

DRAFT RESPONSE TO FAIR FUNDING FOR ALL CONSULTATION (Closes 30 September 2021)

(Section 3.1) 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?

Yes **No** Unsure

(Section 3.2) 2. Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF?

Please comment: **Given the specific nature of some elements of exceptional premises funding, these cannot be determined by a national formula, and may need to continue to rely on historic data.**

(Section 3.3) 3. Do you agree with our proposal to use national, standardised criteria to allocate all aspects of growth and falling rolls funding?

Yes **No** Unsure

(Section 3.3)4. Do you have any comments on our proposed approach to growth and falling rolls funding?

Please comment: **In relation to the ESFA proposed approach to Growth Funding is it reassuring to see that the key role of the LA in this is acknowledged, and the LA will continue to be the principle source of the basic need data for both maintained schools and academies, with academy trusts providing forecast growth for new and growing schools. It should not be overlooked that there can be “growing” maintained schools, for example as a result of structural reorganisation and changes from “three tier” (First; Middle; High) to two tier (Primary, Secondary).**

The proposed approach, where an adjustment process is used to ensure payments are NOT made where higher pupil numbers do not appears as forecast is one Northumberland has successfully used working with both academies and maintained schools, using the disapplication process as appropriate and there is nothing in the consultation paper to suggest this could be better handled centrally by the ESFA that at an individual LA level. It is vital that this accurately reflects pupil numbers in order to minimise the chance of diverting funds unnecessarily from general distribution within the School Block to the benefit of all schools.

There has also been a long standing principle reinforced by the ESFA that Growth Funding is NOT used for increased pupil numbers arising from “popularity”. It is therefore extremely disappointing to read in Section 3.3 (page 26) of the consultation paper, there is clear discrimination between academies and maintained schools as “popular” growth funding is available for academies. This can clearly provide a LA with challenges in terms of its statutory place planning function when trying to ensure the financial viability of a diverse school estate, there is no justification for such inequity in the system so this should either be removed altogether, or the same popular growth funding opportunities be similarly available to maintained schools.

(Section 3.4) 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?

Yes No **Unsure**

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?

Yes No Unsure

7a. 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?

Yes **No** Unsure

7b. If you do not agree, can you please explain below.

Given the Government's policy commitment to the NFF, the possibility of moving there in successive 10% steps would seem to suggest that this could take a further 10 years from 2023/24. It is suggested, given the Government's commitment to the NFF this would unnecessarily prolong the process.

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?

It is unclear how these thresholds will be set, so is therefore difficult to comment. Simply relying on % difference does not take into account materiality or the relative impact of this – Being 10% different in relation to AWPU could potentially make a difference of £500,000+ to an individual school (10% of KS4 AWPU @ 21/22 value of circe £5k). In Northumberland we have elected previously not to use mobility, which using the modelling 2022/23 APT has a potentially impact of £50k at full value across the whole LA.

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?

Yes – standardised criteria are generally preferable in context of NFF

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

Yes No Unsure

(section 4.2) 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?

Please comment: **An LA has specific statutory responsibilities in respect of Education which need to be adequately funded and there is a concern that the CSSB could simply be “lost” as part of the general Local Government Finance Settlement (LGFS). This is particularly an issue in relation to the current CSSB ongoing responsibilities element.**

(section 4.2) 12. Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs?

Yes **No** Unsure

(section 4.5) 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?

Strongly agree Agree Neither agree nor disagree Disagree **Strongly disagree**

(section 4.5) 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?

Please comment: **It is believed that moving maintained schools to being funded on an academic year basis could cause problems when it comes to the consolidation of the LA financial accounts at the end of March. It would also extend the time lag between the data used and the point at which it becomes applicable.**

15. Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change. Before answering this question, please refer to Annex (C) of the consultation document.

Please comment:

16. Do you have any further comments on our move to complete the reforms to the National Funding Formula?

Please comment:

While not a factor within the NFF itself, the recent Government announcement on the increase in Employers National Insurance contributions to fund additional investment in the NHS and Social Care should not be to the detriment of our schools. Schools need to be compensated for the increase in NI contributions.

(NB It is estimated that the 1.25% in Employers NI costs could cost Northumberland Schools an additional £1.75 million per year)