

Decision Maker: **Schools Forum**

Date: **20 September 2012**

TITLE: CONSULTATION ON REPLACING RSG LACSEG for 2013/14

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Ward: Boroughwide

1. Reason for report

- 1.1 This report provides details of the DfE consultation to introduce a new mechanism to distribute Local Authority Central Spend Equivalent Grant (LACSEG) from the current top slice of individual Authorities to a single national formula grant.
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2. **RECOMMENDATION(S)**

- 2.1 **The Schools' Forum is asked to discuss and comment on the proposed responses on the Consultation Response Form that has been prepared and make any amendments.**

3. **COMMENTARY**

- 3.1 On the 17 July the Department for Education (DfE) issued a consultation on replacing the LACSEG in respect of funding Academies and Local Authorities for the functions that are devolved to Academies. The consultation runs until the 24 September 2012.
- 3.2 The current funding system was designed when there were fewer Academies and few Authorities with a high proportion of Academy conversions. DfE believe that this is n longer sustainable. Current Local Authority LACSEG rates vary significantly between Authorities and can vary year on year as the rate is dependent on local spending decisions. DfE believes that this leads to uncertainty about how much funding is to be recouped and how much Academies will receive
- 3.3 DfE wish to simplify the process with a more transparent, simpler and fairer system of funding Academies and Local Authorities for the central education services that they provide.
- 3.4 The proposal is to replace Local Authority Block LACSEG with a single national grant from DfE.
- 3.5 The consultation is not asking for opinions on whether or not funding should transfer to DfE, it concentrates on how the transfer will be made

- 3.6 DfE will create a new grant outside of the Dedicated Schools Grant (DSG). They propose to transfer £1.2 billion from the current formula grant funding pot to the DfE. The same amount will be distributed back to Academies and Local Authorities, apart from £12m that relates to funding for newly qualified teachers, which will transfer to the DSG.
- 3.7 These proposals are building blocks for the development of a national funding formula that DfE hope will simplify arrangements for the future.
- 3.8 **Appendix 1** contains the DfE consultation.
- 3.9 **Appendix 2** contains the draft response which the Schools. Forum is asked to comment upon.

Non-Applicable Sections:	Policy, Financial, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	N/A