

NATIONAL SCHOOLS FUNDING FORMULA: STAGE TWO CONSULTATION QUESTIONS

“Funding every school using the national funding formula will mean a fair settlement for each school”

“A fairer system will require some redistribution”

Common funding per type of pupil across the country assumes a common level of need of those pupils.

Additional funding following those pupils who are likely to need most support

Transitional protections for schools losing with a funding floor to limit eventual losses

Additional funding into the system to permit gaining schools to gain quickly.

Q1. 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?

The Primary to Secondary per pupil funding ratio in Kirklees’ 2017-18 funding submission is 1:1.275 on pure Schools Block distribution. This ratio changes to 1:1.2869 when nearly £2m of additional Council funding for the PPP1 affordability gap is added into the picture.

Q2. 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?

In 2017-18, taking pure Schools Block formula funding 90.95% of Kirklees’ formula funding is distributed by pupil-led factors. The NFF will distribute 91% via pupil-led factors. The problem for Kirklees is that our Schools Block allocation stands to shrink significantly.

Q3. 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?

In the illustrations provided, £15.16m would be distributed by Free School Meals factors in Kirklees rather than the £8.82m in 2016-17; NFF IDACI allocates £8.66m compared to £16.59m in 2016-17. The combined position is a net increase of £1.27m re Deprivation under the NFF illustration. Low Prior Attainment shows a rise from £19.13m to £20.37m but this change breaks down into a reduction of (£0.64m) for Primary and an increase of £1.88m for Secondary. Under the NFF EAL factor illustration £3.34m is allocated compared to 2016-17’s £2.1m. The cost of allocating more funding to these factors is seen in the depressed funding level for basic entitlement/AWPU with spend here reducing from £204.36m to £192.84m

Q4. 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)?

72.5% of the national schools block budget to basic entitlement funding
5.4% of the national schools block budget to pupil-level deprivation (FSM factors)
3.9% to area-level deprivation (Income Deprivation Affecting Children Index – IDACI)
7.5% to Low Prior Attainment
1.2% to English as an Additional Language
0.1% to Pupil Mobility
7.1% to the Lump Sum
0.08% to Sparsity
1.8% to Premises factors
0.5% to Growth

Q5. Do you agree with the proposed weightings for each of the additional needs factors?

Mobility funding is only allocated within NFF to those local authorities that have introduced a mobility factor in their funding formula. If an objective measure can be devised Kirklees could only gain funding? But it depends on how the expanded factor would be paid for.

Q6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?

The current Lump Sum value in Kirklees is £130,000. The range amongst local authorities currently ranges from £59,500 to the £175,000 maximum value. The proposed £110,000 is lower than the current national average lump sum value.

The EFA say the reduction is in line with encouraging schools to share services and functions. Assumption made that small schools are often protected by the sparsity factor.

Q7. Do you agree with the proposed lump sum amount of £110,000 for all schools?

No Kirklees schools meet the current sparsity criteria. Fixed sum approach removed under NFF with only tapered funding methodology remaining. Maximum sparsity allocation is currently a lump sum of £100,000. Proposed reduction in the maximum is in line with reductions to the Lump Sum value.

Q8. 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?

In 2018-19 Growth will be allocated within the NFF on the basis of historic Pupil Growth Fund and Falling Rolls Fund budgets plus the implicit growth from alterations made to individual schools' pupil numbers in Authority Planning Tool submissions. But historic spend on growth won't necessarily predict future need to spend. Need to explore the use of objective measures to anticipate growth demands.

Q9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?

Using a 3% per pupil funding floor the NFF illustration builds in a total of £7.3m funding to limit individual schools to that 3% loss. If the funding floor was to be removed the total illustrated potential loss amongst Kirklees schools would rise from –(£6.4)m to –(£13.7)m.

Q10. 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.

Q11. 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?

For a school that is still growing year group by year group the proposal is to project forward to the end point funding the school would receive when it had pupils in all year groups. If this wasn't done the lump sum would overstate the amount of per pupil funding for the growing school as it would represent a disproportionate part of the school's formula funding until each year group is occupied. The funding floor would be set too high in that case.

Q12. 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?

The Minimum Funding Guarantee has been set at $-(1.5)\%$ per pupil each year since the Fair Funding reforms introduced in April 2013.

Q13. 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.

Q14. Are there further considerations we should be taking into account about the proposed schools national funding formula?

Q15. Are there further considerations we should be taking into account about the impact of the proposed schools national funding formula?

90% of the Central School Services Block funding will be allocated to local authorities on a per pupil basis (including the effect of the area cost adjustment). The indicative rate is £28.64 per pupil. 10% is proposed to be allocated by FSM Ever6 data, a national 'top-up' rate of £11.62 per deprived pupil. The deprivation factor acknowledges the importance of particular central services for schools in high levels of socio-economic deprivation.

Q16. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?

In the illustration provided, the annual reduction for Kirklees within the context of a 2.5% limit on reductions would be c£50k. This would be offset to a small degree if the local pupil population continues to increase. The EFA assume that any legitimate historic commitments met from the CSSB will reduce over time to help. For Kirklees the only historic commitment is the ongoing pension costs of around 100 teachers who retired before 2013 – it will be some time before the current budget commitment of £171k will significantly reduce.

Q17. 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?

Q18. Are there further considerations we should be taking into account about the proposed central school services block formula?