

# Implementing the direct national funding formula consultation

## Lewisham response 09.09.22

### Interaction between the direct NFF and funding for high needs

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?

#### No

The reduction should remain as headline on the affordability and therefore the MFG. The current process works and schools understand it. Our pressure in line with most LA's is currently based on the high needs block. We attend forum and explain the effect transfer would have on their MFG. Ultimately whilst MFG is in place that is the element which is also impacted when there is a transfer. Consulting with forum on the transfer also increased the shared responsibility between the LA and schools to develop cost mitigations.

### Interaction between the direct NFF and funding for high needs

2. Do you agree that the direct NFF should include an indicative SEND budget, set nationally rather than locally?

#### Yes

Lewisham supports the proposal that the Notional SEND figure should be set nationally, so that all schools have the same expectations based on a NFF. Currently the notional SEN figure is set at LA level but more than likely is based on some historic practices.

The formula should recognise that on average a school should be supporting around 3% to 4% of EHCP at the base cost of £6k. The formula should also be taken into consideration the pressure on smaller schools as a consequence. This assumes that the £6k will continue to be the "ask" on schools to continue to support.

Notional SEND should also cover the enabling costs of SEND support, e.g. cost of SENCO. At a recent meeting with DfE –Andre Imich suggested that each school should have a SENCO as part of the leadership team. If this is the DfE position, then there needs to be clear evidence that funding is available and that schools can visibly see it. The DfE should also ensure that their SRMA's understand link. This would encourage and enable schools to develop strong SEND leadership as a priority.

### Growth and falling rolls funding

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?

Managing provision of good quality of places for all pupils remains a statutory duty on local authorities. We do not support any proposal that places greater restrictions, thus frustrating LAs' ability to deliver on this role. LAs must be supported with local discretion and funding to

ensure that support and intervention is provided to all schools within their area so that all schools are able to contribute to the wider outcomes of providing high quality education to all pupils.

- 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**

- 5. Do you have any comments on how we propose to allocate growth and falling rolls funding to local authorities?**

The restriction that falling rolls funding can only be provided to schools judged “Good” or “Outstanding” by Ofsted should be removed to enable all schools should be able to develop towards good and outstanding. Limiting funding to a school at a time when they need to invest to secure improvement is counter-productive.

The value of the growth fund should be sufficient to meet the “basic” costs, e.g. extra teacher and TA and some resources. For planned growth this can be part of an annual submission process. However, at times growth is more reactive (demand led). This could be as a result of failing schools in a neighbouring borough or specific migration, for example –so there needs to be some flexibility to support in year demand/bulge requirements.

The same applies for falling numbers – pupil numbers tend to follow a cyclical pattern of 5 to 10 years.

- 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**

- 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**

- 8. Do you have any comments on the proposed approach to popular growth?**

We prefer local flexibility as LA’s have understanding of specific areas/schools that have pressures both growth and falling numbers and can work effectively with schools to support the sufficiency duty.

We believe that the approach and rules should be equitable for pupils, regardless of the school being maintained/academy. If a school is popular, we believe growth is best managed when it is considered by the LA’s place planning partnership so that the implications can be understood across the system. The issue with isolated expansions is that they can have unintended consequences for other schools in the neighbourhood. Growth needs to be considered as part of the councils overall strategic place planning process.

## **Premises funding**

- 9. Do you agree we should allocate split site funding on the basis of both a schools' 'basic eligibility' and 'distance eligibility'?**

**Unsure**

- 10. Do you agree with our proposed criteria for split site 'basic eligibility'?**

**Yes**

- 11. Do you agree with our proposed split site distance criterion of 500m?**

**The distance criteria should be longer**

- 12. Do you agree with total available split sites funding being 60% of the NFF lump sum factor?**

**No**

- 13. Do you agree that distance eligibility should be funded at twice the rate of basic eligibility?**

**The basic eligibility should be given a higher weighting**

- 14. Do you agree with our proposed approach to data collection on split sites?**

**Yes**

- 15. Do you have any comments on our proposed approach to split sites funding?**

In our view distance is not the issue but more if the building needs to be treated separately and incur costs. Split site should be based on the "basic" extra cost required to operate a split site. For example, reception costs, security costs. The only point at which distance becomes an issue is where the distance is very significant and requires pupils travelling to and from the sites which may require transport and result in for lost teaching time. Perhaps this could be a consideration.

Please note Area Cost Adjustment would need to be a consideration for split sites.

The 60% proposal is too crude, a better view would be to establish what is expected to be the additional cost of operating a separate building, e.g. reception, security, deputy etc and providing some contribution towards that overall cost.

**16. Do you agree with our proposed approach to the exceptional circumstances factor?**

**No**

**17. Do you have any comments on the proposed approach to exceptional circumstances?**

Guidance suggests the following as exceptional.

- Examples of categories which are currently funded through exceptional circumstances that we propose to retain therefore include:
- Farm school: Schools with a farm attached and used for its educational provision.
- Rental agreements: Schools which rent additional premises in order to deliver their curriculum because they have inadequate facilities.
- Dual or joint use agreements: Schools which share the use of a facility in order to deliver their curriculum because they have inadequate facilities.

In Lewisham we have 2 exceptional factors:

- a. Service charge that the landowner requires to be paid as the school is built on land that attracts a service charge – we would consider this to be a good example of an allowable factor
- b. Playing fields which we believe are covered by the dual or joint use agreement

As a general rule, we would assume MFG protection would be applied in the cases where exceptional factors have been awarded previously. Could this be confirmed?

**The minimum funding guarantee (MFG) under the direct NFF**

**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**

**19. Do you agree that we should move to using a simplified pupil-led funding protection for the MFG under the direct NFF?**

**Yes**

**20. Do you have any comments on our proposals for the operation of the minimum funding guarantee under the direct NFF?**

The wording is open to misinterpretation so for clarity, we agree that no school should receive less funding than they did in the previous year but instead receive the per pupil funding for 2022/23 plus MFG uplift. So for example if a school received £100 per pupil then with a 2% uplift in MFG the school would receive £102 (example given to illustrate point). The year on year comparator works on the same principle.

Guidance provided is complex and not totally clear to follow. However we do agree with the overarching sentiment that funding for all schools should be protected in a fair manner. This means equally that the protection is not too high or too low. Schools should be given sufficient timing to adjust for any reduction/change in funding.

## **The annual funding cycle**

**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?**

### **Calculator tool**

**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?**

In Lewisham we provide schools with a funding tool that allows the school to populate key data which then translates to expected funding levels. We feel that a calculator tool on this basis would be helpful. Schools need three year funding to be able to develop long term sustainable budget positions.

**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?**

Our preference would be:

“We could issue the request in December as we currently do, using a form pre-populated with data from the October census. Local authorities would then need to return this form with a relatively short turnaround – by the end of the first full week in January at the latest. We would expect this should be manageable for local authorities since this pre-populated form would be significantly smaller in scope than the current APT, and it will only seek information on school reorganisations and changes in pupil numbers which is readily available to local authorities”

**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**

**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?**

One main data collection exercise at the beginning of the cycle - we would assume the de-delegation position stands that any conversions post September would not reduce LA spend

for that year. We are anxious to gain feedback on the PFI factor as Lewisham applies PFI as a funding factor. We would assume any changes will not affect for 2023/24.