

A consultation on school funding reform: Proposals for a fairer system

Consultation Response Form

The closing date for this consultation is:

11 October 2011

Your comments must reach us by that date.

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

Name Andy McHale

Organisation (if applicable) Worcestershire County Council (WCC)

Address: County Hall
Spetchley Road
Worcester
WR5 2YA

If you have an enquiry related to the policy content of the consultation you can contact either

Ian McVicar on: Telephone: 020 7340 7980 e-mail: ian.mcvicar@education.gsi.gov.uk
or

Juliet Yates on: Telephone: 020 7340 8313 e-mail: juliet.yates@education.gsi.gov.uk,

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Consultation Unit by e-mail: consultation.unit@education.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"/> Maintained School	<input type="checkbox"/> Academy	<input type="checkbox"/> Teacher
<input checked="" type="checkbox"/> Individual Local Authority	<input checked="" type="checkbox"/> Schools Forum	<input type="checkbox"/> Local Authority Group
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union / Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Governor Association	<input type="checkbox"/> Parent / Carer	<input type="checkbox"/> Other

If 'Other' Please Specify:

Chapter 1 - The National Funding System

In paragraphs 1.8 to 1.14 we discuss two ways we are considering using to calculate the schools block:

- a) A formula based on the schools within the area and the pupils within those schools (“School-level”);
- b) A formula based solely on the pupils within the area (“local authority-level”).

Question 1: Would you prefer the formula to be based on

a) a notional budget for every school; or

b) the pupils in each local authority area?

School level

LA level

Neither

Not Sure

Comments:

We contend it would be extremely difficult and time consuming for the DfE to calculate notional budgets for every school. The energy needs to be directed to getting an appropriate and equitable formulaic approach to calculating each block.

We feel the proposed start point for this of the budgets for each LA in 2012/13 is extremely disappointing and concerning for low funded LAs as this assumes the current base position for all and will not recognise the existing funding inequities.

Indeed there seems little point to such a substantial exercise for calculating school level budgets if there is to be a local formula used to set the budgets of individual schools. The application of a local formula to reflect specific local circumstances will mean differences to the notional budgets calculated by the DfE potentially resulting in an industry of queries between LAs and their schools.

Chapter 2 - The Schools Block - system

Local flexibility

In paragraphs 2.6 to 2.9 we discuss local funding formulae and propose reducing the number of formula factors which local authorities can apply. We suggest that the local formula factors could cover:

- a. Basic entitlement per pupil (currently Age-Weighted Pupil Units)
- b. Funding for additional educational needs (e.g. deprivation, SEN)
- c. Rates
- d. Exceptional site factors (e.g. split site, PFI and rent)

e. Lump sums for schools

Question 2: Do you agree that these are the right formula factors to retain at a local level?

All

Some

None

Not Sure

Comments:

We support the principle for local formula simplification and agree the current number of factors could be reduced. However local formulae do reflect local circumstances and the development of these by LAs over a number of years does reflect the individual characteristics of LA schools provision. There is the potential for significant turbulence for individual schools as the numbers of formula factors are reduced.

Question 3: What other factors, if any, should be able to be used at local level or could any of these factors be removed?

Comments:

We feel this will depend on the definition of the overarching areas listed within the consultation and how the additional factors can be badged. For example, factors to support dual use premises arrangements, small schools, school reorganisations and falling rolls protection are important but could be badged under exceptional site and lump sums.

We have a concern on the proposal to limit the amount of money to be put through these additional localised factors by prescribing how much funding should be linked to core factors. This flexibility is crucial in meeting the needs of all schools in low funded LAs.

Paragraphs. 2.12 to 2.14 discuss primary/secondary ratios:

Question 4: Do you think that setting a range of allowable primary / secondary ratios around the national average is the right approach to ensure that there is consistency across the country?

Yes

No

Not Sure

Comments:

We feel it would be difficult to see how this could be prescribed nationally given the wide variation across LAs. Any recommended differential should be determined by a thorough analysis of the curriculum needs i.e. a current needs led analysis for the

sectors and not by current historic practice and funding models. These views are widely shared by the f40 group of LAs.

Arrangements for Academies

Paragraphs 2.17 to 2.22 discuss options for the future of calculating Academies' budgets. Option (i) suggests that local authorities could calculate budgets for all schools in the area and then tell the EFA how much Academies should be paid; and Option (ii) that the EFA could calculate Academies' budgets using a pro-forma provided by local authorities setting out their formula factors.

Question 5: Do you think we should implement option (i) or (ii) when calculating budgets for Academies?

(i)

(ii)

Other

Not Sure

Comments:

We feel it makes sense for LAs to calculate budgets for all schools in its area for those maintained by it and those in the Academy sector. This will ensure consistency and that all schools are funded in the same way and by the same formula to ensure there is not financial advantage or disadvantage to either sector. Also, there would be significant inefficiency in the EFA having to replicate several LA local funding formulae.

Ensuring accountability and fairness

Paragraphs 2.23 to 2.26 discuss options to improve the working of Schools Forums - whether the main groups on the Forum should all separately have to approve a proposed formula and whether the Forum should have more decision making powers.

Question 6: Do you think these options would help to achieve greater representation and stronger accountability at a local level?

Yes

No

Not Sure

Comments:

We contend the current arrangements for formula change in Worcestershire work extremely well. Although there are sometimes differences a consensus position for the benefit of all schools is always reached without the need for all sectors to agree to any proposed formulae. Similarly the Schools Forum has always had the opportunity to make representation to the executive as part of the formal decision making process for formula development and change.

Paragraphs 2.27 to 2.31 discuss functions the EFA could provide to ensure scrutiny and challenge at a national level. They are (i) checking compliance and/or (ii) acting as a review body.

Question 7: Do you think we should implement option (i), (ii), both or neither?

(i) (ii) Both ✓ Neither Not Sure

Comments:

We feel it is difficult to see how this could work in practice given the extremely tight timescales from receiving and agreeing formula data from the annual census, discussing and getting approval to formulae through Schools Forums and the LA through to calculating and circulating the actual allocations. Any compliance may have to be done retrospectively, which is not an ideal position.

Arrangements for Free Schools

Paragraphs 2.33 to 2.35 discuss arrangements for the funding of Free Schools:

Question 8: If we introduce the new system in this spending review, do you think that Free Schools should (i) remain on the Free School methodology for 2013-14 and 2014-15 or (ii) move straight away to the overall funding system?

(i) ✓ (ii) Not Sure

Comments:

We stress all schools should be funded by the same methodology to ensure the principle of no financial advantage or disadvantage. There needs to be full transparency in the funding of Free Schools.

Chapter 3 - The Schools Block – formula content

In paragraphs 3.3 to 3.6 we discuss formula content and propose that the new formula could consist of:

- A basic per-pupil entitlement
- Additional funding for deprived pupils
- Protection for small schools
- An Area Cost Adjustment (ACA)
- English as an Additional Language (EAL)

Question 9: Are these the right factors to include in a fair funding formula at a national level?

All

Some

None

Not Sure

Comments:

We contend as in previous models the calculation of the basic entitlement is the most important element. **It must be calculated first before consideration of the other factors and based upon the same needs led entitlement for all pupils.** The current model where this is funded last as the 'amount remaining' after the other factors is fundamentally and morally wrong. It is extremely disappointing to see that an Activity Led Funding (ALF) approach will not be introduced.

Deprivation

Paragraphs 3.14 to 3.17 discuss possible indicators we could use in a national formula for reflecting deprivation.

Question 10: Do you agree that we should use Ever FSM to allocate deprivation funding in the national formula? Should this be Ever 3 or Ever 6?

Ever 3

Ever 6

Neither

Not Sure

Comments:

We contend there are a number of data issues with the proposals for ever FSM even more so with ever 6. We feel it will be difficult explaining to schools the basis of the data sets used, particularly in schools with high pupil mobility. At least the current model, although having some disadvantages, can be explained and is current. Any data used in this element would have to link the data used in the allocation of the Pupil Premium.

There needs to be consideration of other pupil-led deprivation data sets for the model e.g. ACORN data.

Small school protection

Paragraphs 3.19 to 3.28 discusses funding protection for small schools, suggesting that a £95,000 lump sum would be sufficient to provide protection, that it should be applicable to primary schools only and should adopt Middle Super Output Areas to derive the sparsity factor. If a local authority formula is used a choice between a lump sum payment and a sparsity measure is offered and there is also discussion on

whether the threshold for eligibility should be narrowed so that sparsity funding is focused on the most sparsely populated areas.

Question 11: If we have a school-level formula, do you agree that £95,000 is an appropriate amount for a primary school lump sum?

Yes

No

Not Sure

Comments:

We feel it is difficult to comment without knowing the basis of the calculation and the definition of a small primary school and so which schools would qualify. Local formulae are best placed to have the relevant and appropriate protection factors.

Question 12: Do you agree that the lump sum should be limited to schools with Year 6 as the highest year-group?

Yes

No

Not Sure

Comments:

We contend there are small schools in both the middle and secondary sectors with pupil numbers in year 7 and above that could require such protection too.

Question 13: If we have a local authority-level formula, should we use a primary school lump sum or the sparsity measure?

Primary
School
lump sum

Sparsity
Measure

Neither

Not Sure

Comments:

We feel this would probably be more appropriate. Any measure must take account of rural sparsity aspects.

Question 14: If we have a sparsity measure, do you think we should narrow the sparsity threshold as described above?

Yes

✓ No

Not Sure

Comments:

We strongly support the use of the wider threshold to include more schools. The rural aspects apply here too.

Area Cost Adjustments

Paragraphs 3.29 to 3.33 (and annex D) discuss approaches to calculating the area cost adjustment.

Question 15: Which option should we use to calculate the Area Cost Adjustment: the current GLM approach or the combined approach?

GLM Approach

Combined Approach

✓ Other

Not Sure

Comments:

We have placed on record previously our longstanding arguments against the unfairness and inequity of the current ACA model. This must not be repeated in the new model. In WCC we have very similar area cost pressures to our neighbours but they receive significant area cost funding whereas we do not. For example, apart from London there are national consistent pay scales for teachers and so it is difficult to argue an area cost case for most LAs. This funding should be reallocated in the basic amount per pupil.

We contend any ACA should be based upon what needs to be paid not what is paid currently. The issues we have already raised in our response to previous consultations continue to be extremely relevant, in particular: -

- Those LAs 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 LAs with ACA are significantly higher funded so can afford to pay higher salaries. Also, such high funded LAs receive high deprivation funding which could be construed as double funding.
- Our neighbouring LAs who currently receive ACA are able to offer higher salaries, so 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 DfE need to look at 'pockets of ACA'.
- WCC would like fewer resources distributed via the ACA with fewer LAs

benefiting and so reducing the differences in funding levels.

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

English as an Additional Language and Underperforming Ethnic Groups

Paragraphs 3.34 to 3.38 considers what further factors of underachievement there might be for school age pupils and proposes the inclusion of an EAL factor in a national formula.

Question 16: Do you agree that we should use an EAL factor in the national formula?

Yes

No

Not Sure

Comments:

We support this but contend that there some EAL groups do not correlate with underachievement.

Any use of such a factor needs to correlate with those areas in the country with significant numbers of pupils newly arrived from other countries with English not their first language. These issues can also apply to rural areas. There needs to be consideration of additional funding for significant in-year EAL pupil number changes.

Question 17: Do you agree that this should cover the first few years only? How many years would be appropriate?

Yes

No

Not Sure

Comments:

We feel it is difficult to assess as the additional needs may not relate to a specific period of time.

Transitional Arrangements

Paragraphs 3.39 to 3.41 discuss transitional arrangements to minimise turbulence.

Question 18: Do you think we should:

(a) Continue with a maximum decrease of -1.5% per pupil each year and accept that this will mean very slow progress towards full system reform; or

(b) Continue with a -1.5% per pupil floor in 2013-14 but lower it thereafter so that we can make faster progress?

 (a) (b)

√ Neither

 Not Sure

Comments:

We contend for low funded LAs like WCC, changes need to be made and introduced as quickly as possible. The continuing unfairness in the system needs to be addressed with fast progress being made.

We stress since the introduction of the DSG in 2006 the funding gap between the highest and lowest funded has widened significantly due to the 'spend plus' model and was further exacerbated in 2011/12 by the mainstreaming of specific grants on a historic basis. There is a recognition of the need for variations in funding between LAs but not to the current extent, which has widened over the 'spend plus' period. For example in 2011/12 the GUF analysis is: -

WCC	£4,601	
Upper Tier	£4,746	WCC variance £145
All England	£5,083	WCC variance £482
Birmingham	£5,689	WCC variance £1,088

Chapter 4 - Central services and defining responsibilities

Paragraphs 4.1 to 4.7 discuss the development of a funding model, having first defined the respective responsibilities of maintained schools, Academies and local authorities. The model would clarify what elements of funding would be delegated to schools or centrally retained for maintained schools, if there is local discretion.

Question 19: Do you agree that some of these services could be retained centrally if there is local agreement by maintained schools?

Yes

No

Not Sure

Comments:

We do not support the delegation of some of the block 1b services as for economies of scale, e.g. insurance, it makes sense to retain them centrally.

We contend it is unfair that these services would automatically be with Academy schools budgets as these do not apply evenly across all schools and are allocated on an individual school needs led basis e.g. support for schools in financial difficulty, allocations from contingency and behaviour support services. The LA needs to have some control for these aspects.

There is no recognition in the document of the inextricable link between the delegation of funding and responsibility for provision in critical areas such as Special Educational Needs or Behaviour Support Services.

Paragraphs 4.8 to 4.13 set out details of the funding blocks which make up the funding model and their functions. Funding blocks for schools, High Needs Pupils, early years, central services and formula grant are proposed.

Question 20: Do you agree that the split of functions between the blocks is correct? If not, what changes should be made?

Completely Correct

Broadly, but some changes required

No

Not Sure

Comments:

We agree on the proposed split apart from the comments in question 19. There are significant issues to be considered on the source of the data to be used to assess the level of these functions, particularly if LAs are reviewing the budgets in these areas over time to reflect required budget changes and reductions.

Chapter 5 - Future arrangements for the Local Authority Central Spend Equivalent Grant (LACSEG)

Paragraphs 5.1 to 5.9 discuss the future arrangements for the calculation of LACSEG.

Question 21: Do you think the funding for local authority LACSEG should be moved to a national formula basis rather than using individual LA section 251 returns?

Yes

No

Not Sure

Comments:

We contend it would be extremely difficult to see how this could work given the wide variation in school and LA budgets across the country.

We have already responded to the extremely short consultation on the proposals for the Academies funding transfer for 2011/12 and 2012/13. WCC is operating a clear policy of supporting the Academy transfer programme; however it is keen to ensure that funding remains fair and transparent for all schools within the County area and that the LA and the remaining maintained schools are not disadvantaged.

In particular: -

- The methodology of using a per head basis is flawed. WCC is able to deliver economies of scale in supporting a large number of schools; therefore reductions in costs cannot be delivered in a linear relationship to reductions in pupil numbers.
- The specific figures for WCC reveal a worrying position. The DfE proposals take a national average cost based on the Section 251 report. Analysis of the WCC return indicates that our 'cost per head' is £167 per pupil (average over all sectors). This is considerably less than the DfE national average cost of £219 primary and £220 secondary per pupil. **Based on the per pupil average quoted by the DfE, if all our schools were to become academies £17.7m would be taken from the LA. Our current total spend, i.e. 100%, in these areas is £13.8m. A negative gap of £3.9m.**
- We are also concerned about the multiplier for special schools (average cost multiplied by a factor of 4.25). The figures for WCC show special schools at £710 against the DfE national average of £935. In addition, this level of multiplier is not reflected in any additional costs the LA incurs in relation to special schools.
- A further area for concern is the inclusion of costs that are not transferring to Academies. This could vary between authorities but could include strategic management costs of Children's Services Directorate; non schools termination costs, which are included in the lines relevant to the LACSEG. The LA would still have to fund these.

- The fundamental flaw is the use of a national average cost per head. As a low funded LA, the position is made even more severe.
- WCC would support the local calculation of actual savings to be transferred to the Education Funding Agency. This could also then reflect the additional costs to the LA of the transfer process.
- The consultation proposes that there is an additional national transfer of LACSEG in 2011/12 and an increase in line with the new calculations for 2012/13. Given the evidence shown above we would suggest that the method of calculating transfer values is reviewed in line with actual savings, rather than average cost per head. We would suggest that the original national transfer (in WCC it was £1.4m) was made on the basis that this helped LAs manage risk and uncertainty over transferring schools; we consider that any changes to this in year would seriously destabilise the challenging financial plans that are now in place.
- We consider that any changes to the 12/13 estimates should reflect a methodology that captures actual savings, rather than national averages, otherwise this would again destabilise our current financial planning processes. We also draw your attention to the letter of 31st January 2011 from Michael Gove to Baroness Ritchie which also confirmed that the settlements for 2011/12 and 2012/13 would not be re-negotiated.

Question 22: Do you think the distribution mechanism should be changed to one that more accurately reflects the actual pattern of where Academies are located?

Yes

No

Not Sure

Comments:

We contend it is totally unfair that LAs with low numbers of Academies are paying for those LAs with higher numbers through an arbitrary reduction in LA block grant in 2011/12 and 2012/13, the basis for which is not transparent or published. WCC is currently supporting the additional costs of transfers from within its own resources.

The original top slice in formula grant to WCC was £1.4m. The DfE calculated that the payment to new academies would be £306 per secondary and special school pupil and £304 per primary pupil. These were based on gross calculations from the 2009/10 Section 251 report. Academy convertors prior to August 2011 will be receiving this level of funding. Since August 2011 the methodology has been updated to reflect net costs, which we support; however we remain concerned that the previous calculations will continue to be paid to existing academies when they are clearly too high. We would also like to note that there was no consultation over these initial allocations.

Chapter 6 - Children and Young People requiring high levels of support

Principles

Paragraph. 6.7 sets out the high level principles behind the proposals for funding children and young people with high levels of need.

Question 23: Is this the right set of principles for funding children and young people with high needs?

✓ Yes

No

Not Sure

Comments:

We appreciate the relationship between funding schools, funding pupils and managing the SEN statutory process is complex. There is evidence nationally that the construction, operation and monitoring of SEN funding schemes has a direct impact on numbers of statements. In turn this has a direct impact on the ability of LAs to manage SEN budgets and protect the DSG from the financial effect of externally made decisions at the SEN Tribunal.

We in the main support these but specific comments are: -

- Principle 1 should refer to 'assessed educational needs'.
- Principle 2 needs to explain the wording 'as far as is practicable'.
- Principle 6 needs to reflect the provision for high needs pupils will in most instances already be delegated in schools budgets acknowledging that in some cases this may be a shared financial responsibility between a mainstream school, special school, academy and the LA.
- Principle 7 needs to reflect the principles of clear accountability and fairness.

We contend that any system for assessing, providing and funding HNP must align itself to the outcomes and decision resulting from the SEN Green paper. There must also be recognition that the principles and proposed funding arrangements must also consider the needs of gifted and talented pupils.

A Base Level of Funding for High Needs SEN

Paragraphs 6.11 to 6.18 discuss proposals to set a base level of funding to reflect high needs SEN.

Question 24: Would it be appropriate to provide a base level of funding per pupil or place to all specialist SEN and LD/D settings, with individualised top up above that?

Yes

No

Not Sure

Comments:

We contend give the current varied provision, SEN needs and funding systems within LAs it will be extremely difficult to set a base level of funding for pupil or place nationally. The proposals do not detail or analyse the inextricable relationship between the management of the SEN statement process and the basis upon which schools and pupils are funded.

For example, in Worcestershire delegated funding in mainstream schools for low level need is funded on proxy indicators and high level need on hours on pupils statements and additional resource provision places that vary per category of SEN and in amount. Similarly special schools are funded for actual pupils on a combination of base AWPU per the mainstream sector and an amount per place from the lowest MLD to the most complex PMLD. This system works extremely well and needs to be preserved.

We note the notion of the 'local offer', which appears to be compatible with a description of what should be ordinarily available within the funding scheme. This is to be welcomed, but this must be based on descriptions of educational activities, the type, frequency, intensity and nature of specialist support and curriculum enhancements and alternatives. If it simply relates to a threshold of hours, or a threshold of money, then the focus will be on quantity and not the actual special educational provision. There, therefore, needs to be coherence between the determination of special educational provision, and the local offer.

We are concerned that the YPLA's funding model is being put forward as an example on which the future can be built. The high needs part of the old LSC/then YPLA budget was in disarray and significantly overspent across many regions and LA areas.

Question 25: Is £10,000 an appropriate level for this funding?

Yes

No – too high

No – too low

Not Sure

Comments:

We feel it is difficult to see how the cost of a pupil can be used to correlate with a level of Special Educational Need. There seems to be a simple attractiveness in the use of such a threshold. Any final system should provide good practice exemplars where LAs had managed to sustain viable special school funding schemes based on tiered costs. Indeed special school funding that involves an annual moderation approach for new admissions, or pupils whose needs change, and where head teachers moderate across a wider range of schools will help to assure equity in the decision making process.

We contend some of the key aspects for consideration are: -

- There must be a robust description of what this £10,000 is expected to provide.
- The statutory process must be able to work with this and avoid conflicts with school funding scheme processes.
- There must be robust decision making processes within and across LAs to moderate and monitor trends.

Applying this approach to post-16

Paragraphs 6.19 to 6.21 discuss proposals for funding high needs pupils to post -16 pupils.

Question 26: Is the idea of a base rate of funding helpful in the post-16 context?

Yes

No

Not Sure

Comments:

Please see comments in questions 24 and 25.

Question 27: Should local authorities be directly responsible for funding high level costs over £10,000 for young people in post-16 provision in line with their commissioning responsibilities?

Yes

No

Not Sure

Comments:

We stress the system for funding high cost SEN was never tackled or resolved by the former LSC or its successor the YPLA. The post 16 SEN block grant is based upon historic information and has never kept pace with the increasing complexity, numbers and costs of such provision. This effectively means in special schools and out county provision a significant portion of these costs have been funded from the DSG. The concern is the new funding system will have to deal with this area without the resources required. Any system for this needs to be kept simple.

Question 28: Do the proposed funding arrangements create risks to any parts of the post-16 sector?

Yes

No

Not Sure

Comments:

There are risks as LAs assume and work with their new responsibilities as commissioners post YPLA handover. We should expect a stronger focus on VFM, improved monitoring and more rigour in setting out what provision is needed and monitoring student outcomes. This was a particularly weak feature of the previous arrangement. LAs are experienced in commissioning and procurement, as well as already being knowledgeable about their local communities.

Funding by Places or Pupil Numbers

Paras 6.22 to 6.26 discuss whether institutions providing for high needs children and young people should be funded on the basis of planned places or pupil numbers. It also sets out four options for doing so.

Question 29: Should institutions providing for high needs children and young people be funded on the basis of places or pupil numbers?

Places

Pupil Numbers

Not Sure

Comments:

We confirm we have been funding high needs SEN in special schools on pupil numbers for a number of years on the basis of base AWPU plus an individually needs assessed SEN allocation together with a small element of vacant places. We see no reason that this should change. However there is a small element of place led funding in our mainstream units.

Fluctuations in funding for special schools, particularly those that are small, can be severe given the higher per pupil funding levels making the budget more difficult to manage.

Question 30: Are any of options (a)-(d) desirable?

(a)

(b)

(c)

(d)

None

Not Sure

Comments:

We feel this seems the most sensible and again contend our system detailed above works well having been in operation for a number of years.

Funding Special and AP Academies and Free Schools

Paragraphs 6.27 to 6.39 discuss how funding for special and AP Academies and Free Schools should be managed in the short term and, in the longer term, whether funding should be routed through the Education Funding Agency (EFA) or the commissioner.

Question 31: For the longer term, should we fund Special and AP Academies and Free Schools:

- a) with all funding coming direct from the commissioner?
- b) with all funding coming through the EFA and recouped from the commissioner?
- c) through a combination of basic funding from the EFA and top-up funding for individual pupils direct from the commissioner?

(a) (b) (c) Neither Not Sure

Comments:

We contend this is an extremely complex and emotive area and without detailed exemplification it is difficult to comment. For example, who provides the basic sum to the school or academy and option c) seems unnecessarily complex and administratively bureaucratic.

In any system introduced there must be assurance that there is no financial incentive or disincentive for any school, academy or commissioner.

Question 32: If we go for the combination funding approach, should we pass all funding through the EFA for a limited period while the school is establishing itself before moving to this approach?

Yes No Not Sure

Comments:

Please see comments in question 31 and the consultation does not set out the benefits of such an approach.

Constructing the High Needs Block for local authorities

Paragraphs 6.40 to 6.47 propose a new formula for determining the High Needs Block building on the research carried out for the Department by PricewaterhouseCoopers in 2009.

Question 33: Given there is no absolute method of determining which pupils have high needs, and given local variation in policy and recording, is this approach to determining proxy variables acceptable?

Yes

No

Not Sure

Comments:

We contend this is a very complex area but this approach seems reasonable. The difficulty in using an indicator that results from the decision making of another organisation is that the criteria and rigour of decision making may change. This said, if the formula is for higher needs children, then the Disability Living Allowance indicator is more likely to be appropriate than the universal application of a social disadvantage indicator.

Question 34: Do you agree that deprivation is linked more to AP rather than the wider SEN needs?

Yes

No

Not Sure

Comments:

We contend this is a very complex area but this assumption seems reasonable.

Paragraphs 6.48 to 6.49 suggest the need for substantial transitional arrangements in moving to a new formula as the formula will fail to reflect the spend of local authorities on high need pupils.

Question 35: Do you agree that in the short term we should base allocations to local authorities for the high needs block largely on historic spend?

Yes

No

Not Sure

Comments:

We disagree and contend the problem here is that historic spend is significantly constrained by the funding available to LAs. So, low funded LAs, given they have to meet the needs of all pupils, will have less to allocate to fund HNP from the total resource envelope. Having a system based on historic spend will only exacerbate the position. **Any system needs to be based on actual assessed educational need.**

Post-16

Paragraph 6.50 proposes aligning pre- and post-16 funding for high needs pupils over time.

Question 36: Do you agree that post-16 funding should also become part of the local authority's high needs block over time, but that there might be a particular need for transitional arrangements?

Yes

No

Not Sure

Comments:

Please see comments in question 27.

Question 37: What data should ideally underpin the funding allocations both initially and for a potential high needs block arrangement?

Comments:

We feel this needs to relate to those pupils with such needs and not historic levels of spend.

Issues Specific to Alternative Provision

Paragraphs 6.51 to 6.56 highlight issues specific to AP provision but suggest that AP should continue to be treated alongside SEN for funding purposes.

NB: Questions 38 is displayed together with question 39 in the document.

Question 38: Should AP continue to be treated alongside high needs SEN for funding purposes?

Yes

No

Not Sure

Comments:

We note this has long been an issue in terms of the national funding model and historically has been aligned to HNP. There must be recognition in the differences in the functions that a Pupil Referral Unit provides compared to independent AP.

We contend AP entitlement linked to behaviour is not always necessarily a HNP issue. Also, as such provision is funded from the central DSG it is historic not based upon a formulaic approach, so the proposals for PRU's to have delegated budgets is an interesting and challenging proposal.

Question 39: What differences between them need to be taken into account?

Comments:

See question 38 above.

Early Years

Paragraphs 7.5 to 7.8 set out current arrangements for early years funding and discuss whether the Early Years Single Funding Formula could be made simpler:

Question 40: Do you agree we should aim for a simpler EYSFF? If so, how?

Yes

No

Not Sure

Comments:

We would support this but there is a need for different base rates to recognise the different types of maintained and PVI provision as they differ significantly in terms of costs and staffing entitlements.

Paragraphs 7.9 to 7.11 sets out options for improving the focus on tackling disadvantage and improving consistency in the support offered to disadvantaged children.

Question 41: How could we refine the EYSFF so that it better supports disadvantaged children?

Comments:

We feel given the significant differences in provision between LAs this supplement is best left for LAs to manage and determine.

Bringing more consistency to free early education funding

Paragraphs 7.12 to 7.15 consider two options for continuing to fund local authorities for free early education: on the basis of their current spend or on the basis of a formula.

Question 42: Do you agree we should allocate funding to local authorities on the basis of a formula?

Yes

No

Not Sure

Comments:

We support the development of a formula approach as like other areas e.g. HNP the amounts that can be allocated to EY are constrained by the overall resource envelope available. Low funded LAs are significantly constrained by the resources available and to lock in on a 'spend plus' at the current level of spend would be extremely unfair.

Paragraphs 7.16 to 7.18 discuss how a formula to local authorities for funding early years would operate.

Question 43: Do you agree a formula should be introduced based largely on the same factors as the schools formula?

Yes

No

Not Sure

Comments:

We feel this seems sensible.

Bringing greater transparency to free early education funding

Paragraphs 7.19 to 7.20 discuss what has been done so far to improve transparency and our plans for the future.

Question 44: We would be grateful for views on whether anything else can be done to improve transparency.

Comments:

We query why this is necessary for this sector specifically.

Pupil Premium

Paragraphs 8.1 to 8.8 set out two options for extending the coverage of the pupil premium to include pupils previously eligible for Free School Meals: an 'ever 3' measure or an 'ever 6' measure which extend cover to those eligible for FSM at some point in the last three or six years.

Question 45: What is your preferred option for determining eligibility for the Pupil Premium from 2012-13? Should it be based on the Ever 3 or Ever 6 measure?

Ever 3

Ever 6

Neither

Not Sure

Comments:

Please see comments in question 10.

Paragraphs 8.9 to 8.10 seek views on other issues for calculating the pupil premium, such as whether to reflect differences in funding already in the system.

Question 46: What is your preferred approach for calculating the Pupil Premium?

Comments:

We are grateful for the additional resources allocated via the Pupil Premium.

We contend the flat rate does not satisfy the principal for providing higher levels of funding for schools with deprived pupils in areas that currently receive lower levels of funding.

Timing for implementation

Paragraphs 9.1 to 9.4 consider the issue of when to begin the process of moving to a new funding formula.

Question 47: Do you think we should implement the proposed reforms in 2013-14 or during the next spending period?

2013-14

Next Spending Period

Neither

Not Sure

Comments:

We fully support the introduction of a new model, which will hopefully recognise the unfairness in the current system and go a long way to narrowing the funding gap and correcting the funding inequities.

We have significant concerns on the proposed pace of change in terms of the timescales proposed and that 2012/13 will be another year of the same funding unfairness. This needs to happen sooner rather than later. It is extremely disappointing that the timescales indicate any changes are unlikely to be implemented before 2013/14 at the earliest. Delays will impact on the required programme for local formula development and financial planning in schools.

Also a future system of floors and ceilings will lead to low funded LAs not seeing any benefit for a number of years. We need this now; the next spending review is too late.

We contend those well funded LAs have had more than their fair share over a number of years and as such have always been well resourced and can manage the impact of any change over a short period of time. Low funded LAs have had to put up with inadequate and inappropriate funding levels for a significant period of time and we need to be assured that the new system will deliver our fair share in a short space of time – this entitlement is owed to our schools and pupils.

Question 48: Have you any further comments?

Comments:

We contend in terms of the new funding system generally: -

- The existing DSG funding model is flawed. There needs to be a fundamental and full review that requires the basic per-pupil entitlement to be fully costed and funded prior to any 'top ups' for deprivation and area cost.
- There is a recognition of the need for variations in funding between LAs but not to the current extent, which has widened over the 'spend plus' period. For example in 2011/12 the GUF analysis is: -

WCC	£4,601	
Upper Tier	£4,746	WCC variance £145
All England	£5,083	WCC variance £482
Birmingham	£5,689	WCC variance £1,088
- There is a need to narrow considerably the differential funding gap between LAs. This is paramount and the new system needs to recognise the funding difficulties experienced at the bottom of the funding league table. For example such a variance impacts significantly on the ability of our schools in funding their required staffing needs.
- There is too much reliance on whole LA deprivation measures in the current national funding model, which strongly favours urban areas/big cities and there needs to be recognition of significant deprivation within LAs in the DSG national methodology.
- We understand that growth in the quantum is unlikely. However, we would urge the DfE to review the existing model in terms of fairness and equity for all LAs and proceed at speed with the introduction of a new funding model.

We contend in terms of the new funding system for WCC: -

- WCC needs to secure a Fairer Funding settlement for its services funded from the new DSG to that received currently on the basis of a core entitlement for all pupils. This requires a significant narrowing of the funding gap between the highest and lowest funded LAs.
- There is clear evidence of underfunding in the lowest funded authorities, in spite of great improvements in efficiency. At current levels, there is very little scope for manoeuvre.

In summary, we contend that currently the funding allocated to the WCC is insufficient for purpose and particularly in comparison to other areas of the country is grossly unfair. In the context of any changes we would want these to redress the inequalities of the current system at a pace that will benefit our schools and pupils as soon as possible.

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 Education 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 DfE 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 DfE consultations are conducted, please contact Carole Edge, DfE Consultation Co-ordinator, tel: 01928 738060 / email: carole.edge@education.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 11 October 2011

Send by e-mail to: schoolfunding.consultation@education.gsi.gov.uk

Send by post to:

Consultation Unit
Area 1C
Castle View House
Runcorn
Cheshire
WA7 2GJ