

Lancashire County Council

Education Scrutiny Committee

Tuesday, 6th November, 2012 at 10.00 am in Cabinet Room 'C' - County Hall, Preston

Agenda

Part 1 (Open to Press and Public)

No.	Item
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1.	Apologies
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2.	Disclosure of Pecuniary and Non Pecuniary Interests.
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Members are asked to consider any Pecuniary or Non Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

3.	Minutes of the meeting held on 10 July 2012	(Pages 1 - 10)
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4.	A summary of the provisional results at the end of Key Stage 2 and Key Stage 4 at Lancashire and District level	(Pages 11 - 14)
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5.	Impact of partnership working with schools below the Floor Standard	(Pages 15 - 22)
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6.	Mentoring in Schools Programme	(Pages 23 - 34)
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7.	Update on the current Lancashire County Council position on Academies	(Pages 35 - 42)
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8.	School Funding Reform	(Pages 43 - 116)
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9.	Urgent Business
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An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

10. Date of the Next Meeting

The next scheduled meeting of the Committee is due to be held at 10.00am on the 16th January 2013 in Cabinet Room 'C' at County Hall, Preston.

I M Fisher
County Secretary and Solicitor

County Hall
Preston

Agenda Item 3

Lancashire County Council

Education Scrutiny Committee

Minutes of the Meeting held on Tuesday 10 July 2012 at 10.00 am in Cabinet Room 'C' - County Hall, Preston

Present:

County Councillor Mrs Pat Case (Chair)

County Councillors

K Bailey	A Kay
Mrs R Blow	A Knox
K Brown	J Mein
Mrs S Derwent	S Riches
C Evans	P Steen
P Evans	M Younis
S Fishwick	

Co-opted members

Mrs Janet Hamid, Representing Parent Governors (Secondary)
F Kershaw, Representing CE Schools
K Wales, Representing Free Church Schools

County Councillor Steen replaced County Councillor Jones and County Councillor Mein replaced County Councillor Wells for this meeting only.

Apologies were presented on behalf of Mr J Withington, a co-opted member representing Parent Governors (Primary).

1. Appointment of Chair

Resolved: That the appointment by full County Council on the 24th May 2012 of County Councillor Mrs P Case as Chair of the Committee be noted.

2. Appointment of Deputy Chair

Resolved: That the appointment by full County Council on the 24th May 2012 of County Councillor Mrs S Derwent as Deputy Chair of the Committee be noted.

3. Membership, Terms of Reference and programme of meetings for 2012/13

The Committee received a report regarding the above and was informed that in May the full County Council had agreed the constitution of the Committee on the basis of 16 County Councillors plus 5 voting Coopted members and the following nominations had been received regarding membership of the Committee:

County Councillors (16)

K Bailey	C Grunshaw
RN Blow	A Jones
K Brown	AD Kay
Mrs P Case	A Knox
Mrs S Derwent	Y Motala
C Evans	S Riches
P Evans	C Wells
S Fishwick	M Younis

Voting Co-opted Members (5)

Mr T Charnock – Representing RC Schools
Mr F Kershaw - Representing CE Schools
Mr K Wales - Representing Free Church Schools
Mrs J Hamid - Representing Parent Governors (Secondary)
Mr J Withington - Representing Parent Governors (Primary)

Resolved:

1. That the current membership of the Committee as set out above be noted.
2. That the following Terms of Reference for the Committee be noted.
 1. To review decisions made, or other action taken, in connection with the discharge of any relevant functions undertaken by the Cabinet collectively, or the relevant Cabinet Members or Cabinet committee.
 2. To make reports or recommendations to the Full Council, the Cabinet or the relevant Cabinet Members or Cabinet committee with respect to the discharge of any functions undertaken by the Cabinet collectively or the relevant Cabinet Members or Cabinet committee.
 3. In reviewing decisions (other than decisions designated as urgent under Standing Order 34(3)) made in connection with the discharge of any relevant functions undertaken by the Cabinet collectively or the relevant Cabinet Members or Cabinet committee, but which have not been implemented, the Committee may recommend that the decision be reconsidered by the person who made it or to refer the decision to the Full Council for it to decide whether it wishes it to be reconsidered by the decision taker.
 4. To consider at its discretion as appropriate Forward Plans prepared by the Leader with a view to determining which, if any, of the proposed decisions it wishes to scrutinise.

5. To hold general policy reviews and to assist in the development of future policies and strategies (whether requested by the Full Council, the Cabinet, the relevant Cabinet Members, Cabinet committee or decided by the Committee itself) and, after consulting with any appropriate interested parties, to make recommendations to either the Cabinet, the relevant Cabinet Members, Cabinet committee or to the Full Council as appropriate.
 6. To fulfil all the statutory functions of an Overview and Scrutiny Committee as they relate to education functions of a Children's Services Authority.
 7. To undertake reviews (whether requested by the Full Council, the Cabinet, the relevant Cabinet Members, Cabinet committee or decided by the Committee itself) and make recommendations to the Full Council, the Cabinet, Cabinet committee or the relevant Cabinet Members, as appropriate, on relevant services or activities carried out by external organisations which affect Lancashire or its inhabitants.
 8. To consider any relevant matter referred to the Committee by the Scrutiny Committee following a request by a County Councillor or a Co-optee of the Committee who wishes the issue to be considered.
 9. To request that the Scrutiny Committee establish sub-committees, task groups and other working groups and panels as necessary.
 10. To invite to any meeting of the Committee and permit to participate in discussion and debate, but not to vote, any person not a County Councillor whom the Committee considers would assist it in carrying out its functions.
 11. To require any Councillor who is a member of the Cabinet, the appropriate Executive Director or a senior officer nominated by him/her, or the Director of the Lancashire County Commercial Group to attend any meeting of the Committee to answer questions and discuss issues.
 12. To recommend the Full Council to co-opt on to the committee persons with appropriate expertise in the relevant education matters, without voting rights
 13. To recommend to the Scrutiny Committee appropriate training for members of the Committee on education related issues.
 14. To consider and respond to petitions in accordance with the Council's petitions scheme.
3. That future meetings of the Committee be held in accordance with the

programme of meetings set out below as agreed by the full County Council in December 2011, with all meetings being held at 10am in Cabinet Room 'C' at County Hall, Preston.

6th November 2012
16th January 2013 (budget)

4. That due to a clash with the Schools Forum on the 12th March 2013 consideration be given to moving the scheduled meeting of the Committee on that date to an alternative date in order that members of the Committee are able to attend both meetings.

4. Disclosure of Pecuniary and Non Pecuniary Interests.

The Chair reminded the members of the Committee that the Standards regime had changed on the 1st July and they were now required to disclose pecuniary and non pecuniary interests. There were no declarations of interest in relation to matters on the agenda.

5. Minutes of the meeting held on the 13th March 2012

Resolved: That the Minutes of the meeting held on the 13th March 2012, be confirmed as an accurate record and signed by the Chair.

6. Elective Home Education

Mr Stott, the Director of Universal and Early Support Services, from the Directorate for Children and Young People, referred to the report which was presented to the last meeting and updated the Committee on further developments. Members of the Committee had been provided with a copy of the recently approved Elective Home Education Procedures together with a copy of the final report of the Elective Home Education O&S Task Group.

The Committee was informed that the work which had been done to date around EHE had been recognised at national level as a model of good practice and an Officer from the County Council was to attend the Parliamentary Education Select Committee which was looking at the issue.

Ms Molloy, School Attendance Lead Officer, referred to the various recommendations made by the O&S Task Group and the subsequent developments as set out on page 14 of the report. The work which had been done with the Inclusion and Disability Support Service and representatives from the EHE community was highlighted and it was noted that the need for an additional section within the procedures to clarify instances where support differs for children for whom the County Council maintained a statement of special educational needs had been identified and would be the subject of further discussions.

In discussing the report the following points were raised by members of the Committee.

- There was some concern that children who were educated at home may not have the same opportunities to socialise with other children in the way that school based education provided. In response Mr Stott stated that for many parents who chose EHE it would be seen to be a perfectly natural way to educate children and would in no way be considered socially isolating.
- The Chair referred to previously raised concerns regarding safeguarding and noted the comments set out in the report in relation to discussions with the Safeguarding Unit when developing the EHE procedures. Mr Stott stated that a link between EHE and safeguarding could not be assumed and where actions were required to safeguard children who are being home educated they would form part of the child in need/child protection plan whilst any concerns related to the quality of educational provision would continue to be the remit of the EHE team.
- In order to put the safeguarding concerns into context it was noted that the Task Group report stated that out of 50,000 children who were home educated nationally there had been only two cases involving safeguarding. The different approaches to EHE across Europe were also discussed.
- It was also noted that under section 175(1) of the Education Act 2002 the County Council had a duty to make arrangements to ensure that education functions were exercised with a view to safeguarding and promoting the welfare of children. However, the Act did not give local authorities powers to enter the homes of, or otherwise see, children for the purposes of monitoring the provision of elective home education unless parents were in agreement with such a request.
- There was concern that as the County Council had no statutory duty to monitor children who were home educated there was no way to ensure that they were receiving a suitable education. Mr Stott informed the meeting that the County Council did contact parents annually to request updates in order to monitor attainment and whilst under no duty to respond some parents did provide updates via correspondence or by meeting with Officers.
- In response to a query regarding parents who may consider EHE in response to their child being bullied in school Ms Molloy reported that in the first instance Officers would work with the parents to try and resolve any issue with a view to the child remaining within the education system, though if the family ultimately decided to move to EHE then there was support available.
- The issue of attainment was discussed and Mr Stott informed the meeting that whilst formal examinations were generally accepted as the measure of attainment they were not the only means. He added that there were different approaches to education and some believed that schools were not the best

delivery system. It was also noted that some home educated children did take formal examinations and achieved good grades.

- In response to a query regarding how the County Council's relationship with a child with special educational needs would change if they were to become home educated Ms Molloy reported that where the child had a Statement the Inclusion and Disability Support Service would review the situation and consider how their requirements may be best met. Provision for the child would then be the subject of further discussions with parents or if the Service was satisfied that their needs could be met through EHE then the Statement could be ended.
- With regard to funding Ms Molloy informed the meeting that discussions were ongoing in relation to the possibility of the County Council having the discretion to access funding via the Alternative Census in order to assist EHE families access Further Education provision during the final two years of compulsory school age education.

In conclusion Mr Stott informed the Committee that the recent revision of the County Councils EHE procedures had involved considerably more dialogue between the authority and parents who chose to home educate than before and as a result he felt that both parties now had a more positive relationship. He added that the County Council would continue to work with relevant parties in order to build on the progress which had been made to date.

Resolved:

1. That the progress to date in implementing the new Elective Home Education Procedures and in response to the recommendations of the Overview and Scrutiny Task Group, as set out in the report presented, be welcomed
 2. That those areas where amendments to the procedures have already been identified as part of the planned review be noted and the County Council continue to work with parents and others to further develop support for EHE families.
 3. That a further update on progress be presented to the Committee in March 2013.
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7. **Update on the current Lancashire County Council position on Academies.**

Mr Stott, the Director of Universal and Early Support from the Directorate for Children and Young People presented a further report on the development of Academies.

It was reported that Academies was a legal term which had now expanded to include Free Schools of all types, University Technical Colleges (UTC's) and most Studio Schools which would operate independently of the local authority, and report directly to the Secretary of State

It was noted that in response to the development of Academies the County Council had adopted a clear and consistent position, namely that all categories of school were of equal value and there was no prejudice for or against any particular category.

Mr Stott informed the meeting that the Department for Education (DfE) would no longer publish details of schools which had simply expressed an interest in becoming an Academy. Instead in the future attention would focus on those schools which had already converted to Academy status, were in the process of conversion or where the Governing Body had given a clear indication of the intention to convert.

In Lancashire it was noted that 18 schools had already converted to become an academy, of which 14 were secondary schools and 4 primary schools. A further 6 schools were in the process of converting (5 secondary and 1 primary, of which two are sponsored Academies) with agreed Academy Orders and funding agreements with the Secretary of State being developed for September 2012. The first Free School in Lancashire, which was an independent school, had opened in September 2011 and there were a further two validated new Free Schools wishing to open in the County, both of which were in East Lancashire.

Mr Stott reported that the County Council and local schools in Chorley had raised concerns about proposals to establish a Free School as it was felt that there was already sufficient provision in the local area and the DfE had subsequently decided not to enter into a funding agreement for the Free School it would not proceed.

In considering the report the following points were raised by members of the Committee.

- It was noted that a University Technical College (UTC) to be established in East Lancashire would offer 14-19 year olds specific vocational and occupational courses in areas such as heavy engineering and look to attract between 500 and 600 students from a 15 mile wide catchment area which would include areas outside of Lancashire.

There was some concern regarding the impact this would have on the previous investment in education provision in East Lancashire and also with regard to the potential affect on transportation. In response Mr Stott confirmed that the County Council would continue to work with the UTC regarding admission arrangements and undertook to discuss the transport issue with colleagues a provide members of the Committee with a written response.

- It was noted that no other UTCs were currently proposed for Lancashire and Mr Stott undertook to provide members of the Committee with details of the number of UTCs nationally outside of the meeting.
- The development of Studio Schools, offering 14-19 year olds broader based vocational courses in areas such as manufacturing or distribution, was also discussed and it was noted that such a school was proposed in Hyndburn in association with Accrington and Rossendale College and Rhyddings Business and Enterprise College.
- With regard to the sponsored academy program it was reported that the County Council would continue to have discussions with the DfE in relation to those schools which were identified as potential sponsored academies and with regard to the changing cohort of schools concerned.

Mr Stott reported that the County Council had previously been instructed by the DfE to write to the Ridge Primary School suggesting that it consider converting to an Academy and this had been agreed by the Governing Body though as no local sponsor had been identified one had been found from outside the County. However, when Walverden School in Nelson had been sent a similar letter the Governing Body had decided to appeal to the HM Inspectorate for schools regarding conversion to an Academy.

- In response to a query regarding the possible impact of pupils being excluded from academies Mr Stott confirmed that in the first instance any pupil who was permanently excluded would become the responsibility of the County Council. He added that the authority would then provide interim education provision for the pupil while arranging for them to return to mainstream education. It was noted that as Academies were funded via a block grant based on the number of pupils on roll they would not be directly affected by any change to pupil numbers which may result from expulsions and the County Council would have to bear the cost associated with the excluded pupil.
- Mr Stott also informed the meeting that in the future the Government intended for Pupil Referral Units (PRU) to convert from local authority control to independent academy status and receive funding direct. It was noted that the county council was in the process of considering how this would work in the event that a Lancashire PRU converted.

Resolved: That the report be noted and further updates regarding the development of Academies in Lancashire brought to future meetings of the Committee.

8. School funding reform - next steps towards a fairer system

Mr Stott, the Director of Universal and early Support Services, Directorate for Children and Young People presented a report in connection with the above and informed the meeting that the County Council, Schools Forum and individual

schools in Lancashire had responded to the Governments consultation on the proposed reform of school funding.

It was reported that the consultation made reference to the possible impact of the Governments proposals around small schools and this had been misinterpreted by some elements of the media to imply that the County Council planned to consult on the future of a number of small schools. The Cabinet Member for Children and Schools had subsequently issued a statement to correct this misinterpretation and highlight that the County Council recognised the valuable contribution schools in rural areas made to their communities and would do everything it could to help them to continue.

The clarification of the County Councils position regarding the 100 small schools which were likely to be affected by the Governments proposals was welcomed. Members of the Committee also recognised the good work which had been done by officers and the Schools Forum in relation to formulating a response to the consultation.

It was suggested that whilst there was an issue regarding the division of funding between schools there was also an associated issue regarding the distribution of funding between local authorities and this may be something which the Committee could look at in the future.

Concern was also expressed at a perceived lack of communication between authorities regarding changing demographics which had resulted in the County Council reducing primary school provision in Rossendale due to a decline in the local population when the Borough Council had approved housing developments which would increase the population. In response Mr Stott reported that he would raise the issue with colleagues who worked in Capital and Provision Planning.

Resolved: That the report be noted and a further report presented to the next meeting regarding funding of schools nationally in advance of a future report dealing the specific position in Lancashire.

9. Urgent Business

No items of urgent business were raised at the meeting.

10. Date of the Next Meeting

It was noted that the next scheduled meeting of the Committee would be held at 10.00am on the 6th November 2012 in Cabinet Room 'C' at County Hall, Preston.

I M Fisher
County Secretary and Solicitor

County Hall
Preston

Agenda Item 4

Education Overview and Scrutiny Committee

Meeting to be held on 6 November 2012

Electoral Division affected: All

A summary of the provisional results at the end of Key Stage 2 and Key Stage 4 at Lancashire and District level.

(Appendix 'A' refers)

Contact for further information: Bob Stott, Director of Universal and Early Support Services, Directorate for Children and Young People, (01772) 531652, bob.stott@lancashire.gov.uk

Executive Summary

The report sets out the overall attainment in Lancashire schools at the end of Key Stages 2 and 4. It is based upon provisional data which has not yet been validated. The results have been analysed at District level and show progress over the past four years.

Recommendation

The Education Overview and Scrutiny Committee is asked to give its views on the performance of pupils in Lancashire schools.

Background and Advice

Key Stage 2

In 2012 the unvalidated national results rose when compared with the 2011 results with 79% of pupils reaching level 4 or above in both English and mathematics.

The key features of the 2012 Key Stage 2 results in Lancashire are as follows:

- The overall attainment in Lancashire rose when compared with 2011 in the end of Key Stage 2 tests and was 2% above the national average at 81%.
- Attainment in 9 districts was above the national average of 79% of pupils attaining level 4 or above in both English and mathematics.
- Attainment increased in all twelve districts in 2012.
- The greatest gains were made in Lancaster, Pendle, Hyndburn and Wyre.
- The lowest attaining district was Pendle and it was 7.2% below the Lancashire average. The rate of improvement in Pendle was, however, 2% better than the Lancashire average and as a result the attainment gap narrowed.

- The proportion of schools where there was low attainment fell but schools where there was underperformance have established detailed action plans to raise attainment

Key Stage 4

According to unvalidated data the proportion of pupils gaining 5 or more A*-C grades at GCSE including English and mathematics fell by around 0.1% nationally while results in Lancashire fell by 0.6% compared with the 2011 performance.

The key features of the Key Stage 4 results in Lancashire are as follows:

- The overall attainment in Lancashire fell slightly but remained similar to 2011 and was over 1% above the national average.
- Attainment was above the national average in 8 districts in Lancashire.
- In 2011 attainment increased in 4 of the 12 districts: Chorley, West Lancashire, Burnley and Rossendale, falling in the rest.
- The greatest fall in attainment was in South Ribble and Lancaster.
- The lowest attaining District was Burnley which was around 15% below the Lancashire average. The rate of improvement in Burnley was, however, better than the Lancashire and national average and the gap in attainment was narrowed.
- The schools attaining below 45% in 2011 went up by an average of 5% in 2012 to 44% overall.
- Detailed action plans are in place for all schools where there were low levels of performance.

Consultations

N/A

Implications:

N/A

Risk management

There are no implications for risk management arising from this report.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Interim Results for Key Stage 2 National Curriculum Assessments in England, 2011/12	September 2012	Jonathan Hewitt Directorate for Children and Young People 01772 531663

Reason for inclusion in Part II, if appropriate N/A

Provisional Key Stage 2 Results, % English and Maths Level 4+

The following information is based on provisional data which has not yet been validated and does not include the results of re-marks requested by the schools. Individual school level data has not, therefore, been included in this document. This will be available in the performance tables which we expect to be published in December 2012.

District	2008/09	2009/10 ¹	2010/11	2011/12	Diff to 2010/11	Diff to LA	Diff to Nat
Lancaster	74.9	NA	73.2	80.6	↑ 7.5	↓ -0.1	↑ 1.6
Wyre	78.5	NA	76.3	82.6	↑ 6.4	↑ 1.9	↑ 3.6
Ribble Valley	85.7	NA	81.9	87.1	↑ 5.2	↑ 6.4	↑ 8.1
Fylde	80.5	NA	78.5	83.7	↑ 5.2	↑ 3.0	↑ 4.7
Preston	73	NA	77.4	82.9	↑ 5.5	↑ 2.2	↑ 3.9
South Ribble	75.2	NA	79.2	82.1	↑ 2.9	↑ 1.4	↑ 3.1
West Lancs	77.1	NA	78.8	80.7	↑ 1.9	↔ 0.00	↑ 1.7
Chorley	77.9	NA	80.5	82.8	↑ 2.3	↑ 2.1	↑ 3.8
Hyndburn	67.8	NA	71.4	78.1	↑ 6.7	↓ -2.6	↓ -0.9
Burnley	68.9	NA	70.4	75.0	↑ 4.6	↓ -5.7	↓ -4.0
Pendle	65.4	NA	66.6	73.5	↑ 6.9	↓ -7.2	↓ -5.5
Rosendale	72.7	NA	77.7	83.0	↑ 5.4	↑ 2.3	↑ 4.0
Lancashire	74	NA	76.0	80.7	↑ 4.7		↑ 1.7
England (LEA)	72	NA	74.0	79	↑ 5.0		

¹2009/10 figures not available due to some schools not completing tests this year

Provisional Key Stage 4 Results, % 5 A* - C including English and Maths

The following information is based on provisional data which has been reported by individual schools. It has not yet been validated and does not include the results of re-marks requested by schools. Individual school level data has not, therefore, been included in the document. This will be available in the performance tables which we expect to be published in January 2013

District	2009/10	2010/11	2011/12	Diff to 2010/11	Diff to LA	Diff to Nat
Lancaster	61.4	66.9	60.8	↓ -6.1	↑ 1.3	↑ 2.5
Wyre	59.3	59.4	59.1	↓ -0.3	↓ -0.4	↑ 0.8
Ribble Valley	65.8	65.6	65.5	↓ -0.1	↑ 6.0	↑ 7.2
Fylde	62.0	63.8	62.6	↓ -1.2	↑ 3.1	↑ 4.3
Preston	56.0	63.1	62.1	↓ -1.0	↑ 2.6	↑ 3.8
South Ribble	61.6	65.0	57.4	↓ -7.6	↓ -2.1	↓ -0.9
West Lancs	54.8	57.2	62.0	↑ 4.8	↑ 2.5	↑ 3.7
Chorley	61.6	63.9	67.7	↑ 3.8	↑ 8.2	↑ 9.4
Hyndburn	51.0	59.7	55.8	↓ -3.9	↓ -3.7	↓ -2.5
Burnley	36.0	40.2	44.4	↑ 4.2	↓ -15.1	↓ -13.9
Pendle	39.7	50.4	48.0	↓ -2.4	↓ -11.5	↓ -10.3
Rosendale	61.3	63.0	63.5	↑ 0.5	↑ 4.0	↑ 5.2
Lancashire	57.5	60.1	59.5	↓ -0.6		↑ 1.2
England (LEA)	55.3	58.4	58.3	↓ -0.1		

Education Overview and Scrutiny Committee

Meeting to be held on 6 November 2012

Electoral Division affected: All

Impact of partnership working with schools below the Floor Standard

(Appendix 'A' refers)

Contact for further information:

Bob Stott, Director of Universal and Early Support Services, Directorate for Children and Young People, (01772 531652), bob.stott@lancashire.gov.uk

Executive Summary

The past two years has seen a change in the statutory role of the local authority in supporting school improvement.

In the light of these changes the relationship between schools and the local authority is increasingly important and Lancashire has developed a very strong partnership with schools over the past decade. The great majority of schools buy into School Improvement Services and the Schools Forum provides additional support to schools in difficulty where appropriate.

This report sets out the impact of Lancashire's school improvement work in partnership with the lowest attaining schools over the past three years and highlights the key features of this support. Appendix 'A' sets out details of the following improvements:

1. Over the last three years the performance of Primary schools where schools' achievement was below the current Floor Standard of 60% of pupils achieving Level 4+ in English and Mathematics in 2009 shows:
 - Year on year improvement in both attainment and progress over 3 years
 - Attainment averaging above 70% in 2012 according to provisional results
2. Over the last three years the performance of Secondary schools where schools' achievement was below the current Floor Standard of 40% of pupils gaining 5 or more A*- C grades at GCSE including English and Mathematics in 2009 shows:
 - Year on year improvement in attainment over 3 years
 - Attainment averaging over 45% in 2012 according to provisional results

Recommendation

That the Committee note and comment on reported performance information on the impact of partnership working with schools below the Floor Standard.

Background and Advice

The past two years has seen a change in the statutory role of the local authority in supporting school improvement. During this time schools have been given greater autonomy and the statutory role of the local authority School Improvement Partner, which monitored and challenged all schools and helped to set school level achievement targets, has been disestablished. At the same time more challenging performance standards have been created at the end of Key Stage 2 and Key Stage 4 and a more demanding Inspection framework has been introduced to help raise standards and improve the quality of provision.

In the light of these changes the relationship between schools and the local authority is increasingly important and Lancashire has developed a very strong partnership with schools over the past decade with schools buying into School Improvement Services and the Schools Forum supporting schools in difficulty where appropriate. Currently over 99% of primary schools, over 75% of secondary and special schools, and all nursery schools buy into Lancashire's school improvement services through a school service guarantee which provides support and challenge as well as monitoring school performance in partnership with schools. This programme of support also makes use of strong schools in Lancashire to offer school to school support.

Appendix 'A' sets out the impact of Lancashire's improvement partnership with schools on the lowest attaining schools over the past four years and highlights the key features of this support. It is also worth noting, however, that the performance of all schools in Lancashire has improved over this period, with results at the end of Key Stage 2 and Key Stage 4 being consistently above the national average.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified in relation to the proposals contained within this report.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Primary School performance tables 2009-2011	2009-2011	Jonathan Hewitt Directorate for Children and Young People (01772) 531663

Secondary School
performance tables 2009-2011

2009-2011

Jonathan Hewitt
Directorate for Children and
Young People
(01772) 531663

Impact of partnership working with schools below the Floor Standard

Primary schools

Table 1: Performance of pupils in Primary schools where below 60% of pupils achieved Level 4+ in English and mathematics in 2008/9 over the past 3 years. This is based on tracking the results of the 74 primary schools that fell below the current Floor Standard in 2009 over the past 3 years.

Year	L4+ Eng/Maths	2L progress from KS1 to KS2 English	2L progress from KS1 to KS2 Maths
2008/9	48.6%	71.9%	70.2%
2009/10*	63.5%	80.2%	75.2%
2010/11	64.6%	83.3%	81.0%
2011/12	74.2%	91.5%	87.7%

*Results are based on Teacher Assessment

The data in Table 1 indicates:

- Year on year improvement in both attainment and progress over 3 years
- Attainment averaging above 70% in 2012
- A substantial increase in attainment in the first year (almost +15%)
- A substantial increase in progress in the first year in both English (+8.3%) and Maths (+5%)
- A sustained increase in progress and attainment with these schools continuing to improve their attainment at a faster rate than the Lancashire average in the third year
- A 25%+ increase in attainment over three years
- A rate of improvement that is around 3 times the increase for all schools which is around 8%
- Sustained improvement over time with 66 of the schools being above 60% in 2012, 50 above 70%, 17 above 80% and 9 above 90% at Level 4 or above in English and mathematics

Table 2: Performance of pupils in Primary schools where below 60% of pupils achieved Level 4+ in English and Math in 2011. This is based on tracking the results of 32 schools over the period 2011-2012.

Year	L4+ Eng/Maths	2L progress from KS1 to KS2 English	2L progress from KS1 to KS2 Maths
2010/11	49.9%	74.2%	71.8%
2011/12	71.7%	89.5%	86.1%

The data in table 2 indicates

- A much greater increase than that for all schools nationally with a 22% rise in attainment in the 32 schools compared with a 5% rise nationally.
- A 15% and 14% increase in pupil progress in English and mathematics respectively over 1 year
- The speed of the Local Authority response to support and challenge schools where attainment is low as there is a substantial improvement over one year
- The clear focus on raising pupil achievement

Secondary Schools

Table 3: Performance of pupils in schools where below 40% of pupils gained 5 or more A*-C grades at GCSE including English and mathematics (E/M) in 2008/9. This is based on tracking the results of the 18 secondary schools that fell below the current Floor Standard in 2009 over the past 3 years.

Year	5+ A*-C (E/M)	5+ A*-C
2008/9	31.8	59.5
2009/10	39.9	67.4
2010/11	45.3	76.2
2011/12	47.0	74.9

The data in table 3 indicates that

- Over the four years 2009 – 2012 attainment improved in this group of schools increased by over 15% in 5+ A*-C inc E/M
- Over the four years 2009 – 2012 attainment improved in this group of schools increased by over 15% in 5+ A*-C
- Over the same period of time Lancashire's overall results increased by around 10% for 5+ A*-C and 6% for 5+ A*-C inc E/M
- Over the same period of time England's overall results increased by around 10% for 5+ A*-C and 6% for 5+ A*-C inc E/M
- A quick pace of improvement in the identified 18 schools as their results increased much faster than the national average for all schools
- Sustained improvement over time with 14 of the schools being above 40% in 2012, 10 above 45% and 7 above 50% 5+ A*-C grades including English and Mathematics

Strategies to raise attainment

The schools have worked in close partnership with the local authority and the specific strategies to raise attainment and improve the quality of education in schools below the Floor Standard include:

- Specific training and support for schools to improve their ability to track pupil achievement accurately and identify pupils who are not making the expected progress.
- Training for schools on the use of support programmes for individuals and small groups of pupils in English and mathematics.
- Support for governing bodies in monitoring and evaluating the progress of pupils through the development of an effective committee structure and sharing good practice across governing bodies. Where appropriate strengthening governing bodies through additional governors with relevant knowledge and expertise.
- Support for innovative approaches to engage vulnerable and disaffected pupils and their families including facilitating the sharing of good practice between schools.
- Early identification of schools where achievement is low and the provision of intensive support from the local authority's monitoring and intervention team to improve leadership and management and teaching and learning.
- Brokering school to school support so that outstanding schools with a track record of high achievement can work alongside those less effective schools.
- Brokering leadership support from outstanding headteachers many of whom have been nationally accredited for this work as Local Leaders in Education or National Leaders in Education.
- Facilitating collaborative arrangements across schools so outstanding schools can share their expertise, including the establishment of executive headships of more than one school.
- Working closely in partnership with the Diocese and Church authorities in Lancashire.

Agenda Item 6

Education Overview and Scrutiny Committee

Meeting to be held on 6 November 2012

Electoral Division affected: All

Mentoring in Schools Programme

(Appendix 'A' refers)

Contact for further information:

Bob Stott, Director of Universal and Early Support Services, Directorate for Children and Young People, (01772 531652), bob.stott@lancashire.gov.uk

Executive Summary

On 11 October 2012 Cabinet were presented with a report detailing the commitment made by Lancashire County Council to establish a mentoring programme in schools.

The Chair of the Education Scrutiny Committee felt it would be beneficial for the Committee to receive an overview of the Programme and therefore officers from the Communities and Citizens Talent Management Team within the Learning & Development Service will present the report

A copy of the report presented to Cabinet is attached as Appendix 'A'.

Recommendation

That the Committee note and comment on the report.

Background and Advice

Lancashire County Council has made a £3 million commitment over 5 years to establish a mentoring programme in Schools. This will:

- provide mentoring opportunities to identified young people in secondary education Yrs 9, 10 and 11 who are struggling in school;
- recruit, train and support members from the ex-service community in Lancashire to mentor young people and gain the skills needed to progress after the programme to find work outside of the forces; and
- provide a valuable staffing resource for Lancashire schools.

The Mentoring in Schools Steering Group, chaired by County Councillor Mark Perks, Cabinet Member for Young People, convened in order to determine how best the County Council could support young people by accessing mentoring by ex

service personnel. The aim being early intervention and support measures which would raise attainment, reduce exclusions and increase attendance in year groups 9, 10 and 11.

The report to Cabinet detailing the background and benefits of the Programme is attached as Appendix 'A'.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified in relation to the proposals contained within this report.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
Mentoring in Schools Programme	Cabinet 11.10.12	Eddie Sutton, (01772) 535171, Office of the Chief Executive,

Cabinet - 11 October 2012

Report of the Chief Executive

Electoral Division affected: All

Mentoring in Schools Programme

Contact for further information:
Eddie Sutton, (01772) 535171, Office of the Chief Executive,
eddie.sutton@lancashire.gov.uk

Executive Summary

Lancashire County Council has made a £3 million commitment over 5 years to establish a mentoring programme in Schools. This will:

- provide mentoring opportunities to identified young people in secondary education Yrs 9, 10 and 11 who are struggling in school;
- recruit, train and support members from the ex-service community in Lancashire to mentor young people and gain the skills needed to progress after the programme to find work outside of the forces; and
- provide a valuable staffing resource for Lancashire schools.

The Mentoring in Schools Steering Group, chaired by County Councillor Mark Perks, Cabinet Member for Young People, convened in order to determine how best the County Council could support young people by accessing mentoring by ex service personnel. The aim being early intervention and support measures which would raise attainment, reduce exclusions and increase attendance in year groups 9, 10 and 11. After careful consideration of a range of factors presented by the Directorate for Children and Young People, the Steering Group recommended that year one of the programme should operate as a pilot and that the 2 districts of Pendle and Hyndburn would be offered access to this programme within the initial pilot period. Pendle is involved with the National Exclusion pilot. It is considered that the inclusion of a pilot year will significantly enhance the programme delivery over the 5 years due to lessons learned being incorporated going forward.

The data used to inform the steering groups decision to select the 2 pilot districts was based on 3 data sets, which are:

- Key Stage 2-4 Performance data attainment
- Exclusions data comparisons by district
- Attendance data

This proposal will have a positive impact on the County Council's role as an employer by making a significant and direct contribution to supporting ex service personnel retrain and obtain employment.

This proposal will also contribute to supporting the young people of Lancashire via the Youth Employment strategy. The purpose of the Youth Employment strategy is to set out the case for the County Council's investment and arrangement of services and resources to achieve a reduction in the number of young people not in education and training (NEET) in Lancashire.

The Youth Employment strategy has two key aims;

- Reducing the number of young people who are and who become NEET;
- Embedding a focus on sustainability and progression within service delivery to lead ultimately onto employment.

The Mentoring in Schools programme will focus on the themes of prevention, intervention and progression. This mentoring programme will contribute towards the delivery of the Youth Employment strategy. A detailed outline of the proposal is set out in this report.

This is deemed to be a Key Decision and Standing Order 26 has been complied with.

Recommendation

Cabinet is recommended:

- (i) To approve the proposals for investing a total of £3m between 2012/17 to fund a five year programme to recruit ex service personnel to deliver mentoring opportunities in schools;
- (ii) To agree to waive the requirements of paragraph 6.2 of the County Council's Procurement Rules to allow the award of a contract to Skill Force pending the carrying out of a procurement exercise for years 2 – 5 of the programme.

Background and Advice

1. The Mentoring in Schools Steering Group, chaired by County Councillor Perks, Cabinet Member for Young People, after considering a range of options has determined that One Connect Limited be requested to submit a delivery proposal. This is due to the previous record of the Communities and Citizens Talent Management Service, now within One Connect Limited, in the delivery and development of the WorkStart 4 Armed Forces programme.
2. As this will be a five year plan with year one of the proposed programme model being operated as a pilot, the benefits of the lessons learned will be incorporated into Years 2-5. During the pilot measures such as recruitment and retention of ex service personnel alongside progress of young people will be assessed and evaluated. After consideration of the most effective way

forward it has been agreed by the Steering Group that a partnership approach between One Connect Limited and an identified specialist training provider is the most appropriate model to be adopted. The pilot will inform a tender process for the provision of specialist provider services to a 4 year mentoring programme (years 2-5) covering the whole of Lancashire.

3. After careful consideration it has been determined by the Steering Group, that for the pilot period, Skill Force, a specialist provider of training ex service personnel to work within schools should be commissioned to deliver the assessment and training of the ex service personnel element of the programme.
4. Skill Force is a recognised long standing education charity working with young people in Great Britain who are in danger of leaving school without the skills and qualifications they need to succeed in life. Its programmes aim to prevent exclusions by reducing both truancy and the numbers of young people falling into NEET at 16. Skill Force via independent evaluation over the last 7 years can demonstrate continued successful programme delivery.
5. The County Council through its Directorate for Children and Young People currently has awarded Skill Force a contract to the value of £22,000 for 1 year (November 2011- November 2012). A planned renewal of this contract is due to be discussed via the Chorley Children and Young People's Trust Board in the autumn of 2012. This contract aims to focus on providing group and 1:1 support in four of the six secondary schools in the Chorley district for Yr7 and Yr8. The outcomes aim to achieve improving self esteem, motivation, confidence, attendance and achievement of pupils in schools within Yr7 and Yr8. This is a focused approach to Early Support and Intervention, with the Key Worker from Skill Force being co-located within the Pastoral Care Team of each school and referrals to the initiative being coordinated by the Pastoral Care Manager. It is considered appropriate to advise that the planned renewal of this existing contract for Yr7 and Yr8 is for only one further year to allow consideration of future joint procurement. It is also appropriate to advise that any other potential contracts with Skill Force during this pilot period are referenced to the programme to ensure consistent procurement.
6. Whilst the Early Support and Intervention Strategy Mentoring initiative concentrates on mentoring Yr7 and Yr8, this mentoring programme will deliver the three areas outlined in the Executive Summary. It will begin as a pilot to then be rolled out over the next 5 years to all Lancashire districts. It is expected that the data and evaluations of the Early Support and Intervention Strategy will be shared with One Connect Limited, so that experiences and outcomes can be compared, developed and progressed for the merit of the future of this mentoring programme.
7. The County Council has made a commitment to work more closely with organisations that support ex service personnel and their families to receive support. County Councillor Mike France, in his role as Champion for Armed Forces Veterans has committed to promote these opportunities to the ex service personnel organisations within Lancashire.

Programme Delivery

Overall management of the Mentoring in Schools programme would be undertaken by One Connect Limited. Delivery of the programme would be in partnership with the specialist provider, for the purposes of the pilot (Year 1) that would be Skill Force.

Benefits to Ex Service Personnel

This proposal will provide a minimum of 50 ex service personnel within Lancashire to gain access to paid employment and good quality training to be a mentor in schools. In addition via the Workstart4Armed Forces model, mentors will also be talent managed to subsequent employment opportunities within the County Council and its partners.

Recruitment

One Connect Limited will recruit a minimum of 50 ex-service personnel over 5 years via the WorkStart 4 Armed Forces networks and Ex Service Personnel organisations. Rigorous selection, assessments and employment checks will be carried out. It is expected that the specialist provider would be involved in the recruitment and assessment process.

Following successful recruitment the ex service personnel would be employed by Lancashire County Council and have a placement match at Head teacher level and then be placed in school to commence employment via a term time temporary training contract. The placement and training will work in parallel for the mentor to gain experience to be able to achieve the accredited qualifications. The term time salary for the mentor will reflect a difference in salary scale point during training and achievement of qualifications. The trainee mentors will be employed by Lancashire County Council managed by One Connect Limited but placed with the identified schools. After considering the equal pay review grading structures for Mentors it has been determined that the appropriate grade should be Grade 5.

Placement Roles and Responsibilities

One Connect Limited will have overall responsibility for the delivery of the programme. The school in which the mentor is placed will assume the day to day management role. One Connect Limited and the specialist provider will have a shared role for the wider management of the mentor to address any employment, performance or procedural concerns.

Training

The specialist provider will be commissioned as a minimum to train the mentors in the following areas:

- Institute of Leadership and Management - Mentoring for young learners level 2;
- City and Guilds - Preparation to Teach in the Lifelong Learning Sector;
- Adult Literacy and Numeracy - level 2;

- Behaviour management;
- Child protection/safeguarding;
- First Aid and Health and Safety - level 2;
- Equality and Diversity.

Due to the specific requirements of ex service personnel, alongside the fundamental need to ensure the highest level of appropriate mentoring is provided within Lancashire schools, it is considered appropriate to commission the training from a specialist provider of ex service personnel.

Exit Strategies (Mentors)

Towards the end of the placement, One Connect Limited will deliver on an individual basis:

- Access to career progression routes and support in application form writing and interview techniques to the mentor;
- Support to the school in recruiting the Mentor via the programme and/or advising of the County Council's other work force planning solutions.

Benefits to Young People

The Mentoring Programme will provide an opportunity of early intervention for young people in secondary education. If a young person is in receipt of mentoring whilst in secondary education and then transfers to a short stay or special school, the mentor will continue to individually mentor that young person and maintain continuity. In addition the Steering Group determined that during the pilot period the provision of such mentors in short stay and special schools would be specifically considered as part of the evaluation process.

Within the first pilot year, it is estimated that a minimum of 300 young people will gain access to customised mentoring within the school environment. The target subject to consideration of the lessons learned in the pilot year is projected to be in the region of 1,500 young people and a minimum of 50 ex service personnel. The focus of the mentor will be to support young people to reach their potential in school by building confidence, self esteem and encouraging progression and aspirations to influence good attendance, behaviour and attainment.

Enrolment of Young People to the Mentoring Programme

The School will identify and enrol young people to have the opportunity to be supported by the Mentor. The referral to the mentor will be facilitated by their respected school pastoral care leads.

Training/Wellbeing

Any identified learning and development needs of the young person will be fed back by the Mentor to the pastoral care leads who should take the appropriate action.

Exit Strategies (Young People Receiving Mentoring)

The professional relationship between Mentors and Pastoral Care Managers will facilitate the enrolment and dialogue needed to identify the needs of the young person and this will continue through to the end of the Mentors placement and/or programme where a safe handover from mentor to pastoral care manager takes place.

All young people will be made aware of the options of accessing Future Horizons and Apprenticeships with customised one to one interventions for those young people identified.

Finance

The County Council's Revenue Budget 2012/13 to 2013/14 included investment resources of £3m to support a 5 year Armed Forces Veterans mentoring programme. The tables that follow show the delivery costs of the year 1 pilot and the wider programme to be rolled out in years 2-5.

Pilot Year (Year 1)	(£m)
OCL Management Cost	0.050
Commissioned Services of Specialist Provider x 15* mentors per year (to manage the potential risk of ex- service personnel leaving the programme prior to completion)	0.080 (max)
Programme Delivery (Salaries/recruitment/travel etc of mentors)	0.325
Total	0.455

*Number of mentors to be recruited restricted to ensure careful analysis of lessons learned and best use of resources.

Years 2-5	£m
OCL Management Cost	0.200
Commissioned procurement	2.345
Programme delivery	Allocation to be determined post pilot / procurement exercise*
Total	2.545

*During the pilot year any savings via the planned procurement process to be redirected into additional appointment of ex service personnel which will then have an impact on the target number of young people.

Summary of Total Programme Costs

Years 1-5	£m
OCL Management Cost	0.250
Commissioned Procurement	2.750
Programme Delivery	
Total	3.000

Evaluation

The evaluation and analysis of the programme will be managed by One Connect Limited with input from the specialist provider, mentor, schools, the Early Support and Intervention Strategy comparisons as the analysis will report on the progress of pupils and mentors.

The success of the Programme will be defined and measured in a number of ways including:

Mentors

- Number of mentors recruited/retained
- Number that complete training package
- Number of young people the Mentor supports
- Mentor costs (salaries/training/expenses)
- Management of Mentors

Young People

- Number of young people enrolled and supported
- Progress of young people i.e. their attainment
- Improved attendance
- Reduction in exclusions/suspension
- Number of young people made aware of progression onto Apprentices and Future Horizons

Timeline

Recruitment (pilot group)	October/November 2012
Commence Future Procurement Exercise for 2013	October/November 2012
School Placement Match (pilot group)	December 2012
Employment Contract starts/Induction (pilot group)	07 January 2013

Training (pilot group)	07 January – 10 June 2013
Recruitment (group 2)	July/September 2013
Summer Work Experience Opportunities (pilot group)	24 July – 05 September 2013
Contract End Date (pilot group)	20 December 2013

Consultation and Risk Management

This item has considered the following implications, as indicated.

Procurement

The Lancashire Procurement Centre of Excellence has been consulted and supports the proposed procurement strategy. Given the requirement for the County Council to fully understand the complexities of operating the scheme with a partner, it is considered necessary to permit the appointment of a partner for the pilot year by requesting a waiver of Procurement Rule 6.2 as part of this proposal. The proposed partner is a specialist provider in its field without equal being identified nationally, therefore it is considered that the risk of challenge to this decision is slim, especially since a formal procurement exercise for years 2-5 will be initiated in April 2013 enabling the wider supply market (who may by then have developed into this field) the opportunity to apply.

Normally the Leader of the County Council would be required to approve the waiver of Procurement Rule 6.2 with details of the decision being reported to the Cabinet. However, it is suggested that on this occasion and for administrative efficiency the Cabinet should be asked to approve the waiver of Procurement Rule 6 as part of its consideration of this report.

Human Resources

Communities and Citizens Talent Management service will ensure all appropriate employment policies are followed.

Legal

As set out in the report.

Financial

As set out in the report.

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact/Directorate/Tel
None		

Agenda Item 7

Education Overview and Scrutiny Committee

Meeting to be held on 6 November 2012

Electoral Division affected: All

Update on the current Lancashire County Council position on Academies

(Appendix 'A' refers)

Contact for further information: Bob Stott, Director of Universal and early Support Services, Directorate for Children and Young People, (01772) 531652

bob.stott@lancashire.gov.uk

Executive Summary

The reports set out the County Council's current position in relation to academies within Lancashire. It updates the information provided to Education Overview and Scrutiny Committee on 10 July 2012

Recommendation

The Education Overview and Scrutiny Committee is asked to note the report and give its views on the information provided.

1 Background and Advice

In the summer of 2010 the Department for Education (DfE) set out its plans to enable maintained schools to become Academies and the Secretary of State wrote to all schools judged outstanding by OfSTED to encourage them to apply for Academy Status. (These are often referred to as Converter Academies). Since that time all maintained schools have been encouraged to consider becoming Academies.

Academy is the legal term that includes Free Schools of all types, University Technical Colleges (UTCs) and most Studio Schools. These new forms of school are independent from the local authority, and report directly to the Secretary of State.

In June 2011 the Secretary of State indicated that there were 200 under-performing primary schools nationally for which he considered the most appropriate strategy for improvement was that they become Sponsored Academies - linked to, and sponsored by another Outstanding Academy or Outstanding College. The Secretary of State also indicated that there were a further 500 under-performing primary schools nationally for which movement to becoming a Sponsored Academy should also be considered.

Since August 2011 the Department for Education has been in regular touch with all Local Authorities including Lancashire to discuss schools that were included in the

original 200 and 500 underperforming categories as well as further schools which they felt were underperforming.

The Education Act 2011 received Royal Assent on 15 November 2011. The Act is wide ranging and amends or repeals 47 separate issues connected with education and children law which were previously covered in 18 education and children Acts. The Act makes changes to the arrangements for setting up new schools, and amends the Academies Act 2010 to make provision for 16 to 19 academies and alternative provision academies. The full Education Act is contained on the Department for education website:

<http://www.education.gov.uk/aboutdfe/departmentalinformation/educationbill/a0073748/education-bill>

The new academy presumption in the Education Act 2011 requires local authorities to first seek proposals for an Academy where they consider there is a need for a new school.

County Council position on Academies

The County Council has adopted a clear and consistent position around academies, namely that all categories of school are of equal value. There is no prejudice for or against a particular category.

The current position

- All maintained primary, secondary and special schools can apply to become an Academy
- In April 2013 Pupil Referral Units (PRUs) will receive delegated budgets and will be able to convert to Academy Status
- The Free School model has been extended to include applications for Alternative Provision Free Schools which will be PRU type organisations.
- Once the funding order for an Academy is agreed the local authority is directed to cease to maintain the school

The National Position

In September 2012 Andrew McCully the Department for Education Director with responsibility for key reforms around academies reported the following statistics to a London conference:

In total there are 2373 open Academies in England, of which:

- 1861 are converters
- 512 are sponsored
- 805 are primary Academies (676 converters, 129 sponsored)
- 1512 are secondary Academies (1134 converters, 378 sponsored)
- 56 are special Academies (51 converters, 5 sponsored)

- 46% of all secondary schools in England are now Academies
- 5% of all primary schools in England are now Academies

These national figures clearly point to a variance in the number of academies within local authorities. In some local authorities the vast majority of schools are now academies whilst in others this is not the case.

Lancashire's current position

Academy conversions to date

- 21 schools have converted to become an academy
- Of these 17 are secondary schools and 4 are primary schools.
- A further 4 schools are in the process of converting (3 secondary and 1 primary, of which two are sponsored Academies). These schools have Academy Orders agreed and are currently developing funding agreements with the Secretary of State.
- The first Free School, which was previously an independent school, opened in September 2011 in West Lancashire.
- The first Studio School to open, which is a newly established school, opened in September 2012 in East Lancashire.
- There is currently one UTC which has funding agreement with the DfE and plans to open in September 2013 in East Lancashire.
- There are a higher number of free schools wishing to open in neighbouring councils such as Wigan and Blackburn with Darwen, which may impact on Lancashire schools
- The local authority will continue to work closely with academies and free schools in terms of planning for the provision of school places.
- The DfE has contacted the Local Authority regarding the sponsored academy programme and identified schools to be considered to become a sponsored academy. This has been an ongoing dialogue around a changing cohort of schools since August 2011

A list of the current free schools and academies in Lancashire is set out at Appendix 'A'.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no implications for risk management arising from this report.

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact/Directorate/Tel
Update on the current County Council position on Academies in Lancashire	November 2011	Bob Stott, Directorate for Children and Young People, (01772) 531652
Update on the current County Council position on Academies in Lancashire	July 2012	Bob Stott, Directorate for Children and Young People, (01772) 531652

Reason for inclusion in Part II, if appropriate

N/A

Section A: Academies: To date **21** schools have received approval from the Secretary of State to change their status to Academies.

A full list of approved Academies is provided below:

School	LCC Number	District	Date of conversion	
Accrington Academy	11/501	Accrington	01/09/08	S
Fulwood Academy	06/501	Preston	01/09/09	S
Hambleton Primary Academy	02/501	Wyre	01/01/11	P
Clitheroe Grammar Academy	11/502	Ribble Valley	01/01/11	S
Lancaster Girls Grammar School	01/501	Lancaster	01/01/11	S
Lancaster Royal Grammar School	01/502	Lancaster	15/04/11	S
Hodgson Academy	02/502	Wyre	01/05/11	S
Ripley St Thomas – A C of E Academy	01/503	Lancaster	01/05/11	S
St Michael's CE Academy	09/501	Chorley	01/07/11	S
Bowland Academy	11/503	Ribble Valley	01/08/11	S
Lostock Hall Academy	07/501	South Ribble	01/08/11	S
Parbold Douglas C.E. Primary Academy	08/501	West Lancashire	01/08/11	P
Bishop Rawstorne Church of England Academy	09/502	Chorley	17/08/11	S
Garstang Community Academy	02/503	Wyre	01/09/11	S
Accrington St Christopher's CE High	11/505	Hyndburn	01/09/11	S
Belthorn Academy Primary School	11/504	Hyndburn	01/10/11	P
Clayton le Moors All Saints C.E. Primary School	11/506	Hyndburn	01/11/11	P
Tarleton Academy	08/112	West Lancs	01/01/12	S
Albany Academy	09/504	Chorley	01/08/12	S
Parklands High School	09/505	Chorley	01/09/12	S
Bacup and Rawtenstall Grammar School	14/501.	Rosendale	01/10/12	S

A further **4** schools are **pursuing a change of status** to become an Academy and have now received an initial proposal approval from the Secretary of State, but have not yet established a Funding Agreement.

These schools are:

School	LCC Number	District	Provisional Approval		Comments/proposed start date
Priory Sports & Technology College	07/110	South Ribble	Yes	S	1 st Nov 2012
Colne Primet High School	13/101	Pendle	Yes	S	1 st Jan 2013 .Sponsored Academy Sponsored by Nelson & Colne College.
Worden Sports College	07/103	South Ribble	Yes	S	1 st Nov 2012 Proposing to change name to, 'Academy@Worden. '
Brierfield Walter Street Primary School	13/018	Pendle	Yes	S	1 st Jan 2013. Sponsored Academy with Nelson & Colne College as sponsor.

Section B: Free schools, studio schools and UTC's

a) Currently open

To date **2** schools have received approval from the Secretary of State to be Free schools.

School	LCC number	District	Date of opening / conversion	Type	comments
Maharishi Free school	08/139	West Lancashire	1/09/2011	B	Reception to year 11.
Hyndburn Studio School	11/507	Hyndburn	01/09/2012	Y	Pennine Lancashire Education Trust is sponsor. Backed by Accrington

					and Rossendale College in partnership with Rhyddings Business and Enterprise. Opened initially with 28 pupils on roll.
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b) Wishing to open

The Local Authority has been informed that the following school will open in September 2013 with approval from the Secretary of State:

School	District	Comments
Burnley UTC	Burnley	Has funding agreement with DfE and due to open in Sept 2013. 14-19 provider. Backed by Training 2000. Proposed specialisms are in engineering and construction; supporting advanced manufacturing employers within the aerospace supply chain, the nuclear industry and green utilities and technologies.

Key: P = Primary school. S = Secondary school. B = Both primary and secondary school
Y = 14 to 19 year olds.

Agenda Item 8

Education Scrutiny Committee

Meeting to be held on 6 November 2012

Electoral Division affected: All

School Funding Reform

Appendix 'A' refers

Contact for further information:

Stephen Edwards, 01772-531628, Directorate for Children and Young People,

Stephen.edwards@lancashire.gov.uk

Executive Summary

Over the last two years the Government has consulted extensively on proposals to bring a greater consistency to the arrangements for funding schools and early years settings across England. In May 2012, the Department for Education (DfE) set out the details for the implementation of new school funding arrangements from 1st April 2013.

This report provides information on the implementation arrangements for Lancashire.

Recommendation

The Education Scrutiny Committee is asked to note the report.

Background and Advice

Over the last two years the Government has consulted extensively on proposals to bring a greater consistency to the arrangements for funding schools and early years settings across England. In May 2012, the Department for Education (DfE) set out the details for the implementation of new school funding arrangements from 1st April 2013. The documentation outlined the steps that all Authorities will need to take to ensure that the School and Early Years Funding arrangements are consistent with the national requirements for 2013/14 and beyond. Local authorities will continue to be allocated amounts for each pupil through the Dedicated Schools Grant (DSG) based on previous funding levels, but from April 2013 DSG funding will be allocated in three notional blocks:

- Schools Block;
- Early Years Block, and;
- High Needs Block.

The notional blocks will not be ring-fenced and they will be based on planned spend by local authorities in 2012-13. The Schools Block will be based on October pupil numbers which will mean that school budgets can be issued earlier.

School Block

This is the main source of funding for the Individual Schools Budget and is distributed to schools through the LAs formula. Lancashire's current formula has 27 factors, the Government's simplified formula will only allow us to use 12 factors:

- A basic per-pupil (formally AWPU);
- Deprivation, measured by Free School Meals (FSM) and/or Income Deprivation Affecting Children Index (IDACI);
- Looked after children;
- Prior attainment as a proxy measure for SEN;
- English as an additional language, for a maximum of 3 years;
- Pupil Mobility;
- A standard lump sum for each school;
- Split sites;
- Rates;
- Sixth form;
- Private finance initiative (PFI) contracts.
- An exceptional rents factor approved by DfE

Consultations with Schools

On 21 June 2012, the Cabinet Member for Children and Schools approved a consultation with schools, aimed at Primary and Secondary Schools and Academies to set out the Authority's proposals to reshape School Funding to meet the new national requirements from April 2013. A total of 511 consultation responses were received by the closing date (89% of those eligible) which is the highest response rate to a funding consultation ever received.

Refined Funding Model

Considerable work was undertaken to refine the funding model in Lancashire to reflect the consultation responses, the latest guidance from DfE and the County Council's objectives. Over 2,000 iterations of the funding model were produced in seeking one that best balances the needs of all Lancashire Schools and provide equitable result across all schools.

In this refined model roughly 2/3rds of pupils attending Lancashire Schools gain from the new formula, and the numbers of schools receiving MFG funding is reduced by over 100 to 209 compared to the initial model. Details are shown in the table below:

	Primary	Secondary	Total
Winners			
Schools	303	49	352
	63%	59%	62%
Pupils	60,122	43,439	103,561
	68%	69%	68%
Losses greater than 10%	17	4	

Gains greater than 10%	1	0	
Max Gain	11.1%	9.9%	
Max loss	-41.1%	-22.4%	
Schools in MFG	178	31	209
Cost of MFG	£8.6m	£4.6m	£13.2m

Following consideration of the refined model by the Schools Forum on 16 October 2012 the Cabinet Member for Children and Schools approved the submission of Lancashire's proposals to the Education Funding Agency (EFA) by the 31 October deadline. A copy of the Cabinet Member report is attached at Appendix 'A'.

Key Outstanding Issues

Whilst the Cabinet Member for Children and Schools and Schools Forum agree that school funding proposals submitted to the EFA represent the most equitable result across all Lancashire schools, there is still concern that there remains a higher level of turbulence in individual school budgets than we would ideally like. Some of the key strategic issues causing the most significant fluctuations include:

Service Children

Our current formula provides targeted funding to schools and academies based on the numbers of pupils on roll who are identified as service children and the factor was also used to uplift Lancashire's Narrowing the Gap and deprivation funding. The new national formula does not have a service children factor. This can cause significant turbulence on schools that educate a large number of service children, our current formula funds 392 pupils of which 100 are in a single primary school, representing over 90% of that schools population.

Pupil mobility

Lancashire's current mobility formula factor was introduced to reflect the additional pressures placed on schools with a large turnover of pupils in year, those schools who serve "transient" communities, e.g. Seaside towns, Migrant Communities. Using this definition, the DfE data will not target funding to the schools identified in our current formula. In fact, the DfE data will target funding to 559 of the 567 primary and secondary schools and their academy equivalents with very limited differentiation based on the needs of schools.

English as an Additional Language

Our current formula provides targeted funding to schools based on the numbers of pupils on roll drawn from identified Minority Ethnic Communities whose attainment is overall below average, Pakistani, Bangladesh, Gypsy Roma and Irish traveller heritage groups. The new national formula provides funding based on identified pupils with English as an Additional Language who have been in the School system for three years or less. Clearly this targets funding at a different group of children and young people. The issue is particularly acute in the secondary sector with some schools in East Lancashire seeing their number of eligible pupils reduce from over 500 to less than 40.

Smaller Schools

Our current formula provides additional support for small schools through a small school formula factor and lump sum which reduces as a school increases in size. Many small schools lose funding because of the removal of targeted size funding. However any increase in the lump sum beyond £150k becomes unaffordable.

Pupils with high needs

Currently, additional funding is provided to schools and academies that have pupils with statements and this is based on the actual number of statemented pupils they have. Under the DfE's proposals, high needs pupils will be funded under a new Place Plus system whereby the school is expected to meet the first £10k of cost of a pupil with high needs, the commissioner (the Authority) will provide top up funding for any costs in excess of £10k. The place plus system means that in Lancashire we will have to delegate to all schools funding currently targeted to statements bands A to D and the bands A to D element of statements band E and above. Some schools and academies have a significantly higher than average number of statements, particularly in bands A to D and they will lose funding as a result of these arrangements. Schools and academies with below average statements or no statements will gain as a result of these proposals.

The Cabinet Member for Children and Schools and Schools Forum have submitted representations to the DfE on these key issues affecting Lancashire.

High Needs Block

The DfE timetable for the submission of High Needs Block funding details did not require a 31 October submission as was necessary for Schools Block funding. However, the authority has begun some modelling of the new funding arrangements in special schools. The proposed reforms of funding for high needs pupils will significantly change the way that special schools and short stay school are funded.

Special schools will receive base funding covering Elements 1 and 2 provided on the number of planned places. In addition they will also receive an Element 3 top up based on the needs of the individual pupil. The DfE have set base (or place) funding at £10,000 for special schools. A figure of £8,000 is to be applied as base funding for Short Stay Schools.

Early Years Block

Under the government's proposals there is no requirement to change the Early Years Single Funding Formula (EYSFF), which funds nursery education in maintained nursery schools, nursery classes in primary schools and private, voluntary and independent providers of early education. However the DfE have advised authorities that they may wish to take this opportunity to look at their existing EYSFF.

In Lancashire, some minor changes to EYSFF are proposed due to the realignment of early years funding that currently resides in the Schools Block and possible alterations to use Income Deprivation Affecting Children Index (IDACI) data rather than the current Index of Multiple Deprivation (IMD).

We are continuing to model EYSFF changes to minimise turbulence that may be caused.

Consultations

Consultations about the implementation of the government's new funding framework in Lancashire were held with all schools, academies and Early Years providers and with the Lancashire Schools Forum.

Implications:

This item has the following implications, as indicated:

Financial

These proposals do not change the amount of funding that will come to Lancashire for our Dedicated Schools Grant. The main risk at a school level is the turbulence that the new formula may cause. From an Authority point of view, the main risks are around the impact of schools not agreeing to de-delegate funding and the recovery of corporate overheads on budgets delegated to schools. The potential impact of this on the Authority is being considered as part of the latest financial strategy.

Legal

This report reflects arrangements required by the School and Early Years Finance (England) Regulations 2013, which will not be laid before Parliament until the New Year. DfE have indicated that any changes to the final Regulations should only be cosmetic, and decisions around the submission of the EFA proforma for 31 October 2012 should be taken on the draft regulations, however, a small risk remains there may be edits to draft regulations that would impact on the budget process.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
DfE consultation document	March 2012	http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schools/revenuefunding/a00205567/school-funding-reform-and-arrangements-for-2013-14
<ul style="list-style-type: none">School Funding Reform: Next steps to a fairer system	March 2012	
<ul style="list-style-type: none">Operational Guidance for Local Authorities	March 2012	
<ul style="list-style-type: none">Funding reform FAQs	June 2012	
School and Early Years Finance (England) Regulations 2013	July 2012	http://media.education.gov.uk/assets/files/pdf/t/school%20finance%20regulations%202013%20%20%20england.pdf

Lancashire consultation
documents with Schools

June 2012

[http://www3.lancashire.gov.
uk/corporate/web/?Consulta
tions_on_Education/27051](http://www3.lancashire.gov.uk/corporate/web/?Consultations_on_Education/27051)

Reason for inclusion in Part II, if appropriate

N/A

Report to the Cabinet Member for Children and Schools
Report submitted by: Executive Director for Children and Young People
Date 18 October 2012

Part I - Item No.

Electoral Division affected:
All

**Implementing New National Requirements for School Funding in Lancashire –
Consultation with Schools**

(Appendices 'A' to 'D' refer (Appendix D to be tabled at the meeting))

Contact for further information:

Stephen Edwards, 01772-531628, Children and Young People,

Stephen.edwards@lancashire.gov.uk

On 20 June 2012, the Cabinet Member for Children and Schools approved a consultation with schools about changes that are required to their funding arrangements from 2013/14, so that the government's School Funding reforms: Next steps towards a fairer system can be implemented in Lancashire.

The consultation closed on 1 October 2012 and responses were presented to the Schools Forum on 16 October. Forum made a number of decisions and recommendations, which will be reported to the Cabinet Member on 18 October.

This report also provides information about requirements to inform the Education Funding Agency (EFA) of Lancashire's proposals by submitting a proforma containing details of the Schools Block expenditure.

This is deemed to be a Key Decision. Standing Order 25 has been complied with.

Recommendation

The Cabinet Member for Children and Schools is recommended to:

- (i) note the report, including the consultation responses received from schools;
- (ii) note the details of the decisions taken by the Schools Forum with regard to delegations and de-delegations; and
- (iii) authorise the Executive Director for Children and Young People to submit the Schools Block budget proforma for 2013/14 to the EFA by 31 October 2012; on the basis set out in report

Background and Advice

Over the last two years the Government has consulted extensively on proposals to bring a greater consistency to the arrangements for funding schools and early years settings across England. The Department for Education's (DfE) school funding reforms will continue to be allocated amounts to each local authority for each pupil through the Dedicated Schools Grant (DSG) based on previous funding levels, but from April 2013 DSG funding will be allocated in three notional blocks:

- Schools Block;
- Early Years Block, and;
- High Needs Block.

The notional blocks will not be ring-fenced and they will be based on planned spend by local authorities in 2012-13. The Schools Block will be based on October pupil numbers which will mean that school budgets can be issued earlier.

The Schools Block will be the main source of funding for the Individual Schools Budget and is distributed to schools through the LAs formula. Lancashire's current formula has 27 factors, the Government's simplified formula will only use 12 factors to distribute funding to schools, 11 of which applicable in Lancashire:

1. A basic per-pupil (formally AWPU);
2. Deprivation, measured by Free School Meals (FSM) and/or Income Deprivation Affecting Children Index (IDACI);
3. Looked after children;
4. Prior attainment as a proxy measure for SEN;
5. English as an additional language, for a maximum of 3 years;
6. Pupil Mobility;
7. A standard lump sum for each school;
8. Split sites;
9. Rates;
10. Sixth form;
11. Private finance initiative (PFI) contracts.

The DfE have outlined that Authorities can ask the Education Funding Agency (EFA) to approve a limited number of premises related exceptional formula factors if they fall into one of the following categories:

- Rent payable
- Additional maintenance for listed buildings
- Boarding provision

And meet the following criteria in that the exceptional formula factor will:

- Apply to less than 5% of in the local authority; and
- Account for more than 1% of the budget of the school or schools affected.

Following discussion with the Schools Forum, we applied for two exceptional formula factors for rent and swimming pools. The EFA have informed us that they will allow the exceptional formula factor for rents but not that for swimming pools.

The DfE documentation outlined the steps that all Authorities will need to take to ensure that the School and Early Years Funding arrangements are consistent with the national requirements for 2013/14 and beyond. In particular the guidance set out the requirement that Local Authorities, following consultation with Schools and the Schools Forum, will have agreed new Schools Block funding arrangements by 31 October 2012.

In June 2012, the Cabinet Member approved a consultation with Primary and Secondary Schools and Academies to set out the Authority's proposals to reshape School Funding to meet the new national requirements from April 2013 and seek the views of schools and academies in areas where local discretion is available within the new funding system. The consultation fell into three parts:

- How the Authority plans to implement the new national requirements for the school funding formula;
- Schools' views on areas of discretion within the new formula funding arrangements;
- Proposals for additional delegation of responsibilities and seeking the views of schools about the possible de-delegation or buy-back arrangements for these responsibilities.

The consultation document sought views on 11 consultation questions. A supplementary consultation document was issued to schools in September 2012, providing updated information in response to updated DfE advice and continued formula modelling undertaken by the County Council over the summer. The supplementary document posed three additional consultation questions. The closing date for all responses was 1 October 2012.

A total of 511 consultation responses had been received by the closing date. Of these 504 were from Primary and Secondary Schools and Academies, representing 89% of the total number of schools in these sectors.. The level of response compares to response numbers ranging from 5 (0.8%) to 139 (23%) for funding consultations over the last seven years. The increased response rate was facilitated by the introduction of one to one briefing service to schools on the implications of the proposals including help with submitting a consultation response through Schools Financial Services and providing each schools and academy with a bespoke briefing paper from Schools Funding. The costs of providing this service are being supported by the Schools Forum, with an agreed contribution of £150 for each response received with SFS involvement.

The report attached at Appendix 'A' provides the detailed analysis of all consultation responses as presented to the Schools Forum on 16 October 2012 and contains three Annexes, which provide:

- Annex A – Analysis of consultation responses to LCC questions 1-11

- Annex B – Analysis of consultation responses to LCC supplementary questions 1-3
- Annex C- details of all consultation comments received, broken down into common themes, together with a brief commentary on the issues raised.

Separate arrangements are being made to consult with Early Years providers, about changes that are required to their funding from 2013/14. There is no requirement to consult with Special Schools or Short Stay Schools over the introduction of the formula as we have no discretion to modify the government's proposals. Early Years Block, and High Needs Block funding arrangements are not bound by 31 October submission deadline to EFA.

Appendix 'B' is a copy of the report to Schools Forum about the possible delegation and de-delegation options allowable under the new funding framework. Legally it will be the responsibility of Schools Forum members to vote on de-delegations for the primary and secondary phase. The decisions taken by Forum on 16 October 2012 will be reported to the Cabinet Member.

A report about the calculation of the Schools Block funding for 2012/13 was also presented to the Forum on 16 October 2012 and a copy of this report is attached at Appendix 'C'. This report includes a draft copy of the proforma to be submitted to the EFA by 31 October 2012.

Considerable work has been undertaken by the Authority on refining the funding model for Lancashire to reduce turbulence at school level, with over 2,000 different iterations of the model being produced to find the most equitable result across the County, within the limitations imposed by the national framework.

In this refined model roughly 2/3rds of pupils attending Lancashire Schools gain from the new formula, and the numbers of schools receiving Minimum Funding Guarantee (MFG) funding is reduced by over 100 to 209 compared to the initial model. Details are shown in the table below:

Refined Model - Results

	Primary	Secondary	Total
Winners			
Schools	303	49	352
	63%	59%	62%
Pupils	60,122	43,439	103,561
	68%	69%	68%
Losses greater than 10%	17	4	
Gains greater than 10%	1	0	
Max Gain	11.1%	9.9%	
Max loss	-41.1%	-22.4%	
Schools in MFG	178	31	209

Cost of MFG	£8.6m	£4.6m	£13.2m
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Minimum Funding Guarantee protection is available to schools in 2013/14, set at minus 1.5%. DfE have also indicated that MFG will continue in 2014/15, but no further confirmation is available.

The position described above is only achievable if the gains of schools winning under the new formula are capped at 1.5%. This is same level as the MFG and is the level supported by most schools in the consultation responses.

Schools in receipt of the highest levels of MFG have been notified to the directorate's School Improvement Challenge Board, to assess if additional support is required for these schools.

Whilst the refined model offers the best solution to mitigate the impact of the funding reforms on individual schools, turbulence remains higher than we would like due to limitations of the factors and data we are permitted to use.

Some of the key strategic issues affecting groups of schools who lose funding are focussed on:

- Those with a high proportion of Service Children, as there is no provision for a Service Children factor in the national regulations
- Those who serve "transient" communities, e.g. Seaside towns, Migrant Communities; as the DfE's mobility factor simply measures the number of in-year admissions (which reflects which school has spare places) as opposed to the issues of dealing with children with no permanent home.
- Those with high proportions from "underperforming" minority ethnic communities, especially Pakistani & Bangladeshi heritage groups; as the national dataset is focussed on new entrants to the Education system who have English as an Additional Language. The issue is particularly acute in the secondary sector with some schools in East Lancashire seeing their number of eligible pupils reduce from over 500 to fewer than 40.
- Smaller Schools. Although we have increased the Lump Sum in the model by over 10% from our original model to £150,000 at a cost to other aspects of funding of over £7m, many small schools lose funding because of the removal of any targeted size funding. However any increase in the lump sum beyond this level increases the overall turbulence and the numbers of schools losing funding and being protected by MFG
- Those who have a significantly higher than average number of statements (particularly in Band A-D) where we are not permitted under the regulations to provide specific funding.
- Cases where the national decisions about the choice of funding factors continue to produce turbulence in the budgets of individual schools for example

- The requirement to use Income Deprivation Affecting Children Index (IDACI) rather than the current Index of Multiple Deprivation (IMD) squared
- The move from Lancashire's Narrowing the Gap Index (NGI) to the Early Years Foundation Stage Profile (EYFS) and Key Stage 2 data (KS2),

On 5 October 2012 the DfE advised that the data checking exercise they have undertaken with authorities is not complete as there are still a number of outstanding queries. As a result of this it has not been possible for the DfE to issue revised DSG baseline figures to authorities by their deadline of 8th October 2012. DfE have set a revised deadline of getting this information to us by the end of week commencing 15 October. In setting the original date of 8 October 2012 the DfE expected authorities to use this figure when agreeing their formula with their Schools Forum and elected members prior to submission of the pro-forma to the EFA on 31 October 2012. The DfE recognise that authorities are currently consulting with schools based on their own estimate of DSG and have agreed that this data can be used for the pro-forma submission at the end of October 2012.

Appendix 'D' will be tabled at the Cabinet Member's Decision Making Session to provide a list of decisions taken by the Schools Forum on 16 October 2012 about de-delegations and any recommendations about the Schools Block Budget for 2013/14.

Consultations

The views of schools and other educational partners and of the Schools Forum have been included in this report.

Implications:

This item has the following implications, as indicated:

Risk management

This report reflects arrangements required by the School and Early Years Finance (England) Regulations 2013, which will not be laid before Parliament until the New Year. DfE have indicated that any changes to the final Regulations should only be cosmetic, and decisions around the submission of the EFA proforma for 31 October 2012 should be taken on the draft Regulations, however, a small risk remains there may be edits to draft Regulations that would impact on the budget process.

Financial

These proposals do not change the amount of funding that will come to Lancashire for our Dedicated Schools Grant. The main risk at a school level is the turbulence that the new formula may cause. From an Authority point of view, the main risks are around the impact of schools not agreeing to de-delegate funding and the recovery of corporate overheads on budgets delegated to schools. The potential impact of this on the Authority is being considered as part of the latest financial strategy.

Legal

See risk management.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
DfE consultation document	March 2012	http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrvenuefunding/a00205567/school-funding-reform-and-arrangements-for-2013-14
<ul style="list-style-type: none">• School Funding Reform: Next steps to a fairer system• Operational Guidance for Local Authorities• Funding reform FAQs	March 2012 June 2012	
School and Early Years Finance (England) Regulations 2013	July 2012	http://media.education.gov.uk/assets/files/pdf/t/school%20finance%20regulations%202013%20%20%20england.pdf
Lancashire consultation documents with Schools	June 2012	http://www3.lancashire.gov.uk/corporate/web/?Consultations_on_Education/27051

Reason for inclusion in Part II, if appropriate

N/A

LANCASHIRE SCHOOLS FORUM
Date of meeting 16 October 2012

Item No 8a

Title: Schools Funding Reform: Schools Block Budget 2013/14
Appendices (if applicable) Annexes A, B and C refer

Executive Summary

In June 2012, the County Council launched a consultation 'Schools Funding Reform: Next steps towards a fairer system - Consultation on implementing the national school funding proposals from April 2013'. The consultation document set out the Authority's proposals to reshape School Funding to meet the new national requirements from April 2013. The document sought views on 11 consultation questions. The closing date for responses was 1 October 2012.

A supplementary consultation document was issued to schools in September 2012, providing updated information and formula modelling. This document posed three additional consultation questions. The closing date for supplementary responses was 1 October 2012.

This report and appendices provides information on the consultation responses and comments and highlight the key issues. An interim report was presented to the Schools Block Working Group on 25 September 2012.

Recommendations

The Forum is asked to:

- a) Note the report and the consultation responses and comments received;
- b) Be aware of the consultation responses and comments when making decisions on dedelagation issues and recommendations on the 2013/14 Schools Budget.

Background

On 22 June 2012, following discussions with the Forum, the County Council launched a consultation 'Schools Funding Reform: Next steps towards a fairer system - Consultation on implementing the national school funding proposals from April 2013'.

The consultation document was aimed at Primary and Secondary Schools and Academies and set out the Authority's proposals to reshape School Funding to meet the new national requirements from April 2013. The closing date for responses was 1 October 2012. Formal consultation questions were only posed in areas where local discretion is available and responses to 11 questions were sought, together with any further comments.

A supplementary consultation document was issued to schools on 10 September 2012, providing updated information and formula modelling. This document posed three additional consultation questions. The closing date for supplementary responses was also 1 October 2012.

Both consultation documents were issued on the Schools Portal and are available on the County Council website, from the link below:

http://www3.lancashire.gov.uk/corporate/web/?Consultations_on_Education/27051

As part of the initial consultation process a number of seminars were arranged to assist schools in understanding the consultation and to allow an opportunity for questions and debate. These sessions were attended by over 300 delegates.

In addition, all schools were offered one to one briefings on the implications of the proposals and help with submitting a consultation response through Schools Financial Services and bespoke briefing papers from Schools Funding. The costs of providing this service are being supported by the Forum, with an agreed contribution of £150 for each response received with SFS involvement.

Separate arrangements are being established to consult with Early Years providers, Special Schools and Short Stay Schools about changes that are required to their funding arrangements from 2013/14.

A total of 511 consultation responses had been received by the closing date. Of these 440 were from Primary schools, 54 from Secondary Schools and 10 from Academies. This represents a response rate of 89%. The responses from academies have been included in the analysis in the relevant phase.

The other 7 responses were received from schools in the special and nursery phases.

The level of response compares to response numbers ranging from 5 (0.8%) to 139 (23%) for funding consultations over the last seven years and would seem to justify the arrangements of offering SFS consultation support.

Three Annexes are attached, which provide:

- Annex A – Analysis of consultation responses to LCC questions 1-11;
- Annex B – Analysis of consultation responses to LCC supplementary questions 1-3;
- Annex C- details of all consultation comments received, broken down into common themes, together with a brief commentary on the issues raised.

These documents provide valuable information on the views of schools to enable members to shape recommendations for the Forum on decisions that the Forum will need to agree.

Key Issues

Initial responses and emerging issues from schools to the consultation, together with updated guidance from DfE have been used by officers to influence modelling work undertaken during the summer. The revised formula proposals have been issued to schools in the supplementary consultation.

Some of the key issues are highlighted below:

Continuation of £110m for AEN Funding (question 1)

This is an area where the balance on school responses changed throughout the consultation period. Initially, the majority of schools favoured the continued distribution of the existing £110m through AEN factors. The modelling issued to schools with the supplementary consultation therefore continues to distribute £110m to AEN. By the Schools Block Working Group on 25 September slightly more schools disagreed with this proposal, but by the closing date the balance had swung back to a slight preference for the continued distribution of £110M (49% agree, 47% disagree and 5% are unsure) although in the primary phase only 47% agree to 48% disagreeing.

In the latest modelling £110m continues to be distributed through AEN factors, although the balance of funding through the formula factors has been refined to provide an increased proportion distributed through the basic pupil element.

Secondary base rate (question 2)

Base rates in the secondary sector are another area where the views of schools have changed during the consultation. Initial responses from secondary schools favoured separate KS3 and KS4 base rates and this was reflected in the supplementary modelling issued to schools in September. At the close of the consultation period 60% of secondary school responses favour a single base rate, with 32% wishing for separate KS3/4 rates and 8% unsure.

Current modelling assumes separate base rates for KS3 and KS4 however this can be amended before submission of the pro-forma to the EFA. The views of the Forum on this issue will be welcomed.

Deprivation funding (questions 2-5)

School responses showed significant dissatisfaction with the DfE's IDACI (Income Deprivation Affecting Children Index) bandings as included in the original consultation, with 59% of schools disagreeing with their use when this was reported to the Working Group. This figure reduced to 48% by consultation close.

IDACI banding received by far the most written responses on the consultation, with a significant majority suggesting the introduction of funding for Band Zero pupils. Since the original county council consultation was published, DfE have revised their proposals for IDACI banding, introducing an additional sixth band. However, the new band is at the higher end of the banding framework. The funding formula proforma that must be submitted to the EFA to check compliance with the national framework does not allow funding to be attributed to Band Zero pupils, so we do not have the local flexibility to respond to the suggested introduction of Band Zero funding.

DfE issued further guidance over the summer and introduced a revised banding structure that is now included in the model, however funding is still not permitted for band 0.

Schools favoured the use of a combination of FSM and IDACI factors in the model (63%) and strongly supported the use of the Ever6 indicator for FSM (92%) and these options have continued to be used in the current modelling.

EAL duration (question 6)

60% of school responses favoured supporting EAL pupils for the maximum allowable period of 3 years. This option is being used in the current formula model.

Capping gains (question 7)

A majority of responses supported the capping of gains at 1.5%, the same level of the MFG (58%). This compares to support of 16% for a 2.5% cap; 8% for a 3.5% cap and 13% who favoured no cap at all. 6% of responses were unsure. Modelling issued to schools in September has therefore set the level of cap at 1.5%.

Interested in Milk Buy-Back (question 8)

Some 78% of primary school responses indicated an interest in being involved in a buy-back scheme. The County Council will begin to develop a scheme and further information will be provided to schools in due course.

De-delegations options (question 9-11)

The majority of responses supported all the de-delegation options in the consultation as follows:

- Insurance 60% support;
- Licences 78% support;
- Trade Union Duties 68% support;
- Museums Service 65% support from Primary schools;
- School Improvement 91%.

Supplementary Consultation Questions

By the closing date, 283 responses have been received to the supplementary questions.

Proportion of notional SEN for low incidence high needs pupils? (Supplementary Question 1)

The views of schools were sought on the proportion of the notional SEN budget for low incidence high needs pupils compared to that for high incidence low need. Options of 40% or 35% for the low incidence high needs pupils were provided and 63% favoured the 35% option.

It is worth noting that the lower the proportion of funding that is allocated to low incidence high need the more top up funding is needed from the High Needs Block. Supplementary modelling issued to schools assumes that 35% of notional SEN is available for pupils with high needs.

Reception uplift (Supplementary Question 2)

The DfE will allow authorities to uplift their pupil data to reflect the change in pupils in reception from the October School Census to the January School Census to reflect areas who apply a phased admission policy. This does not apply in Lancashire and the small changes in reception numbers reflect in-year admissions in the same way as changes in other year groups. The maximum in year change in reception classes in any one school in 2011/12 was five. No reception uplift was applied to the formula issued to schools in September.

70% of primary school responses to date agreed that no reception uplift should be applied and this has been assumed in the modelling

Pupil mobility (Supplementary Question 3)

Lancashire's current mobility factor was introduced to reflect the additional pressures placed on schools who served transient populations with a large turnover of pupils within the school year. This provided additional funding to 25 schools across the county, and the factor was also used to uplift Narrowing the Gap and deprivation funding, as the indicators used locally did not properly reflect this issue.

The definition of pupil mobility used by the DfE simply identifies the number of in-year admissions to a particular school and the DfE data will target funding to 559 of the 567 primary and secondary schools. As the funding is distributed across the majority of schools individual school allocations average £360. If this formula factor is introduced, we will need to reduce the basic pupil element (formally AWPU) funding. No mobility factor was applied to the formula issued to schools in September.

63% of responses agreed that no mobility factor should be applied.

Full analysis of responses and a full list of consultation comments and the County Council's response to these comments are contained in the appendices.

primary Q.No	1	2	3	4	5	6	7	8	9	10	11
Continue AEN level at £110m	Secondary base rate	deprivation funding options	FSM options	IDACI bandings as per DFE	EAL duration	Level of capping for gains	Interested in milk buyback?	insurance options	de-delegations	school improvement delegation	
Responses 441	yes 207 47% no 212 48% not sure 20 5%	single element 1 0% Separate KS3/KS4 1 0% not sure 1 0% N/A 368 99%	IDACI only 0 0% fsm only 144 37% both IDACI/FSM 235 60% not sure 11 3%	eligibility 25 6% ever 6 406 92% not sure 8 2%	yes 155 35% no 233 53% not sure 50 11%	1 year 100 23% 2 Years 52 12% 3 years 259 59% not sure 26 6%	1.50% 253 58% 2.50% 67 15% 3.50% 40 9% no cap 51 12% not sure 27 6%	yes 368 84% no 48 11% not sure 16 4% N/A 6 1%	delegated with buy-back 152 35% delegated 270 62% not sure 13 3%	Licences 352 81% TU duties 304 70% Museum 283 65% No delegations 43 10% not sure 11 3%	yes 406 93% no 19 4% not sure 12 3%
response	439 100%	371 100%	390 100%	439 100%	438 100%	437 100%	438 100%	435 100%	437 N/A	437 100%	

secondary Q.No	1	2	3	4	5	6	7	8	9	10	11
Continue AEN level at £110m	Secondary base rate	deprivation funding options	FSM options	IDACI bandings as per DFE	EAL duration	Level of capping for gains	Interested in milk buyback?	insurance options	de-delegations	school improvement delegation	
Responses 63	yes 39 62% no 24 38% not sure 0 0%	single element 37 60% Separate KS3/KS4 20 32% not sure 5 8% N/A 0 0%	IDACI only 0 0% fsm only 6 15% both IDACI/FSM 34 83% not sure 1 2%	eligibility 1 2% ever 6 62 98% not sure 0 0%	yes 38 61% no 10 16% not sure 14 23% 0 0%	1 year 9 15% 2 Years 13 21% 3 years 40 65% not sure 0 0%	1.50% 36 58% 2.50% 12 19% 3.50% 2 3% no cap 11 18% not sure 1 2%	yes 0 0% no 0 0% not sure 0 0% N/A 44 100%	delegated with buy-back 24 44% delegated 26 48% not sure 4 7%	Licences 31 58% TU duties 29 55% Museum 4 8% No delegations 15 28% not sure 1 2%	yes 41 77% no 10 19% not sure 2 4%
response	63 100%	62 100%	41 100%	63 100%	62 100%	62 100%	44 100%	54 100%	53 N/A	53 100%	

other	Q.No	1	2	3	4	5	6	7	8	9	10	11
Continue AEN level at £110m	Secondary base rate	deprivation funding options	FSM options	IDACI bandings as per DFE	EAL duration	Level of capping for gains	Interested in milk buyback?	insurance options	de-delegations	school improvement delegation		
Respos 7	yes 1 25%	single element 1 20%	IDACI only 0 0%	eligibility 1 20%	1 year 0 0%	1.50% 2 50%	yes 0 0%	delegated with buy-back 4 80%	Licences 1 33%	yes 3 75%		
	Separate KS3/KS4 0 0%	fsm only 0 0%	ever 6 0 0%	no 1 20%	2 Years 1 25%	2.50% 0 0%	no 0 0%	delegated 1 20%	TU duties 1 33%	no 1 25%		
	not sure 3 75%	not sure 0 0%	not sure 4 80%	not sure 3 60%	3 years 2 50%	3.50% 0 0%	not sure 0 0%	not sure 0 0%	Museum 0 0%	not sure 0 0%		
	N/A 4 80%	not sure 1 20%	not sure 4 80%	not sure 3 60%	not sure 1 25%	no cap 1 25%	N/A 3 100%	not sure 0 0%	No de-delegations 0 0%			
response	5	5	5	5	4	4	3	5	3	4	3	4
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A	100%
Total	511	436	507	505	503	504	485	494	493	494	493	494
Respos 511	yes 247 49%	single element 39 9%	IDACI only 0 0%	eligibility 27 5%	1 year 109 22%	1.50% 291 58%	yes 368 76%	delegated with buy-back 180 36%	Licences 384 78%	yes 450 91%		
	Separate KS3/KS4 21 5%	fsm only 150 34%	ever 6 468 92%	no 244 48%	2 Years 66 13%	2.50% 79 16%	no 48 10%	delegated 297 60%	TU duties 334 68%	no 30 6%		
	not sure 23 5%	not sure 6 1%	not sure 12 2%	not sure 67 13%	3 years 301 60%	3.50% 42 8%	not sure 16 3%	not sure 17 3%	Museum 287 58%	not sure 14 3%		
	N/A 372 85%	not sure 13 3%	not sure 12 2%	not sure 67 13%	not sure 27 5%	no cap 63 13%	N/A 53 11%	not sure 14 3%	No de-delegations 58 12%			
response	438	436	507	505	503	504	485	494	493	494	493	494
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	N/A	100%

Totals

supplementary questions

Annex B

		SEN proportion for low incidence high needs pupils	Apply Reception Uplift	Introduce mobility factor
primary	Q No	Supplementary 1	Supplementary 2	Supplementary 3
Responses:		40%	yes	yes
226		42 19%	40 18%	82 36%
		35%	no	no
		138 61%	157 70%	131 58%
		not sure	not sure	not sure
		46 20%	14 6%	12 5%
			N/A	
			14 6%	
responses		226 100%	225 100%	225 100%

		Supplementary 1	Supplementary 2	Supplementary 3
secondary	Q No	Supplementary 1	Supplementary 2	Supplementary 3
Responses:		40%	yes	yes
54		4 8%	0 0%	6 11%
		35%	no	no
		38 73%	3 8%	43 81%
		not sure	not sure	not sure
		10 19%	1 3%	4 8%
			N/A	
			34 89%	
responses		52 100%	38 100%	53 100%

		Supplementary 1	Supplementary 2	Supplementary 3
other	Q No	Supplementary 1	Supplementary 2	Supplementary 3
Responses:		40%	yes	yes
3		1 33%	0 #DIV/0!	0 #DIV/0!
		35%	no	no
		2 67%	0 #DIV/0!	0 #DIV/0!
		not sure	not sure	not sure
		0 0%	0 #DIV/0!	0 #DIV/0!
			N/A	
			0 #DIV/0!	
responses		3 100%	0 #DIV/0!	0 #DIV/0!

		Supplementary 1	Supplementary 2	Supplementary 3
Total	Q No	Supplementary 1	Supplementary 2	Supplementary 3
Responses:		40%	yes	yes
283		47 17%	40 15%	88 32%
		35%	no	no
		178 63%	160 61%	174 63%
		not sure	not sure	not sure
		56 20%	15 6%	16 6%
			0	
			48 18%	
responses		281 100%	263 100%	278 100%

Schools Funding Reform: Next steps towards a fairer system

Consultation comments

IDACI/Banding

5. Would like to lower the bottom score to enable more pupils to qualify

Higher funding in Lower IDACI bandings

Continuation to question 5 - we would like a lower banding threshold. In conclusion - This new funding system would be detrimental to the children in our School - it is most unfair - the children who live in our area shouldn't miss out purely because of where they live - they have the same rights as all other children. Under this new framework - they will miss out by £20000 per year - how is that going to work - less tailored teaching time, fewer resources, bigger classes?? Thank you for taking the time to read this. I really hope, for the sake of our children, there is something that can be done.

Q5. Band 0 IDACI should attract some funding

Q5 - Lower band 1

Q5 - A small weighting for band 0 and / or a little more weighting at that lower end.

Q5 - Banding should include a lower weighted funding for IDACI scores between 0.1-0.2

Q5 - Funding band to be lower i.e. lower weighting for a new band to incorporate IDACI score of 0.1 - 0.2.

Q5 - Funding should be included for lower banding 0 (pupils who fall within 0.1-0.2)

Q5 - IDACI Banding should have a lower threshold for funding

Q5 - IDACI banding. Should include funding for children who fall within 0.1 - 0.2 instead of no funding for less than 0.2

Q5 - Lower the lower limit

Q5 - Lower the lower limit

Q5 - Lower the lower limit

Q5 - Lower the lower limit

Q5 - Lower the lower limit

Q5 - Lower Threshold should be applied to include funding for pupils between 1.0 - 2.0

Q5 - Lower threshold to include funding for 0.1 - 0.2 IDACI score

Q5 - Reduce the IDACI lower limit

Q5 - Reduce the IDACI lower limit

Q5 - Reduce the lower score limit for Band 1

Q5 - Score lower limit Band 1 reduced, doesn't measure on entry attainment

Q5 Banding should be incremental and should increase equally from band 1 upwards

Q5 I would support a lower threshold i.e. an additional band to include funding for 0.1 - 0.2 IDACI Score

Q5. IDACI band 0 should have a weighting linked to it.

Q5. Would prefer a lower banding

Qn 5 : Would prefer IDACI funding to start at a lower level

Q5. Lower banding. As a small school with the majority of children in band 0 (89%) we would attract no funding at present for these children. We would welcome a further band at the lower end of the scale for IDACI score

Qn 5: We would prefer a lower threshold for funding to start

Question 5 - would like some funding for Band Zero

Question 5 - would like to see funding for Band Zero

Question 5 - Do not agree with banding in respect of nil funding for IDACI score below 0.2. Do not agree with weighting - think it should be equal weighting for each band.

Question 5 - Lower threshold bandings need to be better funded than currently.

Question 5 - some funding for Band Zero

Question 5 - would like some funding for Band Zero

Question 5 - would like some funding for Band Zero

Question 5 - would like to see some funding for Band Zero

Question 5 - would want some funding for Band Zero

Re Question 5: I feel it would be more beneficial for the 0.1 - 0.2 to attract funding (rather than no funding for less than 0.2).

Re: Qn 5 - The DFE Banding should include IDACI 0

School has low deprivation and educational needs at school - low funding in AEN factor. IDACI 100% in Band 0

The only comment I have to make is in relation Question 5 - Please lower the threshold banding.

With reference to question 5 we would like a lower threshold to start on IDACI scale. XXXX is seen to be an affluent area but we do have many families with quite severe needs.

With regard to question 5 (weightings) although we have answered "not sure", if we could have commented then we would have requested for a lower threshold for funding to commence. 62% of our pupils fall into the IDACI Banding 0 where no funds are allocated

Would like the IDACI Lower score limit reducing

Q5. need to teach every child regardless of parental income - there should be some funding in IDACI Band 0

Q5. IDACI Band 0 should receive some funding, e.g. rural deprivation, or should lower the threshold to 0.05/0.1

Q5 - Prefer to see a lower threshold included in the IDACI banding so funding is received for scores between 0.1-0.2

Q5. There should be some funding in IDACI band 0 or at least a lower threshold

Q5. There should be some funding in IDACI band 0 or at least a lower threshold.

IDACI bands - all bands should receive some funding, including Band 0.

Q5. minimum level of funding for IDACI band 0

Q5. There should be some funding for IDACI band 0 or at least a lower threshold, e.g. 0.1.

Q5. do not agree with IDACI banding - Band 0 should receive some level of funding

Q5. IDACI banding - should be some funding for all bands, regardless of parent's income

QUESTION 5 -ALL CHILDREN HAVE DIFFERING NEEDS.

Q5 The IDACI band weightings should be spread out further, support is required for all children.

Q5 Band 0 and 1 to be 0.2 weighting, band 2 stay at 0.4

Would want lower thresholds for the lower bandings on the IDACI index (see Q5)

Question 5 - would like some funding for Band 0

Question 5 - Would like funding for Band 0

Question 5 - Would like funding for Band 0

Question - Would like funding for Band 0

Question 5 - Would like funding for Band 0

Question 5 - Would like funding for Band 0

Question 5 - Would like funding for Band 0

Question 5 - Would like funding for Band 0

Question 5 - Would like funding for Band 0

Question 5 - Would like funding for Band

In response to question 5 would like IDACI bands to start at 0.1

Q5 - take from Band Zero

Q5 - would like funding from Band Zero

Q5. OUR DATA SHOWS GROUPS IN BANDS 0 & 1

Question 5 - Band 1 to start with a lower IDACI score limit

For IDACI 0 to be recognised & included in the DFE banding.

Question 5 - Would like funding for Band 0

Children in our school have a low deprivation group. However it states 90% of our school would fall into IDACI 0 banding and therefore receive no funding. I would like the weighting to be adjusted and recalculated.

For Question 5, we think there should be a 0 - 6 weighting breakdown and there needs to be an actual weighting at 0.

IDACI banding structure does not take into account that many children who fall into band 0 do also have additional needs which go unrecognised by this formula. Just because families don't fall into the lower income bracket it doesn't automatically mean they don't have issues requiring intervention e.g. "borderline" income families

IDACI should have a higher weighting towards the lower bands.

Question 5 - would like some funding for Band zero

LCC Comment – IDACI banding received by far the most written responses on the consultation, with a significant majority suggesting the introduction of funding for Band Zero pupils. Since the original county council consultation was published, DfE have revised their proposals for IDACI banding, introducing an additional sixth band. However, the new band is at the higher end of the banding framework. The funding formula pro-forma that must be submitted to the EFA to check compliance with the national framework does not allow funding to be attributed to Band Zero pupils, so we do not have the local flexibility to respond to the suggested introduction of Band Zero funding.

Q5. An additional banding at the top of the IDACI scale

Q5. An additional banding at the top of the IDACI scale

LCC Comment – Since the original county council consultation was published, DfE have revised their proposals for IDACI banding, introducing an additional sixth band at the higher end of the banding framework. Significant modelling work has been undertaken to revise IDACI in response to the national changes.

Question 5. Would prefer a heavier weighting toward the band 3 in IDACI banding as more of my children fall into this category and a lesser weighting to the far band say Band 1 0.2 Band 2 0.2 Band 3 0.8 Band 4 0.8, Band 5 1.0

Question 5 - Would it not be better to do an average?

Q5 - Banding 1 and 2 should have different weightings

Q5 - Band 1 should equal 0.2wtg

Q5 Fewer weightings and more weighting to higher bands

Q5 Fewer bandings

Question 5 would like the IDACI to be lower in banding 1

Q5. lower the IDACI score limit for Band 1

Re Q5 (IDACI bands) - The bottom threshold for band 1 should be lower, allowing some of the current zero funded students to move into this category

Question 5 would like the IDACI to be lower in banding 1

IDACI - Banding to move towards lower (1-4) attracting higher weighting, Raise the scores for bandings (1-4).

Q5. We would like an additional IDACI banding lower down the scale to attract funding sooner.

Q5. An additional IDACI banding lower down the scale to attract funding sooner

Too much funding is targeted towards deprivation, particularly with the Pupil Premium

Re Q5 - Suggest- Lower limit of band 1 moved down to 0.1 Weighting of band 2 increased to 0.5 to differentiate from band 1.

Q.5 We would need a lower threshold for funding to start at 0.1

Q5. Seems to be a lack of correlation between the socio-economic indicators and the IDACI scale

Re question 5. Would prefer to start IDACI 1 at lower limit of 0.10

Question 5. Would prefer IDACI 1 to start lower than 0.20

Question 5. Would prefer IDACI 1 to start lower than 0.20

Q5. Would like the IDACI 1 band to start lower, at 0.10, therefore more children will get funded re: supplementary question 1 Would like more explanation on where the 35% / 40% figures have been derived from

Q5. Would like the IDACI 1 band to start lower than 0.20 so more children will get funded

Q5. Would like the IDACI 1 band to start lower than 0.20 so more children will get funded

Q5. A banding lower down the scale in order to attract funding sooner

Question 5 - We feel that the figures do not take into account the fact that overall our multiple deprivation factor is 67 (D). We would like this to be reflected by a lower banding threshold being introduced.

Q5. The school would want a lower threshold for funding to start.

Question 5 - Weighting should be increased for the mid-range IDACI bands

LCC Comment - *In the light of school responses and further information from DfE, the IDACI bandings have been significantly remodelled to reduce turbulence.*

.QUESTION 5 ACCORDING TO THE IDACI FIGURES 94% OF OUR PUPILS ARE IN BANDS 0-3, WE FEEL THAT THIS DOES NOT REPRESENT SOME OF THE POVERTY OF THE AREA.

LCC Comment – *Data to support IDACI banding is provided by DfE and cannot be altered by the LA.*

Pupil premium should target deprivation rather than IDACI/FSM via formula funding

LCC Comment – *the allocation methodology for the PPG is prescribed by DfE*

Split AEN and Deprivation factors. FSM EVER6 - HT feels that this benefits High Schools.

LCC Comment – *This Ever6 measure identifies additional pupils at both primary and secondary, but proportionately more so in secondary. It also offers greater stability.*

SEN/AEN

Concerns regarding small school/rural issue with regard to loss of current SEN statement funding, could deprivation/AEN funding be targeted more proportionately?

Question 1 - would like top up funding for Band D statements School has increasing number of A-D statements, low % FSM and deprivation, so additional funding for statements needed.

Contingency funding should be available to support additional mid-year aen when pupils with substantial sen factors (up to band d statements) are admitted other than in September. This is because the aen funding and associated staffing are allocated to match the pupil requirements. Mid-year admissions then do not attract additional funding and can result in schools having to reduce the planned support for existing pupils to meet the needs of the new pupils. Some schools develop a reputation for being "good" with SEN pupils, and seem to attract mid-year admissions.

Target AEN/deprivation better to support small schools SEN

Question 1 - School do not receive funding as much due to short SEN Funding

this school is seriously affected by AEN, reduction in budget is very significant, would be unable to meet existing obligations to statemented children under arrangements, need to know legal position for failing to meet statements What are the implications for the inclusion agenda when deprivation is taken as the sole indicator for SEN funding up to and including Band D? At the outset of the consultation it was said that existing statements would be honoured. How do I explain to parents that money is within LCC but the school cannot access the funding?

Lower end SEN funding needs to be fairer for the future.

The AEN/deprivation allocation does not financially support the AEN needs within my school. Too much focus is on deprivation index and schools in our locality lose out on much needed financial resources and are not able to support children within school who DO have additional educational and/or emotional needs.

THE FUNDING OF CHILDREN WITH ADDITIONAL NEEDS IS A CONCERN TO OUR SCHOOL. TO FUND STATEMENTS FROM BAND E UPWARDS WOULD IMPACT ON OUR SCHOOL BUDGET. CONSIDERATION SHOULD BE GIVEN TO INCREASING FUNDING ALLOCATION FOR PUPILS WITH HIGH HIGH INCIDENCE / LOW NEED IE BANDS A-D.

SUPPLEMENTARY Q1 XXX SCHOOL WOULD LIKE FUNDING TO START AT BAND C AND THAT THE FUNDING SHOULD BE MORE EVEN THROUGHOUT THE BANDS. WITHOUT KNOWING WHERE FUTURE FUNDING WILL GO, WE CANNOT GIVE A DEFINITE ANSWER TO Q1

Relief of changes to SEN within the new model - still concerned about the legal implications of meeting statements - glad that the SEN issue has been taken on board, but still concern with future

SEN because funding should be with the child

I have grave concerns regarding the linking of SEN provision with deprivation. Whilst across the country I can understand that deprived areas have higher SEN needs, this is not the case in the Ribble Valley where statemented pupils (Band D and below) are more common in the non selective schools and in particularly small secondary schools which are often a preferred choice by parents. For these schools the notional DfE SEN funding of £4000 is close to the total AWPU these children will attract to the school. Who is going to be the person to explain to these parents that this school cannot meet the needs of their child and that they need to send them to a school in a more deprived area? Currently over 10% of my school's budget comes from statemented pupils (all at Band D or below) in the model this reduces to 3% based on AEN as measured by deprivation.

Headteacher has concerns about the A - D statement funding negatively affecting smaller schools with high levels of low needs (bands A - D).

SMT & Governing Body are fully supportive of the work of the Local Authority. As a small school we have been particularly well supported in all areas. As a school recently recognised as outstanding by Ofsted we acknowledge that much of this recognition came through our work with SEN children and those with significant needs. The funding for SEN is an issue for us, in particular the requirement to fund the first £10,000 for each statement. We currently have 7 children with statements.

LCC Comment *This is another significant area of concern for Lancashire schools. The allocation of funding for current Statement funding is defined in the new framework. In response to concerns expressed by schools and the forum, the supplementary Lancashire consultation, published in September, proposes to offer a more generous top-up arrangement for SEN funding from the High Needs Block than required by DfE and also intends to redistribute significant funding away from the prior attainment factor to be allocated through FSM (£2m), IDACI (£22m) and the basic pupil element (£9m).*

As stated in meetings and elsewhere the SEN top up policy will discourage schools from taking on SEN students. As a school we spend a great deal of money (rightly so) on supporting our SEN students (and others). There is clarity in this funding in that the money clearly follows the student. Under the new system this will no longer be the case. Headteachers will no longer have to justify the lack of support they give to SEN students and will encourage them to go elsewhere. This, together with academies and free schools, will lead to distortion of the educational system....been there before !!

I FEEL STRONGLY THAT PUPILS WITH STATEMENTS SHOULD NOT HAVE THE FIRST £10000 OF FUNDING DELEGATED AS THIS PREVENTS TARGETED SUPPORT BEING AVAILABLE.

Statements - would like to see the first £10,000 of funding for each pupil with High Needs reducing.

QUESTION 5 Social deprivation indicator shows the school in Band D and E with IDACI only E is attracting IDACI funding. Banding levels should be adjusted to incorporate "D"

We have a large proportion of statemented children (47) and this will affect this school considerably.

Question 1 - We are an inclusive school and have a high level of statements so would like to see funding for Band C

LCC Comment – *this option is not available under the DfE's new funding framework. The level of funding is specified by DfE, made up of £4k basic element and £6k notional SEN funding. In Lancashire this equates to statements bands A-D and the A-D element of bands E and above. The refined model does attempt to minimise the impact of this change by offering more generous top up arrangement.*

Question 1. Would rather have the £110m distributed through AWPU

Move deprivation funding towards basic pupil entitlement

Q1. Would prefer 1/2 through deprivation and 1/2 through AWPU

Question 1 - low deprivation and educational needs at school

Question 1 - would like to see an increase in AWPU

Q1. £110m funding should be distributed through basic pupil element

Q1. £110m funding should be funded through basic pupil element.

Question 1 - Reduce the £110m in Deprivation to increase AWPU.

Reduce AEN and deprivation factors Move more into basic pupil element entitlement over a number of years

Maximise pupil entitlement Simplification and predictability essential for planning purposes

Maximise basic pupil entitlement. Simplification and predictability are essential for planning purposes.

Q1. Funding should be in basic pupil element .

Q1. cannot estimate whether distributing £110m funding through AEN/deprivation or through basic pupil element would be better for school as low deprivation and low pupil numbers so may not receive much of the funding either way

Q1. difficult to say which way school would lose the least if £110m funding was allocated to AEN/deprivation or basic pupil element -

LCC Comment – the new funding framework requires that a deprivation factor is included in the formula. The Forum, having regard to responses from schools and further modelling of the new formula, will need to assess whether the current £110m provided for AEN and Deprivation factors should continue in the future. As indicated above, the balance of funding between prior attainment, FSM, IDACI and the basic pupil element has been adjusted in the latest modelling to reflect concerns expressed by schools.

I would be unable to sustain the current support for SEN with changes to funding. It is unfair that schools in less deprived areas will no longer be able to offer quality support to children with additional needs

Comment – The level of flexibility in the new system is restricted by the framework determined by the DfE. However, the Authority is using what scope exists to model numerous scenarios to reduce the impact at individual school level as far as is possible. Protection will also be provided by the MFG.

The school has no funding for deprivation using IDACI or FSM Ever 6. They found some questions were not applicable for their small school as they have no deprivation funding, EAL etc

LCC Comment - DfE stipulate what factors are allowable under the new funding formula and provide the data in support of each factor. There are a small number of Lancashire schools that do not receive any funding for across IDACI/FSM/EAL factors.

The schools deprivation has increased recently and they see this having a positive impact in AEN. Also, the postcode in the village has been divided, which may have an impact on deprivation score.

LCC Comment – The formula is intended to be responsive to the changing circumstances of children in our schools.

The school has a significant number of Gypsy Roma Traveller/Traveller children. A funding factor is needed to reflect the higher cost of supporting children from these communities i.e. a transient or GRT factor.

If the IDACI was accurate then it might be reasonable to use it. In the case of our school, 10% approx of our role is made up from Traveller families who live in trailers in a field. They were not here when the census took place (or at least they didn't engage & went travelling shortly after). So because their field is covered by a postcode that is deemed to be in an affluent area then no consideration at all is made of their extremely challenging circumstances. It is also proposed that October school census data will be used for funding - recent patterns for these families mean that they are expected back after the census (they are currently not on role). We welcome the families and are considered by the county GRT team to be doing an outstanding job with educating them. If the current proposals are adopted, by 2013/14 we will have had to lose most or all of our staffing beyond class teachers and we will have no funding at all to help with educating these children. They need more support than others because when they are not with us they are not at other schools - they are usually in Scandinavia, but not at school there. All the support and flexibility we have been able to use to their advantage will be gone. They don't claim benefits, they are not eligible for FSM, they haven't been considered in the IDACI calculations and now they won't even exist as far as budgeting is concerned! The whole business of delegating SEN funding via the formula penalises smaller schools in rural areas. We cannot possibly sustain our high standards

with a massive budget cut. Maybe the only way forward will be to become an academy so we have more money and fewer statutory obligations?

The proposals indicate that my school which is in a very challenging area of high mobility and high deprivation will lose a person's salary - we need everybody on the staff to perform at the highest possible level for our children. I feel that this is very unfair and does not encourage schools to think creatively about the best support for children with challenging needs

October Census will make a big difference due to the amount of Traveller children the school has. IDACI grading not accurate and won't reflect the travellers attendance

Moving the census date to 1 Oct means a high proportion of our 'regular' traveller pupils will not have returned. They will not be in any school then and so they will skew the numbers for any school they subsequently attend. There needs to be a funding pot which can be accessed by schools receiving such influxes of students - + 10% has a big impact on staffing and other costs when no funding is in place for them.

We have a rather large "Travelling community" in our village and many of the children from this community attend our school. The "travellers" have become quite well known in XXXX and could be said by some to lead an "unorthodox" lifestyle which means that our school attendance records do tend to become somewhat "screwed" as a consequence of their none attendance as they are often away from the parish travelling and are not often on the school role till after October 4th. (it is worth noting however that when they return to the community the attendance figures from the travelling families are equal to those of the rest of the children in school and in some cases even better!). A second point worth mentioning relates to the fact that the travelling families did not fill out the national census form at their sight and so by default you might say DO NOT EXIST for calculation purposes and we (the board of governors) believe that our school funding could adversely be affected if these relevant points are not taken into account. We believe we at XXXX have a special case and ask that all these considerations be taken into account when you implement any changes which you appear to be proposing.

A factor to reflect schools with the highest number of transient pupils and/or with the greatest mobility should be included within the AEN block. This should be used in a similar way to the current scheme transient pupils factor to support schools in the highest area of deprivation to support narrowing the gap.

Our situation is quite unique in that for the previous three years we have had our school numbers increase by over 10% due to traveller children arriving mid October till Easter/May time. In addition to a possibility of them not returning before 4th October, they won't be included in the school's IDACI figures because they didn't complete the national census, so their site doesn't exist.

The IDACI system of evaluating deprivation is sound in principle but our school will lose because we have Irish Travellers who may not be on role for the October census and because they did not take part in the census the local postcode takes no account of them.

LCC Comment - since the initial phase of the consultation was launched DfE have announced that an additional 'pupil mobility' factor will be allowed within the formula, but initial modelling of this factor on DfE provided data suggests that it is not sufficiently targeted to protect previous Lancashire allocations. It is proposed to retain funding in the High Needs Block for the Gypsy, Roma And Traveller Achievement service so that central support can continue from April 2013. The new school funding framework will allocate resources to maintained schools and academies using the same formula. The authority has no discretion over census dates.

Q4-Ever3 or Ever4 would be more favourable to primary schools,

LCC Comment – This option is not available under the funding framework

Possibly reduce proportion of notional SEN below 35%

LCC Comment – This option could be considered by the forum

There is an anomaly between your calculation of the deprivation indicator and the one that we have been given. According to your data set 98% of our children come from the least deprived areas. Our information (LSIP Socio-Economic Indicators) show that 32.2% of pupils are from Band D and E in the Multiple Deprivation Index, with 61.53 % within bands C - E.

LCC Comment – Data for all formula factors is provided directly from DfE. The Lancashire modelling has identified this requirement as one of the cases of turbulence.

Small schools

lump sum should be as high as possible to ensure school remains viable and to subsidise children with special needs.

The lump sum should be set as high as possible to ensure small schools remain viable.

The lump sum should be set as high as possible to ensure small schools remain viable.

The lump sum should be higher to ensure small schools remain viable.

The lump sum should be pitched at such a level so that small schools that are currently viable remain viable.

As a small school I would not want to agree to any changes that would affect our budget in a negative way. Small schools always lose out!

As a small school we are extremely concerned about how we will be affected by these moves. Is there any possibility of additional protection for small rural primary schools who face significant reductions?

a larger lump sum to ensure small schools remain viable

The lump sum should be pitched as high as possible so that very small schools remain viable.

Concerned about the proposed changes to SEN funding esp for statemented pupils

Small schools in rural areas are financially worse off under the new framework. Small schools need additional funding in order to survive.

The removal of factors for small schools is causing great difficulty for schools like mine with low numbers due to falling roles. To maintain a curriculum given the need to reduce staffing due to falling roles would be impossible without MFG when looking at the funding comparisons provided. Lancashire needs to ensure small schools can perform their duty to provide a first class education for its pupils and parents who value those schools.

LCC Comment: *Supplementary information from DfE has allowed LAs to increase lump sums to a maximum of £200,000 for one year only. Despite representations made by the LA, the same lump sum rate must still be applied to both primary and secondary schools and academies. The latest modelling has increased the lump sum in the Lancashire formula from £135k per school to £150k. However, to increase this to £200,000 would mean reducing the basic pupil element by £357 per pupil for primary and £85 per pupil for secondary compared to the June model. A higher level of lump sum also produces a greater level of turbulence in individual school budgets.*

IDSS costs have risen significantly in recent years with no increase to service delivery.

LCC Comment: *Comments passed to service.*

Other Formula Factors

AST don't appear to be included in future formula. Due to increased demands on local authorities to moderate and check on tests and levelling. Could ASTs not move over to a newly defined role such as this and also support MIT teams, who may have less personnel. This would help guarantee sustained salaries for ASTs, who were appointed by county, but schools will no longer receive funding to support release time and salary shortfall. It would also keep staff motivated and expertise in teaching and learning there with moderating MIT teams who otherwise might be outsourced anyway.

LCC Comment – *The new government school funding framework does not allow a specific AST factor to be included in the funding formula. The LA consultation does seek the views of schools about the de-delegation of resources for School Improvement Support but this can only be agreed at the current level.*

XXX school would like to highlight that we are one of only two schools in Lancashire with a full repair and maintenance lease, which would further deplete our financial resources if the DfE funding reforms went ahead. I know that myself, as the head, and the governing body would want this highlighting to the relevant people. This is especially true given that the fact that our indicative formula modelling puts us with a variance of

concerns re rental issues, previously discussed with Neil Smith

LCC Comment – *the LA, with the support of the Schools Forum, has submitted a request to the EFA to allow an additional rents factor to be included in the Lancashire formula. We have been informed that the Secretary of State is minded to approve this request*

They wanted a consideration for rural deprivation, as they have restrictions on spending due to an increased cost to pupils as there are fewer of them e.g. costs of buses.

would like the funding to include an element for rural deprivation

a rural deprivation indicator would help AEN

LCC Comment - *The new government school funding framework does not allow a specific rural deprivation factor. The allowable factors for funding deprivation are prescribed by DfE.*

I have ticked for 3 years EAL support because there was not an option to tick for longer than 3 years. Some children who come from homes where no English is spoken at all need more than 3 years funding. It will also mean unnecessary stress for EAL staff in the future

LCC Comment - *The option to fund EAL beyond three years is not available under the DfE framework*

Reduce EAL funding as duplicated support as part of AEN.

LCC Comment – *The national framework identifies EAL as a separate funding factor with a specific purpose to support pupils for whom English is not their first language. Different indicators are used in the new framework for targeting AEN funding.*

Any clawback of funds only on funding not utilised with the EAL pupil.

Q6 EAL funding, if the funding is provided in year 1 what clawback would there be if the child left in years 2 or 3

LCC Comment – *data to support EAL eligible pupils would be provided annually by DfE, so no clawback would be necessary. If EAL children left a school, no funding would be allocated in the next financial year.*

They asked "How are we expected to run a school with fixed and rising costs year on year with less money?" They suggested an increase to the lump sum for small schools to be able to meet costs.

Also as a small school the level of lump sum funding is crucial for a school this size. We are losing £18,364 over the three areas under the funding reform.

LCC Comment – *a further update from the DfE has raised the maximum lump sum level to £200k, but the allocation must still be given to all schools. Further modelling work will attempt to strike the right balance for the level of lump sum in Lancashire given the diverse range of schools in the county and the finite funding available.*

Whilst recognising the need for a lump sum to protect small schools this cannot be at the expense of funding for large schools. With over XXX NOR XXX is one of the largest primary schools in Lancashire which can offer significant efficiencies. Conversely, questions need to be asked about the efficiency of retaining some of our smallest schools where alternatives are available.

LCC Comment – *the allocation of a lump sum to all Lancashire schools must try to strike a balance between offering protection to smaller schools, whilst remaining affordable as the overall level of resources remains unchanged. Detailed modelling has been undertaken in an attempt to find the appropriate balance and to minimise turbulence at individual school level. Nationally, the government's presumption against the closure of rural schools still applies and the county council has made clear that changes in the funding formula will not be used to make small schools unviable.*

Lancashire is funded lower than other LA's and this seems unfair based on size.

- basic pupil element should be the same for all local authorities. –

LCC Comment – *we agree that a significant influence on the level of funding for Lancashire schools compared to other schools is the level of GUF received by Lancashire. The county council and Forum have made numerous representations to DfE on this issue.*

Q2 (off supplementary questions). If uplift applied where will money come from - could some childrens places be paid for twice? Please note that in some areas where there is little deprivation

schools have regularly received less additional funding. If the building is also old and grade II listed then everything costs more and the children attending are deprived of up to date facilities. For example our school does not even have a hall which is atrocious compared to nearby schools and schools nationally

LCC Comment - increased funding for any formula factor must come from elsewhere in the schools Budget.

Turbulence/Transition

A drop of almost 5% is not acceptable out of our budget. It will be extremely difficult to run the school with this level of reduction.

I think the new funding projections that have been presented are going to present serious issues for many schools and I think this is very much one step too far. I do fear for Children over the next 3-5 years in the system unless further radical changes take place

LCC Comment – since initial modelling was issued to schools considerable work has been undertaken to minimise turbulence. The range of winners and losers has significantly reduced.

Question 7 - I Agree with the capping method but not sure at which level to cap gains at.

Agrees with Capping gains but unsure what to cap gains at.

I agree that there should be a cap on gains, however I do not have sufficient knowledge/understanding to decide what level that should be.

LCC Comment – information about the consultation responses to this question and further modelling of the turbulence caused will be provided for the Forum to consider on this issue.

We need a longer term guarantee of funding. Planning on a one year basis can create either a short term mindset or a reluctance to spend delegated funds due to fear of future penalty.

LCC Comment – The county council agrees that multi period budgets help schools with long term planning and offer stability, but we have only received a one-year settlement from government and DfE have only provided formula data to us for a single year

Representing views of Governors as discussed at last meeting. A lot of answers are specific to current proposal, if these change then some of our answers are likely to change eg we are currently IDACI '0' band. This new funding mechanism suggests our school would gain additional funding after years where we have been limited as we are not a small school, nor do we have high levels of deprivation/ FSM or SEN. All pupils need funding to give the best possible education and we would welcome the opportunity of additional/ higher funding to enhance provision.

LCC Comment – further modelling over the summer months has attempted to reduce the extremes of winners and losers. In the latest model roughly 2/3rds of pupils attending Lancashire Schools gain from the new formula, and the numbers of schools receiving MFG funding is reduced by over 100 to 220 compared to the model previously circulated.

Would like consideration of funding for pupils who are under special guardianship, private fostering or adopted as they are Children looked After

LCC Comment - data to support the allocation of funding via allowable factors is provided directly by DfE and the LA has no discretion on this issue. This is one of the reasons for turbulence in modelling for April 2013 budgets.

Q2 - The key stages are under review, if a 3 year KS4 a higher weighting would be more beneficial.

LCC Comment - we will need to await future developments.

re question 7 - no cap on gains

We would like to make it clear as a 1.5 form entry school, that our finances have been extremely tight, and we have fought an ever more difficult battle to avoid having to set a deficit budget. This has required very difficult decisions regarding staffing and services, and we feel that the proposal to cap at 1.5% takes away an important readjustment to our budget which the formula clearly indicates is needed and to which we are entitled. We sometimes feel that the needs of a school

such as ours can be over-looked and that it is not only small schools that need protection. Although we do not wish to cause difficulties to others, we do believe that there has been generous allocations to different sized schools in previous budgets, and that the cap proposed currently only serves to protect rather than address possible unfairness. We too wish to work towards a fairer system and how that the cap can be reviewed to something that gives greater balance across school sizes.

Question 7 - would like gains capped at 3.5% (not at 1.5% as it 2nd model)

LCC Comment – *Options were provided in the consultation for a higher level for the cap/no cap. The majority of schools favoured a level of 1.5%.*

re MFG - As a school we would encourage the LA to avoid turbulence whilst reducing polarised funding.

LCC Comment – *One of the objectives of the LCC modelling has been to minimise MFG and increase the funding for the lowest funded schools. However the government framework places some restrictions on this.*

- October census - providing financial info on out of date data

LCC Comment – *The census date to be used for funding purposes is specified by DfE*

Initial modelling showed our school losing significantly under the new funding formula. A higher lump sum (£150k) and a minimum funding guarantee with a 1.5% cap will assist. Hopefully the modelling and additional top up SEN funding proposed in the supplementary over the summer will assist us further as we have two children in Band E and 4 children in Bands A

I have just looked at my revised indicative ISB for my school issued on 4th September 2012. I am pleased to see that my funding looks to increase rather than decrease as indicated on my initial indicative budget. I feel that my school has lost out in the past as we have low FSM and funding has been channelled towards those children.

LCC Comment - *Considerable work was undertaken to minimise turbulence in the model. The number of factors to target pupils with AEN is restricted to prior attainment in the national model.*

Question 7 - With reference to Q7 from the consultation the HT commented that the capping of any funding gains should be on a sliding scale and on a Pro-Rata basis for the size of the school eg pupil numbers.

LCC Comment - *Forum will need to consider the comment alongside the analysis of responses.*

Would be interested if there were consultations regarding the MFG. If this were to cease in 2 years time it would cause serious problems for the school

LCC Comment *This concern is shared by the County Council*

Delegations/De-delegations

Q10. No to Museum service - don't know what they provide for free at the minute - anything that we have from the museum service at the minute we pay for anyway

LCC Comment – *Some elements of the museums service are charged at present, whilst other elements are not. The de-delegation relates to the current core serve only and other aspects of the service would continue to be traded beyond this basic element even if schools opt for de-delegation. .*

I would be extremely loathed to see the de-delegation of the school improvement support element. Schools do not appreciate how vital this service is until an emergency arises. I would be very concerned that if this service were to become a totally traded service the plethora of skills and experience present in the current staffing of this service would be watered down or lost altogether.

LCC Comment – *The LA recognises the importance that schools place on school improvement support from the feedback we have received and has therefore encouraged schools to opt for the de-delegation of this service, so that it can continue to provide this valuable support in the future.*

Q8(Milk buy-back) - Would have to do own research

Question 8, how much does it currently cost and what would the difference be?

Q8 - School would like to research before committing

LCC Comment – Responses to this initial question on a milk buy-back will allow the county council to judge if the development of an appropriate buy-back service would be welcomed by schools and would be viable. If so, further details of the service offer and costs would be provided to schools before they were formally asked to sign-up to the scheme. At such time, schools could assess the offer compared as compared to other options.

Qn 8: Is it possible for LCC to source milk from local suppliers?

LCC Comment – If the County Council offers a buy-back service, it is likely that the contract will be procured on a county wide basis, so that the best value for money could be achieved. Individual schools would be free to decide if they wished to participate in this county contract or make their own local arrangements.

LCC Comment - This suggestion matches the existing Insurance arrangements in Lancashire but is not available under the dedelegation framework

Q9 - additional funding needed for aided/foundation schools,

LCC Comment – This option is not available under the new funding framework

I much prefer funding to be de-delegated to schools so that we have a transparent view on expenditure for our schools needs.

They would prefer to choose their own supplier for milk

LCC Comment - these options are perfectly acceptable and final decisions on dedelagation will be taken by the Forum.

Q10 - Licences & Subscription - Pls provide more information

LCC Comment – further information has been provided to this school

Union Staffing Issues need more transparency and explanation.

LCC Comment – further information has been provided to this school

Q11 - as long as no separate pots for consultancy/'targeted projects', all schools should have access to improvement funding.

LCC Comment – The type of support to be provided was set out in the consultation document

licences and subscriptions - do not know what LCC currently covers and LCC does not make it clear what cover is needed.

LCC Comment – advice to schools about licences and subscriptions is available on the schools portal. Decisions about the need for a number of the licences where funding has already been delegated need to be taken at an individual school level.

all central charges to school should reflect pupil numbers.

LCC Comment – delegations and recharges predominantly have a pupil number element within them and often a lump sum element to offer some protection for small schools

Q11 - a qualified yes as there would have to be limits to the extent of this as it has the potential to support poorly managed schools and (being cynical) a rationale for money being held centrally 'in case of' scenarios. What happens if the money is not actually required

LCC Comment – arrangements for schools requiring special support follow published criteria and funding is issued on a formulaic basis which takes into account school balances. Schools budget

contributions to the funding of School Improvement resources remain within the Schools Budget.

Concerns remain about expansion funding and future years funding.

Question 11 XXX school is expanding due to increasing birth-rate in the area. The local authority made a request to the governors of the school to increase pupil intake by ten per year over seven years for this expansion. The governors were not given very much time to make a decision, however, they looked at the financial implications very carefully and agreed to the expansion with the caveat that the school would not be financially disadvantaged by the gradual increase. Verbal reassurances were given that the school would not be financially disadvantaged by the decision to expand to support the local authority in meeting its responsibilities for school places in the area. Expenditure projections additional to new building work were shared early on with the local authority. Officers has given governors reassurance that these financial needs will be met, although he has not been able to outline how it will be done, beyond this school year. Within this consultation, it was surprising for the governors to realise within Question 11, that if schools voted to de-delegate funding to support expanding schools, the local authority may be in a position when it did not have the resources to meet the obligations to the school regarding support for the expansion. The governors of Great Wood are wondering how the results of the consultation are going to impact on the funding of xxx School regarding the continuing expansion, particularly if the majority vote NO to Q11.

LCC Comment - *to date a majority of schools favour the dedelegation of school improvement support. If schools responded differently the LA would still honour firm assurance given to individual schools through the 'existing commitments' provision. If it is ultimately agreed to dedelegate this item the LA will have the necessary framework to support school expansion in the coming years.*

Q11. A proportion of money for the reorganisation of schools would be a good idea, however if the advisers/ officers had more rigorous procedures where they would be more proactive in preventing Schools getting into difficulty and therefore not requiring the funds.

Completely agree with de-delegation for School Improvement Support as school wouldn't wish to be without support from the authority

LCC Comment – *this kind of positive feedback lead the authority to propose this de-delegation. Officers are continually working to improve early warning systems to help prevent schools getting into difficulty.*

Trade union sub should be used to pay for Trade Union facilities agreement.

The funding of trade union activity from the public purse (i.e. private membership associations) is immoral, it impacts negatively on school improvement too and believe it should cease. Union dues should support union employees, not the state.

LCC Comment – *Forum will need to consider the views when deciding on de-delegations*

Consultation Document/process

THE PHRASE "DE DELEGATION" IS UNCLEAR - THIS DOES NOT HELP THE RESPONSE ACCURACY IN THIS CONSULTATION

This was not an easy set of questions to understand. The term 'de-delegation' is particularly awkward to understand.

Too many double negatives within the questionnaire.

The questions were confusing as they seemed to be a double negative. It would be useful to have three responses that do not reflect the individual but the area as a whole (to stop the responses being on a winner / loser basis)

The questions put forth were written in such a complex way that they assumed the readership to have a degree in finance or statistics. Headteachers are busy people; they need items like this simplifying in order to understand. Make it easy for us please

LCC Comment - *seminars and individual briefings with bespoke modelling were provided to assist schools in understanding the consultation We always try to make the consultation easy to understand and response, but we will continue to learn and improve.*

I think it is important to think community wide when considering finance and look at the greater good for ALL schools.

LCC Comment – agreed

Appreciate the one to one support and advice in completing the questionnaire

We as a school have appreciated the support of the Finance Officer in understanding the implications involved in this consultation and this support has enabled us to complete the consultation more effectively

I really appreciate the support from our School Financial officer who explained in depth all of these again to me.

In future it would be greatly appreciated if questions could be made a lot more simple! However, it is much appreciated having our finance officers explain the questions.

Our responses to this consultation have been made much easier by the excellent briefing session at Woodlands and the input from the LA Finance Team. Having scrutinised the impact on our school has enabled us to make informed answers and made the consultation process more meaningful to us. Thank you.

Thank you for the thorough consultation for the mechanisms that were put in place to help us to understand it all and what it means to our school.

THANK YOU

LCC Comment - thank you ☺

Comprehensive Comments

¿ SCHOOL LOSING OUT IN SEN FUNDING. ¿ OTHER SCHOOLS MAY BE ABLE TO OFFSET THIS LOSS WITH ADDITIONAL FUNDING FOR DEPRIVATION BUT NOT THIS SECONDARY SCHOOL. ¿ XXXXX HAS HIGH NUMBER OF SEN PUPILS IN BANDS A - D AND IS IN AN AREA OF LOW DEPRIVATION. ¿ THIS NEEDS TO BE ADDRESSED BY LCC - ADDITIONAL FUNDS TO SCHOOLS WITH HIGH GAINS NEED TO BE REDUCED TO BE REDISTRIBUTED ON A MORE EQUITABLE BASIS. ¿ CAPPING SEEMS ONLY WAY TO CORRECT - 1.5% Additional Points made at meeting to discuss Schools¿ Funding Reform - August 2012 1. STILL WANT ALLOCATION OF CURRENT £110M FUNDING THROUGH AEN AND DEPRIVATION FACTORS BUT WANT MORE FUNDING THROUGH SEN AND LESS THROUGH DEPRIVATION. 2. SINGLE BASIC PUPIL ELEMENT - IN SHORT TERM, SINGLE BASIC FUNDING BEST FOR US AS WE HAVE LARGER PUPIL NOS AT KS3 THAN KS4. 3. XXXS POINT OF VIEW, PREFER IDACI DATA FUNDING ONLY / NO PREFERENCE FROM COUNTY. D BANDING - NOT ELIGIBLE FOR FSM BUT STILL A PERCENTAGE OF DEPRIVATION. 4. FSM EVER 6 AS PICKING UP OVER A LONGER PERIOD. 5. IDACI BASED ON 0 N- 5 BANDING - MAJORITY OF xxxxx(84%) BAND O 6. 51 - IDACI / 49 EVER 6. EAL - MORE FAMILIAR WITH LANGUAGE AFTER 1 YEAR , LESS SUPPORT NEEDED AS TIME PROGRESSES- SCHOOL WOULD PREFER 2 YEAR - BALANCED BETWEEN OPTIONS. 7. SHOULDN'T HAVE BIG WINNERS/LOSERS 8. N/A 9. EVEN THOUGH CHURCH SCHOOL AND ALSO HAVE DIOCESAN INSURANCE. MIXED RESPONSIBILITY. PART SCHOOL COVERED BY LCC /DIOCESE. BETTER TO BE SAFE 10. 11. COLLECTIVE RESPONSIBILITY. GOOD SERVICE PROVIDED.

Question 1: Would you support the LA continuing to allocate the current £110m of funding through AEN & Deprivation factors?

Yes; the LA has recently introduced a new funding formula agreed with schools and other parties after full consultation. Therefore it would seem sensible for the LA to use all options available under the proposed national formula to maintain the balance of funding that currently goes into schools.

Question 2: In the secondary sector, would you prefer:

- a single basic pupil element, or
- separate rates for KS3 and KS4

A separate rate for KS3 & KS4; this is in line with the LA funding formula recently established.

Question 3: Which of the available options for funding deprivation would you prefer?

- IDACI Data only
- FSM Data only

- A combination of IDACI/FSM data

A combination of IDACI/FSM would ensure a wider range of deprivation is included.

However whilst FSM EVER6 is preferred on the grounds that it provides some stability from future changes to the welfare benefits system, there is a need to be cautious with the total amount of funding allocated through this factor given it will increasingly become less effective at targeting deprivation. Therefore the majority of funding should be allocated through IDACI.

Question 4: If FSM data is to be used in the formula, would you prefer?

- FSM eligibility
- FSM EVER6

FSM EVER6 is the preferred option for the reasons stated above to question 3.

Question 5: Do you agree with the application of the DfE example weightings as a basis of differentiating the funding rates between IDACI bands?

Yes; in order to continue to target funding at greatest need whilst recognising the full range of deprivation, I agree with the LA model that makes use of the full range of banding available, including the additional Band 6 the DfE included during the summer period.

Question 6: Up to three years funding for EAL pupils will be provided for qualifying pupils entering the compulsory school system. Which option would you prefer?

- Funding based on 1 year
- Funding based on 2 years
- Funding based on 3 years

The 3 year option is preferred, however, it has to be noted that the reduction of support for pupils currently eligible across schools in Lancashire is alarming and therefore the strategy for implementing these proposals should look at ways of minimising the impact of this, particularly on schools with high EAL.

Question 7: Do you agree that gains arising from the revised funding framework should be capped in order to fund the MFG protection that will be provided to schools losing under the reforms and if so at what level should gains be capped?

- Cap gains at 1.5% the same level as MFG
- Cap gains at 2.5%
- Cap gains at 3.5%
- Do not cap gains

Gains under these national funding formula proposals should be capped to 1.5% in line with MFG.

It is important to recognise that the LA recently amended its funding formula with the agreement of schools and this was designed to meet the needs of young people across Lancashire. The national funding formula is less likely to match local needs and therefore gains for schools under this model should be capped to support schools that lose out.

Question 8: Would you be interested in participating in a school milk buy-back service if one were to be offered by the county council?

- Yes
- No

(Not applicable)

Question 9: How would you prefer insurance to be dealt with from April 2013?

- Funding is delegated to schools and the County Council offers a buy-back service
- Funding is de-delegated

The option to delegate funding for insurance is preferred with the offer of a buy back provision for schools to consider. Whilst it is recognised insurance is a statutory requirement, the options for schools need to be maximised to ensure efficiency with cost effective insurance products that meet their particular requirements.

Question 10: Do you support the de-delegation of any budgets for?

- Licences and subscriptions
- Staff costs – trade union duties
- Museum Service (Primary only)
- No de-delegations

Support for de-delegating staff costs to cover trade union duties on behalf of staff across all schools.

Question 11: Would you support the de-delegation of resources for School Improvement Support to

enable the LA to continue to provide support to schools in financial difficulties, or those with additional costs relating to reorganisations or expansion?

- Yes
- No

Yes; it is important for the LA to be able to offer maintained schools support if required particularly when we are facing ever increasingly stringent budget settlements.

Supplementary Question 1: Which proportion of notional SEN should Lancashire apply to low incidence high needs pupils?

- 40%
- 35%

35% is the preferred proportion of notional SEN to apply to low incidence high needs pupils. This level best enables the LA to support schools with significant numbers of pupils with High Needs and is therefore closer to the current financial support provided through the LA formula.

Supplementary Question 2: Should Lancashire apply the reception uplift?

- Yes
- No

Not applicable

Supplementary Question 3: Should Lancashire introduce a mobility formula factor?

- Yes
- No

No; as it is noted that this amounts to a small sum per school and this would be administratively uneconomic. However, it does highlight the problem of using the October census for funding instead of the January census as we currently do in Lancashire. Pupils who join a school after the October census will not be funded until April after the following year; potentially 17 months afterwards. In most cases this is only a small percentage of pupils, however this may cause some problems for schools with a higher level of inward mobility after the October census.

LCC Comment – *These comprehensive comments offer a helpful insight across all the consultation questions*

Response to consultation re Lancashire's new formula funding proposals based around the national formula funding strategy

I do not envy colleagues who are involved in tweaking the county funding strategies with their hands tied by the national formula restrictions. It is an impossible job in that the turbulence created is going to leave some schools high and dry. Given this I will not comment on any individual budget situation, even though recent information indicates some really substantial losses and gains are on the cards. The real purpose of all our joint efforts is to ensure the children of Lancashire are supported as effectively in their learning and development as possible.

Many children come into our schools disadvantaged in one way or another and enter schools with skills and abilities well below the average. Some enter school emotionally damaged because of the traumas experienced in their first four years of life. They may be from families who are unable to support their children in becoming "school ready". Some have families who are constantly on the move and never settle, making learning for their children a real mountain to climb. Children may have learning difficulties of one type or another. Whatever their situation when they enter our schools the profession has toiled endlessly to help these children catch up with those who have been supported effectively in the family prior to school. Lancashire is well known for being an inclusive county where everyone counts. Messages from the local authority have focused strongly not only on inclusion but also early intervention, supporting these disadvantaged children from day 1 whenever possible. Some thrive on early additional support and catch up quickly. Others take longer and some never manage it. Whatever the outcome the teachers and local authority know they have done their best for these children. This is an ethos to be proud of and is one which should underpin the way we all work.

In the past this ethos has been evidenced in the formula funding for schools with funding being allocated with children's needs in mind. Those schools with high percentages of needy children received more funding than other schools. Children with SEN, deprived home life and behavioural difficulties all attracted additional funding so schools could work as effectively as possible in helping them catch up. Some of the strategies employed were hugely successful, such as ESAP which, in our school, cut the number of statements and enabled many to remove themselves from the SEN register completely.

Gradually over the past few years these supportive funding mechanisms have been eroded away. Schools with high percentages of needy children are seeing their AEN budgets gradually being swallowed up into the AWPU. We seem to be heading for a place where all children attract the same funding no matter what their needs may be and any additional funding comes under the heading of the Pupil Premium. The gap between the amount of pupil premium a school receives and the funding it received under previous formulas which delivered additional funding directly to those who needed it, will be a chasm. Many schools will be unable to sustain both the outcomes for children and the continual development of standards of achievement we are witnessing at the moment.

I have just been interrupted by a screaming, kicking and shouting 4 year old who does not wish to do as he is being asked. We have no funding for this child but we have allocated a full time learning mentor to try to settle him into school life. Without additional funding we would be forced to adopt less inclusive strategies with this child. We may even find ourselves in a place where the temptation is to avoid welcoming children with similar needs into our school. We don't want our school or Lancashire schools to be even considering such thoughts.

With regard to the current situation and the tweaking going on to reduce turbulence in the new formula, I am seriously concerned that the need to reduce turbulence is in fact fast tracking us to the demise of funding for AEN. I understand that we have the capacity within the government's imposed conditions to maintain a funding stream based on children's prior attainment. In the county's first draft formula some £ 43 million was allocated to this stream, this was allocated using prior attainment measures in the first indicative budget received by schools at the end of June. During the summer break, encouraged by consultation responses received which reflected concern about the measure used to allocate these funds and probably the level of turbulence the first formula created, the sum within prior attainment was altered. Some £33 million was removed and allocated elsewhere within the formula (£9 into basic pupil element, £22 million into IDACI and £2 million into FSM).

Does anyone understand IDACI in terms of how much funding each pupil in each band attracts? The question relating to this on the consultation was virtually impossible to respond to with any depth of understanding on my part.

From a pupil's perspective the amendment to prior attainment has reduced possible TA hours support from 6 hours per week to 1.5 hours per week. (An approximation based on 23% of Lancs children not achieving 78 points last year and a total Lancs pupil population of 87,500).

If it was the intention that the viring of £33 million would then even itself out in terms of what schools receive through the basic pupil element, FSM and IDACI, this does not seem to have happened in the case of our particular school. Our second indicative budget shows an overall reduction of £74,553 in total for AEN in comparison with existing funding.

I cannot begin to think of the justification for viring 9 million from AEN into the basic pupil element. This seems to be based on the same philosophy that ESAP money was taken from the pupil's in greatest need and spread out amongst all children. Yes all schools do have children with particular needs but surely those needs should be measured in some way to ensure best value for the funding provided?

Consultation is a vital part of the process in achieving an effective response to the national funding initiative. Headteachers have responded in numbers due to the use of Finance Officers across the county. What percentage of schools respond to the consultation based on their own situation rather than the well-being of all Lancashire school pupils? Surely the LA should be gauging the response and considering outcomes and possibilities from the perspective of overall children's champion? Shouldn't tweaking of the county formula in response to the government's instructions and restrictions at least maintain equality of opportunity for all children in Lancashire?

How long will MFG be there to protect these schools and what other strategies do colleagues have up their sleeves to ensure these schools remain viable? At a recent meeting one High School Head reported their budget to be 500k in arrears. Another Primary School is reported to be losing 41% of its entire budget. How will seaside schools be supported with the transience problem? They have been identified as particularly vulnerable under the national funding strategy, so what can be done to support colleagues in maintaining the excellent service they provide?

In conclusion I would ask that colleagues look again at the funding based on prior attainment. Cutting this aspect of the formula by three quarters seems fairly draconian to say the least. We are facing increasing numbers of children with difficulties who would have qualified for ESAP funding under previous strategies. Lack of funding based on prior attainment is going to make the task of

sustaining support and securing at least age appropriate attainment a real struggle.

LCC Comment – *This responses offers insight into the real challenges faced by Lancashire schools in dealing with the changing financial framework and concludes with a request to re-evaluate the changes in prior attainment funding.*

Supplementary Consultation – Uplift

Supplementary Question 2 - Lancashire should apply the reception uplift unless there is a Nursery on-site.

Supplementary Question 2 - Reception uplift should be applied to account for additional resources for early years / reception class.

Supplementary Question 2 - Reception uplift for resources for Early Years and Reception

LCC Comment – *Forum will need to consider comments and analysis of responses from schools*

Supplementary Consultation – updated modelling

In the initial proposal the variance for xxxs would have been £80,000 less than previous years. Subsequent amendments to the formula have resulted in a variance of around £30,000. Schools such as xxxs, which have low levels of deprivation but high levels of special educational needs, will suffer under this model. Such schools would be few in number. To ensure that schools are not disadvantaged for welcoming pupils with a range of Special Educational Needs we would hope that any overall gains and losses would be capped at 1.5%. Also, we would appreciate a consideration of a lower threshold than the Department of Education example weightings in respect of the IDACI bands. I really welcome the way in which Lancashire has conducted the consultation and have altered the formula model accordingly.

I write with reference to the September update to the School Funding reform and have a number of points I wish to make in addition to the consultation document which I will submit separately.

Although I am mindful that the provision for MFG was only available until 2014-2015, I did not expect our budget to take such a hit next year. To have the funding guarantee reduced from £119,701 to £4,772 in one year is too much and is surely against the grain of 'minimising turbulence in individual school budgets'. Helen Denton's letter dated 12th September 2012 clearly states 'schools will receive budget protection through the minimum funding guarantee, which will help you plan changes over the longer term'. I am also concerned as to how the AEN can have reduced from £625,217 to £462,376 from the June estimate to the September estimate. I understand there is an increase in students entitled to free school meals but what are the other factors?

XXX does have a rising role but it does seem that in effect, we are being penalised for improving and growing.

LCC Comment – *Officers have put considerable effort into the refined model to minimise the turbulence across the county. This has produced greater stability in the transition from the existing formula, but clearly some schools would have received a greater level of funding under the June model.*

LANCASHIRE SCHOOLS FORUM
Date of meeting 16 October 2012

Item No 8b

Title: Delegation of Schools Block Central Items budgets and possible de-delegations.

Appendices (if applicable) N/A

Executive Summary

The DfE have set out a new framework for school funding from April 2013 in their 'School funding reform: Next steps towards a fairer system' arrangements. The Government's proposals require authorities to delegate to schools and academies all Schools Block Central Items budgets, however maintained schools can agree that certain services should be provided centrally by the Schools Forum agreeing to de-delegate these services by phase.

This report sets out information about the services where the Department for Education require the authority to delegate budgets and the county council proposals for a de-delegation option, together with the responses from schools obtained through the local consultation.

Primary and secondary school members will be asked to vote on each of the relevant de-delegation for their phase. Academy members of the Forum cannot take part in this vote as they cannot de-delegate budgets back to the authority.

Forum Decision Required

The Forum is asked to:

Note the report and the relevant consultation responses;

Primary school members are asked to vote on each of the possible de-delegations affecting primary schools, as set out in the report;

Secondary school members are asked to vote on each of the possible de-delegations affecting secondary schools, as set out in the report.

Background

As members will be aware, the DfE have set out a new framework for school funding for April 2013 in their 'School funding reform: Next steps towards a fairer system' arrangements. The Forum have been involved in the development of local proposals for School and Early Years Funding that are consistent with the national requirements for 2013/14 and beyond.

One of the key elements of the Schools Block funding is set out by DfE as follows:

The first part of this will be to work on the basis that as many services and as much funding as possible will be delegated to schools. This will give head teachers, principals and governors much more control over how funding is spent. Only in a small number of cases, for example where maintained schools, through the Schools Forum, have agreed to pool funding for the provision of certain services, will funding be held centrally.

It should be noted that the School and Early Years Finance (England) Regulations 2013, that prescribe the decision making powers to set the schools budget for 2013/14 are currently in draft form and are not due to be laid before parliament until the new year. However, the DfE have advised the authority that for the purpose of agreeing the new formula and submission of the pro-forma to the EFA by 31 October we should assume the Regulations will be enacted in the new year as drafted, as the decisions have already been taken and announced in the funding reform documentation.

Delegations, de-delegations and funding to be retained centrally

The County Council's proposes to delegate £9.3m of the current Central Items budget to schools and academies. These were detailed in our Consultation on Proposals for school funding in Lancashire from April 2013 along with options where buy back services may be offered to maintained schools together with the possible de-delegation of some services by schools but not academies.

The Government's proposals therefore require authorities to delegate to schools and academies all Schools Block Central Items budgets with the following exemptions:

1. Where maintained schools agree that a service should be provided centrally (de-delegation)
2. Historic commitments
3. Statutory functions of the Local Authority

The DfE prescribe a list of services which are allowable under each exemption.

All of the delegations and de-delegations outlined below relate to both primary and secondary schools / academies unless otherwise stated. Unless specific formula factors are included within the National Model, such as EAL, it is proposed that all delegations will be made through a lump sum and the basic per pupil element as shown in the table below:

	Lump Sum Pri/Sec	Basic pupil element		EAL
		Primary	Secondary	Pri/Sec
	£	£	£	£
School improvement	1,000	3.17	7.37	
Re-organised Schools, closures & grounds	500	1.41	3.51	
Museum		2.01		
Licences and Subscriptions	100	0.34	0.75	
Trade union duties / suspensions	400	1.88	3.55	
Insurance	1,750	12.84	19.77	
CLEO	1,000	4.82	9.00	
Other	250	0.52	1.57	
Milk		3.48		
EAL				113.44
Total	5,000	30.47	45.52	113.44

Funding to be Delegated

Over recent years, the Authority and Forum have adopted a policy to maximise delegations to schools locally. In 2011/12 and 2012/13 delegations were increased by £15m. The following services are currently funded from the Central Items budget, and will be delegated to schools from April 2013.

- *CLEO (£1.4m) Schools Portal and the Westfield Centre (£0.2m)*
Under the Government's proposals it will not be possible to centrally retain funding for CLEO, the schools portal or the Westfield Centre.
- *Support for ethnic minority pupils or underachieving groups (circa £0.7m)*
The current Central Items budget specifically targets this funding to new pupils entering the school system with English as an Additional Language (EAL).

Under the Government's proposals a new formula factor will target this funding at pupils who require additional support in order to learn the English language, the same group of pupils who we currently target through the retained budget.

The service is currently looking at developing an enhanced buy back service that would be linked to this delegation.

- *School Milk (£0.3m)– Primary only*
The contract for school mid-morning milk provided to nursery, primary and special schools expires in April 2013, so there will be no 'Historic commitment' to allow funding to be retained centrally. Currently, the total cost of this provision amounts to about £1m per year. Of this, about a third is reclaimed in EU grants, a third from parental contributions and a third from centrally retained funds that subsidise the parental contribution and allow the LCC remissions policy to apply. It is proposed that the central funding will be delegated from 1 April 2013, through the basic per pupil funding.

The County Council may provide a buy-back scheme for schools, which could include the provision of mid-morning milk through a central contract, payment of invoices for the service and collation and submission of appropriate EU milk subsidy claims. Schools buying into this arrangement would also need to collect and contribute appropriate parental contributions to the county council.

The county council may also investigate the possibility of entering into a partnership with an independent company to operate and administer the school milk scheme.

- *Property Compliance (£0.2m)*
Funding is currently held centrally for Property Group to ensure schools comply with EU energy regulations. The Government's proposals will not allow this funding to be held centrally. Buy back arrangements are currently being developed.
- *Other (£0.4m)*
A number of other small budgets that were previously funded from within Central Items will be delegated, these include funding for a play bus in Lancaster, which will be funded from Early Years, and some former standards fund commitments that have now ceased.

De-delegations and funding to be retained centrally

EXEMPTION 1 - De-delegations

The possible de-delegations apply to a limited range of services where central provision for maintained schools (but not academies) may be argued for on the grounds of economies of scale or pooled risk. These services and their funding will be delegated to schools and academies, however if maintained schools in a phase agree, via a majority vote through the Schools Forum, the services can be provided centrally by returning the funding to the Local Authority. The final net delegated budget available to each school would then exclude these amounts.

The DfE have stipulated which services can be de-delegated by a majority vote by phase at the schools forum. The authority has consulted with schools on the potential de-delegation of the following services:

1. School Improvement Support;
2. Licences/subscriptions;
3. Staff costs – trade union duties;
4. Museum services;
5. Insurance.

The DfE will also allow de-delegation for Free School Meals, Supply Cover, School Libraries and Behaviour Support, however as these budgets have been delegated for a number of years we propose that this policy should continue.

1. Schools Improvement Support (£1.9m):

Schools in Lancashire have repeatedly stressed the value they place on the support of the Local Authority for School Improvement. This support is particularly valued when individual schools face significant challenges, for example financial pressures, the need to expand to reflect growing local population, or from inspection or regulation.

The Schools budget currently provides about £1.9m to enable this support to be provided and brokered for schools. If the LA is not able to retain this funding it will be unable to continue to provide this support and costs will have to be met by the individual schools. The next few paragraphs provide a little more detail on the areas covered by this support.

- Support for schools in difficulty (£1.3m);
Currently support for schools in difficulty is offered in number of ways which include:
 - Brokering leadership support for a school including NLEs and LLEs e.g. Associate headship, Mentoring, Acting headship Brokering school to school support
 - Brokering school to school support with schools sharing expertise at various levels e.g. teaching, subject leadership, assessment, curriculum models
 - Providing teaching and learning support through teaching and learning consultants e.g. bespoke professional development for teachers
 - Providing support from advisers from the Monitoring and Intervention Team e.g. monitoring and self evaluation, management systems
 - Providing support from governor services e.g. reviewing the structures and procedures of the governing body
 - Providing financial management support for schools e.g. complex recovery plans
 - Providing HR and financial support where schools are facing major overstaffing issues
 - Providing financial support where a member of the teaching staff has been suspended

The expectation is that all schools will fund their own school improvement where they have sufficient resources to do so. There are, however, occasions when schools do not have the resources available and in these cases the Schools in Difficulty fund provides schools with the resources to help them overcome the challenges they are facing. There are clear, published eligibility criteria for access to these funds and they are managed on behalf of Schools Forum by the School Improvement Challenge Board (SICB). Current evidence indicates that this approach is well received by headteachers and governors and the proportion of schools in an OfSTED category in Lancashire is well below the national average and the average for similar Local Authorities.

- Exceptional unforeseen costs which it would be unreasonable to expect a school governing body to meet (to be calculated if schools support this de-delegation);

In Lancashire, we have always provided schools contingency support for exceptional unforeseen costs where this could impact on the education of the pupils. We believe that by pooling this risk, through de-delegation, across all schools in a particular phase; will ensure that exceptional items outside the control of the Governing body should not impact on the education of the pupils.

- Additional costs relating to new, reorganised or closing schools (£0.6m);
New, reorganised and closing schools will all incur additional costs that their ISB would normally be unable to fund.
- Significant pupil number growth (to be calculated if schools support this de-delegation);
We do not currently provide support for significant pupil number growth, however this is something maintained schools and the Schools Forum may wish to consider.

From feedback we receive, schools value the Schools Contingency support that is provided particularly around schools in financial difficulty and support for school reorganisations. We therefore propose that Schools Contingency Support should be de-delegated from April 2013.

Consultation responses from schools were as follows:

Would you support the de-delegation of resources for School Improvement Support to enable the LA to continue to provide support to schools in financial difficulties, or those with additional costs relating to reorganisations or expansion?			
		Responses	%
Primary	yes	406	93%
	No	19	4%
	Not Sure	12	3%
	Total	437	100%
secondary	yes	41	77%
	No	10	19%
	Not Sure	2	4%
	Total	53	100%

Decision required

Primary school members are asked to vote on whether Schools Improvement Support should be de-delegated for primary schools in 2013/14.

Secondary school members are asked to vote on whether Schools Improvement Support should be de-delegated for secondary schools in 2013/14.

2. Licences and subscriptions (£0.1m)

Historically, funding to pay for some school licences and subscriptions has been retained centrally, whilst funding for others has been delegated to schools that have then pay directly for any other licences that they require. De-delegation of the licence costs currently held centrally would provide the following benefits

- Educational Recording Agency - central billing attracts a 30% discount
- Phonographic Performance Limited – the collecting organisation would assume all schools still required a licence and would bill directly any that did not enter into a central buy back.

The County Council acts as an agent for the Copyright Licensing Agency (CLA), so pays a central invoice for all schools, but schools are then recharged in accordance with a formula determined by CLA. No changes are proposed to this arrangement, as the actual costs are already delegated and paid by schools.

Consultation responses from schools were as follows:

Do you support the de-delegation of any budgets for?	Licences and subscriptions	
	Responses	%
Primary	352	81%
secondary	31	58%

Decision required

Primary school members are asked to vote on whether Licences and Subscriptions should be de-delegated for primary schools in 2013/14.

Secondary school members are asked to vote on whether Licences and Subscriptions should be de-delegated for secondary schools in 2013/14.

3. Staff costs – trade union duties and suspensions (£0.6m)

Historically the Schools Forum have provided support to schools that release staff to undertake trade union duties, we are proposing that this risk is pooled through asking for this budget to be de-delegated.

Consultation responses from schools were as follows:

Do you support the de-delegation of any budgets for?	Staff costs - trade union duties	
	Responses	%
Primary	304	70%
secondary	29	55%

Decision required

Primary school members are asked to vote on whether trade union duties should be de-delegated for primary schools in 2013/14.

Secondary school members are asked to vote on whether trade union duties should be de-delegated for secondary schools in 2013/14.

4. Museum Service (£0.2m) - Primary only

Historically the Schools Forum have supported the work the museum service undertakes for primary schools to help meet the national curriculum. It is proposed that this budget is de-delegated to ensure that this service is maintained. If a buy back were to be offered the central service would only remain viable if all schools entered into the buy back arrangements. On this basis, the authority would suggest that if schools would wish to see the service continue, the museums budget should be de-delegated.

Consultation responses from schools were as follows:

Do you support the de-delegation of any budgets for?	Museums service	
	Responses	%
Primary	283	65%

Decision required

Primary school members are asked to vote on whether the Museum Service should be de-delegated for primary schools in 2013/14.

5. Insurance (Circa £3.3m)

Currently maintained schools can opt for delegation of their insurance budget or agree for their insurance to be provided through the authority's insurance arrangements.

Under the Government's proposals the insurance budget must be delegated to schools unless the Schools Forum (on a phase basis) agrees that it can be de-delegated. If this were to occur, this would mean that all maintained schools in a phase would have their insurance provided by the authority scheme and the option for individual school to ask for insurance to be delegated will be removed.

The Authority is able to provide insurance for schools on the basis of either a buy-back by schools from delegated funds, or as a central service following de-delegation.

Members will be aware that a presentation about the authority's buy-back offer was made to the Schools Block Working Group on 25 September and the Group asked for further information to assist the Forum in making their decision. This information is provided below.

Lancashire County Council currently procures insurance for all maintained schools in Lancashire. The cover provided includes insurance for buildings and contents, Employers' Liability, Public Liability, Money, Fidelity Guarantee and Engineering risks. Only five schools currently opt out of the arrangement and receive delegated funding in order for them to procure their own insurance. Procuring insurance centrally is considered to be best value as it offers all schools a high level of insurance cover for a competitive rate that is only achievable through bulk purchase. The same level of cover is provided irrespective of size of school, condition of building and location of the school. This approach may be beneficial to small schools, schools that are in listed buildings and those that are located in more deprived areas where insurance premiums are traditionally higher.

Currently the cost of providing insurance cover for Primary and Secondary schools is £3.3m and is funded from the overall schools budget. In addition to managing and procuring insurance for schools, all claims are handled by the County Council on behalf of schools.

The draft School and Early Years Finance (England) Regulations 2013 make provision for the delegation of insurance funding to Primary and Secondary schools from April 2013. It should be noted that Special, Early Years and Short Stay Schools are excluded from the delegation provisions of the new Regulations. The current insurance arrangements in place for these schools will remain unchanged after April 2013.

Insurance is however one of a limited range of services where the DfE will allow central provision on the grounds of economies of scale and pooled risk.

Although funding will be delegated to schools, the Schools Forum can agree that the service be provided centrally by returning the delegated funding to the County Council. This is the de-delegation option. The decision can be made for all schools or can be done on a phase basis, i.e. just for primary or secondary schools.

This paper sets out options for consideration by the Schools Forum and considers the advantages and disadvantages of each option. In order to assist the Forum in its decision, a consultation exercise has been carried out and all schools were asked to indicate whether they supported de-delegation or delegation with an option to buy back from the County Council. The results of the consultation are set out later in this report.

It is important to note that under both the 'De-Delegation' and 'Delegation with possible buy back' options, Property insurance cover for all schools, including Voluntary Aided schools, would be provided by the County Council for 100% of the value of insured losses incurred.

OPTIONS FOR CONSIDERATION

Option 1 De-Delegation of Funding

De-delegation of funding essentially means that the current budget for schools would be delegated to schools, on a formula basis, and then recouped immediately as a payment for insurance provision. The insurance would be procured centrally by the County Council on behalf of all schools.

Advantages

- Retaining the insurance budget and procuring insurance centrally will ensure that the current economies of scale can continue. All schools will be able to continue with the same level of insurance cover regardless of size, location or condition of school.
- Specialist advice on the procurement of insurance will be provided and will ensure that appropriate levels of cover are in place for all schools.
- Management and administration of claims on behalf of schools will be provided by the County Council thereby reducing any administrative burden on schools that need to make a claim.
- Policy excesses are met from the central insurance provision and not from individual school budgets.

Disadvantages

- Schools have no choice over where to purchase their insurance in future, and the level of the cover that they wish to have in place.

Financial impact at school level

- Schools will receive funding for insurance through the basic pupil element (AWPU) and lump sum formula factors (see below).
- For maintained schools, the funding provided for insurance will be deducted from their Individual Schools Budget. The impact on individual schools will be net nil.
- An element of de-delegated funding will fall into the insurance provision (as it does now) to cover insurance excesses for those schools that make a claim.

Option 2 – Delegation and possible buy back

With this option all of the current budget provision for schools would be delegated, on a formula basis, and schools would be required to purchase their own insurance. This may include an option to buy back insurance that has been procured by the County Council but this would be dependent upon demand.

Advantages

- Individual schools have choice over where to purchase their insurance in future based on an assessment of the level of cover, price and quality of service.
- Schools have greater control over insurance issues including insurance cover, premium and handling claims etc.

Disadvantages

- Insurance premiums are likely to be higher than under the current arrangements. Some examples of costs are included later in the report.
- Schools purchasing insurance independently will have to meet any policy excesses on claims from their own fund. This may create pressure on individual school budgets should there be a significant claim or indeed a high number of claims.
- Where some schools decide not to buy-back, the cost for those schools who continue to buy-back will increase as the reduction in the insurance premium is unlikely to be at the same level as the funding delegated to those schools that choose not to buy back.

Financial impact at school level

- Schools will receive funding for insurance through the basic pupil element (AWPU) and lump sum formula factors at exactly the same funding rate as for de-delegation (see below).
- The cost to schools to buy back insurance from the Authority will be greater than the amount of funding distributed to schools. This would vary depending upon the number of schools that decide to buy back into the insurance policy

offered by the County Council and a number of scenarios are set out later in the report.

Financial implications

With either option schools will receive the same level of funding for insurance. Detailed modelling has been undertaken within the Schools Funding Team and the Insurance Team to ensure that both small and large schools will receive funding, through the formula, equivalent to the cost of the current insurance provision within the County Council scheme. Funding will be distributed through the basic pupil element (AWPU) and lump sum formula factors. These are the only formula factors available for the distribution of the insurance budget to schools and academies. Funding will be allocated as follows:

Proposed Formula for Delegating the Insurance Budget		
	Lump Sum	Amount Per Pupil
	£	£
Primary	1,750	12.84
Secondary	1,750	19.77

Note: The amount of funding which each school receives will not change irrespective of which option is chosen or whether schools choose to buy back or not.

The cost to a school to buy back insurance from the County Council will be higher than if Option 1 De-delegation is chosen. The increased cost will result from an increase in charges, both lump sum and rate per pupil as a result of the reduced economies of scale if some schools chose to obtain their insurance elsewhere. Basically, the reduction in the insurance premium for those schools that buy back is unlikely to fall in line with the budget that has been delegated to those schools that have chosen to buy their own insurance hence reduced economies of scale and the need to increase insurance premiums.

If 10% of schools obtain their insurance provision elsewhere, the total cost of insurance for schools will reduce by £68k. However buy back income to the authority will reduce by around £300k. The difference of £232k will result from reduced economies of scale and will have to be recovered from existing scheme members. This could equate to a fixed cost of £150 per school plus £1 per pupil.

For illustrative purposes we have modelled three scenarios and assessed the impact at an individual school level if:

- 100% of schools buy back
- 90% of schools buy back
- 80% of schools buy back.

These options have been shown against the cost of de-delegation to schools

	Primary /Secondary Lump Sum	Primary Rate Per Pupil	Secondary Rate Per Pupil
Funding	£1,750	£12.84	£19.77

distributed			
De-delegation	£1,750	£12.84	£19.77
100% buy back	£1,750	£12.84	£19.77
90% buy back	£1,900	£13.84	£20.77
80% buy back	£2,050	£14.84	£21.77

Note 1 : If delegation creates additional work then the County Council may have to charge an administration fee at some point and the position will be kept under review. This may be equivalent to £25 per school.

Note 2 : If the Forum opts for Delegation, in order to ensure that adequate protection is arranged by schools that choose to make their own insurance arrangements, the County Council will need to run an annual check on the arrangements made by schools that opt out. This may incur an administration charge.

Note 3 : If a larger number of schools decided to purchase services elsewhere the Council would need to review whether it was viable to continue to provide the insurance service to schools and whether it continued to offer best value to those schools remaining in the scheme. If the Council concluded that it was not viable to continue, this could leave all schools, and particularly those in high risk areas and with poor claims experiences, exposed to potentially large increases in premiums and excesses, and limitations on the insurance cover they are able to obtain.

'Figure 1' below provides an example of the level of cost in each scenario for a 200 pupil primary school and a 1,000 pupil Secondary school, and compares this with the amount of funding delegated.

Certainty of insurance costs in 2013/2014

Given the variation in proposed insurance costs which depend on the ultimate level of buy-back, the final cost for insurance in a delegation and possible buy-back situation can only be confirmed when the level of buy-back is known. This is likely to be early in 2013.

Cost comparison with external insurance market

The future cost of insurance will be a major consideration for all schools. Set out below is a comparison of the proposed average cost for Primary and Secondary schools on a 100% buy back of County Council insurance services with the average of prices charged by external insurers to individual schools. It should be noted that the costs quoted for cover with the external market are based on a very small sample of schools with no information on the schools' specific circumstances. It is understood that these are based on policies with low levels of excess. Schools could choose a higher excess, and thereby reduce premiums, but this increases the amount schools would have to meet from their own resources in the event of an insurance claim.

Comparison of Costs for Insurance		
	LCC Centrally procured Policy (Delegation with 100% buy back)	External Market
	£	£

Average Primary	4,100	14,600
Average Secondary	16,500	47,000

Figure 1: Examples of typical costs to schools of insurance based on different options

	200 pupil Primary school	1,000 pupil Secondary school
	£	£
Insurance funding delegated	4,318	21,520
Cost of insurance :		
1) De Delegation	4,318	21,520
2) Delegation :		
(i) With 100% buy- back	4,318	21,520
(ii) With 90% buy-back	4,668	22,670
(iii) With 80% buy-back	5,018	23,820

Results of Consultation

Schools have been consulted about whether they prefer de-delegation or delegation of insurance funding. The consultation has now closed, and the outcome is as follows :

How would you prefer insurance to be dealt with from April 2013? Funding is delegated to schools and the County Council offers a buy-back service or Funding is de-delegated			
		Responses	%
Primary	delegated with buy back	152	35%
	de-delegated	270	62%
	Not Sure	13	3%
	Total	435	100%
Secondary	delegated with buy back	24	44%
	No	26	48%
	Not Sure	4	7%
	Total	54	100%

As the implications for school insurance are different in aided schools an analysis is also provided below splitting responses from aided schools and community/controlled/foundation schools. This analysis excludes any 'not sure' responses:

	Aided		Total
	De-delegate	Del + buy	
Primary	121	95	216
Secondary	6	9	15
Total	127	104	231

	Community		Total
	De-delegate	Del + buy	
	149	57	206
	20	14	34
	169	71	240

	Aided	
	De-delegate	Del + buy
Primary	56.02%	43.98%
Secondary	40.00%	60.00%
Total	54.98%	45.02%

	Community	
	De-delegate	Del + buy
	72.33%	27.67%
	58.82%	41.18%
	70.42%	29.58%

	Totals All Schools		
	De-delegate	Del + buy	Total
Primary	270	152	422
Secondary	26	23	49
Total	296	175	471

	Totals All Schools	
	De-delegate	Del + buy
	63.98%	36.02%
	53.06%	46.94%
	62.85%	37.15%

The Schools Forum is asked to note this information and consider it when making a formal decision on de-delegation of insurance funding.

Decision required

Primary school members are asked to vote on whether insurance should be de-delegated for primary schools in 2013/14.

Secondary school members are asked to vote on whether insurance should be de-delegated for secondary schools in 2013/14.

EXEMPTION 2 – Historic Commitments (£1.1m)

Covers areas of expenditure which would normally be funded from wider Local Authority budgets. Schools Forum approval will be required for the central retention of these budgets. As the services provided also benefit academies as well as maintained schools, the DfE indicate that it would be destabilising not to allow the

continuation of this funding. The budgets currently provided within central items that meet the definition of Exception 2, historic commitments are:

- Prudential borrowing costs £254k
- Premature retirement costs £500k
- Historic lease £301k

It is proposed that these budgets are retained in order to maintain existing commitments.

EXEMPTION 3 - Statutory functions of a Local Authority (£1.9m)

There are some services that have traditionally been met through the schools budget that relate to the statutory functions of the authority that are provided for both maintained schools and academies. The DfE will allow expenditure up to the level of the 2012/13 budget, but no new commitments or additional expenditure will be permitted.

The budgets currently provided within central items that meet the definition of Exception 3, statutory functions of a Local Authority are:

- Carbon trading £971k
- Servicing of Schools Forum £188k
- Co-ordinated admissions scheme £756k

It is proposed that these budgets are retained in order to maintain existing services.

LANCASHIRE SCHOOLS FORUM
Date of meeting 16 October 2012

Item No 8c

Title: Schools Funding Reform: Schools Block Budget 2013/14

Appendices (if applicable) Appendix A refers

Executive Summary

The DfE have set out a new framework for school funding for April 2013 in their 'School funding reform: Next steps towards a fairer system' arrangements.

The authority has consulted schools about how we plan to implement the new national funding arrangements in Lancashire from April 2013 and during the summer Officers have undertaken around 2,000 different iterations of the model to reduce turbulence. This modelling has also taken account of the consultation responses received and any changes in national guidance.

This report sets out the details of the current model, the impact on schools and the limitations imposed by the national framework.

Forum Decision Required

The Forum is asked to:

- a) Note the report and the information on the latest formula model;
- b) Support the refined model as the final Schools Block Budget to be considered by the Cabinet Member for Children and Schools on 18 October 2012 for approval and then submitted on the EFA proforma, as set out at Appendix A, by 31 October 2012;
- c) Consider submitting a covering letter with the EFA proforma to highlight the Forum's concerns over the key issues causing turbulence for Lancashire schools;
- d) Support any adjustment to the formula that may be necessary as a result of differences to the final DSG from the estimate used to calculate the proforma being made by adjusting the basic pupil element.

Background

The DfE have set out a new framework for school funding for April 2013 in their 'School funding reform: Next steps towards a fairer system' arrangements.

The new framework prescribes nationally the factors that are permissible in the funding formula and provides the accompanying data to allow each factor to be calculated.

A local consultation was launched in June 2012 to provide information to primary schools, secondary schools and academies about the implementation of the national framework in Lancashire. This also sought the views of schools and academies in areas where local discretion is available within the new funding system.

A supplementary consultation was issued at the start of September 2012, to update schools and academies on the latest modelling, which had been refined in the light of consultation responses, revised DfE guidance and a desire to reduce the level of turbulence for schools and academies in the county.

Initial Modelling

Initial modelling was undertaken against a set of principals, previously agreed by the Forum that included:

- Minimise MFG;
- Increase funding per pupil for lowest funded schools;
- Maintain notional SEN budget at £110m
- Maintain current level of funding for each funding block;
- Maintain current funding differential primary to secondary of 1:1.26;
- Delegate statement funding A to D and ESAP funding;
- Exclude any central items delegations / de-delegations from modelling.

The outcomes from this initial modelling were issued to schools in June 2012 at the start of the local consultation. At that time the authority and Forum were concerned about a number of key issues, these included:

- Maintaining funding blocks at current level caused too much turbulence;
- Need to re-balance funding blocks;
- Lack of size factor was problematic for small schools;
- Maximum lump sum of £200k was unaffordable (and only guaranteed for 1 year);
- Cost of MFG was excessive at £16.2m with 336 Schools in MFG;
- 303 primary schools , 50 secondary schools were losing;
- Only 45% of primary and secondary pupils gain.

Refined Model

Over the summer 2012, considerable work was undertaken to improve the impact of the funding reform implementation for Lancashire schools. Officers developed a refined model and ran over 2,000 sensitivities with the aim of reducing turbulence.

As a starting point for the refined model the DfE mandatory formula factors were used:

- Basic pupil element (balance)
- Lump sum (set at 2012/13 L&M plus size funding)
- Deprivation (set at 2012/13 IMD funding)

Additions for the following allowable factors were added:

- Rates (as per 2012/13)
- PFI (as per 2012/13)
- Split site (as per 2012/13)

The impact of other factors was then assessed to find the balance that produced the most favourable results across Lancashire. Key issues included:

- Lump sums – can they be increased to reduce turbulence at smaller schools without impacting excessively on larger and medium sized schools
- Prior attainment – Need to recognise schools concern regarding EYFP and KS2 results and reduce reliance on this as a method of distribution
- EAL - reduce to reflect reduction in qualifying pupils, and consider applying the formula for 3, 2 or 1 years?
- Mobility – Will new DfE definition meet needs of schools in high mobility areas and our service school
- CLA – Need to fund primary and secondary at same rate
- Deprivation – assess impact of FSM and IDACI (including bandings) to identify deprivation at school / pupil level.
- Sixth form factor

High Needs Top up Funding

The DfE require LAs to provide top up funding to maintained schools and academies where the cost of a pupil with high needs is in excess of £10,000 (i.e. bands E and above). However we do not believe that this top-up funding will be sufficient, especially where the:

- Basic pupil element is below the DfE estimate of £4,000
- Formula does not generate sufficient Notional SEN for the school

In Lancashire we propose to calculate top up funding on the following basis:

1. **Core funding** - Basic pupil element top-up to bring the net basic pupil element (figure net of any notional SEN included in the basic pupil element) up to the DfE estimate of £4,000 per pupil. This will only be applied where the net basic pupil element is below the DfE estimate of £4,000;

2. **Additional support funding** - Notional SEN top up where the school has insufficient notional SEN to meet the DfE estimate of £6,000 per pupil with high needs, and;
3. **Top-up funding** - Net WPN of statements E and above multiplied by the statement funding rate for primary and secondary.

We have assessed how many schools require top up because of insufficient notional SEN where:

- 40% of notional SEN is used for high needs pupils (15 schools cost £67k)
- 35% of notional SEN is used for high needs pupils (22 schools cost £95k)

Key modelling assumptions and results

The refined funding model that achieved the best balance in meeting the needs of all Lancashire Schools was issued to schools as part of the September 2012 consultation documentation.

Important points about this model include:

- Funding differential primary to secondary of 1:1.26 maintained
- Basic pupil element (primary £8m, secondary £18m)
 - Primary - Gross £2,726 (Net of notional SEN £2,494)
 - KS3 - Gross £3,684 (Net of notional SEN £3,376)
 - KS4 - Gross £4,308 (Net of notional SEN £4,000)
- Lump sum £150,000, This increases to £155k including delegations
- High needs top up funding increase by £1m (£0.9m to top up basic pupil element to £4k and £0.1m for notional SEN)
- EAL funded on three years at a rate of £363 per qualifying pupil including delegations.
- Mobility – new DfE factor does not identify the transient pupil population in Lancashire. It allocates a few hundred pounds to each school. It is proposed not to use this factor.
- Prior attainment – recognised concerns of schools on data used by DfE and reduced funding by 75%. Funding redistributed into basic pupil element and deprivation because it is a better indicator of need (FSM and IDACI). In the case of primary schools EYFSP of 78 points has been used.
- Deprivation – Former Standards Funds allocated largely on deprivation, therefore increased funding through FSM and IDACI. Bigger increase in IDACI. For modelling purposes EVER6 FSM has been used.
- Looked After Children – Modelled based on children looked after continuously for 6 months and funded at a rate of £1,500 per LAC.

The DfE have outlined that Authorities can ask the Education Funding Agency (EFA) to approve a limited number of premises related exceptional formula factors if they fall into one of the following categories:

- Rent payable

- Additional maintenance for listed buildings
- Boarding provision

And meet the following criteria in that the exceptional formula factor will:

- Apply to less than 5% of in the local authority; and
- Account for more than 1% of the budget of the school or schools affected.

Following discussion with the Schools Forum, we applied for two exceptional formula factors for rent and swimming pools. The EFA have informed us that they will allow the exceptional formula factor for rents but not that for swimming pools.

Officers believe that based on the current guidance from the DfE, the refined model provides the most equitable result across all Schools, providing that the gains are capped at 1.5% line with consultation responses.

The model has been converted into the format required by the EFA proforma, and a draft copy of the proforma is attached at Appendix A. The figures in this proforma include delegations and some modelling that the DfE has asked the authority to undertake outside model to prevent the DfE Model from erroring. The latter point is the reason why the individual allocations on the proforma do not add up to the total Schools Block funding of £673,635,211.

In this refined model roughly 2/3rds of pupils attending Lancashire Schools gain from the new formula, and the numbers of schools receiving MFG funding is reduced by over 100 to 209 compared to the initial model. Details are shown in the table below:

Refined Model - Results

	Primary	Secondary	Total
Winners			
Schools	303	49	352
	63%	59%	62%
Pupils	60,122	43,439	103,561
	68%	69%	68%
Losses greater than 10%	17	4	
Gains greater than 10%	1	0	
Max Gain	11.1%	9.9%	
Max loss	-41.1%	-22.4%	
Schools in MFG	178	31	209
Cost of MFG	£8.6m	£4.6m	£13.2m

There are a number of cases where the national decisions about the choice of funding factors continue to produce turbulence in the budgets of individual schools. Whilst the refined model offers the best solution to mitigate the impact of the funding

reforms on individual schools, turbulence remains higher than we would like due to limitations of the factors and data we are permitted to use.

Some of the key strategic issues impacting on the model causing the greatest turbulence are:

- Banker school funding of former Standards Funds (EiC and BiP)
- Delegation of A to D statements
- Prior attainment - Move from NGI to EYFS and KS2, squaring of NGI, reduced qualifying pupils and transfer of funding to basic element and deprivation
- FSM - Change in data set to EVER6 and increased funding. Losses occur where increase from eligibility to EVER6 is below the LCC average
- Deprivation - Change in data set to IDACI and increased funding. Data not squared
- Mobility - DfE data does not identify schools with transient issues in county and impact current transient funding has on NGI and deprivation
- Loss of service children funding
- Loss of size funding
- EAL - Reduction in qualifying pupils / change in criteria – particularly impacting on secondary schools

On the 5th October the DfE advised that the data checking exercise they have undertaken with authorities is not complete as there are still a number of outstanding queries. As a result of this it has not been possible for the DfE to issue revised DSG baseline figures to authorities by their deadline of 8th October. DfE have set a revised deadline of getting this information to us by the end of week commencing 15th October. In setting the original date of the 8th October, the DfE expected authorities to use this figure when agreeing their formula with their Schools Forum and elected members prior to submission of the pro-forma to the EFA on 31st October. The DfE recognise that authorities are currently consulting with schools based on their own estimate of DSG and have agreed that this data can be used for the pro-forma submission at the end of October. The DfE have advised authorities to take this opportunity to seek the approval of the Schools Forum and elected members that will allow any increase or decrease in funding to be adjusted through the basic pupil element

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
		Primary amount per pupil (£)	Secondary amount per pupil (£)	primary pupils	secondary pupils			
2) Deprivation	Reception Uplift	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Primary (including reception)	£2,726	£3,684	88192	37408	£240,380,525	£490,049,544	73%
	Key Stage 3	£3,684	£4,308	37408	25970	£137,793,116		
	Key Stage 4	£4,308		25970		£111,875,903		
	Indicator: FSM6	£650	£1,100	19,879	13,844	£28,149,054		
	IDACI Score 0.2 - 0.25	£125	£450	7,346	5,259	£3,284,865		
IDACI Score 0.25-0.3	£200	£800	5,333	3,808	£4,113,044			
IDACI Score 0.3- 0.4	£300	£1,050	9,997	6,298	£9,612,371			
IDACI Score 0.4-0.5	£325	£1,150	8,021	4,791	£8,116,779			
IDACI Score 0.5-0.6	£375	£1,250	4,688	2,897	£5,379,878			
IDACI Score 0.6-1	£425	£1,300	541	319	£644,338			
3) Looked After Children (LAC)	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Indicator: LAC_6_Mar11	£1,500		566			£848,975	0.13%
4) Low cost, high incidence SEN	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Primary pupils- Indicator: LowAtt_%.PRI_78	£250		20575		£5,143,857	£9,948,481	1.48%
	Secondary pupils not achieving (KS2 level 4 English and Maths)	£750		6406		£4,804,624		
5) English as an Additional Language (EAL)	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Primary pupils- Indicator: EAL_3_PRI	£363		5,735		£2,084,469	£2,271,742	0.3%
	Secondary pupils- Indicator: EAL_3_SEC	£363		515		£187,273		
6) Mobility	Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Primary pupils starting school outside of normal entry dates	£0		6,827		£0	£0	0.0%
	Secondary pupils starting school outside of normal entry dates	£0		2,481		£0	£0	0.0%

Other Factors

7) Lump Sum	Description	Amount (£)	Unit	Number of Schools	Total (£)	Proportion of funding
8) London Fringe	Description					
	London fringe pay bands (only applicable to Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex) . Applies to All per pupil values and lump sum		per school in fringe district	0	£0	0.00%
9) Split Sites	Description					
	Split Sites				Total (£)	Proportion of funding
10) Rates	Description					
	Rates				Total (£)	Proportion of funding
11) PFI funding	Description					
	PFI				Total (£)	Proportion of funding
12) Sixth Form	Description					
	Existing Sixth Form Commitments				Total (£)	Proportion of funding
13) Exceptional circumstances (can only be used with prior agreement of EFA)	Description					
	Excep Circs 1				Sub Total (£)	Proportion of funding
	Excep Circs 2				£26,987	
	Excep Circs 3				£0	
14) Minimum Funding Guarantee	Description					
	MFG Floor	-1.50%		Scale Factor	Total (£)	Proportion of funding
	MFG is set at -1.5%, gains may be capped above a specified ceiling and			100.00%	£8,425,207	1%

TOTAL FUNDING FOR SCHOOLS BLOCK FORMULA (£):		£673,635,211
RETAINED FOR GROWTH		£0
PRIMARY/SECONDARY RATIO:		1 : 1.26

CC Susie Charles
Cabinet Member for Children and Schools

Tel. 07752878206
Email jfletcherd@hotmail.co.uk
Date 16 October 2012

Dear CC Charles,

Implementation of National Arrangements for School Funding in Lancashire

As you will be aware, the Schools Forum meeting on 16 October 2012 considered information about the latest proposals for the implementation of the national arrangements for school funding in Lancashire from April 2013. The latest Schools Block modelling presented by the Authority was viewed in light of the consultation responses received from over 500 schools (an 89% response rate) and the limitations set on local flexibility by the national framework.

We are very grateful to the County Council for the work that has been done to refine the funding model so that it minimises turbulence for Lancashire schools, as far as is possible. We understand that around 2,000 iterations of the funding model were produced to find a position in which 62% of schools and 68% of pupils gain under the proposals. Following discussions of the proposals we resolved to support the refined model as the Schools Block Budget, including:

- The application of 35% of notional SEN applying to low incidence high needs pupils;
- The application of top up funding for element 1 core funding and element 2 additional support funding being provided from the high needs block;
- The capping of gains arising from the revised funding framework at 1.5% (the same level as MFG) in order to fund the MFG protection that will be provided to schools losing under the reforms.

We also recommended:

- The amendment of the secondary school base rate to a single rate, from a separate rate for KS3 and KS4, to reflect the views expressed in the consultation responses to schools;
- The amendment of the prior attainment funding in primary schools to be based on an Early Years Foundation Stage Profile (EYFSP) score of 73 points, rather than 78 points;
- Supporting any adjustment to the formula that may be necessary as a result of differences to the final DSG settlement from the estimate used to calculate the proforma being made by adjusting the basic pupil element.

Chairman John Davies

C/O The Clerk to the Schools Forum, Resource Management and Planning Team
PO Box 61, County Hall, Preston, PR1 8RJ

We would commend this refined model, as adjusted for the single secondary base rate and the EYFSP score of 73 points, to you for your approval and submission on the EFA proforma by 31 October 2012. A draft EFA proforma, incorporating the Forum recommendations is attached, as is a paper providing information on the delegations decisions taken by the Forum on 16 October.

Whilst we support the latest school funding proposals as providing the most equitable result across all Lancashire schools, we are concerned that there remains a higher level of turbulence in individual school budgets than we would ideally like. We would therefore wish to raise with you some of the key strategic issues that we believe are causing the most significant fluctuations:

Service Children

Our current formula provides targeted funding to schools and academies based on the numbers of pupils on roll who are identified as service children and the factor was also used to uplift Lancashire's Narrowing the Gap and deprivation funding. The new national formula does not have a service children factor. This can cause significant turbulence on schools that educate a large number of service children, our current formula funds 392 pupils of which 100 are in a single primary school, representing over 90% of that schools population. Current modelling indicates the school will lose £334k or 41% of its schools budget before MFG is applied. The increase in the Pupil Premium Grant in 2013/14 will only generate an additional £7,248 for this school.

Pupil mobility

Lancashire's current mobility formula factor was introduced to reflect the additional pressures placed on schools with a large turnover of pupils in year, those schools who serve "transient" communities, e.g. Seaside towns, Migrant Communities.

Using this definition, the DfE data will not target funding to the schools identified in our current formula. In fact, the DfE data will target funding to 559 of the 567 primary and secondary schools and their academy equivalents with very limited differentiation based on the needs of schools.

English as an Additional Language

Our current formula provides targeted funding to schools based on the numbers of pupils on roll drawn from identified Minority Ethnic Communities whose attainment is overall below average, Pakistani, Bangladesh, Gypsy Roma and Irish traveller heritage groups. The new national formula provides funding based on identified pupils with English as an Additional Language who have been in the School system for three years or less. Clearly this targets funding at a different group of children and young people. The issue is particularly acute in the secondary sector with some schools in East Lancashire seeing their number of eligible pupils reduce from over 500 to less than 40.

Smaller Schools

Our current formula provides additional support for small schools through a small school formula factor and lump sum which reduces as a school increases in size.

Many small schools lose funding because of the removal of targeted size funding. However any increase in the lump sum beyond £150k becomes unaffordable and impacts on medium and large schools as the reduction in the basic pupil element (AWPU) is significantly greater than the increase in the lump sum. In the case of primary schools, the basic pupil element would have to reduce by £357 to increase lump sums from £135k to £200k; any school with over 150 pupils on roll would lose as a result of this.

Pupils with high needs

Currently, additional funding is provided to schools and academies that have pupils with statements and this is based on the actual number of statemented pupils they have. Under the DfE's proposals, high needs pupils will be funded under a new Place Plus system whereby the school is expected to meet the first £10k of cost of a pupil with high needs, the commissioner (the Authority) will provide top up funding for any costs in excess of £10k.

The place plus system means that in Lancashire we will have to delegate to all schools funding currently targeted to statements bands A to D and the bands A to D element of statements band E and above. Some schools and academies have a significantly higher than average number of statements, particularly in bands A to D and they will lose funding as a result of these arrangements. Schools and academies with below average statements or no statements will gain as a result of these proposals.

We know that you share many of these concerns and would ask that you make whatever representations you are able to influence the national framework for future years.

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Davies', with a stylized flourish at the end.

John Davies
Chairman, Lancashire Schools Forum

Pupil Led Factors

Description	Amount (£) per pupil		Number of Pupils		Sub Total (£)	Total (£)	Proportion of funding
	Primary amount per pupil (£)	Secondary amount per pupil (£)	Number of eligible primary pupils	Number of eligible secondary pupils			
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)					n/a	n/a	n/a
Reception Uplift							
Primary (including reception)		£2,727	86192		£240,841,916		
Key Stage 3		£3,938	3,7408		£147,308,711	£490,119,410	73%
Key Stage 4		£3,938	25970		£102,267,782		
2) Deprivation							
Indicator: FSM6	£650	£1,100	19,879	13,844	£28,149,054		
IDACI Score 0.2 - 0.25	£125	£450	7,346	5,259	£3,284,855		
IDACI Score 0.25-0.3	£200	£800	5,333	3,808	£4,113,044		
IDACI Score 0.3-0.4	£300	£1,050	9,897	6,296	£9,612,371	£59,300,330	9%
IDACI Score 0.4-0.5	£325	£1,150	8,021	4,791	£8,116,779		
IDACI Score 0.5-0.6	£375	£1,250	4,688	2,897	£5,379,878		
IDACI Score 0.6-1	£425	£1,300	541	319	£844,338		
3) Looked After Children (LAC)							
Indicator: LAC_6_Mar11	£1,500			566	£848,975		0.13%
4) Low cost, high incidence SEN							
Description: Indicator: LowAt_ %_PRL_73	£349		14760		£5,143,857		
Secondary pupils not achieving (KS2 level 4 English and Maths)	£750		6406		£4,804,624	£9,948,481	1.48%
5) English as an Additional Language (EAL)							
Description							
Primary pupils- Indicator: EAL_3_PRI	£363		5,735		£2,084,469		
Secondary pupils- Indicator: EAL_3_SEC	£363		515		£187,273	£2,271,742	0.3%
6) Mobility							
Description							
Primary pupils starting school outside of normal entry dates	£0		6,827		£0		
Secondary pupils starting school outside of normal entry dates	£0		2,481		£0	£0	0.0%

Other Factors

Description	Amount (£)	Unit	Number of Schools	Total (£)	Proportion of funding
7) Lump Sum	£195,000	per school	566	£87,730,000	13.02%
8) London Fringe		per school in fringe district	0	£0	0.00%
9) Split Sites					
Description					
Split Sites				£370,709	0.06%
10) Rates					
Description					
Rates				£7,505,674	1.11%
11) PFI funding					
Description					
PFI				£4,329,562	0.64%
12) Sixth Form					
Description					
Existing Sixth Form Commitments				£1,810,461	0.27%
13) Exceptional circumstances (can only be used with prior agreement of EFA)					
Description					
Except Circs 1				£26,987	0.00%
Except Circs 2				£0	
Except Circs 3				£0	
14) Minimum Funding Guarantee					
Description					
MFG is set at -1.5% gains may be capped above a specified ceiling at	-1.50%		Scale Factor	£8,355,408	1%
MFG Floor			100.00%		

TOTAL FUNDING FOR SCHOOLS BLOCK FORMULA (£):

£673,635,211

£0

RETAINED FOR GROWTH

PRIMARY/SECONDARY RATIO :

1 : 1.25

Formal Decisions and Recommendations of the Schools Forum taken on 16 October 2012 relating to Schools Block Funding in 2013/14

Decisions
Primary school members voted to de-delegate Schools Improvement Support for primary schools in 2013/14
Secondary school members voted to de-delegate Schools Improvement Support for secondary schools in 2013/14
Primary school members voted to de-delegate Licences and Subscriptions for primary schools in 2013/14
Secondary school members voted to de-delegate Licences and Subscriptions for secondary schools in 2013/14
Primary school members voted to de-delegate trade union and other public duties and suspensions for primary schools in 2013/14
Secondary school members voted to de-delegate trade union and other public duties and suspensions for secondary schools in 2013/14
Primary school members voted to de-delegate the Museum Service for primary schools in 2013/14
Primary school members voted to de-delegate insurance for primary schools in 2013/14
Secondary school members voted to de-delegate insurance for secondary schools in 2013/14
Recommendations
School, academy and PVI members voted to recommend that in the secondary sector a single base rate is used for the pupil element
School, academy and PVI members voted to recommend that the proportion of notional SEN to be applied to low incidence high needs pupils in Lancashire be set at 35%
School, academy and PVI members voted to recommend that top up funding for element 1 core funding and element 2 additional support funding to be provided from the high needs block
School, academy and PVI members voted to recommend that the prior attainment funding in primary schools be based on an Early Years Foundation Stage profile score of 73 points
School, academy and PVI members voted to recommend that that gains arising from the revised funding framework should be capped at 1.5% (the same level as MFG) in order to fund the MFG protection that will be provided to schools losing under the reforms
School, academy and PVI members voted to support any adjustment to the formula that may be necessary as a result of differences to the final DSG from the estimate used to calculate the proforma being made by adjusting the basic pupil element
School, academy and PVI members voted to support the refined model, incorporating other recommendations made at the meeting on 16 October, as the Schools Block Budget to be considered by the Cabinet Member for Children and Schools on 18 October 2012 for approval and submission to the EFA

