



COUNCIL CABINET
26 April 2005

Report of the Education Commission

Consultation on new School Funding System

RECOMMENDATION

1. On the basis of majority decisions the Commission recommended against approval of the proposals for three year budgets and academic year-based budgets, contained in the DfES consultation paper on the proposed changes to the funding system for schools; but there was general agreement with proposals relating to the simplification of funding streams.

SUPPORTING INFORMATION

Background

- 2.1 At its meeting on 4 April 2005 the Education Commission considered a report by the Director of Education and the Director of Finance on the Government's proposals for the new funding system for schools.
- 2.2 The Commission were told by Keith Howkins, Head of Finance and Contracts in the Education Service, that the consultation on the Department for Education and Skills (DfES) proposals closes on 13 May 2005.

Issue(s)

- 2.2 Keith Howkins told the Commission that the proposed new funding system included a move to three year budgets for schools. He also said it was proposed that budget allocations should be made on an academic rather than financial year basis, even though schools would still have to account and report on a financial year basis. He also confirmed that schools were unlikely to see any increase in their level of funding above what would have happened under the current system.
- 2.3 Commission members felt that they should have been given more time to consider the implications of the proposals and that the report should not have been presented as a late item. One Commission member commented on having no copy of the consultation document itself; and there was some debate around whether the current Council policy of using web links for such documents was helpful, as they had not worked for all

Commission members and, not all members of the Education Commission with a high proportion of statutory co-optees had ready access to them.

- 2.4 Some Commission members were concerned about the potential complications of three year budgets. It was felt that they could inhibit the ability of the Council to amend its formula to react to new initiatives or performance data. Pay awards also would need to be certain. It was also commented that three year budgets might prove restrictive for schools. Some Commission members also shared the Directors' concern about the DfES proposal to make school budget allocations on an academic rather than a financial year.
- 2.5 Commission members asked what would happen in the case of a school that experienced a sudden increase or decrease in pupil numbers and Simon Longley said that the school's budget would be adjusted retrospectively as happens at present. Commission members commented that the funding formula should be responsive to unexpected pupil number changes.
- 2.6 There was general agreement with proposals relating to simplification of funding streams.

Conclusions of the Commission

- 2.6 Having considered the report, three Commission members confirmed that they were opposed to the idea of three year budgets, although the Vice Chair supported the proposal.
- 2.7 Three Commission members, including the Vice Chair, were in favour of the proposal to make school budget allocations on an academic rather than financial year basis, and four Commission members, who included the Chair were against the proposal.

Recommendations of the Commission

- 2.8 On the basis of majority decisions the Commission recommended against approval of the proposals for three year budgets and academic year-based budgets, contained in the DfES consultation paper on the proposed changes to the funding system for schools; but there was general agreement with proposals relating to the simplification of funding streams.

Reasons for Commission's Recommendations

- 2.9 For the reasons set out in 2.4 above.

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Background papers:	Background Papers - None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

1. None arising from this report.

Legal

2. None arising from this report.

Personnel

3. None arising from this report.

Equalities impact

4. None.

Corporate Objectives, Values and Priorities

Objectives:

- A stimulating and high quality learning environment

Values

- Adopt new ways of working wherever these will help us do things better and provide value for money, customer focussed services

Priorities

- Raising educational achievement