

School funding reform:
Next steps towards a fairer system

Consultation Response Form

The closing date for this consultation is:

21 May 2012

Your comments must reach us by that date.

THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online response facility available on the Department for Education e-consultation website (<http://www.education.gov.uk/consultations>).

The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically-generated e-mail confidentiality statement, will necessarily exclude the public right of access.

Please tick if you want us to keep your response confidential.

Name Wendy Sagar

Organisation (if applicable) Joint response – Slough Borough Council &
Slough Schools Forum

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If you have an enquiry related to the policy content of the consultation you can contact either

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If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Consultation Unit by e-mail: consultation.unit@education.gsi.gov.uk, by Fax: 01928 794 311, or by telephone: 0870 000 2288.

Please tick the box that best describes you as a respondent.

<input type="checkbox"/> Maintained School	<input type="checkbox"/> Academy	<input type="checkbox"/> Teacher
<input type="checkbox"/> Individual Local Authority	<input type="checkbox"/> Schools Forum	<input type="checkbox"/> Local Authority Group
<input type="checkbox"/> Teacher Association	<input type="checkbox"/> Other Trade Union / Professional Body	<input type="checkbox"/> Early Years Setting
<input type="checkbox"/> Governor Association	<input type="checkbox"/> Parent / Carer	<input type="checkbox"/> Other

If 'Other' Please Specify:

Joint response on behalf of Slough Borough Council and Slough Schools Forum

Simplification of the local funding arrangements

Basic per-pupil entitlement

In paragraphs 1.3.10 and 1.3.11 we discuss the basic per-pupil entitlement. The difference between providing education for Key Stage 3 compared to Key Stage 4 is sometimes significant due to the additional costs of practical work and examinations incurred in the latter Key Stage.

Question 1: Should local authorities and Schools Forums be able to agree separate rates for Key Stage 3 and Key Stage 4?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments: At the moment, the Slough formula contains differential AWPU rates in order to target resources effectively. For the future, Slough believes that local flexibility to agree separate rates should be retained, in order to be able to respond to the need for a higher pupil / teacher ratio and the wider range of options available at key stage 4. This flexibility would also support Academies to enable them to be innovative beyond the national curriculum.

In para. 1.3.13 we consider setting a minimum threshold for the basic entitlement. There is an interaction between the amount of funding that goes through the basic entitlement and the amount remaining for other factors, such as deprivation and low-cost SEN. There are three options available:

- To require a minimum percentage to go through **the basic entitlement only** (and we think that 60% represents a reasonable starting point);*
- To require a minimum percentage to go through **all of the pupil led factors** (so would include the basic entitlement, deprivation, looked after children, low cost SEN and EAL). We think that 80% represents a reasonable amount for this threshold.*
- To not set a threshold at all and accept that there will be inconsistency in some areas*

Question 2 : Do you think we should implement option a, b or c?

<input type="checkbox"/> (a)	<input checked="" type="checkbox"/> (b)	<input type="checkbox"/> (c)	<input type="checkbox"/> None	<input type="checkbox"/> Not Sure
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Comments: Given the limited range of factors, it is anticipated that at least 80% of funding will be distributed through all of the pupil led factors.

Deprivation

In paragraphs 1.3.15 to 1.3.23 we discuss deprivation funding and the issue of banding. Our preference is to allow banding only for IDACI under a new system, and to keep it as simple as possible, for example by only allowing a certain number of bands with a fixed unit rate applied to each and a minimum IDACI threshold. We do not propose to allow banding for FSM.

Question 3: Do you agree with our proposals on banding? How do you think they might be applied locally?

Yes

No

Not Sure

Comments: Currently, Slough uses IMD and FSM to distribute deprivation funding.

The IMD element of the formula is based on 5 bands, delivering the highest funding for pupils in the most deprived 20% (£263.17 per primary pupil; £357.10 per secondary pupil) and nil for the pupils in the least deprived 20%. This methodology will be applied to IDACI.

Slough has high numbers of pupils in receipt of FSM. However, the distribution of eligible pupils is uneven across the borough and schools / Academies. As a result, Schools Forum has agreed differential rates in order to target funding effectively. A lower FSM rate (£276.05 per primary pupil; £182.84 per secondary pupil) is funded where <15% pupils are eligible for FSM and a higher rate (£828.14 per primary pupil; £548.52 per secondary pupil) where >15% pupils are eligible. Slough believes that local flexibility to agree differential FSM bands should be retained to support the effective targeting of resources.

Lump Sums

In paragraphs 1.3.38 to 1.3.42 we discuss the issue of lump sums. Many local formulae currently allocate a lump sum to schools. We want to set the upper limit on the lump sum at a level no higher than is needed in order to ensure that efficient, small schools are able to exist where they are genuinely needed. We think that the upper limit should probably fall somewhere between £100k and £150k, and is certainly no higher than £150k.

Question 4: Where within the £100k-150k range do you think the upper limit should be set?

£100k

£110k

£120k

£125k

£130k

£140k £150k None Not Sure

Comments: In order to retain local flexibility in light of the reduced number of allowable formula factors, Slough believes that the upper limit for the lump sum should be set at the maximum proposed, £150k.

Free Schools, University Technical Colleges (UTCs) and Studio Schools

In paragraphs 1.8.12 to 1.8.14 we discuss the funding of Free Schools, UTCs and Studio Schools. We have decided that Free Schools, UTCs and Studio Schools, like other Academies, should move across to be funded from 2013/14 through the relevant local simplified formula. One consequence of this is that confirmed funding levels for new schools will not be available until the spring prior to a September opening.

Question 5: What sort of information do Free School, UTC and Studio School proposers need, and at what stages, to enable them to check viability and plan effectively?

Comments: Based on local experience, information needs to be available and confirmed as early as possible to ensure that the proposal remains sustainable. In order to support effective financial planning, proposers need confirmation as soon as possible especially if funding falls below the level indicated in DfE models supplied at application stage. This is necessary to ensure that commitments made at the pre-opening stage can be met.

Improving arrangements for funding pupils with high needs

In Section 3 and Annex 5a, b and c we discuss the new arrangements for funding pupils with high needs. In Section 3.8 we discuss the roles and responsibilities under the new place plus approach, specifically those of providers, commissioners and the EFA. We want to ensure that unnecessary bureaucratic burdens are not placed on providers and that there is clarity as to the respective roles and responsibilities of the EFA and local authorities.

Question 6: What are the ways in which commissioners can ensure responsibilities and arrangements for reviewing pupil and student progress and provider quality can be managed in a way that does not create undue administrative burdens for providers?

Comments: Slough would appreciate greater clarity in respect of cross-boundary commissioning.

However, based on our interpretation of the proposals, we believe that a consistent model will be required across the country to reduce the administrative burden for both providers and commissioners. Reviews will be required on two levels, (i) overall assessment of provider and (ii) individual assessment of each pupil / student's

progress.

One option for the former (overall assessment) could follow the work of CCRAAG (except for the nationally agreed contract) in the non-maintained sector and / or model of lead LA Commissioner for each provider in considering quality of provision, outcomes and value for money. Alternatives include nationally agreed tools for reviews of whole school provision (such as the Audit Commission value for money resource (VFM), Ofsted inspections). A further option would be to agree a simple transparent annual report from providers against key performance indicators (KPIs) set out in the agreement to provide services (agreed between commissioner and provider).

For example LA commissions provision for high cost places in a range of providers in their local area (maintained schools, Academies etc) based on an agreement to provide services document which sets out the expectations of both parties and KPIs. The provider would then prepare a brief report against the KPIs each year including evidence of VFM. This report would be shared with the local commissioner (lead responsibility) and could be passed to other commissioners as appropriate. Ofsted would have sight of these annual reports on inspections. This could also enable providers to review their offer of provision and could possibly be used in relation to equality act responsibilities.

Annual reviews for all pupils /students are considered appropriate, although it would be helpful if commissioners accept the format for reviews within the local area to the provider (in the absence of a national model). Individual pupil progress would be reviewed when the statement (or plan) is reviewed using the locally agreed format. Commissioners could agree to attend reviews of each others' pupils to avoid unnecessary travel and to enable providers to have one key point of contact but Commissioners would have to trust each others' judgement.

LAs will need to have the funding to ensure the capacity is available to resource the agreed process. There may also be some benefit from developing Early Support tools for schools such that there is a nationally agreed format. This would also support efficiency between LAs.

In section 3.9 we discuss transitional protection for providers. We want to ensure that the transition from the current funding system to the new arrangements is as smooth as possible. In the document we set out a number of ways we intend to provide support through the transitional period and enable commissioners and providers to become accustomed to the new approach

Question 7: Are there other ways that we can help to ensure a smooth transition for commissioners and providers to the reformed funding approach for high needs pupils and students?

Comments: The timescales for implementation of the proposed changes is extremely challenging. It will be necessary to unpick current, and then establish new, agreements.

Slough believes that there are significant risks attached to the challenging timescale, including the risk of a breakdown in provision and the ability of providers to manage cash flow and multiple commissioners. As a result, it would be extremely helpful to have decisions confirmed as a matter of urgency. Initially, it may also be helpful if all commissioners accept the use of top-up rates agreed by the home LA.

In Annex 5a, paras 38 to 41 we discuss the level of base funding for AP settings and suggest that £8,000 would be an appropriate level of base funding.

Question 8: Do you agree that £8,000 per-planned place would be an appropriate level of base funding for AP settings within a place-plus funding approach?

Yes

No

Not Sure

Comments: Slough has outstanding AP which is extremely effective in meeting complex needs. Following a review, consultation is in progress on a banded funding model using £10k as a threshold. In future, need below £10k would be delegated to schools. We had hoped that the value would be consistent across all settings. Having analysed the needs of the pupils in local AP settings as part of the work on the new funding model, it was clear that the cost of the provision to meet the complex needs in Slough matches the cost of provision for those pupils with SEN.

In Annex 5a paras 42 to 46 we discuss the top-up funding for AP settings. For short-term and part-time placements, we propose that appropriate pro rata arrangements would be put in place for calculating top-up funding and that it would be sensible to calculate top-up funding for short-term placements on a termly or half-termly basis, while part-time placements could be calculated on a daily rate. For very short-term placements, for example those that lasted less than ten days in an academic year, we would envisage that AWPU would not be repaid by a commissioning mainstream school and that the commissioner would pay an appropriate level of top-up funding to reflect this.

Question 9: Do you agree that it would be sensible to calculate pro rata top-up payments for short-term placements in AP on a termly or half-termly basis?

Termly

Half-termly

Not Sure

Comments: We are unclear regarding this proposal. However, there is a concern that this may create a perverse incentive for fixed term exclusions in a borough where there are currently none. Slough is also concerned about the impact on high cost outstanding provision and the ability of schools to commission placements.

Question 10: Do you agree that it would be sensible to calculate pro rata top-up payments for part-time placements in AP on the basis of a daily rate?

Yes

No

Not Sure

Comments:

In Annex 5a paras 47 to 52 we discuss hospital education. Hospital schools occupy an important place in the education system and we need to think carefully about how hospital education is funded within the parameters of a new approach to high needs funding. Hospital education is not an area where commissioners plan education provision and where pupils and their families exercise choice about the institution in which they will be taught. In funding terms, our aim must be to ensure that high-quality education provision is available whenever a pupil has to spend time in hospital.

Question 11: What are the ways in which hospital education could be funded that would enable hospital schools to continue to offer high-quality education provision to pupils who are admitted to hospital?

Comments: Slough has a small hospital school delivered through Haybrook College (which also incorporates a special school and PRU). We endorse the view that hospital schools do not fit comfortably in a commissioning model as there is a need to retain flexibility. In addition, the pupils / students are primarily patients and current provision ranges widely from small, ad hoc to larger, specialist provision. This makes it challenging to identify a model which would enable all hospital schools to deliver stand alone provision cost effectively.

Hospitals are also currently charging rent to schools when there is no option of providing the provision from alternative locations. It would be helpful if the NHS could be required to provide free space for hospital schools.

In Annex 5a paras 53 to 56 we discuss the base level of funding for specialist providers. Under the place-plus approach there will be a simple process, with clear responsibilities and transparent information, for reviewing and, if appropriate, adjusting the allocation of base funding for specialist placements. The key components of this process are set out in the document.

Question 12a: Do you agree with the proposed process for reviewing and adjusting the number of places for which specialist settings receive base funding?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments: Slough believes that the number of places should be reviewed at least every two years. It would make sense to build this review in to the annual process for reviewing quality of provision to ensure a simple process. Greater clarity is needed in relation to special academies and the relative responsibilities. There needs to be clarity to ensure that appropriate local provision is commissioned each year. .

Slough has rapidly rising rolls and reviews High Needs provision needs on an ongoing basis. The option to carry out reviews annually is required to enable local management of commissioning responsibilities. Local flexibility would also enable LAs in areas with falling rolls to manage any adverse impact on small special schools.

Question 12b: Are there any other ways in which this process could be managed in a way that is non-bureaucratic and takes account of local need and choice?

Comments: As mentioned in response to earlier questions, it would be helpful to link all the reviews, including annual reviews between provider and commissioner, reviews of quality and ensuring VFM, review of place numbers and reviews of required outcomes.

Simplifying arrangements for the funding of early years provision

In paragraphs 4.5.1 to 4.5.5 we discuss the 90% funding floor for three year olds. Current funding for three year olds is based on the actual number of three year olds who take up their entitlement to free early education or an amount equivalent to 90% of the estimated three year old population doing so, whichever is higher. We now think the

time is right to phase out the floor so it is removed entirely from 2014-15. We also think it is right that we use 2013-14 as a transition year. Removing the floor from 2014-15 will require a level of transition support for local authorities, enabling them to increase participation levels. There are various options for how this transitional protection could operate but we think the most obvious way is to lower the floor in 2013-14 from 90% to 85%.

Question 13: Do you have any views on the move to participation funding for three year olds, particularly on how transitional protection for 2013-14 might operate?

Comments: Slough will lose c£65k in 2013-14 due to reduction to 85% as provision is between 85-90%.

In paragraphs 4.6.1. to 4.6.3 we discuss free early education provision in academies. A small number of Academies with early years provision which existed prior to September 2010 continue to be funded by the Young People's Learning Agency (YPLA) through replication. We believe there is a strong case to be made for bringing together free early education funding for three and four year olds for all providers. This would mean that wherever a child accesses their free early education they would be funded and paid by local authorities through the EYSFF. This would further support simplicity and transparency in funding for free early education.

Question 14: Do you have any views on whether free early education in all Academies should be funded directly by local authorities?

Comments: It makes sense that all funding is through one source, and is more efficient.

Question 15: Have you any further comments?

Comments:

1. The proposed changes are significant and the timescale for implementation will be challenging. Following spending cuts, LAs may not have the in-house capacity to deliver. This would include ensure the proposals and impact are understood at individual school level. Special schools and AP settings will require additional support.
2. Slough Schools Forum welcomes the rigour in respect of the arrangements for Schools Forum which largely reflect current local arrangements. However, we do believe that non-schools settings, including PVI, Children's Centres and other 14-19 provision, should be represented whilst Schools Forums are making recommendations and decisions that influence their funding.
3. Slough is concerned that at the sustainability of high needs funding to support increases in high cost / residential pupils / students. In practice, it may be challenging to move funding from the Schools Block and still meet the minimum MFG requirements. Slough has adopted a very successful Inclusion Strategy and maximised pupils being educated in local maintained schools and Academies. There is a concern that this success limits future funding and flexibility.
4. Although the arrangements specify the role of the LA as commissioner, it is not clear how the role of Tribunals fits in the model. The document, especially the Appendices, refer to parental choice. The current arrangement is for parents to express a preference and we are not aware of any proposals to change this.
5. We would appreciate clarification of the proposed role of raising Participation Age colleagues in the commissioning process for post 16 pupils. It is assumed that the post 16 HN funding will be added to the DSG and distributed via the LA.
6. The DSG is currently subsidising the cost of HN 16-19 pupils. There is therefore a concern at the risk to school funding from the transfer of post 19 responsibility to LAs.
7. Finally, Slough is very concerned at the inflexibility and timelag in the proposed arrangements regarding expansion funding (new forms of entry and bulge classes). Under the proposed arrangements, Academies would not receive funding for rising rolls in October 2012 census until September 2013 and slightly earlier for maintained schools (April 2013). The LA is concerned that the current goodwill of schools and Academies to support local need may be at risk if schools are unwilling to increase provision.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, would it be alright if we were to contact you again from time to time either for research or to send through consultation documents?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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All DfE public consultations are required to conform to the following criteria within the Government Code of Practice on Consultation:

Criterion 1: Formal consultation should take place at a stage when there is scope to influence the policy outcome.

Criterion 2: Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.

Criterion 3: Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.

Criterion 4: Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.

Criterion 5: Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.

Criterion 6: Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.

Criterion 7: Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

If you have any comments on how DfE consultations are conducted, please contact Carole Edge, DfE Consultation Co-ordinator, tel: 01928 738060/ email: carole.edge@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed questionnaires and other responses should be sent to the address shown below by 21st May 2012

Send by e-mail to: schoolfunding.consultation@education.gsi.gov.uk

Send by post to:

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