

A consultation on school funding reform: rationale and principles

Consultation Response Form

The closing date for this consultation is:

25 May 2011

Your comments must reach us by that date.

THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online response facility available on the Department for Children, Schools and Families consultation website 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 Doug Allan, Secretary

Organisation (if applicable) F40

Address: C/o DTW
Bank Chambers
Market Place
Guisborough
TS14 6BN
doug@dtw.co.uk
07785 223707

If you have an enquiry related to the policy content of the consultation you can contact either

Juliet Yates on: Telephone: 020 7340 8313 e-mail: juliet.yates@education.gsi.gov.uk,
or Ian McVicar on: Telephone: 020 7340 7980 e-mail:
ian.mcvicar@education.gsi.gov.uk

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, by Fax: 01928 794 311, or by telephone: 0870 000 2288.

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

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

If 'Other' Please Specify:

1. Do you agree with the stated characteristics of an ideal school funding system? (Section 2)

All	X	Some	None	Not Sure
-----	----------	------	------	----------

Comments:

f40 broadly agrees with Section 2 of the consultation document subject to the following points:

1) Whether schools can be viewed as having similar circumstances or similar intakes should be based on a comprehensive range of factors. It is not sufficient to define similarity by, say, a band of free school meal eligibility. Factors such as sparsity and regional variation in the cost of living are significant. For example, the average house price in February 2011 in the London area was of the order of eight times the cost of a house in Kingston upon Hull. Some schools that have recently benefited from building work may also be at a significant advantage compared to apparently similar schools which missed out on the Building Schools for the Future initiative.

2) Distribution of extra resources towards pupils who need it most should not be limited to pupils falling within a deprivation definition such as free school meal eligibility. Pupils in schools where the type of factor listed in point 1 above, outside the school's control, make the cost of delivery significantly more expensive than it would be otherwise, could be considered to be educationally deprived in some sense.

3) The idea of a funding system being easy to understand and explain should be secondary to its ability to deliver base line funding that is fit for purpose. We do not agree that predictability is a necessary consequence of transparency. The operation of the National Lottery is perfectly transparent but the result, including the idea that someone will win it remains unpredictable.

4) We agree that schools should understand why they receive the funding levels they do and how pupil changes would affect their funding. We question whether this could lead to perverse incentives with regard to recruitment unless there is a central guide on admissions as existed when all schools were under local authority control.

2. Are there further characteristics the system should have? (Section 2)

X Yes

No

Not Sure

If 'Yes', what are they?

All schools - Academy, Free, Maintained etc - should be funded on an academic year basis.

Notification of funding should be received by local authorities and hence to schools, allowing suitable time for sensible financial planning i.e. February (half term) for the following September.

F40 firmly believes that the needs of children and schools are paramount and, therefore, a key characteristic of the new funding model should be that it promotes good outcomes for children and young people.

3. Do you agree with the analysis of how the current system falls short of these aims? (Section 3)

X Yes

No

Not Sure

Comments:

The current arrangements for allocating funds to local authorities are grossly inadequate.

The combination of specific grants and the minimum funding guarantee has led to serious anomalies in the way individual schools are funded, and we are very pleased to see that this issue appears to be being addressed.

4. Do you agree with the case for reforming the system?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Not Sure
-------------------------------------	-----	--------------------------	----	--------------------------	----------

Comments

We can see no case why *core* funding should vary across the country. As the basic needs of pupils are common to all areas, we fail to see why core funding should vary across the country. The F40 Group has been pressing this point for many years.

The government's policy on academies and free schools has added to the need for a review of how schools are funded.

5. Do you agree that the aim of ensuring all deprived pupils get the same level of funding no matter where they live is the right one? (Section 4)

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Not Sure
--------------------------	-----	-------------------------------------	----	--------------------------	----------

Comments:

F40 believes that all deprived pupils should get a level of funding which allows them to access comparable levels of additional provision wherever they live.

Given the variation in provision costs, access to specialism and ease of recruitment across the country, the same level of funding will not result in the same level of opportunity.

This point is echoed in the consultation paper itself in paragraph 5.1 which indicates that fair funding does not mean the same level of funding for every school.

F40 also wishes to highlight the fact that deprivation is not simply “an economic matter” – it should also incorporate other factors, such as access to arts and cultural opportunities. Pupils in rural areas often have significantly less opportunity to take part in ‘out of school’ activities and other development initiatives.

The extended schools initiative is important and should not be forgotten in any new arrangements.

6. Do you agree the underlying funding formula needs to change to meet this aim more quickly and effectively?

Yes	No	X	Not Sure
-----	----	----------	-----------------

Comments:

This question is poor. It assumes one agrees with the aim of ensuring that all deprived pupils get the same level of funding.

The pupil premium has been introduced and the revision of the overall funding formula is now being considered after the event. The idea of delivering all funding associated with deprivation through a revised pupil premium and separating deprivation from a national funding formula seems to be one worth investigation.

If that is the case then we think deprived pupils in different parts of the country should have equality of opportunity so the pupil premium will need to be less simplistic than a fixed per pupil rate based on a single proxy indicator.

7. Do you think the school funding system should be based on a purely national formula? Or should there be flexibility for local decisions about funding levels? (Section 5)

Purely National	Some local flexibility	X	A lot of local flexibility	Not Sure
-----------------	------------------------	----------	-----------------------------------	----------

Paragraph 5.5 in the consultation document underlines the key issue here. The idea of a funding system which is responsive to local circumstances, even though it works in the context of a national formula, is inconsistent with the model of academies and free schools in the same area not being subject to local adjustments by virtue of their independence.

F40 fully supports the idea of flexibility for local decisions about funding levels.

F40 fully supports the idea of flexibility for local decisions about funding levels, for all types of schools, but especially in the area of Special Schools and SEN where flexibility around the needs of individual children is very important.

We have no suggestions for resolving the issue that arises for academies and free schools as a result.

8. If so, should that flexibility be limited, and if so how? (Section 5)

Yes	X	No	Not Sure
-----	---	----	----------

How?

F40 does not think local flexibility should be limited, other than that it should operate within the overall envelope defined for the local authority by a national formula, and subject to the type of local consultation and agreement outlined in paragraph 5.3 of the consultation document.

9. If there is local flexibility, what should the roles of local authorities, schools and the Schools Forum be in decision making? (Sections 5 and 6)

<p>Local authorities:</p> <p>The role should be as at present.</p>
<p>Schools:</p> <p>The role should be as at present.</p>

Schools Forum:

The role should be as at present.

Comments:

F40 supports the view in paragraph 6.2. of the supporting documentation for the clarification of the division of responsibilities between schools and local authorities.

10. If there is local flexibility for maintained schools, how should Academies and Free Schools be funded? (Section 5)

X	Through the fair funding formula	Taking into account local decisions	Not Sure
---	----------------------------------	-------------------------------------	----------

Comments:

F40 sees no alternative to funding academies and free schools on the basis of the national formula, with an additional grant to cover the additional responsibilities that they carry for not being in a local authority.

The split of responsibilities must be clearly defined and the LA should receive an equivalent grant for their maintained schools.

We note that this will inevitably produce perverse incentives and perceived levels of unfairness for institutions that find themselves on the wrong side of the local 'mean'.

We believe that this is an unavoidable consequence of attempting to fund a mixed system which is already been put into motion through a single approach that is being devised at a later time.

11. How do you think SEN support services might be funded so that schools, Academies, Free Schools and other education providers have access to high quality SEN support services? (Section 7)

Comments:

If local authorities are to be responsible for the funding of high cost special needs pupils from an allocation outside the fair funding formula then f40 proposes that all funding for SEN support services, including the 'pot' for high cost pupils, should be given to local authorities. We also suggest that the services are then allocated on the same pupil needs basis to whatever institution the pupil attends in the local authority area whether it be a free school, academy or maintained school.

Academies should not then receive an element of their funding for these specific pupils.

12. How do you think a national banded funding framework for children and young people with SEN or who are disabled could improve the transparency of funding decisions to parents while continuing to allow for local flexibility? (Section 7)

Comments:

F40 believes that a national banded framework, which is clear, consistent and precise, is a reasonable suggestion.

13. How can the different funding arrangements for specialist provision for young people pre-16 and post-16 be aligned more effectively to provide a more consistent approach to support for children and young people with SEN or who are disabled from birth to 25? (Section 7)

Comments:

F40 does not have any suggestions for this.

14. How successfully has the EYSFF been implemented? How might it be improved? (Section 8)

Very

Fairly

A little

Not at all

Not Sure

Comments:

F40 is not aware of any specific issues with the implementation of the EYSFF from 2011.

If there is to be a national funding formula for schools it is assumed that the EYSFF will continue for maintained nursery schools and nursery classes and that there will not be a back tracking of the EYSFF for these providers.

The interaction of the EYSFF in schools with nursery classes with a national funding formula needs to be recognised or managed as does the interaction of the NFF with the YPLA post-16 funding at the other end of the system.

Schools should neither be double fund or underfunded as a result of having these facilities.

15. How important is an element of local flexibility in free early education funding? What might alternative approaches look like? (Section 8)

<input type="checkbox"/> Very	<input type="checkbox"/> Fairly	<input type="checkbox"/> A little	<input type="checkbox"/> Not at all	<input type="checkbox"/> Not Sure
-------------------------------	---------------------------------	-----------------------------------	-------------------------------------	-----------------------------------

Comments:

The Early Years market varies considerably in different parts of the country. Some areas are dominated by maintained nursery provision while others have no maintained provision at all. Given the recent implementation of the EYSFF nationally this might be a better question for consideration in 2-3 years time.

16. How should we identify the total amount of funding for early years and free early education for three year olds and four year olds not in reception from within the overall amount of 3-16 funding? (Section 8)

Comments:

Section 251 information on the costs of the EYSFF should give an indication of total levels of funding, but the additional costs and geographical differences of maintained nursery schools will complicate matters.

Ministers need to decide what protection they wish to afford to this type of provision (if any) and how this works alongside the protection in an NFF of any other type of school provision (e.g. small rural schools, free schools).

17. Should the formula include only pupil led factors or also school led factors? (Section 9)

Only pupil-led factors	X	Include school-led factors
------------------------	---	----------------------------

Comments:

School-led factors also need to be included if local flexibility is excluded (questions 7 to 10).

If local flexibility is included, particularly in the widest sense, then school-led factors are best dealt with at that level and only pupil-led factors should be included at the higher level.

Where turbulence in funding is caused because schools of a specific size or type do not fit the NFF optimum, there is an underlying assumption that the local authority can reorganise schools to support them. But given national policies for the formation of academies and free schools, and the presumption against closure of rural schools, there is very little scope for local authorities to reorganise schools to ensure they are cost efficient. This could lead to pupils being left in schools that are struggling financially for a number of years with the local authority unable to either support the school or reorganise it to ensure that pupils are able to achieve to their abilities.

18. What factors should be included? (Section 9)

Comments:

This should be a matter for local judgement but is most likely to include split sites, higher than average staff costs for small schools in remote areas, and higher than average site costs.

Whilst there is some sense in the sentiment expressed in the last sentences of paragraph 9.3 in the consultation document, it should be noted that in many schools the choice to move to a more efficient organisation in school characteristic terms is largely mythical given the serious reduction in available capital funding and the need to terminate the Building Schools for the Future programme.

19. What is the right balance between simplicity and complexity? (Section 9)

Comments:

This is a poor question. There is no 'right balance'. The key point is that the result is fair and that at the 'broad brush' level it can be seen to be fair.

20. What level of change in budgets per year can schools manage? (Section 10)

Comments:

This question can only be meaningfully answered following careful modelling and analysis across a wide sample of schools.

**21. How much time do schools need to plan for changes in their funding?
(Section 10)**

3 months	3 – 6 months	X	6 – 12 months	More than 1 year	Not Sure
----------	--------------	----------	----------------------	------------------	----------

In the short-term, local authorities need to know funding levels in time to inform schools in February so that changes can be made for September.

There is a clear difficulty with the financial year starting in April and the academic year starting in September. To some extent this difficulty has been eased for academies.

F40 suggests that the same arrangement should be considered for local authorities.

As things stand, a financial year impact of say a 5% reduction is condensed into a seven month period in most schools equating to a more serious impact approaching an 8% reduction in operation. Where schools need to make staffing changes these have a realistic minimum lead time of around 6 months (taking into account consultations and notice periods).

**22. When is the right time to start moving towards a fair funding formula?
(Section 10)**

<input type="checkbox"/> 2012 – 13	<input type="checkbox"/> 2013 – 14	<input type="checkbox"/> 2014 - 15	<input type="checkbox"/> 2015 - 16	<input type="checkbox"/> Not Sure
------------------------------------	------------------------------------	------------------------------------	------------------------------------	-----------------------------------

Comments:

As soon as it is clear that:

- a) there is a funding formula available that will in fact be significantly fairer
- b) sufficient modelling has been done to reasonably anticipate as many consequences of the change as can be expected
- c) it has been clearly shown that in making the transition the education of pupils currently in the system and entering the system during the period of transition will not be disadvantaged.

23. Have you any further comments?

Comments:

There is no mention of the centrally retained budgets and how these would interact with a national funding formula? If there is local authority these could be managed as now, if there is none does that imply that these budgets will no longer exist? Further consideration will need to be given to what is expected in each circumstance.

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 - YES PLEASE

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?

Yes

Completed questionnaires and other responses should be sent to the address shown below by 25 May 2011

Send by e-mail to: schoolfunding.consultation@education.gsi.gov.uk

Send by post to:

Ian McVicar
Funding Policy and Efficiency Team
4th Floor, Sanctuary Buildings
Great Smith Street
London
SW1P 3BT