



Department
for Education

Replacing LACSEG: Funding Academies and local authorities for the functions that devolve to Academies

17 July 2012 to 24 September 2012

Summary of consultation responses

Introduction

This is a summary of the responses received to the consultation on replacing the Local Authority Central Spend Equivalent Grant (LACSEG), which ran for 10 weeks and closed on 24 September 2012.

A total of 142 responses were received:

- Individual local authority: 88
- Academy: 26
- Local authority group: 10
- Other Trade Union/Professional Body : 3
- Schools Forum: 3
- Maintained School: 1
- Governor Association: 1
- Other: 10

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

Summary of consultation responses

Question 1: Do you agree that a multiplier of 4.25 should be applied for pupils in special schools/Special Academies?

There were 132 responses to this question.

No:	62	47%
Yes:	40	30%
Not Sure:	30	23%

More respondents to this question were against than in favour, but not a majority, with a significant proportion responding 'not sure'. Of the respondents who were not sure, the majority agreed in their comments that some additional funding is required for pupils in special schools and Special Academies, but there was no clear consensus on the level of funding required. Several local authorities commented that, while they agree that some additional funding is required, the multipliers seemed too high, and some suggested alternative, lower, multipliers.

Several respondents felt that higher staff costs in special settings should be reflected in per-place funding and through the funding formula, rather than in LACSEG. Others suggested that the multiplier should reflect local circumstances. Some Academies commented that funding should be linked to the needs of pupils, not institutions; so the multiplier should be attached to individual SEN pupils, whether in special schools or not. There was concern amongst some respondents that applying these multipliers would reduce the rate for mainstream schools.

Question 2: Do you agree that a multiplier of 3.75 should be applied for pupils in pupil referral units (PRUs)/Alternative Provision (AP) Academies?

There were 131 responses to this question.

No:	63	48%
Yes:	36	27%
Not Sure:	32	24%

Responses to this question were very similar to responses to Question 1, with many agreeing that additional funding is required for pupils in PRUs and AP Academies. A significant number of respondents, however, were not sure about the level of multiplier that should be applied.

Question 3: Do you agree that a rate of approximately £8 - £15 per pupil is appropriate for the responsibilities that local authorities retain for pupils in Academies?

There were 135 responses to this question.

No:	91	67%
Not Sure:	26	19%
Yes:	18	13%

The majority of respondents to this question did not agree that a rate of £8 to £15 per pupil is appropriate for the responsibilities that do not transfer to Academies and that will be funded by the new grant. There was a clear divide among respondents between Academies and local authorities, with Academies commenting that the suggested rate was appropriate or too high while the large majority of local authorities stated that the proposed per-pupil rates were too low.

Several local authorities commented that the sample size used to generate the range was too small. Some local authorities suggested that it was unrealistic to expect authorities to make further efficiencies in delivering central services. These respondents stated that they are already making efficiencies due to reductions in their formula grant. Several authorities also commented that, as many costs are fixed, the appropriate per-pupil level of funding will vary according to the size of the authority.

Question 4: Do you think that an area cost adjustment (ACA) should be applied when distributing the grant to Academies and local authorities?

There were 132 responses to this question.

Yes:	58	44%
No:	55	42%
Not Sure:	19	14%

Responses were almost equally divided between those in favour and those against applying an ACA when allocating the new grant for education services. Those in favour commented that salary costs are the most significant factor in determining how expensive it is to provide the education services covered by the new grant. It was also suggested that there should be consistency with other Government funding streams which include an ACA.

A number of respondents commented that there is no link between expenditure on these services and the local labour market. Several respondents suggested that it would be preferable to keep the system as simple and transparent as possible by not applying an ACA, particularly if the impact on per-pupil amounts would be small.

Question 5: Do you think that a deprivation factor should be applied?

There were 133 responses to this question.

Yes:	74	56%
No:	42	32%
Not Sure:	17	13%

The majority of respondents thought that a deprivation factor should be applied, but a substantial minority disagreed with the application of deprivation weighting or were not sure whether these services were more expensive for deprived pupils.

There was a lack of consensus over the extent to which the costs of the education services covered by the new grant varied according to levels of deprivation. Several respondents commented that there is not a strong link between expenditure on these services and levels of deprivation, while others cited certain services that they did consider to be linked to deprivation, including Education Welfare Services, and school improvement.

Several respondents suggested that applying a deprivation factor would be consistent with Government policy to support children from deprived backgrounds and would be in line with other funding sources such as the Dedicated Schools Grant.

A number of respondents suggested that applying a deprivation factor would create unnecessary complexity.

Several respondents were not sure how the deprivation factor would be applied. It was observed, for instance, that there is a lot of year-on-year variation at school level, and that this is not strongly linked to the education services included in the new grant.

Question 6: If a deprivation factor is applied, where between 1% and 10% should we set the proportion of the funding pot to be allocated separately to deprived pupils?

There were 90 responses to this question.

Answers to this question were divided between respondents who thought that a deprivation factor should be included, and who tended to think that at least 10% of the funding pot should be allocated to deprived pupils, and those who disagreed with applying a deprivation factor who thought that the weighting should be at the low end of the suggested range.

Question 7: Do you agree that the funding should be deducted from local authorities using the same national rates that we will use to allocate the new grant?

There were 131 responses to this question.

Yes:	69	53%
No:	39	30%
Not Sure:	23	18%

The majority of respondents agreed that funding should be deducted on the same basis as the grant will be allocated. A significant minority of respondents disagreed or were not sure. Respondents who said yes to this question commented that it was right that local authorities with no Academies should see no difference in funding levels. They agreed that it would be transparent and aid planning and stability.

A number of respondents said no to this question and several suggested that the deduction from local government revenue funding should be based on the amount that each local authority is spending. Some local authorities stated that it would be better to wait until a national funding formula for the Dedicated Schools Grant is implemented before establishing national rates for education services.

Some respondents commented that low spending authorities would be penalised for their efficiency and will effectively be subsidising high spending authorities. Others suggested that the funding for education services should be deducted from local authorities on the basis of an independent assessment of the savings that could be made.

Question 8: Do you agree that the funding for NQT induction should transfer into the DSG so that it can be delegated to all schools and Academies?

There were 133 responses to this question.

Yes:	86	65%
Not Sure:	24	18%
No:	23	17%

The majority of respondents agreed, and offered no further comment. Some respondents asked for more information about how the amount to be transferred for NQT induction had been calculated. Of those respondents who disagreed with the question, there were a small number of comments suggesting that it would be preferable for the local authority to retain the funding for quality assuring NQT induction so that it could be targeted towards the appropriate schools and so that small schools could benefit from the economies of scale of a centrally provided service from the local authority.

Question 9: Do you have any further comments?

79 respondents provided further comments in this section.

There was general support for change and respondents welcomed the principle of increased transparency. Several respondents noted that the proposed system was better than the current system whereby funding for the responsibilities that transfer to Academies was top sliced from formula grant for 2011-12 and 2012-13.

The majority of comments in this section were made in relation to the overall quantum of the funding transfer of £1.22 billion from local government revenue funding in 2013-14. A large number of comments suggested that this amount was too high, and that the amount to be transferred should be based on 2012-13 section 251 budget data, rather than 2011-12 data because considerable savings have been made since 2011-12. Several respondents suggested that an assessment should be made of the potential savings to local authorities and that this would be in line with the Government's New Burdens doctrine. Some local authorities commented that they did not think it appropriate to add the £148 million top slice to the total amount to be transferred because many authorities did not save an amount equal to the top slice for their local authority.

Some local authorities commented that the proposals would disadvantage low-spending local authorities in favour of high-spending authorities. There was concern among these respondents that more funding would be transferred from their general revenue funding in 2013-14 than they are currently spending on pupils in maintained schools and would therefore have to make cuts to other services as a result.

Several local authority respondents suggested that protections should apply to local authorities as well as to Academies in 2013-14.

Some respondents commented that local authorities incur costs when a maintained school converts to Academy status and that they do not receive additional funding to cover these costs. A number of respondents did not agree that the grant allocations for local authorities should be adjusted for Academies that open during the financial year because local authorities are not able to make savings straight away.

There were mixed comments about the use of the October school census data. Some local authorities welcomed the use of the October data while

others were concerned about whether this would provide accurate pupil numbers for three and four year olds.

A small number of Academy responses expressed concerns about the impact of potential reductions in LACSEG funding from 2013-14.

Annex A

Individual local authorities:

Bedford Borough Council
Birmingham City Council
Blackpool Council
Borough of Poole
Bournemouth Borough Council
Bracknell Forest Council
Bristol City Council
Buckinghamshire County Council
Bury Council
Calderdale Met. Borough Council
Cambridgeshire County Council
Central Bedfordshire Council
Cheshire East Council
Cheshire West and Chester Council
Cornwall Council
Coventry City Council
Cumbria County Council
Darlington Borough Council
Derbyshire County Council
Devon County Council
Dorset County Council
Durham County Council
East Riding of Yorkshire Council
Essex County Council
Gateshead Council
Gloucestershire County Council
Hampshire County Council
Harrow Council
Herefordshire Council
Hertfordshire County Council
Hull City Council
Kent County Council
Knowsley Met. Borough Council
Lancashire County Council
Leeds City Council
Leicestershire County Council
Lincolnshire County Council
Liverpool City Council
London Borough of Bromley
London Borough of Enfield
London Borough of Hackney
London Borough of Havering
London Borough of Hillingdon
London Borough of Islington
London Borough of Merton
London Borough of Newham
London Borough of Tower Hamlets
London Borough of Waltham Forest
London Borough of Wandsworth
Luton Borough Council
Manchester City Council
Middlesbrough Council
Milton Keynes Council
Newcastle City Council
North East Lincolnshire Council
North Somerset Council
North Tyneside Council
North Yorkshire County Council
Northamptonshire County Council
Northumberland Borough Council
Nottingham City Council
Oldham Met. Borough Council
Oxfordshire County Council
Peterborough City Council
Plymouth City Council
Reading Borough Council
Rutland County Council
Sefton Met. Borough Council
Sheffield City Council
Shropshire Council
Slough Borough Council
Solihull Met. Borough Council
Somerset County Council
Southampton City Council
Southend-on-Sea Borough Council
Stockport Met. Borough Council
Stockton-on-Tees Borough Council
Stoke-on-Trent City Council
Sunderland City Council
Surrey County Council
Swindon Borough Council
Telford and Wrekin Council
Warrington Borough Council
Warwickshire County Council

West Berkshire Council
West Sussex County Council
Wiltshire Council

Wolverhampton City Council
Worcestershire County Council

Academies:

Ash Field Academy
Belthorne Academy Primary
Biscovey Academy
Blue Coat Church of England Academy
Bohunt School
Bowland High Academy Trust
Chiddingstone Church of England School
Churston Ferrers Grammar School
Eggars School
Henry Hinde Infant School
Hinchley Wood School
Homewood School and Sixth Form Centre
Linton Village College
Longfield Academy Trust
Northumberland Church of England Academy
Ripley St Thomas Church of England Academy
Sexey's School
Springwood High School Academy
The Kings School, Grantham

Local authority groups:

Association of London Directors of Children's Services
County Councils Network
f40
LGA, SOLACE and ADCS
London Borough of Croydon
London Borough of Redbridge
Society of County Treasurers
Society of London Treasurers

Trade unions:

Association of Schools and College Leaders
NUT
UNISON

Schools Forums:

Cheshire West and Chester Council Schools Forum
Peterborough Schools Forum

Governor associations:

National Governors Association (NGA)

Maintained schools:

Albany Science College

Other organisations:

CIPFA

FASNA

The National Dead Children's Society

The National Sensory Impairment Partnerships (NATSIP)

Worshipful Company of Haberdashers



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