

Schools national funding formula

Government consultation – stage one

Response from North East Lincolnshire Schools' Forum

Question 1

Do you agree with our proposed principles for the funding system?

Fundamentally yes these seem reasonable and follow the principles adopted under fairer funding however the answer provided cannot be fully confirmed until the potential financial impact of their implementation is seen, presumably at Stage 2.

As an overarching comment we believe that there needs to an active consideration of this paper together with the Education White paper.

Question 2

Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?

Not sure, the involvement of local authorities is far more than setting the formula. Consideration also needs to be given to the wider aspects, Schools Forum, consultations with schools in respect of the funding formula (will the EFA be undertaking and resourcing these?), advice and guidance and local contact. Our discussion with the Schools Forum Working Party have heard that contact with local officers is valued and the question was posed would contact be as readily available when this function was taken over by the DfE / EFA. The consultation is not clear if or how these aspects will be dealt with.

Question 3

Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?

Yes agree that there should be a differential between primary and secondary phases but in respect of separate values for Key Stage 3 and Key Stage 4 then our view is that there should only be one secondary AWPU. We believe if there is any differential this should be negligible. Any differential would need to be clearly justified as being reasonable additional cost over and above a Key Stage 3 pupil

Question 4

a) Do you agree that we should include a deprivation factor?

Yes

b) Which measures for the deprivation factor do you support?

- Pupil-level only (current FSM and Ever6 FSM)
- Area-level only (IDACI)
- Pupil- and area-level

On the introduction of the fairer funding in 2013/14 the local Schools Forum was very clear that IDACI should be the sole measure of deprivation given the child basis of measurement. They were clear that FSM was reflected in the Pupil Premium payment and therefore could be considered a double funding methodology. In addition not all primary parents now apply for FSM due to UFSM which results in loss of funding.

Question 5

Do you agree we should include a low prior attainment factor?

Yes, given a principle aim of the LA is skills and jobs this funding factor is key and should be reflected.

Question 6

a) Do you agree that we should include a factor for English as an additional language?

NELC does not use this factor in its local funding formula as on the introduction of fairer funding it wasn't considered material enough to impact on any particular school.

b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?

See above

Question 7

Do you agree that we should include a lump sum factor?

Yes, schools broadly see this as a contribution to cover their fixed costs but the value should not be such that it distorts schools funding.

Question 8

Do you agree that we should include a sparsity factor?

This is not particularly an issue for NELC but we have always used this factor even though it only impacts on one school. To answer this question the DfE should look at the decision to introduce this factor and decide if the reasons for its introduction still remain. If they do and the consequences of not having the factor were avoided then this is the answer.

Question 9

Do you agree that we should include a business rates factor?

If current arrangements in respect of the discounts remain and all schools convert to academies then this should not be an issue. Funding should be based on actual costs.

Question 10

Do you agree that we should include a split sites factor?

Not sure, this factor doesn't apply in NELC and therefore there is no direct impact of it but would another methodology be to allow an "x"% increase on the set lump sum for those schools impacted then this factor could be removed.

Question 11

Do you agree that we should include a private finance initiative factor?

Again not an issue for NELC but given conversations heard in regional groups and the potential financial impact there needs to be consideration of this. However any amount should be limited to covering reasonable costs and should not result in any PFI school benefitting at the expense of non PFI schools. Further a mechanism should be considered to ensure the PFI school contains costs and a culture does not develop where these are automatically picked up regardless without any challenge.

A further option would be to remove and support separately through a national initiatives, eg as with health and remove this from the funding formula

Question 12

Do you agree that we should include an exceptional premises circumstances factor?

No the inclusion of this factor could result in perverse incentives and discourage maintenance etc.

Question 13

Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors?

- Business rates
- Split sites
- Private finance initiatives
- Other exceptional circumstances

In part yes with the exception of business rates, this should be based on the current business rates.

Question 14

Do you agree that we should include a growth factor?

Not sure, some factor for growth needs to be considered either by a formula factor or the current arrangements. One option would be to re-introduce in year adjustments after the January headcount. This would make the factor unnecessary.

Question 15

Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?

No, this is a variable that will change year on year and the spend in this year should be paid, even if this means a retrospective claim has to be made.

Prior to payments being made a check should be made that conditions around this fund have been met.

Question 16

a) Do you agree that we should include an area cost adjustment?

Yes, but this should work at both ends of the spectrum, low cost areas may suffer from recruitment / retention issues which could suggest higher incentives have to be paid. Any adjustment methodology needs to ensure the viability of communities having a school.

b) Which methodology for the area cost adjustment do you support?

- general labour market methodology
- hybrid methodology

Hybrid

Question 17

Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?

NELC does not use this factor in its local funding formula as on the introduction of fairer funding it wasn't considered material enough to impact on any particular school. However the approach proposed would seem more focused and transparent

Question 18

Do you agree that we should not include a factor for mobility?

Not used by NELC as on the introduction of fairer funding, this was not considered a material issue. Therefore by implication agree to this.

Question 19

Do you agree that we should remove the post-16 factor from 2017-18?

Not applicable to NELC therefore agree.

Question 20

Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?

In principle yes but pragmatically the numbers may not always quite work. Therefore the principle should be that this happens but if the amount is negligible then this should not be an issue.

Question 21

Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?

The inference from the paper and briefings is that moving to hard NNF financial amount (£) in 2017-18 with local discretion might be a challenge to local authorities as some areas will gain and others will lose. Given this and the need to balance to the amount allocated this would seem an appropriate flexibility. Otherwise formula factor unit values with MFG impacts will need to be made.

Question 22

Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?

In principle yes but the real debate will be what per pupil rate is set and how robust and accurate the data to build this up is.

Question 23

Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?

Yes but any collection system should be proportionate and should not be onerous in its data collection evidence requirements.

Question 24

Are there other duties funded from the education services grant that could be removed from the system?

No

Question 25

Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?

Yes, if this is not the case schools will have to make their own arrangements which initially may result in a gap in service provision.