

## **Appendix A**

### **Draft Schools National Fair Funding Consultation Response 22/23:**

**Question 1: Do you agree that local authorities' applications for transfers from mainstream schools to local education budgets should identify their preferred form of adjustment to NFF allocations, from a standard short menu of options? Do you have any other comments on the proposals for the operation of transfers of funding from mainstream schools to high needs?**

**Yes/ No / Unsure & Comments**

Yes.

We agree with the proposal to provide a short menu of adjustment options for LAs to select from, when applying for a high needs transfer – bringing additional clarity and consistency into this process seems sensible.

We do query, though, why it appears that all applications for a high needs transfer will need be made to the Secretary of State for their approval. If a Local Authority has the backing of local schools via the Schools' Forum for a transfer, then it would seem unnecessary for this to be reviewed by the SoS. As now, LAs should continue to be allowed to transfer up to 0.5% (or possibly higher) of the Schools Block with the approval of their Schools Forum, who are well placed to understand the context of local schools and the high needs strategy. There is no rationale set out in the consultation paper for why a change should be made to this element of the process.

**Question 2: Do you agree that the direct NFF should include an indicative SEND budget, set nationally rather than locally? Yes/ No / Unsure & Comments**

Yes.

A nationally set indicative SEND budget would improve consistency of funding and consistency of practice across the country. It does not make sense for a formula that provides nationally consistent school funding allocations to continue to indicate that schools with similar demographics (and therefore similar funding levels) should spend differential amounts supporting the SEND needs of their school population.

Given the current significant variation in indicative SEND levels nationally it is clear that some LAs have dealt with this indicator differently. Some making little reference to schools' indicative SEND budgets, whilst other LAs have used them to set expectations around levels of SEND spending by maintained schools; and even used it as an indicator to provide schools with additional SEND funding from the high needs block where it is demonstrable that their high level of inclusion requires extra financial support.

It is important that any nationally set level of notional SEND provides an incentive, not disincentive, for schools to be inclusive, including clearly setting out the responsibilities that should be expected of mainstream schools but also afforded

within the indicative SEND allocation. At the same time, it must be noted that a significant change to the percentage of school funding indicatively to be used for SEND could cause financial turbulence for schools, and also for some LAs if they find they are suddenly subject to requests for additional SEND funding.

Any change needs to be carefully managed and transitioned from the status quo as it is vital that a change in approach does not increase the financial burden on the High Needs block of the DSG which is already under severe, and increasing pressure nationally due to rising demand and costs. Furthermore it is our view that decreasing the level of notional SEND would not only increase direct financial pressure on the high needs block by increasing demand for additional SEND funding support for mainstream schools, but it would automatically reduce the threshold for triggering an EHCP leading to additional activity pressures on an already overwhelmed system.

**Question 3: Do you have any comments on the proposals to place further requirements on how local authorities can operate their growth and falling rolls funding? [Comments](#)**

In Coventry, as well as providing funding to growing schools (e.g. increasing forms of entry or new & growing schools) we have also used the growth fund to support other aspects linked to growth/organisation that are not represented in the growth proposals. Both of these funding streams are considered vital by the Council, our schools and the Schools Forum. We would be very keen to ensure that the further requirements placed on how local authorities operate the growth fund still allows the flexibility for to fund this type of activity and not just growth/decline in the numbers of classes in a school. We would go as far as to say that we feel that Infant Class Size funding should be recognised nationally by the DFE as a key part of the growth funding that otherwise financially disadvantages schools (some of which structurally cannot operate in a different manner) for adhering to the infant class size regulations.

Infant Class Size funding: is used to provide funding for schools where classes are not a multiple of 30, but the infant class size regulations require the no more than 30 children to one teacher.

Example: in a 1.5 form of entry (1.5FE) school 45 children in the YR class must be supported by 2 full time teachers, the same as a 2FE school but this latter school receives an additional 15 children's funding to support the running of that class despite the fact that costs will be very similar.

In-year admissions funding: is used to support schools who have significant numbers of in-year growth (admissions) although the Mobility factor attempts to fund a similar feature, this approach supports schools with only the most significant levels of in year admissions by using a threshold of 17%. Current mobility funding is too low and spread too thinly and schools in receipt of in-year admissions funding in Coventry would really struggle to appropriately catch-up the numbers of in-year admissions present without their being a significant impact of the remainder of the pupils.

#### Additional comments for Q4

We believe this restriction should be removed. The Ofsted “good” or “outstanding” restriction is the key reason that a falling rolls fund was not agreed by our Schools Forum.

If it can be evidenced that the place capacity will be needed again in subsequent years, then the school should be supported financially to retain its capacity. Not doing so will cause the school financial difficulties as it seeks to ensure it can continue to meet future demand pressure with reduced funding, or if unable to do so, will mean the LA will need to seek expansion from another school whilst another shrink- a clear example of financial inefficiency as one school is required to pay redundancy costs whilst another receives money to expand and recruit.

**Question 4: Do you believe that the restriction that falling rolls funding can only be provided to schools judged “Good” or “Outstanding” by Ofsted should be removed? [Yes/ No / Unsure](#)**

Yes.

**Question 5: Do you have any comments on how we propose to allocate growth and falling rolls funding to local authorities? [Comments](#)**

If Local growth allocations are to be controlled with additional DFE requirements (i.e. thresholds for needing to provide support and minimum funding values per pupil etc) then it would be sensible to look at whether the national pot value should be linked to the levels of growth, rather than being set based on the level of spend in a previous year). This would allow the pot to increase when nationally LAs need to fund more growth, and correspondingly shrink when less growth needs to be funded. It is also important for there to be a mechanism for these thresholds to be disapplied, or else for additional funding above the LA’s calculated growth allocation to be provided in some instances, as there may otherwise be situations where the LA’s growth allocation isn’t sufficient to fund all school grown allocations required by the national thresholds/minimum values.

If the falling rolls fund is amended to remove the Ofsted threshold then we agree that significant falls in pupil numbers, as well as significant growth, will need to be included as part of calculating LAs’ Growth Fund allocations. It is important to note that this will also require an increase to the national Growth Fund pot so that LAs can afford to issue falling roles funding, or else LAs will need to reduce school level growth allocations ensure affordability.

#### Additional comments for Q7 – flexibility approach vs national approach

Yes a local approach is favoured. Whilst a national standardised system would provide consistency, this would be at the cost of removing local control of growth funding, which would have a detrimental impact on the LA’s ability to effectively deliver its statutory duty to secure a sufficiency of school places. We firmly believe that local control of growth funding is necessary to give LAs flexibility to manage the

more complex elements of school place planning and ensure places are consistently available for all children, especially in local areas facing rapid growth fluctuations and mobility.

**Question 6: Do you agree that we should explicitly expand the use of growth and falling rolls funding to supporting local authorities in repurposing and removing space? [Yes/ No / Unsure](#)**

Yes.

**Question 7: Do you agree that the Government should favour a local, flexible approach over the national, standardised system for allocating growth and falling rolls funding; and that we should implement the changes for 2024-25? [Yes/ No / Unsure](#)**

Yes.

**Question 8: Do you have any comments on the proposed approach to popular growth? [Comments](#)**

We strongly agree that popular growth funding should be available to all schools, whether maintained schools or academies, and are pleased to see that the DFE have listened to previous consultation responses on this. If this were not the case then popular growth would not meet the definition of a national standardised criteria. It is key that the criteria and threshold for accessing popular growth and the level of funding allocated needs to be the same, not just similar, for both maintained and academy schools to ensure fairness and consistency.

Preventing maintained schools from accessing popular growth would not recognise, and would undermine, the ability of maintained school leadership to improve school performance, despite countless examples of this happening across the country. This could be interpreted as discriminatory.

Whilst it is recognised that the Government has articulated an intent that all maintained schools should be academised, the withholding of necessary financial support to a proportion of publicly funded schools on the grounds of their legal status, is in direct conflict with the stated ministerial aim of a “funding system that is fair for every school, with funding matched to a consistent assessment of need”. It is therefore evident that if the DFE did continue to exclude local authority maintained schools from popular growth funding it would not be fair, would risk adversely affecting the educational progress of children in maintained schools where growth is a result of its popularity (and implied success).

**Question 9: Do you agree we should allocate split site funding on the basis of both a schools' 'basic eligibility' and 'distance eligibility'? [Yes/ No / Unsure](#)**

Yes.

**Question 10: Do you agree with our proposed criteria for split site 'basic eligibility'?** [Yes/ No / Unsure](#)

Yes.

**Question 11: Do you agree with our proposed split site distance criterion of 500m?** [The distance criteria should be shorter / That is about the right distance / The distance criteria should be longer / Unsure](#)

The distance should be shorter.

**Question 12: Do you agree with total available split sites funding being 60% of the NFF lump sum factor?** [The funding should be higher / That is about the right amount of funding / The funding should be lower / Unsure](#)

The funding should be higher.

**Question 13: Do you agree that distance eligibility should be funded at twice the rate of basic eligibility?** [The distance eligibility should be given a higher weighting / That is about the right weighting / The basic eligibility should be given a higher weighting / Unsure](#)

The basic eligibility should be given a higher weighting.

**Question 14: Do you agree with our proposed approach to data collection on split sites?** [Yes/ No / Unsure](#)

Yes.

**Question 15: Do you have any comments on our proposed approach to split sites funding?** [Comments](#)

We are pleased that it has been recognised that there are genuine additional costs to schools as a result of operating across more than one site. It is, however, difficult to determine a single national split-site factor value that accurately matches the costs of all school circumstances in all areas of the country. What is key is that no school is financially disadvantaged as a result of operating from more than one site as this is something that the school has no ability control or change.

Additional comments for Q9

It feels reasonable to have both a basic eligibility factor and a distance linked

eligibility factor to determine an appropriate level of split site funding, as some split site costs (such as additional travel time) do vary depending on distance, however we feel the proposed weightings of these factors is incorrect as the physical separation of the sites is what drives the majority of split site costs, not the distance apart.

#### Additional comments for Q11

The distance should be shorter, despite the proposed 500m threshold being the median and modal average of current LA split-site factors where a distance criteria is applied – this doesn't make it a reasonable or appropriate threshold, just an easily definable and calculable value. We can only imagine very small differences in split site costs between schools that are, say 300m apart, 500m apart or 700m apart for example and so the 500m threshold feels only very close to being an arbitrary value for awarding funding.

It has been recognised in the consultation that any cliff-edge created by a distance threshold cut-off is not ideal and we strongly agree with this. The suggestion to use a taper is sensible, despite the slight additional complexity it brings – and doesn't make the factor more complicated or out of kilter with other factors such as the sparsity factor.

#### Additional comments for Q12

The funding should be higher. Again we feel that using an average 'maximum split-site' value from current LA formulae does not make it a reasonable or appropriate maximum level of funding to use in the NFF. Not only is an average value not necessarily appropriate for the majority of cases, but it also assumes that the split site factor values used by LAs provides their schools with accurate/sufficient/not excessive levels of funding. This assumption is not necessarily true, especially since split-site funding has been funded through the NFF based on 'historic cost' and so may not have been updated for inflation since 2013/14.

It would be more appropriate to consider the main costs borne by split-site schools, possibly by survey, to determine more accurately the current costs of having split sites. In our experience 60% of Lump Sum funding would not be sufficient to meet the costs of split sites in Coventry.

#### Additional comments for Q13

The basic eligibility should be given a higher weighting. We believe that the large majority of additional costs incurred by schools operating from split sites are driven by the fact that they have two separate sites, not by the distance that the sites are apart. Requiring an additional reception desk (safeguarding implications) running and maintaining multiple kitchens, employing additional lunchtime supervisors all have significant costs that do not vary due to the distance between the sites, and only occur because of true separation of sites. As such using the distance criterion to allocate the majority of the funding could leave schools over or under compensated when compared to the costs that they incur.

**Question 16: Do you agree with our proposed approach to the exceptional circumstances factor? [Yes/ No / Unsure](#)**

Yes.

**Question 17: Do you have any comments on the proposed approach to exceptional circumstances? [Comments](#)**

None.

**Question 18: Do you agree that we should use local formulae baselines (actual GAG allocations, for academies) for the minimum funding guarantee (MFG) in the year that we transition to the direct NFF? [Yes/ No / Unsure](#)**

Yes.

**Question 19: Do you agree that we should move to using a simplified pupil-led funding protection for the MFG under the direct NFF? [Yes/ No / Unsure](#)**

Yes.

**Question 20: Do you have any comments on our proposals for the operation of the minimum funding guarantee under the direct NFF? [Comments](#)**

Whilst moving to a purely pupil-led protection mechanism will be beneficial in clearing up small distortions in the current protection mechanism, it is key that any significant changes as a result of DFE policy change (such as proposed Lump Sum changes) – or from a sudden loss in eligibility for a funding factor (such as exceptional circumstances or sparsity funding) are transitioned/protected fairly in their own right; so that effected schools are able to plan for this reduction in funding and are not forced to make sudden and significant changes to the detriment of their school.

Additional comments for Q18

We believe that schools will benefit from the consistency of having their MFG under the direct NFF being based on the same baseline as it was actually funded on during the previous year, rather than on modelled DFE allocations which are based on rolled forward historic data and do not reflect the actual funding received by schools.

**Question 21: What do you think would be most useful for schools to plan their budgets before they receive confirmation of their final allocations: (i) notional**



**allocations, or (ii) a calculator tool? [Notional allocations / Calculator Tool / Unsure](#)**

Calculator Tool.

**Question 22: Do you have any comments on our proposals for the funding cycle in the direct NFF, including how we could provide early information to schools to help their budget planning? [Comments](#)**

[Additional comments for Q21](#)

We believe that schools would find it most useful to have access to both of these options.

The notional allocations published in July would give schools early sight of what the NFF factors are and enable them to give early consideration as what their funding levels could be.

A calculator tool would then be useful to enable schools to get a more accurate picture of what their funding levels may be, and also to model their allocations based on known changes in data. This would potentially enable them to put financial plans in place at a much earlier point in the year.

**Question 23: Do you have any comments on the two options presented for data collections in regards to school reorganisations and pupil numbers? When would this information be available to local authorities to submit to DfE? [Comments](#)**

We do not have any preference out of the two options, both present acceptable solutions. School re-organisations are usually planned well in advance and so the timescales presented in the consultation would be acceptable.

However, it is worth highlighting that the earlier in the reorganisation process information is requested, the higher the risk that the information may prove to be inaccurate as it so heavily depends on parental preference.

**Question 24: Regarding de-delegation, would you prefer the Department to undertake one single data collection in March covering all local authorities, or several smaller bespoke data collections for mid-year converters? [One single data collection / Several smaller bespoke data collections / Unsure](#)**

One single data collection.

**Question 25: Do you have any other comments on our proposals regarding the timing and nature of data collections to be carried out under a direct NFF? [Comments](#)**



Additional comments for Q24

We believe that a separate data collection in March to cover the amounts schools will pay for de-delegated services would be the most beneficial approach in giving the Department the information it needs to operate the NFF appropriately whilst not adding significantly to the administration burden placed on Local Authorities.

DRAFT