

# CONSULTATION ON NEW SCHOOL FUNDING ARRANGEMENTS

## PROGRAMME AREA RESPONSIBILITY CHILDREN'S SERVICES

CABINET

19TH MAY, 2005

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### Wards Affected

County-wide

### Purpose

To note the Council's response to the DfES consultation paper (response deadline 13th May) and to determine whether Cabinet wishes to add any further comments in a supplementary letter.

### Key Decision

This is not a Key Decision of the Council, however there is an opportunity to influence government policy on the mechanics of school funding which will affect all schools for many years to come.

### Recommendation

**THAT (a) the technical response be noted; and**

**(b) to consider whether a further letter should be sent based upon the Local Government Association leaflet "don't fence us in!" on behalf of Herefordshire Council.**

### Reasons

The Council's response has focused primarily upon the technicalities of school funding as set out in the consultation paper and specifically drawing attention to concerns about the reliability of forecasting pupil numbers over a three year period and the proposal to base school budgets on forecasted numbers with the likelihood of a year end clawback. Herefordshire schools have consistently wanted certainty of funding and this is reflected in the LMS formula.

It is for Cabinet to determine whether further comment is necessary on implications for local government and local democracy.

### Considerations

Local Democracy

1. The LGA have produced a leaflet setting out why the LGA believes that ring-fencing school funding (which includes the funding passed to individual schools (£66m) and that spent centrally on services for schools and includes early years and SEN provision (£14m)) will make it harder for government to deliver its wider agenda for education and for children's services. There is a noticeable absence throughout the

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Further information on the subject of this report is available from  
Malcolm Green, LMS and Planning Manager on 01432 260818

DfES consultation paper of any reference to the integration of education funding (the so-called LEA budget (£14m) with Social Care children's and family services and the broader investment in the area based on "Every Child Matters". The attached LGA leaflet could be adapted to form the basis of a supplementary letter. (Annex A).

#### Technical Response

2. The DfES have issued a 2 page summary, attached for information, (Annex B) a short 32 page summary of the proposals and a full 72 page consultation paper together with a 27 page response form. Copies of the 32 page summary version and the response form were sent to all schools on the 10th March so that schools would have plenty of time to consider the proposals and respond directly.
3. The key issues identified for schools to consider were
  - (a) Three year budgets for schools – is it helpful to have indicative, estimated, firm and final budgets over a three year period as an aid to school planning?
  - (b) Academic year budgets – should the academic year budget be based on pupil numbers fixed at the previous January pupil census or should the budgets be based on forecast pupil numbers and adjusted retrospectively at the year end?
  - (c) Minimum funding guarantee – is it helpful that the guarantee continues albeit at a lower fixed percentage or does it distort local decisions regarding Herefordshire's own funding formula?
4. A copy of the technical response to the 35 consultation questions is attached (Annex C). This has been submitted to the DfES to comply with their 13th May deadline.

#### Alternative Options

The alternative options are either to withdraw the technical response submitted by the deadline or amend it.

#### Risk Management

Government will introduce revised arrangements for school funding from April 2006. If the DfES are not aware of the Council's concerns, there is a risk that the revised arrangements will produce significant administrative problems for local authorities and schools.

#### Consultees

The technical response has been approved by the Director of Children's Services, the County Treasurer and the Chair of the School Forum. The proposals have been circulated to schools so that they can reply directly to the DfES. The Council's response is to be considered by the Schools Forum on the 9th June 2005.

#### Background Papers

DfES Consultation paper launched on 17th February 2005 and letter to schools dated 10th March 2005.