



Department
for Education

Schools national funding formula

Overview

We are seeking views on proposals to introduce a national funding formula for schools.

The consultation sets out how we plan to deliver a fair, transparent funding system where the amount of funding children attract for their schools is based on need and is consistent across the country.

This is the first of 2 planned consultations. At this stage we are seeking views on:

- the principles that underpin the formula
- the pupil characteristics and school factors we include in the formula

We are also seeking views on the overall funding system, in particular on our proposals to:

- introduce a school-level national funding formula where the funding each pupil attracts to their school is determined nationally
- implement the formula from 2017-18, allocating funding to local authorities to distribute for the first 2 years, and then to schools directly from 2019-20
- create a central schools block for local authorities' ongoing duties
- ensure stability for schools through the minimum funding guarantee and by providing practical help, including a restructuring fund

We set out in the case for change why we think the current funding system is unfair. You can also read more about how the current funding system operates.

We are consulting in parallel on proposals to introduce a high needs formula for children and young people with special educational needs.

Introduction

A Name

First name:

Carole

Last name:

Smith

B Email address

If you enter your email address you will be able to return to edit your response at any time until you submit it. You will also receive an acknowledgement email when you submit your response.

carolesmith@gateshead.gov.uk

C Response type

Please select your role from the list below:

Please select only one item

- Governor Headteacher/principal Local authority representative
 Multi-academy trust member Parent Pupil
 Sector organisation representative School business manager/bursar
 Teacher Other

Please select your organisation type from the list below:

Please select only one item

- Academy Academy - free school Academy - grammar school
 Maintained school Maintained school - grammar Local authority
 Multi-academy trust Representative body Other N/A

Organisation name:

Gateshead Council

Local authority area:

Please select only one item

- N/A Barking and Dagenham Barnet Barnsley
 Bath and North East Somerset Bedford Borough Bexley
 Birmingham Blackburn with Darwen Blackpool Bolton
 Bournemouth Bracknell Forest Bradford Brent
 Brighton and Hove Bristol Bromley Buckinghamshire Bury
 Calderdale Cambridgeshire Camden Central Bedfordshire
 Cheshire East Cheshire West And Chester City of London Cornwall
 Coventry Croydon Cumbria Darlington Derby
 Derbyshire Devon Doncaster Dorset Dudley Durham
 Ealing East Riding of Yorkshire East Sussex Enfield Essex
 Gateshead Gloucestershire Greenwich Hackney Halton
 Hammersmith and Fulham Hampshire Haringey Harrow
 Hartlepool Havering Herefordshire Hertfordshire Hillingdon
 Hounslow Isle of Wight Isles of Scilly Islington
 Kensington and Chelsea Kent Kingston upon Hull
 Kingston upon Thames Kirklees Knowsley Lambeth

- Lancashire Leeds Leicester Leicestershire Lewisham
 Lincolnshire Liverpool Luton Manchester Medway
 Merton Middlesbrough Milton Keynes Newcastle upon Tyne
 Newham Norfolk North East Lincolnshire North Lincolnshire
 North Somerset North Tyneside North Yorkshire Northamptonshire
 Northumberland Nottingham Nottinghamshire Oldham
 Oxfordshire Peterborough Plymouth Poole Portsmouth
 Reading Redbridge Redcar and Cleveland
 Richmond upon Thames Rochdale Rotherham Rutland
 Salford Sandwell Sefton Sheffield Shropshire Slough
 Solihull Somerset South Gloucestershire South Tyneside
 Southampton Southend on Sea Southwark St Helens
 Staffordshire Stockport Stockton-on-Tees Stoke-on-Trent
 Suffolk Sunderland Surrey Sutton Swindon Tameside
 Telford and Wrekin Thurrock Torbay Tower Hamlets Trafford
 Wakefield Walsall Waltham Forest Wandsworth Warrington
 Warwickshire West Berkshire West Sussex Westminster
 Wigan Wiltshire Windsor and Maidenhead Wirral Wokingham
 Wolverhampton Worcestershire York

D Would you like your response to be confidential?

Please select only one item

Yes No

Information provided in response to consultations, including personal information, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 1998 or the Environmental Information Regulations 2004.

If you want all, or any part, of a response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Education will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Please give your reason for confidentiality:

Principles for a reformed funding system

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

The principles are set out on pages 9 and 10 of the consultation.

Please select only one item

Yes No

Please provide any further comments:

Supports Opportunity - this is difficult when schools are facing real-time cuts and increasing responsibilities.
Funding System that is fair - takes away schools collective ability via Schools Forum working with the LA to direct funding towards local needs.
Funding System that is efficient - maybe more efficient but loses local knowledge and the ability of local areas to respond to local issues as a collective.
Transparent Funding System - This is already the case where LA's and schools work together on a funding system that is suited to the local area. When the 'hard' formula is implemented from 2019/20, schools will not be able to access local knowledge and guidance on their funding
Funding System that is predictable - The current funding system is just as predictable - what is difficult for school is getting the data so late. How will data be checked and if it is incorrect how will funding be rectified.

The structure of the funding system

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?

Our proposal for the structure of the formula is on pages 11 and 12 of the consultation.

Please select only one item

Yes No

Please provide any further comments:

LA's know their schools and can understand the different pressures at a local level. If LA's are removed from the funding system this will remove the ability to react to demographics and pressures at a local level. The one size fits all approach does not take into account local characteristics of schools. In Gateshead we generally have a large number of small primary schools and relatively fewer, larger secondary schools. The organisation of schools is not something that is easily changed without significant capital investment, and the agreement of stakeholders including the diocese and parents. If the flexibility to move funding between the blocks is removed, this reduces the LA's capacity to move funding to where it is needed most. In Gateshead we are experiencing significant increases in permanent exclusions. The re-couplement of pupil related funding for these exclusions does not cover the cost of educating these children in the Pru or alternative provision. If we cannot move money between the blocks there will be increasing pressure on the high needs block.

Building block A: per-pupil costs

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?

Our proposal for basic per-pupil funding is on page 18 of the consultation.

Please select only one item

Yes No

Please provide any further comments. We welcome further evidence on the case for differentiating between key stages.

The need for more specialist equipment in KS3 & KS4, the wider range of subjects, and the need for smaller class sizes in KS4 for exam subjects requires differential rates. Currently there are wide variations in the values across LA's and this could have a significant affect on the primary:secondary ratio. As demographic changes work through the system how will this be managed on a national level? During the soft years this could cause unexpected pressures at a local level.

Building block B: additional needs factors

4a Do you agree that we should include a deprivation factor?

Our proposal for the deprivation factor is on pages 19 to 25 of the consultation.

Please select only one item

Yes No

4b Which measures for the deprivation factor do you support?

The deprivation measures are explained on pages 20 to 25 of the consultation.

Please select only one item

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

Please provide any further comments on the deprivation factor. We welcome your comments on the measures we use to identify deprivation.

Ever6 FSM and IDACI should be used with more funding weighted towards FSM funding, as IDACI data is only updated every 5 years and can cause funding turbulence when the data changes. For Gateshead the difference in the 2010 and 2015 IDACI data sets had the biggest effect on our most deprived schools in terms on funding and the changes in pupils in the bandings. When a new data set is released there could be a phased approach so that changes in bands does not cause as much turbulence and is phase over 2 or more years.

The effect of the Universal Infant Free School Meal grant on infant FSM numbers needs to be addressed. Schools especially in the most deprived areas struggle to get the hardest to reach parents to provided the information needed to enable the school to access the additional funding in the formula and via pupil premium.

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

Our proposal for the low prior attainment factor is on pages 25 to 27 of the consultation.

Please select only one item

- Yes No

Please provide any further comments. We welcome your comments on the indicators we use to identify low prior attainment.

Agree with primary and secondary prior attainment factors should be included and that the primary factors should be kept under review, especially with the new KS2 standards. However the White Paper Educational Excellence Everywhere talks about "Ensure schools help all pupils progress, particularly stretching the most able pupils and supporting low attainers" Funding for the higher attaining children should also be considered under a prior attainment factor.

There is no proposal to include LA's in the further work on what schools should offer to children with SEN, if LA's are to still have a role in SEN and high needs they need to be involved in any review and proposals.

As the "notional SEN calculation will remain for the "soft" years, work should be undertaken at a national level along with what schools should offer to provide guidance for schools. As well as an SEN offer schools should have a gifted and talented offer also if every child's potential is to be acheived.

6a Do you agree that we should include a factor for English as an additional language?

Our proposal for the English as an additional language factor is on pages 27 and 28 of the consultation.

Please select only one item

Yes No

6b 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)?

Please select only one item

Yes No

Please provide any further comments:

Gateshead use EAL3 on the advice from EMTAS service, as it was their opinion that it took children up to 3 years learn enough English to access the curriculum.

Building block C: school costs

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

Our proposal for the lump sum factor is on pages 29 to 31 of the consultation.

Please select only one item

Yes No

Please provide any further comments. We welcome evidence to inform proposals in stage 2 of our consultation about how much lump sum funding should be included in the national funding formula.

The lump sum is especially important to ensure small schools remain viable, more data is needed to ascertain on a national level what the amount should be and if it should be different for primary and secondary schools. The average amount across all LA's will not reflect local needs. Gateshead has relatively few large secondary schools and relatively larger numbers of small primary schools. The size of our primary schools is not easily addressed without significant capital investment, and would require the engagement of stakeholders, including parents and the diocese.

8 Do you agree that we should include a sparsity factor?

Our proposal for the sparsity factor is on pages 31 to 33 of the consultation.

Please select only one item

Yes No

Please provide any further comments. We welcome views on how well the sparsity criteria are operating locally.

To ensure that primary pupils in rural communities do not have to travel significant distances to attend school.

Building block C: other school costs

Our proposals for other school cost factors are on pages 33 to 35 of the consultation.

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

Please select only one item

Yes No

Please provide any further comments:

Unless all schools become exempt from business rates and LA's receive an adjustment to their revenue support to compensate for lost revenue.
At present schools are revalued on a 5 year rolling basis so that it is not applicable to use historic cost as this can vary significantly from one year to the next. One of Gateshead's schools received a negative funding amount due to this issue, but will receive a rates bill for 2016/17. Also as the school population increase and schools are being expanded or new schools built this will have a significant impact on a schools ratable values which cannot be accounted for by using historic cost. This proposal is not fair and would mean that children in similar circumstances in different schools would have less funding available for their direct education.

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

Please select only one item

Yes No

Please provide any further comments:

This can increase costs for schools, such as travel time for teachers, needing additional teachers, admin.and caretaking staff (depending on how far apart the sites are) and the school will only attract one lump sum to cover the cost unlike a federated school or a multi academy trust. Split site costs should not be on a historic basis as costs may fluctuate or be a short term arrangement due to school re-organisations. A consistent approach and criteria should be developed and applied on a national basis when the NFF becomes hard to ensure that schools are funded on a consistent and fair basis.

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

Please select only one item

Yes No

Please provide any further comments:

PFI schools can have significantly higher costs due to the individual PFI contracts. In Gateshead the gap between the PFI credits we receive and the cost of the PFI contract increases every year. This funding gap was passed to schools when Lord Lawson of Beamish converted to an academy, as at that time LA could not pay a liability on behalf of an academy school as this would have been viewed as still maintaining the school. However the PFI factor should not be funded on an historic basis as this will put an additional financial strain on PFI schools compared to non PFI schools. PFI funding should be increased each year in line with RPI to ensure that schools receive sufficient funding to pay their contractual obligations. The amount of funding is also adjusted every year by pupil numbers to ensure that there is no over or under funding. How will new PFI school costs be captured when funding is based on historic levels, as the proposed way or new PFI schools to be "charged" for their portion of the costs is for the LA's DSG to be top-sliced and the charge then passed to the schools.

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

Please select only one item

Yes No

Please provide any further comments:

Yes if specific guidance and criteria is provided to on what would constitute an exceptional premises factor so it could be applied to all schools in a consistent way and not rely on historic values. LA's may have dealt with exceptional premises factors outside of the DSG or outside of the formula, e.g. using condition funding to assist schools that have issues such as being a listed building or use of reserves under special circumstances.

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?

	Yes	No
Business rates <i>Please select only one item</i>	<input type="radio"/>	<input checked="" type="radio"/>
Split sites <i>Please select only one item</i>	<input type="radio"/>	<input checked="" type="radio"/>
Private finance initiative <i>Please select only one item</i>	<input type="radio"/>	<input checked="" type="radio"/>
Other exceptional circumstances <i>Please select only one item</i>	<input type="radio"/>	<input checked="" type="radio"/>

Please provide any further comments. We welcome views on how we allocate funding for these factors from 2019-20.

Business rates - no due to the rolling program of rates revaluations, expansion of schools due to pupil numbers and new schools being built which cannot be account for on an historic basis
Split Sites - no as circumstances and costs could change needs to be a consistent national approach
PFI - no as this would not provide enough funds going forward for schools due to the costs rising by RPI, and how will new PFI commitments be captured
Other Exceptional Circumstances - no a criteria should be developed that can be applied consistently to all schools

Building block C: growth

Our proposal for growth funding is on pages 36 to 37 of the consultation.

14 Do you agree that we should include a growth factor?

Please select only one item

Yes No

Please provide any further comments:

If a growth factor is included then this should be applied to all schools consistently and there should be one set criteria that all schools can be applied to all schools on a fair and consistent basis.

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

Please select only one item

Yes No

Please provide any further comments. We welcome in particular comments about alternatives for allocating growth funding, both for the transitional period and from 2019-20.

If funding is made available then it should be applied to all schools on a fair and consistent basis. Growth in schools cannot be based on an historic basis as this will not reflect future requirements. Basing factors on historic spend contradicts the aim of a national funding formula of funding all children in similar circumstances on the same basis.

Building block D: geographic costs

The area cost adjustment is explained on pages 37 to 39 of the consultation.

16a Do you agree that we should include an area cost adjustment?

Please select only one item

Yes No

16b Which methodology for the area cost adjustment do you support?

More information

There are 2 potential methodologies.

The general labour market (GLM) methodology reflects differences in labour costs between different areas. It is based on the Department for Communities and Local Government's labour cost adjustment, which is used to allocate funds to local authorities.

The hybrid area cost adjustment has 2 elements: teachers' pay costs and non-teaching staff pay costs. For the teachers' pay element, it calculates notional averages for 4 regional pay bands: inner London, outer London, the fringe and the rest of England. The non-teaching staff costs element is based on the GLM methodology.

The hybrid measure reflects that the costs of teachers are lower in higher cost areas than the GLM indices would suggest. The use of notional averages is also intended to mitigate against the fact that schools in some local authorities can offer higher salaries because they are well funded.

Please select only one item

general labour market methodology hybrid methodology

Please provide any further comments:

Need more information on the areas that are finding it difficult to recruit and retain teachers for the whole of England and not just some geographic areas.
The impact of the proposed new NFF should be reviewed before applying ACA.

Factors not included in the formula

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?

Our proposal for funding these children is on pages 39 to 41 of the consultation.

Please select only one item

Yes No

Please provide any further comments:

Funding in the formula is to support the school to attend meetings and undertake paperwork that is associated with LAC children. LAC pupil premium plus, is for the child and not to support schools with additional workloads associated with these children. If LAC PP is to be used for this than the conditions of grant may need to be reviewed.

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

Our proposal for mobility funding is on pages 41 and 42 of the consultation.

Please select only one item

Yes No

Please provide any further comments:

In Gateshead we have used a mobility factor to assist schools that have mobile populations due to the nature of social housing in their area. This was introduced into the formula from 2014/15 following the publication of a report from the RSA on the educational effects on deprived children moving schools mid year. However to be able to apply this factor on a national level would be difficult as local knowledge is required to ensure that mistakes are not made due to mid year academy conversions.

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

Our proposal for post-16 funding is on pages 42 and 43 of the consultation.

Please select only one item

Yes No

Please provide any further comments:

As the Schools block of the DSG is for 5 to 15 year olds, this factor should be removed in a phased way to enable LA's and schools to manage the transition.

Transition to the reformed funding system

Our proposals for the transition to the national funding formula are on pages 45 to 52 of the consultation.

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

Please select only one item

Yes No

Please provide any further comments:

LA's have the local knowledge to understand and try to reduce turbulence to individual schools during the transition phase, and can highlight funding issues to the DfE. However this could cause local tensions as schools will know how much they would have received under the NFF if reductions have to be levied across all schools to fund increased PFI costs, pupil growth or rates issues.

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

Please select only one item

Yes No

Please provide any further comments:

LA's should be provided with enough funding so that MFG can be applied on a consistent basis and allow schools time to adjust to the new funding arrangements. LA's may have most of their schools losing funding under the NNF and have additional cost pressures. Setting a local MFG could create further turbulence for schools at a local level, which could create tensions between schools at a local level, and there would not be national consistency.

Funding remaining with local authorities

Our proposal for the funding that remains with local authorities is on pages 53 to 55 of the consultation.

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

Please select only one item

Yes No

Please provide any further comments:

The removal of the £77 per pupil from September 2017 is too quick for LA's to respond to such an decrease in specific funding over a short period of time. This proposal removes local discretion to arrange services to meet local needs and priorities.

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

Please select only one item

Yes No

Please provide any further comments:

This ensures that current commitments e.g. premature retirement costs can be met on an ongoing basis as these costs only reduce when the recipient dies.

The education services grant

Our proposal for the education services grant is on pages 56 to 61 of the consultation.

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

Funding should not be reduced until clear guidance has been provided to LA's on what duties remain with them and time given to re-structure.

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?

Please select only one item

Yes No

Please provide any further comments:

Most schools are feeling the effect of flat cash from 2010/11, requiring schools to fund and schools to pay for these services with out any additional funding will add to schools financial burdens. Annex B states that admissions, some asset management, education welfare is mentioned, but more clarity needed. Statutory and regulatory duties - many will remain with the LA, but the information is not specific enough to provided an informed comment.

More information needs to be provided so that LA and schools understand what schools will be required to pay for and who the statutory duty for these functions belongs to. The consultation states that schools forum will have to agree to have funding top sliced, what would happen if schools forum did not agree to the top slice?

Equality analysis

26 Please provide any comments on the equality analysis.

The equality analysis sets out the potential impact of our proposals on protected characteristics.