

NFF – Schools Block Questions

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?

We are not convinced that the right balance has totally been struck by these proposals. For a fair and stable funding system, it is important that sufficient funding is provided to meet the educational needs of all children and young people. Therefore, as stated in our previous response, it is imperative that NFF ensures our schools are funded at the right level based on need and not averages that have been informed by historical under funding. Our view is that none of our schools should see a cut in funding.

In the recently published National Audit Report, there was reference to the DfE commenting schools required 8.6% to meet the cost pressures they were facing. The report highlighted that the additional funding provided as part of the Spending Review of 7.7%, but once the cost effect of increase pupil numbers was discounted, the total available for allocating to schools and support the implementation of the NFF amounted to 1%. We do not think this is sufficient, especially when the negative effect of the formula is being experienced by our smaller schools. This is doubly unfair for these schools as they do not have the sufficient flexibility to release the required to meet cost pressures facing them through efficiencies.

In addition, we ask for greater clarity on who would be accountable for the outcomes of the NFF. Currently, there is a democratic process by which local authorities through the resources provided by the Education Services Grant and their Schools Forum are held to account by local communities, parents and schools for their local funding formulae to support raising of standards. Under a NFF and the very limited resources to be provided to local authorities through the new Central Schools Services Block, we would ask would the Secretary of State for Education be accountable to the parents and families of our pupils and schools for the effect on standards as a consequence of the NFF.

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?

At a basic level, we could consider this is appropriate as it is not too dissimilar to Enfield's current ratio of 1:1.30, but our main concern is that the methodology used to identify the ratio is a historic national average rather than based on a more robust methodology such as needs / activity based analysis.

Need to do an analysis

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, since 2014 and the introduction of the school funding reforms, this has been one of Enfield's key principles in 2014 for implementing the changes. However, we would ask that there is sufficient flexibility within the system to address any changes in a school's circumstances.

We do not agree with funding the school led elements on an historical basis will provide sufficient flexibility and, especially, if there is insufficient resources available within the DSG to facilitate and meet the unique circumstances of an individual school.

Enfield allocates 90.6% on per pupil basis.

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)?

In principle, we support the increase in the proportion allocated to the additional needs factors. However we would question the weightings being applied for each of the factors will support schools in individual areas. We acknowledge the use of prior attainment, but do not agree the proposed application of this factor. We would ask that the application, in terms of rate and weighing, is further reviewed to ensure its application supports needs and does not create a perverse incentive within the two sectors.

We are concerned that the good progress our Looked After Children have made that this is not eroded by the removal of this factor because of the move from a local to a national formula.

We understand that the Pupil Premium is outside the NFF and ask that this remains to the case. The targeted support provided by this grant has helped to given individual pupils from deprived backgrounds and also Looked After Children much needed additional support.

Enfield LPA – 3.3% and national 7.5%

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

We recognise the need and support the factors being used to support additional educational needs.

However, as highlighted in Question 5, we would question the rationale for weightings and rates being used for each factor, and also whether the use of the same weightings across primary and secondary is appropriate. We have found that each sector has its own needs and the factors should aim to support these. For this reason, we are concerned that the generic approach being taken will not be intuitive or sufficiently flexible to address the characteristic of local areas.

We welcome the use of the basket of measures of FSM, FMS6 and IDAC1 to support pupils from socially deprived background as part of the NFF. This is a positive change and will assist in removing some of the barriers and improve access to opportunities for all pupils to achieve.

We would, however, ask that the indicators used to assess free school meal (FSM) eligibility are reviewed as a matter of urgency because of the effect of the Welfare Benefit Reforms. From being a stable indicator linked to individual pupils for measuring and supporting deprivation, in Enfield, we have seen, in the last five years, a significant year on year reduction in the number of pupils eligible for FSM. We accept some annual variations, but not the level which has been seen in Enfield. For example, in 2011 28.9% of pupils were eligible for FSM and now this has been reduced 18.6%. We do not think this change is due to the borough seeing a reduction of over 33%. For the NFF, consideration could be for having a banding system to prevent cliff edges and reduce the adverse annual impact a change in percentage has for an individual school.

We would ask in finalising the arrangements, it is confirmed:

- If the reduction in FSM continues, the unit rates will be increased and the overall funding not reduced and used elsewhere;
- The timetable for reviewing the indicators used to assess FSM.

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 support the retention of this factor, but going forward, do not consider the use of historic spends or the threshold of 10% before funding is triggered as being inappropriate. This will not support our schools.

As highlighted in our response to the previous consultation, Enfield continues to see an acute increase in the number of families and their children living in temporary housing and this resulting in these children and young people either travelling across the borough to attend

their school or having to move schools as their families move to different accommodation.

With the increasing pupil population, Enfield schools are facing challenges both in terms of recruiting staff and managing the issues associated with large schools and in-year admissions. The current 10% cap for mobility cannot be retained; it is neither helpful nor appropriate for schools or areas with a transient population.

We would ask the data collection systems need to be updated as a priority, so that pupil changes at school level reflect the actual position at each school and our schools funded appropriately.

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

With regards the lump sum, we support the principle of a lump sum for the formula, but do not support a single lump sum of £110k across all sectors is appropriate.

We currently have a lump sum of £162k across all schools and feel this higher rate should be retained. We are aware that large schools are not reliant on the lump sum and would argue that smaller schools are not supported by the proposed amount of £110k. In Enfield, over 90% of schools with less than 400 pupils will see a loss in funding due to this change.

We ask consideration is given to a different rate being applied for the primary and secondary sectors.

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

This factor is not applicable for Enfield, but we would question the continued retention of this factor and the overall increase in funding being proposed when there is not a similar change for mobility.

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

We do not believe that use of historic or lagged growth will support local needs on a year on year basis. This could be appropriate indicator, if growth was evenly distributed from one year to the next, but Enfield has and continues to experience a changing and growing population with movement into, out of and within the Borough. This isn't helped with unplanned academies and free schools being opened in areas where schools places are not required.

Added to this, the current pupil growth is in the primary sector and when these pupils move to secondary, it will cause an unnecessary pressure on the DSG, because secondary pupils are funded at a higher rate.

The funding system needs to ensure funding for growth is sufficiently flexible, so that resources are provided through the DSG to reflect the funding required for the growth we are experiencing. This could be achieved with an in-year adjustment to reflect actual pupil numbers and this will provide some consistency between the current arrangements for academies and maintained schools.

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.

As stated in Q1 above, the funding floor should work to support all schools.

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?

No, we do not think any of our schools should lose funding as a result of the NFF when the aim is to bring fairness and stability into the school system.

The proposals show that all the smaller schools in Enfield will experience a loss in funding. It is unclear how these schools will sustain a budget cut without impacting on educational standards. By the Government's own admission in the National Audit Office report, it was stated that schools will see a real term reduction due to cost pressure of approximately 8.5%. This does not take into account the cuts schools have had to make to manage because of the effect of a flat cash budget since 2012. For some schools, it is unclear under the current proposals when they will be above the floor.

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?

This maybe an appropriate for new schools, but there needs to be recognition within the system that as these schools fill up that the floor will be adjusted so they are not over funded when full.

Also, it is important that this does not create a perverse incentive and there is sufficient flexibility in the system to reflect the local context in which the school is being established or expanded.

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.

In the first instance, we would suggest that sufficient resources are provided so no school loses any funding due to the changes being introduced and then we would agree with the principle of a minimum funding guarantee, but suggest that it should be sufficiently flexible to address implementation at a local level.

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

The principles and parameters for implementing the NFF should include:

- How reviews of areas identified to be funded on historical spend, such as growth, will be funded and implemented;
- How changes in funding, for areas such as business rates, will be funded;
- Some local flexibility to manage an adverse effect of a factor on local schools;
- Greater transparency and openness with a requirement for the EFA to publish information of final funding provided to academies and free schools in a similar way as local authorities are required (Section 251 Budget Statement);
- School budgets should move away from being funded on a flat cash basis and be adjusted for annual cost pressures. At the very least, NFF should provide additional funding for any new national pressures, such as the apprenticeship levy, pay awards or pension or national insurance contributions. The additional funding should be outside the calculation of the floor for the NFF for each school.

Please consider these points for relevance and appropriateness

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

For maintained schools, the anomaly created by the apprenticeship levy is deemed to be unfair or inequitable and will add a further cost pressure for these types of schools. It is important when considering school funding to ensure that NFF is allocated fairly and each

school has been provided with sufficient resources to meet their statutory obligations both in terms of education and as an organisation.

To support local accountability, there is a need for local flexibility to be maintained and for local authorities with their Schools Forums to consider the use of the DSG in its entirety to support the raising of standards. It is not appropriate to ring fence some areas and then seek pressures for underfunding with the DSG to be met from other areas which are already under pressure.

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

We think the same methodology as the NFF for schools being applied should be applied and would reiterate our comments in response to Question 5 above

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?

No, we do not agree. Similar to our response to school funding, we do not think any local authority should lose funding as a result of the formula. The current spending reflects the cost of delivering the service in the local area. We would recommend the funding floor methodology for the NFF for schools is applied in the same for this block.

The formula, which is being introduced, does not provide a clear rationale based on need, for the unit rate and weighting for deprivation being applied.

As has been highlighted by London Councils and being reiterated here, for us to meet the shortfall in funding created by the proposed arrangements, we are being forced to choose between reducing core school funding (either through a top-slice or buy-back model) and redirecting funding away from other key services through the use of Council funds. We do not think this is an appropriate way forward. We would comment that the funding gap being created is an acute risk to the delivery of statutory functions and will have a direct impact on educational standards and pupil welfare. Therefore, we support London Councils call on the government for reinstating this funding into the education services grant.

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

We would ask that the further consideration be given as to how local authorities can continue to delivery their statutory duties for both all schools and maintained schools with the cessation of the ESG and the reduction in funding to be provided through the NFF and the Central Schools Services block.

NFF – High Needs Block Questions

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?

No, we are not convinced that the right balance has totally been struck by these proposals.

We are concerned that the NFF proposals for mainstream schools seek to ring-fence the funding provided through the Schools block. We do not think it is appropriate to ring fence some areas and then seek pressures in the High Needs block due to underfunding of the DSG to be met from other areas.

The High Needs block is demand led: with the introduction of the SEND Reforms and use of

Education Health and Care Plans, Enfield has seen a significant increase in the number of pupils with SEND requiring specialist educational support. Due to insufficient specialist provision in-borough, in October 2014 the number of pupils placed in Independent and other out borough non-maintained provision was 220 and this increased to 304 in October 2016; an increase of 28% in two years. We are not convinced that the proposed formula has addressed this level of need.

For a fair and stable funding system, it is important that sufficient resources are provided to meet the educational needs of all children and young people. Therefore, as stated in our response to the School block consultation, we consider it is imperative that the key principle is that there are sufficient resources within the system to support education for all.

Any comments to be added re: SEND Code of Practice. Links between link with Ofsted/school accountability

2 We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals?

- Historic spend factor – to allocate to each local authority a sum equal to 50% of its planned spending baseline
- Basic entitlement – to allocate to each local authority £4,000 per pupil

Historic spend factor: We ask if this factor is to be maintained beyond 2018/19, then it needs based on the actual spend in the previous year. By locking this historic factor on planned spends in 2017/18; the NFF will continue to perpetuate the current problems of underfunding our High Needs block. This is because:

- the key pressure within the DSG is the High Needs block because of the increasing number of vulnerable pupils with complex SEND (see response to question 1 above);
- the historic spend does not reflect the in-year deficits that needs to be addressed by redirecting or cutting resources from other areas within the DSG.

Basic entitlement: We, in principle, we support this factor, but question the use of £4k and would ask whether this is sufficient to support the infrastructure of a special school, if the top is supposed to address the individual needs of each pupil.

We would also like clarification that as pupil numbers increase additional funding will be added for the allocation of these £4ks and it will not be an adjustment of our baseline as it appears to be at the moment from the illustrative model included with the consultation.

3 We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

- Population – 50%
- Free school meals eligibility – 10%
- IDACI – 10%
- Key stage 2 low attainment – 7.5%
- Key stage 4 low attainment – 7.5%
- Children in bad health – 7.5%
- Disability living allowance – 7.5%

In general:

- We would support some of the factors and would question the appropriateness of others. There is some correlation between pupils from socially deprived background and low prior attainment, but would seek some evidence on how outdated data being proposed for some of the other factors, for example Children in bad health, could inform the current needs and resources required.
- We find it difficult to comment on the rates and weightings being applied without having further information on rationale used for each of the factors.

4 Do you agree with the principle of protecting local authorities from reductions in funding as

a result of this formula? This is referred to as a funding floor in this document

We would support the principle of a protection mechanism, if the data used for the baseline exercise is based on actual expenditure. We would, however, say that it needs to be within the context that it is fair and reasonable and provides sufficient resources to meet the needs of pupils with complex SEND. It is uncertain that the current proposals do this.

As the NFF has not been tested against need and if the historic spend is locked at 2017/18 levels and there is no clear rationale for the other factors, then we would ask that it is confirmed:

- how the in-year pressures should be met if the Schools block is ring fenced and the Authority has no funding to support this;
- when and how a review of the NFF to confirm if it is appropriate and meets the needs of pupils with complex SEND.

5 Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

In principle a floor could be positive, but we are not sure a floor will be helpful in this area. Our concern is that the spending baseline will be based on planned spend and not on the actual spends.

As stated above, High Needs is an area where it is difficult to predict demand and by not having funding arrangements in place that will intuitively reflect demand, it is uncertain how a floor or capping arrangements will enable authorities to meet the current increases in demand.

It is important that sufficient funding is provided to meet the needs of children and young people that are currently in education and it is not delayed due to an arbitrary process of having a funding floor.

6 Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

We would ask there is local flexibility across all areas of the DSG and not just parts of the DSG. Currently, local authorities work with their Schools Forum to make the best use of limited resources. Unless all the proposed blocks within the DSG receive sufficient resources, we cannot agree with the proposal to limiting local flexibility.

7 Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

Any successful funding system is reliant on being able to address the needs and outcomes of children and young people. This requires a holistic approach, which assesses needs of all children and young people in the local area. We do not think this can be achieved by limiting local flexibility.

Enfield works closely with all schools to consider how the needs of pupils with SEND can be addressed in the best way possible.

We cannot meet the needs of our children and young people within the resources currently provided and have concerns that the proposed NFF is unlikely to provide sufficient resources. It is important as stated in the School block consultation that to support local accountability, there is a need for local flexibility to be maintained and for local authorities with their Schools Forums to consider the use of the DSG in its entirety to support the raising of standards. It is not appropriate to ring fence the Schools block and then seek for pressures on the DSG due to high needs be met from other pressurised areas such as early years and central services. By cutting the Education Services Grant and other cuts the Authority is facing, it is unlikely that resources will be available to support an area which should be funded by central Government.

If the ethos of the SEND Reforms is to be supported, then there is a need for the whole community of schools to work together in partnership and ensure scarce resources are directed in a holistic and effective way to support the needs of all vulnerable children and young people.

8 Are there further considerations we should be taking into account about the proposed high needs national funding formula?

We are concerned that the proposals in this document have been driven because of the need to have a NFF for high needs. We cannot understand the logic of how the use of historically and outdated data can provide a coherent, fair and stable funding system for supporting pupils with high needs.

The formula does not address the underlining issue of the funding required to address the complex and variable needs of our most vulnerable pupils. It is essential that this is a key principle for the NFF and used to test the current design.

9 Is there any evidence relating to the eight protected characteristics as identified in the Equality Act 2010 that is not included in the Equalities Analysis Impact Assessment and that we should take into account?

Any to add on SEND Code of Practice or reforms in the Children & Families Act

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