

## REPORT FOR SCHOOLS FORUM

1.	<b>Date of meeting:</b>	<b>24<sup>th</sup> June 2022</b>
2.	<b>Title:</b>	<b>National Funding Formula Government Consultation Response</b>
3.	<b>Directorate:</b>	<b>Finance and Customer Services</b>

### 1. PURPOSE OF REPORT

- 1.1 To inform Schools Forum members of the outcome of the government consultation on 'fair school funding for all: completing our reforms to the National Funding Formula'.

### 2. RECOMMENDATION(S)

- 2.1 For Schools Forum members to note this information and ensure they make the schools / academies that they represent aware of this.

### 3. REASON FOR RECOMMENDATION(S)

- 3.1 To ensure Schools Forum members are aware of the latest announcements relating to funding

### 4. BACKGROUND INFORMATION & CONTEXT

- 4.1 In 2018/19 the National Funding Formula (NFF) was first introduced and since then the government have remained committed to ensuring that every school's final funding allocation is determined by the same, national formula.
- 4.2 The government launched the 'fair school funding for all: completing our reforms to the National Funding Formula' on 8th July 2021 and the closing date for the consultation was 30th September 2021.
- 4.3 Schools Forum members were made aware of this consultation in the September 2021 Schools Forum meeting and a copy of the consultation document was provided.
- 4.4 This consultation sought views on the approach to reforming the NFF and how to transition away most effectively from the use of local formulae to all schools' funding allocations being determined directly by the NFF in the years ahead.
- 4.5 Attached to this paper is the full government response which has now been published.
- 4.6 There are plans to publish a second stage consultation with more detailed proposals in Spring 2022.

## 5. SUMMARY OF THE CONSULTATION RESPONSE

- 5.1 In total there were 359 respondents to the consultation of which 110 (31%) were local authorities and 197 schools and academies (55%).
- 5.2 In respect of the transition to the direct NFF the response sets out that from 2023/24 the Department for Education will require:
- Local authorities to use all, and only, NFF factors in their local formulae.
  - All local formulae factors to move at least 10% closer to the NFF, except where local formulae are already 'mirroring' the NFF.
  - Local authorities to use the NFF definition for the English as an Additional Language (EAL) factor.
  - The approach to transition in subsequent years will depend on the impact in the first year.
- 5.3 In respect of improvements to the schools NFF the Department for Education have set out that over the next year they will:
- Consult on an approach to the split sites factor and PFI factor
  - In the second stage consultation;
    - include proposals for a revised growth and falling rolls factor – and some options which would allow a degree of local flexibility
    - include proposals for an exceptional circumstances factor.
- 5.4 In respect of the central schools services, the response confirms that the government plan to review services funded via the Central Schools Services Block of DSG. The government believe that rolling funding from the CSSB into the Local Government Finance Settlement could prove helpful flexibility. A number of respondents however expressed concern about this in respect of a loss of transparency.
- 5.5 For services provided to maintained schools, there will still be an option under a direct NFF to de-delegate maintained schools funding. MAT's will continue to have the ability to top-slice academy funding. There will be further details on this in the second stage consultation.
- 5.6 Maintained schools and academies are currently funded on different cycles; the April to March financial year for maintained schools and the September to August academic year for academies. In the original consultation, opinion was sought as to the appetite for changing the funding year for maintained schools to align with that of academies.
- 5.7 The response was mixed, academies were in favour although it was acknowledged this change would have the least impact on them. Of local authority responses only 9% supported the move. Additional workload was a specific concern and in conclusion, the view is that the additional burden outweighs the potential advantages and therefore the Department for Education are not prioritising this as a further policy development.

## **6. SUMMARY**

- 6.1 The decision not to proceed with a change in financial year is welcome as this would have caused additional work as the wider local authority is still required to produce accounts on an April – March financial year basis.
- 6.2 Further details are required on the proposed changes, it is hoped these will be set out in the second stage consultation. We will continue to keep Schools Forum members abreast of the updates as and when they are received.

## **7. NAMES & CONTACT DETAILS**

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