

School funding reform

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What we'll cover

- School funding reform
- Academies central functions – LA LACSEG
- Early Intervention Grant

School funding reform

- DfE consultation – change to local formulae only – no change to national formulae until next spending review
 - Councils have to implement for April 2013
 - Evidence of concern from member councils
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Restricted number of factors

- 10 factors in the new formula – previously 37 were permitted

The main issues affecting, as I understand will also affect a number of other rural shires, is the wide variety of types of schools we have. They vary from very small village schools with numbers on the roll of less than 50, to large high schools in urban surroundings. Trying to devise a model which supports this wide variation is almost impossible.

The lump sum

- One single lump sum – up to £200,000 – and no small schools factor

Any use of lump sum to protect small schools becomes very costly given a very wide range of school numbers and a very large number of schools – we have 310 primary schools and 37 secondary schools

A limited range of permitted indicators

- DfE specifies the indicators to be used for deprivation, EAL and SEN in schools

Specific DfE data sets, for example those for deprivation, low cost/high incidence SEN and EAL, differ significantly from the data and allocation methodologies currently used within the local funding formula. This will affect all schools of all sizes and phases in different ways.

Requirement to delegate more – question over central functions

- New rules on delegation and de-delegation –
for maintained schools only

Although the Schools' Forum has agreed to delegate back all that it could, this inevitably leaves uncertainty for the future, which makes planning of support functions for schools more difficult, and reduces the likelihood of obtaining economies of scale in the future.... once the central functions are not there to co-ordinate and plan this and where there is no certainty that schools will want to "buy in",

The new High Needs Block

- Place plus – means that recoupment is replaced by place planning from the EFA. Questions about the data used

We are concerned about how to implement the new arrangements in the PRU and hospital education service... we have not budgeted on planned places before, and again, finding a model and mechanism that will work is proving to be a challenge - time scales are very short... We are also concerned about the process and accuracy of agreeing amongst other local authorities recoupment figures

Service children

- No specific factor for service children permitted

Removal of the service school factor from the funding formula results in service schools losing funding. ... This results in uncertainty for those schools and impacts on their ability to plan for the future knowing that funding will reduce year on year. The new mobility factor proposed by the DfE does not bridge the gap in funding for those schools.

The minimum funding guarantee

- -1.5% per pupil for next two years – will continue beyond that but level not specified

the Minimum Funding Guarantee, moderates changes, biggest loss is £30k (primary) and £61k (secondary).. So it all gets smoothed out for now but there are concerns about how this will look in the longer term when the changes have worked their way through...it could take 8 years to fully implement if changes are capped to current maximum.

Academies central functions – LA LACSEG

- DfE consultation in July – now closed – expect result in December
 - DfE propose taking £1.2bn out of formula grant and paying it as a non-ring fenced grant
 - Two big problems
 - The control total – LGA and councils say that 12-13 figures should be used - £782bn
 - The amount retained for functions which don't devolve – DfE say £8-15 per pupil; under 10% of the per pupil sum. We think it should be nearer to £50-75 per pupil
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Early Intervention Grant

- Currently a non-ring fenced grant - £2.3bn in 2012-13
 - Proposed to go three ways
 - £1.7bn into the business rates funding assessment – non ring-fenced
 - £540m (rising to £760m in 2014-15) for implementation of 2-year old funding
 - £150m kept for central functions
 - 27% cut in non-ring fenced resources at the same time as increase in 2-year old funding money
 - DfE say this cannot be equated as decisions were taken at different times
 - But there will be pressures on LA services such as children's centres
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