

Cabinet
27 May 2010

**6. DEPARTMENT FOR CHILDREN, SCHOOLS AND FAMILIES
NATIONAL CONSULTATION ON THE FUTURE
DISTRIBUTION OF SCHOOL FUNDING**

**Relevant Cabinet
Members**

Mrs E A Eyre, Mr M J Hart and Mr A I Hardman

Recommendation

1. The Director of Children's Services recommends that the formal response to the Department for Children, Schools and Families (DCSF) national consultation on the future of school funding as detailed in Appendix 3 be approved and submitted to the DCSF by the due date.

Background Information

2. The Cabinet was advised at its meeting on 19 April 2010 on the current position of the DCSF national review and future of school funding 2010-13. A summary of the key issues contained within the consultation are detailed at Appendix 1.

3. At that meeting, the Cabinet endorsed the conclusions of the Director of Financial Services on the Government's consultation and requested a further separate report on the consultation response.

Consultation Response

4. The DCSF has invited responses on the proposals by 7 June 2010 on 19 questions raised by them resulting from the consultation document. There is also an opportunity to raise other issues in respect of the proposals.

5. Since the issue of the DCSF documents on 15 March 2010 there have been a number of discussions on the detail with officers and with the Worcestershire Schools Forum (WSF) including the Cabinet Member with Responsibility (12-19 years).

6. The consultation document and a summary have also been circulated to schools, the Worcestershire Association of Governors (WAG) and the Trade Unions with a request that they detail any issues to be raised and to encourage them to make their own responses to the proposals.

7. Information from the f40 Group of Authorities has also been circulated to the above groups to assist them in

making an informed response to the consultation exercise.

8. The WSF met on 27 April 2010 to consider the issues and a draft response. The issues they discussed and raised are detailed in Appendix 2.

9. A members' briefing was also held on 17 May 2010 giving information on the DCSF proposals and providing opportunity for comment.

10. As the consultation document does not include exemplifications of the effect of the proposed changes it has meant that some aspects have not been able to have as informed a response to the consultation as would otherwise be the case. However, the DCSF have indicated there will be a further consultation on firmer proposals later in the year.

11. On the specific consultation questions the key issues included within the response are:

- Support for the majority of the principles underlying the new funding formula (consultation question 1)
- Support for the principle to simplify and mainstream some of the school specific grants into the Dedicated Schools Grant (DSG) but raising significant concerns on the potential effect of the approach (consultation question 2)
- Support for the proposed formula elements in the new DSG formula but the need to address the current significant funding inequity and gap between local authorities (consultation question 3)
- The funding of the basic entitlement to be on a new Activity Led Funding (ALF) approach and not based on the current judgement method (consultation question 4)
- Requesting a range of approaches to the funding of Additional Educational Need (AEN) and not supporting the introduction of a Local Pupil Premium (LPP) for deprivation (consultation questions 5 to 9)
- Requesting further consideration by the DCSF for the funding of High Cost Pupils (HCP) (consultation question 10)
- Support the proposals to reflect funding for sparsity (consultation questions 11 to 13)
- Reservations on the proposals for an Area Cost Adjustment (ACA) and the need to limit its application with any surplus funding to be recycled into the basic entitlement (consultation question 14)
- Support for the proposed transitional arrangements on the mainstreaming of grants and the ability to reflect these funding streams as formula factors in the local

funding model (consultation question 15)

- Agreeing to a transitional arrangement for the new DSG model to be funded by reducing allocations to the largest gaining local authorities (consultation question 16)
- For the DCSF to seriously consider the continuing need for a Minimum Funding Guarantee (MFG) for schools in the local funding formula but if prescribed requesting a significant simplification and more local discretion on its application (consultation question 17)
- Support for the continuation of an Exceptional Circumstances Grant (ECG) and consideration of potential pupil fluctuations due to service families mobility (consultation questions 18 and 19)

12. An opportunity has been taken to raise a number of related issues within the consultation too. These are detailed in the response in question 20.

13. Specific issues have been raised in the response on the current and future funding pressures for schools and issues required to be addressed by the review. On the latter the key issues are:

- The need to narrow considerably the differential funding gap between local authorities and to recognise the funding difficulties experienced for local authorities at the bottom of the funding league table
- The use of any DSG headroom for Ministerial priorities, as well as supporting deprivation, to be used to narrow the ever increasing funding gap between local authorities
- Schools in Worcestershire County Council continue to face funding difficulties as a result of our position in the funding table of DSG per pupil but will still be required to continue to implement the increasing array of curriculum initiatives and extended school activities
- That currently the funding allocated to the County is insufficient for purpose and particularly when compared to other areas of the country.

14. In summary it is concluded the key issue that the Council wants to see from the review is to secure a Fairer Funding settlement from the new DSG to that received currently on the basis of a core activity needs led entitlement for all pupils.

15. After consideration of all these issues, the recommended response to the consultation is attached at Appendix 3.

Supporting Information

- Appendix 1 – Executive summary of key consultation issues
- Appendix 2 – Summary of issues from the WSF – 29 April 2010

- Appendix 3 – Formal Consultation Response to the DCSF National Consultation on the Future Distribution of School Funding.

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Director of Children's Services) the following are the background papers relating to the subject matter of this report:-

DCSF consultation paper – 15 March 2010

Summary briefing paper – 19 March 2010

Agenda papers for the meeting of the Cabinet – 19 April 2010

Reports to the WSF – 29 April 2010

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