

**Cabinet**  
**16 December 2010****8. FAIR FUNDING CONSULTATION OUTCOMES 2011-12  
NATIONAL AND LOCAL CHANGES TO THE FUNDING  
ARRANGEMENTS FOR SCHOOLS****Relevant Cabinet  
Member**

Mr M J Hart

**Relevant Officer**

Director of Children's Services

**Recommendation**

**1. The Cabinet Member with Responsibility for Education recommends that, having regard to the consultation undertaken in October and November 2010, the Cabinet approves the changes to the schools funding formula and scheme for the period 2011-12 as outlined in Appendices 2 and 3.**

**Background Information**

2. The Council is required to consult schools and other consultees on changes to the Fair Funding Formula and Scheme for Financing Schools. This is necessary in order for the Council to comply with the national requirements for school and local authority funding.

3. The Government through the Department for Education (DfE) issued in July 2010 a consultation on School Funding 2011-12: Introducing a Pupil Premium. The key aspects were considered by Cabinet at its meeting on 16 September 2010 and it approved the process for responding to the consultation by 18 October 2010. As part of this it was considered necessary to share with schools and other consultees information on the key national issues.

4. The current 3-year multi budget period for schools ends on 31 March 2011 but the DfE have indicated that as part of the Comprehensive Spending Review (CSR) the existing "spend plus" model for the Dedicated Schools Grant (DSG) allocation to Local Authorities (LA's) will continue for another year 2011-12. In terms of funding for 2012-13 onwards the Government's intention for the longer term is to bring in a more simpler and transparent funding system. They advise that this should help reduce the funding differences between similar schools in different areas. The DfE will work with key partners to consider how best to bring this about.

5. Given the concept of multi-year funding for schools it is also necessary for LAs to consult on any local schools formula and scheme changes prior to the start of the financial year to which they relate. Therefore, to comply with this requirement the formal consultation has covered the national issues from the DfE, local issues for 2011-12 and also some potential issues that could impact beyond 2012.

6. The Worcestershire Schools Forum (WSF) and officers considered the issues for inclusion in the consultation paper at the WSF meeting on 8 October 2010. Following this, a consultation document was then widely circulated including all schools and early years providers, all members of the County Council, staff associations and the Worcestershire Association of Governors. Responses were requested by 22 November 2010. A copy is provided at Appendix 1. Officers have also attended Headteacher Group and School Business Manager meetings to discuss the issues.

## Consultation Results

7. The number of responses received from the consultation via the questionnaire pro-forma were as follows:

Type of school	Total Number of Providers	Number of Responses	Percentage of Responses %
Nursery/First/Primary with NC	55	5	9
Nursery/First/Primary without NC	123	8	7
Middle	21	0	0
Secondary/High	28	6	21
Special	10	0	0
Short Stay	6	0	0
Early Years PVI	294	46	16
Other	0	1	N/A
<b>Total</b>	<b>537</b>	<b>66</b>	<b>12</b>

Key: NC – Nursery Classes

PVI – Private, Voluntary and Independent

\* The response rate in the previous multi-budget period 2008-11 consultation in the Autumn Term 2007 was 15%. The above lower response rate from schools reflects that for 2011-12 the issues are in the main nationally prescribed changes with local changes being minimal.

## Formula and Scheme Changes 2011-12

8. The consultation paper provided information on the changes that the DfE are introducing at a national level over the period including: -

- The Introduction of a Pupil Premium (PP) in

September 2011 from outside the Schools Budget to support disadvantaged pupils from Reception to Year 11

- LAs which are yet to do so will need to implement an Early Years Single Funding Formula from April 2011 and whether from April 2011 the pupil count for three year olds should reflect actual take up or continue to reflect a minimum of 90% participation where lower
- 2011-12 will retain the current system for allocating the DSG, based on the "spend-plus" methodology. The DfE confirm that the purpose is to give stability and clarity in funding and to ensure the transparent introduction of the PP
- There will be mainstreaming of relevant specific grants into the DSG but LAs will be allowed to use previous levels of grant as a factor in their local formulae to support stability in funding at school level
- The DfE will allow LAs to apply for additional funding in respect of schools which serve large numbers of children of parents from the Armed Services and which face falls in pupil numbers due to Armed Forces movements, and also for home educated pupils
- The DfE are considering whether to cease to provide DSG for dual subsidiary registrations for pupils registered at Pupil Referral Units (Short Stay Schools)
- The DfE are considering whether to remove the current cash floor provisions in the DSG, which protect authorities with falling pupil rolls
- The DfE have indicated they will also work with partners to review the methodology for funding academies from 2011-12.

9. The consultation paper also proposed some changes to a number of local formula and scheme issues. These included:

- Early Years
  - Changes to the current agreed model for the introduction of a new Early Years Single Funding Formula (EYSFF) model, to allow for the funding of "school run non-maintained provision" and for minor changes to the model for childminders
  - Allowing maintained school nurseries to charge parents for additional hours above the free 15 hour entitlement
- Special Educational Needs funding in the secondary sector
- The trading of services with schools
- Changes to the School Finance (England) Regulations for 2011.

## The Role of the WSF

10. In total, consultees were requested to respond to seven questions that related to specific issues within Worcestershire's Funding Formula and Scheme for Financing Schools. Appendix 2 shows the responses from all consultees to these questions. Key issues and recommendations arising from the consultation are detailed in Appendix 3.

11. As required the WSF continues to fulfil its statutory role as the principal consultation forum for matters relating to school funding.

12. There is a statutory requirement to consult the WSF on these funding proposals. The WSF has met twice during the Autumn Term 2010. The second meeting took place on 10 December where the WSF discussed the consultation paper responses. Details of the initial discussions are attached at Appendix 4. The recommendations of the WSF will be verbally reported at the Cabinet meeting.

## Conclusions

13. The responses from the consultation are summarised as follows and overall show support:

- To introduce changes to the existing model for the EYSFF from April 2011 as detailed for the funding of "school-run non-maintained provision" and minor changes to the existing model for childminders
- To allow maintained school nurseries to charge parents for additional hours, if specific conditions are met
- For the WSF to consider the effect of any mainstreaming of specific grants when known including reviewing the allocation of the former grants and for the WSF to decide on the methodology for mainstreaming any grants
- To change the local funding formula to cease place-led funding for Learning Resource Centres from April 2012 and to re-distribute this into support for learners with Special Educational Needs (secondary)
- To extend the existing multi-year sign-up arrangements for another year for 2011/12 on a basis to be determined by the LA and to develop additional service trading of LA services as required
- The methodology for determining the treatment of the Carbon Reduction Commitment to be determined by the LA in consultation with the WSF in line with the DfE statutory regulations.

## Supporting Information

- Fair Funding Consultation Paper 2011/12 Autumn Term 2010 – Appendix 1
- Consultation Responses, November 2010 – Appendix 2
- Key Issues arising from the Consultation – Appendix 3

- Worcestershire Schools Forum Issues – Appendix 4
- A copy of the written responses from all consultees is available for inspection in the Member Support Unit.

## Contact Points

### County Council 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:

Fair Funding Consultation Document – October 2010

Agenda papers for the meeting of the Cabinet held on 16  
September 2010