

Consultation on Academies' pre-16 funding: Options for the 2012/13 academic year.

Summary of Consultation Responses

13 April 2011
to 25 May 2011

Introduction

On the 13th April 2011 the Department for Education published a consultation on options for system-wide reform of school funding, including Academies. Alongside that consultation the Department also consulted on how Academies should be funded in academic year 2012/13 should the proposals set out in the main consultation be introduced after 2012-13.

Introducing system-wide reform has been ruled out for 2012-13, which means that an interim funding methodology for Academy funding is now needed.

This document is a summary of the responses to the 2012/13 Academy funding consultation. It sets out:

- an overview of the issues raised in the responses to the consultation and
- a summary of the responses to the questions.

A total of 246 responses were received, broken down into the following organisations:

Local Authority:	76	31%
Academy:	73	30%
Schools Forum:	33	13%
Other:	23	9%
School applying for academy status:	18	7%
Parent/Carer:	6	2%
Union/Professional Body:	6	2%
Maintained School:	4	2%
Academy Sponsor:	4	2%
Governor Association:	2	1%
Campaign Group:	1	0%
Total:	246	100%

A list of the organisations that responded can be found at Annex A.

Overview

- Strong agreement that an interim solution is needed for Academy funding in 2012/13 as the increase in Academy numbers make the current methodology of replication for all Academies unsustainable.
- Many thought that equivalence of funding where Academies are not financially advantaged or disadvantaged in relation to maintained schools, was the most important principle.
- The local authority-based calculation option achieved the highest proportion of responses. However some respondents were strongly against this methodology.
- The main criticism against roll-forward was that it increased the time lag in the data used to generate Academy budgets. This would be unfair as equivalence with maintained schools would be lost.
- The option of piloting a fair funding formula for Academies only did not get much support. Although respondents were supportive of wider funding reform, they were not happy with an Academies only pilot citing loss of equivalence with maintained schools as the main reason.
- Respondents were clear that LACSEG needed changing. However, there was not a consensus on how this should be done.

Summary of Consultation responses

(Throughout the report, percentages are expressed as a measure of those answering each question, not as a measure of all respondents. In some case percentages may not add up to 100% due to rounding.)

1 Do you agree with our analysis that the current system is not appropriate to fund an increasing number of Academies in a fair and transparent way?

There were 233 responses to this question		
Options	Responses	
Yes:	202	87%
No:	16	7%
Not Sure:	15	6%

There was very strong support for the analysis set out in the consultation that the current system of funding Academies cannot continue given the rapid increase in the number of Academies.

2 Do you agree with the principles for an alternative method of funding Academies in 2012/13?

There were 230 responses to this question		
Options	Responses	
All:	109	47%
Some:	95	41%
Not Sure:	17	7%
None:	9	4%

Most respondents (87%) agreed with some or all of the principles for the alternative method of funding for Academies in 2012/13, which were: equivalence between Academies and maintained schools, to enable a smooth transition to the wider funding reform and transparency.

Many respondents were keen to register that they felt that equivalence between Academies and maintained school funding was the most important principle. Some aired concerns that equivalence could not be achieved because of the additional grant Academies received to cover costs of services and support which would have previously been provided by the local authority. However, the principle of equivalence includes services that local authorities provide for schools so this is consistent with having the Local Authority Central Spend Equivalent Grant (LACSEG).

On the transition principle some respondents agreed that this was important, but others had concerns that if there were too many protections then the transition period would be too long. With wider system reform in the pipeline, some respondents thought it was key to not move away from the proposed reform so that transition would be as smooth as possible.

While respondents felt that it would be ideal if the system were transparent and easy to understand, many thought that some complexity was inevitable to fairly reflect need and transparency and simplicity should not be prioritised over the system being fit for purpose.

3 Are there other aims we should have for the Academy funding system in the absence of cross-system reform, such as a Fair Funding Formula? If yes, what are they?

There were 211 responses to this question		
Options	Responses	
Yes:	141	67%
Not Sure:	37	18%
No:	33	16%

The majority of respondents thought that there were other aims that an interim solution for 2012/13 should achieve. Many respondents thought that consistency and predictability should be an aim to allow for planning and stability before wider reform changes. Some respondents were keen to see appropriate funding for deprivation being an aim with indicators being included in the methodology. Others thought that there should be an aim to align responsibility and accountability with financial management so that the division of responsibilities are clear between Academies and local authorities.

Respondents also reinforced their support for the equivalence aim outlined in the consultation paper. Some felt the solution for 2012/13 should go further than just fairness with maintained schools and have consistency across the country. Others argued that the time lag needed to be reduced, using more up to date information to improve equivalence.

Others were keen to make sure that any changes to the funding methodology did not erode Academy freedoms.

4 Do you agree with the broad analysis of how each option might work?

There were 209 responses to this question		
Options	Responses	
All:	96	46%
Some:	84	40%
Not Sure:	25	12%
None:	4	2%

A significant majority thought that some or all of the option analysis was right (86%).

Some respondents thought the roll-forward analysis was fine, but others thought that the increased time lag would create unacceptable differences between Academies and maintained schools. The loss of direct in-year parity with central expenditure, which includes spending on High Needs Special Education Needs (SEN) that tends to increase year on year, was highlighted as an important issue.

On the local authority-based calculation model there was a real difference of opinion. Some felt very strongly that the local authority should not calculate Academy budgets saying that this would be at odds with the principle of Academies being autonomous institutions. Others however, put the case that local authorities are already doing the calculations for recoupment purposes and so it is a duplication of work for the YPLA to calculate the funding.

Respondents agreed the consultation analysis that piloting a fair funding formula just for Academies would mean that the equivalence principle would be lost as there would be not direct link to maintained school funding. With this in mind respondents thought it best to wait for the wider reform.

5 Which option do you think is the best way of funding Academies in 2012/13?

There were 228 responses to this question		
Options	Responses	
Local authority-based calculations:	93	41%
Roll-forward:	62	27%
Fair funding formula for Academies only:	41	18%
Not sure:	32	14%

The highest proportion of respondents favoured the local authority-based calculation methodology. Respondents, mainly from local authorities and Schools Fora, argued that the work needed to calculate Academy budgets was already being done for recoupment purposes and that it fulfilled all of the principles outlined in the consultation. Conversely only two respondents representing Academies, one from an Academy and one from a school applying for Academy status, put local authority-based calculation as their favoured methodology and many were strongly against it in their responses stating that the methodology would be totally at odds with their status as independent autonomous organisations.

Those who chose the roll-forward option did so because they thought it was simple and met the principles outlined in the consultation. However many more disagreed in their response, arguing that it would be unfair because by increasing the time lag this would undermine the equivalence principle

Many respondents re-emphasised that they agreed that reform is needed and are supportive of a fair funding formula. They were concerned however, by the option to fund Academies using a fair funding methodology as a pilot exercise in 2012/13 on the basis of loss of equivalence. Some respondents were sceptical that there would be enough time to develop the formula which would lead to delivery risks. Several stated that they were supportive of the proposal to pilot the fair funding formula, but were clear that it would have to include institutions from both the maintained school and Academy sectors.

Some respondents emphasised that their response was made on the understanding that this is an interim and not long-term solution. Others stated that it was important that the solution was compatible with the introduction of wider system reform so that would be a smooth transition between the two.

6 Are there potential advantages and disadvantages in implementing each option that we have not considered? If yes, what are they?

There were 204 responses to this question		
Options	Responses	
Yes:	139	68%
Not Sure:	44	22%
No:	21	10%

The majority of respondents thought that there were advantages and disadvantages that were not considered in the consultation.

On the roll-forward methodology many respondents were clear that the major disadvantage was an erosion of the equivalence principle with maintained schools. Any changes to the local authority funding arrangements such as the mainstreaming of grants and dealing with the SEN pressure would not be reflected in Academy budgets and could be unfair to maintained schools. Also there was concern that it would make transition more difficult once wider reform is introduced.

On the local authority-based calculations, many respondents re-emphasised the fact that this work is already being undertaken as part of the recoupment process. A small number of respondents however, questioned whether local authorities would have the resources to do any additional work associated with this due to reductions in staffing.

With the fair funding formula, respondents repeated their support for reform in the longer term but didn't think a pilot of just Academies would be appropriate.

Several respondents stated how important it is to keep Academy funding as stable as possible so that the sector is ready for wider system reform.

7 Are there changes you think we should consider to the way the Local Authority Central Spend Equivalent Grant (LACSEG) is calculated for FY2012/13? If yes, what are they?

There were 206 responses to this question		
Options	Responses	
Yes:	150	73%
Not Sure:	31	15%
No:	25	12%

There was significant agreement that LACSEG needs reform. However there was not a consensus on how. Some respondents thought that Academies were getting too much money, such as SEN funding, and it was unfair to maintained schools. Others argued that local authorities were manipulating their returns and were holding too much back. Many called for much greater transparency of how the LACSEG calculation was generated. Several thought that there should be a process in place to review local authority returns so that any dramatic changes could be investigated.

What respondents did agree on was that the lines used for LACSEG should be revised to fully reflect Academies' responsibilities.

Some respondents that had favoured the roll-forward methodology for the School Budget Share thought the same should be applied to the LACSEG methodology so that Academies would know what they would be getting and could plan.

Others thought that it was unfair that LACSEG was distributed on pupil number rather than pupil need and that this should be addressed.

Another area of disagreement was the application of a protection between changes in LACSEG year on year. Some felt that it was essential to have a protection to provide some stability to Academies whereas others thought that any protection was unfair and undermined the equivalence principle.

Many respondents thought that the way forward would be to have a national LACSEG amount payable to all Academies.

8 What factors would you want us to take into consideration if we were to make changes?

Some respondents asked for stability and for reductions to be minimised. Others asked for enough warning to allow planning to be in line with their available funding.

Many respondents called for deprivation and SEN factors to be included. They felt that distribution of some of the funding should reflect pupil need not just the pupil number and the current number-led model was disadvantaging the deprived.

9 Have you any further comments?

Many respondents took this opportunity to repeat their support for the wider funding reform and were clear that whichever interim solution was decided upon for 2012/13 that it should not distract from developing and introducing a fairer funding formula. Some encouraged the Department to keep the formula as simple as possible and for it to allow longer term planning.

Next steps

Considering all the responses received, Ministers have decided that a model which minimises change for individual Academies is the best interim solution. This means that Academies which have already received a budget based on replication will receive a budget based on replication for 2012/13. Most other Academies will have their 2011/12 budget rolled forward, with adjustments made for pupil numbers and some other factors.

Further information about this methodology can be found on the Department's website at: www.education.gov.uk/schools/leadership/typesofschools/academies/becominganacademy/b0061399/academy-funding/academy-funding-201213

Organisations responding to the Consultation

All Saints' Academy, Cheltenham
All Saints CofE Academy
ARK Schools
Arthur Terry School
Ashcroft Technology Academy
Association of School and College Leaders (ASCL)
ATL
Barnsley MBC
Beaverwood School for Girls
Bedford Borough Council
Bedford Borough Schools Forum
Belgrave St Bartholomew's Academy
Beths Grammar School
Birmingham City Council
Blackpool Council
Blue Coat Church of England School and Music College, Coventry
Bohunt School
Borough of Poole
Bradford Schools Forum & Local Authority
Bradley Stoke Community School
Brighton & Hove City Council
Brinsworth Comprehensive School
Bristol Cathedral choir school
Bristol City Council
Brompton Academy/Rochester Cathedral
Brooke Weston Partnership
Buckinghamshire County Council and Buckinghamshire Schools Forum
Bury Council and Schools Forum
Calderdale Metropolitan Borough Council
Camden School for Girls
Campion School
Canford
Catholic Education Service
Challney High School for Boys and Community College
Chartered Institute of Public Finance & Accountancy
Cheshire East
Cheshire West and Chester Schools Forum
Churston Ferrers Grammar School
City of London Academy (Southwark)
Colyton Grammar School
Comberton Village College
Coopers Technology College
County Councils Network (CCN)

Coventry City Council
Coventry Schools Forum
Cumbria County Council
Denbigh High School
Devon Education Forum
Dorset County Council
Dr Challoner's High School
Durham County Council (DCC) Schools Forum
E-ACT Finance Director
f40
Flookburgh CE Primary School
Francis Combe Academy
Freemantle C of E Community Academy
Gateshead Council
Gloucestershire County Council
GSHA
Guilborough School and Academy Trust
Hampshire County Council
Hampshire Schools Forum
Haringey Council and the Haringey Schools Forum
Hartlepool Borough Council
Havelock Academy
Head Teacher Biggin Hill School
Heckmondwike Grammar School
Herefordshire Council
Hertfordshire County Council
Hillingdon Schools Forum
Holsworthy Community College
Hounslow School
Hull City Council
Islington Council
Kirkbie Kendal Secondary School
Knowsley MBC
Lancashire Association of School Governing Bodies
Lancashire County Council
Lancashire Schools Forum
Lancaster Royal Grammar School
Langley Park School for Boys
Lark Rise Academy
Lavington School
Leeds Schools Forum
Leicester City Council
Leicestershire County Council
Lewisham's School Forum
LGA (Local Government Association) and ADCS (Association of Directors of Children's Services)
Lincolnshire County Council

Liverpool City Council
Liverpool Schools Forum
London Borough of Barking and Dagenham
London Borough of Barnet
London Borough of Bexley
London Borough of Bromley
London Borough of Camden
London Borough of Enfield
London Borough of Hammersmith and Fulham Schools Forum
London Borough of Havering
London Borough of Islington Council
London Borough of Merton
London Borough of Newham
London Borough of Richmond upon Thames
London Borough of Tower Hamlets
London Borough of Tower Hamlets School Forum
London Borough of Waltham Forest
London Councils and the Association of London Directors of Children's Services (ALDCS)
Macmillan Academy
Manchester City Council
Manchester Communication Academy
Marine Academy Plymouth
Marlowe Academy
Middlesbrough Schools Management Forum
Milton Keynes Council
NASUWT
National Association of Head Teachers
National Deaf Children's Society
National Governors' Association
National Union of Teachers (NUT)
Newcastle Schools Forum
Norfolk County Council – Children's Services
North Lincolnshire Council
North Somerset Council
North Somerset Council Schools Forum chair
North Tyneside Council
North Yorkshire County Council
Northamptonshire County Council
Northumberland County Council
Nottingham City Council
Nottinghamshire County Council
Onn Target Ltd
Oxfordshire Schools' Forum Finance & Deprivation Committee
Penrice Community College
Pilton Community College

Pimlico Academy
Plymouth City Council
Poole Grammar School
Portsmouth City Council
Priory Community School
Queen Elizabeth School
Reading Schools Forum
Romsey School
Royal Grammar School
Rugby High School
Rutland Schools Forum
Sheffield City Council
Sheldon School
Shropshire Schools Forum
Skinner's Kent Academy
Society of County Treasurers
Solihull MBC
Solihull Schools Forum
Somerset County Council Schools Forum
South Gloucestershire Council
South Gloucestershire Council Schools Forum
South Tyneside Council
Southampton City Council
Southend Borough Council
Sponne School
St Helens Council
St Josephs College Edmund Rice Academy Trust
St Mary's VA CE Middle School
St Paul's Academy
Staffordshire County Council
Steiner Academy Hereford
Stockport Schools Forum
Stockton-on-Tees Borough Council
Stoke on Trent City Council and Schools Forum
Strood Academy
Suffolk County Council
Sunderland City Council
Surrey Academies Group
Surrey County Council
Swavesey Village College
The BRIT School
The Co-operative Academy at Brownhills
The Coopers' Company and Coborn School and The Brittons Academy

The de Ferrers Academy
The JCB Academy
The Marsh Academy
The Mirfield Free grammar and Sixth Form
The Mountbatten School
The Priory Federation of Academies
The Riding's Federation of Academies
The Thomas Deacon Academy
Thornden School
Thurrock Council
Toot Hill School
United Learning Trust
Valley Gardens Middle School
Wakefield M D Council
Walsall Council
Walton High
Walton High School
Wandsworth Borough Council
Warren Road Primary School
Warwickshire County Council
Watford Grammar School for Girls
West Berkshire Council
West Sussex
Westcliff High School for Boys
Westminster Academy
Westminster Council
Wigan Local Authority
Wildern School
Wirral Grammar School for Girls
Wirral Schools Forum
Worcestershire County Council
Wren Academy

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