

Funding Reviews – Collaborative Funding

1. Purpose Of This Report

- 1.1. The report is provided to enable Forum members to decide on the proposal to pass Collaborative funding directly to schools rather than to Banker schools.

2. Recommendations

- 2.1. That the former Standards Funds Collaborative funding which is currently delegated to schools in the ISB formula and de-delegated under the heading “Contingency” prior to being passed to banker schools, not be de-delegated in the 2015/16 financial year, with the effect of leaving the funding with individual schools.
- 2.2. That the Collaborative SEN funding which is currently passed to banker schools be delegated to individual schools instead, from the 2015/16 financial year onwards.

3. Background – Former Standards Funds

- 3.1. The 2012/13 funding reforms implemented by the DfE reduced the types of funding that authorities could retain centrally and required the delegation of a number of budgets that had previously been centrally retained.
- 3.2. Where it wished to, Schools Forum could decide to de-delegate funds in a limited number of areas and this decision was taken where it was felt appropriate.
- 3.3. One of the areas of spend which did not fit into any of the DfE’s definitions of funds allowed to be retained was the former Standards Funds funding which was being passed to Collaboratives via banker schools. (Note – some secondary schools operate alone rather than in collaboratives or federations).
- 3.4. This funding had previous been devolved to schools as under the “Excellence in Cities” and “Extended Services” headings of the Standards Funds.
- 3.5. The current process for getting this funding to schools involves a number of steps.
- 3.6. Step 1 – The funding is part of the ISB, so it forms part of the ISB Share calculations prior to the start of the year and is journalled to schools as part of the year’s funding.

- 3.7. Step 2 – As a de-delegated item, schools are informed of the charges to bring this funding back to the centre prior to the start of the year with the journal being actioned once the year has started.
- 3.8. Step 3 – The Collaborative allocations for each school are calculated using the same data as the ISB. These individual allocations are aggregated to create allocations per Collaborative which schools are notified of at the same time as their ISB share. These amounts are journalled to the banker schools early in the year.
- 3.9. Step 4 – The banker schools submit requests to the Schools Finance Team to transfer amounts from them to Collaborative members in line with decisions made by the members. The majority of schools receive the amount of funding that was their individual Collaborative allocation.
- 3.10. In short, for most schools we give the funding to the schools, take it away, give it to the bankers, take it away and give it to the schools.
- 3.11. The proposal is that paragraph 3.10 should read, “We give the funding to the schools”.
- 3.12. This would mean that the process would stop at Step 1; the funding would be delegated to schools as part of there ISB Share as is already the case.
- 3.13. Schools would still be able to work collaboratively and would still be able to pool budgets, but the majority of schools, who already end up with a formula generated allocation at the end of the process, would in future receive this funding months earlier and without the additional work that the current process requires.

4. Background – SEN Funding

- 4.1. This funding is provided for low need/high incidence SEN and was formerly provided to schools at Matrix levels 3 to 5.
- 4.2. This funding is not delegated and de-delegated as it forms part of the SEN budget, which the DfE allow to be held centrally. This means that only Steps 3 and 4 above apply in the case of this funding.
- 4.3. Or, we calculate the amount for individual schools, aggregate it and give it to the banker schools, take it away from the banker schools and give it to the individual schools (with the majority of schools receiving the initial calculated amount).

- 4.4.** If adopted the proposal would see the funding delegated to schools as part of their ISB share based on the same indicators used in the collaborative calculations.
- 4.5.** Schools would still be able to work collaboratively and would still be able to pool budgets, but the majority of schools, who already end up with a formula generated allocation at the end of the process, would in future receive this funding months earlier and without the additional work that the current process requires.
- 4.6.** For both types of funding, Collaboratives that wish it, could continue to be provided with a notification of the amount of Collaborative funding in the same way as they are currently.