Schools Forum

6th December 2012

Update on the Schools Funding Reforms

This report relates to both maintained and academy schools

Recommendation

The Schools Forum is recommended to:

 Note the progress of the schools funding reforms since the meeting on October 18th

1.0 Introduction

1.1 At its meeting on October 18th where a recommendation was made to adopt "Option Four" as the funding formula for schools in Warwickshire from April 2013, it was requested that an update report be brought to this meeting for Forum member's information.

2.0 Update

- 2.1 The termly Finance Newsletter was issued to all school and academies just before the half term break and included details regarding the decision made by the Schools Forum in terms of the recommendation of Option Four. The minutes of the Forum meeting were also published on the WCC website.
- 2.2 Following this, there were several emails received by officers in the Local Authority from schools or groups of schools regarding the decision; in particular the fact that Option One was that which was most favourable in the consultation but not the final recommendation.
- 2.3 To explain the decision making process in more detail, a letter was sent out to all schools and academies. This is attached as Appendix A.
- 2.4 On October 31st, the new national pro-forma was submitted to the Education Funding Agency (EFA), showing the allocation of funds to Warwickshire schools based on Option Four and the delegation and de-delegation of funding. Since this submission, several queries have been received from the EFA to which answers have been provided. The Local Authority has since received feedback that it complies with the regulations and indicative budgets for 2013/14 have been issued to schools based on this pro-forma.

- 2.5 On November 6th, a report was presented to the Children's and Young Peoples Overview and Scrutiny Committee. A copy of this report can be found at http://democratic.warwickshire.gov.uk/cmis5/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/645/Meeting/2254/Committee/487/Default.aspx.
- 2.6 The response from the committee was that whilst they were disappointed to the response to the consultation responses had not been higher, that they endorsed the decision of the Schools Forum.
- 2.7 In its new role as adjudicator of decisions taken by Schools Forum, the EFA has received a request to investigate the decision made by the Forum with regard to the recommendation of Option Four. An explanation of the decision making process and a copy of the letter issued to schools was sent to the EFA. The Local Authority has since received a response that they are satisfied with the decision making process and the Schools Forum recommendation.
- 2.8 The Cabinet meeting will take place on December 13th seeking final approval for the adoptions of Option Four. A copy of the Cabinet report is available at http://democratic.warwickshire.gov.uk/cmis5/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/645/Meeting/2241/Committee/468/Default.aspx

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Appendix A



November 16th 2012

Dear colleagues,

I am writing to you all regarding the Schools Funding Formula being proposed for adoption in Warwickshire from April 2013 and to explain the process by which the final option was selected. Understandably, it is apparent that there is some confusion relating the results of the consultation to that of the final recommendation of the Schools Forum.

You will recall that there were 4 options being considered by the Schools Forum and that you were all asked for your feedback on these options through a formal consultation process, the latter part being completed at the end of September.

As a reminder, the 4 options were as follows:

Option One – 84% funding allocated through a basic per pupil entitlement and 6% additional needs allocated on a FSM ever 6 years basis only

Option Two – 84% funding allocated through a basic per pupil entitlement and 6% additional needs allocated on a FSM ever 6 years basis and prior attainment.

Option Three – 78% funding allocated through a basic per pupil entitlement and 12% additional needs allocated on a FSM ever 6 years basis only

Option Four – 78% funding allocated through a basic per pupil entitlement and 12% additional needs allocated on a FSM ever 6 years basis and prior attainment.

In terms of the feedback from the consultation, 2 approaches were taken to assess the results; one was collating the responses on a "one school, one vote basis" and the other on the basis of the number of pupils that the respondents represented. In both approaches, Option One was the most favoured in the consultation and as such, this was the first preferred option recommended by the Project Board to the Schools Forum. However, it was recognised that using only "FSM ever 6 years" to allocate additional needs funding may be too narrow an approach. Therefore Option Two, the second most favoured in terms of the number of schools who responded, was also put forward by the Project Board.

However, the final recommendation to Cabinet has to come from the Schools Forum, the statutory body with the responsibility for this function, elected by their peers and representative of the type of schools within Warwickshire. After the consultation had closed, the members of the Forum continued to talk to colleagues to generate further feedback, a role that is fundamental to their membership. From these discussions, it became apparent that there was concern in relation to a formula that may result in shifts of funding from areas

where there are high levels of deprivation and higher additional needs. On the basis that Option Four was the second favoured in terms of the number of pupils represented and had a greater weighting towards additional needs funding than Options One and Two, this option was also included for the Schools Forum to consider at its meeting on 18th October.

The intention of retaining three options for the Schools Forum to vote upon was therefore to enable an open and transparent debate and one that could be defended if called upon to do so by the Education Funding Agency. Whilst the Project Board recommendations of Option One and Two were made clear at the meeting, the final voting of the Forum was as follows:

Option One 5 votesOption Two 2 votesOption Four 13 votes

As such, with the overriding support of the Schools Forum members, Option Four will be that recommended to the Cabinet on December 13th for final approval. Since the Schools Forum meeting, this decision has also been endorsed by the Children and Young Persons Overview and Scrutiny Committee.

Whilst the formal consultation played a vital role in assisting the decision making process, other factors, in particular the impact on the most vulnerable pupils, were also important to the Schools Forum members.

The selection of a final option was not an easy decision as ultimately some schools see reductions under each of the scenarios. That said, a decision has to be made to ensure that Warwickshire complies with the new Department for Education (DfE) regulations from next April. The impact of the changes on each school however continue to be mitigated by the Minimum Funding Guarantee but there remains some uncertainty regarding the longevity of these changes; further work will begin next year by the DfE to develop a National Funding Formula, of which an implementation date is yet to be announced.

I hope that this letter helps you to understand firstly the reason for the inclusion of the three options for consideration by the Schools Forum at its meeting in October and secondly that the Forum members, as elected, representative members of a statutory body, showed overwhelming support for Option Four.

Kind regards,

Mark Gore

Head of Service - Learning and Achievement

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