

Schools national funding formula - stage 2

This document is to help groups of individuals collate views before submitting their response to the high needs funding consultation via: <https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

Any responses submitted in this form via the consultation mailbox will not be accepted unless special arrangements have been discussed.

Overview

We are introducing a national funding formula to make funding fair for schools and children. This consultation seeks views on the detailed design of the formula, building on the earlier consultation on the principles and structure.

The executive summary outlines our proposals and the effect on schools, and the consultation document explains these in detail. The effect on each school and area is shown in full in the impact tables. We have published the technical notes to accompany these tables. The equalities impact assessment considers how our proposals relate to the 8 protected characteristics identified by the Equality Act 2010.

If you have a question about the consultation process please email our dedicated mailbox. If your question is about the data or calculation used for a particular school, please include 'NFF data query' in the subject line.

Introduction

A) Trafford School's Funding Forum

B) amy.nield@trafford.gov.uk

This is optional, but if you enter your email address you will be able to return to edit your consultation response at any time until you submit it. You will also receive an acknowledgement email when you complete your response.

C) Local authority representative

Please select your role from the list below:

Please select only one item

- Governor
- Headteacher/principal
- Local authority representative
- Multi-academy trust member
- Parent
- Pupil/student
- Sector organisation representative
- School business manager/bursar
- Teacher

- Other educational professional
- Other

Please select your organisation type from the list below:

Please select only one item

- Academy
- Academy - free school
- Academy - grammar school
- Local authority maintained school
- Local authority maintained school - grammar
- Local authority
- Multi-academy trust
- Representative body
- Other

Organisation name:

Local authority area:

Please select only one item

- Trafford

D) Would you like your response to be confidential?

Information provided in response to consultations, including personal information, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 1998 or the Environmental Information Regulations 2004. In addition, the Education Select Committee may request to see the consultation responses as part of their role in holding the government to account.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

Please select only one item

- Yes
- No

Reason for confidentiality:

Page 2 - overall approach

1) In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

Please select only one item

- Yes
- **No**

Please explain your reasoning and any further evidence we should take into account:

We did not expect, being one of the lowest funded authorities in the country that as a result of this consultation we would not gain and that many of our schools will in fact lose out.

There are key elements of the government's proposals that we would like to see amended, namely :

1. Weakness of evidence for proposals and continued use of averages
2. The proportion of weighting given to AEN rather than basic entitlement
3. The 3% funding floor, which locks in historical differences
4. Quantum and spending cuts

These are dealt with in the following sections.

Weakness of evidence for proposals and continued use of averages

As with the first stage of the consultation, there is still a basic weakness in that there is no commitment to a definition of what the government is actually funding. The emphasis is on redistributing money more fairly, which is fine and long overdue, but without some clarity on what level of service the money can purchase, there is a danger that the new system does not take us much further forward.

It is disappointing to see the continued use of averages, which reflect what LAs can currently afford to do, rather than a needs-based model which can evidence that the proposed funding levels are sufficient to cover the required costs of operating schools of different sizes and levels of needs wherever they are in the country. As part of the ongoing strategic approach to schools funding we would urge the DfE to undertake to analyse and assess activity led funding to be factored into the funding formula rates prior to the implementation of the hard formula in 2019-20.

The funding formula model developed by f40 has attempted to do this based on analysis of staffing ratios and associated school level costs and we would urge the DfE to again consider each element of the model to ascertain the true cost of operating a school to ensure the proposed funding rates are sufficient.

Without the underlying understanding as to what the government is funding it is difficult to understand the rationale for the basic entitlement compared to the additional needs. The proposals state that there has been a deliberate movement of funding into additional needs, partly to support those "just about managing" families, but we don't consider that the additional needs indicators do support those families and therefore by reducing the basic element of funding this could be having the opposite effect to that intended.

The proportion of weighting given to AEN rather than basic entitlement

Our initial reaction is that too much funding is directed towards deprivation and that when Pupil Premium is also taken into account this could be considered as double funding. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

The 3% funding floor, which locks in historical differences

One of the key principles set out in Stage 1 of the consultation, was that pupils of similar characteristics should attract similar levels of funding wherever they are in the country (allowing for the area cost adjustment). When the funding formula to be implemented is deemed fair, it should be applied to all schools on a consistent basis.

However, the proposed 3% funding floor "locks" in some of the historical differences for those schools which have been overfunded for several decades. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for

pupils across the country. Stability for schools in funding is important, but not at the expense of never reaching a fair formula and outcome.

Quantum and spending cuts

We understand that this consultation is about finding a fair funding methodology and not (at this time) about the quantum of funding available. But, schools in lower funded areas have been making cuts for well over five years now and have reached the limit of where cuts can be made. We recognise the work that the DfE has undertaken in supporting schools in making efficiencies, but we are struggling to understand where more cuts can be made in the lowest funded authorities.

The removal of the Education Services Grant will have an impact on schools. Academies will have costs which were supported by the ESG which they will need to fund from their GAG and LAs cuts are likely to lead to additional charges to maintained schools.

We understand that the DfE believes that £1 billion worth more cuts are available within the system, but we consider that they need to align those cuts with their requirements from the system. For example, when building a school the capital budget will define the number of bricks that can be bought and therefore the number of classrooms or breakout spaces or music spaces or science labs that can be built.

Equally the level of revenue funding defines the number of teachers (and therefore the number of pupils per teacher) and education support staff and pastoral care staff and leaders within the school. The additional needs funding should separately add further staff or therapists to the core staff within the school. Without understanding what is being purchased you cannot say that there is room for cuts. In the capital example, eventually you run out of bricks for a music room, or classroom and likewise with the revenue funding you run out of teachers or pastoral care or leaders and the school cannot effectively function however much you would like to think it can. Efficiency and an understanding about what it is that is being purchased must work hand in hand.

It is also disappointing to note that there is no long term reassurance with regards to protections and gains as there is no mention of what will happen past 2019-20. To give schools and local authorities stability into the future a cross party agreement should be made to cover the next 10 years.

2) Do you support our proposal to set the primary to secondary ratio in line with the current national average?

We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage one. We are now consulting on how great the difference should be between the phases.

The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

Please select only one item

- Yes
- No – the ratio should be closer (i.e. primary and secondary phases should be funded at more similar levels)
- No – the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase)

Please explain your reasoning and any further evidence we should take into account:

Difficult to answer any of the Yes/No options above.

We recognise a need for a differential between primary and secondary funding. However, the amounts and relative weightings need to be evidence based with reference to actual costs and factors such as:

- Teaching group sizes.
- Teacher contact time, including an allowance for planning, performance and assessment (PPA).
- Teaching assistant time.
- Absence e.g. sickness, maternity etc.
- Leadership costs.
- Non class staff costs.
- Resources.
- Exam fees (Key Stage 4 only).

Consideration should also be given to differential primary rates to reflect differences for reception, KS1 and KS2 pupils. These differentials would recognise class size legislation and increasing exam costs in primary schools. Using averages is too simple.

3) Do you support our proposal to maximise pupil-led funding?

We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average (see question 7 on the lump sum value).

Please select only one item

- **Yes**
- No - you should further increase pupil-led funding and further reduce school-led funding
- No - you should keep the balance between pupil-led and school-led funding in line with the current national average
- No - you should increase school-led funding compared to the current national average

Please explain your reasoning and any further evidence we should take into account:

In principle, yes. However the balance between the factors must result in adequate funding for all schools regardless of size and location. The interaction with the lump sum and sparsity factor is therefore key to ensure that any necessary and vital small schools remain sustainable as a result of the revised funding formula. If this is not sufficiently considered the formula could result in small schools closing and local authorities incurring additional costs to transport pupils. Further still there is the impact on the individual children (and potentially some very young children) that would find them having to travel significant distances to access school places.

We consider that the distribution of the lump sum and the sparsity factor could be managed locally in line with local priorities along with the other school led funding arrangements that will need to be made. We would anticipate that the DfE will suggest that this is not in line with a national formula and pupils across the country receiving the same levels of funding, but the current proposals already see differences in funding for the remaining school led factors alongside the ACA and proposals for transition and a locked in funding floor. Pupil led funding will be the main component of the formula and at that level will be equal – certainly much more equal than it currently is. Schools are not the same and it is reasonable that the school led factors, held in a ring fenced budget could be locally directed.

Page 3 - pupil-led factors

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right proportions for each factor.

4) Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors?

Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language).

The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may be only just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system.

We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

Please select only one item

- Yes
- No – allocate a greater proportion to additional needs
- **No – allocate a lower proportion to additional needs**

Please explain your reasoning and any further evidence we should take into account:

It is vital that the basic level of funding allocated to all schools is adequate for the school to staff and operate sufficiently. The additional needs funding should be as the name suggests, additional.

Increasing the deprivation funding is unlikely to reach the Jus About Managings (JAMs) that the funding is trying to support. FSM6 is the same indicator that is used for Pupil Premium and you have stated that JAMs are above this threshold. The lower band of IDACI tends towards the more deprived, although a taper might be possible to bring JAMs in. EAL is aimed specifically at supporting language acquisition and prior attainment is an indicator of SEN. Therefore, it is more likely that the basic funding is what will be needed to support JAMs in reality and yet this is the funding that is being reduced.

Pupil Premium (PPG) is not taken into account which represents a significant amount of additional funding for deprivation. There is no mention of narrowing the attainment gap, whether this is being achieved and what the future of PPG might be. Schools with the largest excess reserves are those with high levels of deprivation and PPG funding. Ring-fencing schools funding (eg standards fund in the past) has been a large contributor to the unfairness and indefensible funding system we currently have. PPG is repeating that situation. PPG needs to go into the mainstream formula to aid transparency and reduce bureaucracy. Schools may still have the legal obligation to reduce the attainment gap.

We think that basic entitlement should be around 80% of total funding rather than 72.4%.

Furthermore, we would propose that, if PPG must remain separate to mainstream funding, it should be revised to provide for the JAMs and hence reduce or avoid the double counting in the DfE's proposed funding values and the pupil premium.

5) Do you agree with the proposed weightings for each of the additional needs factors?

Deprivation - pupil based at 5.5%

Please select only one item

- Allocate a higher proportion
- The proportion is about right
- **Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above.

We suggest that PPG, or a substantial part of it, should be amalgamated into the mainstream funding formula. We acknowledge that the government has so far rejected this idea, but we are sure that it would help to clarify total funding for pupils with additional needs and clarify or reduce the perception of double funding for deprivation.

There is also a question around the double funding of deprivation through PPG. Where schools attract relatively low levels of additional needs funding there needs to be confidence that basic funding is sufficient to cover the costs of running the school. The additional needs funding should be as the name suggests – additional and to support creative additional programmes for pupils, not prop up the funding for the majority of pupils.

Parents with children in infant year groups do not always apply for free school meals because of the universal infant free meal. Schools with these year groups; which are the building blocks for a child's future education path are being underfunded for their pupil needs as a result and to allocate more funding via this route will make that unfairness worse. As a minimum we believe that the DfE should be developing methods of removing the need for parents to need to apply for free school meals and this should now be an automatic entitlement for all that are eligible.

Deprivation - area based at 3.9%

Please select only one item

- Allocate a higher proportion
- The proportion is about right
- **Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above. Clarity is required between the differences as to what the deprivation funding in the main funding formula and PPG are supposed to support.

Low prior attainment at 7.5%

Please select only one item

- Allocate a higher proportion
- The proportion is about right
- **Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above. Concerns have been raised about the reliability and consistency of data being used to determine funding allocations under the current system in this area. National changes in assessments have resulted in data volatility which seriously undermines confidence

when using to allocate funding.

English as an additional language at 1.2%

Please select only one item

- Allocate a higher proportion
- **The proportion is about right**
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above. This is less about the proportion and more about who is deemed eligible and for how long. Certain groups may require varying levels of support and due to the 3-year limit some secondary schools will never receive support for EAL pupils.

6) Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?

We have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while we develop a more sophisticated indicator. We would welcome any comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.

Comments:

Leave it to individual local authorities as to whether they require this factor under local arrangements. The amount via this factor is small and to have parameters set nationally does not appear to be an effective solution. Local Authorities and their forums are best placed to set appropriate criteria (within parameters) for a mobility factor if they think it is required.

Page 4 - school-led factors

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right amounts for each factor.

7) Do you agree with the proposed lump sum amount of £110,000 for all schools?

This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

Please select only one item

Primary

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Secondary

Please select only one item

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

A more sensitive approach could be to link the level of the lump sum to the size of school rather than/or as well as sector. The lump sum is vital to support the operation of all schools, especially small schools. As such we believe that the lump sum needs to be considered alongside the basic per pupil funding amount and sparsity funding to ensure that a necessary small school receives a sufficient funding allocation to be able to operate.

We consider that the distribution of the lump sum and the sparsity factor could be managed locally in line with local priorities along with the other school led funding arrangements that will need to be made. We would anticipate that the DfE will suggest that this is not in line with a national formula and pupils across the country receiving the same levels of funding, but the current proposals already see differences in funding for the remaining school led factors alongside the ACA and proposals for transition and a locked in funding floor. Pupil led funding will be the main component of the formula and at that level will be equal – certainly much more equal than it currently is. Schools are not the same and it is reasonable that the school led factors, held in a ring-fenced budget could be locally directed. This is where local knowledge and negotiation are essential and the Schools Forum can provide this.

A needs led model should set out what the lump sum should fund. School's fixed costs should be provided for by a fixed income that is commensurate with the expenditure and likewise that variable expenses should be funded through a variable income stream and per pupil funding is precisely that.

The attempt to fix the lump sum at the same value for both sectors would appear to go against the DfE recognition of stakeholder feedback from the first stage of reforms back in April 2013 which resulted in local authorities being permitted to allocate different funding levels in their current local funding formula.

8) Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary and up to £65,000 for secondary, middle and all-through schools?

We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £65,000 for secondary schools.

Primary

Please select only one item

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Secondary

Please select only one item

- Allocate a higher amount
- This about the right amount
- Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

We would strongly recommend local flexibility around the usage of school-led funding factors (lump sum, sparsity etc.), and we believe this is where Schools Forum can exercise creditable local discretion. This will be a more reliable process than one relying on a one-size fits all national formula.

9) Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?

The growth factor will be based on local authorities' historic spend in 2018-19. For the longer term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

Comments:

Historical spend cannot be effective. The reason a new formula is being proposed is that the current system is based upon historical spend rather than on rational formula.

We would support a fundamental review of how growth in existing schools and new schools is funded. As we move towards a national funding formula there needs to be a consistent approach and guidance to funding growth and new schools. This will undoubtedly require local knowledge and input, but if there were national funding rates based on set criteria it would remove some of the additional issues in meeting sufficiency requirements.

The problem is trying to suggest an alternative. Growth fund has to be a local decision so there needs to be some flexibility around this.

Page 5 - funding floor

10) Do you agree with the principle of a funding floor?

To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the minimum funding guarantee (see question 13).

Please select only one item

- Yes
- **No**

Please explain your reasoning and any further evidence we should take into account:

One of the key principles set out in Stage 1 of the consultation was that pupils of similar characteristics should attract similar levels of funding wherever they are in the country (allowing for the area cost adjustment). When the funding formula to be implemented is deemed fair, it should be applied to all schools on a consistent basis.

As set out in response to Q1 the proposed 3% funding floor "locks" in some of the historical differences for those schools which have been overfunded for several decades. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country. MFG should be sufficient protection at -1.5% per pupil level.

The application of a national funding floor does not enable the model to achieve one of the key principles of 'fairness' and will only continue to perpetuate the argument for these changes outlined by the DfE of similar schools in different local authorities being funded at different levels.

If a floor is to be implemented there needs to be the ability to apply dis-applications to the calculation should school circumstances change, so not to further lock in historical funding which is no longer appropriate.

If a rational formula is being introduced then losses have to be expected particularly when there is not the capacity to inject large increases into the system. The idea of a funding floor is not sustainable in the mid to longer term. The DfE have to give more assurance to schools in future about funding over the next 5-10 years. However this is different from saying schools have to be protected from losses. Schools can plan for reductions if they are certain what they are over the next few years.

Judging by reports at meetings and in the media, it appears to be the case that the level of FSM/deprivation has dropped in London over the last decade. If that is correct, surely that is another reason not to lock in historic additional needs funding.

What will happen if a new school is created in a 'floor heavy' area? Will it apply a floor based on the average of neighbouring schools, which obviously would lock in past inequities and more funding even further?

11) Do you support our proposal to set the funding floor at minus 3%?

This will mean that no school will lose more than 3% of their current per-pupil funding as a result of this formula.

Please select only one item

- Yes
- **No – the floor should be lower (i.e. allow losses of more than 3% per pupil)**
- No – the floor should be higher (i.e. restrict losses to less than 3% per pupil)

Please explain your reasoning and any further evidence we should take into account:

See above

There should not be a funding floor.

The MFG mechanism provides stability to schools and if the NFF identifies schools that have been considerably better funded for many years then this funding should be removed over time and re-distributed accordingly.

MFG should be sufficient protection to allow change over a period of time. This floor locks in past inequalities. In fact, new schools in 'floor areas' are likely to attract new floor funding so it will be perpetuated.

12) Do you agree that for new or growing schools (i.e. schools that are still filling up and do not have pupils in all year groups yet) the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?

Please select only one item

- **Yes**
- No

We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled all their year groups.

Please explain your reasoning and any further evidence we should take into account:

Agree that new/growing schools may require additional protection, but need to ensure their funding is not artificially inflated and that there is the ability to apply disapplication's to the MFG should school circumstances change.

Page 6 - transition

13) Do you support our proposal to continue the minimum funding guarantee at minus 1.5%?

The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil per year.

Please select only one item

- **Yes**
- No – the minimum funding guarantee should be lower (i.e. allow losses of more than 1.5% per pupil in any year)
- No – the minimum funding guarantee should be higher (i.e. restrict losses to less than 1.5% per pupil in any year)

Please explain your reasoning and any further evidence we should take into account:

We are of the view that the continuing -1.5% per pupil MFG provides sufficient protection to schools on an ongoing basis.

Page 7 - further considerations

14) Are there further considerations we should be taking into account about the proposed schools national funding formula?

Comments:

There needs to be a more needs led approach. What does it cost to run a typical primary school and a typical secondary school. That should be the building block to the formula. Other factors such as AEN, ACA, small schools protection could be built onto that.

These proposals seem to be about redistributing from the existing base rather than being more radical about what is needed.

Education Services Grant (ESG)

The removal of the ESG will have an impact on all schools, whether maintained or academy. Academies will have costs which were supported by the ESG which they will need to fund from their General Annual Grant and local authority cuts are likely to lead to additional charges to maintained schools. This is another cost which schools across the country will have to bear without additional resources.

Movement between blocks

By ringfencing the Schools Block, the High Needs Block (HNB) becomes very exposed. In the past there was discretion to move funding between the blocks with the agreement of the Schools Forum, especially where the behaviours of some schools were not very inclusive. This has been

point has been highlighted to the DfE for some time now. When the High Needs Block becomes stand-alone the only method available for LAs will be to reduce funding for top-ups for mainstream schools, resource provision, special schools and alternative provision - in other words cut funding to the pupils that need it the most. The majority of pupils in schools without SEN will be protected by the Schools Block ringfence: the majority of pupils that need extra help will get a cut-price service. The answer to this is either to increase the funding into the HNB to ensure that it is adequate for pupils that need the most help (which it currently isn't, nor is it planned to be), or to enable schools via their Schools Forum to allow movement between Schools and High Needs.

Schools Forum and Local Expertise

And while we are talking about the Schools Forum, there is no clarity in the consultation about the ongoing purpose of the Schools Forum. The members of Schools Forums and locally elected Councillors have a considerable number of combined years of experience of the management of schools and education. They work in the local area and understand the needs of their communities. This is a huge resource of local expertise about what works locally and supports children locally. By moving to a funding formula managed from the centre, this local expertise could be lost.

There are still significant areas of the NFF and of the HNB funding that will require local authority input, yet the removal of the major element of funding for schools is likely to lead to this becoming a marginalised area of work, especially without a Schools Forum. This in turn could lead to a loss of the relevant officer expertise to understand split sites, other exceptional arrangements and the changes to the school landscape and the impact on the MFG. Any fairness that starts with the National Funding Formula will quickly ebb away, leaving schools in local areas unfairly compared to their neighbouring schools (let alone schools in other parts of the country). Clarity about how this is to be managed in future is needed very shortly.

Capacity of EFA to consider local issues

Following on from above, we question the ability and capacity of the Education Funding Agency to be able to properly consider all the data it uses and to work with schools to apply the necessary local knowledge to a national funding formula. This is what LAs do all the time in the management of their local formula. It is difficult enough to manage at a local level: doing so at a national level will be a considerable challenge. An example of this is that the EFA currently send local authorities lists of data that looks out of step as part of the APT process. This is the type of work the EFA will need to look at in future and we doubt that they have the capacity or local understanding to do this type of work).

Review Mechanism

The NFF is not something that is done once and just applied every year ad infinitum. Yet this is the way that it appears at present. The f40 approach to the NFF is to create a formula that is applied based upon criteria about class size, teacher costs and how schools are run. The DfE is basing its formula on average costs without knowing what it is buying. In 4 years' time when the next administration is in place and the next set of ministers want to leave their mark on the education system by the introduction of a priority (e.g. School Standards Grant, Pupil Premium, UIFSM), there must be an understanding of the basic needs before you can successfully make a targeted change to children's lives. As has been seen to date, when additional funding comes in, schools will automatically spend it on the basics before they spend it on the target. There must be a rational process for reviewing, adding or subtracting from the formula and the NFF does not provide that as it currently stands.

Auto-registration for free school meals

There ought to be auto-registration for free school meals. Parents with children in infant year groups do not always apply for free school meals because of the universal infant free meal. Schools with these year groups; which are the building blocks for a child's future education path are being underfunded for their pupil needs as a result and to allocate more funding via this route will make that unfairness worse. As a minimum, we believe that the DfE should be developing methods of removing the need for parents to need to apply for free school meals and this should now be an automatic entitlement for all that are eligible.

Page 8 - central school services block

The following 3 questions are about the central school services block.

Page 9 - central school services block

15) Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?

Please select only one item

- Yes
- No - a higher proportion should be allocated to the deprivation factor
- No - a lower proportion should be allocated to the deprivation factor
- **No - there should not be a deprivation factor**

Please explain your reasoning and any further evidence we should take into account:

Deprivation is more than adequately funded in the school's block.

16) Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?

Please select only one item

- **Yes**
- No - allow losses of more than 2.5% per pupil per year
- No - limit reductions to less than 2.5% per pupil per year

Please explain your reasoning and any further evidence we should take into account:

17) Are there further considerations we should be taking into account about the proposed central school services block formula?

Comments:

Yes. There should be a lump sum for each local authority for on-going responsibilities. Smaller local authorities are disadvantaged from these proposals because they cannot benefit from economies of scale. £250k should be allocated as a lump sum to each local authority for on-going responsibilities and the remainder put through the formula. Lump sums have been recognised in the schools formula and there is no reason why they cannot be included within this block.

Paragraph 5.22 refers to the ability of the LA to recycle money that is no longer needed for historic commitments into schools, high needs or early years in 2018-19. Clarity is required as to how this will be taken into consideration against a move towards a 'hard' national funding formula for schools i.e. if funding is moved into the schools block in 2018-19 is there a danger it will be "lost" when the hard funding rates are introduced from 2019-20?

The consultation states that the department will "set out our long-term intention for funding released from historic commitments at a later point". We would request this guidance as early as possible as it is likely to influence Schools Forum decisions on where best to recycle this funding as and when it becomes available.

Finally, many of our members would also urge the DfE to consider the continuation of certain

pooled arrangements from within the central schools service block where they are to the benefit of all schools (maintained and academies) across the LA. In much the same way as the national copyright licences, there are opportunities to broker similar arrangements for all schools which removes a considerable amount of administration costs.

As far as historic commitments go, these are totally discretionary and spend varies enormously between local authorities. Decisions around these have often been made on the grounds of invest to save- eg prudential borrowing. It would appear that protecting on historical spend would mean that local authorities can keep the funding for the spend and for the corresponding savings which are elsewhere in the DSG. The proposals around monitoring historical spend are too bureaucratic. The answer would be to transfer this funding to a per pupil basis, over the next five years.

Page 10 - equalities analysis

The question below refers to the equalities impact assessment published with the consultation.

18) Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

Comments: