

# Consultation on the basis for the decision on the appropriate amount of Academies Funding Transfer for 2011-12 and 2012-13

## Response of the Association of School and College Leaders

- 1 The Association of School and College Leaders (ASCL) consists of 15,000 members of the leadership teams of maintained and independent schools, academies and colleges throughout the UK. This places the association in a unique position to see this consultation from the viewpoint of the leaders of secondary schools and colleges, including business managers. Although the consultation seeks views from local authorities, Local Government Associations and London Councils, ASCL wishes to make a general response to the consultation as its outcome will directly affect the work of members. ASCL hopes that you will accept this response to the consultation alongside the views of those listed in the consultation remit.
- 2 It is welcome that the document addresses the key issue of the funding advantage to academies. Direct feedback from ASCL members is that there is currently a significant financial advantage to a school in converting to academy status as opposed to remaining an LA maintained institution. For two reasons this financial advantage represents a problem:
- 3 First, if the mechanism for funding academies is to meet with the government statement of “no financial advantage or disadvantage for a school converting to academy status”, then either LA maintained school funding needs to be raised, which seems highly unlikely in the present fiscal situation, or academy funding must fall. The financial advantage gained by a converting academy has, in many cases, been invested in substantive and ongoing structures to support student learning. This in itself can be seen as a good thing but if subsequent change leads to sudden reductions in academy funding there will be a consequential negative impact on students currently in the system which will be difficult if not impossible for many of our members to manage over a short time scale.
- 4 Second, ASCL feedback from members converting to academy status is that despite any public statements over “academy freedoms” the real and essential driver behind conversion is the funding benefit. And the small number of converter academies that are operating outside the National Curriculum and School Teachers’ Pay and Conditions of service underlines the point that the conversion driver is essentially financial. Hence, the statement in paragraph 17 of the consultation that “large numbers of head teachers recognise the benefits of the freedoms associated with becoming an academy” is mistaken. ASCL views this misinterpretation of the reason for academy conversion as a potential problem, since it may lead to errors in the formulation of future policy.

- 5 ASCL supports the view expressed in paragraph 19 that “there is a need to come up with a mechanism for establishing funding requirements that appropriately fund both local authorities and academies for the services for which they are responsible”. The current mechanism fails this test and is unstable from year to year. Anecdotal indications from members point to the LACSEG grant being at least 50% more than is required just to cover services. This links to point made in paragraph 4 above. The cost of services may vary, in which case we can envisage a time when the LACSEG grant is less than that required to purchase the services that it replaces, which would have serious financial and educational repercussions for many institutions. Recent publicity about the cost of licences from Capita for some institutions underlines that this could soon be a real issue.
- 6 ASCL also supports the view expressed in paragraph 21 that there is a “need to provide certainty and stability for local authorities”, but would remind that this also applies to schools of all types and colleges. Again, the current system does not do this; it was devised quickly with no meaningful consultation with local authorities or professional associations as a short term solution. Meaningful consultation with relevant bodies would at least have helped to anticipate some of the unforeseen consequences we are now dealing with. The lesson we hope will be learnt is that with regard to consultation in general, and work on a national funding formula from 2013 in particular, proper consultation and detailed modelling involving key stakeholders and those with relevant expertise will be essential.
- 7 The statements in paragraph 30 that “a local authority can be expected to reduce its own expenditure on central services as the number of pupils for which it is responsible are reduced” and “a reduction in the funding ... should not necessarily impact on the ability of the local authority to continue to provide central services” may be wrong. We would have serious reservations about drawing these conclusions from the evidence quoted in paragraphs 29 and 30. There are already LAs asserting that their funding has fallen below a level at which they can continue to supply services at the former rate to their remaining non-academy schools. An activity referenced funding analysis for model LAs might help to clarify this area.
- 8 It is difficult to suggest short term solutions to the current problem. Whatever decisions are made it is imperative that:
- Funding for academies does not provide them with a financial advantage (or disadvantage) compared to other institutions.
  - Funding for academies is not subject to sudden and unexpected shifts due to changes in grant calculation.
  - Where significant reductions in funding are unavoidable, suitable cushioning mechanisms are put in place.
  - Serious work is undertaken to develop the capacity for advanced activity-referenced modelling in an educational context so that future initiatives can be better informed.
  - Consultation with relevant bodies including professional associations is used to fully inform initiatives and to anticipate and avoid pitfalls during implementation.
- 9 I hope that this is of value to your consultation, ASCL is willing to be further consulted and to assist in any way that it can.

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