

Schools national funding formula – Government consultation Stage One

Question 1

Do you agree with our proposed principles for the funding system?

We agree with the funding principles, however, as the details will not be provided until the second part of the consultation it remains to be seen whether the proposals align to these principles. It is also important if the system is to be considered fair that all schools and authorities are funded at a level which will ensure they are sustainable and can undertake their respective roles.

Would it be better to look to realign funding in 2022 instead of 2019/2020 in line with the academisation agenda?

Separating and ring fencing the schools block from the high needs block will further reduce flexibility and support for pupils with additional needs, and may ultimately prove more costly and militate against the inclusion agenda.

To prevent disruption to pupils and staff and to ensure the future funding system is efficient, the pace of change needs to be reviewed and extended.

We are concerned that the consultation for Stage one was so short and crossed both Easter and school holidays and has restricted the opportunities for seeking the views of schools and other key partners.

Question 2

Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?

Given the restriction on the number of factors the LA can use currently to fund schools and the proposal for all schools to become academies this would appear to be the most sustainable option. However, given the financial challenges schools already face and the prospect of turbulence with the introduction of the new national funding formula we ask that the timescale for implementation is reviewed and extended

Question 3

Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?

Although we agree in principle we feel that further consideration needs to be given to small schools with high attainment and low or no deprivation. Basic per pupil funding should be set at a level which will be sufficient to fund the education of a child without additional needs.

Question 4

a) Do you agree that we should include a deprivation factor?

b) Which measures for the deprivation factor do you support?

- Pupil-level only (current FSM and Ever6 FSM)
- Area-level only (IDACI)
- Pupil- and area-level

- (a) Yes we agree that there should be a funding factor for deprivation
- (b) We support the use of both FSM6 and IDACI. We would not support the use of FSM as there has been a reduction in FSM numbers since the introduction of Universal Infant Free School Meals. Changes to the benefit system may also impact on numbers eligible to FSM

Question 5

Do you agree we should include a low prior attainment factor?

Yes we agree that there would be a low prior attainment factor

Question 6

a) Do you agree that we should include a factor for English as an additional language?

b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?

(a) Yes we agree with we should include a factor for English as an additional language

(b) Yes we agree that we should use the EAL3 indicator

Question 7

Do you agree that we should include a lump sum factor?

Yes we agree to a lump sum as this provides some stability and protection for all schools, particularly the smaller schools.

Question 8

Do you agree that we should include a sparsity factor?

No we do not support this factor. It is not a factor we would support but suggest that it is taken into consideration when determining the level of lump sum as mentioned in Question 7

Question 9

Do you agree that we should include a business rates factor?

Yes we support a business rates factor and this should cover the costs. An annual review would need to be undertaken to ensure there is sufficient funding to cover any business rates reviews which are looked at frequently.

Question 10

Do you agree that we should include a split sites factor?

Yes we support a split site factor. This would need to be allocated on a fixed term basis following a re-organisation.

Question 11

Do you agree that we should include a private finance initiative factor?

Yes we support a PFI factor. This factor would need to be reviewed annually and would need to be sufficient to cover the costs of the contractual obligations in full. Without this schools with PFI arrangements will be disadvantaged and in some cases may no longer be financially viable. Each PFI school within every LA has a different arrangement for meeting the costs of which they are tied into long contractual agreements.

Question 12

Do you agree that we should include an exceptional premises circumstances factor?

Yes we would support an exceptional premises factor which could cover costs such as joint use arrangements.

Question 13

Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors?

- **Business rates**
- **Split sites**
- **Private finance initiatives**
- **Other exceptional circumstances**

No we do not support basing these allocations on historic spend on the above factors

Business rates would need to be based on costs and reviewed annually

PFI would need to be based on costs and reviewed annually. Please refer to our response to Question 11.

Question 14

Do you agree that we should include a growth factor?

No we do not support this factor. Often the schools that need the most support are those schools where the numbers are declining. In order to fund a growth factor great care must be taken to ensure that it is not at the detriment of all schools, for the benefit of a small number.

Question 15

Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?

No we do not support this factor – funding for growth benefits a few schools to the detriment of others. Please refer to our response to Question 14.

Question 16

a) Do you agree that we should include an area cost adjustment?

b) Which methodology for the area cost adjustment do you support?

- **general labour market methodology**
- **hybrid methodology**

- (a) Yes
(b) Hybrid

The hybrid model is supported provided it takes into consideration other regional costs such as the excessive cost of water in the North West region.

The unfairness exists because under current law, regional water companies can develop distinctly different water charging tariffs. The North West's water company, United Utilities, introduced a method of charging called "site area charging" and stands at a particularly high rate compared to other regions. These differences are unavoidable for schools in the North West of England because the water market is closed to competition. Even with the water market opening up to competition in 2017, the wholesale charges and tariffs will still be unavoidable. Partial deregulation in 2017 is expected to only allow some competition and will not affect these charges.

The data highlights that each year, the North West spends around £16 million more of its schools budgets on water and sewerage charges when compared to the South East despite having almost identical numbers of pupils and schools.

Question 17

Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?

Yes we support this proposal as it provides a more consistent, transparent approach which can be monitored through the Virtual Headteacher.

Question 18

Do you agree that we should not include a factor for mobility?

Yes we agree that the mobility factor should be removed. This is not a factor that has been used in Halton

Question 19

Do you agree that we should remove the post-16 factor from 2017-18?

Yes we agree that the post-16 factor should be removed. This is not a factor that has been used in Halton.

Question 20

Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?

There are significant pressures on both the high needs and early years budgets – if the funding allocated for schools is distributed to them in total in 2017/2018 there would be insufficient funding to meet our budget requirements. We would therefore have to reduce the level of funding provided to early years settings which could impact on the sustainability of early years settings and reduce the funding spent on high needs such as special schools, specialist settings and the level of enhanced provision provided to all schools. If the funding provided to Halton is based on Halton's spend profile instead of the funding allocation to the LA this would reduce turbulence.

Question 21

Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?

We agree that minimum funding guarantee should still continue at 1.5%

Question 22

Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?

No we do not support the proposal that the LAs ongoing responsibilities should be funded on a per pupil basis. This would have a significant impact on Halton as one of the smallest unitary authorities. Funding should be based on historic costs from 2020 and funding could be based on a lump sum plus per pupil allocation.

Question 23

Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?

Yes we support this approach

Question 24

Are there other duties funded from the education services grant that could be removed from the system?

No. The proposed funding system will have a significant impact on Halton as a small unitary authority and the funding distributed will be insufficient for the authority to continue to discharge its ongoing responsibilities.

The Local Authority will need sufficient funding to support the academy conversion process.

Question 25

Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?

Central DSG should be funded at a level which would allow the local authority to discharge its responsibilities without recourse to the School Forum. Our suggestion is that it is funded using the lump sum and per pupil amounts.