

CALL IN – ESSEX FORMULA FOR FUNDING SCHOOLS

Informal meeting held on Monday 16 April 2012

Present

Councillors: Castle (Cabinet Member), Higgins and Mackrory
Officers: Terry Reynolds, Yannick Stupples-Whyley, Louise Crew and Graham Redgwell

Introduction

This decision FP/748/01/12 had been called in by Councillor Higgins on 12 April 2012. Councillor Higgins raised seven issues:

- The review carried out by the Schools' Forum is premature, as a new National Formula will be introduced in 2013 /1 4. This new formula is inconsistent with the approach taken by the Schools' Forum.
- Neither small schools, as now redefined, nor the Specific Grants Review Group, were represented on the Schools' Forum.
- The decision was issued after schools had prepared their budgets.
- The decision adversely affects small schools.
- Schools with children with severe and complex needs will find the lack of funding will affect the hours provided.
- Provision in schools for SEN and AEN will be severely disrupted.
- By removing the link between SEN statements and the first 12.5 hours of funding the Local Authority could be vulnerable to challenge.

Councillor Higgins indicated that she is not a school governor, so has no personal interest in the matter. She indicated that she is aware of concerns expressed by the governors of some schools.

General response by Cabinet Member and supporting officers

The following points were made:

- A few schools have raised specific issues relating to their school. All schools were consulted on the proposals. The response rate was quite low and some issues raised were picked up and reflected in the final proposals. As with many consultations, the responses tended to be from schools that are not happy rather than from those who are content with the changes.
- The Essex Schools Forum advises the Cabinet Member on issues in relation to the funding formula to be used for Essex schools. It suggested changes in 2010 but the Cabinet Member felt it inappropriate to take action at that time as it was anticipated that the Government would be changing the National Formula. It is now clear that this will not happen before 2015/16 at the earliest. Given this length of time, the Cabinet Member agreed that the situation needed to be reviewed now and changes agreed. The Cabinet Member has also had to reflect changes made by the Government in relation to the distribution of grants. The Government has made it clear that it would like to see local Formulas simplified in

the meantime (to include no more than 10 elements) and the changes made in Essex are in line with that wish.

- The initiative for these changes came from the Schools Forum and not the County Council.
- The Schools Forum represents all Essex schools. Its members are chosen by schools and not the County Council.
- If the Cabinet Member disagrees with the advice of the Schools Forum, the Forum may appeal to the Secretary of State for a determination. In this case the Schools Forum supported an immediate change, with no alleviation for any school receiving reduced funding.
- The Schools Forum did not want the Minimum Funding Guarantee (MFG) to apply to all changes, however Councillor Castle was unhappy with this and had tasked officers to locate additional funds to ensure the MFG applied to all changes and that no school would see a reduction in their budget of more than 1.5% per annum.
- The Schools Forum proposal made no amendment to the overall amount of funding available to schools through the Dedicated Schools Grant (DSG), it simply redistributed it. The decision taken by Councillor Castle adds funds to those allocated under the DSG to ensure that all schools who were due to gain do so and that no school would lose more than 1.5% of their budget per annum.
- The total amount of money available to schools in the county is not changing but it will be distributed in a different way.
- The data available shows that small schools have been overfunded in recent years compared to those in the statistical neighbours group of authorities. The changes proposed will put Essex in the middle of the funding table.
- Training is being provided to assist schools in planning in a time of decreasing budgets.
- Any school that receives a benefit from the new arrangements will receive that benefit. Any school receiving a smaller budget will receive alleviation from additional funding made available by the Council.
- Transitional arrangements will last for about four/five years.
- The introduction of a new National Funding Formula later this decade is likely to financially disadvantage large numbers of schools.
- There are opportunities for small schools to collaborate (i.e. on backroom staff).
- The Council is aware of a court case involving SEN in another local authority. The legal advice is that this will not be an issue in Essex.

Specific proposals

There are three key issues behind the changes:

- The definition of small schools has been clarified, based on a level of 30 pupils per school year - 90 per infants; 120 per junior; and 210 for primaries - with appropriate levels of funding to make them viable. Previously it had been 210 for any type of school. Essex had been 'funding ghost pupils' for schools having less than 210 pupils, leading some schools to receive more than their fair share of funding. Research by consultants had shown that schools with between 210 and 300 pupils lost out through the previous arrangements.
- The funding for SEN and AEN provision had become very complicated, with a mix of specific funding for those with higher needs and formula funding for those with lesser needs, and an element of double funding for those with a statement and receiving over five hours assistance per week. Research showed that SEN results at various Key Stages were comparable to statistical neighbours but that the more limited level of AEN funding impacted on results for these children. The arrangements will be simplified and more made available for AEN work. Changes made to SEN/AEN funding in 2008/09 had not picked up on this issue.
- The Council receives Behaviour Improvement Project and Excellence In Cities grants targeted at areas of deprivation. These have previously been given to identified schools but are now to be targeted at specific individuals. The amount of money available remains the same but it is distributed in a different way. The Government has made this change compulsory, so the Council would have to make this alteration in any case

During the consultation it became clear that some schools would lose money under all these changes, and the proposals alleviate this loss.

Outcome

17 April 2012: Note by the Governance Team Manager

Councillor Theresa Higgins has now given notice that she wishes the call-in to proceed to the formal stage. Appropriate arrangements will be made to progress this shortly.

Graham Redgwell
17 April 2012