

**London Borough
of
Barking and Dagenham**

School Funding Formula 2015-16

**Consultation Response
Document**

Consultation Question 1: Primary/Secondary funding ratio

We are steadily narrowing the gap between Primary and Secondary funding ratio whilst keeping turbulence at a minimum. In order to provide a fairer settlement, do you think the 2015-16 Primary/Secondary funding ratio should be:

- (a) 1:1.32 Ratio for 2014-15 (current LBBD)
- (b) 1:1.31 London Average 2014-15
- (c) 1:1.27 National Average 2014-15
- (d) Other ... please state your preference

There were 28 responses to this question as follows:

Option	Total	Percentage
A	2	7%
B	22	79%
C	4	14%
D	0	0%

Additional Comments

There were a number of additional comments, with the Secondary responses being predominantly as follows:

'Option B preferred because it will allow secondary schools to plan the inevitable staffing reductions hopefully through natural wastage other than redundancy. Significant cuts for secondary schools are already in the system masked by 1.5% MFG.'

The majority of Primary schools indicated that while they would prefer Option C they were willing to accept B as a fair compromise:

'In recognition of the need for stability while at the same time moving towards a fairer funding ratio it would appear b) would be a compromise.'

'Ideally it should be C, as primary schools have for years been underfunded, however willing to accept B as a step towards fairer funding for the ever increasing primary sector'

'Whilst I would like to see the ratio at the National Average I respect the decision made at Forum previously re stability for secondary schools therefore (b).'

'In recognition of the need for stability while at the same time moving towards a fairer funding ratio it would appear b) would be a compromise. Although C would be the preference.'

'As a compromise while at the same time moving towards a fairer funding ratio'

Response

There is a clear consensus for using the London Average 2014-15 of 1:1.31 as the target ratio for distributing funding between the Primary and Secondary sectors.

Consultation Question 2: Rebalancing the Funding Blocks

The forecast position for the overall DSG is currently showing a deficit of £4.2m by 2017-18, this figure does not contain any high needs demography pressures other than the new special school. Do you think we have chosen the right rebalancing option for 2015-16?

- (a) 5% cut to high needs spending and a £1.4m movement from Schools to High Needs Block. This leaves the maximum manageable funding gap based on known data of £4.2m for 2017-18.
- (b) 10% cut to high needs spending and a £2.8m movement from Schools to High Needs Block. This leaves no funding gap based on known data for 2017-18.
- (c) Other – Please state how you would ensure a balanced DSG going forward.

There were 27 responses to this question as follows:

Option	Total	Percentage
A	8	30%
B	0	0%
C	19	70%

Additional Comments

There were a number of additional comments provided by those who opted for Option C. These were predominantly around the need to review the High Needs Block and that there should be no movement between the blocks.

The majority of Secondary responses were as follows:

High needs block spending needs radical review to bring it in line with high needs block funding. No movement from schools to high needs block.

Primary school responses were predominantly as follows:

The choice would be c) It was the wish of the SF members that we move towards each block maintaining a balanced budget and only in very exceptional circumstances would one block have to subsidise either of the other two. We recognise that there are major issues regarding the level at which national high needs funding has been set but we have to address the current spiralling costs. We are seeking one named person to have overall responsibility and oversight of the high needs block. Exploring further the use of SLAs for current free services to ensure best value. To have clearly defined outcomes and accountability for spending in the non-maintained settings. To have regular feedback to forum re current and future spending. The SF school members unhappy about cuts to school block funding being used to offset shortfalls in high needs block. We need to explore further current services being offered on a SLA basis.

Response

There is clear support for our detailed review of the High Needs block which is currently taking place. The proposal to move towards more services being offered by SLA is one that will be taken into consideration as part of the review. However, taking into account the projected overspend on the High Needs block and the ongoing demographic pressures it would not be prudent to rely purely on savings in the High Needs block to balance the DSG. That is why Option A has been proposed as a compromise position so that Schools Block is making a contribution but not funding the whole deficit. This has been agreed by a number of the respondents.

Consultation Question 3: School Block claw back

If monies are required from the schools block how best is this to be achieved

- (a) Cut AWPU and achieve the agreed primary/secondary schools funding ratio.
- (b) Cut Lump Sums and achieve the agreed primary/secondary schools funding ratio.
- (c) Cut a proportion of both AWPU and Lump sums but achieve the primary/secondary schools funding ratio.
- (d) Other – Please state how you would reduce monies through the formula

There were 26 responses to this question as follows:

Option	Total	Percentage
A	5	19%
B	6	23%
C	3	12%
D	12	46%

Additional Comments

There were a number of additional comments where respondents had chosen Option D, however these did not provide alternative for recouping money via the formula:

‘See Question 2 - No monies should be clawed back from schools block.’

‘The key phrase is IF MONIES are required from schools block. The idea is that we will not have money taken from the schools block.’

Response

Whilst the desire of schools not to make any reduction is noted, if changes are going to be made then it needs to be through an agreed methodology. Based on the consultation responses we have therefore chosen Option B and made adjustments through the lump sum, with an adjustment only being made to KS4 AWPU in order to achieve the agreed ratio. KS4 AWPU is still well above the London and National averages.

Consultation Question 4: De-delegation

A way of addressing changes in funding is by allowing schools to retain more of their funding by adjusting de-delegated amounts. Proposed levels of de-delegation are shown below.

Table 3: Indicative de-delegated amounts.

Description	2014-15	2014-15	2015-16	2015-16
	Per pupil (£)	Total (£)	Per pupil (£)	Total (£)
Schools in Financial Difficulty	-£30.74	-£1,000,005	-£8.03	-£250,000
School Specific Contingency	-£9.93	-£323,034	-£6.42	-£199,874
Free school meals eligibility	-£1.54	-£50,098	-£1.61	-£50,124
Support for Trade Union duties	-£9.99	-£324,985	-£9.72	-£302,613
	-£52.20	-£1,698,122	-£25.78	-£802,611

(a) Proposed de-delegated amounts are about right

(b) Proposed de-delegated amounts are too high / low

If you have ticked (b) what levels of de-delegation would you like to see.

There were 27 responses to this question as follows:

Option	Total	Percentage
A	15	56%
B	12	44%

Additional Comments

There were a range of comments where respondents selected Option B, the view being that these amounts were too high and needed to be review.

There was a general consensus that further information was required to understand exactly what the general contingency, trade union and FSM elements were funding. A number of respondents proposed cutting or removing these elements completely.

Concerns were also raised around the Schools Facing Financial Difficulties element and whether this was being used to support schools who had not managed their finances properly.

Response

While the majority of respondents felt these levels of de-delegation were about right, there is clearly a need for review and greater clarity around exactly what is covered under each heading and the extent to which schools want to fund this.

In terms of Schools Facing Financial Difficulties the level of de-delegation has already been reduced in the last couple of years and the most recent meeting of Schools Forum agreed an additional £250,000 reduction in 2015/16 to bring it down to the current proposed level.

At £324,985 for 2014/15 Barking & Dagenham had the fifth highest (in cash terms) de-delegated amount for Trade Union duties in the country. This is behind Leeds, Bradford,

Hampshire and Lancashire – who are all significantly larger authorities. It is the highest in London, where the average is £68,000 and the top five are as follows:

Barking and Dagenham	325,242
Tower Hamlets	274,720
Newham	127,200
Ealing	125,722
Havering	121,115

With the agreement of Schools Forum we would therefore propose a reduction in 2016/17 to bring us in line with Newham and Ealing who are currently 3rd and 4th highest respectively. Implementing this reduction in 2016/17 will allow for appropriate consultation and any alternative arrangements to be put in place. This would be reduction of over £5 per pupil.

Consultation Question 5: Split Site Criteria

A split site school will be defined as one where there is a road between sites used for curriculum purposes. Secondary split site factor equates to current levels of support, Primary factor has been scaled against this. The secondary school amount is £216,000 and the Primary £100,000.

For a school which has a primary and secondary phase the split site factor paid will be at the Primary level £100k unless the school also has 2 or more split sites at Secondary phase in which case the factor will be £216,000. Only one split site factor will apply.

Do you agree with the split site criteria

- (a) Yes
- (b) No – do not wish to have a split site criteria for Barking and Dagenham Schools
- (c) No – wish for the criteria to be revised. Please enter revisions in box below.

There were 28 responses to this question as follows:

Option	Total	Percentage
A	12	43%
B	2	7%
C	14	50%

Additional Comments

There were a range of comments from those who chose Option C:

‘All schools, regardless of whether secondary or primary should be funded at £100,000.’

‘ Primary and secondary should get the same (both £150,000) in the first two years and then gradually reduce’

‘Proportion as a lump sum and the rest of the formula as a distance. ‘ A road’ is an unsatisfactory criteria.’

‘There needs to be a closer correlation between primary and secondary split site formulae.’

‘What is the reason for having two different level of split side funding for Primary and Secondary?’

‘The discussion is around why a split site for secondary schools receive so much more funding than Primary. Primary schools such as Valence which have a split site with a distance of 1.4 miles and have 1,200 pupils. This inequality needs to be addressed.’

Those who chose Option A also commented regarding the methodology:

‘This is an issue that currently affects a small number of schools (2 secondary 4 primary) but the numbers could grow. While there is an acceptance of the need for additional funding would be good to know how the figures are arrived at.’

‘But the figure allocated does not cover the true cost of split sites, which are much higher than this.’

‘We can’t ask schools like ours to take increased numbers on at least two sites and not have the appropriate funding. The figure as it stands at the moment does not cover the actual staffing and other associated costs.’

Response

There is clearly a desire amongst schools to review the methodology behind the split site funding. This can be carried out for 2016/17 as agreed at the recent Schools Forum.

Consultation Question 6: Any other Comments

Please use the box below for any other comments you may have regarding 2015-16 Schools Funding Formula.

Comments

Secondary:

Secondary schools are already facing major cuts to spending. Significant cuts already in the system for secondary schools due to re-balancing towards primary schools already agreed, are being masked by the MFG but will increasingly hit secondaries next year and in the following two or three years. Secondary schools are also facing:

- i) confirmed and significant cuts in per student sixth form funding
- ii) announced changes employer NI contribution (will add to final salary bill)
- iii) increase in employer contribution to superannuation scheme. (will add to final salary bill)
- iv) 2.2% pay rise for APT&C staff with no additional funding to cover this cost

If additional cuts are added to the pressures outlined above, this will mean that secondary schools will be left with no alternative to staff redundancies in the very near future. This will then inevitably have an impact on student achievement.

Primary:

'There is a growing realisation that budgets will be constricted going forwards. It is therefore really important that we have full accountability for the management of all the funding streams and self-sufficiency being the preferred model.'

'The management of all funding blocks needs to be reviewed and the High Needs block needs a single identified person who can manage this area. We are aware that funding will be increasingly tight however there are still some areas which lack clarity.'

'We are aware that funding will be cut in the future, therefore as much information as possible to the management of funding is imperative.'

'Workshop to explain school funding calculation, Reduce funding cap & Clarification for MFG % change'