

Replacing LACSEG: Funding Academies and local authorities for the functions that devolve to Academies

Consultation Response Form

The closing date for this consultation is:

24 September 2012

Your comments must reach us by that date.



Department
for Education

THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online response facility available on the Department for Education e-consultation website (<http://www.education.gov.uk/consultations>).

The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically-generated e-mail confidentiality statement, will necessarily exclude the public right of access.

Please tick if you want us to keep your response confidential.

Name Andrew Downes

Organisation (if applicable) London Borough of Bromley Schools Forum

Address: C/O Civic Centre, Stockwell Close,
Bromley, BR1 3UH

If you have an enquiry related to the policy content of the consultation you can email reform.LACSEG@education.gsi.gov.uk.

Or call Sally Duffy on 01325 735340 or Olga Bernardo on 0207 340 7685.

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Consultation Unit by e-mail:

consultation.unit@education.gsi.gov.uk or by telephone: 0370 000 2288.

Please tick the box that best describes you as a respondent.

<input type="checkbox"/> Maintained School	<input type="checkbox"/> Academy	<input type="checkbox"/> Teacher
<input type="checkbox"/> Individual Local Authority	<input checked="" type="checkbox"/> X Schools Forum	<input type="checkbox"/> Local Authority Group
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union / Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Governor Association	<input type="checkbox"/> Parent / Carer	<input type="checkbox"/> Other

If 'Other' Please Specify:

Higher levels of funding for pupils in special schools/ Special Academies and Pupil Referral Units (PRUs)/Alternative Provision (AP) Academies

In paragraphs 27 to 30 we discuss the higher staffing ratios per pupil and the need for more space per pupil in special schools/Special Academies and PRUs/AP Academies as a result of smaller group sizes and the intensive support that these institutions offer.

In order to measure the different levels of per-pupil funding that these institutions require, we compared levels of whole school funding for special schools and Pupil Referral Units (PRUs) with funding for mainstream schools. This showed that: special schools/Special Academies should receive funding at 4.25 times the amount allocated to pupils in mainstream settings; and PRUs/AP Academies should receive funding at 3.75 times the amount allocated to pupils in mainstream settings.

Question 1: Do you agree that a multiplier of 4.25 should be applied for pupils in special schools/Special Academies?

X Yes

No

Not Sure

Comments:

Whilst we are in broad agreement with the number it would be useful for the purposes of clarity to have the detail as to how these figures are derived

Question 2: Do you agree that a multiplier of 3.75 should be applied for pupils in PRUs/AP Academies?

X Yes

No

Not Sure

Comments:

Whilst we are in broad agreement with the number it would be useful for the purposes of clarity to have the detail as to how these figures are derived

Funding local authorities for the responsibilities that they retain for pupils in Academies

In paragraphs 31 to 35 we talk about the need to provide local authorities with an amount of per-pupil funding for the responsibilities that they retain for pupils in Academies. Under our proposals, between £8 - £15 per pupil in an Academy would be allocated to the local authority and not delegated to Academies.

Question 3: Do you agree that a rate of approximately £8 - £15 per pupil is appropriate for the responsibilities that local authorities retain for pupils in Academies?

Yes

No

Not Sure

Comments:

These figures were based on a small sample of Local Authorities. This is not enough of a sample, or enough detail to base a decision upon.

Area cost adjustment (ACA)

We want to allocate the new grant on a clear and transparent basis. In paragraphs 36 to 38 we consider whether an ACA should be applied. It is not clear from the data we hold whether the salary levels in different parts of the country are a significant factor in determining how much money is needed for these central education services. There are 28 different ACA bandings and, rounded to the nearest pound, this would result in around 14 different per-pupil rates for Academies and local authorities, depending on where they are in the country. We need to decide whether to apply an ACA or whether to distribute the funding on the same basis to pupils in all areas of the country.

Question 4: Do you think that an ACA should be applied when distributing the grant to Academies and local authorities?

Yes

No

Not Sure

Comments:

Salary costs constitute a large percentage of the overall costs of education services. A flat national rate will not accurately reflect the amount of costs that are being incurred in some regions of the country. ACA would help to achieve a fairer funding system. The ACA pot would have to be sufficient to meet these needs and the pot size was not addressed in the consultation

Deprivation

In paragraphs 39 to 41 we explain that we need to decide whether the new grant should be weighted towards deprived pupils. Section 251 budget data shows very varied levels of expenditure by local authorities on the central education services included in this grant. It is not clear from the data we hold whether levels of deprivation are a key factor in determining how much money is needed for central education services and whether it is significantly less expensive to provide or secure these services for schools with fewer deprived pupils. We could identify between 1% and 10% of the total amount of money for this grant and allocate this separately to deprived pupils. This would reduce the rate for pupils who are not deprived but increase the rate for pupils who have been eligible for free school meals at any time in the past six years. The impact on the per-pupil rates would depend on the proportion of the total funding pot that is identified for deprived pupils.

Question 5: Do you think that a deprivation factor should be applied?

Yes

No

X Not Sure

Comments:

On the basis that deprivation means more resources needed to be committed then a deprivation factor would be required. However for an accurate judgement the amount of funding to be included in the deprivation factor would need to be known.

Question 6: If a deprivation factor is applied, where between 1% and 10% should we set the proportion of the funding pot to be allocated separately to deprived pupils?

Yes

No

X Not Sure

Comments:

Without knowing the size of the pot available this cannot be answered accurately. There needs to be details of the size of the pot that would be available and the rationale behind the range of 1% to 10% before a reasoned opinion can be given

How the funding would be deducted from local authority start-up funding allocations

In paragraphs 42 to 45 we explain how funding would be deducted from the business rates retention scheme start-up funding allocation for local authorities. Under our proposals, the Department for Communities and Local Government would calculate the deduction from each local authority's business rates retention scheme start-up funding allocation for 2013-14 using the same per-pupil rates that the Department for Education will use to allocate the new grant. The total amount of funding deducted from each local authority would then be allocated to the local authority and to all Academies in the area based on the number of pupils for which they are responsible. This means that the amount deducted from the start-up funding allocation for each local authority would equal the amount paid back for all pupils in the local authority area. A local authority without any pupils in Academies throughout 2013-14 would have an amount deducted which equals the amount paid back in the form of a separate un-ringfenced grant from the Department for Education.

Question 7: Do you agree that the funding should be deducted from local authorities using the same national rates that we will use to allocate the new grant?

Yes

X No

Not Sure

Comments:

The use of national funding rates is fundamentally flawed and will penalise Authorities who have embraced the Government's roll-out of the academies programme.

The reality based on current proposals and existing arrangements is that Bromley will not only continue to receive no funding for any one off costs relating to conversion of schools to academies but will also have significant cuts in funding at the detriment of other key services.

A major issue arises in Bromley and some other local authorities due to the way the funding is calculated based on the national average. This calculation is fundamentally flawed as Bromley has operated on figures well below this average. This means that as more and more schools become academies and are given more than they are currently spending per pupil, there is disproportionately less funding available for Bromley to provide residual services to schools which still fall within the authority's statutory remit.

The Government have agreed a New Burdens Doctrine which refers to any net additional cost of all new burdens placed on local authorities are "fully and properly funded". This condition is clearly not met for the following reasons:

- (a) The funding reduction does not recognise diseconomies of scale;
- (b) there is no relationship between the transfer amounts and actual savings to Bromley from Academy conversion – more money is being taken than will be saved;
- (c) The Council still needs to continue to deliver services with maintained schools with inevitable fixed costs;
- (d) No funding is provided for one-off costs of academy conversions (cost of legal agreements etc.);
- (e) Some savings cannot be released immediately and can only be realised in the medium term.

Bromley has the second lowest level of Formula Grant per head in Outer London, yet has the second lowest Council Tax in London achieved by managing its finances well and keeping costs across services low. This means that Bromley does not have the considerably higher Council Tax levels that other boroughs may have to give them more headroom to compensate for the mismatch in funding as funding is reduced.

The proposed system is flawed and does not provide a fair and equitable way to address funding. Bromley is effectively receiving higher funding reductions for embracing the academy agenda and keeping its costs low.

Transferring the funding for statutory induction into the Dedicated Schools Grant (DSG)

In paragraphs 52 to 54 we explain that, from September 2012, the induction regulations will change so that teaching schools can act as the 'appropriate body' for the induction of newly qualified teachers (NQTs) in maintained schools. The new regulations will also allow appropriate bodies, including local authorities, to charge for their services. In order to allow maintained schools and Academies to pay for the services of their preferred appropriate body, the funding for statutory induction will need to move into the DSG so it can be delegated directly to all schools through local funding formulae. We propose that £12 million should be removed from this new grant and distributed through the DSG.

Question 8: Do you agree that the funding for NQT induction should transfer into the DSG so that it can be delegated to all schools in the school budget share?

Yes

No

X Not Sure

Comments:

The amount of £12m transferring to DSG may have little effect as this amount spread across all authorities and all schools via their formulas will result in small additional amounts of funding being available. This may mean that Schools will not carry out these functions.

However Schools could amalgamate this funding and work in partnership to achieve this.

The amount of £12m was not quantified and needs more detail attached

Question 9: Have you any further comments?

Comments:

None

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

X Yes

No

All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consulters' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations are conducted, please contact Carole Edge, DfE Consultation Co-ordinator, tel: 01928 738060/ email: carole.edge@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed questionnaires and other responses should be sent to the address shown below by 24 September 2012.

Send by e-mail to: reform.LACSEG@education.gsi.gov.uk

Send by post to:

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