

## Schools Forum

4 July 2022

### Completing the reforms to the National Funding Formula – Government Consultation Response

This report is for information.

#### 1. Recommendations:

That Schools Forum members:

- 1.1 Note the contents of the report.

#### 2. Purpose

- 2.1 To provide Forum members with an outline of the government response to the consultation feedback on “Completing the reforms to the National Funding Formula”

#### 3. Report Details

- 3.1 The government held a consultation on proposed changes to school funding and moving to a “direct” schools national funding formula (NFF). The document entitled “Completing the reforms to the National Funding Formula” was consulted on between 6 July 2021 to 30 September 2021.
- 3.2 The schools NFF is a single, national formula that allocates the core funding for all mainstream primary and secondary schools, both maintained and academies, in England. Since its introduction, the NFF has been a ‘local authority-level’ formula.
- 3.3 The proposals consulted on were:
- The aim should be that all NFF funding factors – pupil-led and school-led are included in the formula and that all funding distributed by the NFF should be allocated to schools on the basis of that formula, without further adjustments by LAs
  - To amend the premises factors within the NFF in advance of the introduction of the direct formula, so that allocations are based on a consistent, objective assessment of current need

- To reform the approach to funding schools experiencing significant growth in pupil numbers
- From 2023-24, to progressively tighten rules governing LAs' flexibility over schools funding, so that schools' allocations through local formulae move closer to the NFF distribution
- To reform the approach to funding for central school services delivered by LAs, to support LAs to deliver their remaining responsibilities and services and ensuring a greater voice for schools in receipt of these services.
- An open question on the potential value of moving to a consistent funding year across maintained schools and academies.

3.4 The Government have confirmed the following:

3.5 The approach for 2023-24 will be to require all LAs to use each of the NFF factors, and no others, in their local formulae, and moving each LA's local formula factor values (at least) 10% closer to the NFF values.

3.6 LA's to use the NFF definition for the English as an Additional Language (EAL) factor.

3.7 The approach to transition in subsequent years will depend on the impact in the first year.

3.8 The Government also seem to suggest they will set a requirement that LA's cannot overshoot the NFF value. Sandwell already has several of its factor values which are above the NFF factor values and two NFF factors which it does not currently use; IDACI Band F and the mobility/pupils starting school outside of normal entry dates. (refer to **Appendix 1** for a comparison of the NFF factor values and Sandwell factor values.)

3.9 The full details and requirements for LAs will be provided alongside the July 2022 NFF announcement in the schools funding operational guide. This provision will be included in the relevant School and Early Years Finance (England) Regulations. The government have also stated they will maintain the protections within the funding system; eg the minimum funding guarantee to minimise disruption for schools.

3.10 The Government intend to move to a formulaic basis for the allocation of funding through the premises factors; specifically split

site, schools with PFI contracts and other exceptional circumstances.

3.11 The consultation also outlined proposals to reform growth funding to a national standardised system.

3.12 Over the coming year, the Government will:

- Consult on an approach to the split sites factor and to the PFI factor in the NFF.
- In the second stage consultation, include proposals for the revised growth and falling rolls factor to include some options which would allow a degree of local flexibility.
- In the second stage consultation, include proposals for an exceptional circumstances factor.

3.13 This report provides a high-level overview of the government response to the consultation and further insight into each proposal and the feedback received can be found in the response.

#### **4. Recommendations**

4.1 That Schools Forum

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### Comparison of the National Funding Factor Values to Sandwell Funding Factor Values 2022/23

<u>Description</u>	<u>NATIONAL FUNDING FORMULA FACTOR VALUES -2022/23</u>		Sandwell Factor Values 2022/23		Difference in Factor Values (SMBC less NFF)	
Primary (Years R-6)	£3,217.00		£3,512.00		£295.00	
Key Stage 3 (Years 7-9)	£4,536.00		£4,977.00		£441.00	
Key Stage 4 (Years 10-11)	£5,112.00		£4,977.00		(£135.00)	
Primary Minimum Per Pupil funding	£4,265.00		£4,265.00		£0.00	
Secondary Minimum Per Pupil funding	£5,525.00		£5,525.00		£0.00	
<u>Description - Additional Needs Funding</u>	<u>Primary amount per pupil</u>	<u>Secondary amount per pupil</u>	<u>Primary amount per pupil</u>	<u>Secondary amount per pupil</u>	<u>Primary amount per pupil</u>	<u>Secondary amount per pupil</u>
FSM	£470.00	£470.00	£176.00	£176.00	(£294.00)	(£294.00)
FSM6	£590.00	£865.00	£161.00	£372.00	(£429.00)	(£493.00)
IDACI Band F	£220.00	£320.00	£0.00	£0.00	(£220.00)	(£320.00)
IDACI Band E	£270.00	£425.00	£77.00	£350.00	(£193.00)	(£75.00)
IDACI Band D	£420.00	£595.00	£485.00	£676.00	£65.00	£81.00
IDACI Band C	£460.00	£650.00	£551.00	£771.00	£91.00	£121.00
IDACI Band B	£490.00	£700.00	£602.00	£855.00	£112.00	£155.00
IDACI Band A	£640.00	£890.00	£630.00	£900.00	(£10.00)	£10.00
EAL Primary	£565.00		£846.00		£281.00	
EAL Secondary		£1,530.00		£1,227.00		(£303.00)
Pupils starting school outside of normal entry dates	£925.00	£1,330.00	£0.00	£0.00	(£925.00)	(£1,330.00)
Primary low prior attainment	£1,130.00		£1,225.00		£95.00	
Secondary low attainment		£1,710.00		£1,776.00		£66.00
Lump Sum	£121,300.00	£121,300.00	£129,057.00	£129,057.00	£7,757.00	£7,757.00
Split Site			£129,057.00	£129,057.00	£129,057.00	£129,057.00