

**HILLINGDON SCHOOLS FORUM
25 JANUARY 2011****Schools Budget Consultation 2011/12****Purpose**

This report sets out the results of the consultation with schools and other stakeholders on the schools funding arrangements for 2011/12. The consultation document was released on 10 January 2011 allowing only a brief consultation period of one week before the closing date of 17 January 2011. Consideration of the responses received is intended to assist Schools Forum in making decisions on the proposals put forward in the consultation document, which will then be subject to approval by the Council's Cabinet on 17 February 2011.

Recommendation

Schools Forum is requested to confirm its view on the schools funding arrangements for 2011/12 based on the questions contained in the consultation document.

Summary of Consultation Responses

A total of 72 responses to the consultation exercise were received, compared to 24 responses received in the consultation exercise for 2010/11. It is considered that this reflects the significance of the funding issues consulted upon, which represent the largest changes to school funding since the introduction of the Dedicated Schools Grant in 2006/07. A breakdown of the responses by sector is contained Table 1 below:

Table 1: Summary of Schools Budget Consultation Responses

Sector	Number of Responses
Representative Sector Group	2
Primary	20
Secondary	12
Special	4
Private Voluntary & Independent (Pre-school sector)	30
Individuals (mainly linked to PVI sector)	4
Total	72

A complete list of respondents is contained at Appendix A. Eight of the responses from Primary Schools explicitly mirrored the response from the Primary Forum, and several other responses draw heavily on this response. The response from the Primary Forum is therefore reproduced in full at Appendix B. In the secondary sector, consultation responses were more varied, with a range of views over several questions, especially with regard to the level of the Minimum Funding Guarantee (MFG). The response from HASH recognises this diversity and is also reproduced in full at Appendix C.

Responses to Specific Consultation Questions

This section considers in detail the responses to the questions contained in the consultation document.

Stakeholders are asked to give views on the proposal to dis-apply the MFG to Nursery Budgets included in the EYSFF. (section 5)

All 59 of the responses to this question supported the proposal to dis-apply the MFG to nursery budgets included in the EYSFF. Several of the remaining responses, mainly from secondary schools, offered to support the view of Primary Forum without giving a specific response to the question.

Stakeholders are asked to give views on whether the MFG should be set at a higher level than negative 1.5% in Hillingdon, and if so the level at which it should be set. (section 5)

33 responses were received to this question, 18 of which were from primary schools and together with the Primary Forum all supported setting the MFG at negative 1.5%. The two special schools that responded to this question also supported setting the MFG at this level.

The twelve responses from secondary schools on this question were split down the middle – 6 schools supported setting the MFG at negative 1.5%, four supported a zero MFG and two supported negative 0.5%.

Several respondents including the Primary Forum questioned the reliability of the data contained in the spreadsheets exemplification. This data will in any case necessarily be updated to reflect the results of the January school census.

Stakeholders are invited to give views on whether to increase the devolved element of the former School Lunch Grant. (section 10)

There were 35 responses to this question, of which 32 were in favour of the increased devolution of funds. However, most respondents went further to request that the whole of the funding be devolved to schools. Respondents noted that the services offered are not statutory, that several schools purchase their own nutritional analysis, and some schools questioned the value for money offered by the service. There were suggestions that the services should be offered through buy-back rather than from retained funding.

Stakeholders are asked to give views on whether to initially retain centrally funds which are currently delegated during the course of the year, and the associated technical breach of the Central Expenditure Limit. (section 13)

There were 30 responses to this question, of which six supported the proposal and 24 did not support the proposal. The question relies to a certain extent of the treatment of each former specific grant considered in more detailed below, and many respondents including the Primary Forum stated that the breach of the Central

Expenditure Limit would be unnecessary under the preferred treatment of these allocations.

Some respondents recognised the case for initially retaining funds centrally where existing processes for in-year allocation are working well, but many others expressed a preference for the maximum level of devolution at the start of the year in order to provide certainty of funding to schools.

Stakeholders are asked to give views on whether the devolved specific grants rolled into DSG should be added in on the basis of current year cash allocations or by reference to unit amounts. (section 13)

There was a similar split in responses to this question as to the previous question, with six responses supporting the addition of specific grants by reference to current year cash allocations, whilst 24 responses preferred units amounts updated for the January 2011 census count. Both the Primary Forum and HASH responses reflect this majority view.

Schools views are sought as to whether to utilise £259k of Exceptional Circumstances Grant to ensure that the pupils are fully funded in both settings. (section 13)

This question related to the shortfall in funding affecting the Pupil Referral Units arising from the Government's removal of funding for dual subsidiary registration pupils in 2011/12. There were 32 responses to this question, of which 26 were in support of the proposal, and six against.

The majority of respondents recognised the importance of sustaining the resource offered by the PRUs, especially in the short term. However, some respondents' view was that PRUs should have parity with schools budgets and not be protected in this way. Other respondents called for a review of the funding arrangements – some of these views appeared to reflect a concern that the Exceptional Circumstances Grant is time limited, although the Government has added this funding to the DSG baseline on an ongoing basis.

There was a significant difference in responses between the sectors. All except one primary school was in favour of the proposal, reflecting the view of Primary Forum. However, in the secondary sector there was an equal split in the 10 responses received. This sector difference is generally reflective of the experience of the service, which is part-funded by school contributions in the secondary sector, but provided free of charge in the primary sector.

Schools views are sought as to whether to utilise Exceptional Circumstances Grant to allocate an additional £300k to the SEN budget. (section 13)

There were 31 responses to this question, out of which 11 responses were in support of the proposal, and 20 responses did not support the proposal. However, there were again some differences between the sector responses. 15 out of 18 primary school respondents did not support the proposal, in line with the view of Primary

Forum. However, five out of nine responses from secondary schools supported the proposal, as did all three responses to the question received from special schools.

Respondents noted that the request for retained funding was not supported by a clear strategic plan for addressing the underlying causes of the funding pressure, and requiring capital investment, even where they were in support of the proposal.

Schools views are sought as to whether to utilise £62k of Exceptional Circumstances Grant to fund the Allegations Manager post. (section 13)

There were 35 responses to this question, out of which 25 responses were in support of the proposal, and 10 responses did not support the proposal. There were again significant differences between the sector responses. 18 out of 19 primary school respondents supported the proposal, in line with the view of Primary Forum, as did all three responses to the question received from special schools. However, 8 out of 11 responses from secondary schools did not support the proposal, reflecting the HASH position.

However, where support was received from the primary sector, it was generally on the basis of providing funding for one year with a subsequent review, as proposed by the Primary Forum. Respondents who did not support the proposal recognised the importance of the work currently being undertaken, but considered that it should not be funded from the retained budget in the way proposed. Some respondents suggested the post could be funded by buy-back, and queried how the resource would be adjusted if the caseload were reduced from current levels. Several respondents expressed a concern that the Exceptional Circumstances Grant is time limited, although the Government has added this funding to the DSG baseline on an ongoing basis.

Schools views are sought as to whether to hold the balance of the Exceptional Circumstances Grant centrally to offset the impact of the LACSEG adjustment. (section 13)

There were 31 responses to this question, out of which four supported the proposal, and 27 did not support the proposal. There were no significant variations in support between the school sectors. Primary Forum and HASH did not support the proposal. Most respondents requested that the remaining funding instead be devolved to schools at the start of the financial year. Some respondents suggested that holding this contingency sum represented a tacit endorsement of Academy conversions by the Council.

Stakeholders are asked to give views on whether the Balance Control Mechanism should continue. (section 15)

There were 34 responses to this question, out of which four supported the continuation of the Balance Control Mechanism (BCM), whereas 30 respondents view was that it should not continue. There were no significant variations in support between the school sectors. Primary Forum and HASH did not support the continuation of the BCM.

Where the BCM was supported, respondents noted that it had been a useful tool to focus school spending on the current cohort of pupils. Those against the BCM saw it as bureaucratic, and a hindrance to budget planning, especially given the reduced funding settlements going forward. Some respondents saw its use as tackling funding differences that should properly be addressed by changes to the formula distribution.

Responses on Individual Specific Grants

The consultation response form sought further detail on views regarding the proposed arrangements for each of the former specific grants being rolled into the Dedicated Schools Grant.

School Development Grant

School Development Grant contained a number of elements, the administration of which has been treated in different ways up to the current year. Around 80% of School Development Grant is devolved through the funding formula and the funding for each school will be added to the baseline for calculating the MFG. Around 20% of the grant is retained at the start of the year, and then delegated to schools during the year. This includes funding for Advanced Skills Teachers and elements of Specialist Schools funding. It was proposed that these elements are retained as unallocated Individual Schools Budget and then allocated to schools during the course of the year.

There were 27 responses to this proposal, out of which 12 were in support of the proposal and 15 responses did not support the proposal. There was a significant split between the sectors, with 10 out of 12 responses from primary schools in support of the proposal, whereas 9 out of 10 secondary schools and all three special school responses did not support the proposal.

Respondents were mindful of the complex nature of the funding contained in School Development Grant, which was reflected in requests for additional information before a firm view could be reached. Concern was expressed over the implications for Advanced Skills Teachers and HIP funding if full devolution were allowed, in particular from the secondary sector which is most reliant of this funding. However, other respondents were of a general view that maximum devolution of funding should be achieved at the start of the financial year, including all funding for specialist schools. Funding arrangements such as devolving Advanced Skills Teachers funding to consortia were also suggested as ways of achieving greater devolution.

Schools Standards Grant / School Standards Grant (Personalisation)

Both of these grants are currently fully devolved to schools through the funding formula except for a small retained element attributable to pupils attending Hillingdon Tuition Centre. There were 18 responses to the proposal to continue this devolution, all except one of which was in support of the proposal.

Diploma Delivery Grant

The proposal is for this allocation to be retained at the start of the year, and then devolved to schools during the year. There were 14 responses to this proposal, 10 in support of the proposal, and four against. In the secondary sector to which this grant is relevant, six schools supported the proposal and two schools were against. This majority is reflected in the HASH view that funding should be distributed to reflect actual delivery.

London Pay Addition Grant

The vast majority of this grant is currently devolved to schools and it is proposed that this arrangement continue. 12 out of 18 respondents supported this view, including HASH. In the secondary sector 7 out of 10 schools were in support of the proposal, compared to 2 out of 4 schools in the primary sector.

Some respondents queried the basis of the split between devolved and retained funding which is based on a historical count of teacher numbers at the start of the last funding period, and suggested that this should be updated. Others suggested that there should be no centrally retained element and that it should be fully devolved to schools.

Ethnic Minority Achievement

The proposal for this funding allocation is to remove the current split between devolved and retained funding, and fully delegate funding to schools reflecting the existing distribution on a unit basis updated from the January 2011 census. This proposal was supported by 33 out of 35 respondents. Two secondary schools are seeking to alter the distribution by placing more weight on ethnic minority indicators.

1-2-1 Tuition

The proposal is for this allocation to be retained at the start of the year, and then devolved to schools during the year in line with practice in the current year.

There were 34 responses to this proposal, out of which 9 were in support of the proposal and 25 responses did not support the proposal. There was a significant split between the sectors, with 18 out of 19 responses from primary schools and 2 out of 3 responses from special schools in favour of devolution in full at the start of the year, whereas 6 out of 10 secondary schools supported the Council's proposal. HASH and Primary Forum took opposite views on the proposal.

The proposal provoked considerable debate. Many respondents recognised the value of the targeted nature of the funding, but there was also concern over the administration requirements arising from retaining the funding, as well as general imperative to maximise the devolution of funding to schools at the start of the year.

Extended Schools – Sustainability / Subsidy

The proposal is for this allocation to be retained at the start of the year, and then devolved to schools during the year in line with practice in the current year. All except one out of 35 responses did not support the proposal, with the preference instead for funding to be devolved in full at the start of the year. There was disagreement however over the method by which the funding should be devolved, with HASH preferring allocation by AWPU and Primary Forum preferring a flat per pupil allocation.

National Strategies (Primary / Secondary)

The proposal is for this allocation to be retained at the start of the year, and then devolved to schools during the year in line with practice in the current year. All except two out of 33 responses did not support the proposal, with the preference instead for funding to be devolved in full at the start of the year. There was disagreement however over the method by which the funding should be devolved, with HASH preferring allocation by AWPU and Primary Forum preferring a flat per pupil allocation. Respondents also saw value in retaining the sector split of funding, which would allow the application of the different distributional criteria to the two sectors.

Comments on Other Sections of the Consultation Document

Section 5: Formula Factors

This section of the consultation document contained the proposals for removing all nursery elements of funding from the primary formula in order to allow for the introduction of the Early Years Single Funding Formula (EYSFF), and the proposals for termly counting of nursery pupils leading to the development of rolling indicative budgets for early years settings under the EYSFF. Both of these proposals received unanimous support from those respondents that commented on them. There were 26 comments on the first proposal and 60 comments on the second proposal including 30 comments from PVI sector providers.

Section 6: Arrangements for Special Education Needs

Although no specific proposals were put forward in the consultation document, 18 comments were received, many reflective of the comment from Primary Forum that funding for Specialist Resource Provisions had not been updated, and expressing concern at the implications of this. Other respondents requested a review of the value for money delivered by existing SEN provision.

Section 7: Arrangements for Early Years

The arrangements for early years centre on the introduction of the EYSFF from April 2011. There were 9 comments on this section, which endorsed the work undertaken to develop the formula for implementation.

Section 8: Arrangements for Pupils Out of School

Although no specific proposals were put forward in the consultation document, three comments were received. One response related to the strategy for SEN provision, one response objected to the principle of dual subsidiary registrations considered elsewhere in the consultation document, and one respondent was in agreement with the proposal for tackling the funding deficit caused by the removal of dual subsidiary registrations.

Section 9: Arrangements for 14-19 Education

Although no specific proposals were put forward in the consultation document, two comments were received from secondary schools. One school commented on the impact of delayed funding announcements for the 14-19 sector on budget planning, and one school sought to increase the level of devolved funding.

Section 10: Arrangements for School Meals

There were 24 comments on this section of the consultation document, all of which repeated the request for as much devolution of school meals funding as possible. This was also the view of Primary Forum. Some respondents considered that the services would be more appropriate as buy-back services.

Section 11: Arrangements for Insurance

There were seven comments on the arrangements for insurance. Three respondents endorsed the arrangements, and one other respondent noted them. One secondary school considered the cover limits to be excessive, one secondary school requested earlier release of SLA prices, and one respondent stated that they insure externally.

Section 12: Arrangements for Capital

There were 21 comments on the arrangements for capital. Primary Forum acknowledged the priority for funding school places. HASH commented on the need for a strategy to upgrade the condition of secondary schools following the cancellation of the Building Schools for the 21st Century programme. One respondent requested indicative Devolved Formula Capital allocations, and one respondent sought to ensure equivalent capital funding for voluntary aided schools.

Respondents to the Schools Budget Consultation 2011/12

Primary Forum
HASH

Primary Schools:

Breakspear Infant
Brookside
Cherry Lane
Colham Manor
Deanesfield
Field End Infant
Field End Junior
Harefield Infant
Highfield
Hillingdon Primary
Lady Bankes Infant
Minet Junior
Newnham Infant
Newnham Junior
Oak Farm Junior
Ryefield
Sacred Heart
St Swithun Wells
Whitehall Infant
William Byrd

Secondary Schools:

Abbotsfield
Barnhill
Bishop Ramsey
Bishopshalt
Douay Martyrs
Harlington
Haydon
Mellow Lane
Rosedale College
Swakeleys
Uxbridge High
Vyners

Special Schools:

Chantry
Grangewood
Hedgewood
Moorcroft

Private Voluntary & Independent:

Buffer Bear Nursery
Cavendish Montessori
Chickywicks
Funtimes Playgroup
Happy Tree Nursery
Harefield Hospital Day Nursery
Haydon Hall Montessori
Kiddiecare Nursery
Lysander Pre-School
Northwood College
Oaklands Pre-School
Once Upon a Time
Premier Nursery
Premier West Drayton
Pre-School Playhouse
Rainbow Pre-School
Ruislip Methodist Church Playgroup
St Helens College
St Helens School
St Vincents Nursery
SJs Pre-School
South Ruislip Methodist Church Playgroup
Tora Kindergarten
Uxbridge Centre Playgroup
Uxbridge College Nursery
Uxbridge Early Years Centre
Wonderland Nursery
Wonderland Nursery Hayes
Woodlands Nursery
Yiewsley Methodist Church Playgroup

Individuals:

Alison Booth
Lorraine Mather
Ruth Stoll
Sakina Walfi

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Appendix B

Primary Forum Response to Schools Budget Consultation 2011/12
see separate attachment

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Consultation on Schools, Early Years & 14-16 Funding Arrangements 2011/12

To be returned by 2pm on Monday 17 January 2011

Response Sheet from HASH
Completed by Robert Lobatto
Date 14/01/11

HASH's general position is that schools face a very tough financial settlement in 2011/12 due to falling or static budgets, increased staffing costs, and hence a significant real terms budget cut. As a result, as much funding as possible needs to be directed to schools through AWPU to avoid staffing cuts and redundancies which will impact on student achievement.

HASH however, does not wish to throw all the babies out with the bathwater. We support certain proposals that involved centralised spending, where there is clear positive impact on students.

Due to the hurried nature of the consultation, more information is required on a number of areas. In these cases, we propose that there is a 'pause' before making final decisions. However, in such cases, decisions will need to be made swiftly as schools need to know their budget position as soon as possible, in light of potential redundancies.

Response to consultation proposals	
Support Proposal	Do not Support

Consultation Questions:		
a)	Stakeholders are asked to give views on the proposal to dis-apply the MFG to Nursery Budgets included in the EYSFF. (section 5)	<input type="checkbox"/> <input type="checkbox"/>
	Comments: Hash supports the Primary Forum position.	
b)	Stakeholders are asked to give views on whether the MFG should be set at a higher level than negative 1.5% in Hillingdon, and if so the level at which it should be set. (section 5)	<input type="checkbox"/> <input type="checkbox"/>
	Comments: Hash does not have a consensus on this issue. 8 schools benefit most from a -0.15% position and 7 schools benefit most from a 0.00% position.	

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c)	Stakeholders are invited to give views on whether to increase the devolved element of the former School Lunch Grant. (section 10)	<input type="checkbox"/>	X
<p>Comments:</p> <p>For similar reasons to Primary Forum, Hash's position is that the whole sum should be delegated to schools through AWPU, and no funding retained at the centre,</p> <p>Failing this, minimal money should be retained at the centre.</p>			
d)	Stakeholders are asked to give views on whether to initially retain centrally funds which are currently delegated during the course of the year, and the associated technical breach of the Central Expenditure Limit. (section 13) <i>Comments on the proposed treatment of the individual specific grants being transferred into the DSG can be made on pages 4 to 5 of this response form.</i>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Comments:</p> <p>HASH takes a different view on different parts of the funds. Hash agrees to the technical breach of the CEL but only for those funds it believes should be (initially) retained.</p>			

e)	Stakeholders are asked to give views on whether the devolved specific grants rolled into DSG should be added in on the basis of current year cash allocations or by reference to unit amounts. (section 13)	<input type="checkbox"/>	<input type="checkbox"/>
<p>Comments:</p> <p>The Hash position is to use unit amounts.</p>			
f)	Schools views are sought as to whether to utilise £259k of Exceptional Circumstances Grant to ensure that the pupils are fully funded in both settings. (section 13)	<input type="checkbox"/>	<input type="checkbox"/>
<p>Comments:</p> <p>Hash is not aware of the PRU's overall funding position, and therefore can not make a judgement on the requested £259,000. This figure is generated solely from potential student numbers, rather than an analysis</p>			

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	<p>of need.</p> <p>In addition, secondary schools already pay for PRU provisions on an individual student basis.</p> <p>Therefore, we would require further information before making a judgement in this area.</p>		
g)	<p>Schools views are sought as to whether to utilise Exceptional Circumstances Grant to allocate an additional £300k to the SEN budget. (section 13)</p>	<input type="checkbox"/>	<input type="checkbox"/>
	<p>Comments:</p> <p>Hash is concerned that there is no strategic plan in place to deal with this issue. Therefore, each year, the issue arises, “sticking plaster” is applied and the underlying causes continue.</p> <p>Hash would only agree to the £300,000 on the firm commitment of a well-founded strategic plan for the future.</p>		
h)	<p>Schools views are sought as to whether to utilise £62k of Exceptional Circumstances Grant to fund the Allegations Manager post. (section 13)</p>	<input type="checkbox"/>	X
	<p>Comments:</p> <p>Hash understands the request for the post following the Serious case Review. However, Hash’s position is that this is not the appropriate pot of money to fund the potential post. In addition, this is a “one-off” bonus, which will not sustain the post moving forward.</p>		
i)	<p>Schools views are sought as to whether to hold the balance of the Exceptional Circumstances Grant centrally to offset the impact of the LACSEG adjustment. (section 13)</p>	<input type="checkbox"/>	X
	<p>Comments:</p> <p>Hash’s position is that the money should be distributed to schools at the start of the financial year through AWPU.</p>		
j)	<p>Stakeholders are asked to give views on whether the Balance Control Mechanism should continue. (section 15)</p>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:
HASH's position is end the BCM.

Section 5: Formula Factors	
a)	Primary: The Council is proposing to remove nursery elements (pupil led and non pupil led) from the Primary schools funding formula to facilitate the introduction of the EYSFF. The removal of nursery elements also ensures schools are not double funded under both formulae.
	Comments: No Comment
c)	EYSFF: The Council is proposing that nursery counting for the purposes of participation led funding under the EYSFF be based on historical termly counts to inform estimates of predicted future take-up for setting indicative budgets prior to the start of the financial year. The indicative budgets will be adjusted during the year to reflect the difference between actual and estimated take-up. Stakeholders are welcome to comment on this arrangement.
	Comments: No Comment

Section 6: Arrangements for Special Education Needs	
Comments:	
No Comment	

Section 7: Arrangements for Early Years	
Comments:	
No Comment	

Section 8: Arrangements for Pupils Out of School	
Comments:	
No Comment	

Section 9: Arrangements for 14-19 Education	
Comments:	
No Comment	

Section 10: Arrangements for School Meals	
	<p>Comments:</p> <p>See section c above</p>

Section 11: Arrangements for Insurance	
	<p>Comments:</p> <p>No Comment</p>

Section 12: Arrangements for Capital	
	<p>Comments:</p> <p>Hash's position is that there is significant and urgent need in the Secondary sector to upgrade the current building stock. Following the demise of BS21 and the lack of any alternative strategy, appropriate resources must be found for this from LA Capital budgets. This is a critical short, medium and long-term issue.</p>

Section 13: Specific Grants			
	a) School Development Grant	<input type="checkbox"/>	X
	<p>Comments:</p> <p>HASH requires further information on this issues.</p> <p>HIP and ASTs should be given an opportunity to make a case for the funding to be directed as it was in 2010/11.</p> <p>Further information is required on the Specialist School element.</p> <p>Following this, a decision will need to be made asap as to whether it should be distributed on the 2010/11 basis, or through 2011/12 AWPU.</p> <p>The surplus, meanwhile, should be distributed to schools through AWPU.</p>		
	b) Schools Standards Grant / School Standards Grant (Personalisation)	X	<input type="checkbox"/>
	<p>Comments:</p>		

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	Agree with proposals	
c)	Diploma Delivery Grant	X <input type="checkbox"/>
	Comments: This should be distributed to schools delivering the diplomas in line with previous practice.	
d)	London Pay Addition Grant	X <input type="checkbox"/>
	Comments: Agree with proposals	
e)	Ethnic Minority Achievement	X <input type="checkbox"/>
	Comments: Agree with proposals	

f)	1-2-1 Tuition	X <input type="checkbox"/>
	Comments: Agree with proposals. Money to be distributed on same basis as 2010/11.	
g)	Extended Schools – Sustainability / Subsidy	<input type="checkbox"/> X
	Comments: Hash's position is that the money should be distributed to schools through AWPU.	
h)	National Strategies (Primary / Secondary)	<input type="checkbox"/> X
	Comments: Hash's position is that the secondary money should be distributed to schools through AWPU.	

Thank you for providing your views on the schools budget consultation document, please e-mail your completed response to:
blea@hillington.gov.uk

Alternatively you can send a hard copy of this form or a separate response letter to:

Ben Lea, Education & Children's Services Finance, 4E/04 Civic Centre, Uxbridge, UB8 1UW