



**Department
for Education**

**8th July Schools Forum Report re 2015/16
DSG Prospects - Annex C**

Consultation Response Form

**Consultation closing date: 30 April 2014
Your comments must reach us by that date**

Fairer schools funding in 2015-16

If you would prefer to respond online to this consultation please use the following link: <https://www.education.gov.uk/consultations>

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Please tick if you want us to keep your response confidential.		
Reason for confidentiality:		

Name: Steve Haley, Head of Finance (Education and Innovation)	
Please tick if you are responding on behalf of your organisation.	✓
Name of Organisation (if applicable): Swindon Borough Council	
Address: Civic Offices Euclid Street Swindon SN1 2JH	

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: consultation.unit@education.gsi.gov.uk or by telephone: 0370 000 2288 or via the Department's '[Contact Us](#)' page.

Please mark the box that best describes you as a respondent.

<input type="checkbox"/> Maintained school	<input type="checkbox"/> Academy	<input checked="" type="checkbox"/> Local authority
<input type="checkbox"/> Governor	<input type="checkbox"/> Bursar	<input type="checkbox"/> Parent
<input type="checkbox"/> Schools forum	<input type="checkbox"/> Trade union organisation	<input type="checkbox"/> Other

Please Specify:

[Swindon Borough Council](#)

[The timing of this consultation did not allow a draft response to be discussed at a Swindon Schools Forum but this will be included in the agenda papers for the next meeting in July.](#)

1 Do you agree that the existing distribution of schools funding is unfair?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

Comments:

[Swindon is a member of the F40 pressure group and as the 11th lowest funded LEA in England supports anything that moves towards a fairer funding system to replace the historic and unfair method by which school funding is currently distributed across LAs.](#)

[The receipt of a share of the additional £0.350m in 2015/16 will be most welcome in Swindon schools. Swindon supports the uplift being applied to Schools Block funding and whilst an indicative 2.5% increase will generate approximately £2.9m of additional funding our Schools Forum will remain concerned that this will still leave Swindon as the 7th lowest funded of the 151 LEAs in England. This must therefore be a first step towards fairness with a further more significant redistribution from 2016/17 onwards which includes the Pupil Premium. High Needs Funding should also be simplified and its fairness reviewed.](#)

2 Do you agree with our proposed choice of characteristics to which to attach minimum funding levels?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

Comments:

Mostly although see comments below.

This existing lagged funding basis continues to present pressure on LAs with growing school age populations such as Swindon and it seems unfair that we are constantly having to top slice the DSG to provide our new and expanding schools with 7/12 funding for pupils which are not recognised in our DSG funding. As the school census is a reliable and readily available source of information it would be possible for growing LAs to receive in year schools block funding to recognise October increases – can this be considered?

Given our proposal to set minimum funding levels such that we can afford to fund all local authorities at those levels or above in 2015-16, do you agree with the proposed values of the minimum funding levels?

3 a) Age Weighted Pupil Unit

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

3 b) Deprivation

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

3 c) Looked-after children

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not Sure
------------------------------	----------------------------------------	-----------------------------------

3 d) English as an additional language

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

3 e) Low prior attainment

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not Sure
------------------------------	----------------------------------------	-----------------------------------

3 f) Lump sum

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
-----------------------------------------	-----------------------------	-----------------------------------

3 g) Sparsity

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Not Sure
------------------------------	-----------------------------	----------------------------------------------

Comments:

LAC - Given that the school funding reform programme is generally striving for simplicity wherever possible I am not sure that the incidence of Looked After Children are a significant enough factor to determine minimum funding levels, particularly as;

- This is an optional factor for LAs to include in their formulas
- This need is funded via the significantly increased LAC Pupil Premium (which is why SBC's Forum decided not to have a local LAC factor).

Deprivation - Previous DfE announcements have suggested that the Pupil Premium may be rolled into the main DSG which this LA would welcome. Deprivation is a mandatory factor and should be reflected in MFL calculations but it seems inconsistent to exclude what is now a very substantial level of Pupil Premium funding that is also targeting deprived (i.e. FSM) pupils.

LPA - Whenever low prior attainment is discussed as a factor on which to base funding there are views that this is a method of rewarding failure and for this reason I would suggest that the optional LPA factor is excluded from MFL calculations.

Sparsity – this is a significant area of concern to SBC as explained at section 7 and I am unsure whether this should be reflected in the MFL calculations.

PS references to AWPU should surely be replaced with BPPE in DfE documents now?

4 Do you agree that labour market cost differences should be taken into account as we allocate the £350m?

☒

Agree

☐

Disagree

☐

Not sure

Comments:

5 Do you agree this should be calculated using the hybrid approach we have set out?

☒

Agree

☐

Disagree

☐

Not sure

Comments:

6 If you do not agree that we should use a hybrid approach, what would you prefer we used?

<input type="checkbox"/> Use teacher pay bands only	<input type="checkbox"/> Use a general labour market measure only	<input type="checkbox"/> Use an alternative method
-----------------------------------------------------	-------------------------------------------------------------------	----------------------------------------------------

Comments:

Sparsity Review

7 We introduced a sparsity factor for the first time in 2015-16. How helpful has this factor been in ensuring that sufficient funding is targeted at small schools serving sparsely populated areas?

<input type="checkbox"/> Useful	<input checked="" type="checkbox"/> Not useful	<input type="checkbox"/> Not sure
---------------------------------	------------------------------------------------	-----------------------------------

Comments:

This remains an area of uncertainty and concern for SBC officers, the Schools Forum and Swindon schools and definitive guidance on this would be very much appreciated.

Scope and Purpose of the Sparsity Factor

The first issue is that descriptions on the scope and purpose of this optional factor used by Ministers and DfE have been inconsistent.

Some communications have implied that this is only meant to apply to rural authorities whereas Swindon is a small predominantly urban unitary authority but does have 3 primary schools with fewer than 150 pupils – none of which qualify for sparsity funding under the DfE as the crow flies distance formula.

Other communications have said

- Just being rural doesn't signify sparsity and that the intended purpose of sparsity funding is to protect schools when closure would require pupils to travel long

unreasonable distances.

- Sparsity funding should be allocated to small schools that are vital/essential to serve small rural areas/communities

In his 13th March letter David Laws MP states “I intend to set a minimum level of additional funding that schools in sparsely populated areas which are vital to serving rural communities should attract”. This very much implies that the DfE view is moving towards sparsity becoming a mandatory factor whereas it is currently optional. I would be more confident shaping discussions at our Schools Forum if this was confirmed together with a more prescribed approach to appropriate funding values.

It is a little frustrating that, in line with most other LAs, Swindon’s pre reform local formula provided tapered “small schools” protection which recognised that some settings were unable to achieve economies of scale. This area of the formula was kept under review but was generally accepted by schools as being a sensible arrangement. This was however unequivocally stopped by DfE on the basis that such schools should not be subsidised by other schools and should take steps to reduce operating costs via federating etc. so that they were sustainable. The introduction of a sparsity factor which only applies to some LAs / some areas has not therefore helped my understanding of what DfE are expecting.

After the initial formula changes were introduced in 2013/14 the forced cessation of small schools protection put a number of our schools into MFG and the LA was working with these schools to identify long term cost reductions. The schools affected by this are quite understandably viewing the sparsity factor as a potential source of additional funding which would avoid them having to reduce costs. Given that none of our small schools qualify for sparsity funding (unless we make an application to replace as the crow flies distances) I am left unsure as to whether this should even be considered;

- Should urban LAs such as Swindon be considering introducing a sparsity factor at all – will this be a mandatory part of the new national formula?
- Should we be seeking to provide permanent on-going subsidies (by reducing other school funding) to avoid our small schools making efficiency savings as originally intended or should “small schools” protection be reintroduced via the sparsity factor to replace their short term MFG protection?
- Should we be considering raising the primary lump sum value from £106,700 to negate the need for sparsity funding?

Methodology of Applying the Sparsity Factor

As mentioned above we are a predominantly an urban LA but have 3 small primary schools with fewer than 150 pupils, none of which qualify for sparsity funding as the average as the crow flies distances for their pupils to the next nearest schools are 1.61, 1.34 and 0.53 miles as calculated by DfE.

Taking our smallest school (Bishopstone) as an example we have calculated as the crow fly distances for all their current pupils and this is only 1.4 miles – slightly lower

than the 1.61 DfE calculations which used October 2013 pupil details. So, unless we seek some sort of exemption this school will not receive any sparsity funding but will receive MFG funding (currently £67,931) which will gradually reduce over future years.

Based on the DfE guidance I remain unsure whether seeking an exemption to allow Bishopstone to receive sparsity funding is appropriate;

- The original DfE guidance stated that DfE would determine eligibility for sparsity funding but that LAs could narrow the eligibility criteria by reducing the pupil number threshold and/or increasing the distance criteria. Given that this is an optional factor anyway the inference was that LAs should be seeking to minimise eligibility and therefore sparsity funding.
- I note that the June 2013 DfE “Arrangements and Changes for 2014/15” guidance states that LAs are allowed to make exceptional applications for schools that have been excluded because the relevant road distance is significantly higher than the distance as the crow flies. Looking at Bishopstone’s 40 current pupils, 18 live very close to the school and their average as the crow flies distances to the next nearest school (which is full and likely to be for the foreseeable future) is 2.27 miles. Given the rural nature of Bishopstone my transport colleagues advise that there simply is no safe walking distance to calculate as there are no footpaths to the nearest school which is full anyway. A bus/car/taxi journey of approximately 2.9 miles would be required. The other 22 pupils attending Bishopstone are from outside the village, mostly in or around Swindon, and their average as the crow fly distances from home to their next nearest school is only 0.61 miles. Would this information support an exceptional application or imply that the school (which has existed for 100 years) is unnecessary given that over half its pupils are from outside the schools catchment area?
- The December 2013 “Additional information for LAs” states that “we would consider an application to exclude a particular school from eligibility for sparsity funding if this exclusion gives rise to a perverse outcome. This seems to imply that the system is inherently flawed and that there is a possibility that some schools will inappropriately attract sparsity funding.

I trust the above commentary explains why I remain unclear on the use of the sparsity factor and have responded that this is not useful. I must emphasise that Swindon Borough Council does not believe that closure of any of its smaller schools should be considered and the issue is essentially the extent to which they must reduce operating costs and/or be subsidised by other schools.

8 Do you think it would be useful to revise the criteria for the sparsity factor to take into account the average number of pupils in each year group, rather than the number of pupils in the school? If so, how?

<input type="checkbox"/> Useful	<input checked="" type="checkbox"/> Not useful	<input type="checkbox"/> Not sure
---------------------------------	------------------------------------------------	-----------------------------------

Comments:

This would add a further level of complexity when a more substantial rethink is required.

9 Are there any other changes you would like to suggest to improve the operation of this factor, and why?

Comments:

As explained above this needs a more fundamental rethink on what the scope and purpose of this factor is targeting. I would suggest that this is re-launched as a “diseconomies of scale factor” or more simply deleted together with a change to allow LAs to operate 2 or 3 lump sum values for their primary schools. Swindon welcomed the opportunity to have a separate (higher) lump sum value for secondary schools and to treat all our primary schools the same when pupil numbers range from 39 to 562 seems flawed. Our current primary lump sum is £106,700 and I feel that allowing us to change this to something like the following would be understood and supported by schools, negate discussions about sparsity and still require smaller schools to cut operating costs to reasonable levels

- £140,000 for schools up to 210 pupils (1 FE)
- £120,000 for schools up to 420 pupils (2 FE)
- £100,000 for schools over 421 pupils (3 FE)

This would also help to provide consistent funding for pupil growth in new and expanding schools.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply.	
E-mail address for acknowledgement:	

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

<input checked="checked" type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------------------------	-----------------------------

All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: aileen.shaw@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed responses should be sent to the address shown below by 30 April 2014

Ministerial and Public Communication Division, Level 2, Department for Education,
Mowden Hall, Staindrop Road, DARLINGTON DL3 9BG

Send by e-mail to:
SchoolFunding.CONULTATION@education.gsi.gov.uk