

## Response ID ANON-F67D-RE4Q-K

Submitted to Fair school funding for all: completing our reforms to the National Funding Formula  
Submitted on 2021-09-28 16:36:35

### Introduction

A What is your name?

Name:  
Charlotte Fenn

B What is your email address?

Email:  
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C What is the name of your organisation?

Organisation:  
Cheshire West & Chester Council Schools Forum

D What type of organisation is this?

Role:  
Other

E Which local authority area are you responding from?

Local authority:  
Cheshire West And Chester

F Are you happy to be contacted directly about your response?

Yes

### Confidentiality

G Do you wish for your response to remain confidential?

No

### The scope of the end state NFF

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

### Developing the schools NFF to support the end state NFF

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

Please comment::

We agree that the approach to reforming premises factors within the national formula should be based on assessment of exceptional actual costs. Contrary to the government's perception that LA formulae include historic and outdated approaches to these exceptional arrangements, we have locally reviewed premises factors for split sites, PFI and exceptional circumstances to ensure they remain in line with the exceptional costs of those arrangements. Whilst we were able to substantiate a single allocation for our split site schools, our other exceptional circumstances are very individual but only apply to a few schools which may better lend to the suggested approach of a national application system. The variety of exceptional costs in our borough cover, split site schools, PFI schools, exceptional sports facilities and the rental of school hall. We would be happy to contribute to the data collection and the further consultation on these proposals.

### Growth and falling rolls funding

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

Yes

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

Please comment::

A standardised criteria based on data collection, forecasts and adjustments allocated as part of the NFF would be welcome and could be clearly communicated to schools to aid financial planning.

In addition to population growth, growth funding criteria should also include allocating funding for schools impacted by housing developments. This is difficult to predict and for schools to manage their structures effectively. This has been included in our local growth criteria to support schools expanding ahead of pupil growth to increase classes as they are required.

To ensure the direct NFF remains fair, growth for popularity increases following improved standards should be available to all schools, not just academies, recognising the resources that are usually incurred in improving performance for all schools.

Next steps for the transition to the end state NFF for schools

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

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

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?

No

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

Please comment::

As an authority that has recognised the government's direction of travel to establish the hard NFF, we have sought to move towards this over recent years, to avoid any risk of financial turbulence for our schools and to mirror the funding that is being allocated under government policy. As such, few of our schools are supported by Minimum Funding Guarantee Protection and are funded in line with the NFF. Local authorities that delay this move would create the requirement for further protection in their schools which maintains the inconsistent funding levels between comparable schools that the NFF aims to address. We would prefer that local formula was brought as close as possible to the NFF rather than set a percentage target.

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?

Please comment::

We are unclear how this applies to individual factors where some but not all may be within the 1% threshold. In Cheshire West and Chester, our local funding formula mirrors the NFF values except for the Basic Entitlement value which is adjusted to match the affordability of the formula within the allocation. Local authorities may choose to adjust other factors to achieve this but still aim to mirror the NFF closely. There will also be a difference in approach to how the area cost adjustment is applied to factors. A declaration from local authorities that they are aiming to mirror the NFF, recognising adjustments are needed for affordability may be sufficient, rather than setting a threshold but possibly analysis by the DfE of local formulae would best determine this.

Next steps for the transition to the end state NFF for schools

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

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

Unsure

Central school services

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::

The department needs to ensure that local authorities have sufficient funding for ongoing statutory responsibilities for schools and academies. Also to recognise services which benefit from being delivered centrally where delivery at local authority level or wider is more beneficial to schools than delegation.

The inclusion of central functions funding in the LGFS would enable local authorities to manage these functions outside of the DSG conditions of grant however, this funding may then be at risk from future MHCLG decisions, in the same way that the Education Services Grant was transferred and then removed.

Moving the copyright licences charge to within the schools block would ensure that any future price changes are met from schools funding rather than being offset against local authority services. There would need to be an allocation however to the high needs block for those schools covered by the licence but not funded through the schools block.

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

Yes

A consistent funding year

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?

Agree

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::

We would like to highlight the following issues in moving the funding year for maintained schools:

- Inconsistency with financial year allocations such as Pupil Premium funding
- Sixth form funding is allocated 8/12ths and 4/12ths which is also inconsistent with other school funding
- Extent to which this would apply to other LA DSG blocks allocated on a financial year – high needs funding, early years funding decisions and allocations.
- Effect on reported school balances at financial year end (rather than academic year).
- Further lag in funding for maintained schools with 11 month lag from the October census.
- Impact on growth funding requirement as a result of the increase in lag.
- Timeliness with LA decisions making and budget approvals if there were to be a change to the current notification timeframes for allocations. To aid planning, schools and academy allocations should still be available early in the spring term.

Advantages from maintained schools:

- Would enable schools to match funding closer to academic year budgeting, particularly staffing and would provide assurance on academic year funding for planning.
- Measures which allow longer term planning for income would be welcomed however this can only really be achieved with greater certainty around future funding settlements.

Equalities Impact Assessment

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::

Further comments

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

Please comment::

Ref Q1 - We agree that to achieve the overall principles of a national funding formula, the aim of the directly applied NFF should include all factors without local adjustment. If all factors were not included, local circumstances would continue to lead to different formula approaches and different levels of overall funding for comparable schools.

However, we do not feel that the current funding formula factors adequately represent the differing school characteristics that exist. Schools that appear to be comparable from pupil data often require different levels of resourcing. We do not feel that the formula factors are sophisticated enough to recognise the levels of complexity some schools need to address and resources and that consideration should be given to enable funding to be targeted for exceptional or unexpected levels of need within the funding framework.

Ref Q3 We agree that a national standardised criteria to allocate these aspects of funding are important to achieve the aims of the direct NFF. The absence of standardised criteria from the DfE has led to the development of local criteria to achieve individual local authority priorities within their overall funding envelope.

Ref Q5 We agree that in order to move to a nationally consistent system, there should be the removal of local discretion on the use of NFF formula

factors.

Ref Q6 We agree that in order to move to a nationally consistent system, there should be a requirement for local authorities to move their local formula towards the NFF and that in view of this consultation and longstanding aim to establish the hard NFF, local authorities should consult on moving further towards the NFF in 2022-23.

Ref Q9 We agree that a consistent approach to this factor would be in line with the aims of the NFF. The measurement should be in line with the length of time schools target support to pupils with EAL and would deem EAL1 or 2 to be insufficient.

Ref Q10 The DfE should review the extent to which the flexibilities are used by LAs in 2022-23 and understand the driver for those. The change in methodology in 2022-23 may enable LAs to target funding appropriately. If the DfE are assured that the methodology is fit for purpose, there should be no need to retain flexibilities or a disapplication process should be implemented.

Ref Q12 We would generally agree with this proposal, subject to it being a grant matched to evidenced local authority commitments.

Ref Q13 From the consultation document, the main driver for this proposal appears to be to bring the NFF allocations for schools and academies in line. We agree this should be investigated to ensure consistent funding allocations and lagged basis for both schools and academies under a hard NFF. Schools and academies should not be unfairly disadvantaged by inconsistent approaches to funding based on their governance structures.