

Walsall Children's Services

Report to	Schools Forum
Date	9 December 2008
Subject	National Fair Funding Conference November 2008
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Purpose of the Report	To inform Schools Forum of the emerging, national school funding issues.
Decision	None required
Implications	None resulting directly from this report

1. Introduction

1.1

The DCSF hosts national Fair Funding conferences bi-annually, aimed at local authority, school budget managers. They are key meetings, used to update local authorities on major issues, provide workshops and seek early, local authority views on proposals.

2. Key Conference Themes

2.1

The Key themes of the November conference were

- National Dedicated Schools Grant (DSG) formula review
- Schools of the 21st century
- Early years funding reforms
- 14-19 transfer of responsibilities
- Future role of the Schools Forum
- Academies
- Building Schools of the Future

3. National DSG formula review – can it ensure all reforms will be properly resourced?

3.1

‘The aim of the review is to consider the development of a single transparent formula for the distribution of DSG which distributes resources in line with relative need, reconfiguring the different costs of educating particular groups of pupils and prevailing education in different areas’ - Jim Knight 25/06/07

3.2

The principles of the review are:

- ‘ The funding system should support schools and LAs to raise the educational achievement of all children, including those from low incomes and disadvantaged backgrounds’
- ‘ The resultant distribution formula for DSG should be based on the principles of transparency, simplicity and stability’- Jim Knight 26/06/07

3.3

A national working group has been established to support the DSG review. The group has cross sector representation including the Local Government Association, Professional Associations, Audit Commission, the Treasury, Association of Colleges and the National Day Nursery Association.

The DCSF are undertaking a fundamental review of each element of the national formula, but whether this will result in radical decisions, which will instigate a major redistribution of resources across the country, remains to be seen. The last major review caused significant financial turbulence for LA's

and schools and since then the government has been 'risk averse' when implementing changes to the school funding system.

The national formula elements being reviewed are:

- Basic amount per pupil
- Early years
- 14-19
- High cost pupils
- Additional educational needs
- Sparsity
- Area cost adjustment

3.4

The context of the 2011 funding review is different from previous reviews. Schools of the 21st century are expected to fully participate in the ECM agenda, and become the hubs of their community through their links with Children's Centres, by meeting the Extended Schools core offer and their participation in the Children's Trust arrangements. The government are currently considering proposals that would extend the duty to co-operate in the ECM agenda to schools, Schools Forums and colleges. This would be accompanied by a stronger statutory basis for Children's Trusts Boards.

3.5

As set out in the review principles, the DCSF wants to achieve raised attainment for all pupils, particularly those from low income families and socially disadvantaged backgrounds. Therefore increased personalisation and choice, across all age groups will be required. It is unlikely that this aspiration can be achieved entirely in the national formula, so there may be additional regulation at a local level to require LAs to support these objectives through local Fair Funding formulae.

3.6

LAs are already aware of the major funding reforms in respect of the increased and flexible early years offer, funded through a single funding formula by April 2010, and the 14-19 curriculum changes, which will include the transfer of all 14 – 19 commissioning to LAs in September 2010. Therefore, all work on these two major initiatives must be developed in the context of the new agendas at both a national and local level. How these funding streams will be consolidated and routed from 2011 will be critical.

3.7

Other new proposals that will have a significant impact for schools and School Forums if they go ahead are;

- the use of incentives in the funding system e.g. pupil progression
- a common 14-19 funding formula
- increasing numbers of academies
- impact on revenue funding of capital projects

3.8

All of these proposals are being considered in a climate of reduced funding for schools. The DCSF has made it clear that schools must make efficiencies, along with the rest of the public sector. This efficiency programme has already started with the Minimum Funding Guarantee being set below the rate of inflation for the first time in 2008 – 09. However the DCSF is expecting much tighter school funding settlements from 2011 onwards.

3.9

To help schools cope with reduced funding there is an expectation that there will be greater partnership working, for example through the Children's Trust to support vulnerable pupils and through collaboration with other schools to deliver on the extended schools agenda and provide a diverse range of 14 -19 participation opportunities. The efficiency drive may result in schools being forced to make better use of HLTAs and TAs, sharing more back office services and the introduction of better procurement opportunities and high quality commissioning.

3.10

The funding review that will alter the distribution of DSG to local authorities from 2011 onwards is a complex process. There is much work to be done during 2009 if the government is to achieve its target. The consultation document on the new funding proposals should be published in Spring 2010. This will allow consultation to be completed by summer 2010, in order to inform the next national spending review. The schools finance team will monitor progress of the review through the DCSF website and keep the schools forum informed of any emerging issues or themes.

4. The Role of the Schools Forum in 2008

4.1

Although the local Fair Funding formula has been agreed for the 2008 multi-year budget period, there are major work streams to be completed during this period in respect of;

- single early years funding formula
- 14-19 curriculum changes

4.2

Work has already started on the Early Years funding review and a sub group has been created to support the detailed work and report back to Schools Forum. This work stream must be completed by Autumn 2009, to facilitate consultation and implementation in April 2010.

4.3

More detailed work around the 14-19 agenda will be started in 2009, running parallel with the sub-regional work around the transfer of LSC commissioning for 14 – 19 provision to local authorities.

4.4

The Schools Forum will also need to be kept informed of the Walsall BSF programme as there will be funding implications for the DSG. However at this

very early stage of preparing the Strategy for Change document the impact for individual schools and for the Schools Budget cannot be predicted.

4.5

It will be advantageous for the Schools Forum and schools to be proactive in the value for money agenda. There are national strategies around improved procurement and value for money that will be investigated by the Schools Finance Team with a view to raising awareness and participation by Walsall schools, so that they are better placed to meet future funding challenges. This could include a review of school balances and the current school balances recovery mechanism. The DCSF are keeping a watching brief on the level of accumulated school balances during the current multi-year budget period.

5. One view of the characteristics of a 21st century, inspirational school:

- Every pupil leaves with a sense of achievement, growth and personal ambition
- Each pupil can identify many teachers who really knew them, understood them and created experiences that took them forward as learners and as developing young people.
- Relationships between all are based on high trust and high mutual expectations – much less on role or prescription
- Teaching quality is consistently high and the curriculum on offer relevant, engaging and fulfilling
- Pupils have a wide range of new experiences to try in and put of school and are supported and encouraged to participate
- Where any child's route to excellence in a specific interest or aptitude is actively sought and promoted
- Teachers are given the trust and the means to innovate, to extend and develop their skills
- The community is part of the school and vice versa, parents and wider stake holders are drawn in, communicated with, invited to participate. This may be reflected in an all age campus, a centre for children's services.
- Where the vision of an inspirational school is it self is held in trust for all, by all, and is constantly under delegate and influence by pupils, staff and parents as needs and times change.

5.2

The local delegated budget share formulae and other resources available for schools, children and young people and their families from 2011 onwards should be targeted to help schools and communities deliver on this challenging agenda.

5.3

The Schools Forum will have an opportunity to respond to the government's school funding proposals, outlined in this report, in Spring 2010. At this time it will be evident as to how radical the changes may be and how they will impact on Walsall schools.