

London Borough of Enfield

Schools Forum

Meeting Date: 6 October 2021

Subject: RESPONSE TO DFE CONSULTATION ON FAIR SCHOOL FUNDING FOR ALL

Cabinet Member: Cllr Uddin

Report Number: 16

Item Number: 4b

PURPOSE OF REPORT

- 1.1 This paper provides a copy of the response submitted to the DfE consultation on proposals for continuing with the Government's implementation of the national funding reforms.

At the last meeting, the Forum was briefed on the consultation. The deadline for responses was 30 September. For this reason, it was agreed that a draft response would be shared, for comment, with the Forum members prior to the response being submitted. The draft response was circulated to all Forum members at the beginning of this term.

No amendments were sought to the draft response and it was submitted as the joint response of the Local Authority and the Schools Forum.

RECOMMENDATIONS

- 1.2 The Schools Forum are asked to note the response submitted.

Consultation Questions

Question 1: Do you agree that our aim should be that the directly applied NFF should include all pupil-led and school-led funding factors and that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae?

No.

Each area has its own context in terms of make up of the pupil population and /or school organisation requirements, therefore it is important that there is local flexibility to review and allocate resources for any actual or expected local needs. The national context will not and possibly cannot address any fluctuations and changes experienced within each local area.

If the Department is fully supportive of its key principles of fairness, simplicity, transparency, efficiency and predictability, then enabling local flexibility will ensure that these principles are supported both at a national and local level because the general context and local requirements are being met.

Question 2: Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF?

Since the introduction of the School Funding Reforms, it has been found that most schools have put greater priority on raising standards than maintaining the school buildings and premises due to the financial pressure being experienced from rising costs because of national changes, i.e. National Insurance contributions or other inflationary or demand led pressures.

The funding arrangements for the premises factors are a major weakness within the current system. To date the premises factor has been funded based on historic spend and only fund PFI, split site or exceptional circumstances. The key concern is that there appears to be no recognition of maintenance issues confronting schools on a daily basis. There needs to be a robust process in place that ensures schools are adequately funded to maintain their estate to an appropriate standard and thereby reduce the need for far more costly capital investment. It is not just about PFI or split site.

Previously, the local formulae may have had a higher amount within the lumps sum to provide some flexibilities for individual schools. With the reduction in the amount allocated through the lump sum within the national funding formula, it is questionable how a national funding formula will support a premises factor because of the number of variables associated with school buildings, e.g. age, size, being considered of historic value, situated on several sites, etc.

Question 3: Do you agree with our proposal to use national, standardised criteria to allocate all aspects of growth and falling rolls funding?

Not sure

Growth Fund:

There is insufficient information relating to either the standardised criteria or the measure to assess significant change to comment.

Withstanding this, we are concerned that the proposal to include popular growth funding is limited to academies and not available for maintained schools. This proposal does not fulfil the key principle of fairness.

Falling Rolls:

The definition suggested for supporting schools with falling rolls could be considered a misnomer and possibly against the Department's key principles of fairness and equity.

The aim of a falling rolls fund is to support schools to manage a change in their circumstances yet the use of the fund is restricted to schools with a Good or Outstanding grade at their most recent Ofsted inspection. We do not believe this restriction is in the best interest of the individual schools or the pupils currently attending the school because it is viewed as an unfair funding system. A school can move from a good or outstanding judgement for a number of reasons that are not linked to a falling pupil roll. For example, we have seen approximately 2.5% reduction over the last five years in the pupil populations across all types of schools with different level of Ofsted gradings. This level of reduction is not uncommon across London. A recent survey commissioned by London Councils stated that there was a general decline in the birth rate with a decrease of 2.5% in live births in England and Wales in 2019 and a 12.2% decrease since the most recent peak in 2012.

We would ask that if a falling roll factor is included in the NFF that it treats all schools fairly because of the need to provide and enable all pupils to achieve and meet their expected outcomes.

Question 4: Do you have any comments on our proposed approach to growth and falling rolls funding?

From the information provided, we do not feel able to comment on the Department's approach.

Our preference would be for the factor previously in place of a protection arrangements for a three year period for all schools irrespective of their Ofsted grading. This would enable schools a period of time to manage the change in their pupil numbers without impacting on educational standards.

Question 5: Do you agree that, in 2023-24, each LA should be required to use each of the NFF factors (with the exception of any significantly reformed factors) in its local formulae?

No.

Individual local authority should continue to have the flexibility based on their local circumstances to decide whether or not to use the NFF factors / unit rates.

Question 6: Do you agree that all LA formulae, except those that already 'mirroring' the NFF, should be required to move closer to the NFF from 2023-24, in order to smooth the transition to the hard NFF for schools?

No.

Individual local authority should continue to have the flexibility based on their local circumstances to decide whether or not to use the NFF factors / unit rates.

Question 7: Do you agree that LA formulae factor values should move 10% closer to the NFF, compared with their distance from the NFF in 2022-23? If you do not agree, can you please explain why?

No.

Individual local authority should continue to have the flexibility based on their local circumstances to decide whether or not to use the NFF factors / unit rates.

Question 8: As we would not require LAs to move closer to the NFF if their local formulae were already very close to the NFF, do you have any comments on the appropriate threshold level?

No.

Individual local authority should continue to have the flexibility based on their local circumstances to decide whether or not to use the NFF factors / unit rates.

Question 9: Do you agree that the additional flexibility for LAs in the EAL factor, relating to how many years a pupil has been in the school system, should be removed from 2023-24?

No.

Individual local authority should continue to have the flexibility based on their local circumstances to decide whether or not to use the NFF factors / unit rates.

Question 10: Do you agree that the additional flexibilities relating to the sparsity factor should remain in place for 2023-24?

Yes

If this factor enables pupils across the country to have equal access to education, then it should continue to be in place.

Question 11: are there any comments you wish to make on the proposals we have made regarding ongoing central school services, including on whether in the future central school services funding could move to LGFS?

Statutory Duties for all schools

We do not support the proposed changes to the Central Services Schools block to be part of the Local Government Finance Settlement.

We consider any element of educational statutory duties deemed to be the responsibility of the LAs that these should be funded as part of the education settlement and not the MHCLG's Local Government Finance Settlement. This would provide clear accountability of the requirements for LAs. We ask going forward that the Department shares its views and consults on the statutory duties that are the responsibilities of LAs. It is important any changes that are put in place enable LAs to meet this obligation. It is not reasonable to push the cost of these duties to local residents and taxpayers.

Statutory Duties for maintained schools

LAs still have responsibilities for various statutory functions a large number of maintained schools.

We do not believe the proposals for supporting maintained schools are in line with the principles of fairness, reasonableness or equity. For example, it is unclear why it is assumed it is reasonable for Multi Academy Trusts to pool and / or top slice resources from the schools within their trust and yet it is not reasonable for LAs to have a similar flexibility. The use of the governance structure is not a reasonable claim.

If the premise for the NFF is that the resources provided through the NFF to schools are used for pupils currently at the school, then these should not be used to prop up and build up reserves for a national or large trust within an area. Recent financial information published indicated an academy within a national MAT had an amount top sliced, which resulted in the MAT reporting high levels of reserves (above 6%) with little information why individual academies within the trust were posting a deficit. This would indicate that the trust was not fully supporting the individual academies within their MAT.

We would ask that national arrangements that are put in place treat both Trusts and LAs in the same way, so there is clarity around top slicing and pooling.

Question 12: Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs? We will also invite further evidence on this at a later stage?

No.

Some elements of the central services funded enable pupils to remain and be educated within their local community and we feel should be included in the legacy grant, especially for those pupils who do not meet the thresholds in place for support.

It would be helpful to understand where an academy receives historic funding whether this funding will be subject to similar limitations.

Question 13: How strongly do you feel that we should further investigate the possibility of moving maintained schools to being funded on an academic year basis?

We are strongly against this idea. It will only move the administrative burden for maintained schools and unfunded LAs.

Question 14: Are there any advantages or drawbacks to moving maintained schools to being funded on an academic year basis that you feel we should be aware of?

This will create an additional burden and may conflict with statutory reporting requirements for LAs and maintained schools.

Other Areas

SEND: we are concerned that there has been no information on the outcomes from the two consultations on SEND and how any resulting changes to the high needs formula will impact mainstream or special schools.

Schools Forum: We sense that the changes being proposed will centralise all decision making related to school funding. Our view is that this will lead to removing schools having the opportunity, ability and accountability to inform funding arrangements in their local area to meet the needs of their pupils.

Finally, we ask any changes implemented do reflect the key principles outlined in the document and aim to level up any variations in funding policy and operational arrangements between maintained schools and academies.