

REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Schools Forum
DATE OF MEETING:	25 April 2012
SUBJECT:	Education Funding Announcement: School Funding Reform: Next steps towards a fairer system
REPORT BY:	Tony Warnock (Head of Finance – Children’s and Specialist Services)
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IS REPORT CONFIDENTIAL?	No

SUMMARY

The purpose of this report is to alert the Schools Forum to a recent announcement by the DfE regarding further details on the government’s planned school funding reforms.

DISCUSSION

On 26 March 2012, the Secretary of State announced the government’s next steps in reforming the school funding system. The publication builds on the plans that were consulted on in July 2011.

The Local Authority (LA) is currently assessing the implications. However, the key points that have been noted so far include:

- The government will not move towards a new national funding formula until the next spending period.
- The government will however simplify the way that LAs distribute funds to schools from 2013/14.

- The DfE's regulations will be amended so that funding can be distributed through ten factors only.
- The government intends to set an upper limit for the block allocation and has indicated that this may fall between £0.100m and £0.150m.
- Stability in funding remains a government priority.
- The Minimum Funding Guarantee has been confirmed at minus 1.5% for both 2013/14 and 2014/15.
- The government expects LAs to delegate as many services and as much funding as possible to schools. There should therefore no longer be a need for LACSEG payments from the Schools Budget.
- A new government grant may be used to fund relevant central education services. This will be paid on a national basis to LAs and academies and so will replace LA central LACSEG.
- Changes to regulations governing Schools Forums are expected.
- The funding of academies will continue to be based on the LA's funding formula.
- Early Years funding will be simplified.
- There will be a new methodology for the funding of higher needs pupils.

The DfE has posed a small number of questions regarding details of the reforms. This indicates that the government plans to press ahead with the changes highlighted above. The latest response date is 21 May 2012.

A copy of the 89 page consultation document is available at:

www.education.gov.uk/consultations/

The impact of this announcement is currently being considered by officers. It is clear from the provisional work that has been completed so far that a significant amount of work will need to be completed very quickly. The LA can build upon the mainstreaming of grants work undertaken for 2012/13, but the government's plans will require further simplification of the local funding formula. The proposed move to using October census data for school budget shares, and the plans for the Education Funding Agency to check that the LA's funding formula is compliant with the DfE' regulations, will mean that a significant amount of work will be necessary before October 2012.

The LA will give further consideration to the DfE's publication and will respond to the questions posed by the 21 May. Schools Forum members may wish to forward their views to Tony Warnock prior to that date. The LA will develop an action plan to enable the government's plans to be implemented and will provide an update for the Schools Forum at its meeting on 27 June 2012. Officers may seek to reconvene the working group that assisted with the mainstreaming of grants (it comprised many Schools Forum members).

RECOMMENDATIONS

The Schools Forum is asked to note the contents of the report.

APPENDICES (If applicable) -
None

BACKGROUND PAPERS			
PAPER TYPE	TITLE	DATE	ACCESSIBILITY
Report to Schools Forum	Government consultation on school funding	4 October 2011	County Offices, Newland, Lincoln

