

REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Lincolnshire Schools' Forum
DATE OF MEETING:	25 June 2014
SUBJECT:	School Funding and Performance
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 bring together information regarding school funding and performance.

DISCUSSION

Background

The primary responsibilities of the Schools Forum are to oversee the use of the Dedicated Schools Grant (DSG); to assist with the development of the local school funding formulae that is used to distribute the majority of that funding to schools, and; to help set centrally held budgets. The DSG is a very significant sum of money. In Lincolnshire, it amounts to £484.9m in 2014/15 and the s.251 budget statement for 2014/15 presented to the last meeting of the Schools Forum in April 2014 showed that the funding delegated to primary and secondary schools (including the top-up funding for statements) amounts to £389m.

Given the level of funding involved and the importance widely attached to educational outcomes, it is also important that the LA and Schools Forum are aware of school performance and are able to demonstrate good and improving value for money.¹ All schools should be judged on the quality of education they provide and their resulting academic performance. To help assess value for money, the National Audit Office established a framework which is based on consideration of three key elements:

Economy: minimising the cost of the inputs needed to deliver a service;

Efficiency: maximising the service output delivered with those inputs; and

Effectiveness: maximising the impact of the service on outcomes for those who use it.

Ensuring value for money is about achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources. Raising attainment in the education system is the main objective of schools and should therefore be the main measure of effectiveness. This should be tracked over time.

This report provides at a high level, the current funding and performance of primary and secondary schools in recent years. More detailed reports could be produced for future meetings, to show funding and performance for schools with similar characteristics. However, the purpose of this first report is to provide a higher level view.

Funding

As indicated above, funding for primary and secondary schools in Lincolnshire for 2014/15 is £389m².

It is, of course, important to compare the funding and performance for the same years. However, it should be noted that funding for the pupil premium has grown in four steps (from the £625m issued nationally in 2011/12 to the £2.5bn that will be issued in 2014/15), and the impact of that upon pupil performance will take a period of time to show. With regard to schools' core funding, the government's Comprehensive Spending Review of 2010 served to protect that over the four year period 2011/12 to 2014/15. Whilst recognising that no provision was made within the DSG to fund pay awards and inflation, school funding has nevertheless been afforded a considerable degree of protection at a time when the funding for many other public services has been significantly reduced. Indeed, school funding has remained at a reasonably consistent level for many years now.

Performance

The performance of schools is published by the government each year. The information shown in Appendix 1 to this report provides a high level view of the most recent performance of Lincolnshire's primary and secondary schools.

The key conclusions from it are:

1. Attainment – at the end of Key Stage 1 and 2, Lincolnshire is close to the national average. At KS4, the performance of other LAs is improving and is catching up with Lincolnshire's position. This is illustrated by the fact that Lincolnshire's results have improved by 2.6 percentage points over the period shown, whereas nationally the improvement has been 5.5 percentage points for state funded schools.
2. Closing the Gap – although the gap closed in Lincolnshire (based on the 5 A*-C grade measure), it remains significantly behind the national position.

¹ This report focusses on mainstream schools. Other services within the DSG are considered by Schools Forum from time to time, including SEN and Early Years.

² The figures do not include the funding for the Pupil Premium; Sixth forms; Devolved Formula Capital; the Education Support Grant (or its predecessor, LACSEG) which is provided to academies to meet their additional responsibilities, or; other supplementary payments paid by the DfE (e.g. sports grants and payments to academies for insurance premiums, etc).

Although performance overall is good, it does not appear to be improving year on year at the same rate as it is nationally.

Value for money

It is notoriously difficult to assess value for money in a meaningful way. There are, of course, numerous factors that will have an impact upon educational performance. Nevertheless, it appears that in recent years, school funding has been reasonably stable (pay awards and inflation have not been funded, but the pupil premium has increased significantly for many schools), but overall performance of Lincolnshire's schools has not progressed as much as it has nationally. This suggests that value for money is not improving as well as it is elsewhere.

Next Steps

Further reports on performance and funding will be presented to the Schools Forum at the appropriate time. Consideration can be given to providing additional information that compares the costs, performance and value for money of similar types of schools. This may help the Schools Forum to assist the LA in developing plans for improving educational outcomes and value for money in future years.

RECOMMENDATIONS

The Schools Forum is asked to:

- a. note the contents of the report;
- b. comment on the findings in the report, including performance and the assessment of value for money;
- c. suggest ideas for improving value for money, including through the use and distribution of the DSG;
- d. indicate how future reports to the Schools Forum might be developed.

APPENDICES (If applicable) - these are listed below and attached at the back of the report.

Appendix 1 – Analysis of School Performance

BACKGROUND PAPERS

PAPER TYPE	TITLE	DATE	ACCESSIBILITY
Report to Schools Forum	S251 Budget statement 2014/15	April 2014	County Offices, Newland, Lincoln, LN1 1YQ