

The Future Distribution of School Funding

Consultation Response Form

The closing date for this consultation is:

7 June 2010

Your comments must reach us by that date.

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Please tick if you want us to keep your response confidential.

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If your enquiry is related to the DCSF e-consultation website or the consultation process in general, you can contact the Consultation Unit by e-mail: consultation.unit@dcsf.gsi.gov.uk, by Fax: 01928 794 311, or by telephone: 0870 000 2288.

Please tick the box that best describes you as a respondent.

<input type="checkbox"/> School	<input checked="" type="checkbox"/> Schools Forum	<input type="checkbox"/> Governor Association
<input type="checkbox"/> Teacher	<input type="checkbox"/> Local Authority Group	<input checked="" type="checkbox"/> Individual Local Authority
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union / Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Campaign Group	<input type="checkbox"/> Parent / Carer	<input type="checkbox"/> Other

If 'Other' Please Specify:

The principles underlying the new funding formula are: that it should meet the needs of the 21st Century School; that “fairness” does not mean that everyone will get the same; that needs in individual schools are best assessed at the local level; that differences in funding between local authorities must be justified using robust evidence; that a Local Pupil Premium should be used to distribute deprivation funding, and that there should be protections at school and local authority level to reduce the level of short term changes to the distribution.

1. Do you agree with the principles we are applying to the formula?

All ✓ Some None Not Sure

Comments:

In the main we support the above principles. However, the 'unfairness' is that the current funding gap between the high and lowest is far too wide and the 'spend plus' model for allocating the DSG has exacerbated the situation. This must be addressed in the new funding model. We recognise the need for variations in funding between LA's but not to the current extent, which has widened over the previous 5-year multi budget period.

We contend the crucial aspects are it is imperative that the needs of individual schools are best assessed at local level and that differences in funding between LA's must be justified using robust evidence. It is this latter point that is the most unfair aspect of the current DSG funding model being based upon an outdated, unfair and judgemental assessment of need.

The one principle we do not readily support is the deployment of a Local Pupil Premium (LPP) to be used to distribute deprivation funding in the local funding formula. We feel this is contrary to and conflicts with the key principle of narrowing the attainment gap (see further response at question 8).

We intend to mainstream as many specific grants as possible into the DSG. At this stage we see the DSG as including: Dedicated Schools Grant (including London Pay Addition Grant); School Development Grant (Devolved) excluding Specialist Schools; School Standards Grant; School Standards Grant (Personalisation); School Lunch Grant; Ethnic Minority Achievement Grant; Extension of the Early Years Free Entitlement and Extended Schools – Sustainability and Subsidy.

2. Do you agree with the proposals to mainstream the grants specified into DSG?

Yes

No

√

Not Sure

Comments:

We support in principle the proposal to mainstream specific grants as the number of funding streams is both confusing for schools and unnecessary if the grants are not earmarked or ring fenced. However in supporting this there will need to be guarantees for LA's and schools that resources have not been reduced. The process must be transparent with the ability for LA's to be able to track that grants have been mainstreamed and confirm these have not been reduced. In previous similar changes it has been taken as a clear opportunity to reduce resources to LA's and schools.

We would hope that by reducing the number of separate funding streams savings will be made in the DCSF in terms of the need for less grant managers with these resources being allocated back into the DSG for distribution to LA's.

The national formulae for these grants, means our schools in the main receive an equitable and fair share of the resource unlike the main DSG. However, given the low funded position of WCC, these funding streams are supporting significant core costs within schools. Therefore, we contend it is imperative that thought is given to how these are mainstreamed as there is potential for significant funding reductions for WCC and therefore our schools. It is important that any changes to the formula for allocation of these grants once mainstreamed do not further adversely impact on low funded LA's.

The grants which are included in the consultation paper apply for the most part to 'whole school activities' and it would seem appropriate therefore for these resources to be distributed via the basic entitlement of the grant formula. It may be more appropriate to distribute any grants specifically aimed at funding deprivation issues by using the AEN formulae. However, any decisions made over distribution should be open and transparent.

For instance, some of these grants are currently distributed with social deprivation as at least one of the factors in the formula. So, it all depends on how the grant will be mainstreamed e.g. between basic entitlement and additional educational need? At the extreme, if all the grant money was notionally put in the basic entitlement pot, then that would result in a considerable smoothing across the country because it would be a flat rate per pupil.

Of the grants listed above the one for the extension of the early years free entitlement is not delegated and provides for supporting provision mainly in the PVI sector. So any mainstreaming will need to ensure the protection of the split between delegated and non delegated resources.

Similarly the grant for extended schools is designed to support and extend the range of social activities to be provided by schools. Again there needs to be some guarantee that mainstreaming will not adversely impact upon these key initiatives.

We also have some concerns on the proposal to mainstream EMAG, which currently as a ring fenced grant has specific grant requirements. However, given our significantly small grant for this we have had to supplement it with significant delegated resources to schools from the DSG to support increasing numbers of such pupils particularly those newly arrived. Our low funding base means this takes resources from the basic funding for all pupils.

We are clear that the elements of the formula will be: a basic entitlement; additional educational needs, including those associated with deprivation; high cost pupils; sparsity and an area cost adjustment.

3. Do you agree with the proposed elements of the formula?

√

Yes

No

Not Sure

Comments:

We support the proposed elements listed. However, comments on each aspect are detailed in following questions. We contend that in all of this getting the basic entitlement right is paramount and the most important aspect in the whole review.

On the 4 proposed funding blocks we would not support any proposal to ring fence these to the age groups and functions as detailed. LA's must be given complete discretion in their allocation and deployment.

We repeat the new formula must address the current funding inequity and gap.

The basic entitlement is intended to cover the general costs of running schools - notionally just less than three quarters of the current DSG allocation. There are two approaches to calculating the basic unit of funding per pupil: a judgemental approach – in which the funding is based on an assessment about how best to divide up the overall sum planned by the Government into its main formula components, or a bottom-up approach – in which the funding is based on an assessment of how much a school needs to spend to provide education for pupils before any adjustments are made, known as activity-led funding (ALF).

4. Which methodology for calculating the basic entitlement do you consider would enable the fairest and most practical distribution of funding?

Judgemental

√

Activity-led Funding

Not Sure

Comments:

We support the use of an ALF model and stress it is imperative for the new funding system to eradicate the funding inequities of the past. This would provide a clear understanding of the purpose and coverage of the basic entitlement.

It is disappointing there is no methodology proposed or exemplification within the consultation paper and there is no mention of the link between the national basic entitlement and a school level basic entitlement, with issues around the central expenditure from the schools budget not addressed.

We maintain that the current model of funding, purely based upon judgement, is fundamentally flawed. The resource envelope funding the 'top ups' for additional educational needs (AEN)/deprivation, high cost pupils (HCP), etc first with the balance being the basic entitlement has no needs basis covering the majority of pupils.

We contend the basic amount should be the starting point in any calculation and is the most important factor in achieving a consistent level of service for all pupils across the country. Any top-ups should be kept to a minimum.

Also, the current model is not robust enough to recognise the specific LA additional cost issues that exist in those LA's like WCC perceived as 'non deprived' with some significant 'pockets of deprivation'. Therefore, this model discriminates against LA's with that profile and so we are opposed to it remaining. Any new model must eradicate these inequities.

We contend that the key for ALF will be getting the analysis and therefore cost of the

basic entitlement correct and resourcing it sufficiently that so all pupils across the country receive the same level of resource required to access the curriculum. It is clear the current level for the basic entitlement is inadequate to deliver the existing curriculum needs and more resource from the overall quantum needs to be allocated to this area.

We feel that the use of ALF is more transparent and will be based upon a proper assessment of current curriculum needs and school infrastructure. However, it is disappointing the consultation does not include any proposed model or exemplifications. We are concerned that there will still be an element of judgement in the ALF proposal meaning that it will not be totally based on real required actual costs.

Our proposed methodology for distributing AEN funding is to make an assessment of the national incidence of additional educational needs and, because we have no way of knowing exactly where each pupil with additional educational needs is located, to use proxy indicators to assess the likely incidence of these needs in each local authority. We propose to distribute funding using carefully chosen indicators that are associated with the individual need types identified in the PricewaterhouseCoopers survey.

5. Do you agree with the proposed methodology for distributing money for additional educational needs?

√

Yes

No

Not Sure

Comments:

We support the approach but the use of proxy indicators must be robust enough to enable the incidence at LA level to be sufficiently measured.

It is imperative that such an approach uses proxy and pupil indicators that measure deprivation within LA's not just at the overall LA level as there are such diverse ranges within LA's. For example out of the 32,482 national SOA's, Worcestershire has a number of areas of significant deprivation in the top 20%.

It is encouraging to see that the requirement relating to AEN has been analysed over different types of AEN and not only economic deprivation.

We contend this element of the formula must be resourced from the quantum after the funding of the basic entitlement on the ALF model.

Within the distribution mechanism we have identified five options for the indicators to be used for distributing deprivation funding. These are:

Option 1 Out of Work Tax Credit Indicator

Option 2 Free School Meals (FSM)

Option 3 Child Poverty Measure

Option 4 Average IDACI (Income Deprivation Affecting Children Index) score of pupils educated within the local authority

Option 5 FSM with the additional 500,000 pupils in most deprived areas by the IDACI score not on FSM

6. Which is your preferred indicator for distributing money via deprivation? Why?

1

2

3

4

5

Why?

We are disappointed that the use of ACORN data is not included as an option. We use this in our local formula because it is a robust measure and is easily collectable. For each pupil their address will give their ACORN category and hence a deprivation measure/score and then by tracking where they attend school can derive a deprivation measure for the school in order to allocate funding to the most deprived. We hope the review work considers this and whether the above deprivation options provide this level of detail and sophistication.

We contend there must be a combination of options with the ability to use individual and up-to-date pupil data within the methodology. This is particularly important for FSM as we have experienced a significant increase in this during the last 2 years and it will continue to rise given the changes to the eligibility criteria from September 2010 and 2011. Also, not all parents will register their entitlement for FSM's

We maintain any formula model must be able to measure AEN within a LA and not use a perceived 'whole LA deprivation score'. Indeed in WCC we have SOA's ranked as some of the most deprived in the country with these 'pockets of deprivation' not readily been recognised in the current funding model.

On IDACI we have a concern that the data can potentially get out of date more quickly and there needs to be consistency of the measure to be used to that included as part of contextual value added (CVA) measures for schools. The use of ACORN data is continually up to date and is used in the CVA process.

We contend there are potentially significant differences for areas defined as deprived and the pupils residing in those areas compared to deprived pupils living in areas not defined as deprived. Any system must be able to be sensitive enough to recognise these differences.

In the consultation document we have linked the non-high cost AEN need types to what we consider to be the most appropriate distribution indicator. This results in 49.5 per cent of AEN funding being distributed via a deprivation indicator, 24.6 per cent is distributed via underperforming groups, 13.5 per cent via English as an Additional Language and 12.4 per cent via a flat per pupil rate.

7. Do you agree with the indicators, other than for deprivation, that we have proposed for each need?

All

✓

Some

None

Not Sure

Comments:

We support the use of a number of indicators as listed but it is difficult to make a judgement without seeing any exemplification.

We feel the terminology for defining those under performing is important and needs to be defined on groups e.g. those with FSM, etc.

We contend that the use of a flat per pupil rate may be more equitable.

To ensure the funding to support schools to meet the needs of deprived children is clearly identified and responsive to where these children are, the Government will require all local authorities to operate a Local Pupil Premium from 2012-13 onwards. This means that an amount of money in a school's delegated budget must relate directly and explicitly to deprived pupils within the school, and should move around the system as necessary. Such a Local Pupil Premium would mean that if a school recruits a larger number of deprived pupils, they can see that they will get additional funds, which will be reflected in their budget.

8. Will the Local Pupil Premium mechanism help funding to be more responsive to changes in pupil characteristics?

Yes

No

√

Not Sure

Comments:

As stated in our response to question 1 we do not readily support the deployment of a Local Pupil Premium (LPP) to be used to distribute deprivation funding in the local funding formula. We feel it use will not readily help funding to be more responsive to changes in pupil characteristics. We contend small numbers of pupils may be readily managed within the schools, but managing larger groups can take a disproportionately higher amount of resource.

If it is to be introduced it will mean that getting the basic entitlement right is even more critical.

We already recognise the importance of funding for deprivation in our local funding formula by the use of a range of factors including FSM, prior attainment, ACORN, etc. This is from a very low funding base to begin with and we feel that this is the best way of funding deprivation in order to support the narrowing of the attainment gap. We are grateful for the additional funding received in 2008-11 for pockets of deprivation and have allocated this within our funding formula targeted to such schools. The introduction of a LPP would result in having to re-distribute resources from base funding or from schools with the highest deprivation. Also some of our formula factors use qualifying thresholds e.g. number or % of FSM/ACORN and so are not on purely a per pupil basis. We therefore feel the requirement to have a LPP would considerably constrain the use of these existing factors.

In essence currently schools that take pupils from disadvantaged backgrounds get relevant additional funding. If those pupils move to other schools, the funding follows as part of the annual formula data changes. All this is done without labelling individual pupils but is, in effect, a pupil premium. So, we contend our existing arrangements meet the requirements. However, some of our factors involve the use of thresholds

and as such may not be defined as a straight pupil premium sum.

We feel there are significant cross border issues. The majority of our neighbouring LA's are much better funded and as such will have the capacity to resource a LPP. Also, pupils returning to Worcestershire from other LA's will have received potentially higher support mechanisms in the other LA, which cannot be sustained when they return.

The Government believes that local authorities and schools are in a far better position than central Government to assess the levels of need within individual schools. Local authorities will have the freedom to agree with their Schools Forums how to operate a local pupil premium, rather than a process being mandated nationally. Local authorities will want to develop different systems depending on their local circumstances, and we will look to provide best practice as systems develop.

9. Is it right that local authorities should each develop their own pupil premium mechanism?

√

Yes

No

Not Sure

Comments:

We support this proposal and if introduced it is essential that the decision on this is made locally.

However, we contend a LPP is not the way to ensure funding for deprivation is allocated accordingly but would welcome any advice and guidance on the parameters if it is to be introduced. All LA's will have existing mechanisms in place to ensure this is achieved. This proposal may result in significant formula development and for low funded LA's may require significant resources to be re-distributed from more deprived schools.

The current methodology employed by the DCSF to measure the amount of deprivation included in the current DSG model is flawed as it is based upon the system prior to the DSG. Similarly, the different interpretation of the definition and guidance by the DCSF and individual LA's has lead to a non standard approach.

Our low funding base and DSG in WCC requires funding to be directed for the benefit of all pupils in the County and so with amounts available for deprivation being constrained. Therefore, we do not support the requirement to pass on all deprivation funding to deprived pupils by 2014/15 unless there is a clear and robust definition and

calculation of the level included in the new DSG and there is sufficient resource to provide an adequate base entitlement for all pupils first. If the latter does not exist, then redirecting of resources from base per pupil funding to deprivation would result in significant turbulence and funding pressures for many schools.

We propose to use the same approach for the allocation of funding for the high cost pupil block to that proposed for the allocation of AEN funding – namely that based on the pupil need types identified in PwC school survey, but using the specific data for high cost pupils, and identifying the most appropriate distribution mechanism for allocating resources to local authorities for these need types. The effect of the formula is to distribute 14 per cent of the high cost pupils block via deprivation, 50 per cent distributed via a flat per pupil rate, 33 per cent distributed via a measure of those pupils not achieving higher than Level 2 at Key Stage 2, 2 per cent via the take-up of Disability Living Allowance and 1 per cent via English as an Additional Language.

10. Do you agree with the methodology for distributing money for High Cost Pupils?

Yes

No

✓
Not Sure

Comments:

We contend such allocations must be related to the costs of the limited number of such pupils on a LA basis as the incidence is not uniform across LA's.

However, in the absence of the information, we would support the use of a number of indicators as listed but it is difficult to make a judgement without seeing any exemplification. Due to this the use of a flat per pupil rate may be more equitable.

There are already existing cost pressures and we contend that this area could impact significantly upon WCC as a net importer of HCP's, which is not replicated within the formula. For example, we have a high number of other LA pupils fostered in WCC with their home LA much more generously funded than WCC.

We feel a system of voluntary recoupment for non stated pupils would not work but LAC recoupment should be compulsory.

We contend this element of the formula must be resourced from the quantum after the funding of the basic entitlement on the ALF model.

For sparsity funding we propose to use the home postcode data collected in the annual school censuses; these are collected annually and, as a pupil census, would more accurately reflect the sparsity of the pupil population. We also propose to use the Middle Super Output Area to provide a replacement to the ward geography, providing a comparable number of geographic units to that of wards

11. Do you agree that the school censuses and Middle Super Output Area are the right data source and geography to use to assess the sparsity of an area?

√ Yes No Not Sure

Comments:

We support this approach and welcome the use of the annual data set as opposed to the national census data on a 10 year cycle.

Again we contend there are potential cross border issues to be resolved.

Two options are proposed for calculating the sparsity factor – broad and narrow. The broad option would, at current figures, result in 104 local authorities receiving additional money for sparsity, with 1.07 million pupils deemed sparse or super-sparse. An alternative, narrow, option would mean that around 300,000 pupils are deemed sparse or super-sparse, a number similar to the 280,000 pupils who currently attend small (<150FTEs) rural primary schools. Under these altered thresholds 66 authorities would receive sparsity money, enabling us to increase the unit cost for each sparse pupil.

12. Which method for calculating the sparsity factor do you think will best enable additional funding to reach those local authorities that need to maintain small schools – the broad or narrow option?

√ Broad Narrow Not Sure

Comments:

We support the broad approach and contend there are significant costs arising from small rural schools out of necessity.

We feel that rural schools in all sectors are sometimes not recruitment attractive to younger staff, who want to be in urban areas and in larger schools for ongoing career progression.

We contend this element of the formula must be resourced from the quantum after the funding of the basic entitlement on the ALF model.

The case for a sparsity factor for small secondary schools was considered, having regard to:

- Whether there are enough small secondary schools to warrant a dedicated sparsity factor and whether their occurrence can be predicted by a sparsity measure;
- Whether or not small secondary schools require more teachers per pupil than other schools; and
- If not, whether that means that small secondary schools are unable to deliver sufficient choice in the KS4 curriculum.

No robust link was found between small schools (below 600 FTE) and sparsity. No evidence was found that small secondary schools have disproportionately more teachers than other schools. And an analysis of the number of subjects on offer at each school showed a very wide variation in the number of subjects available in schools of similar sizes. This suggests that the need for a secondary sparsity factor has not been proven.

13. Do you agree that there should not be a secondary sparsity factor?

√ Yes No Not Sure

Comments:

We support this approach on the evidence provided.

However there will be additional costs arising from the changes in curriculum choice particularly arising from 14-19 and the raising of the participation age for secondary schools located in sparse areas, which may need to be considered.

The Area Cost Adjustment (ACA) reflects the need for schools in some areas to pay higher salaries and to pay more to recruit and retain staff. Two options are proposed for reflecting area cost differences for education: the general labour market (GLM) approach and a hybrid approach. The latter is based on the specific pay costs of teachers, details of which are available, and the GLM approach for the elements of staff costs where details are not available.

14. Which is the fairest method of applying the Area Cost Adjustment?

GLM

Hybrid

✓
Not Sure

Comments:

We contend the application of this does not fit with some of the principles underlying the new funding formula such as meeting the needs of the 21st century school, fairness and equity.

Those LA's not receiving the ACA currently are low funded and so their ability to pay higher salaries are significantly constrained, which impacts on school staff recruitment. Conversely, those LA's with ACA are significantly higher funded so can afford to pay higher salaries.

We suggest any ACA should be based upon what needs to be paid not what is paid currently and as such both suggested models are flawed.

We feel that in particular as our neighbouring LA's who currently receive ACA are able to offer higher salaries, there are areas of the County, particularly in the north east that are 'commuter land'. To compete we need the same ACA as these urban areas for fairness and equality of opportunity. We propose the DCSF need to look at 'pockets of ACA'.

We contend this element of the formula must be resourced from the quantum after the funding of the basic entitlement on the ALF model with any saving being redistributed within the basic entitlement to benefit all LA's.

WCC has argued long and hard about the unfairness of the ACA in the Local Government finance system. We contend without detailed exemplifications it is difficult to determine which option is preferable. In principle the WCC would like fewer resources distributed via the ACA with fewer LA's benefiting and so reducing the differences in funding levels. From paragraph 6.33 in the consultation paper the hybrid option appears to do this with any reduction of resource distribution through the ACA being distributed through the basic entitlement. Whichever option is chosen the WCC

would like the principles behind the revealed problems approach as described by Professors Blanchflower and Oswald considered in subsequent evaluation work of the new funding system.

As we are mainstreaming specific grants into the DSG we propose having a single set of transitional arrangements that applies to a baseline incorporating both the DSG and those grants. As the approach is likely to require local authorities to revise their formulae and as timing is tight to do this for 2011-12 we propose to amend the School Finance Regulations to enable local authorities to include previous specific grant payments as formula factors for 2011-13.

15. Do you support our plans for the transitional arrangements for mainstreaming grants?

√

Yes

No

Not Sure

Comments:

We support the plans for transitional arrangements but have some significant reservations on the yet unpublished methodology for mainstreaming grants (see question 2).

We also support the proposal to enable local authorities to include previous specific grant payments as formula factors for 2011-13, which would allow smoother consolidation into the funding formula and support budget stability. It is probably the case that factors such as lump sums and per pupil are part of local funding formulae anyway.

In order to protect local authorities from significant potential losses in the formula, we intend to have a per pupil cash floor which will be set above the level of the Minimum Funding Guarantee. This floor will need to be paid for by either a ceiling on large increases the formula generates for some authorities or by reducing the allocation to all other non-floor authorities (or a combination of the two).

16. Should floors be paid for by all local authorities or just the largest gaining authorities?

All Authorities

✓

Largest Gaining Authorities

Not Sure

Comments:

We contend it is extremely difficult to comment without seeing any exemplification of the proposals. We support this being set on the basis of the DSG and mainstreamed grants with floors being resourced from the largest gaining LA's but this needs to take into account those LA's like WCC significantly under funded and unfairly treated in the current system, who if the new system is more equitable should stand to gain.

We have said that we will take this opportunity to consider if the operation of the Minimum Funding Guarantee can be improved.

17. Have you any suggestions as to how the Minimum Funding Guarantee could be improved?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	✓	Not Sure
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Comments:

The LA contends that the future continuation of the MFG should be seriously considered within the review. There seems to be a policy of wanting to hold onto the old system instead of moving forward. Given the financial constraints, cost pressures and efficiencies going forward the MFG is likely to have to be set at such a low level its impact for individual schools will be minimal. How will the MFG work if schools budgets do not increase in real terms in the future? Will it move money away from other parts of the local formula?

The LA contends the current MFG mechanism is too complicated and the majority of schools have difficulty understanding it. Local formula can more accurately provide any necessary protection to schools through falling rolls, small schools and other protection factors.

However the Worcestershire Schools Forum (WSF) feels the MFG mechanism does give schools some security and protection that the local formula may not be able to provide and as such its continuation may be of benefit to some schools.

The LA maintains the future funding constraints, the mainstreaming of grants and limited funding flexibility may make the funding of the MFG within the local funding formula more difficult to resource, particularly for low funded LA's.

However given the MFG is likely to be continued its operation, methodology and calculation needs to be reviewed and significantly simplified to operate together with more local flexibility and decision making via the Schools Forum with the ability for it to be re-based annually.

In 2008 we introduced the Exceptional Circumstances Grant (ECG). Its purpose was to assist local authorities who experience:

- significant growth in the number of pupils between the January school census and the start of the academic year; or
- significant growth over the spending period in the number of pupils with English as an Additional Language.

This grant is funded from the overall DSG settlement. In 2008-09 and 2009-10, no authorities received ECG for a general increase in pupil numbers, although several have received funding for increases in the proportion of pupils with EAL. We are seeking views on whether there is a case for a similar arrangement from 2011, funded from the DSG, and if so how it should operate and what circumstances should be covered.

18. If a contingency arrangement for local authorities is to continue, funded from the DSG, what areas should it cover and what should the criteria be for triggering eligibility?

Comments:

We feel that significant rising pupil numbers may be a valid case for requesting ECG; otherwise this funding should be included in the total DSG quantum.

The review considered whether there is evidence that children of parents from the Armed Services are underachieving and need additional support. Evidence shows that such children do well compared to their non-Service children peers and this does not suggest the need to make specific provision for Service children in the DSG formula to support underachievement.

We consider there is a case for additional support for schools which traditionally cater for Service families, mainly those located near armed service establishments. Such schools are prone to pupil number fluctuations and therefore funding due to troop movements, which can affect their stability and sustainability. We are considering whether to allow local authorities with such schools to make a claim for additional pupils to be counted for DSG purposes where numbers have fallen significantly from one year to the next as a result of armed forces movements. These claims would be made directly to the Department and would be considered individually on their merits.

19. Do you support our proposals for Service children?

√ Yes No Not Sure

Comments:
We feel this area warrants specific consideration and support the proposals stated.

20. Have you any further comments?

Comments:

A. Other Issues Include in Chapter 8

On academies we support the suggestion to return to the pupil number adjustment system but reserve judgement until after the outcomes of the comparison work proposed as it may have the potential to increase amounts clawed back.

On 14-19 funding we support the conclusion on the potential for a national funding formula but contend there are additional cost issues arising from the raising of the participation age.

On PFI schemes we contend it imperative that the review addresses the ongoing revenue funding implications. We have responded to the DCSF questionnaire on this issue accordingly. There must be recognition of the significant costs of this within the new funding model as our experience proves they have already placed a significant burden on the DSG. This is a particularly affordability issue for low funded LA's. With the advent of BSF within WCC it is imperative this is affordable without being a burden on the LA and non BSF schools.

On home educated children we support the ability to count these in the DSG but are concerned there be a need to create a central DSG budget for the service that maybe constrained by the Central Expenditure Limit.

Overall we are disappointed that the DSG consultation does not include consideration of the overall impact on LA's and does not include exemplifications. It may mean that LA's and Schools Forums will not be able to provide as informed a response to the consultation as would otherwise be the case. We have concerns on the timescales detailed on the firmer proposals in the Summer and the issue of indicative allocations in the Autumn. This will impact on our ability for thorough local consultation.

B. Future Funding Pressures

We contend that the DSG and grant review must address the following funding pressures, particular for under funded LA's like WCC.

We appreciate there is a period of financial constraint but these issues are applicable to all schools no matter in which LA they are located but stress they will impact significantly more on those not well served and under funded by the current system

The areas include: -

- Free School Meals (see question 6).

- 14-19: -
 - The transfer of funding from the LSC to LA's, e.g. whether available money will be sufficient to fund existing courses.
 - Continuing costs of diplomas at KS4 including delivery, training, capital transport and staffing.
 - School transport costs arising from the increase in the participation age.
- Early Years and Sure Start Budgets: -
 - The extension of provision for 3 and 4 year olds to 15 hours.
 - The additional requirement for increased flexibility.
 - The impact of the introduction of the new SFF for EY.
 - The uncertainty of the mainstreaming of specific grants for the increased entitlement.
 - Pilot projects are currently underway for 2 year olds and will have continuing costs.
 - Implications for changes to admission codes for under-5s.
- Capital Funding: -
 - Harnessing Technology Grant where there is no certainty that the grant will continue after 2011. This will mean that the funding of servicing and network maintenance of broadband will not be funded and will impact on devolved ICT resources for schools.
 - School capital allocations with potential reductions in DFC, modernisation and basic needs will continue to further stretch the DSG in the need to maintain and repair ageing school buildings.
 - Reductions in developers' s106 contributions.
- School Staff Pay: -
 - Teachers' Pay e.g. the cost of incremental progression to the teachers pay bill, impact on recruitment, non ability to offer incentives, etc.
 - School support staff with their own Board for pay and conditions of service and who may expect parity with teachers pay awards.
- Building Schools for the Future (see above).
- Value for Money with the ongoing demand from the DCSF for savings. For instance, joint procurement such as for energy, particularly with the carbon trading requirements, is becoming difficult, with increased costs and/or poor service.
- School balances with the implications stemming from government policy on balances.
- Extended Schools sustainability and continuation of core activities after the grant is mainstreamed.
- Children & Young People's agenda e.g. requirement to support this, co-operation with Children's Trusts, increases in funding needs for children in care, pooling of budgets, etc.

- SEN with ongoing increases in the level and complexity of need of children not reflected in any national funding formulae.
- Other Increasing Costs: -
 - Energy and fuel costs.
 - Examination fees due to diverse curriculum requirements at KS4 and post 16.
 - Continuing impact of newly arrived pupils.
 - Costs for inclusion and personalisation.
 - Ongoing ICT maintenance costs.

C. What WCC Requires from the Review

We feel the above response summarises our case for a fair entitlement for **all** pupils in the country. This means that wherever they live, all children with the same needs should have the same access to:

- Teacher and teacher assistant time and attention.
- The national curriculum and a wide range of other activities.
- Up to date resources and equipment.
- Extra help for special needs to ensure inclusion and personalised learning.
- Well managed and serviced schools.

We maintain the key issues are: -

- The need to narrow considerably the differential funding gap between LA's and recognise the funding difficulties experienced at the bottom of the funding league table.
- The funding model must not continue to support schools in one LA receiving significantly more resource compared to schools, with exactly the same profile and characteristics, in another LA. This is particularly the case in the cross LA border issues where schools in virtually the same locations but in different LA's have significant, unjustified and un-evidenced funding entitlement differentials.
- The use of any DSG headroom for Ministerial priorities, as well as supporting deprivation, should be used to narrow the ever increasing funding gap between LA's.
- There is too much reliance on whole LA deprivation measures in the current national funding model, which strongly favours urban areas/big cities. There needs to be more recognition of significant deprivation within all LA's i.e. 'pockets of deprivation' in the DSG national methodology.
- There is further reliance on ACA in the current national funding model, which is not equitable and allocates resource to some LA's where there is no basis for it. There needs to be a significant redistribution of this into the basic entitlement.

- The need for careful mainstreaming of funding streams and to look at how the 'multiplier effect' linked to whole LA deprivation measures targets resources at high performing schools in already well-funded LA's. There is clear evidence to show that other grant funding is allocated to already well funded LA's and consequently to schools where there is little or no perceived need.
- The new funding model must be flexible, recognise existing school practices and use up to date pupil and other related data.

As mentioned we understand that previous increases in the DSG quantum are unlikely. However, we would urge the DCFS to continue to lobby for the best possible settlement from the CSR as there is still such clear evidence of under funding in the lowest funded authorities, in spite of great improvements in efficiency. At current levels, we have very little scope for manoeuvre.

Schools in WCC continue to face funding difficulties as a result of our position in the funding of the DSG per pupil but will still be required to continue to implement the increasing array of curriculum initiatives and extended school activities.

We very much welcome the opportunity to be part of the process for the consultation on the new DSG and grant system from 2011 and we hope our comments within this submission will be considered favourably.

However we contend that currently the funding allocated to the County is insufficient for purpose and particularly in comparison to other areas of the country is grossly unfair.

In summary the key thing that WCC wants to see from the review is to secure a Fairer Funding settlement for its services funded from the new DSG to that received currently on the basis of a core activity needs led entitlement for all pupils.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply ✓

Here at the Department for Children, Schools and Families we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

✓ Yes No

All DCSF public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DCSF consultations are conducted, please contact Donna Harrison, DCSF Consultation Co-ordinator, tel: 01928 794304 / email: donna.harrison@dcsf.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed questionnaires and other responses should be sent to the address shown below by 7 June 2010

Send by post to:

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