

Schools national funding formula – draft response

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?

With the 3% cap on overall funding reductions, the proposed national funding formula now strikes a better balance between fairness and stability. However, the level of overall funding indicates that delivery of a fair and stable system will be undermined. Fairness nor stability cannot be achieved under a funding model that redistributes funding. Under the formula change no school should lose funding especially with the cost pressures anticipated over the next three years.

Whilst the mechanics and financial impact of the new funding system are set out in detail, the government does not provide evidence that thousands of schools have the ability to maintain or improve performance levels with reduced cash budgets. Schools should be protected from the impact of the funding formula, and should be protected against the impact of wider cost pressures, particularly those that are a direct result of government policy such as the apprenticeship levy.

2. Do you support our proposal to set the primary to secondary ratio in line with the current national average of 1:1.29, which means that pupils in the secondary phase are funded overall 29% higher than pupils in the primary phase?

The decision to use a national average approach represents current practice and no evidence has been provided to suggest this is correct.

3. Do you support our proposal to maximise pupil-led funding, so that more funding is allocated to factors that relate directly to pupils and their characteristics?

Yes. It is equally important that schools with exceptional characteristics - such as split sites and PFI contracts continue to be recognised fairly in the new funding system.

4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language)?

Yes, but under the proposed funding system, there would be an inconsistency between deprivation funding within the formula and deprivation funding channelled through the pupil premium outside of the formula. Whilst deprivation factors based on free school meals (FSM) within the national funding formula will be area cost adjusted, the pupil premium grant based on the same criteria is currently distributed through a flat per pupil rate. The pupil premium should be protected and adjusted for area costs.

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

Updates to IDACI data will need to be managed carefully. Local flexibility was exercised by the Schools Forum, which enabled the recent turbulence in the IDACI to be managed. Once a 'hard' formula has been introduced this will not be possible

The high weighting proposed for prior attainment is likely to take funding away from relatively high-performing areas such as London.

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

London Councils commissioned the Education Datalab to produce detailed research into the impact of pupil mobility on London's schools. The report provides evidence of the higher levels of mobility in the capital and provides estimates of the per pupil costs of different types of mobility based on interviews with schools. Practical proposals for the design of a national funding formula factor, based on the national pupil database, are also outlined the research would seem a better way forward.

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

The lump sum should be varied for primary and secondary schools. Small secondary schools are facing real challenges and the lump sum should reflect their larger management structure in comparison to primary.

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

n/a

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

No. Unfunded pupil growth is a significant challenge and we do not agree that the proposal to use lagged pupil growth data is an effective solution. The formula should not allow for pupils who are not funded. The school capacity survey (SCAP) data could be helpful for distributing suitable funding.

10. Do you agree with the principle of a funding 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.

Yes. We support the principle of a floor funded but this should be at current funding levels provided for by extra funding within the system.

11. Do you support our proposal to set the floor at minus 3%, which will mean that no school will lose more than 3% of their current per-pupil funding level as a result of this formula?

Extra funding should be invested to avoid any school losing out from these proposals.

12. Do you agree that for new or growing schools the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?

No, as funding would be over-allocated to these schools.

13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5% per pupil? This will mean that schools are protected against reductions of more than 1.5% per pupil per year.

Yes, the MFG should continue as under the current system.

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

The system of funding new schools from 2018/19 will mean all schools are on the funding floor. The "soft" funding formula will mean we will have to allocate the same funding as provided, meaning there will no flexibility with the system for Lewisham

15. Are there further considerations we should be taking into account about the impact of the proposed schools national funding formula?

Many of the cost pressures facing schools, as identified by the National Audit Office, are the direct result of government policy, such as changes to national insurance and pension contributions. Any action the government can take to ease these cost pressures would make the introduction of a fair funding formula less challenging.

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

Yes. Local authorities in more deprived areas are likely to incur higher costs.

17. 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?

Yes.

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

Following the effective end of the education services grant and the decision to roll retained duties funding into the schools block, a new system of funding for central functions begins in

2017/18. One year later, a second system of funding central functions will be introduced through the new fourth block of DSG. The introduction of two new systems in two years appears to lead to an uneven transition path for local authorities.

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