



Haringey Council

The Children and Young People's Service

Report to Haringey Schools Forum 19 May 2011

Agenda Item

7

Report Status

For information/note
For consultation & views
For decision

Report Title: Consultation on School Funding Reform.

Authors:

Neville Murton – Head of Finance (Children and Young People's Service)
Contact: 0208 489 3176 Email: neville.murton@haringey.gov.uk

Steve Worth – School Funding Manager
Contact: 0208 489 3708 Email: stephen.worth@haringey.gov.uk

Purpose: To inform members of the DfE's consultation on proposed changes to the school funding methodology and to agree a response.

Recommendations:

That Forum members consider the proposed response and amend as necessary.

1. Background and Introduction.

- 1.1. The DfE are consulting on changes to the school funding system from April 2012. They are considering a national funding formula and are consulting in two stages. The first stage, Appendix 1, is on the principles that should underlie the formula and includes consideration on the extent, if any, of local discretion. The LA has drafted a response, Appendix 2, for consideration. It has a particular emphasis: that the DfE needs to get the distribution to LAs correct but should then allow locally knowledgeable and accountable council and forum members to decide on its further distribution.
- 1.2. This is one of several stances that could be taken and the Forum is being asked to consider Appendix 2 and to amend as necessary.

Appendix 2.

Draft Response to 'A consultation on school funding reform: Rationale and principles'.

Thank you for the opportunity to comment on your proposals for the future funding of schools. We are responding in a letter rather than to individual questions as we believe it is easier to capture the essence of our views in this way. However, we will endeavour to cover the points you raise.

In summary we believe that the national distribution of resources needs to be fair, properly reflecting current needs and cost differentials, transparent and as simple as possible whilst still reflecting needs and relative costs. The distribution of resources within a local authority, both between delegated and centrally retained budgets and between schools should be determined by the locally knowledgeable and accountable elected members and members of the schools forum.

We are disappointed that the government did not rectify in 2011-12 the current under funding, acknowledged by the Secretary of State, that so disadvantages Haringey's children.

We are also disappointed that the consultation is so constrained in time, particularly in view of the incidence of holidays in this period. These are very important issues and the timescale does not allow for a proper debate with members of the Schools Forum and other stake-holders.

It is hard to disagree with your stated characteristics of an ideal school funding system; we assume that similar ideals have underlain previous school funding systems. We believe that, in the past, the actual outcomes have not always attained the ideal, for instance in the treatment of the Area Cost Adjustment for the six outer London boroughs paying inner London weighting (we note that in your table on page 20 Haringey is classed as inner London). We expect that a 'fair and logical way' would address such anomalies in whatever system is implemented.

Your analysis of the failings of the current system bears this out; you point out that funding per pupil between schools with similar intakes can vary by as much as £1,800. In our response to your previous consultation we pointed out that Haringey pupils attracted £1,100 per head less than the average for our inner London neighbours, despite facing similar teaching costs and levels of deprivation.

Many of the flaws you identify are the result of out of date data and the reluctance to address clearly identified inequities within the national distribution system. They do not in themselves require the introduction of a national funding formula that may remove local expertise in targeting resources at local issues and priorities.

We fully support the targeting of resources at children from the most deprived backgrounds but the funding needs to take account of the area cost differentials in providing a similar level of additional support in any part of the country. Targeted resources should also reflect other cost differentials, for instance the effect of age and multiple deprivations.

We believe that local knowledge and accountability is the best way to allocate resources to schools within a local authority's area. Knowledge and accountability resides in elected members and through local schools fora, which represent the views of the school community to council members. The key factor is ensuring that resources are fairly allocated to local authorities. At present, academy funding mirrors the local funding formula and as academy representatives are members of their local schools forum their views will influence the local funding formula.

The argument for local knowledge and accountability also applies to the distribution of resources between those delegated to schools and those retained by the local authority.

We agree that that SEN needs to be adequately funded and planned for, as SEN remains a local authority responsibility no deduction should be made through LACSEG for the strategic management of SEN. The introduction of a banded system would improve the transparency of how funds are distributed nationally but may also restrict the ability of local authorities to flexibly manage provision. The age determined funding sources for SEN does not facilitate the LA's role in the strategic planning of SEN services. In addition, the historic under funding of post 16 SEN leads to a drain on other school resources. We require a more consistent and adequately funded methodology.

The EYSFF generated a significant degree of debate but a compromise was reached between the various sectors. As the EYSFF has only just been implemented it is too early to assess how successful it has been. We believe the argument in favour of local knowledge and accountability also applies to the funding of early years provision.

Your question on how much funding to allocate to three and four year olds begs a wider question. In paragraph 9.5 you are proposing a higher level of funding for secondary age pupils for which you will need to assess the relative weighting for secondary and primary age pupils. This is likely to involve an activity led costing model that could also be applied to three and four year olds.

If a national funding formula is implemented it will be important to give additional financial support to smaller schools. Smaller schools cannot achieve the economies of scale of larger ones and are less able to cope with unplanned circumstances. Other pupil led factors should allow for a broad base of proxy measures to provide additional support for underachieving children. You mention measures that could be used and we would support

these but ask that factors to reflect high mobility and poor prior attainment (in any ethnic group) also be considered.

It is vital that any funding formula properly reflects the differential costs faced by schools in different areas of the country. Failure to do so will automatically discriminate against those children in schools facing higher costs.

The right balance between complexity and simplicity is one that ensures, as far as any formula can, that the needs of children are met. This may require a formula that is not readily understandable by the lay person but the needs of children are paramount.

If a national funding formula is introduced transitional arrangements should cover at least three years. One way would be to limit reductions in funding to 25% of the difference between old and new methods in the first year, 50% in the second and 75% in the third.

An issue not addressed by your consultation is that of accounting years. There is currently mixed provision with local authorities allocating funds from April to March, the YPLA from August to July and academies accounting on a September to August basis. Will this continue?

For Haringey, the unfairness of the current system needs to be addressed as soon as possible to prevent our children continuing to suffer.