

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.