other (please specify)**

**Suggested scrutiny activity - Committee's Role:**

**On what specific elements of the report would scrutiny comment add value**

# CYNGOR SIR POWYS COUNTY COUNCIL.

## Learning & Skills Scrutiny Committee 18 January 2023

**Report Author:** County Councillor Pete Roberts  
Cabinet Member for a Learning Powys

County Councillor David Thomas  
Cabinet Member for Finance and Corporate  
Transformation

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

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**Report For:** Decision

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### 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 Secondary, All-age and Special Schools, the pupil movement policy and revisions to the Powys Scheme for Financing Schools.

### 2. Background

- 2.1. It is good practice 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 2022 was to continue to develop a schools' delegated budget formula for Special Schools and for Secondary Phase Schools that was suitable for the schools' estate following the implementation of the Strategy for Transforming Education in Powys.
- 2.2. The School Funding (Wales) Regulations 2010 require that the authority consults with the governing bodies of all its schools and with the Schools' Forum on any changes to the school funding formula or the Scheme for Financing Schools.
- 2.3. A Formula Review Group was established in 2022 with a range of stakeholders, including headteachers and chairs of governors from each school sector, along with Council officers. The group reviewed a range of school funding formulae from other rural Welsh local authorities before developing a set of formula proposals for special and mainstream secondary phase and all-age schools. Schools were consulted on the proposed changes over three weeks between in 22 November to 13 December 2022.
- 2.4. The aim of the proposed formulae is to support a move to pupil-led formulae that would provide a stable, transparent and equitable funding arrangement for special schools and for mainstream, secondary 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.**

- 2.5. The proposals are intended to support the distribution of funding to every special and secondary phase school in Powys. 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.
- 2.6. The Formula Review Group also put forward proposals to amend the current funding formula to add in an element for secondary phase schools with more than 1 secondary campus in separate towns.
- 2.7. A consultation was also held on how to amend schools' funding to reflect pupil movement during the financial year.
- 2.8. 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 relatively minor changes were consulted upon in relation to the deadline for agreeing proposed changes to the fair funding formula, interest on balances and licensed and unlicensed deficits.

### **3. Consultation Proposals**

#### **Pupil Movement Policy**

- 3.1. The consultation (full document at Appendix A) proposed that the existing pupil movement policy be discontinued for the following reasons:
- a) It was a temporary measure until pupil-led formulae were in place;
  - b) It only relates to pupils moving between Powys CC schools and does not reflect movement to or from schools outside of Powys;
  - c) It excluded "normal" transition so did not cover significant increases in pupil numbers in September admissions; and
  - d) It relies on multiple manual data entries rather than being extracted from a data management system with a single point of data entry undertaken once only at each school.
- 3.2. Instead, the proposal consulted upon was that funding adjustments would be made on a case-by-case basis (in line with 50% of other Welsh authorities that responded to a survey undertaken through the Association of Directors of Education in Wales (ADEW) Finance group). It was further proposed that a simple template be developed for schools to complete.

#### **Revisions to the Powys Scheme for Financing Schools**

- 3.3. The revised Powys Scheme for Financing Schools for 2023-24 can be found at Appendix B to this report. The proposed changes are relatively minor changes in relation to the deadline for agreeing proposed changes to the fair funding formula, interest on balances (paragraphs 4.3 and 4.6 of the Scheme) and licensed and unlicensed deficits (paragraph 4.8 of the Scheme), as highlighted in Appendix B.

### **New formula: Special Schools**

- 3.4. The consultation (full document at Appendix C) proposed that the new formula be based on 4 components, aligning with the primary phase formula agreed last year.
- 3.5. **Component 1:** Distribute a **per pupil sum to each school** – based on an agreed amount per learner in bands of learning difficulty as set out in the table below. This sum is meant to cover the costs of running an inclusive school that can provide for the needs of all learners.

<b>Band of Learning Difficulty</b>	<b>PTR (Pupil Teacher Ratio)</b>	<b>PTAR (Pupil Teaching Assistant Ratio)</b>	<b>PTMDSR (Pupil Midday Supervisor Ratio)</b>
1 Profound and multiple learning difficulties	5	1	1
2 Severe communication difficulties	7	3	3
3 Severe emotional and behavioural difficulties	8	6	6
4 Severe developmental difficulties	10	9	9
5 Additional pupils mainstream level* *There are pupils currently attending Special Schools in Powys that would not meet the criteria in the new ALNET Act <sup>1</sup> and it is proposed that these pupils are funded at the current primary / proposed secondary per pupil amount plus band led funding	N/A	N/A	N/A

- 3.6. **Component 2: Lump Sums** providing minimum funding amounts for specific aspects at all Special Schools for example, leadership and management; Individual School Range (ISR); administration; and grounds.
- 3.7. **Component 3:** Add **additional sums to reflect matters that are unique to the school**, or unique to a group of schools for example class size top up; premises surplus area; building condition; and hydro-pool allowance.
- 3.8. **Component 4:** Additional **sums to promote approaches that underpin county-wide and national improvement priorities** for example satellite provision as it expands across the county.
- 3.9. In addition to these components, it was also proposed that the funding for special schools be updated in the Autumn term to reflect the actual intake and bands of pupils each academic year as the original funding allocations would be based on an estimated September intake.
- 3.10. The consultation document proposed that the implementation of the new formula be phased in during 2023-24, based on 5 months of the current formula (for April to August) and 7 months of the new formula (from September to March) before being fully implemented from April in 2024-25.

<sup>1</sup> ALNET Act = Additional Learning Needs and Educational Tribunal (Wales) Act 2021

### **Current Formula: Amendments for Secondary Phase Schools with multiple secondary campuses in separate towns**

- 3.11. The current secondary phase formula funds all split site schools as two separate schools for all elements of the formula except for the ALNCO and Admin which are funded as a single school. However, it has been argued that this does not adequately recognise the additional costs arising from having more than one secondary campus in different towns.
- 3.12. It is proposed that an adjustment is made to the funding formula for secondary phase schools with more than one secondary campus to acknowledge the additional costs of managing and running a secondary school over more than one secondary campus in separate towns, such as additional technician support, school receptions and leadership. It is estimated that this proposal would provide an additional £98,960 per school (total: £197,920).

### **New School Funding Formula: mainstream secondary phase schools**

- 3.13. The consultation (full document at Appendix D) proposed that the new formula be based on 4 components, aligning with the primary phase formula agreed last year. Drawing from international best practice<sup>2</sup> 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**

- 3.14. 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 600-pupil model school, which was then used to provide a Per Pupil Allocation for Key Stage 3 (years 7 – 9) and Key Stage 4 (years 10 and 11).
- 3.15. The methodology also moved away from funding the notional number of teachers in the model school based on funded average teacher costs and instead point 2 on the upper pay scale (UPS) was chosen. This pay point was used as it is the closest to the current funded average teacher costs in the secondary sector. This would need to be reviewed on an ongoing basis to ensure that this is an appropriate level to fund at.

#### **Component 2: Additional Learning Needs (ALN)**

- 3.16. The current methodology for distribution of this element of funding to secondary phase schools was reviewed and updated for the 2019-20 financial year with all schools receiving sufficient funding to allow them to run a class in each year and in each language stream with a teacher-pupil ratio of 1:15 where there are more than 15 in the year group. (NB it should be

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<sup>2</sup> The OECD document “The Funding of School Education: Connecting Resources and Learning”

noted that the notional funding for ALN in the primary phase schools funding formula is delivered using a formula based on a three-year average of proxy indicators relating specifically to ALN or disadvantage).

- 3.17. In addition to this, it was proposed that each school would receive an ALN lump sum of £82,772 based on the cost of an ALN Coordinator on leadership scale 13 plus 1 pastoral teaching assistant (TA) at Grade 7 for 32.5 hours, term time only.

### **Component 3: Additional sums for Unique Factors (Top Ups)**

#### **Premises related top ups**

##### Surplus Internal and External Grounds Area top ups

- 3.18. 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, modelled at £30.03 per square metre. This brings the total funding provided for building size through this proposed formula to the same level as the current formula.
- 3.19. 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 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 £0.20 per square metre.

##### Building Condition top up

- 3.20. 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

- 3.21. 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.

### **Management and Administration Top Ups**

#### Small School Management and Administration Top Up

- 3.22. This top up provides additional funding for support staff and management to school who have less than 592 pupils to ensure they have enough funding to support the minimum levels needed for
- TLR Structure
  - Business Management
  - Technicians
  - Cover Supervisors
- 3.23. Schools receive an additional £333.33 per pupil for the pupil difference between their funded pupils and 592 pupils.

### Multiple Secondary Campus Management lump sum

- 3.24. Each school that is running over multiple secondary campuses will receive the following lump sum to recognise the additional running costs of multiple secondary campuses in different towns in terms of the following
- Senior leadership
  - Technician support
  - Administration
- 3.25. Each school will receive a lump sum of £98,960.

### Teaching and Learning Top Ups

#### Small School Teaching and Learning Top Up

- 3.26. Schools with fewer than 600 pupils would receive this top up to manage year groups. The description of the proposed secondary formula sets out the detail of this on page 15 of Appendix D along with 2 worked examples. The methodology is based on the gap between the actual pupil numbers in a year group and the top of a range of bands of pupil numbers. Each band has a starting level of top up and each “gap” pupil adds a further £2,835 to the top up.

#### Multiple Secondary Campus Teaching and Learning Lump Sum

- 3.27. Campuses with fewer than 600 pupils receive this additional top up to manage year groups on that campus calculated in the same way as the small school top up.

#### Dual Stream Teaching and Learning Lump Sum

- 3.28. Individual streams with fewer than 600 pupils will receive this additional top up to manage year groups in that stream calculated in the same way as the small school top up.  
Note – a dual stream school with fewer than 600 pupils in total would not receive the small school T&L top up in addition to this top up. This top up would be applied to each stream instead.

#### Bilingual administration top up

- 3.29. A sum of £5,000 will be provided to secondary phase schools providing education in Welsh medium to acknowledge the additional costs incurred by schools that are required to produce resources, materials and correspondence in both languages.

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

- 3.30. 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

- 3.31. It is proposed that the implementation of the proposed formula is staggered over 5 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. It is estimated that implementing the new secondary phase formula will cost £133,860 in addition to existing budgets.
- 3.32. The implementation proposed is as set out below, however implementation will not start until the funding for the additional £133,860 has been identified and agreed:



Year 1 2023-24 = 20% new formula, 80% current formula.  
 Year 2 2024-25 = 40% new formula, 60% current formula.  
 Year 3 2025-26 = 60% new formula, 40% current formula.  
 Year 4 2026-27 = 80% new formula, 20% current formula.  
 Year 5 2027-28 = 100% new formula, if appropriate following review of the previous years

*Please note the timing and pace of proposed implementation may change depending on the outcome of wider budget discussions.*

### **Post-16 Funding Principles**

3.33. Post-16 delivery within mainstream schools in Powys is undergoing significant change and moving to a commissioning based model through a collaborative Chweched Powys Sixth. In line with this, the mechanism for distributing the Post-16 grant funding to schools also needs to change (Appendix E sets out the proposals in more detail). The Post-16 Strategic Management Board will ultimately determine the post-16 courses delivered at Chweched Powys Sixth and will delegate funding to mainstream schools for the post-16 provision they are commissioned to deliver, whether “home school” related or course related.

## **4. Responses to the Consultation**

4.1. 13 schools responded to the consultation<sup>3</sup>, which is just under 15% of the 88 maintained schools in Powys (analysed by sector below, alongside the number of schools actively engaged in the formula review process during 2022). Each response is set out in detail in Appendix F, along with officers’ responses to any narrative questions.

School Sector	Number of schools	Consultation responses	Represented on Formula Review Group (FRG)*	Represented on Schools Forum*	Total
Primary	74	6 (8%)	3	4	13 (18%)
Secondary	8	2 (25%)	2	2	6 (75%)
All-Age	3	1 (33%)			1 (33%)
Special	3	3 (100%)			3 (100%)
Unknown		1			1
<b>Total</b>	<b>88</b>	<b>13 (15%)</b>	<b>5</b>	<b>6</b>	<b>24 (27%)</b>

\* Each school is only included once in the table above – If schools represented on the FRG or on Schools Forum responded to the consultation, they are not included in these numbers. If any schools are on both FRG and Schools’ Forum then they are included within the FRG numbers.

### **Pupil Movement Policy** (Questions A1 – A3)

4.2. There was broad support for the proposal to discontinue the current pupil movement policy, with only 4 of the 13 respondents disagreeing with discontinuing the current policy. 12 of the 13 respondents agreed to the policy being based on a case-by-case basis in future, with an accompanying template being developed for schools to use to apply for any additional financial support.

<sup>3</sup> 30 primary schools responded to the primary school formula review consultation in October 2021, equating to 49% of affected schools.

### **Revisions to the Powys Scheme for Financing Schools** (Questions B1 – B7)

- 4.3. A total of 13 responses were received to the consultation on the changes to the Scheme. The majority of the respondents agreed with the proposals or were neutral to them.

### **Special School - Component 1: Per Pupil Allocation**

- 4.4. Questions C1 – C13 related to the elements included within the calculation of the Per Pupil Allocation and the count date and in year adjustments. All three Special Schools responded to the consultation.
- 4.5. The proposed pupil number adjustment was supported by 2 and not by 1 consultee, which would see an in-year adjustment made in the September once pupils were confirmed in the schools.
- 4.6. There was general concern about in year transfers into Special schools and it is suggested that this will be included under the general pupil movement policy for all sectors.
- 4.7. In relation to the main elements of the per pupil allocation (Questions C2, C3 & C5), common issues raised by respondents relate to the banding criteria used for the 4 proposed bands, teacher and teaching assistant/pupil ratio which are the main elements of the per pupil allocation. 2 of the 3 respondents disagreed with the teacher/pupil ratio and the 1 school's agreement was conditional on the band criteria being reviewed first. More detailed comments are included in Appendix F.
- 4.8. There were support/neutral responses to the per pupil capitation, premises, SLA and midday supervisor elements.
- 4.9. Overall, the responses to questions C1 – C13 were a mixture of supportive and unsupportive of the methodology used to calculate the Per Pupil Allocation, with the biggest element being unsupported.
- 4.10. However, the view of officers is that the formula proposals should be implemented as proposed. The concerns raised will be partially mitigated through the revised pupil movement policy when looking at needs of individual pupils and in year transfers. Similarly, for those rare exceptions, where individual needs do not meet the banding criteria, these will be considered on a case-by-case basis. The implementation and formula will remain under continuous review.

### **Component 2 Lump Sums**

- 4.11. Leadership & Management (Question C14)  
Of the 3 responses received for this question, all 3 strongly agreed/agreed with the methodology.

### **Revision to the ISR for Special Schools** (Question C15)

- 4.12. 2 of the respondents disagreed with the revisions proposed to the ISR calculations which would be using the revised bands as part of the methodology for calculation, whilst 1 school agreed on the basis that the bands were reviewed.

### **Administration** (Question C16)

- 4.13. 2 of the 3 respondents agreed with the proposed administration lump sum. 1 respondent raised an issue with only 1 administrative post being proposed within the calculation due to the workload around IDPs.

### **Grounds lump sum** (Question C17)

4.14. All 3 responses received for this question agreed with the proposals.

### **Component 3: Unique factors**

4.15. Unique factors include the following proposed adjustments/tops ups (Questions C20 – C26)

- Class size
- Surplus Sqm
- Building condition
- Site Layout / Safeguarding
- Grounds area
- Statutory testing/Non domestic rates
- Hydro Pool Allowance

These elements were either supported or neutral in the responses with no respondent disagreeing.

### **Component 4: County wide improvement priorities**

4.16. All 3 respondents agreed with the methodology for funding satellite provision (Question C28) linked to the 3 Special schools. One satellite has been opened since September 2021, with a further 2 to open in the future.

### **Proposed implementation**

4.12 All 3 respondents disagreed with a phasing in of the funding formula to schools, with comments around ensuring the formula was correct and implementing in April 2023.

### **Current Formula: Amendments for Secondary Phase Schools with multiple secondary campuses in separate towns**

4.17. Of the 2 responses received for this question, both disagreed with the proposal to amend the current formula to provide additional funding for schools with multiple secondary campuses in separate towns. The respondents expected split sites schools to be able to produce savings due to economies of scale, unavailable to single site schools and these should be used to offset any additional costs. They also put forward the view that split site schools could be expected to amalgamate rather than remain on separate sites. Neither of the secondary schools with 2 secondary campuses responded to the consultation.

4.18. However, as stated in the consultation document, the current formula amends the funding allocations for split site schools for the potential economies of scale but does not compensate them for the additional costs currently. The view of officers is that the amendment should proceed as proposed.

### **New School Funding Formula: mainstream secondary phase schools**

4.19. Question D1-D6 related to the design of the proposed formula and the size of the model school to be used in calculating the per pupil amount. 2 responses were received, 1 in agreement and 1 in disagreement, with the reasoning being that the current formula already addresses the proposed design so therefore there was no need to change.

### **Teaching and learning top ups**

4.20. Questions D7-D12 are in relation to the proposed top ups for the varying types of schools. Of the 2 responses the top ups for single medium and dual stream schools had full agreement. There was 1 disagreement in relation to the split secondary campus school top up but no reasons were provided.

The officer view on this is that a split secondary campus school should receive this top up also as the school would face the same needs as a dual stream school in structuring the curriculum.

#### Management and Administration top up

- 4.21. Questions D13-D16 are in relation to Management and Admin top ups. Of the 2 responses received for this question, all tops were agreed with the exception of 1 disagreement in regard to the split campus top up due to economies of scale savings.

The officer view is again that a split campus school should receive this top up due to the constraints of working across the two sites and ensuring technician and administrative support is available at both sites.

#### Bilingual Top up

- 4.22. Question D17-D18 There was one neutral and one agreement with the 2 responses received in relation to this.

#### Premises related top ups

- 4.23. Question D19-D27 relate to top ups in relation to the unique factors of the premises. Of the 2 responses, one disagreed with this proposal, in relation to the business rates and insurance funding. This respondent felt they should have greater scope in seeking cheaper options. However, the liability for these insurances falls under the Authority's responsibility and is part of the overall insurance package for the council.

#### Proposed Implementation

- 4.13 Both responses agreed with this proposal. This will be considered again by officers in line with actual funding, if proposals are implemented.

### **Post 16 Formula Amendments**

- 4.14 Three respondents completed the questions in this section and all three were in agreement with all the proposals except for question E7, where one respondent was neutral about whether the funding per course should be the same whether the course is delivered in Welsh, English or through E-sgol.

### **5. Potential additional amendments to the Secondary Phase Schools funding formula**

- 5.1. A number of other potential amendments to the secondary phase schools funding formula were discussed within the Formula Review Group but were not consulted upon due to anticipated financial constraints. Two of these are considered to be a high priority:

#### Amending the Teaching time contact ratio

- 5.2. A potential amendment to the methodology for arriving at the per pupil allocation involved reducing the teaching time contact ratio from 0.83 (as included in the current formula) to 0.815. Reducing the teaching contact time ratio will allow more planning and preparation time which links to improved teaching and learning. It is estimated that this would cost an additional £390,000.

#### Providing Cover Supervisor funding to each secondary / all-age school

- 5.3. Utilising cover supervisors is more cost effective than bringing in agency or supply so adding in a cover supervisor element for each secondary / all-age school will support this direction. It is estimated that this would cost an additional £250,000.

## **6. Feedback from School Budget Forum**

**6.1. To follow - this section will be completed following the Schools Forum meeting scheduled for 9<sup>th</sup> January**

## **7. Resource Implications**

- 7.1. Current modelling of the proposed changes to the Special Schools formula indicates that the changes can be implemented within the current budget envelope.
- 7.2. Modelling of the proposed changes to the current formula for mainstream secondary phase schools indicates that these changes would require additional funding of £197,920 until the new formula is implemented. Specific elements currently within the contingency budget can be allocated to fund this cost meaning that these proposals can also be implemented within the current budget envelope.
- 7.3. Current modelling of the proposals for the new formula for secondary phase schools indicates that the proposals would provisionally require additional funding of £133,860, once those specific elements currently within the contingency budget are allocated towards this. The additional elements set out in section 5 add a further pressure of £640,000. While this potential budget pressure from revising the secondary phase funding formula is included within the Schools Delegated finance resource model (FRM) the additional funding for this has not been identified as yet. It is proposed that, if agreed, the formula changes would only begin to be implemented once that additional funding had been identified and agreed.
- 7.4. Phasing in the formula changes would delay the point at which the additional funding would be required but officers' advice is that implementation should not begin prior to identifying the additional funding to avoid creating an unavoidable budget pressure for future years.
- 7.5. 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.

## **8. Legal implications**

- 8.1. The School Funding (Wales) Regulations 2010 set out the requirements of the School Funding Formula. The proposed school funding formula meets the requirements set out in the Regulations.
- 8.2. Legal : The recommendation can be supported from a legal point of view.
- 8.3. 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".

## **9. Data Protection**

- 9.1. The proposals do not involve the processing personal data.

## **10. Comment from local member(s)**

10.1. Not applicable

## **11. Impact Assessment**

### **11.1. *To follow***

11.2. The proposed formula and Scheme changes will lead to a stable, transparent and equitable funding arrangement for Powys schools. The formula changes will create more equitable provision for all secondary aged pupils across Powys and all pupils attending Special Schools in Powys, supporting collaboration, inclusion and bilingualism and supporting all learners. 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.

## **12. Recommendations**

12.1. It is recommended that:

- 12.1.1. the proposed amendments to the Pupil Movement Policy be agreed as set out in the consultation document at Appendix A and should apply to all Powys schools;
- 12.1.2. the revisions to the Powys Scheme for Financing Schools as set out in Appendix B are agreed;
- 12.1.3. the proposals for the new funding formula for Special Schools as set out in Appendix C are agreed and implemented from September 2023;
- 12.1.4. the proposals for the new funding formula for secondary phase schools as set out in Appendix D are agreed, with implementation delayed until additional funding has been identified;
- 12.1.5. the additional amendments to the secondary phase schools funding formula set out in section 5 above are agreed, with implementation delayed until additional funding has been identified;
- 12.1.6. the proposals for the new Post-16 funding principles as set out in Appendix E are agreed;
- 12.1.7. That the implementation of these changes be reviewed as part of the Formula Review Group’s ongoing work programme.

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Head of Service:	Georgie Bevan / Jane Thomas
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Corporate Director:	Lynette Lovell, Director of Education and Children’s Services
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