

Cabinet
20 December 2004

7. LOCAL MANAGEMENT OF SCHOOLS 2004

Recommendation

- The Director of Educational Services recommends that, as a result of the consultation undertaken in October and November 2004, the Cabinet approves the changes to the schools funding formula and scheme for 2005/06 which are outlined in Appendices 2.**

Background Information

- Each year the LEA is required to consult schools on changes to the Local Management of Schools (LMS) formula and funding scheme. This year the consultation took place in October and November. This is necessary in order for the LEA to comply with the requirement to inform the Secretary of State of its proposed Schools Budget by 31 December 2004.

- Both the Schools Forum and a working group of Headteachers and officers considered the draft of the consultation paper. The consultation document was widely circulated and copies were placed in the Member Support Unit.

Consultation Results

- The number of school responses received from the consultation were as follows:

Type of school	Total Number of schools	Number of responses	Percentage of responses
First/Primary	187	50	27
MDP	5	3	60
MDS	28	10	36
Secondary	29	15	52
Special	12	4	33
Total	261	82	31

Key: MDP – Middle Deemed Primary
MDS – Middle Deemed Secondary

* The response rate in 2003/04 was 24%

- In addition to these formal responses, Headteacher/Governor consultation meetings were held in November at which the proposed changes were discussed.

Formula and Scheme Changes 2005/06

6. The consultation paper provided information on the changes that the Department for Education and Skills (DfES) were introducing at a national level to the schools' funding formula in particular the Minimum Funding Guarantee (MFG) and in addition asked eight questions that related to specific issues within Worcestershire's funding formula. Appendix 1 shows the responses from schools to these eight questions. Key issues and recommendations arising from the consultation are detailed in Appendix 2.

7. One significant change to the funding scheme proposed in the paper was to introduce a scheme to manage schools surplus balances following the introduction of 3 year "guaranteed" budgets that the DfES proposes to implement from April 2006. This will mean that there will be a mechanism to clawback excessive surplus balances from schools which have not been earmarked for spending against set criteria. Any funding which was taken back would then be redistributed to other schools.

The Role of the Schools Forum

8. Given the timescale for agreeing the schools budget (see paragraph 2 above), one of the questions the consultation paper asked was whether schools agreed with the proposal to allow the Schools Forum to act as the main source of additional consultation with schools during this year. The overwhelming majority (90%) agreed with this proposal.

9. The Schools Forum has met twice during the Autumn Term 2004. The second meeting took place on 7 December where the Forum discussed the consultation paper responses. A summary of the discussions and recommendations of the Forum are detailed in Appendix 3. Those specifically on the LMS consultation paper will be circulated to members at the Cabinet meeting.

Conclusion

10. The responses from schools show that, as in previous years, there is no strong desire for further delegation. The responses also show majorities for the proposed changes to the LMS formula and scheme both in total and in the majority of phases for 2005/06.

11. In previous years agreement to the proposed formula changes has usually been unanimous cross phase. This year the High Schools have not supported the increase in the Year 5 Age Weighted Pupil Units (AWPU) nor the rebasing of the AWPU. They are concerned about cost pressures on their own budgets such as 14-19 developments. However, Primary/Middle Schools are concerned about cost pressures associated with workforce reform.

12. On balance, for this year's budget round, the Director of Educational Services supports the proposed AWPU changes because of the need to introduce non-contact time for teachers in all phases from September 2005 as part of the national workforce reform agreement. This will have a greater cost impact overall on the primary sector compared to the secondary sector.

Supporting Information

- School Consultation Responses, November 2004 – Appendix 1.
- Key Issues and Recommendations arising from the Consultation – Appendix 2.
- Schools Forum - Summary of discussions and recommendations - Appendix 3. (Those relating to the LMS formula will be circulated to members at the meeting).
- A full set of written responses from schools are available for inspection in the Member Support Unit.

Contact Points

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Background Papers

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

LMS Consultation Document – October 2004