

13 January 2016

**Outcomes of Consultation on School Funding Arrangements 2016-17 and
Changes to the Scheme for Financing Schools 2016**

Report of the Director of Children's Services

Author: Cheryl Faint/Simon Newland
Tel: 01438 844805

1. Purpose

- 1.1 To report to the Forum on the outcomes of the consultation with schools in respect of a change to the School Funding arrangements 2016 and changes to the Scheme for Financing Schools from April 2016.
- 1.2 To seek agreement from the Schools Forum to change the School Funding Formula from April 2016 in respect of the sixth form funding factor.
- 1.3 To ask the approval of Forum members, representing schools maintained by Hertfordshire County Council, for the change to the Hertfordshire Scheme for Financing Schools from April 2016 as set out in paragraphs 3.4, 3.5 and 3.6 below.

2. Background

- 2.1 A consultation with all Hertfordshire schools was run during December 2015 consulting schools on the proposal to remove the sixth form funding factor in Hertfordshire's local schools block funding formula. This followed the paper "Sixth form funding from Schools Block DSG", discussed at the November meeting of Forum which examined the future of this funding factor.

A link to the supporting documentation for the consultation is provided [here](#)

An analysis of the impact by school is shown [here](#)

- 2.2 In addition to the sixth form funding proposal, the consultation also asked for the views on schools on the introduction of a revenue loan scheme for

schools maintained by Hertfordshire County Council who are experiencing financial deficits.

- 2.3 Schools were also asked to raise any issues they see as arising following the Authority's intention to set criteria for approved banks based on ratings from Standard and Poor and Moody's. This would apply only to schools maintained by Hertfordshire County Council and would be an update to the Scheme for Financing Schools from April 2016.
- 2.4 Schools were asked to raise any issues arising in respect of revised wording in the Scheme relating to health and safety.
- 2.5 All documentation relating to the Consultation is provided via the link in 2.1 above.
- 2.6 There were no responses from Special schools, Education Support Centres or Nursery schools.

3. Outcomes of consultation

- 3.1 Where schools were asked to express a choice of response, the outcomes are set out in appendix A of this report. The following paragraphs analyse this response. The questions are shown in bold.

- 3.2 ***Do you agree with the proposal to discontinue the sixth form funding factor and recycle this resource through the KS4 per pupil funding? (AWPU)***

This question was predominantly responded to by secondary schools. This was overwhelmingly supported by respondents who expressed a view on this question.

Forum is asked to endorse the proposal to discontinue the sixth form funding factor as set out in bold above.

- 3.3 **Which option do you prefer for the distribution of funding?**

The consultation asked schools their view on how this funding should be recycled. The response here was more mixed with 24 respondents from secondary schools in favour of option 1 and 30 in favour of option 2. Respondent from maintained schools were overwhelmingly in favour of option 1, and respondents from Academies were split but with most favouring option 2. Option 1 entailed distributing funding by increasing the KS4 AWPU. Option 2 involved reductions to the prior attainment factor, so less funding is linked to low prior attainment. This reduced overall turbulence.

The Authority would propose that funding is recycled via option 1 for two reasons:

1. It is clear that greatest financial stress is being experienced by schools with low rolls and with relatively more disadvantaged intakes. Option 1 marginally favours these schools; but perhaps more importantly it does not seem desirable to move funding out of a factor – prior attainment – which seems to be linked to where schools are facing greatest difficulties.
2. Recycling funding via KS4 AWPU is both simple and transparent

3.4 Do you agree with the proposal to open a revenue loan scheme, which will be available to schools and ESCs maintained by Hertfordshire County Council?

This proposal was overwhelmingly supported by respondents although some concerns were raised that schools will not address issues quickly enough in order to ensure their accounts are in balance.

Forum members, representing schools maintained by Hertfordshire, are therefore asked to agree that the Scheme for Financing Schools be amended as per the consultation document from April 2016 and that a loan scheme as set out in the Consultation be operated.

3.5 Please use the comments box below to provide feedback on any issues you see as arising in respect of the proposal to set criteria for banks, which are approved by HCC for the purposes of banking public funds. The proposal is to define an approved bank by setting a minimum credit rating (as set out in section B of the consultation document)

There were no concerns raised by respondents. Forum members, representing schools maintained by Hertfordshire, are therefore asked to agree that the Scheme for Financing Schools be amended as per the consultation document from April 2016 to reflect the banking criteria as set out in this consultation.

3.6 Please use the comments box below to raise any issues you see as arising as a result of the proposal to strengthen clause 11.5 of the Scheme for Financing Schools relating to health and safety (as set out in section B of the consultation document)

Whilst a number of respondents welcomed the wording and recognised that Health and Safety is a Governing Body responsibility, several raised concerns about the financial burden that this can place on schools. This is a responsibility which schools are required to meet from their school budget share.

Forum members, representing schools maintained by Hertfordshire, are therefore asked to agree that the Scheme for Financing Schools be amended as per the consultation document from April 2016.

4. Conclusion

Forum members representing schools maintained by Hertfordshire County Council are asked to approve the changes to the Scheme for financing schools set out in paragraphs 3.4, 3.5 and 3.6 above.

Forum is asked to endorse that the sixth form factor in the Schools Block DSG is removed and the funding recycled through option 1.

Annex 1 Analysis of Responses to the Consultation

	Primary		Secondary		Totals	
10	No:	% of Responses	No:	% of Responses	No:	% of Responses
Responses	32		57		89	
Proposal to discontinue the sixth form funding factor and recycle this resource through the KS4 per pupil funding						
Agree	10	32%	46	81%	56	63%
Disagree	0	0%	8	14%	8	9%
No View	22	68%	3	5%	25	28%
Preferred option for the distribution of funding						
Option 1	2	6%	24	41%	26	29%
Option 2	3	9%	30	54%	33	37%
No View	27	85%	3	5%	30	34%
Proposal to open a revenue loan scheme						
Agree	24	75%	11	43%	35	39%
Disagree	1	3%	2	3%	3	3%
No View	7	22%	44	54%	51	57%