

CONSULTATION ON NEW SCHOOL FUNDING ARRANGEMENTS

REPORT BY MANAGER OF LMS AND PLANNING

HEREFORDSHIRE SCHOOLS FORUM

9TH JUNE, 2005

Schools Affected

All Schools

Purpose

1. To inform Schools Forum of the Council's submission in response to the DfES consultation paper.

Financial Implications

2. The results of the consultation exercise will influence government policy on the mechanics of school funding which will affect all schools for many years to come.

Report

3. 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.
4. The DfES have issued a 2 page summary, attached for information, 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.
5. The key issues identified for schools to consider were:
 - i. 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?
 - ii. 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?
 - iii. 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?
 - iv. A copy of the technical response to the 35 consultation questions is attached. This has been submitted to the DfES to comply with their 13th May deadline.

RECOMMENDATION

THAT:

- (a) the Council's response be noted;
and
- (b) Herefordshire Schools Forum highlights any issues that will need to be considered carefully during the implementation prior to April 2006.