

Committee:	Schools Forum
Meeting Date:	13 October 2016
Title:	Adjustments to local authority funding related to Free Schools
Author:	Gavin Bultitude
Decision making / consultative / information:	Information

What is the Forum being asked to decide?

1. There are no decisions to be made as the paper is for information only.

Reason for recommendation

2. There is no recommendation as the paper provides information on the consultation on adjustments to local authority funding related to Free Schools.

Alternative options

3. There are no options as the paper is for information only.

Who will be affected by this decision?

4. Although the paper is not decision making, all mainstream schools and mainstream free schools will be affected by the outcome of the consultation.

Main body of the Report

Background

5. The government consultation on the “Adjustments to local authority funding related to Free Schools” was launched on 21 July 2016.
6. The Department for Education provides funding for schools to local authorities through the dedicated schools grant (DSG). Each local authorities’ DSG is initially calculated by reference to all pupils attending schools in the local area, whether those are maintained schools, academies or free schools. Local authorities do not provide funding to academies or free schools, and so the DfE deduct the funding for pupils in those schools from the DSG given to local authorities; this process is called recoupment. This consultation document proposes to amend the funding of local authorities for pupils in mainstream free schools.

7. A link to the consultation is https://consult.education.gov.uk/funding-policy-unit/adjustments-to-la-funding-for-free-schools/supporting_documents/Adjustments%20to%20local%20authority%20funding%20related%20to%20free%20schools.pdf
8. Responses were required by 21 September 2016.

Consultation responses

Questions

9. Do you agree with the proposal to recoup funding for all mainstream free schools from the first year of opening?
10. Suffolk CC do not agree with the current proposals to recoup funding for all mainstream free schools from the first year of opening. Almost all free schools that have opened in Suffolk have been widely under their PAN – their estimates of numbers starting in the September being very optimistic. This has specifically been the case in areas where there was no actual additional demand for pupil places. The remaining Suffolk maintained schools are therefore disadvantaged in the year of the new free school opening, as more funds than should actually be recouped would move to the free school in this year. The proposals are not clear if this money “lost” in the opening year to the maintained school sector would be recoupable in the following year – just that the recoupment would be correct in this following year as the October census numbers would be available/used. It is also not clear if the additional funds that the free school would have received in its opening year from over-estimating pupil numbers would be recouped – and if so, who would benefit from this recoupment if the maintained sector are not able to claim it retrospectively.
11. Do you think there is any particular support the department could give local authorities to help them estimate pupil numbers for new mainstream free schools, or any other support which would make recoupment fairer or simpler?
12. To ensure parity between authorities and free schools, there should be an agreed national basis on how every authority estimates the number of pupils likely to transfer to a new free school in any academic year. This would include factoring in where growth in pupil numbers in a local area can only be managed by increasing school size/numbers of schools. Any recoupment needs to be fair – the current proposals are likely to give free schools certainty on funding and excess budgets at the expense of local authority maintained schools.