

CONSIDERATION OF SCHOOL CONSULTATION RESPONSES

1. Introduction

This report provides the School Forum with an analysis of all of the responses received as part of the consultation on Schools, Early Years & 14-16 Funding Arrangements 2012/13, that took place between 6 January 2012 and 17 January 2012.

In all, stakeholders were asked 17 questions, two of which related to the fundamental review of the Primary and Secondary Schools funding formula, with the remaining 15 relating to changes that are being proposed to the Scheme for Financing Schools.

Schools Forum is being asked to consider these responses as part of its overall responsibility to propose a school funding formula for 2012/13 that needs to be presented to the Council.

This will then form the basis of the proposal that needs to be recommended to Cabinet on 16 February 2012 relating to the Dedicated Schools Grant and School Budget shares as part of the budget setting process for 2012/13.

2. Summary

The responses received relating to the proposed changes to the Primary and Secondary school funding formula, significantly support them (70% of respondents are in favour, and if you exclude those that provided no comment this increases to 84%). Schools also support the proposed implementation of a transitional arrangement based on +/- 1.5% to dampen the impact of the changes, although the outcome is much closer, with 50% of all respondents in favour, but with 23.3% not in favour, although of these the responses agree with a transitional arrangement but want to decrease or increase the duration).

The responses received relating to the proposed changes to the Scheme for Financing Schools, are significantly in favour of nearly all of them, with 2 notable exceptions Q9 (access by the Local Authority to school bank accounts) and Q10 (Reporting on the intended use of surplus balances), which will need to be investigated further.

3. Recommendation

It is recommended that Schools Forum recommend to Cabinet the following:

- i) To accept the proposed changes to the Primary and Secondary Schools funding formula.
- ii) To accept the implementation of the +/- 1.5% transitional arrangement over a period of 2 years.
- iii) To accept changes to the Scheme for Financing Schools in all cases except for Question 9 and Question 10.

It is further recommended that Schools Forum asks officers to:

- i) Review and revise the proposed changes to Question 9 and report back to the February 2012 Schools Forum
- ii) Review and revise the proposed changes to Question 10 and report back to the February 2012 Schools Forum

4. Information

The Consultation paper on the Schools, Early Years & 14-16 Funding Arrangements 2012/13 was sent out to all stakeholders on 6 January 2012, with a closing date of midnight on 17 January 2012. Additionally two meetings were held on 12 and 13 January 2012, to explain in more detail the changes that are being proposed.

The consultation paper included 17 questions, two of which were on the Primary and Secondary Schools funding formula, with the remaining 15 relating to proposed changes to the Scheme for Financing Schools. The responses to each question are summarised below between Agreed, Disagreed, Do Not Know and No Response. A full analysis is included in Appendix A (an analysis of responses to the Formula Review, including any narrative in full where respondents have provided them) and Appendix B (a summary analysis of responses to the Scheme for Financing Schools, which does not include any narrative)

Overall, the Council received 30 written responses to the consultation paper (including 15 primary schools, 8 secondary schools, 3 special schools, 2 Private, Voluntary and Independent (PVI) Nursery and Local Authority Nursery providers and 1 each from the Primary Forum and Hillingdon Association of Secondary Headteachers).

Questions - Primary and Secondary Schools Formula Review

Question 1: Stakeholders are asked to give views on the proposed changes to the school funding formula as set out in Section 5, which need to be considered as a package.

The following table summarises the responses received:

	Count	%
Agree	21	70.0
Disagree	3	10.0
Do not Know	1	3.3
No Comment	5	16.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes. Those providing no comment are the 3 special schools, one PVI and one Secondary school.

Question 2: Stakeholders are asked to give views on whether the rate of the transitional factor should be set at +/- 1.5% over a period of two years, using a linear reduction over the same period.

The following table summarises the responses received:

	Count	%
Agree	15	50.0
Disagree	7	23.3
Do not Know	3	10.0
No Comment	5	16.7
Total	30	100.0

It can be concluded that there are a greater number of respondents that are in agreement with the proposed changes, but a significant minority are against the proposals. This primarily relates to a mixed sense that some schools want a slower transition, whilst others want a quicker transition. Those providing no comment are the 3 special schools, one PVI and one Primary school.

Questions - Scheme for Financing Schools

Question 3: Section 2.12 – Central Funds and Earmarking. To be revised to account for the changes in the funding of Children’s Centres

The following table summarises the responses received:

	Count	%
Agree	14	46.7
Disagree	1	3.3
Do not Know	4	13.3
No Comment	11	36.7
Total	30	100.0

It can be concluded that a majority of the number of respondents are in agreement with the proposed changes, if you ignore those that have made no comment.

Question 4: Section 2.13 – Spending for the purposes of the school revised to make provision for loans to Newly Qualified Teachers.

The following table summarises the responses received:

	Count	%
Agree	22	73.3
Disagree	0	0.0
Do not Know	0	0.0
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 5: Section 2.15 Schools Financial Value Standard (SFVS) – mandatory requirement for all schools to complete the Schools Financial Value Standard (SFVS) each financial year.

The following table summarises the responses received:

	Count	%
Agree	22	73.3
Disagree	0	0.0
Do not Know	0	0.0
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 6: Section 2.3.1 - Submissions of budget plans - In accordance with the

School Financial Value Standard Schools will be required to submit a three year budget plan even where a financial forecast for a multi-year period is not provided.

The following table summarises the responses received:

	Count	%
Agree	21	70.0
Disagree	1	3.3
Do not Know	0	0.0
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 7: Section 3.3 - Interest clawback – change of rate at which interest is charged on loans taken out by schools from LIBID to LIBOR effective for the term of the loan prevailing at the date the loan is taken out. This brings it in line with the rates paid by the LA to access the funds from banks for loans to schools.

The following table summarises the responses received:

	Count	%
Agree	11	36.7
Disagree	1	3.3
Do not Know	3	10.0
No Comment	15	50.0
Total	30	100.0

It can be concluded that a majority of the number of respondents are in agreement with the proposed changes, if you ignore those that have made no comment.

Question 8: Section 3.3.1 - Interest on Late Budget Share Payments – change of interest paid to schools for late payments from LIBOR to LIBID in line with the inter bank lending rate.

The following table summarises the responses received:

	Count	%
Agree	21	70.0
Disagree	0	0.0
Do not Know	0	0.0
No Comment	9	30.0
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 9: Section 3.5 – Bank and Building Societies – to enable the LA access to schools bank accounts in cases where the delegated budget is suspended by the authority and when a maintained school ceases to exist.

The following table summarises the responses received:

	Count	%
Agree	8	26.7
Disagree	11	36.7
Do not Know	3	10.0
No Comment	8	26.7
Total	30	100.0

It can be concluded that more schools are not in favour of this proposal when compared to those that are. Further work is required to address the points that have been made which will necessitate a change in the wording being proposed. This will be explored with all schools in February 2012.

Question 10: Section 4.2 - Reporting on the intended use of surplus balances, where balances are above the thresholds for Primary and Secondary schools, the Governing Body is required to report to the LA on the use of surplus funds, as set out in the Schools Financial Value Standard.

The following table summarises the responses received:

	Count	%
Agree	10	33.3
Disagree	6	20.0
Do not Know	1	3.3
No Comment	13	43.3
Total	30	100.0

More schools are in favour of this proposed change but not significant enough to agree to the amended suggested. Further work is required to address the points that have been made which will necessitate a change in the wording being proposed. This will be explored with all schools in February 2012.

Question 11: Section 4.5 - Planning for deficit balances – add a requirement for schools to formally apply for a licence from the LA to operate in deficit.

The following table summarises the responses received:

	Count	%
Agree	22	73.3
Disagree	0	0.0
Do not Know	0	0.0
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 12: Section 4.9 Licensed Deficits – change requirement for all deficits to be licensed instead of just those above 2% of the school’s budget share.

The following table summarises the responses received:

	Count	%
Agree	20	66.7
Disagree	2	6.7
Do not Know	0	0.0
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 13: Section 4.10 – Loan Schemes – to discourage schools from holding on to loans beyond the required period.

The following table summarises the responses received:

	Count	%
Agree	21	70.0
Disagree	0	0.0
Do not Know	1	3.3
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 14: Section 6.2 – Circumstances in which charges can be made – to add item 6.2.22 to allow recovery of monies owing to the LA when it converts to become an Academy.

The following table summarises the responses received:

	Count	%
Agree	20	66.7
Disagree	0	0.0
Do not Know	2	6.7
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 15: Section 12 – Responsibility for repairs and maintenance – To allow schools to spend their Devolved Capital Funding which is in many cases lower than £10,000 the deminimus for capital expenditure.

The following table summarises the responses received:

	Count	%
Agree	20	66.7
Disagree	0	0.0
Do not Know	0	0.0
No Comment	10	33.3
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 16: Removal of section 6.3 due to the abolishment of the General Teaching Council from 1st April 2012 and therefore no deductions need to be made for teacher salaries.

The following table summarises the responses received:

	Count	%
Agree	22	73.3
Disagree	0	0.0
Do not Know	0	0.0
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.

Question 17: Section 11.14 Revision of Appendix 4 of the Procedures and Processes for School Redundancy Reimbursement (copy attached).

The following table summarises the responses received:

	Count	%
Agree	19	63.3
Disagree	1	3.3
Do not Know	2	6.7
No Comment	8	26.7
Total	30	100.0

It can be concluded that there are a significant number of respondents that are in agreement with the proposed changes.