

Schools Forum

24th June 2014

Consultation regarding Non Recoupment Academies

This report relates to both maintained and academy schools

Recommendation

The Schools Forum is recommended to:

1. Note the consultation response by WCC as included in paragraph 2.4

1.0 Background

1.1 There are some academies in England that were formed before the current academy regulations were in place and who are funded by the Education Funding Agency (EFA) directly and, in some cases, are funded based on estimated pupil numbers. The arrangement for Free Schools is the same. Recoupment academies (all academies in Warwickshire have this status) are funded differently in that the pupil numbers are included in the Local Authorities DSG allocation and their funding is based on the local formula and October census pupil numbers. The EFA then deducts the academy funding from the Local Authorities DSG and pays the academies directly.

1.2 The Department for Education (DfE) recently issued a consultation asking for views regarding streamlining these processes and treating all academies and free schools the same. The DfE consultation document is shown in Appendix A.

1.3 Warwickshire does not have any non-recoupment academies but has one free school and a Studio School to which these changes would be relevant.

2.0 Implication of the proposals

2.1 There are several detrimental consequences of this proposal.

2.2 Firstly, bringing non recoupment academies into the local funding arrangements means that the academies will be eligible for part of the centrally managed funding. However, as the proposals stand, the local Authority will receive no additional funding to offset these increased costs.

2.3 Secondly, where a free school or non-recoupment academy is expanding, the EFA agrees the number of pupils that will be funded which often entails funding ghost places while the school increases actual pupil numbers. The expectation is that this practice will be transferred to the Local Authority. If such as school was expanding to meet the Local Authorities basic need for places, then this would be a suitable use of the Growth Fund (Warwickshire has a provision within the DSG to cover school expansions) However, if the school is expanding by original agreement by the EFA (for example a Free School) but this does not meet the Local Authorities basic need requirement, the Local Authority will still be expected to fund the growth.

2.4 The response to the DfE from Warwickshire makes clear that if these academies are to be eligible for centrally managed funding, then the Local Authority should receive additional funding to compensate for this and that the Local Authority being forced to fund expanding schools that do not assist in meeting the statutory basic need of places provision is unfair and not supported..

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