

Rt Hon Michael Gove MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
Great Smith Street
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16 August 2011

Dear Michael

CONSULTATION ON THE ACADEMIES FUNDING TRANSFER

I am sorry that the first letter you receive from me in my new capacity is quite so negative but it reflects very serious concerns throughout local government.

On 19 July your department issued a consultation on the basis for the decision on the amounts of funding to be transferred from local authorities in 2011-12 and 2012-13 in respect of central services for Academies and Free Schools. A period of just four weeks has been allowed for this consultation, and this has already been the subject of correspondence between Baroness Ritchie and yourself.

As you know, a great many local authorities considered that the originally proposed funding transfers of £148m for 2011-12 and £265m for 2012-13 were excessive. A number of authorities took legal action following the finalization of the 2011-12 Local Government Finance Settlement, and this has resulted in your reconsideration of the matter.

Our member authorities have therefore been greatly perturbed to see that the consultation paper contemplates the possibility of very substantial increases, rather than reductions, in the Academies Funding Transfer amounts. Most regrettably, your department's consultation document fails to recognize the weight of evidence that the original methodology for the calculation of the funding transfer was fundamentally flawed, and you appear to reach a view that substantially the same methodology should now be applied, but using new information about increased numbers of Academy conversions.

This approach is a matter of the most serious concern to our member authorities, irrespective of political control or the enthusiasm with which the Academies programme has been taken up by their local schools. As our consultation response attached

demonstrates, the proposed methodology for the funding transfer is in a number of respects manifestly unsound. It fails to accord with the government's recently published New Burdens Doctrine, ignores a substantial weight of evidence about the net savings that are likely to be realizable when maintained schools convert to academies, fails to take proper account of equalities issues and reflects a number of errors of principle in its calculations. Furthermore, it appears to take no account of an earlier assurance of yours to Baroness Ritchie that you would not renegotiate the funding transfers to reflect higher or lower than predicted numbers of academies.

It will come as no surprise that the proposals in the consultation document are regarded as profoundly unsatisfactory by authorities with relatively few academies. I do, though, need to leave you in no doubt that the proposals are viewed with equal dismay by authorities where large numbers of schools have converted to Academy status with their active support and assistance. Authorities that have spent considerable amounts of time and money ensuring that significant numbers of their schools are enabled to move rapidly to Academy status are deeply concerned that they may now face a further removal of funding that is not merely unjustified but potentially so severe that it could result in significant pressure on council tax or other vital local services.

Along with other leading members of the Association, I would be very happy to meet with you and Eric Pickles to discuss what might be done to resolve the situation. I am in the meantime sending a copy of this letter and of our consultation response to Eric.

Yours sincerely

Cllr Sir Merrick Cockell