



Coventry City Council

Council Meeting

26 June 2007

Booklet 2

Recommendations

INDEX TO MINUTES

	Page Nos.
Cabinet 22 May 2007	9
Standards Committee 28 March 2007	1

STANDARDS COMMITTEE

28th March, 2007

Members Present:- City Council Members

Councillor Mrs. M. Lancaster (Substitute for Councillor Mulhall)
Councillor N. Lee
Councillor A. Williams

Independent Members

B. Farrer (Chair)
D. Jackson
B. Ray
J. Willetts

Employees Present:- S. Bennett (Legal and Democratic Services Directorate)
C. Hinde (Director of Legal and Democratic Services)

Apologies:- A. Casey
M. Farrell

RECOMMENDATION

27. Proposed Amendments to the Constitution

The Committee considered a report of the Director of Legal and Democratic Services that outlined a proposed change to the Constitution following consideration of this matter by the Constitution Working Group.

Currently, there were no rules in the Constitution in relation to the non-attendance of co-opted Members at meetings. The Constitution Working Group had given consideration to this issue noting that co-opted Members were now paid an allowance (currently £438 per annum). Approval was sought to amend the Constitution to indicate that co-opted Members must attend at least one meeting every six months (in line with the requirement for Councillors). Any exemption to this rule (for example long term illness) would need to be approved by the full Council. The Committee noted that the rule would not apply if a meeting had been cancelled and that non-attendance would mean that the Member would no longer be a co-opted Member of the particular body and no longer eligible for an allowance.

The report also indicated that the Constitution Working Group had been reviewing the position on the length of speeches at Council meetings, which had been reduced to five minutes for the mover of a motion or recommendation and three minutes to any other speaker, for the past 12 months and that no agreement had been reached by the Political Groups on this issue. The Committee noted that the Constitution Working Group would be considering this issue further at their meeting on 10th May and the Committee asked that the following suggestions be made to the Constitution Working Group:-

- (a) That whilst the time limit for seconders or other speakers should remain at three minutes, consideration be given to increasing the time allowed for the mover of a recommendation or motion.
- (b) That where the mover of a recommendation or motion felt it was necessary, they should apply in advance for a longer time limit.
- (c) That consideration be given to submitting background information in relation to motions prior to the start of the meeting.

RESOLVED that the City Council amend the Constitution to include a requirement for co-opted Members to attend at least one meeting in every six months.



Report to
Standards Committee
Council

28th March, 2007

Report of

Director of Legal and Democratic Services

Title
Proposed Amendments to the Constitution

1 Purpose of the Report

- 1.1 This report outlines proposed changes to the Constitution following consideration of these matters by the Constitution Working Group.

2 Recommendations

- 2.1 Standards Committee are requested to:-

(i) Approve the inclusion in the Constitution of a requirement for co-opted Members to attend at least one meeting every six months.

(ii) Consider any recommendations from the Constitution Working Group in relation to the length of speeches at Council Meetings

(iii) Recommend that the City Council amends the Constitution accordingly.

3 Information/Background

- 3.1 The City Council's Constitution has been operating in its current form since May 2003, and the Standards Committee has approved various amendments during the course of the last four years.
- 3.2 The Director of Legal and Democratic Services has also made some minor rewording/redrafting amendments in accordance with the authority delegated to him by the Standards Committee.
- 3.3 The Constitution Working Group, which has cross party representation, meets during the Municipal Year to give consideration to any issues that arise from the Constitution.

4 Proposal to be Considered

4.1 Non-Attendance of Co-opted Members

Currently there are no rules in the Constitution in relation to the non-attendance of co-opted Members at meetings. The Constitution Working Group have given consideration to this issue, noting that co-opted Members are now paid an allowance (currently £438 per annum).

Approval is sought to amend the Constitution to indicate that co-opted Members must attend at least one meeting every six month (in line with the requirement for Councillors). Any exemption to this rule (for example long term illness) would need to be approved by the full Council.

4.2 Length of Speeches at Council Meetings

At its meeting on 14th April, 2005, the Standards Committee considered a report detailing a number of proposals submitted by the Constitution Working Group aimed at improving the quality of decision making by reducing the length of Council meetings (which had, on occasions, been going on until the early hours of the morning), on the basis that an adequate level of concentration cannot be maintained for extensive periods.

Whilst the Constitution Working Group had agreed to a number of proposals, such as deleting the Main Debate at Council meetings and only having a Leader's Statement when there is an issue of significant importance to the City, the Working Group were unable to reach agreement regarding the length of speeches. At the time, the mover of a Motion or recommendation was allowed 10 minutes with the seconder of a Motion or recommendation or any other speaker being allowed 5 minutes.

The Standards Committee's views were sought on this issue. The Committee noted the practices of other Local Authorities and, on balance, recommended that the City Council consider reducing the time limits to 5 minutes and 3 minutes (with certain exceptions such as Group Leaders' speeches during the Council Tax debate), and that this be reviewed after 12 months.

This was approved by the City Council and the new time limits were introduced for the Municipal Year 2005/06. The Constitution Working Group have reviewed the new time limits on a number of occasions during 2006/07, and all of the political Groups have been consulted. However, no agreement has been reached on this issue. The Opposition Groups want to revert back to the original time limits of 10 and 5 minutes. They have expressed concern that 3 minutes is too short a time to get a point across, particularly for the smaller Groups where there are only a few Councillors.

The length of Council Meetings has reduced over the last two years, however, this is attributable to the "package" of measures introduced, such as the deletion of the Main Debate and only having a Leader's Statement when there is an issue of significant importance to the City, as well as reducing the length of speeches.

At their last meeting, the Constitution Working Group again considered this issue and sought to find a solution that would be acceptable to all Groups without increasing the length of meetings. The Working Group therefore agreed to pilot the introduction of "Business Management" for the Council Meeting on 20th March, 2007 whereby, as well as the Leaders and Deputy Leaders attending a pre-meeting with the Lord Mayor on the day of Council, the Group Whips will also attend. Discussions will take place between the Groups on how the business for the meeting is to be "managed". This will include, for example, sharing any known amendments that were to be moved at the meeting, and giving an indication of how many speakers there were likely to be for each item.

The Constitution Working Group will then meet on the 21st March to review the effectiveness of the pilot, and in light of this, reconsider the time limits. It is anticipated that the Working Group will then make a recommendation to the Standards Committee in respect of time limits, and this will be reported orally at your meeting.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Best Value		✓
Children and Young People		✓
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan		✓
Crime and Disorder		✓
Equal Opportunities		✓
Finance		✓
Health and Safety		✓
Human Resources		✓
Human Rights Act		✓
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications	✓	
Neighbourhood Management		✓
Property Implications		✓
Race Equality Scheme		✓
Risk Management		✓
Sustainable Development		✓
Trade Union Consultation		✓
Voluntary Sector – The Coventry Compact		✓

5.2 Legal Implications

The City Council's Constitution is written in accordance with the provisions of the Local Government Act 2000. It is clearly in the Council's interest to ensure that the Constitution complies with the law and is not subject to challenge.

6 Monitoring

6.1 The Constitution is continuously monitored through its regular use and through the Constitution Working Group.

7 Timescale and Expected Outcomes

7.1 If the Standards Committee agree the changes to the Constitution, it is proposed that they are submitted to the next meeting of the City Council for approval.

	Yes	No
Key Decision		✓
Scrutiny Consideration (if yes, which Scrutiny meeting and date)		✓
Council Consideration (if yes, date of Council meeting)	✓ Next meeting	

List of background papers

Proper officer: Chris Hinde, Director of Legal and Democratic Services

Author: Telephone 02476 833072
 Suzanne Bennett, Principal Committee Officer, Legal and Democratic Services
 (Any enquiries should be directed to the above)

Other contributors:
 Chris Hinde, Director of Legal and Democratic Services

Papers open to Public Inspection

Description of paper

Constitution

Location

CH 61

CABINET

22nd May, 2007

Cabinet Members
Present:-

Councillor Ahmed
Councillor Blundell
Councillor Foster
Councillor Mrs Johnson
Councillor Noonan
Councillor O'Neill
Councillor Ridley
Councillor Taylor (Chair)

Non-Voting Opposition

Representatives present:-

Councillor Duggins
Councillor Kelly (substitute for Councillor Mutton and a member of Scrutiny Board 2 invited for the consideration of the matter dealt with in Minute 4 below)
Councillor Nellist

Employees Present:-

P. Barnett (Chief Executive's Directorate)
R. Brankowski (Legal and Democratic Services Directorate)
G. Carey (Head of Democratic Services)
E. Chatwin (Children, Learning and Young People's Directorate)
F. Collingham (Communications and Media Relations Manager)
C. Green (Director of Children, Learning and Young People)
B. Hastie (Children, Learning and Young People's Directorate)
R. Hughes (Head of Corporate Policy)
B. Messinger (Head of Human Resources)
S. Pickering (Director of City Services)
C. West (Acting Director of Finance and ICT)

Apologies:-

Councillor Matchet
Councillor Sawdon

Councillor Benefield (Non-Voting Opposition Representative)
Councillor Mutton (Non-Voting Opposition Representative)

Councillor Crookes (Member of Scrutiny Board 2 invited for the consideration of the matter dealt with in Minute 4 below)

C. Hinde (Director of Legal and Democratic Services)
S. Manzie (Chief Executive)

RECOMMENDATION

Public business

4. Local Authority Response to the DfES Consultation on School, Early Years and 14-16 Funding 2008-2011

The Cabinet considered a report of the Director of Children, Learning and Young People on Government proposals to make changes to the funding system for schools, early years and 14-16 education and seeking approval to submit the response (attached to the report submitted) to the formal consultation.

The report was to be considered by Scrutiny Board 2 at their meeting the following day (the 23rd May, 2007). All members of that Scrutiny Board had been invited to this meeting of the Cabinet for the consideration of this matter.

In addition, a copy of the report had been circulated to all elected members on the 14th May, 2007.

The report indicated that significant reforms were made to the schools funding system for the 2006/07 financial year to cover the period 2006-08. This was based on the introduction of the Dedicated Schools Grant, which was a ring-fenced grant paid to local authorities for expenditure on educational provision. The Department for Education and Skills (DfES) has recently issued a consultation document which proposes further changes to the schools funding system to cover the next Comprehensive Spending Review (CSR) period from 2008-11.

The current consultation is significant in terms of both its scope and complexity. It recognises the need to achieve greater equity, flexibility and simplicity within the funding system while maintaining a level of stability over a longer term, multi-year funding period, aligned with the CSR period.

It is acknowledged that the need to balance these tensions will condition the pace of reform over the period 2008-11, as will a number of the policies and programmes set out in the recently-published progress report on the Government's five year strategy, *The Five Year Strategy for Children and Learners: Maintaining the Excellent Progress*. Among these policies and programmes are:

- The commitment to extend the free offer for early years education and childcare from 12.5 to 15 hours per week for forty weeks a year for all children;
- Children's Trusts to bring together all those who provide services for children and families in each local area to improve the quality and flexibility of provision;
- Every primary and secondary school to provide access to a range of "dawn to dusk" extended services by September 2010;

- Additional funding to support the development of personalised learning;
- The introduction of three year budgets for schools from 2008;
- A long-term goal to raise average per pupil resource and capital funding for state schools to 2005/06 private sector levels in real terms;
- The introduction of fourteen specialised diplomas, with the first five to start in September 2008, all fourteen available by 2010, and an entitlement for every young person to have access to any of the fourteen diplomas by 2013;
- The target of 200 academies to be open or in the pipeline by 2010, with a longer-term aim of 400.

The proposed package of reforms will also have to take account of the level of increases in school funding that will result from the CSR 2007. The consultation document states that stability of funding for schools will remain an important consideration over the period 2008-11. It also reiterates the commitment given by the Government to improving the educational opportunities for pupils and continuing to increase schools funding in real terms while acknowledging that this is likely to be at lower levels than in recent years.

The consultation includes 38 questions that cover a number of features of the current funding framework. They can broadly be divided into the following five categories.

The first chapter (The Distribution of DSG to Local Authorities) discusses how the Dedicated Schools Grant (DSG) should be distributed from the DfES to local authorities. It considers how the DSG can be used to facilitate joint working in support of the five *Every Child Matters* outcomes. It seeks views on: whether to continue with the current spend plus approach, or use a single formula for distribution of DSG; how funding for children under 5 should be distributed; how academies should be funded from DSG; how best to reflect deprivation in the DSG allocations; and on the benefits to local authorities of moving the DSG count from January to autumn. Finally, it discusses a grant that could be paid in exceptional circumstances alongside DSG, to reflect significant changes in need that occur after a three-year settlement has been made.

The most significant of these proposals in terms of the level of schools funding received by the local authority is the proposal over whether to continue with the current spend plus approach, or use a single formula for distribution of DSG. Any move towards a single formula approach would almost inevitably mean lower than average increases in funding for local authorities that spent in excess of notional government funding allocations (Schools Formula Spending Share or SFSS) at the point the DSG was introduced in 2006/07. At that point, Coventry was spending in excess of £2M on schools funding over the SFSS allocation.

The second section (School Funding from 2008/09) sets out proposals for changes to the distribution of funding to schools by local authorities on a three-year basis. It discusses the distribution of schools funding and how three-year budgets will work for local authorities and schools over the period 2008-11. It considers the scope for changes to the calculation of the Central Expenditure Limit, which is designed to ensure that centrally-retained funding for expenditure on educational provision does not increase by more than delegated schools funding in percentage terms. It sets out what is expected of

local authorities in distributing deprivation funding to schools, and seeks views on the level, scope and operation of the Minimum Funding Guarantee (MFG) which delivers guaranteed per pupil levels of increases in funding to schools. Finally, it discusses the options for reducing the level of school balances and altering the remit and composition of School Forums.

The most significant proposals here relate to the level of MFG, which effectively overrides local funding formula to deliver a guaranteed level of funding to schools. Proposals to reduce the level at which the MFG is set will allow greater local discretion in targeting resources to address national priorities and local needs.

The third chapter (Funding for Specialised Diplomas at 14-16) sets out proposals for funding local authorities and schools for the roll-out of specialised diplomas for 14-16 year olds across the period 2008-11. It proposes that local authorities should be funded for specialised diploma provision through a specific grant rather than DSG. It seeks views on three models for funding 14-16 partnership provision: central funding pool retained by the local authority; a central funding pool with partial delegation; and complete delegation to schools. It also considers the delivery costs of specialised diplomas, and how these might be set nationally through the Learning and Skills Council's new funding methodology, and sets out how this might be modified to provide scope for local flexibility on cost levels. Finally, it discusses the potential for cost reductions across the period 2008-11 as increasing numbers of 14-16 year olds take up places in partnership provision.

Delivery of the new Specialised Diplomas will present an important challenge for local authorities, which will need to work collaboratively with schools and other providers to establish the level of provision across the city. The funding model chosen will have a significant impact on how that provision is shaped and delivered within Coventry.

The fourth section (Early Years Funding) discusses proposals for funding the free entitlement to early years provision for three and four year olds. It describes the Government's aims for early learning and care, and the key features of the local authority role as commissioner of this provision. It describes the current early years funding system and sets out the challenges to funding a more flexible early years entitlement in the future. It sets out three proposals, the objective of which is to bring the funding systems for Private Voluntary and Independent (PVI) and maintained provision into closer alignment to enable local authorities to shape the market in response to parental demand. These proposals are: changes to the pupil count for early years provision in maintained settings; encouraging local authorities to use the same method to set the level of per pupil funding for maintained and PVI settings; and a single local formula for funding all free entitlement provision. It seeks views on the benefits of these proposals, and possible timescales for their implementation. Finally, it makes proposals for a greater role for the early years sector in Schools Forums, and in the process of developing the funding system for early years.

The proposals here very much focus on the role of local authorities as commissioners and market facilitators. The proposed direction of bringing the funding systems into closer alignment does not necessarily mean convergence in funding levels but does have potential implications for the overall level of funding currently allocated to settings within the maintained sector.

The fifth chapter (Specific Grants) sets out proposals for the further rationalising of specific grant streams. The proposals are to: merge School Standards Grant and School Standards Grant (Personalisation) into a single grant; keep School Development Grant as a separate grant, but with the long term aim of merging it into Dedicated Schools Grant. To move towards that aim, it is proposed to allow local authorities and Schools Forums more freedom on how to distribute the grant to schools, to start to move SDG towards their local funding formula. The proposals include two options for the degree of freedom to be allowed.

Any proposals to rationalise the number of grant-funding streams is welcomed although there will inevitably be issues of changes in the distribution of funding in moving from one formulaic approach to another.

The report concluded that the financial implications for schools funding would depend on the final approach selected from the number of options under consideration. The precise nature of these implications cannot be ascertained until the outcome of the CSR 2007 is known. All financial implications will be met from within the overall allocation of Dedicated Schools Grant.

Any proposed changes to the funding framework will require amendments to the *School Funding (England) Regulations* and revisions to the City Council's local Fair Funding Scheme of Delegation and Fair Funding formula. These will need to be the subject of further consultation.

The outcome of the consultation process will be reported back to the Cabinet as part of the changes that will be required to the Council's local Fair Funding Scheme of Delegation.

Not having had the opportunity to examine the totality of the contents of the consultation document prior to this meeting, and having regard to the City Council's intention to request more details in respect of certain of its aspects, Councillor Nellist raised questions around points 5, 19 and 23, in particular, of the questionnaire. The Cabinet noted that, once he had been supplied with the relevant information, Councillor Nellist would pursue any further concerns, as appropriate, with Barry Hastie, Finance Manager in the Children, Learning and Young People's Directorate.

After due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet decided:-

- (1) Subject to the decision at (2) below, to give approval for the detailed response contained in Appendix A to the report submitted to be conveyed, on behalf of the City Council, to the Department for Education and Skills (DfES) by the end of the consultation period on the 1st June, 2007.**
- (2) To delegate authority to the Director of Children, Learning and Young People, in consultation with the appropriate Cabinet Members and the nominee of the Leader of the Main Opposition Group on the Council, (a) to consider any further observations received from elected members after this meeting of the Cabinet but prior to the**

end of the consultation period and (b) to include any such observation, if considered appropriate, in the local authority's response.

- (3) In accordance with the City Council's constitution, to request Scrutiny Board 2, so far as is practical, to consider the detailed response contained in Appendix A to the report submitted and to input any comments they might be minded to make in accordance with the procedure outlined at (2) above.
- (4) To request the City Council, at their meeting on the 26th June, 2007, (a) to consider the report submitted, together with any additional comments included in the response as a result of (2) above and (b) to endorse the action that will have been taken in submitting such response by the due date of the 1st June, 2007.

RESOLVED that the City Council be recommended:-

- (a) To consider the report submitted, together with any additional comments included in the response as a result of (2) above.
- (b) To endorse the action taken in submitting such response by the due date of the 1st June, 2007.

Report to

Cabinet

22 May 2007

Scrutiny Board 2

Council

26 June 2007

Report of

Director of Children, Learning and Young People

Title

Local Authority Response to the Consultation on Schools, Early Years and 14-16 Funding

1 Purpose of the Report

1.1 The purpose of this report is to:

- inform cabinet of proposals to make changes to the funding system for schools, early years and 14-16 education; and
- seek cabinet approval to submit the attached response to the formal consultation.

2 Recommendations

2.1 The Cabinet are asked to consider the detailed response contained in Appendix A to this report and, subject to 2.2 below, to give approval for that response to be submitted, on behalf of the City Council, to the Department for Education and Skills (DfES) by the end of the consultation period on the 1st June, 2007.

2.2 The Cabinet are asked to delegate authority to the Director of Children, Learning and Young People, in consultation with the appropriate Cabinet Members and the nominee of the Leader of the Main Opposition Group on the Council, (a) to consider any further observations received from elected members after this meeting of the Cabinet but prior to the end of the consultation period and (b) to include any such observation, if considered appropriate, in the local authority's response.

2.3 In accordance with the City Council's constitution, Scrutiny Board 2 are requested, so far as is practical, to consider the detailed response contained in Appendix A to this report and to input any comments they might be minded to make in accordance with the procedure outlined at 2.2 above.

2.4 The Cabinet are asked to request the City Council, at their meeting on the 26th June, 2007, (a) to consider this report, together with any additional comments included in the response as a result of 2.2 above and (b) to endorse the action that will have been taken in submitting such response by the due date of the 1st June, 2007.

- 2.5 The Council, at their meeting on the 26th June, 2007, are asked (a) to consider this report, together with any additional comments included in the response as a result of 2.2 above and (b) to endorse the action that will have been taken in submitting such response by the due date of the 1st June, 2007.

3 Information/Background

- 3.1 Significant reforms were made to the schools funding system for the 2006/07 financial year to cover the period 2006-08. This was based on the introduction of the Dedicated Schools Grant which was a ring-fenced grant paid to local authorities for expenditure on educational provision. The Department for Education and Skills (DfES) has recently issued a consultation document which proposes further changes to the schools funding system to cover the next Comprehensive Spending Review (CSR) period from 2008-11.
- 3.2 The current consultation is significant in terms of both its scope and complexity. It recognises the need to achieve greater equity, flexibility and simplicity within the funding system while maintaining a level of stability over a longer term, multi-year funding period, aligned with the CSR period.
- 3.3 It is acknowledged that the need to balance these tensions will condition the pace of reform over the period 2008-11, as will a number of the policies and programmes set out in the recently published progress report on the Government's five year strategy, *The Five Year Strategy for Children and Learners: Maintaining the Excellent Progress*. Among these policies and programmes are:
- The commitment to extend the free offer for early years education and childcare from 12.5 to 15 hours per week for forty weeks a year for all children;
 - Children's Trusts to bring together all those who provide services for children and families in each local area to improve the quality and flexibility of provision;
 - Every primary and secondary school to provide access to a range of "dawn to dusk" extended services by September 2010;
 - Additional funding to support the development of personalised learning;
 - The introduction of three year budgets for schools from 2008;
 - A long term goal to raise average per pupil resource and capital funding for state schools to 2005-06 private sector levels in real terms;
 - The introduction of 14 specialised diplomas, with the first 5 to start in September 2008, all 14 available by 2010, and an entitlement for every young person to have access to any of the 14 diplomas by 2013;
 - The target of 200 academies to be open or in the pipeline by 2010, with a longer term aim of 400.
- 3.4 The proposed package of reforms will also have to take account of the level of increases in school funding that will result from the CSR 2007. The consultation document states that stability of funding for schools will remain an important consideration over the period 2008-11. It also reiterates the commitment given by government to improving the educational opportunities for pupils and continuing to increase schools funding in real terms while acknowledging that this is likely to be at lower levels than in recent years.

4 Proposal and Other Option(s) to be Considered

4.1 The consultation includes 38 questions that cover a number of features of the current funding framework. They can broadly be divided into the following 5 categories.

4.2 The Distribution of DSG to Local Authorities

4.2.1 This chapter discusses how the Dedicated Schools Grant (DSG) should be distributed from the DfES to local authorities. It considers how the DSG can be used to facilitate joint working in support of the five *Every Child Matters* outcomes. It seeks views on: whether to continue with the current spend plus approach, or use a single formula for distribution of DSG; how funding for children under 5 should be distributed; how academies should be funded from DSG; how best to reflect deprivation in the DSG allocations; and on the benefits to local authorities of moving the DSG count from January to autumn. Finally, it discusses a grant that could be paid in exceptional circumstances alongside DSG, to reflect significant changes in need that occur after a three year settlement has been made.

4.2.2 The most significant of these proposals in terms of the level of schools funding received by the local authority is the proposal over whether to continue with the current spend plus approach, or use a single formula for distribution of DSG. Any move towards a single formula approach would almost inevitably mean lower than average increases in funding for local authorities that spent in excess of notional government funding allocations (Schools Formula Spending Share or SFSS) at the point the DSG was introduced in 2006/07. At that point, Coventry was spending in excess of £2M on schools funding over the SFSS allocation.

4.3 School Funding from 2008-09

4.3.1 This section sets out proposals for changes to the distribution of funding to schools by local authorities on a three year basis. It discusses the distribution of schools funding and how three year budgets will work for local authorities and schools over the period 2008-11. It considers the scope for changes to the calculation of the Central Expenditure Limit which is designed to ensure that centrally retained funding for expenditure on educational provision does not increase by more than delegated schools funding in percentage terms. It sets out what is expected of local authorities in distributing deprivation funding to schools, and seeks views on the level, scope and operation of the Minimum Funding Guarantee (MFG) which delivers guaranteed per pupil levels of increases in funding to schools. Finally, it discusses the options for reducing the level of school balances and altering the remit and composition of School Forums.

4.3.2 The most significant proposals here relate to the level of MFG which effectively overrides local funding formula to deliver a guaranteed level of funding to schools. Proposals to reduce the level at which the MFG is set will allow greater local discretion in targeting resources to address national priorities and local needs.

4.4 Funding for Specialised Diplomas at 14-16

4.4.1 This chapter sets out proposals for funding local authorities and schools for the roll out of specialised diplomas for 14-16 year olds across the period 2008-11. It proposes that local authorities should be funded for specialised diploma provision through a specific grant rather than DSG. It seeks views on three models for funding 14-16 partnership provision: central funding pool retained by the local authority; a central funding pool with partial delegation; and complete delegation to schools. It also considers the delivery costs of specialised diplomas, and how these might be set nationally through the LSC's new

funding methodology, and sets out how this might be modified to provide scope for local flexibility on cost levels. Finally it discusses the potential for cost reductions across the period 2008-11 as increasing numbers of 14-16 year olds take up places in partnership provision.

4.4.2 Delivery of the new Specialised Diplomas will present an important challenge for local authorities who will need to work collaboratively with schools and other providers to establish the level of provision across the city. The funding model chosen will have a significant impact on how that provision is shaped and delivered within Coventry.

4.5 Early Years Funding

4.5.1 This section discusses proposals for funding the free entitlement to early years provision for three and four year olds. It describes Government's aims for early learning and care, and the key features of the Local Authority role as commissioner of this provision. It describes the current early years funding system and sets out the challenges to funding a more flexible early years entitlement in the future. It sets out three proposals, the objective of which is to bring the funding systems for Private Voluntary and Independent (PVI) and maintained provision into closer alignment to enable local authorities to shape the market in response to parental demand. These proposals are: changes to the pupil count for early years provision in maintained settings; encouraging local authorities to use the same method to set the level of per pupil funding for maintained and PVI settings; and a single local formula for funding all free entitlement provision. It seeks views on the benefits of these proposals, and possible timescales for their implementation. Finally, it makes proposals for a greater role for the early years sector in Schools Forums, and in the process of developing the funding system for early years.

4.5.2 The proposals here very much focus on the role of local authorities as commissioners and market facilitators. The proposed direction of bringing the funding systems into closer alignment does not necessarily mean convergence in funding levels but does have potential implications for the overall level of funding currently allocated to settings within the maintained sector.

4.6 Specific Grants

4.6.1 This chapter sets out proposals for the further rationalising of specific grant streams. The proposals are to: merge School Standards Grant and School Standards Grant (Personalisation) into a single grant; keep School Development Grant as a separate grant, but with the long term aim of merging it into Dedicated Schools Grant. To move towards that aim it is proposed to allow local authorities and Schools Forums more freedom on how to distribute the grant to schools, to start to move SDG towards their local funding formula. The proposals include two options for the degree of freedom to be allowed.

4.6.2 Any proposals to rationalise the number of grant funding streams is welcomed although there will inevitably be issues of changes in the distribution of funding in moving from one formulaic approach to another.

5 **Other specific implications**

5.1

	Implications (See below)	No Implications
Best Value		✓

	Implications (See below)	No Implications
Children and Young People	✓	
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan		✓
Crime and Disorder		✓
Equal Opportunities		✓
Finance	✓	
Health and Safety		✓
Human Resources		✓
Human Rights Act		✓
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications	✓	
Neighbourhood Management		✓
Property Implications		✓
Race Equality Scheme		✓
Risk Management		✓
Sustainable Development		✓
Trade Union Consultation	✓	
Voluntary Sector – The Coventry Compact		✓

6 Children and Young People

- 6.1 Some of the proposals are designed to facilitate joint working and funding of initiatives in support of the *Every Child Matters* outcomes.

7 Finance

- 7.1 The financial implications for schools funding will depend on the final approach selected from the number of options under consideration. The precise nature of these implications cannot be ascertained until the outcome of the CSR 2007 is known. All financial implications will be met from within the overall allocation of Dedicated Schools Grant.

8 Legal

- 8.1 Any proposed changes to the funding framework will require amendments to the *School Funding (England) Regulations* and revisions to the City Council's local Fair Funding

Scheme of Delegation and Fair Funding formula. These will need to be the subject of further consultation.

9 Trade Union Consultation

9.1 The Trades Unions have been consulted at a national level as part of the consultation process. Locally, the unions are represented on the Coventry Schools Forum which is in the process of compiling it's own response with assistance from City Council officers. The Children, Learning and Young People's Strategic Trades Union group was consulted on the local authority response at their meeting on 9th May 2007.

10 Monitoring

10.1 The outcome of the consultation process will be reported back to cabinet as part of the changes that will be required to our local Fair Funding Scheme of Delegation.

11 Timescale and expected outcomes

11.1 The consultation period ends on 1st June 2007 and the outcomes of the consultation process are expected some time in the autumn.

	Yes	No
Key Decision		√
Scrutiny Consideration (if yes, which Scrutiny meeting and date)		
Council Consideration (if yes, date of Council meeting)	√ 26 June 2007	

List of background papers

Proper officer: Director of Children, Learning and Young People

Author: Telephone 02476 831643
Barry Hastie, Finance Manager (CLYP), Finance and ICT
(Any enquiries should be directed to the above)

Other contributors:
Ruth Snow, Head of Services for Schools, x3632
Keith Batty, 14-19 Advisor, 7652 7415
Rachael Sugars, Schools Finance Manager, x2691
Brian Parker, Head of Neighbourhood Services, x1721
Michael Baxter, Head of Early Years, x2272
Neelesh Sutaria, HR Manager, x1559
Richard Brankowski, Principal Committee Officer, x3077
Chris Hinde, Director of Legal and Democratic Services, x3020

Papers open to Public Inspection

Description of paper **Location**

Consultation on school, early years and 14-16 funding 2008-11

Consultation Response Form

The closing date for this consultation is: 1 June
2007

Your comments must reach us by that date.

department for

education and skills

creating opportunity, releasing potential, achieving excellence

THIS FORM IS NOT INTERACTIVE. If you wish to respond electronically please use the online or offline response facility available on the Department for Education and Skills e-consultation website (<http://www.dfes.gov.uk/consultations>).

The information you provide in your response will be subject to the Freedom of Information Act 2000 and Environmental Information Regulations, which allow public access to information held by the Department. This does not necessarily mean that your response can be made available to the public as there are exemptions relating to information provided in confidence and information to which the Data Protection Act 1998 applies. You may request confidentiality by ticking the box provided, but you should note that neither this, nor an automatically-generated e-mail confidentiality statement, will necessarily exclude the public right of access.

Please tick if you want us to keep your response confidential.

Name Barry Hastie
Organisation (if applicable) Coventry City Council
Address: L10, Civic Centre 2
Earl Street
Coventry
CV1 5RU

If your enquiry is related to the policy content of the consultation you can contact e-mail: SchoolFunding.Questions@dfes.gsi.gov.uk

If you have a query relating to the consultation process you can contact the Consultation Unit on: Telephone: 01928 794888; or email: consultation.unit@dfes.gsi.gov.uk

If you have a query relating to the consultation process you can contact the Consultation Unit on: Telephone: 01928 794888

Fax: 01928 794 311

e-mail: consultation.unit@dfes.gsi.gov.uk

Please tick one of the boxes below that best describes you as a respondent√

<input checked="" type="checkbox"/> Local Authority	<input type="checkbox"/> Schools Forum	<input type="checkbox"/> Joint LA and Schools Forum
<input type="checkbox"/> Headteacher Association	<input type="checkbox"/> Teacher or Support Staff Union	<input type="checkbox"/> School Leader
<input type="checkbox"/> School Governor	<input type="checkbox"/> Bursar/School Business Manager	<input type="checkbox"/> Other School Staff
<input type="checkbox"/> Early Years Provider	<input type="checkbox"/> 14-19 Provider	<input type="checkbox"/> 14-19 Partnership
<input type="checkbox"/> Parent	<input type="checkbox"/> Pupil or student	<input type="checkbox"/> Other (please specify)

Please Specify:

Are you responding on behalf of an organisation?

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

Please Specify:

Coventry City Council

Which Local Authority area do you come under?

Comments:

Coventry, West Midlands

If you are a school respondent, please tick as appropriate

<input type="checkbox"/> Nursery	<input type="checkbox"/> Primary	<input type="checkbox"/> Secondary
<input type="checkbox"/> Special	<input type="checkbox"/> Other (please specify)	

Please Specify:

If you are an early years provider, which setting are you from?

<input type="checkbox"/> Early Years Providers - Private	<input type="checkbox"/> Early Years Provider - Voluntary	<input type="checkbox"/> Children's Centre
--	---	--

Please Specify:

CHAPTER 2: THE DISTRIBUTION OF DSG TO LOCAL AUTHORITIES

Page 12, para 23

1 Do you agree that the 'proportionality test' should be removed from the criteria used by local authorities and Schools Forums to decide whether there should be a contribution from the centrally retained Schools Budget to local authority combined services budgets in support of ECM outcomes?

<input type="checkbox"/> Strongly agree	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

The proportionality test is difficult to apply consistently and it's removal will allow greater flexibility to fund services supporting the *Every Child Matters* outcomes.

Page 21, para 41

2 Which method of distribution would you prefer for the period 2008-11: Spend plus or single formula?

<input checked="" type="checkbox"/> Spend plus	<input type="checkbox"/> Single Formula
--	---

Comments:

A 'Single Formula' method of distribution would penalise those local authorities that have historically chosen to invest above the level of notional government allocations for education.

The continuation of a 'Spend Plus' methodology would help to ensure stability within the funding system and avoid significant turbulence. It would also ensure that additional earmarked funding was distributed equitably so that all schools are in a position to respond to new local and national initiatives and priorities.

Page 23, para 49

3 Should we move the pupil number count used for Dedicated Schools Grant allocations from January back to the preceding autumn?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

Our experience is of significant increases in pupil numbers between September and January. Using September pupil numbers for both the calculation of the DSG and individual school budgets could result in unrealistic funding allocations and significant financial pressures for schools.

An autumn count date that is later than the traditional September count date would be preferable.

Page 26, para 61

4 In the long term, which method of counting under 5s would you prefer: headcount or provision based?

<input checked="" type="checkbox"/> Headcount	<input type="checkbox"/> Provision based
---	--

Comments:

We support a consistent methodology for counting under 5s.

A provision based count would be increasingly bureaucratic and inevitably produce significant turbulence as the majority of funding for the free entitlement is currently distributed on the basis of a headcount.

Page 28, para 71

5 Which method of transferring funding for academies should we use: the current method or the recoupment method?

Current



Recoupment

Comments:

Under the current system the impact of transferring funding to academies varies from LA to LA. The recoupment model ensures similar impact in each area and would seem more fair. This would, however, rely on the Department being able to replicate the authority's formula and we would need to understand how this would be achieved.

Page 28, para 72

6 Should pupils at academies for whom individually assigned SEN resources are allocated, be included on form 8B?

Strongly agree



Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

This proposal will ensure that local authorities will receive funding to partially offset the continuing costs of support for these pupils.

Page 31, para 81

7 Should we consider using geographical based indicators such as Acorn and Mosaic in the distribution of DSG?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

In the long term this means of allocation has its attractions in terms of ensuring that funding to support more deprived areas is distributed according to need. LAs may require support in implementing parallel processes locally and much work will have to be done to assess the effect of individual school funding if the model was carried through to this level. We are supportive of the use of such data being considered for that but reserve judgement as to the extent to which the indicators should replace existing systems. Further modelling is required. We would also like to see measures in place to ensure the continued availability of reliable data from such third party sources.

Page 31, para 81

8 Are there other deprivation indicators that we could consider?



Comments:

Page 32, para 84

9 Should we seek to target funding at pockets of deprivation in less deprived authorities?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

It is our opinion that the satisfactory distribution of funding for deprivation should be reflected in local funding formulae and that the outcome of the current review of deprivation funding locally should be concluded first before additional funding is targeted at essentially less deprived authorities. We would also request that the evidence base for this proposal is made clear and that modelling work is shared so that the impact of any subsequent proposal can be properly evaluated.

Page 32, para 84

10 If so, which method of distribution should we use?

√ Per pupil grant

Threshold based

Comments:

Although we do not agree that the case is yet made for distributing resources using either of these models, the 'Per Pupil Grant' would seem to be preferable in targeting funding more equitably.

However, we would not agree with an earmarked amount of funding to be allocated locally as there needs to be discretion to recognise different current practices in support of deprived schools and pupils. In addition, this does not recognise the fact that a significant amount of grant funding is targeted locally using some weighting for deprivation.

Page 33, para 87

11 Would a grant for exceptional circumstances be a helpful addition to the flexibility of the system?

Strongly agree

Agree

√ Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Further clarification is required as to the criteria for "exceptional circumstances". Without this we are reluctant to commit to 'topslicing' of a budget, the growth of which is likely to be curtailed through the CSR anyway.

CHAPTER 3: SCHOOL FUNDING FROM 2008-09

Page 38, para 99

12 How would you prefer the Central Expenditure Limit to be set: by the current method; or through the simpler comparison between cash increases in Dedicated Schools Grant and ISB?

<input type="checkbox"/> Current method	✓	<input checked="" type="checkbox"/> Cash comparison
---	---	---

Comments:

We agree that the comparison between cash increases would be simpler and more transparent for all parties to understand. We would, however, like further details on the exact methodology for the calculation.

Page 41, para 113

13 Do you agree that we should remove the asymmetry from the Minimum Funding Guarantee methodology?

<input type="checkbox"/> Strongly agree	✓	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree		<input type="checkbox"/> Strongly disagree	

Comments:

We agree that the asymmetry should be removed as it is often the case that schools on the MFG are often those with the most significant increase in pupil numbers and cash. There would need to be consistency locally to make alternative arrangements where the calculation did not deliver sufficient funding to schools with significantly rising rolls.

14 Do you agree that we should allow authorities to agree with their schools changes to the MFG methodology which affect up to 50% of their schools, as opposed to the current 20% limit?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

We agree with this proposal as it will increase local flexibility to respond to specific local issues.

15 Are there other changes to the decision making process on MFG variations that you would like to see considered – such as requiring there to be a majority of both primary and secondary school representatives in favour of a proposal?

Comments:

We do not think there should be other changes to the decision making process on MFG variations such as there requiring to be a majority of primary and secondary school representatives in favour. The Schools Forum has a responsibility to take decisions on the deployment of funding across the entire Schools Block budget and we do not feel it would be conducive to building an effective decision-making body by having the power of veto for any specific interest groups.

16 Should we continue with the 1% headroom between the MFG and DSG minimum increase or should we reduce the margin?

<input checked="" type="checkbox"/> 1% headroom	<input type="checkbox"/> Reduce margin
---	--

Comments:

In the context of potentially smaller DSG increases combined with a potential ceiling for some local authorities, it is likely that a greater amount of any headroom will be required in order to deliver the MFG. We, therefore, believe that a 1% threshold needs to be maintained.

17 Do you agree that the assessment of cost pressures feeding into the MFG should take account of efficiency savings, and thus lead to a lower level of MFG?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input checked="" type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

We support the proposal that that the MFG should be set at a lower level. It is our experience that it does not always target additional funding effectively even though we have made variations to the application of the MFG where there are particularly anomalous outcomes.

However, we do not believe that a universally applied anticipated level of efficiency savings is realistic. Although we strongly challenge schools to deliver efficiency savings in setting their budgets, schools are differently placed to achieve such savings and we are yet to see some national initiatives deliver expected levels of savings for schools.

18 Should we go further than this, and reduce the MFG to below average cost pressures in the second and subsequent years of the CSR?

<input type="checkbox"/> Strongly agree	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

We support the proposal to reduce the level of the MFG as soon as possible. We believe that funding is targeted more effectively based on need through our local funding formula and would welcome the increased headroom that this would allow to target funding towards local and national priorities.

We acknowledge concerns about schools with significant MFG allocations but feel confident in their ability to plan to reduce costs over a slightly longer timescale.

19 Would a levy on balances and extra guidance be effective in reducing the current level of excessive balances?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input checked="" type="checkbox"/> Strongly disagree	

Comments:

We do not believe that this proposal would lead to the most effective use of funding in the short term. All authorities already have discretion to clawback excessive balances and we challenge schools robustly on their plans to spend those balances.

We believe it would be more effective to work with schools over the longer financial planning period that will be afforded by issuing 3 year budget allocations and use this as the mechanism for reducing excessive levels of carryforwards.

Page 49, para 139

20 Should we amend the Schools Forum regulations so that other members of school senior management teams, including Bursars, can be elected as schools members?

Strongly agree

✓ Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

We agree that flexibility in the School Forum regulations over membership will enable the local Forum to determine suitable representatives to reflect the interests of the various stakeholder groups. There is no reason why this shouldn't be the member of a school senior management team provided that election was still conducted by the relevant constituent headteacher group.

Page 49, para 142

21 Do you agree that all local authorities should have non-schools members from the early years sector and 14-19 partnerships?

Strongly agree

Agree

Neither agree nor disagree

✓ Disagree

Strongly disagree

Comments:

We agree that Schools Forum representation from both of these groups would play a vital role in the development of the funding agenda for both policy areas. However, we do not believe that it is necessary to be prescriptive in non-schools membership of Schools Forums as they should be free to select representation from the most appropriate stakeholder groups.

Page 49, para 142

22 Should we raise the current maximum proportion of non-schools members above 20%?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

The composition of Schools Forums should reflect local issues and priorities. The 20% maximum may not always need to be exceeded but the facility to do so ensures that representation can be truly reflective of all key stakeholders.

23 Do you agree that funding for specialised diplomas for 14-16 year olds should be through a specific formula grant?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

Specialist Diplomas are the key component of the statutory 14-19 Learner Entitlement for 2013 but are not the only component. In most areas, the "Applied" route is populated by a number of vocational programmes (including NVQ, BTEC etc.) which will continue to be offered until Diplomas are fully embedded. These vocational programmes are frequently delivered using the same methodology as is planned for the Diplomas including the use of external providers such as FE Colleges and Work Based Learning Providers. The ongoing additional costs of this off-site provision are significant and parallel those of the diplomas. Moreover, the current DSG for KS4 Vocational Learning barely scratches the surface of the full cost. Such programmes are currently co-funded by short-term grants that will disappear in 2008 to be replaced by the proposed new DSG allocation. Moreover, the growth in the number of learners participating in off-site programmes is limited by the availability of funding overall. By 2011 we would hope to have in excess of 20% of learners embarked on such programmes to be assured of meeting government ambitions for 40% following the applied route by 2013. Consequently it is crucial that:

- Any DSG funding to support delivery of off-site applied programmes should not be solely dedicated to the delivery of Diplomas. While we support the use of a formula based on the learner numbers generated through successful Diploma Gateway proposals, this should be a small part of the total allocation to support off-site provision
- The allocation of Diploma support should include an additional component to recognise start-up costs. i.e. Diploma allocation per guided learning hour should be greater than that for other programmes.
- The fairest means of allocating funding for the applied route, should be based on the number of learners involved in off-site learning leading to applied qualifications, with some discretion to allow for learners with Special Educational Needs who may not progress to a full qualification within Key Stage 4.
- Funding should recognise programmes that fall within the Foundation Learning Tier as well as Level 1,2 and 3 qualifications.

Some authorities and schools have very little off-site provision and may receive

too little funding to be able to offer viable programmes with robust quality assurance if funding is based solely on initial participation levels. A component of funding based solely on KS4 numbers may help pump prime the introduction of such programmes in these areas.

Page 57, para 170

24 Are the three models for distributing funding for specialised diplomas at 14-16 to the front line the right range of options?

Comments:

The three models recognise the range of delivery models that prevail within 14-19 Partnerships. However, local discretion is essential if the delivery model is to be adopted that best meets the local scenario. More important is the proportion of the DSG that will be allocated to support applied off-site provision. Current proportions are grossly inadequate to support DfES/ministerial ambitions and learner and employee demand.

Page 57, para 170

25 Do you agree that we should leave the choice of which option to local discretion?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

Different 14-19 partnerships have evolved different delivery models for off-site provision. In some provision is centrally commissioned, in others it is commission by schools individually, perhaps by mutual agreement. In many cases, there is a mixed economy. The funding models reflect these different approaches. Local areas must be able to adopt the approach that best matches the agreed model of delivery. Additionally, quality assurance for collaborative programmes is a difficult area, usually requiring solutions that involve retention of some funding centrally for this purpose. Areas should have the discretion to decide on the most appropriate approach to the QA.

26 Do you agree that the LSC funding methodology should be used as the basis of setting the cost of partnership provision to schools, with local discretion to reflect the varying costs of provision and funding levels received by schools?

<input type="checkbox"/> Strongly agree	√	Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree		<input type="checkbox"/> Strongly disagree	

Comments:

It may prove confusing, and certainly inequitable, to fund programmes on a different basis pre- and post-16. However the LSC methodology post-16 is not without its flaws. Synchronisation of funding methodologies should be achieved by careful consideration of the outcomes of both the post-16 and the 14-16 consultation processes. To this end, further consultation may need to take place to reconcile emerging preferences. The inclusion of "success factors" for the post 16 model in 14-16 funding may prove particularly problematic if not matched to QA procedures and carefully thought through. Local discretion is essential although national guidance on the costs of provision will be important in establishing common charges across diverse providers.

It should also be recognised that there are additional costs associated with support of the less mature young people at the beginning of Key stage 4 compared with post-16 learners. Although based on post-16 models, the methodology must reflect the age of learners as well as the programme on which they are embarked.

CHAPTER 5: EARLY YEARS FUNDING

Page 68, para 207

27 Do you agree that local authorities should introduce a standardised method for calculating the unit of funding for early years provision in maintained and PVI settings for the coming CSR period?

<input type="checkbox"/> Strongly agree	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

We agree with this proposal in the context of the local authority's commissioning and market facilitation role in securing delivery of the free entitlement.

We are reassured that it is not assumed that this proposal will lead to convergence between the level of per pupil funding in either type of setting and that there should be scope to recognise that there may be legitimate reasons to differentiate the level of per pupil funding. There may be a particular tension around the level of place-led funding which is commonly applied in the maintained sector. This would need to be considered in the context of the local authority's responsibility to maintain sufficient capacity to universally deliver the free entitlement.

28 How long would it take local authorities to develop, consult on and implement such a standardised method?

Comments:

Given the requirement to align consistent pupil count methods and understand and plan for the implications of changes in funding levels within each sector, it is unlikely that such a system could be implemented in the coming Comprehensive Spending Review period.

29 Do you agree that local authorities should use the same methods to calculate pupil numbers in maintained and PVI settings for the coming CSR period?

<input type="checkbox"/> Strongly agree	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

Consistency in pupil count methodology will be fundamental to bringing the funding systems for each sector closer together. However, any funding system needs to take into account different requirements for staffing ratios and the potential need for an element of place-led funding to ensure sufficient capacity is maintained across the local authority area.

While we would agree to the introduction of a standardised methodology for the pupil count, it would not necessarily follow that a standardised funding methodology could be introduced on the same timescale.

30 Do you agree that we should retain a single budget calculation point for early years provision in the maintained sector?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

This proposal would allow greater stability in the provision of the free entitlement across both sectors. However, it would require an appropriate clawback mechanism in order to guarantee that DSG was being spent in accordance with the relevant grant terms and conditions, particularly in the PVI sector. We would be concerned about the potential increase in the overall level of funding this would require and the ability to achieve this simply from better counting of provision in the maintained sector.

31 Which of the options at paragraph 211, a-c, or an alternative approach, would improve the alignment of the funding systems for PVI providers and maintained schools and be achievable within funding constraints?

<input type="checkbox"/> Places	√	Termly estimates	<input type="checkbox"/> Guaranteed Minimum
<input type="checkbox"/> Other.			

Comments:

The 'Termly Estimates' approach would appear to have least risk of funding unfilled places (which would increase the overall cost) providing that it still allowed for a level of place-led funding where appropriate.

32 Would moving to a single formula for funding the free entitlement across maintained and PVI providers better enable local authorities to commission flexible provision?

<input type="checkbox"/> Strongly agree	√	Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree		<input type="checkbox"/> Strongly disagree	

Comments:

While it is the case that this proposal might facilitate the commissioning of more flexible provision, this needs to be balanced with the responsibility to maintain sufficient capacity and stability for all providers of the free entitlement.

33 If so, over what timescale would it be practical to implement such a formula?

Comments:

Given the significant planning and changes to existing systems of data collection and the need to provide predictability and stability of funding over the CSR period, it be difficult to see how this proposal could be implemented in the coming CSR period.

34 We would welcome views on whether further changes or guidance are needed to develop this wider function of Schools Forums in relation to the Every Child Matters agenda.

Comments:

Given the increased responsibility and scope of the role of the Schools Forum, additional guidance would no doubt be helpful in developing the wider function of the Forum in relation to the *Every Child Matters* agenda.

35 Would separately identifying funding for the early years entitlement help local authorities to ensure that the free entitlement is funded appropriately?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input checked="" type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

Further hypothecation of funding allocations would not necessarily be helpful in ensuring that the free entitlement is funded appropriately. The cost of the free entitlement will vary from one local authority to another depending on the type of provision being offered and the period over which the free entitlement is delivered.

CHAPTER 6: SPECIFIC GRANTS

Page 79, para 245

36 Do you agree that we should merge SSG and SSG (P) from 2008 09?

<input checked="" type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

Any rationalisation of grant funding streams will be welcomed by schools as would the flexibility to determine allocations levels locally.

Page 79, para 245

37 In taking forward changes to the distribution of SDG over the period 2008-11, which method of transition would you prefer: (a) a cash (0%) floor; (b) a floor below 0%, to be set by DfES?

<input type="checkbox"/> Cash (0%)	<input checked="" type="checkbox"/> Below 0% DfES
------------------------------------	---

Comments:

A floor set below a 0% cash floor would facilitate a quicker move towards mainstreaming grant into DSG and would be more in line with the current requirement to review DSG funding for levels of deprivation in schools. This would be our preference taking into account the need to maintain the focus on deprivation and the overall level of funding to schools in making changes to the distribution of SDG funding.

Page 79, para 247

38 Should make payments of specific grants to academies from the Department rather than through local authorities from 2008-09?

<input type="checkbox"/> Strongly agree	<input type="checkbox"/> Agree	<input type="checkbox"/> Neither agree nor disagree
<input checked="" type="checkbox"/> Disagree	<input type="checkbox"/> Strongly disagree	

Comments:

We believe grant payments should continue to be paid through the local authority so that allocations remain consistent across schools within the local authority area.

39 Do you have any other comments about the consultation?

Comments:

40 Please let us have your views on responding to this consultation. For instance did you have any difficulty understanding any of the questions and did you think we had the right number or type of questions?

Comments:

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 ✓

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

✓Yes No

All UK national public consultations are required to conform to the following standards:

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
3. Ensure that your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

Further information on the Code of Practice can be accessed through the Cabinet Office Website: <http://www.cabinetoffice.gov.uk/regulation/consultation-guidance/content/introduction/index.asp>

Thank you for taking time to respond to this consultation.

Completed questionnaires and other responses should be sent to the address shown below by 1 June 2007

Send by post to: Consultation Unit, Area 1a, Castle View House, East Lane, Runcorn Cheshire WA7 2GJ

Send by e-mail to: schoolfunding.consultation@dfes.gsi.gov.uk