

Item 2

Schools and Children's Service Finance Update

Purpose of report

For discussion and direction

Summary

This report updates members on recent developments in schools funding issues.

Recommendation(s)

That members

- 1 Note this report;
- 2 Agree to receive further reports on any developments.

Action

Officers continue to provide updates.

Contact officer: Mike Heiser
Position: Senior Adviser
Phone no: 020 7664 3265
E-mail: mike.heiser@local.gov.uk

Schools and Children's Service Finance Update

Schools' Funding Consultation

1. The first stage consultation has now closed and a more detailed consultation is expected in July. Discussions with Department for Education (DfE) officials have been continuing through the Task and Finish Group of the Ministerial Advisory Group (MAG), chaired by Baroness Ritchie and the officer and official-level School Funding Implementation Group.
2. Discussions have centred on exactly what would shape a reformed schools funding system.
 - 2.1 What are the roles and responsibilities of schools and local authorities; should the funding system reflect these as they are or how they might be in an ideal funding system?
 - 2.2 Should there be a national school by school funding formula, or a continuation of the current system, with a new national funding formula for authorities who will then carry on distributing funding, in agreement with schools forum through local formulae. LGA members and officers have continued to argue for the latter.
 - 2.3 How much flexibility should there be for local authorities and schools forums to allow formulae to reflect local circumstances?
3. Following the joint submission to the first stage of the schools funding consultation, the LGA has continued to work jointly with ADCS. Any updates will be reported at the meeting.

Capital

4. The MAG Task and Finish Group has also been discussing the recommendations of the James Review on Schools Capital. The following issues have featured:
 - 4.1 How local planning would work; we have said that local authorities should be able to set up their own structures to consult with partners and there should not be a single model imposed.

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- 4.2 Implications of the proposal to establish a central body to take charge of procurement; how will this fit in with local procurement arrangements
- 4.3 Maintenance: Who is responsible for maintenance; does it need clarifying; should there be amounts set aside for maintenance?
- 5. The work of the MAG Task and Finish Group, and the discussion at the MAG itself on 14 July, is expected to influence the DfE response.

Academies funding

- 6. As reported previously £148 million in 2011-12 and £265 million in 2012-13 is being removed from formula grant to pay for central education functions for academies. Twenty three authorities have commenced legal action on the 2011-12 top-slice, with a further 7 authorities petitioning to join them. Following this the Secretary of State has agreed to reconsider the amount of the transfer for 2011-12 and 2012-13. A consultation document is expected shortly. The LGA has been doing work on a fairer costing of the academies transfer with the authorities involved in the case which can feed into our response to the consultation document. Further updates will be reported at the meeting.

Implications for Wales

- 7. Schools and Children's services are devolved matters so are the responsibility of the Welsh Assembly Government in Wales. The LGA keeps in close touch with the WLGA on developments affecting both England and Wales.

Financial Implications

- 8. None specific to this report.