

**REGULATORY AND OTHER COMMITTEE REPORT**

<b>NAME OF COMMITTEE:</b>	Schools' Forum
<b>DATE OF MEETING:</b>	27 April 2011
<b>SUBJECT:</b>	Government consultation on: 1. School funding reform: rationale and principles. 2. Academies pre-16 funding: options for the 2012/13 academic year.
<b>REPORT BY:</b>	Tony Warnock Head of Finance (Children's Services)
<b>NAME OF CONTACT OFFICER:</b>	Tony Warnock
<b>CONTACT OFFICER TEL NO:</b>	01522 553250
<b>CONTACT OFFICER EMAIL ADDRESS:</b>	tony.warnock@lincolnshire.gov.uk
<b>IS THE REPORT EXEMPT?</b>	No
<b>IS REPORT CONFIDENTIAL?</b>	No

**SUMMARY**

On 13<sup>th</sup> April 2011, the DfE launched consultations on:

1. School funding reform: rationale and principles; and
2. Academies pre-16 funding: options for the 2012/13 academic year.

The purpose of this report is to seek the Schools' Forum's views prior to responses being submitted on its behalf.

**DISCUSSION**

A copy of the DfE' consultation documents can be accessed via:

[www.education.gov.uk/consultations/](http://www.education.gov.uk/consultations/)

In her covering letter, Sarah Healey, the DfE's Director, School Resources Group, said:

*'Dear Colleague,*

*I am writing to inform you that on today the Secretary of State launched the*  
**Consultation on school funding reform: rationale and principles**

*This publication is the first stage of our consultation about reforms to school funding. As our White Paper The Importance of Teaching said, the current "spend-plus" funding system is opaque, full of anomalies and unfair.*

*The current system is based on an assessment of pupil needs dating as far back as at least 2005-06 and is not flexible enough to respond to the changing characteristics of pupils. Similar schools in similar circumstances can receive very different amounts of funding due to the outdated system.*

*We are committed to narrowing the gap in attainment between deprived and non-deprived pupils. The pupil premium will ensure that deprived pupils benefit from targeted funding and is the first step towards a fairer funding system. However, we need to ensure that funding for all pupils is fair, with similar schools receiving similar levels of funding. Our aim is to ensure that we fund our schools consistently and fairly, based on the pupils they are serving.*

*We want to consult widely to ensure that if we decide to implement changes, they are implemented in the best possible way. In particular, we would want to ensure that transitional arrangements are right so that schools and local authorities would not suffer undue turbulence.*

*This is the first stage of a two-part consultation. Taking into account the views expressed in response to this document, we expect to publish further proposals for consultation later in the spring or over the summer. Because we consider the current system for funding academies to be unsustainable, we are also publishing more detailed interim proposals for the funding of Academies alongside this consultation.*

*The consultation is being conducted on-line and ends on 25 May. This first consultation runs for 6 weeks. We are aware that this period includes the Easter break, but unfortunately we cannot extend the deadline for responses as we need to take the responses of this consultation into account before launching part two, which will be a full 12-week consultation. Copies of both the main consultation document and the response form are available at [www.education.gov.uk/consultations/](http://www.education.gov.uk/consultations/)*

A copy of the 23 page document is available at:

<http://www.education.gov.uk/consultations/downloadableDocs/School%20Funding%20Reform%20consultation%20final.pdf>

A list of the consultation questions is attached at Appendix 1.

As indicated above, a consultation was also launched on Academies pre-16 funding: options for the 2012/13 academic year.

A copy of the 8 page document is available at:

<http://www.education.gov.uk/consultations/downloadableDocs/Academies%20Funding%20Consultation%20Document.pdf>

A list of the consultation questions is attached at Appendix 2.

## RECOMMENDATIONS

The Schools' Forum is asked to:

1. Note the content of this report and the consultation documents.
2. Decide whether to respond to the consultation exercises and, if so, to outline its views on each of the questions, for inclusion in the responses.

## BACKGROUND PAPERS

The following reports were relied upon in the writing of this report.

PAPER TYPE	TITLE	DATE	ACCESSIBILITY
DfE' document	Consultation on school funding reform: rationale and principles.	13 April 2011	<a href="http://www.education.gov.uk/consultations/downloadableDocs/School%20Funding%20Reform%20consultation%20final.pdf">http://www.education.gov.uk/consultations/downloadableDocs/School%20Funding%20Reform%20consultation%20final.pdf</a>
DfE' document	Consultation on Academies pre-16 funding: options for the 2012/13 academic year.	13 April 2011	<a href="http://www.education.gov.uk/consultations/downloadableDocs/Academies%20Funding%20Consultation%20Document.pdf">http://www.education.gov.uk/consultations/downloadableDocs/Academies%20Funding%20Consultation%20Document.pdf</a>

## APPENDICES

Appendix 1: Consultation questions  
Appendix 2: Consultation questions

## Consultation Questions

1. Do you agree with the stated characteristics of an ideal school funding system? (Section 2)
2. Are there further characteristics the system should have? (Section 2)
3. Do you agree with the analysis of how the current system falls short of these aims? (Section 3)
4. Do you agree with the case for reforming the system?
5. Do you agree that the aim of ensuring all deprived pupils get the same level of funding no matter where they live is the right one? (Section 4)
6. Do you agree the underlying funding formula needs to change to meet this aim more quickly and effectively?
7. Do you think the school funding system should be based on a purely national formula? Or should there be flexibility for local decisions about funding levels? (Section 5)
8. If so, should that flexibility be limited, and if so how? (Section 5)
9. If there is local flexibility, what should the roles of local authorities, schools and the Schools Forum be in decision making? (Sections 5 and 6)
10. If there is local flexibility for maintained schools, how should Academies and Free Schools be funded? (Section 5)
11. How do you think SEN support services might be funded so that schools, Academies, Free Schools and other education providers have access to high quality SEN support services? (Section 7)
12. How do you think a national banded funding framework for children and young people with SEN or who are disabled could improve the transparency of funding decisions to parents while continuing to allow for local flexibility? (Section 7)
13. How can the different funding arrangements for specialist provision for young people pre-16 and post-16 be aligned more effectively to provide a more consistent approach to support for children and young people with SEN or who are disabled from birth to 25? (Section 7)
14. How successfully has the EYSFF been implemented? How might it be improved? (Section 8)
15. How important is an element of local flexibility in free early education funding? What might alternative approaches look like? (Section 8)
16. How should we identify the total amount of funding for early years and free early education for three year olds and four year olds not in reception from within the overall amount of 3-16 funding? (Section 8)
17. Should the formula include only pupil led factors or also school led factors? (Section 9)
18. What factors should be included? (Section 9)
19. What is the right balance between simplicity and complexity? (Section 9)
20. What level of change in budgets per year can schools manage? (Section 10)

21. How much time do schools need to plan for changes in their funding? (Section 10)
22. When is the right time to start moving towards a fair funding formula? (Section 10)
23. Have you any further comments?

**Consultation Questions**

1. Do you agree with our analysis that the current system is not appropriate to fund an increasing number of Academies in a fair and transparent way?
2. Do you agree with the principles for an alternative method of funding Academies in 2012/13?
3. Are there other aims we should have for the Academy funding system in the absence of cross-system reform, such as a Fair Funding Formula?
4. Do you agree with the broad analysis of how each option might work?
5. Which option do you think is the best way of funding Academies in 2012/13?
6. Are there potential advantages and disadvantages in implementing each option that we have not considered?
7. Are there changes you think we should consider to the way the local authority central spend equivalent grant (LACSEG) is calculated for FY2012/13?
8. What factors would you want us to take into consideration if we were to make changes?