Agenda Item

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Report to Haringey Schools Forum – 21st October 2021

Report Title: **Council consultation response to "Fair School Funding for All: completing our reforms to the National Funding Formula"**
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Purpose: 1. To share the London Council's and Haringey Council's responses to the "Fair School Funding for All: completing our reforms to the National funding Formula" consultation.
Recommendations: a. Note the Council's and London Council's response to the NFF consultation

1 Introduction.

1.1 The Government started consultation on "Fair School Funding for All: completing our reforms to the National Funding Formula" on 8 July 2021. The consultation ended on 30 September 2021. The Government consultation document is published on the following link:

https://consult.education.gov.uk/funding-policy-unit/completing-our-reforms-to-the-nff/supporting_documents/Fair%20Funding%20For%20All%20Consultation.pdf

1.2 As per Government Consultation, the future arrangements of hard formula have not been confirmed in the consultation document, but the expectation is that the Department for Education (DfE) will tighten the local flexibility in the local funding formulae to ensure that schools' allocation through local formulae move closer to 'hard' NFF from 2023-24.

1.3 Appendix A sets out the response submitted from London Councils and Appendix B is the response from Haringey Council.

2 Next steps

2.1 The potential effects of a change towards the DfE hard NFF for the financial years 2023/24 onwards will be brought to Schools Forum to include any updates to the indicative allocations that are issued by the DfE.

2.2 The members of DSG working group have met to review possible model options for the funding formula for 2022-23. In light of this consultation on the implementation of the hard NFF, further modelling was requested by the Chair of the DSG working group to consider the effect of moving closer to, or adopting, the indicative hard NFF values in 2022/23.

2.3 The council would welcome more technical detailed guidance to understand the impact on the council's DSG allocation and the flexibilities allowed to make local decisions to respond to the specific needs of Haringey schools. The council will continue to engage with key stakeholders to inform future consultations.

Appendix A:
London Council's response to the consultation on the hard National Funding Formula

LC response to Fair School Funding for Al

Appendix B:
Haringey Council's response to the consultation on the hard National Funding Formula

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?

No

Additional detailed response

We agree with the London Councils response. No, local discretion on the allocation of schools funding should remain so that decisions being made are more responsive to the needs of schools.
Haringey would like to continue to have the option whether to transfer between blocks and top- slicing of funding for planned and quick response to growth, over-sized classes, and bulge classes due to geographic needs and parental choice, and de-delegated funding for trade union activities.
Through the hard formula proposals, we believe the Area Cost Adjustment does not fully address the differing challenges LAs face across the country at a local level.

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 with the London Councils response. We need more information on the basis of premise funding and so once this is shared we will be in a better position to provide more detailed comments.

Haringey currently does not use the PFI factor or the exceptional circumstances factor, however believes local discretion in decision making to meet
needs is required.

Haringey does use the split site factor and currently there are schools in receipt of additional £60K funding each to meet this need. A move to the hard NFF would mean an adverse impact on schools' finances, which may lead to schools in financial deficit.

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?

No

Additional detailed response

We agree with the London Councils response. Local authorities will need further clarity around the data they need to collate to support this work and may result in additional administrative burden for LAs and Schools.

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

We agree with the London Councils response.

Haringey currently has £1.3m agreed allocated growth funding for maintained schools for the financial year 2021-22.

Even though, Haringey does not currently provide top up funding for falling rolls we would like proposals to continue to be flexible, allowing us to address emerging issues at a local level.

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?

No

Additional detailed response
We agree with the London Councils response. No, we do not support the proposal to move towards the hard formula. It should be a voluntary process in line with local decision-making.

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?

No

Additional detailed response
We agree with the London Councils response. No, we do not support the proposal to move towards the hard formula. It should be a voluntary process in line with local decision-making.

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:

We agree with the London Councils response. No, we do not support the proposal to move towards the hard formula. It should be a voluntary process in line with local decision-making.

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 agree with the London Councils response. No, we believe that there should be continued local flexibility in the formula.

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?

No

Additional detailed response
We agree with the London Councils response. No, we believe that there should be continued local flexibility in the formula.
Haringey currently uses EAL3.

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

No

Additional detailed response
We agree with the London Councils response - N/A. This is not a particular issue for London.
However, any realignment of funding to more rural areas through the sparsity factor should not be detrimental to the overall funding envelope available to inner cities.

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:

We agree with the London Councils response. Haringey currently receives £2.9m funding to meet the costs for ongoing responsibilities and has no historical commitments. Funding to LAs must be protected. We recognise that further technical consultations regarding the CSSB will follow and plan to engage fully once this commences.

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

Unsure

Additional detailed response
N/A to Haringey Council.

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?

Strongly disagree

Additional detailed response
We are strongly opposed to this proposal. The shift to funding maintained schools on an academic yearly basis would be challenging for both schools and local authorities. In particular, we have concerns about the capacity of small primary schools to cope with the additional burden that this would place on them.

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 agree with the London Councils response. The additional administrative burden on schools would be a significant drawback to moving maintained schools to being funded on an academic year basis. Many small schools may struggle to be able to manage with the extra capacity required.

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:

The impact of the proposals on all different groups of people across the school system, maintained and academies should be considered, ensuring that social inclusion and community cohesion issues are addressed.

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

We would like to see a consistent approach to the school funding system for all schools and local flexibility retained for maintained schools.
We therefore support a formula that benefits academies and community counterparts in an equitable way. We welcome further clarification on the
proposals and look forward to feeding into additional technical consultations in the future.