

School funding reform:

Next steps towards a fairer system

Consultation Response Form

The closing date for this consultation is:

21 May 2012

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 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

Organisation (if applicable)

Address:

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

Ian McVicar : Telephone: 020 7340 7980 e-mail: ian.mcvicar@education.gsi.gov.uk or

Natalie Patel: Telephone: 020 7340 7475 e-mail: Natalie.patel@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.

<input type="checkbox"/> Maintained School	<input type="checkbox"/> Academy	<input type="checkbox"/> Teacher
<input type="checkbox"/> Individual Local Authority	<input checked="" type="checkbox"/> 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:

Simplification of the local funding arrangements

Basic per-pupil entitlement

In paragraphs 1.3.10 and 1.3.11 we discuss the basic per-pupil entitlement. The difference between providing education for Key Stage 3 compared to Key Stage 4 is sometimes significant due to the additional costs of practical work and examinations incurred in the latter Key Stage.

Question 1: Should local authorities and Schools Forums be able to agree separate rates for Key Stage 3 and Key Stage 4?

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

The local authority and their schools forums should be able to exercise discretion when setting per-pupil rates. To apply a single Secondary AWPU value to an authority with Middle Schools will cause considerable shift in funding between phases. A separate rate for Key Stage 3 and Key stage 4 will give enough flexibility to ensure the ratio of Primary to Secondary is maintained within the guidelines suggested.

Is this the right time to debate the differences in the cost of providing education at different Key Stages.

In para. 1.3.13 we consider setting a minimum threshold for the basic entitlement. There is an interaction between the amount of funding that goes through the basic entitlement and the amount remaining for other factors, such as deprivation and low-cost SEN. There are three options available:

- a) *To require a minimum percentage to go through **the basic entitlement only** (and we think that 60% represents a reasonable starting point);*
- b) *To require a minimum percentage to go through **all of the pupil led factors** (so would include the basic entitlement, deprivation, looked after children, low cost SEN and EAL). We think that 80% represents a reasonable amount for this threshold.*
- c) *To not set a threshold at all and accept that there will be inconsistency in some areas*

Question 2 : Do you think we should implement option a, b or c?

<input type="checkbox"/>	(a)	<input type="checkbox"/>	(b)	<input checked="" type="checkbox"/>	(c)	<input type="checkbox"/>	None	<input type="checkbox"/>	Not Sure
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Comments:

The LA would prefer no threshold to allow flexibility over funding distribution. The restriction of factors in its self applies the majority of funding through the basic entitlement.

Deprivation

In paragraphs 1.3.15 to 1.3.23 we discuss deprivation funding and the issue of banding. Our preference is to allow banding only for IDACI under a new system, and to keep it as simple as possible, for example by only allowing a certain number of bands with a fixed unit rate applied to each and a minimum IDACI threshold. We do not propose to allow banding for FSM.

Question 3: Do you agree with our proposals on banding? How do you think they might be applied locally?

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

To apply a fixed rate to each banding doesn't provide for existing distributions where funding has been directed to those MOST deprived areas. The LA has set a threshold below which schools do not attract funding so the 'pot' is not diluted across

schools with few deprived pupils. Setting a unit rate per pupil moves completely away from directing funds to deprived wards.

Local Authorities in consultation with their School Forum should be free to decide their own banding; depending on the spread of deprivation in their areas, and be permitted to set thresholds.

Lump Sums

In paragraphs 1.3.38 to 1.3.42 we discuss the issue of lump sums. Many local formulae currently allocate a lump sum to schools. We want to set the upper limit on the lump sum at a level no higher than is needed in order to ensure that efficient, small schools are able to exist where they are genuinely needed. We think that the upper limit should probably fall somewhere between £100k and £150k, and is certainly no higher than £150k.

Question 4: Where within the £100k-150k range do you think the upper limit should be set?

<input type="checkbox"/>	£100k	<input type="checkbox"/>	£110k	<input type="checkbox"/>	£120k	<input type="checkbox"/>	£125k	<input type="checkbox"/>	£130k
<input type="checkbox"/>	£140k	<input type="checkbox"/>	£150k	<input checked="" type="checkbox"/>	None	<input type="checkbox"/>	Not Sure		

Comments:

LA's in consultation with School Forum should be free to decide the upper limit to take account of small schools within the area.

The outcome of question 2 will affect the available sum to be distributed through lump sum.

Setting an upper limit at this stage will adversely affect smaller schools. It would therefore be prudent to let local authorities set the level of the lump sum, at least until the reforms have been fully tested.

Free Schools, University Technical Colleges (UTCs) and Studio Schools

In paragraphs 1.8.12 to 1.8.14 we discuss the funding of Free Schools, UTCs and Studio Schools. We have decided that Free Schools, UTCs and Studio Schools, like other Academies, should move across to be funded from 2013/14 through the relevant local simplified formula. One consequence of this is that confirmed funding levels for new schools will not be available until the spring prior to a September opening.

Question 5: What sort of information do Free School, UTC and Studio School proposers need, and at what stages, to enable them to check viability and plan effectively?

Comments:

Improving arrangements for funding pupils with high needs

In Section 3 and Annex 5a, b and c we discuss the new arrangements for funding pupils with high needs. In Section 3.8 we discuss the roles and responsibilities under the new place plus approach, specifically those of providers, commissioners and the EFA, We want to ensure that unnecessary bureaucratic burdens are not placed on providers and that there is clarity as to the respective roles and responsibilities of the EFA and local authorities.

Question 6: What are the ways in which commissioners can ensure responsibilities and arrangements for reviewing pupil and student progress and provider quality can be managed in a way that does not create undue administrative burdens for providers?

Comments: The Local Authority is already responsible for monitoring pupil progress for pupils with statements of SEN through the Annual Review of Statement process. This could continue to be managed through the Annual Review with some adaptations to the Annual review paperwork. Provision mapping and pupil progress would need to be summarised in the Annual Review paperwork. A common reporting framework would better support this. This would need to be considered in the light of the Government response to the SEN Green paper recommendations and any implications which arise regarding changes to the SEN Code of practice and implications for pupils with a single plan with high needs. It is not yet clear whether it would increase undue administrative burden. With regard to provider quality, commissioners are and should continue to be responsible for quality assurance of this, although the most efficient and effective way to do this is in partnership in order to avoid duplication and over burderning providers. Where providers are providing for more than one Local Authority area, this would be better managed in broader cross border partnerships. If Providers do not provide what is required, they will not continue to be commissioned, and so it is their interests to do this.

Detailed written contracts setting out expected outcomes would be required, which will increase bureaucracy, but will also be able to better demonstrate value for money

In section 3.9 we discuss transitional protection for providers. We want to ensure that the transition from the current funding system to the new arrangements is as smooth as possible. In the document we set out a number of ways we intend to provide support through the transitional period and enable commissioners and providers to become accustomed to the new approach

Question 7: Are there other ways that we can help to ensure a smooth transition for commissioners and providers to the reformed funding approach for high needs pupils and students?

Comments: There needs to be absolute clarity and transparency so that the approach is applied consistently and is not open to manipulation. It would be helpful to have consistent indicators linking level of need to funding bands to support high needs. There are examples in some Local Authorities already. The impact of any changes should be monitored carefully and adjustments considered if appropriate.

In Annex 5a, paras 38 to 41 we discuss the level of base funding for AP settings and suggest that £8,000 would be an appropriate level of base funding.

Question 8: Do you agree that £8,000 per-planned place would be an appropriate level of base funding for AP settings within a place-plus funding approach?

Yes

No

Not Sure

Comments: As AP settings vary significantly, this may be too much in some cases. Other pupils would need the top up funding as suggested. We have concerns regarding the high mobility of some of this population, where pupils may be moving in and out of such provision. Managers and Governors of such provision will need budget/business management skills.

In Annex 5a paras 42 to 46 we discuss the top-up funding for AP settings. For short-term and part-time placements, we propose that appropriate pro rata arrangements would be put in place for calculating top-up funding and that it would be sensible to calculate top-up funding for short-term placements on a termly or half-termly basis, while part-time placements could be calculated on a daily rate. For very short-term placements, for example those that lasted less than ten days in an academic year, we would envisage that AWPU would not be repaid by a commissioning mainstream school and that the commissioner would pay an appropriate level of top-up funding to reflect this.

Question 9: Do you agree that it would be sensible to calculate pro rata top-up payments for short-term placements in AP on a termly or half-termly basis?

Termly

Half-termly

Not Sure

Comments: AP providers would not be able to respond quickly enough unless payments were very regular and calculable on an agreed daily rate

Question 10: Do you agree that it would be sensible to calculate pro rata top-up payments for part-time placements in AP on the basis of a daily rate?

Yes

No

Not Sure

Comments: Short term placements may be part time across a week or for blocks which might vary in length. A daily rate would need to be responsive to this. The question is unclear as to what it is referring.

In Annex 5a paras 47 to 52 we discuss hospital education. Hospital schools occupy an important place in the education system and we need to think carefully about how hospital education is funded within the parameters of a new approach to high needs funding. Hospital education is not an area where commissioners plan education provision and where pupils and their families exercise choice about the institution in which they will be taught. In funding terms, our aim must be to ensure that high-quality education provision is available whenever a pupil has to spend time in hospital.

Question 11: What are the ways in which hospital education could be funded that would enable hospital schools to continue to offer high-quality education provision to pupils who are admitted to hospital?

Comments: Central Bedfordshire does not have any hospitals but would welcome consistency in charges from other Authorities.

In Annex 5a paras 53 to 56 we discuss the base level of funding for specialist providers. Under the place-plus approach there will be a simple process, with clear responsibilities and transparent information, for reviewing and, if appropriate, adjusting the allocation of base funding for specialist placements. The key components of this process are set out in the document.

Question 12a: Do you agree with the proposed process for reviewing and

adjusting the number of places for which specialist settings receive base funding?

Yes

No

Not Sure

Comments: How this would work in practice and what is meant is still very unclear, and would need to be further clarified before a response could be made. If this is based on October returns, this would not reflect the increase in pupils across the school year, and therefore required places, common across some special school settings. This would mean that there could be significant numbers of unfunded places for a considerable amount of time. This population is small and therefore there can be significant fluctuations year on year in numbers in a cohort which can have a significant impact for commissioners (as exemplified with the YPLA funding of LLDD placements). On the flip side, providers need some budget stability.

Question 12b: Are there any other ways in which this process could be managed in a way that is non-bureaucratic and takes account of local need and choice?

Comments: Other proposals would require places and place funding to be reviewed at another point in the year, which would mean holding back some resource. This would increase the administrative burden.

Simplifying arrangements for the funding of early years provision

In paragraphs 4.5.1 to 4.5.5 we discuss the 90% funding floor for three year olds. Current funding for three year olds is based on the actual number of three year olds who take up their entitlement to free early education or an amount equivalent to 90% of the estimated three year old population doing so, whichever is higher. We now think the time is right to phase out the floor so it is removed entirely from 2014-15. We also think it is right that we use 2013-14 as a transition year. Removing the floor from 2014-15 will require a level of transition support for local authorities, enabling them to increase participation levels. There are various options for how this transitional protection could operate but we think the most obvious way is to lower the floor in 2013-14 from 90% to 85%.

Question 13: Do you have any views on the move to participation funding for three year olds, particularly on how transitional protection for 2013-14 might operate?

Comments:

The LA agrees that the floor could be withdrawn, the 3 year old offer is now so mainstream that it should not be necessary any longer.

Using 2013/14 as a transitional year at a suggested 85% floor is an acceptable level.

In paragraphs 4.6.1. to 4.6.3 we discuss free early education provision in academies. A small number of Academies with early years provision which existed prior to September 2010 continue to be funded by the Young People's Learning Agency (YPLA) through replication. We believe there is a strong case to be made for bringing together free early education funding for three and four year olds for all providers. This would mean that wherever a child accesses their free early education they would be funded and paid by local authorities through the EYSFF. This would further support simplicity and transparency in funding for free early education.

Question 14: Do you have any views on whether free early education in all Academies should be funded directly by local authorities?

Comments:

There is a strong case to be made for all early education funding to be paid through the local authority as it is now, Academies, PVIs and Maintained sector. It is really the only way that we can ensure parents are not claiming for more hours etc and helps transparency.

Question 15: Have you any further comments?

Comments:

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?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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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 consultees' 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 11 October 2011

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

Send by post to:

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