

## Schools Forum – 12 October 2021

<b>Title of paper:</b>	Funding update for 2022/23 and the national consultation on completing the NFF reforms
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<b>Summary</b>	
<p>This report sets out the changes to the schools and high needs national funding formulas (NFF) and the projected impact to Nottingham City schools for the financial year 2022/23.</p> <p>The report also provides an update on the “Fair schools funding for all” consultation launched by the Department of Education (DfE) on 8 July 2021 and closed on 30 September 2021. The report includes the Local Authority’s (LA’s) responses to the consultation.</p>	
<b>Recommendations:</b>	
<b>1</b>	To note the provisional schools, central school’s services and High Needs (HN) block allocations and which allocations will be updated in December 2021 once the DfE release the allocations for the financial year 2022/23 based on the Autumn 2021 school census pupil numbers.
<b>2</b>	To note the changes and impacts of the changes to the schools (section 2.5), central school’s services (section 2.6) and HN formulas for the financial year 2022/23 (section 2.7).
<b>3</b>	To note the responses submitted by the LA to the DfE to the “Fair schools funding for all” consultation (section 2.8).

### 1 Reasons for recommendations

- 1.1 To inform Schools Forum (SF) understanding on the changes to the central school’s services and high needs blocks for the financial year 2022/23 and their impact on Nottingham city schools.
- 1.2 To update SF on the provisional funding allocations for Nottingham City in the financial year 2022/23.
- 1.3 To make SF aware of the responses submitted to the DfE by the LA on the “Fair schools funding for all” consultation to try and influence the smooth transition to the hard funding formula.

## 2 Background (including outcomes of consultation)

- 2.1 On 19 July 2021 the DfE released the provisional Dedicated Schools Grant (DSG) allocations, excluding the Early Years Block (EY) as this is determined by the separate national formula. Allocations for the EY block will be published as part of the DSG allocations for 2022 to 2023 in December 2021.
- 2.2 Nationally, core school funding has increased by £2.6bn in 2020/21, and will increase by £4.8bn and £7.1bn in 2021/22 and 2022/23 respectively compared to 2019/20, including significant additional funding for children with special educational needs and disabilities.

In addition to this, funding for teachers' pension costs worth £1.5bn a year has been allocated.

These allocations are separate to the three major interventions made to support education recovery in response to the COVID-19 pandemic, which was worth £3bn in total.

- 2.3 **Table 1** shows the provisional DSG allocation, excluding the growth factor and the EY Block as these are determined by separate national formulae.

Allocations for pupil growth and EY funding will be published as part of the DSG allocations for 2022 to 2023 in December 2021.

2.5

<b>Financial Year</b>	<b>£m</b>
<b>2021/22</b>	£285.657m
<b>2022/23</b>	£295.010m
<b>Variance</b>	£9.353m
<b>% Increase</b>	3.27%

### Provisional Schools Block Funding

- 2.5.1 The basic structure of the schools NFF is not changing in the financial year 2022/23.
- 2.5.2 The DfE have stated that school funding is to increase by 3.2% overall, compared to 2021/22, with the funding floor allocating at least 2% more in pupil-led funding per pupil.

This increase is being used to fund the increase in the core factors of the NFF – the basic per pupil funding factor (AWPU), additional needs factors and the lump sum per school by 3%.

- 2.5.3 **Table 2** shows the primary and secondary units of funding (PUF's and SUF's) which will be used to allocate funding to the LA in mid-December 2021 based on the number of primary and secondary pupil numbers on the Autumn Term 2021 school census multiplied by the relevant PUF or SUF.

These rates have been calculated using the pupils on the 2021/22 LA pro-forma tool (October 2020 school census) to see how much funding they would attract under the schools NFF in 2022/23.

The total per phase is then divided by the total number of pupils in each phase to arrive at the PUF and SUF for each phase.

<b>Financial Year</b>	<b>Actual primary unit of funding</b>	<b>Actual secondary unit of funding</b>	<b>Primary pupil numbers (2021/22 DSG schools block, duplicates apportioned)</b>	<b>Secondary pupil numbers (2021/22 DSG schools block, duplicates apportioned)</b>	<b>Actual 2022/23 funding through the premises factors</b>	<b>Schools block funding (excluding funding for growth)</b>
<b>2021/22</b>	£4,878	£6,467	26,572	15,711	£4.211m	£235.432m
<b>2022/23</b>	£4,980	£6,606	26,572	15,711	£4.428m	£240.534m
<b>Variance</b>	£101	£139	-	-	£0.217m	£5.102m
<b>% Increase</b>	2.08%	2.15%	-	-	5.15%	2.17%

2.5.4 As Nottingham City schools receive a significant amount of funding through the funding floor (£7.645m in 2021/22), the illustrative figures show a majority of Nottingham City schools (81 schools) **will only see an increase of 2% on their pupil-led funding per pupil.**

This is because any increases in the rates in the pupil-led factors and the minimum per pupil levels will just have the result of being offset against the level of protection they will receive.

The schools that see gains greater than 2% are as follows:

- 16 Primary schools are projected to see gains that range from 2.09% to 4.30%.
- 3 Secondary schools are projected to see gains that range from 2.87% to 6.14%.
- There is 1 secondary school Bluecoat Trent Academy that we do not have an illustrative percentage change for, due to it opening in September 2021 and no baseline has been provided.

2.5.5 In 2022/23 LA's will continue to set the funding formula locally. Nottingham City Council mirrors the schools NFF so unless the formula becomes unaffordable due to a significant change in proportion of pupils under the funding factors between 2021/22 and 2022/23 then the minimum funding guarantee (MFG) would be adjusted to ensure that the schools block achieves a balanced position.

2.5.6 In the financial year 2022/23 LA's will be able to set their MFG between +0.5% and +2%.

It is the LA's intention to set the MFG as close to the maximum +2% as possible, this has been achieved since the introduction of the schools NFF.

2.5.7 The minimum per pupil funding levels (MPPL's) have increased by 2% per pupil directing further increases to the lowest funded schools.

The free school meals (FSM) factor will also increase by 2%, as the factor is based on an estimate of the actual cost of providing school meals.

- 2.5.8 In 2022/23 the DfE will be decreasing the funding lag for the “FSM6” deprivation funding factor by 9 months, moving from using previous year’s January census to the October census for measuring eligibility.

Nationally this increases the amount of funding allocated for deprivation in the NFF through this factor to £1.369bn in 2022-23.

In a bid to try and ensure as many parents/carers have applied for fSM’s before the October 2021 school census, Nottingham City maintained schools, academies and the LA have been working collectively to encourage as many parents/carers as possible to sign up for FSM’s to maximise the funding that schools and academies receive through the schools NFF and the Pupil Premium Grant in 2022/23.

- 2.5.9 The business rates payment system for schools will be centralised for schools, so that Education and Skills Funding Agency (ESFA) will pay billing authorities directly on behalf of state funded schools.
- 2.5.10 Premises funding will continue to be allocated at LA level on the basis of actual spend in the 2021/22 APT, with the PFI factor increasing in line with the RPIX measure of inflation to reflect the use of RPIX in PFI contracts.
- 2.5.11 The DfE have also announced that they will not be changing the rules governing LA’s flexibility over schools funding in 2022/23. However, from 2023/24 they propose to begin to tighten those rules, so that schools allocations through the local formulae move closer to the NFF distribution.

The DfE, have released a consultation “Fair school funding for all” which closes on 30 September 2021. The consultation focuses on the key implications of moving from the ‘soft’ to a hard NFF – rather than the specific design of the formula itself and (in terms of values assigned to each factor). See 2.7 to 2.8.

The DfE’s overall proposal, subject to the further development of premises and growth funding factors, is to include all NFF funding factors – pupil-led and school-led – in the hard formula, such that all funding distributed by the NFF will be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae.

**2.6 Provisional Central Schools Services Block (CSSB)**

- 2.6.1 The CSSB contains funding for both historic and on going commitments to fund the LA in delivering its statutory duties. The NFF assumes a year on year reduction of historical commitment funding which is explained further in section 2.6.1.

<b>Table 3: Provisional CSSB NFF funding in 2022/23</b>				
<b>Financial Year</b>	<b>Actual CSSB unit of funding for ongoing responsibilities</b>	<b>Pupil numbers (2021/22 Schools Block</b>	<b>Expected actual funding for historic commitments for 2022/23 (prior to protection</b>	<b>CSSB funding</b>

			<b>applied in the DSG)</b>	
<b>2021/22</b>	£37.53	42,283	£3.631m	£5.218m
<b>2022/23</b>	£38.85	42,283	£2.905m	£4.548m
<b>Variance</b>	£1.32	-	-£0.726m	-£0.670m
<b>% Increase</b>	3.52%	-	-20.00%	-12.85%

2.6.1 For the third year running the ESFA have reduced **historic commitments** funding by a further 20% compared to the 2021/22 baseline, see **Table 3**.

This equates to a reduction of £0.726m for Nottingham City in 2022/23. During the financial years 2020/21 and 2022/23 the total loss of income to the LA is £2.693m.

This reduction in funding does not impact on the funding allocated to schools but to the LA and has been included in the LA's medium term financial plan.

2.6.2 The maximum per-pupil reduction in funding for **ongoing responsibilities** each LA will receive is -2.5%.

Permitted gains in per-pupil funding are set at the highest level possible that ensures the total CSSB funding does not exceed the available budget. In 2022-23 LA's will be able to gain a maximum of 5.6%. Nottingham City is due to receive an increase in 2022/23 of 3.52%.

2.6.3 The provisional allocation for 2022/23 for ongoing commitments is £1.643m with the rate per pupil being £38.85.

In 2021/22 Nottingham City received £1.587m and the rate per pupil was £37.53 per pupil. This is an increase of £1.32p per pupil year on year.

The allocation will be updated in December 2021 once the Autumn Term 2021 census has been completed. This funding is used to provide:

- School Admissions services;
- The servicing of Schools Forum;
- Retained duties previously funded by the Education Services Grant (ESG);
- Teachers pay and pensions funding for centrally employed teachers and
- Copyright licences for schools.

## 2.7 High Needs Block

2.7.1 Nationally, HN's funding is increasing by a further £780m (9.6%) in 2022-23 – that follows the £1.5bn increase over the last two years and brings the total HN's budget to over £8.88bn.

The gains cap is set at 11%, allowing LA's to see gains up to this percentage increase under the formula, again calculated on the basis of per head of population.

**In 2022/23 Nottingham City will receive the maximum allowable increase under the HN NFF of 11%.**

In 2021/22 the LA received £45m high needs funding and in 2022/23 the LA is forecast to receive £49.9m. **This is an additional £4.9m in financial year 2022/23.**

2.7.2 Alongside the provisional settlement, the DfE have also published some learning about sustainable HN's systems from the "safety valve" intervention programme. (This is where LAs with the most significant % DSG deficits have developed reform plans with the department and have received extra funding tied to delivery of these.) The key themes are quite consistent with our existing SEND strategy.

## 2.8 Fair Funding for all consultation

As stated in 2.5.11 the DfE are moving forward with their proposed plans to move **towards** the hard schools NFF in the financial year 2023/24 with the aim that the directly applied NFF should include all pupil and school-led funding factors and that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae.

They have not stated when the schools NFF will be fully introduced but that they intend to tighten the rules so that schools allocations through local formulae start to move closer to the NFF from the financial year 2023/24.

Nottingham 'mirrors' the schools NFF but some LA's have not done this and have continued to use their own local formulae to allocate funding to their schools.

Noted below are the proposals that the DfE have put forward in relation to the transition to the 'hard' NFF:

- 1) **Premises: PFI** – *"We will be exploring a more bottom-up funding model, whereby we look at the additional costs that each PFI school incur, as a result of their PFI contracts, and then use this as a basis for our calculation of a PFI factor allocation in the NFF. This 'bottom-up' approach would need to consider the overall additional costs that PFI schools can face (including contributions to the unitary charge, the affordability gap, and any other additional premises costs)."*

In Nottingham we have two secondary schools who receive funding through the PFI factor, Oakwood Academy and Farnborough Academy.

It is not anticipated that the funding of the PFI factor will change before the financial year 2024/25.

**Premises: Exceptional circumstances** *"We plan to consult on this specific issue in due course. In this work we will want to consider which costs that are funded through local 'exceptional circumstances' factor could be met through a formulaic calculation in the NFF, and which are better dealt with through a national application-based system."*

Nottingham City Council allocates funding to Building Schools for the Future that were built under Design & Build schemes, there is a contractual obligation to maintain these schools in their original condition as new for the full 25 years through the exceptional circumstances factor.

The academies that receive this funding are Bluecoat Beechdale Academy and the Ellis Guilford School.

**Premises: Split sites** *"We are considering how we can fund schools on the basis of a formulaic assessment of their additional costs, rather than simply rolling*

*forward the historic spending level. We are exploring an approach whereby we collect data on split site schools, assess the degree to which the status generates additional costs for schools and construct a formulaic factor, based on the data, accordingly.”*

The DfE plan on consulting further on each of the premises proposals noted above in due course.

## **2) Changes to growth funding and new and growing schools**

The DfE plan to collect forecast pupil numbers:

- from maintained schools and academies, that are growing, to meet basic need (from LA's) and
- forecast growth for new and growing schools (from academy trusts).

The proposals is then to:

- i. Use a national, standardised criteria to determine which schools are eligible for funding.

The main criterion would involve the size of the forecast growth, to ensure that additional funding is only allocated where growth is significant.

Where growth is not significant, we would expect schools to manage within the funding allocations on the basis of lagged data until the following year in which budgets will increase, to reflect the higher pupil numbers.

- ii. Factor this funding into schools core NFF allocations, where growth is significant enough to meet the national criteria.
- iii. Standardise the amount that eligible schools receive. The aim is to spend broadly the same proportion of the total Schools Block on growth as at present, adjusted to reflect the level of growth that is forecast when the hard NFF is introduced, and in subsequent years.

Funding will be subject to an adjustment process, similar to that currently used for new and growing schools, which will be designed to prevent additional funding being allocated where higher pupil numbers do not appear as forecast. The autumn school census will be used to check the amount of growth that actually materialised in schools and adjust or recoup overpayments in the following year, if necessary.

The DfE have said they do not expect to make adjustments if the pupil numbers fell slightly short of forecasts.

The DfE have stated: *“We recognise that it will not be possible for local authorities to provide use with the forecast growth before the NFF is calculated in every instance, because there may be uncertainty over which schools will admit more pupils or the growth, or size of the growth, is yet to be confirmed. We would therefore have one additional data collection point beyond the publication of the NFF each year, for local authorities to be able to provide us with information on growing schools that it was not possible to confirm until then. We would make adjustments to schools core NFF allocations that have already been published in these cases.”*

### **3) Changes to falling rolls funding**

LA's to inform the DfE which schools are forecast to see a significant decrease to their number on roll in the coming year and provide data that demonstrates that their spare capacity is likely to be needed within the next three years.

Funding will only be provided where schools have already experienced at least one year's decrease to their number on roll, in addition to the forecast decrease in the coming year. Schools should otherwise adjust budgets using the planning time afforded by the lagged system.

Continuing to provide this funding only to schools with Good or Outstanding grade at their most recent Ofsted inspection.

Similarly to growth funding, standardising the amount that schools eligible for falling rolls funding receive, and factor this into schools core NFF allocations.

### **4) Popular growth funding**

Funding is to be made available for schools which have seen an increase in popularity after being sponsored by a multi-academy trust which has improved the schools performance.

It is proposed that the autumn school census will be used to check which academies that meet the criteria above have experienced significant in-year growth. Local authorities will not be expected to submit forecast increases to pupil numbers for popular growth because it is more difficult to forecast than basic need growth.

The amount of funding allocated will be consistent with basic need growth allocations.

LA's be obliged to use each of the NFF factors in its formulae and only those factors (which would mean that LA's would no longer be able to use the looked after children factor in their formulae).

The exception to this will be any NFF factors that are significantly reformed in 2023/24 i.e. the new premises factors which will be based upon a new formulaic approach. To smooth the transition these new formularised factors will not be compulsory in the first year that they are introduced – but they intend to bring them in line with the other compulsory factors later in the process of moving to a hard NFF.

Nottingham City already mirror the NFF factors and do not have a looked after children factor.

LA's should bring each of their local funding formula factors at least 10% closer to the NFF factor values, compared to how far the factor value was from the NFF value in 2022/23. Subject to the impact of this movement, the aim is to then move at least 15% closer to the NFF in 204/25 and at least 20% closer in 2025/26.

As stated in above Nottingham City already mirror the NFF.

Do LA's think there should be additional flexibility for LA's in the English as an additional language (EAL) factor, relating to how many years a pupil has been in



the school system should be removed? The DfE propose that all LA's should use the NFF's EAL3 measure, in which pupils attract this funding if they are recorded on the census as having entered state education in England during the last three years, and their first language is not English.

In Nottingham we already apply the EAL3 measure in the EAL factor.

- Do LA's think that the additional flexibilities relating to the sparsity factor should be remain in place for 2023/24?

As an urban city we are not eligible for sparsity funding under the NFF.

2.8 **Appendix A** outlines the 'Fair funding for all: completing our reforms to the NFF consultation questions and the responses submitted by the LA.

### **3 Other options considered in making recommendations**

3.1 N/A

### **4 Outcomes/deliverables**

4.1 To allocate budgets to schools on a fair and transparent basis before 21 January 2022 which is the deadline for submitting schools budgets for 2022/23 to the ESFA.

To notify SF of the proposed changes to the schools NFF from the financial year 2023/24 and the responses submitted by the LA to the DfE on the Fair Funding for all consultation.

### **5 Finance colleague comments (including implications and value for money/VAT)**

5.1 Financial implications are contained throughout this report.

### **6 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)**

6.1 This report sets out the changes to the schools and high needs national funding formulas (NFF) for the financial year 2022/23 as prescribed by the DfE's document titled "*The national funding formulae for schools and high needs 2022-23*" dated July 2021. The Schools Forum must consider these changes when exercising their powers and responsibilities.

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1 October 2021

### **7 HR colleague comments**

7.1 Not required.

### **8 Equality Impact Assessment**

8.1 An EIA is not required.

**9 List of background papers other than published works or those disclosing confidential or exempt information**

9.1 None.

**10 Published documents referred to in compiling this report**

10.1 DfE - Fair school funding for all: completing our reforms to the National Funding Formula

10.2 ESFA – Schools revenue funding 2022 to 2023 – Operational guide July 2021 publication

10.3 DfE – Schools and Early Years Finance (England) Regulations 2021

**APPENDIX A**

Response ID ANON-F67D-RE4T-P

Submitted to Fair school funding for all: completing our reforms to the National Funding Formula

Submitted on 2021-09-30 11:14:31

Introduction

A What is your name?

Name: Julia Holmes

B What is your email address?

Email: julia.holmes@nottinghamcity.gov.uk

C What is the name of your organisation?

Organisation:

Nottingham City Council

D What type of organisation is this?

Role:

Local authority

E Which local authority area are you responding from?

Local authority:

Nottingham

F Are you happy to be contacted directly about your response?

Yes

Confidentiality

G Do you wish for your response to remain confidential?

No

The scope of the end state NFF

**1 Do you agree that our aim should be that the directly applied NFF should include all pupil-led and school-led funding factors and that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae?**

No

Developing the schools NFF to support the end state NFF

**2 Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF?**

Please comment:

Premises: PFI

We operate PFI models that are based on varies income streams i.e. the School Contribution, plus the affordability gap that are charged to each school, CERA funding and PFI credits from Central Government.

The models monitor the funding required and this is based on historic costs indexed by RPIx on an annual basis. This is pretty standard across PFI models, so in our opinion, any future funding inflation will need to be applied on the same basis.

The only issue we have is that there is a timing difference of when inflation is applied to the affordability gap. Generally this is applied in the autumn when you are calculating next year's budget, and the contract uses February RPIx. An annual backward reconciliation of this difference would mitigate the issue.

This is a bottom up approach which the consultation document refers to, and in our opinion the fairest & most logical method of allocating funding.

#### Premises: Exceptional Circumstances

Nottingham City Council allocates funding to building schools for the future (BSF) schools that were built under Design & Build schemes and we are contractually obliged to maintain these schools in their original condition as new for the full 25 years. Included in the contracts was an agreement that inflation would be added each year, therefore LA's are obliged to meet this agreement. There was an "affordability gap" on these BSF projects as well as on the PFI schemes. These schools currently receive an additional premises allocation through the exceptional circumstances factor reflecting this and are invoiced the equivalent amount (in addition to other specified contributions that these schools have agreed to make from their school budget shares).

Currently funding through the exceptional circumstances factor is allocated based historical cost in Nottingham's case this does not work as the inflation needs to be funded. As an LA we have been fortunate that we have been able to meet the shortfall in funding through the Schools Block. However, if a formulaic approach were to be taken to allocate funding in this factor then there is likely to be a shortfall in funding and no mechanism to allocate any further funding to the schools. Our schools will not be able to fund the shortfall and the LA is already under significant financial pressure. Therefore, how would the DfE expect LA's to meet the shortfall?

We feel that for LA's that are contractually tied into agreements under BSF schemes, a national application-based system should be introduced and funding allocations should be inflated on an annual basis using the February RPIx as per clause 11 of the Governing Body Agreements with each school.

Again, this presents the timing difference issue when the allocation for next year's budget is calculated in the autumn, and the GBA states to use February RPIx. An annual backward reconciliation of this difference would mitigate the issue.

#### Premises Split sites

Some schools incur unavoidable additional costs due to having a split site. These costs may be additional caretaking costs, admin and clerical costs, management costs, an additional telephone system, second curriculum internet connection, insurance costs and fixed costs of a second kitchen.

If the DfE decide to allocate this funding based on a formulaic approach they need to ensure they have a transparent eligibility criteria so that schools can clearly see what funding they are entitled to. In addition, there also needs to be a mechanism for schools to be able to reclaim costs if they open a split site in year that has not been accounted for in the NFF as schools as they may decide to expand and open a second site in year which would require additional funding to cover the unavoidable costs due to having a split site.

#### Growth and falling rolls funding

### **3 Do you agree with our proposal to use national, standardised criteria to allocate all aspects of growth and falling rolls funding?**

No

### **4 Do you have any comments on our proposed approach to growth and falling rolls funding?**

Please comment:

At present it is difficult to confirm if we agree or disagree with the a standardised criteria to allocate all aspects of growth and falling rolls funding as there are still so many unknowns regarding how it will work in practice. For

example, what constitutes significant growth, what will the thresholds be and how funding is going to be allocated for growth and falling rolls? Will funding be assigned on a per pupil basis or will the staffing and resources costs be fully met?

Will the funding to be allocated to schools and academies be reviewed on an annual basis dependent on how many pupils are forecast in each LA? This could make financial planning for schools very difficult as schools and academies will not know where they stand and be able to plan effectively as well as potentially cause some schools to go into deficit if they do not receive the funding they are forecasting.

We do not feel that there should be a standard rate for each primary or secondary aged pupil that is eligible for funding. We feel that built into the rates should be funding to take into account schools with high levels of deprivation as they will incur greater costs to educate pupils in highly deprived areas.

The Coronavirus pandemic has highlighted disproportionate need in deprived pupils. For example, it has not just been in access to online devices it has also been in accessing the internet itself. Closing any gap will require extra resources for those who are in danger of being behind in learning, well-being etc. Therefore, it is vital funding for deprived pupils is built into the funding of pupil growth and the free school meal Ever6 rates in the schools NFF and pupil premium grant are increased.

We also need to understand how does the DfE propose to deal with inward migration/bulge classes which cannot be forecast and how pupils without a school place are going to be funded?

As an LA we are concerned that the funding allocated to schools under a national growth formula could potentially generate less funding for our maintained schools and academies than they currently receive under our local pupil growth criteria. This could inhibit the LA's ability to negotiate with maintained schools and academies to get them to expand if they do not feel they are going to be sufficiently funded to cover their costs.

What does the DfE intend to do about existing commitments that have been agreed by LA's with maintained schools and academies, will they be honoured if the funding generated by the new formula is less than has already been agreed?

We believe there still needs to be flexibility at LA level to allocate funding for pupil growth and falling rolls. We feel this as our local criteria has the support of our schools and academies and under a national criteria some schools and academies may not attract the same level of funding.

#### Falling rolls

We also feel that the current criteria for falling rolls is very prohibitive and could cause some schools to go into deficit which as happened in our LA. It would be helpful if there was not the requirement for schools experiencing falling rolls to only be eligible for falling rolls funding if their pupil numbers are expected to rise in the next three years. This could then enable LA's to support schools in the short-term to avoid them going into deficit.

Will falling rolls funding be clawed back if the fall in numbers does not materialise? What evidence will be required to demonstrate future demand for places? For example, would it be the estimated pupil yield from housing developments? There is question as to how reliable this data can be.

We as LA's know and understand the local need. For example, a primary may have falling numbers for a short while but knowledge of a planned housing development would bring a different decision to closure. Building a new school is a long process compared to keeping what might be a temporary unviable or shrinking population ticking over until the growth arrives. Finding sites and building from scratch has delays and additional costs that could be avoided.

Next steps for the transition to the end state NFF for schools

**5 Do you agree that, in 2023-24, each LA should be required to use each of the NFF factors (with the exception of any significantly reformed factors) in its local formulae?**

Yes

**6 Do you agree that all LA formulae, except those that already 'mirroring' the NFF, should be required to move closer to the NFF from 2023-24, in order to smooth the transition to the hard NFF for schools?**

Yes

**7a Do you agree that LA formulae factor values should move 10% closer to the NFF, compared with their distance from the NFF in 2022-23?**

Yes

**7b If you do not agree, can you please explain below.**

Please comment:

**8 As we would not require LAs to move closer to the NFF if their local formulae were already very close to the NFF, do you have any comments on the appropriate threshold level?**

Please comment:

As an LA we have always mirrored the NFF values. However, we do recommend that when the DfE are considering what threshold to set the mirroring of the NFF factor values consideration should be given to LA's that haven't been able to afford to implement the full NFF but have been trying to do so even though they have not been able to do so due to issues such as changes in free school meal eligibility.

Next steps for the transition to the end state NFF for schools

**9 Do you agree that the additional flexibility for LAs in the EAL factor, relating to how many years a pupil has been in the school system, should be removed from 2023-24?**

Yes

**10 Do you agree that the additional flexibilities relating to the sparsity factor should remain in place for 2023-24?**

Yes

Central school services

**11 Are there any comments you wish to make on the proposals we have made regarding ongoing central school services, including on whether in the future central school services funding could move to LGFS?**

Please comment:

Hard to comment without any technical information on how the services are to be categorised and funded.

By implementing a hard national funding formula the DfE will be removing the power of Schools Forums to be able to approve support for particular services that they feel would be beneficial to the schools in the LA. Even if schools did buy back into the services they may not be able to benefit from purchasing collectively which would reduce their ability to benefit from economies of scale from collective agreements.

**12 Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs?**

Unsure

A consistent funding year

**13 How strongly do you feel that we should further investigate the possibility of moving maintained schools to being funded on an academic year basis?**

Neither agree nor disagree

**14 Are there any advantages or drawbacks to moving maintained schools to being funded on an academic year basis that you feel we should be aware of?**

Please comment:

Advantages

The majority of maintained schools would welcome having certainty over their funding for the whole academic year.

Drawbacks

Some schools will struggle with the additional complexity introduced from planning and reporting over two different timeframes.

Equalities Impact Assessment

**15 Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change. Before answering this question, please refer to Annex (C) of the consultation document.**

Please comment:

Fair funding is a right for every child wherever they are educated in the country. A funding formulae that protects some at the expense of others is unacceptable.

Further comments

**16 Do you have any further comments on our move to complete the reforms to the National Funding Formula?**

Please comment:

The consultation does not mention services that are currently allowed to be de-delegated such as trade union cover time for maintained schools. Will such services still be allowed to be de-delegated for maintained schools under a hard NFF? When does the DfE expect de-delegation for such services to cease if it is going to cease? If de-delegation is going to cease for such services please can clear guidance be provided to schools and LA's on how the DfE foresee such services working moving forward.