

## SCHOOLS' FUNDING FORUM

<b>SUBJECT:</b>	DfE review of 2013/14 School Funding Arrangements
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### **SUMMARY OF REPORT:**

On 13 February, the Department for Education (DfE) launched a review of the funding reforms for 2013/14. Responses to the review need to be submitted to the DfE by 26 March 2012. This report provides members of the SFF with an overview of the reforms and an opportunity to comment on the LAs draft response.

## **1 Introduction**

- 1.1 On 13 February 2013, the Department for Education (DfE) launched a review of the 2013/14 School Funding arrangements. Attached at appendix 1 is a copy of the review document which gives a summary of how the funding reforms have been implemented and considers some specific issues that have been raised. It seeks views from a range of interested parties including Local Authorities, Head teachers, Principals and Governors. The review document contains 23 specific questions that the Department are seeking stakeholder views on. The closing date for responses is the 26 March 2013.
- 1.2 The DfE have acknowledged that some LAs, schools and parents are concerned about the impact of the new arrangements. The DfE have stated that they will consider whether they need to make small changes in 2014/15 in order to address some of the issues raised.
- 1.3 In our view there are a number of issues that need addressing which are not mentioned in the review document but we believe we should use the response to raise these issues again.

## **2. Section 1: Are we moving towards national consistency? (Questions 1 to 3)**

- 2.1 The intention of the Government is to move towards a pupil led funding system that targets the funding of needs of the pupils and not the circumstances of the school. The DfE have stated that a national funding formula will be introduced sometime during the next spending review period which commences in 2015/16.
- 2.2 The October pro-forma that all LAs had to return has been used as the source of information to analysis the impact of the changes and the variation in funding that still exists. The annex included in Appendix 1 provides an analysis of national distribution and I have shown on each chart Kent's position
- 2.3 Even though the reforms encourage LAs to fund schools on a consistent and comparable basis there are still variations in how LAs distribute the DSG. It goes on

to say that this is expected due to variable levels of DSG funding LAs receive across the country.

- 2.4 In 2012/13 Kent's received DSG of £4,885 per pupil, the national average was £5,085 and the rates vary from £4,428 at the lowest point to £9,372 at the highest point. It is understandable that there will be variable levels of funding when there is a broad range of DSG amounts per pupil.

### 3. **Section 2: Areas of concern and possible changes for 2014/15 (Questions 4 to 18)**

- 3.1 The DfE acknowledge moving towards a more consistent and transparent system will inevitably lead to shifts in school budgets. The DfE are aware that some schools, LAs, parents and governors are worried about the impact of these arrangements. The DfE have said that they will make changes if the reforms have had unacceptable (and possible unforeseen) consequences.

#### Prior Attainment

- 3.2 The DfE ask the question whether Early Years Foundation Stage Profile (EYFSP) is a suitable factor and if not what would be an alternative to identify low cost SEN in primary schools. The major concern for Kent is that moving to EYFSP has already generated significant changes in levels of prior attainment funding. The suggestion is that EYFSP is moving to more of a judgement basis. We therefore are concerned that this may cause further turbulence or worse lead to a perverse incentive to lower the judgement to gain financial reward.

#### Pupil Mobility

- 3.3 We do not currently have a pupil mobility factor within Kent however the review highlights concerns from some stakeholders that this factor does not differentiate between a small and a large volume of mobility. The intention was that only large volumes of mobility should receive additional funding.

#### Lump Sum

- 3.4 Concerns have been raised that the lump sum may not offer adequate protection for some small rural schools. This is not an issue in Kent as the lump has been set to more than compensate for loss of previous curriculum protection factor and the analysis undertaken by the LA confirmed that 89% of small schools gained funding from setting the lump sum at £120k. The introduction of a new sparsity factor is discussed at great length.

#### Targeting funding for Deprived Pupils

- 3.5 Some LAs have raised concerns that the allowable deprivation measures are not providing adequate funding to schools who take a large proportion of pupils from deprived backgrounds.

#### Service Children & Traveller Children

- 3.6 The DfE is seeking views from LAs, backed up with supporting evidence, whether Service Children require additional funding (over and above the formula and pupil premium) in order to achieve as well as non-service children.
- 3.7 They are also seeking views as to whether the reforms have prevented LAs from targeting funding to groups of pupils that need additional support. In our previous consultation response Kent made strong representation against the removal of a Traveller Children factor.

#### Schools with falling rolls

- 3.6 The government's policy is that successful expanding schools should be rewarded, and that pupils should be free to attend the school of their choice without the funding being locked in at a different school. The DfE's changes to the Minimum Funding Guarantee have enhanced this policy, removing protection from schools with falling rolls. The review asks whether there should be any exception to this policy.

### **4 Section 3: Options for adjusting high needs funding in 2014-15 and beyond (19 to 22)**

- 4.1 The DfE believe it is too early to consider changes to High Needs SEN "Place Plus" and will therefore look at this as part of a subsequent review. There are four questions which do not focus on one particular aspect of the Place Plus funding methodology.
- 4.2 Whilst we agree that there has been significant change to this aspect of school funding, there are still a significant number of issues and concerns and we therefore think the DfE have missed a trick by not focusing on this area as part of this review. There are still many points to be resolved before the new system can achieve what the DfE intended it to do.
- 4.3 Although there are four specific questions to respond to, the LA intends to provide comments on a number of other issues surrounding high needs funding and will include these in a covering letter to the Department.

### **5 Section 4: Schools Forums (Question 23)**

- 5.1 The DfE had concerns that Schools' Forums were not always operating fairly or transparently. Examples include meeting papers and agendas not being published and voting rights being spread too widely across a range of members.
- 5.2 The DfE would like to know if stakeholders think that Schools' Forums are operating more democratically and transparently than before? If not, what further measures could the Department take in order to improve this?

### **6 Summary**

- 6.1 The Forum will have seen from the LAs updates over the two years how much work has been undertaken by the Department and by LA staff in implementing the Schools Funding Reforms. However what is becoming increasingly frustrating is yet another request for information from the Department with a tight timescale for response and

at a time in the year when officers are working flat out on finalising and issuing budgets to schools and setting County Council budgets.

- 6.2 It is really difficult to understand why the Department is seeking views on this subject now when schools and academies will only have a matter of days to review their 2013/14 budgets. Surely it would make for a more meaningful exercise if the Department had waited until late April or even early May so that schools & academies had the opportunity to fully appreciate the implications of the Schools Funding Reforms on their school / academy.
- 6.3 It is also very frustrating that they are raising concerns on topics when LAs and SFF up and down the country had expressed serious reservations, in some cases almost two years ago but they were ignored.
- 6.3 Attached at appendix 2 is a copy of the LAs draft response to the DfE.

## **7 Required**

- 7.1 SFF members are asked to
- a) Note the content of the LAs draft response to the review
  - b) Consider whether you wish to submit a joint response or a separate response to the review