

Schools Forum 22 May 2007

Report of the Director of Children's Services

Consultation on School, Early Years and 14-16 Funding

Purpose of Report

1. To report to Schools Forum the DfES consultation document in respect of school, early years and 14-16 funding.
2. The closing date for responses is 1 June 2007.

Budget Working Group Discussed

3. Yes

Schools Forum Action

4. To agree a final response to the consultation on behalf of the Forum.

Attachments

5. LGA Briefing – Appendix A
6. Consultation response – Appendix B
7. Consultation document – Appendix C

Sue Coates

Senior Principal Accountant

8 May 2007

Schools Forum 22 May 2007

Report of the Director of Children's Services

Consultation on School, Early Years and 14-16 Funding

Purpose of Report

1. To report to Schools Forum the DfES consultation document in respect of school, early years and 14-16 funding and provide a response on behalf of Schools Forum. The closing date for consultation is 1 June 2007.

Background

2. The DfES has published a consultation document on the proposed framework of the school funding system in the period 2008/09 to 2010/11. There are 37 consultation questions. The document and the response form can be found at <http://www.dfes.gov.uk/consultations/conDetails.cfm?consultationId=1466>
The closing date for the consultation is 1 June 2007.
3. The key issues are:
 - Easing the conditions which allow the ring-fenced Dedicated Schools Grant (DSG) to be used for Every Child Matters purposes;
 - Whether DSG should continue to be distributed through the 'spend plus top ups for ministerial priorities method' or whether there should be a return to a formula along the lines of the previous Schools Formula Spending Share;
 - How best to reflect funding for deprivation in the DSG formula;
 - Whether the DSG should continue to use January pupil counts or whether the date should be changed to an autumn term pupil count;
 - Whether there should continue to be a minimum funding guarantee at school level and, if so, the level at which it should be set;
 - How the rules governing both the minimum funding guarantee and increases in 'central spending' should operate;
 - Whether local authorities should be allowed to tax excessive school balances;
 - How under-5 and post-16 interests should be represented at Schools Forums;
 - Under 5s: how to bring funding for the maintained and PVI (private, voluntary and independent) sector closer together;
 - How the funding for the new specialised diplomas for 14-16 year olds will operate at authority level;
 - Specific grants currently outside the DSG.

4. The LGA (Local Government Association) key messages are:

- We remain opposed to payment of school funding through ring-fenced grant; we would like to see school funding returned to being funded in the same way as other services; particularly children's services. The LGA has made proposals to the Lyons Inquiry for there to be a single conversation governing all Children's Services spending, whether for schools or wider children's services, with a Children and Young Persons' Partnership Board at local level with flexibility to deliver funds within an agreed framework;
- In the meantime, authorities are facing pressures from increases in Children's Services expenditure, particularly affecting children with complex needs. Therefore any relaxation in the conditions of the Dedicated Schools Grant which will allow it to be used for a wider Children's Services agenda is welcome;
- On the issue of 'spend plus' versus formula; we recognise that different authorities have different views;
- There should be a minimum of central direction to authorities. We welcome the fact that DfES has, through delegating decisions on variation to the minimum funding guarantee and the central spending limit to Schools Forums, allowed more leeway for local decision making;
- We see effective targeting of deprivation as a top priority and encourage authorities to discuss, in consultation with Schools Forums and other partners, how deprivation is allowed for in local formulae. We would be opposed to any direction to authorities which would override local decision-making;
- Whilst there should be a transparent assessment of spending pressures we would wish to see any minimum funding guarantee set at a level which does not constrict local movement;
- We would like to see a minimum of funding in narrow ring-fenced grants; although there remains a case for narrow ring-fenced grants where expenditure is lumpy or in the case of a pilot project, or in the case of grants like the Ethnic Minorities Achievement Grant. Any grants which come to an end should be fully taken account of in the base used to calculate DSG increases.

The LGA response is attached at Appendix A.

5. The consultation document was discussed at HTCF- Budget Working Group on 2 May 2007 and from this meeting a completed response has been compiled on behalf of Schools Forum. This is attached at Appendix B. The Forum is now asked to review the response and amend as required, in order that the data can be returned to the DfES before the consultation period closes on 1 June 2007.

6. For information the full consultation guidance document is appended at C.

Finance

7. The funding of schools is prescribed by the DfES through the School Finance (England) Regulations 2007
8. From 1st April 2006, the Schools Budget is funded by a direct DfES grant: Dedicated School Grant (DSG).

Law

9. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

10. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

11. Schools Forum is asked to review the consultation response Appended at B before the consultation closure date of 1 June 2007.



John Freeman
Director of Children's Services

Contact Officer:

Karen Cocker, Children's Services Finance Manager

Karen.cocker@dudley.gov.uk Tel: 01384 815382