

Consultation on new school funding arrangements from 2006-07

Consultation Response Form

The closing date for this consultation is: 13 May 2005
Your comments must reach us by that date.

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The Department may, in accordance with the Code of Practice on Access to Government Information, make available on public request, individual consultation responses. This will extend to your comments unless you inform us that you wish them to remain confidential.

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

Name	Patricia Samuel
Organisation (if applicable)	SIGOMA
Address:	Borough Treasury, Barnsley MBC, PO Box 14, Town Hall, Barnsley S70 2PQ, South Yorkshire

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 Fax: 01928 794 311

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

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

<input type="checkbox"/> Local Authority	<input type="checkbox"/> Schools Forum	<input type="checkbox"/> Teacher Union
<input type="checkbox"/> Governor Association	<input type="checkbox"/> Headteacher Association	<input type="checkbox"/> School
<input type="checkbox"/> Headteacher	<input type="checkbox"/> Bursar	<input type="checkbox"/> Governor
<input type="checkbox"/> Teacher	<input type="checkbox"/> Parent	<input checked="" type="checkbox"/> Other

Please specify:

SIGOMA is a special interest group of 46 Municipal authorities located outside London and is a recognised special interest group within the LGA. Its membership comprises 35 metropolitan districts and 11 major unitary authorities, which meet its membership criteria. The combined population of SIGOMA authorities amounts to over a quarter of the population of England and its member authorities account for over 25% of English local government expenditure. Our response is based on consultation with our members, facilitated through discussions at meetings and also by drawing directly on members' experience of local government finance.

SIGOMA welcomes the opportunity to respond to this consultation exercise, but is disappointed that Government has negated on its assurance that the current education funding system "will stay in place" and that the government "would not remove education funding from the local government system" (Stephen Timms, Minister of State for Schools Standards). Similarly, the promise to continue to pursue a reduction in ring-fenced grant will become obliterated if proposals to introduce DSG are to proceed.

In addition to the above, a major concern had by SIGOMA relates to the proposal for a funding system that moves away from a continuing assessment of need, towards an allocation of resources based on actual spend; this move could be seen to represent an abandonment of the principle of fairness and equalisation. SIGOMA stresses that it is essential to continue with a need-based system, but coupled with this we emphasise that there must be (at the very least) a thorough assessment of the funding base, so as to ensure that it is robust as well as being appropriate to meet the requirements of local authorities. An analysis of the latest settlement demonstrated that some 39 SIGOMA authorities were to be under-funded by £20.9m in 2005/06 - to recover the funding required by schools, authorities were left with the predicament of transferring resources from other services, or increase council tax bills. Such a situation must be addressed if schools and LEAs are to fulfill the requirements of the education agenda.

Three year budgets for schools - financial framework

1 Do you agree that it would be helpful to schools to receive forward budget information for at least two academic years as well as at least two financial years to aid forward planning? (*Paragraphs 18-21 in the full consultation document; 15-17 in the summary*)

<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:

Whilst in principle the provision of forward planning information is welcomed, concern has to be expressed at the suggestion that schools may need to account for spend on both an academic year and financial year basis.

The introduction of academic year accounting is likely to cause confusion and create additional work (and costs) in terms of administrative support and time dedicated to financial reporting. In addition, there will be other costs - for example, IT and software packages such as SIMS, are currently aligned to financial years and so would require to be reprogrammed.

2 Are there other ways in which either DfES or local authorities could help to extend schools' ability to plan ahead effectively?

Comments:

New DfES initiatives that have resource implications should be announced well ahead of their introduction, thereby enabling the funding consequences of a policy to be taken into account. More up front information on the length of initiatives and the plans for cessation of funding should also be given, so that where necessary local decisions on continuing with projects can be made.

To assist schools in forward planning, DfES should identify and disclose changes to cost pressures eg: increases in national insurance, superannuation and teachers pay rates. Schools could then utilise financial modelling software, analysing historic data to create projections for the future, which incorporated the cost pressure changes of which they were notified.

Schools could also be offered training eg: financial planning courses, so as to be better able to utilise forward information to financially manage their longer-term budget position.

3 Which funding year would be the most helpful for giving schools funding information for the academic year: August to July or September to August? (*Paragraph 22 in the full consultation document; 19-20 in the summary*)

<input type="checkbox"/> August to July	✓	<input checked="" type="checkbox"/> September to August
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Comments:

SIGOMA does not favour introducing funding on an academic year basis. However, if the DfES insists on advocating one of the above academic year periods, then September to August is preferred. This period aligns with teachers pay awards and incremental advances on the pay spine and also mirrors the 17-month accounting period that currently exists for the Standards Fund.

4 Do you agree that the approach of having funding increases in September, with funding allocations aligned to the academic year, is sensible? (*Paragraphs 25-28 in the full consultation document; 22-24 in the summary*)

<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:

SIGOMA is not convinced that having funding increases in September, with funding allocations aligned to the academic year, is sensible when two significant costs (non-teaching staff pay and rates) are subject to April adjustments and timing of increases in other costs, such as energy, can vary.

5 Do you think that the benefits of accounting on an academic year as well as a financial year basis outweigh the extra costs involved? (*Paragraphs 29-33 in the full consultation document; 26 in the summary*)

<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:

SIGOMA strongly disagrees with the proposals for accounting for schools on an academic year basis and believes that any benefits that could arise from accounting on an academic year basis as well as a financial year basis are considerably outweighed by the extra costs involved. A significant amount of financial reporting work will still be required at the financial year end, in addition to that to be incurred at the end of the academic year – in effect, closure of account will take place twice within any given 12-month period.

This gives rise to additional costs – for example, additional administrative burdens at both school and LEA level (at a time when the Gershon review is encouraging local government to be more efficient) and a likely increase in internal & external audit charges. Consultation with SIGOMA members has indicated that the extra costs per school of “£300 - £360” as stated by the consultation document is extremely conservative and represents a considerable under-estimation of the likely range of costs.

Accounting on an academic year would also cut across all efforts to bring a common closure date to Government Accounts as part of the Whole of Government Accounts project.

6 Do you have any further comments on the proposals to give schools

three year budgets aligned to the academic year?

Comments:

Three-year budgets for schools are essential to effective planning and management of resources, providing greater certainty of funding. However, the alignment of these budgets to the academic year, and producing statutory accounts relative to the financial year (and possibly the academic year), will cause confusion and additional work. Primary schools, particularly small schools, have limited support staff and the extra burden and complexity introduced by the proposals may be difficult to manage.

The new Dedicated Schools Grant

7 Do you agree that allocations of Dedicated Schools Grant should be adjusted in response to changes in pupil numbers, rather than being based on the initial pupil numbers used, without updates? (*Paragraph 57 in the full consultation document; 34 in the summary*)

<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:

Adjusting allocations of DSG in response to changes in pupil numbers, rather than being based on the initial pupil numbers used, without updates, will result in a fairer and more transparent process overall, though there may be adverse and re-distributional impacts on particular schools. This will be especially so in areas with falling rolls, and so DfES will need to give due consideration to the protection that can be offered to such schools, given that their costs will not necessarily fall in line with a reduction in their funding.

Clarification as to when DSG allocations are to be amended would be welcomed - at present, pupil number changes are done retrospectively so as not to impact a school's current year plans.

8 Should allocations of Dedicated Schools Grant continue to use lagged pupil numbers or move to up-to-date actual pupil numbers? (*Paragraphs 58-62 in the full consultation document; 35 in the summary*)

<input checked="" type="checkbox"/> Lagged pupil numbers	<input type="checkbox"/> Actual pupil numbers
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Comments:

Lagged pupil numbers are preferable as they provide certainty – indeed, it would be very destabilising to schools and to the LEAs if grant changed after budgets were set.

Research for the Education Funding Strategy Group also supported the continued use of lagged pupil data, as it was found that time is required by schools and LEAs to manage any decline in pupil numbers

9 If allocations of Dedicated Schools Grant use up-to-date actual pupil numbers, should we continue to use lagged pupil numbers for authorities with falling rolls? (*Paragraph 67 in the full consultation document; 36 in the summary*)

<input type="checkbox"/> Use lagged pupil numbers for schools with falling rolls	✓	<input checked="" type="checkbox"/> Use actual pupil numbers for schools with falling rolls
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Comments:

There has to be consistency of treatment between LEAs and schools in the data used for the grant on the grounds of equity, so if actual numbers are being used then they should apply to all authorities and schools. However, some mechanism would need to be introduced to offer protection to those authorities with falling rolls.

10 Given that pupil numbers will be updated, will it be helpful to fix the unit of resource for the funding distributed to local authorities for the three year period? (*Paragraphs 63-64 in the full consultation document; 37 in the summary*)

<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:

SIGOMA agrees that it would be helpful to know the unit of resource in advance, thereby providing predictability and enabling scenario planning for different numbers of pupil.

At present, DfES change the weightings of the sub-blocks on an annual basis, making resource planning difficult.

11 Do you agree that the non-pupil data indicators should be frozen for the three year period based on an average of the latest actuals? (*Paragraphs 65-66 in the full consultation document; 38 in the summary*)

<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:

The use of ‘frozen’ non-pupil data indicators leading to greater stability and certainty would better support the principles of three year budgeting. However, there may be some non-pupil data indicators that cannot be meaningfully frozen – for example, deprivation factors need to be updated regularly to make sure that deprived areas continue to receive an appropriate share of funding. Thus, in this instance, SIGOMA would support the use of the most up-to-date non-pupil indicator data available.

12 How do you think the floor increase should be funded: solely through a ceiling, or through a damping block as well? (*Paragraph 77 in the full consultation document; 40 in the summary*)

<input type="checkbox"/> Ceiling only	<input type="checkbox"/> Ceiling plus damping block
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Comments:

SIGOMA strongly argues for the development of a system that ensures funding allocation is based on need rather than actual spend. In previous consultations, the introduction of a grant floor has been welcomed as it can be seen to protect authorities from unmanageable reductions in grant, thereby providing additional support and stability. However, and to reiterate, the floor should be funded from outside the system – it should not be paid for by other authorities who will consequently witness a reduction in their grant entitlement.

SIGOMA wishes to see full exemplifications relating to the various models of how the floor increase could be funded, before giving a final view on the most appropriate methodology.

13 Should there be a cash floor, as well as one on a per pupil basis, built into the system to protect authorities with rapidly falling rolls? (*Paragraph 79 in the full consultation document; 41 in the summary*)

Per pupil floor only



Per pupil floor and cash floor

Comments:

SIGOMA believes that a cash floor would recognise that there are, at least, many short-term fixed costs that cannot change quickly with falling rolls – a period of time is required before schools can properly adjust to a reduction in pupil-led resources.

14 Do you have views on what transitional arrangements are needed to ensure that there is no adverse impact on the rest of the local government finance system when DSG is introduced in 2006-07? (*Paragraphs 86-94 in the full consultation document; 43 in the summary*)

Comments:

The total amount transferred from RSG/NNDR into DSG should be based on SFSS, and not on an LEA's actual spend on schools (which may be above or below SFSS). Indeed, local authorities that chose to 'top-up' school budgets in the past (thought increases in council tax bills) should now have the capacity to re-allocate the funding to other council services.

In addition, it has been calculated that the deduction from SFSS is likely to exceed the level of residual RSG received by many authorities. RSG cannot be negative. Consequently, the basis of distribution of NNDR cannot continue to be on a population pro-rata basis if the proposal is to be workable. NNDR will need to be distributed on the same equalising basis as RSG, either as a separate grant or in a merged Formula Grant.

Finally, a significant element of the interest earned by local authorities comes in the form of school balances, and this is now generally passed on to schools. To complete the separation of schools spending from other local authority spending, notional interest on school balances should be separated from the calculation of remainder of the Interest On Receipts FSS, and treated as a separate negative element of DSG.

15 Do you have any further comments on the proposals for the Dedicated Schools Grant?

Comments:

SIGOMA members have expressed concern that a transfer to DSG may prohibit an approach to partnership working; for example, the Changes to Children agenda requires education and social services to adopt the holistic approach and engage in joined-up working – the transfer to DSG, however, separates the funding of services and could restrict the virement of resources between the two. Indeed, these proposals seem to be wholly focused on funding for core educational services.

In addition, it would have been helpful to have received an indication of how school funding might develop, given that schools are being expected to offer adult education, childcare out of traditional school hours, pastoral support etc. At the moment, and given the legislative and funding framework, schools can experience difficulty in sourcing funding for these sorts of initiative, which are currently a requirement of government policy.

SIGOMA also requires the DfES to model the effects of transferring Standards Fund match funding and Teachers' Pay grants into DSG, so as to illustrate the degree of turbulence at LEA level.

A final comment relates to the governments decision, in the 2003/04 settlement, to only fund half of the unmet need relating to Additional Educational Needs (as identified by PricewaterhouseCoopers). The failure to fully fund has resulted in vulnerable pupils not receiving the services required and/or the financial burden being met by council taxpayers. SIGOMA therefore asks DfES to consider completely funding the above as part of its changes to the resourcing of schools.

Three year school budgets: the distribution of funding from local authorities to schools

16 Do you agree that the split in the Schools Budget between the Individual Schools Budget and the central items set at the beginning of a three year funding period could subsequently be varied with the agreement of the Schools Forum if circumstances changed? (*Paragraph 101 in the full consultation document; 50 in the summary*)

<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:

SIGOMA believes that the split should be varied if circumstances change. To illustrate, unpredictable pressures on high-cost SEN budgets can vary considerably between years, and pupils moving into an area can place a significant strain on the independent special school fees budget. Similarly, central support recharges can vary widely, but these too must be accommodated within the LEA controlled share of the Schools Budget. Thus, flexibility and maximum discretion is an essential mechanism to managing resources effectively, helping to alleviate pressure on the centrally retained element of the schools budget.

It is recognised that this proposal and a number of those following effectively change the role of the Schools Forum from a formal consultative body to one where executive decisions are made in relation to DSG. SIGOMA would be interested to hear the evidence that supports this change and what support, if any, is envisaged in helping the forum discharge its new responsibilities.

17 Would you prefer a Minimum Funding Guarantee that continues to be set at or above cost pressures, or a lower value that would allow changes in a local authority's formula to flow through more rapidly? (*Paragraph 102 in the full consultation document; 53 in the summary*)

<input type="checkbox"/> At or above cost pressures	<input checked="" type="checkbox"/> Lower than cost pressures
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Comments:

Lower than cost pressures – there needs to be local flexibility to implement formula changes. A possible solution is to use known pay awards and the GDP deflator for non-pay, but not to include other “pressures” such as teaching assistant regradings which have a differential impact across individual LEAs. Where there has been a generous settlement a higher figure could be agreed.

18 Do you agree that local authorities should be allowed to change their formulae once three year budgets have been set, under exceptional circumstances and with the agreement of their Schools Forum? (*Paragraph 116 in the full consultation document; 63 in the summary*)

Strongly agree Agree Neither agree nor disagree
 Disagree Strongly disagree

Comments:

SIGOMA believes that there may be changes in circumstance that, exceptionally, lead to anomalies if formula changes are delayed for three years. Therefore there should be some scope for local authority flexibility and discretion, with the agreement by the Schools Forum.

SIGOMA would welcome clarity as to those circumstances that would be classed as ‘exceptional’

19 Which do you think is more important: a system which allows schools to predict their future budget with more certainty, but is less responsive to changes in circumstances; or a system which allows all relevant data to be updated in the final budget? (*Paragraph 117 in the full consultation document; 64 in the summary*)

More certain but less responsive to change Less certain but more responsive to change

Comments:

SIGOMA considers that a system that allows schools to predict their future budget with more certainty, but is less responsive to changes in circumstances is preferable to a system that allows all relevant data to be updated in the final budget.

20 Do you agree that it would be sensible to have more predictable arrangements for updating the budget for the forthcoming year, and less predictable but more responsive arrangements for the years further away? *(Paragraphs 118-119 in the full consultation document; 65 in the summary)*

- | | | |
|--|--|---|
| <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:

SIGOMA agrees that it would be sensible to have more predictable arrangements for updating the budget for the forthcoming year, and less predictable but more responsive arrangements for the years further away. In any case, future year budgets can only be indicative when the main driver of the formula is pupil numbers.

One concern is around predictability of the first year of a new three-year funding cycle: SIGOMA would hope that there is at least an attempt to maintain a rolling information flow.

21 Which of the following three options do you think local authorities should use to update the indicative budget? *(Paragraphs 120-129 in the full consultation document; 67-73 in the summary)*

- | | | |
|---|---|--|
| <input type="checkbox"/> a) pupil number changes applied to AWPU's only | <input type="checkbox"/> b) pupil number and non-pupil data | <input checked="" type="checkbox"/> c) an approach to be decided locally |
|---|---|--|

Comments:

SIGOMA believes the option used should be the approach to be decided locally, ie by the local authority in consultation with the Schools Forum.

To explain, as this is a new system yet to be tested in a practical delivery situation it would be prudent to allow LEAs to decide locally how best to manage updating indicative budgets, particularly as all local formulae differ in their complexity. Schools Forum will be fully involved and all schools in the LEA will be consulted on the arrangements before implementation, thereby ensuring local agreement. The process could be reviewed at the end of the first 3-year funding period.

22 Do you agree that funding for named SEN pupils should not be included in school budget forecasts for future years? (*Paragraph 121 in the full consultation document; 74 in the summary*)

<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:

It seems both logical and equitable for named SEN that the funding should follow the pupil; this should be made clear to schools from the outset, but LEAs should be encouraged to provide schools with information that supports predicting their resource levels for future years.

One further point, DfEs should give consideration to the Home to School Transport costs associated with SENs – currently the LEA has responsibility for these, but in order to comply with the concept of ‘Total Cost’ within the Best Value Code of Practice there needs to be clarity over the total cost of educating SEN pupils.

23 Which is the best approach to avoiding turbulence when Teachers' Pay Grants are included in mainstream funding? (*Paragraphs 134-139 in the full consultation document; 76 in the summary*)

<input type="checkbox"/> a) Allowing the funding to flow through an authority's formula and letting the Minimum Funding Guarantee moderate any turbulence	<input type="checkbox"/> b) Allowing an authority to include a factor in their formula to continue the current distribution	<input checked="" type="checkbox"/> c) Allowing an authority the flexibility to take an approach between options a) and b)
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Comments:

SIGOMA suggests that the best approach to avoiding turbulence when Teachers' Pay Grants are included in mainstream funding is to allow local authorities the flexibility to take an approach between options (a) and (b) above.

24 Do you have any general comments on the approach local authorities might take to giving schools three year budgets?

Comments:

The accuracy of the budget information will be dependent upon the certainty or otherwise with which cost and demand changes can be predicted. There is a significant problem, highlighted by the Audit Commission, arising from the lack of information provided to local authorities by schools for effective budgeting and financial monitoring purposes. Accurate forecasting of pupil numbers and changes in non-pupil data will be an essential task under the new system. If authorities are to carry out this task effectively schools need to have additional statutory requirements under the DSG arrangements to ensure that they provide sufficient information to local authorities, on a timely basis.

The new Single Standards Grant

25 Do you agree that we should retain a small number of grants to offer targeted support and for activities that require support on a continuing basis? *(Paragraph 154 in the full consultation document; 83 in the summary)*

<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:

SIGOMA believes that targeted funding should be a matter for local discretion, and any monies provided on a continuing basis should be integrated into mainstream funding.

26 Could any more of the existing targeted grants be made part of the amalgamated grant? *(Annex E in the full consultation document; Annex B in the summary)*

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If yes, please list which other grants could be part of the amalgamated grant:

Please see comments relating to Question 25 above.

27 Do you agree that we should opt for stability in the first two years of the amalgamated grant, by aggregating current Standards Fund grants without formula changes for that period? (*Paragraphs 152-153 in the full consultation document; 86-87 in the summary*)

<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:

SIGOMA agrees that the DFES should opt for stability in the first two years of the amalgamated grant, by aggregating current Standards Fund grants without formula changes for that period. However, other issues cause concern and need to be addressed as soon as possible:

- the Leadership Incentive Grant is about to end and this could create problems in many inner city secondary schools along the lines of those experienced in 2003, when other Standards Funds ended.
- there needs to be clarity on the future of ICT in schools grants. It is understand that the devolved element is to transfer to formula capital – however, a significant proportion of this is used by schools to pay connectivity charges, which cannot count as capital.
- there also needs to be some certainty about the future of the Broadband Standards Fund, as regional consortia are attempting to plan future budgets without knowledge of funding levels

28 Do you agree that we should move the existing School Standards Grant to a lump sum and per pupil basis during the transitional phase, with suitable damping arrangements to ensure stability? (*Paragraphs 156-157 in the full consultation document; 88 in the summary*)

<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:

Yes, as this will reflect the distribution of the DSG and assist with budget planning.

29 Do you agree that the Standards Fund and the School Standards Grant should be brought together into a Single Standards Grant from 2008, using a formula that is pupil led and has a per school element to protect small schools, and a deprivation measure? (*Paragraph 160a in the full consultation document; 89-90 in the summary*)

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

Given that no formula has yet been proposed, SIGOMA takes the view that the DfES should aim to include all funding in the DSG so that decisions can be made locally about the distribution.

If DfES does propose a formula, a careful examination of re-distributive effects between local authorities and at individual school level will need to be undertaken.

30 Do you agree that we should allow schools to agree, through their Schools Forum, to local authorities increasing the level of holdback for coordination and collaboration purposes by top-slicing the new Single Standards Grant? (*Paragraph 162 in the full consultation document; 91 in the summary*)

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Comments:

SIGOMA supports the above - LEAs have an important role to ensure that all schools engage with programmes and that all pupils have access to the required level of support. Schools must also recognise their role in the Change for Children agenda and partnership co-ordination.

31 Do you have any further comments on the proposals for the new Single Standards Grant?

Comments:

It is expected that the DfES will consult on any changes to the distribution of specific grants, and that this consultation will provide full exemplifications.

Strategic Financial Management and Planning

32 Do you think that the Financial Management Standard should become compulsory? (*Paragraphs 176-177 in the full consultation document; 100 in the summary*)

<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:

SIGOMA is in favour of schools adopting good practice in general and in financial management in particular, and would encourage schools to do this where practicable. It may be reasonable for Ofsted to consider whether these tools are being used when assessing schools financial management. We would stop short of compulsion, however.

33 How could the Financial Management Standard and Toolkit and Schools Financial Benchmarking website be improved for users? (*Paragraphs 176-177 in the full consultation document; 100 in the summary*)

Comments:

Allow schools to look at benchmarking groups within their own LEA, and the website could be improved by better signage to key documents.

34 What sort of procurement deals and arrangements would be most suitable for schools? (*Paragraphs 195-203 in the full consultation document; 102-103 in the summary*)

Comments:

With regard to the new Centre of Procurement Performance, given schools' autonomy in these areas, there may be limitations on how far service provision can be integrated. Other problems may be the number of contracts still live and the differing service standards required. Where schools already have in place their own procurement strategies successfully delivering lower cost locally, it is not clear how changing these arrangements would be cost-effective.

35 In what other ways can schools become more productive and efficient in the use of their resources?

Comments:

SIGOMA would welcome a review of schools' balances, which continue to represent significant amount on a national level. Schools should be encouraged to spend the funds held, and if greater certainty is to be provided by the proposals in the consultation document, then there is potentially less of a need for large balances to be held.

More collaborative working and sharing of resources could also be required, both within and across sectors; for example, schools could be encouraged to share specialist staff more effectively and enter into joint contract arrangements to achieve economies of scale. It should be noted that the LEA would ordinarily take on the role of facilitator within the scenarios suggested above; however, by diminishing authorities' roles and responsibilities, DfES has reduced the effectiveness of *the* mechanism that could seek to ensure the schools become more productive and efficient in the use of their resources.

Guidance also needs to be given regarding the production of the Section 52 Statement, in its current form. It is presumed that this statement will no longer be required to fulfil its present role, as the statutory requirement for passporting will be removed.

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 X

X

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?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	yes
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How to respond and further information

The consultation response form is available at www.dfes.gov.uk/consultations/. You can complete this on-line, or download it and post it to us. Copies of the form are also enclosed with printed copies of this consultation document and the separate summary document.

If you are responding on-line, select the "Respond on-line" option at the beginning of the consultation webpage: www.dfes.gov.uk/consultations/.

If you prefer you can send completed response form to Department for Education and Skills, Consultation Unit, Area 2A, Castle View House, East Lane, Runcorn, Cheshire, WA7 2GJ

Or fax it to 01928 794248

Or send it by e-mail to: SchoolFunding.Consultation@dfes.gsi.gov.uk

If you have any questions about the proposals or would like to know more

If you would like to ask us about any aspect of the proposed funding arrangements, please e-mail the School Funding Team at Schoolfunding.Questions@dfes.gsi.gov.uk or call us on 020 7925 6706. You can also visit the school funding area on TeacherNet where we will keep a list of Frequently Asked Questions up to date and post any additional information that becomes available during the consultation period. The address is www.teachernet.gov.uk/management/schoolfunding/.

Additional Copies

Copies of the document can be requested from: DfES Publications, PO Box 5050, Sherwood Park, Annesley, Nottingham, NG15 0DG

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