



SCHOOLS FUNDING FORUM AGENDA

8.00 - 10.00 am	23 September 2021	CEME Rooms 233-235
------------------------	--------------------------	-------------------------------

Members: 27 Quorum: 11

MEMBERSHIP:

Representative Groups

Head Teachers (14):

Keith Williams, Academy
Steve Bowers, Headteacher
Neil Frost, Headteacher
David Turrell, Headteacher
David Unwin-Bailey, Primary
Hayley McClenaghan, Primary
Hayley Durrant, Primary
Emma Allen, Special
Vicki Fackler, Special
Gary Haines, AP Academy
Kate Ridle-Moy, Primary
Denise Broom, Academy
Kirsten Cooper, Primary
Georgina Delmonte, Primary

Governors (7):

Dave Waters, Primary Maintained School Governor
Representative
Kate Ridley-Moy, Primary Academy Governor

**Non-School
Representatives (4):**

Emma Reynolds

Trade Unions (3):

John Delaney, Trade Union
John McGill, NASUWT
Peter Liddle, UNISON

For information about the meeting please contact:
Nick Carter - 01708 433884 nick.carter@haverling.gov.uk 01708 433884

If you are unable to attend please contact your named substitute or ask Nick Carter - 01708 433884 to do so on your behalf.

AGENDA ITEMS

1. APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

2. ELECTION OF CHAIR AND VICE CHAIR

To elect a Chair and Vice Chair until the first meeting of the autumn term 2021.

3. TO AGREE THE NOTES OF THE MEETING HELD ON 17 JUNE 2021 (Pages 1 - 10)

To agree the notes of the meeting held on 17 June 2021 as a correct and accurate record.

4. MATTERS ARISING

5. HIGH NEEDS FUNDING FORECAST AND FUNDING REVIEW (Pages 11 - 13)

Report attached.

6. SCHOOLS FUNDING 2022-23 (Pages 14 - 25)

Report attached.

7. HIGH NEEDS FUNDING 2022-23 (Pages 26 - 28)

Report attached.

8. CENTRAL SCHOOLS SERVICES BLOCK (CSSB) 2022-23 (Pages 29 - 33)

Report attached

9. DE-DELEGATION OF FUNDING FOR CENTRAL SERVICES 2022-23 (Pages 34 - 50)

Report attached.

10. EARLY YEARS FUNDING 2021-22 AND 2022-23 (Pages 51 - 53)

Report attached.

11. SCHOOLS BUSINESS RATES 2022-23 (Pages 54 - 55)

Report attached.

12. THE NATIONAL FUNDING FORMULA CONSULTATION (Pages 56 - 92)

Report attached.

13. NEXT MEETINGS

Future meetings have been arranged as follows:

21 October 2021
2 December 2021
13 January 2021
10 February 2021
16 June 2021

Meetings to start at 8.00 a.m. at CEME rooms 233-235

14. ANY OTHER BUSINESS

MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM

Zoom

17th June (8.30 - 10.30 am)

Present:

Representative Groups

LA Maintained School
Representatives

Head Teachers: Emma Allen
Kirsten Cooper
Hayley Durrant
Hayley McClenaghan
Chris Speller
David Unwin-Bailey

Governors: Dave Waters

Academy Representatives

Primary: Kate Ridley-Moy

Secondary: Denise Broom
Neil Frost
David Turrell

Special: Vicki Fackler

Alternative Provision: Gary Haines

Non-School Representatives

Early Years PVI: Emma Reynolds

Trade Unions: Peter Liddle
John McGill

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received for the absence of Keith Williams, Steve Bowers, Georgina Delmonte and John Delaney. Chris Speller was substituting for Steve Bowers.

2 TO AGREE THE NOTES OF THE MEETING HELD ON 23RD MARCH 2021

David Unwin-Bailey had been present at the meeting. With this amendment, the notes of the meeting were agreed as a correct record.

3 MATTERS ARISING

There were no matters arising

4 LA MAINTAINED SCHOOL BALANCES 2020-21

The Forum received an analysis of LA maintained school balances carried forward from 2020-21 into 2021-22.

Members noted that £4.7million had been carried forward into the 2021-22 financial year, an increase of £2.4m from the previous year's figure of £2.3m. 11 schools were in deficit but members were pleased that this was a reduction on the previous year's figure of 18.

Members also noted the significant changes in income and expenditure brought about by Covid 19. These included a reduction in income received for lettings, donations, visits and facilities and services (chiefly breakfast and after school clubs). Catering expenditure, which includes the cost of free school meals, had fallen as had expenditure on staff development and learning resources. There had been an increase in teaching staff and cleaning expenditure.

Schools felt that some expenditure, for example expenditure on staff development, had been deferred due to the pandemic and would now take place in 2021-22. This made the total unspent balance appear better than it really was.

The Forum **noted** the report.

5 DEDICATED SCHOOLS GRANT – YEAR END BALANCE 2020-21

The Forum received the report which detailed year end balances on the Dedicated Schools Grant.

Members noted that there was a £952,000 underspend in the Early Years block. This included £701m which had been received as an adjustment to the previous year's grant. Members noted that the Local Authority would meet with the Early Years Provider Reference Group (EYPRG) to discuss the use of the unspent balances.

The Forum noted that there was a £661,000 underspend in the Schools Block with a proposal to offset this against the overspend in the High Needs Block. Members of the Forum then noted a £53,000 underspend in de-delegated expenditure with a £62,000 underspend in delegation for the maternity /

paternity leave scheme. Members noted a £9,000 overspend in Trade Union Facility Time which would be carried forward to the following year. Finally members noted a £2.9million in year overspend in the High Needs block with a further £1million overspend brought forward from the previous year.

Overall there was a £1.7m cumulative overspend on the DSG. Once commitments and the Early Years balance, with use still to be determined, were taken into account this rose to £2.7m.

The Forum:

- 1) **Noted** the areas of under or overspend from the 2020-21 Dedicated Schools Grant
- 2) **Agreed** the allocation of funding in financial year 2021-22 as set out in the proposals
- 3)

6 SECTION 251 BUDGET STATEMENT 2020-21

The Forum were presented with the Section 251 budget statement for 2021-22.

Members noted that the statement outlined the LA's planned spending on schools, de-delegation, high needs, early years and central provisions. The statement had been submitted to the Department for Education.

The Forum **noted** the report.

7 HIGH NEEDS FUNDING

Forum members were given details of the approach that the Local Authority were planning to take on the High Needs Strategy and High Needs funding. The Local Authority acknowledged that inclusivity comes at a cost and that appropriate funding rates were needed. Funding received for children with Education Health Care Plans was lower than expenditure on those children.

Members noted the response submitted by the Local Authority to the DfE consultation on the High Needs funding formula for 2022-23

The Forum **noted** the report.

8 EARLY YEARS FUNDING UPDATE

The Forum received a report which gave details on the changes made by the DfE to the way that Early Years funding for the Local Authority would be calculated for 2021-22.

Forum members noted the changes made by the DfE, specifically that Havering would not receive any top up funding for reduced hours. 2 year old hours in January 2021 were 85% of the January 2020 number and hours for 3 and 4 year olds were 94% of the January 2020 number. The threshold below which top-up funding would be given is 85%.

A review of funding rates would be undertaken and presented to the Early Years Provider Reference Group before being brought to the Forum.

Details of Early Years Discretionary Grant payments made to providers were presented.

The Forum:

- 1) **Noted** the changes made to the way that Early Years funding for Local authorities will be calculated and noted the details of the Early Years Discretionary Grant
- 2) **Agreed** the proposed arrangements for a review of funding rates for providers

9 PROPOSED DATES FOR MEETINGS IN THE 2021-22 ACADEMIC YEAR

The Forum agreed the following meeting dates for the 2021-22 school year, with a new start time of 8am:

23rd September 2021

21st October 2021

2nd December 2021

13th January 2022

10th February 2022

16th June 2022

Meetings would take place at CEME subject to Covid restrictions.

The Forum agreed to hear the remaining items in a closed meeting due to the reports containing publically exempt information under Part 1 of Schedule 12A of the Local Government Act 1972.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted



Schools Funding Forum 23rd September 2021 ITEM 5

Subject Heading:

High Needs funding forecast and funding review

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

All members

SUMMARY

This report provides a year end forecast of expenditure against the high needs budget for 2021-22 and outlines proposals for the establishment of a working party to review high needs funding for schools.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the year forecast of expenditure for financial year 2021-22
- (ii) agrees to the establishment of a working party to review primary and secondary schools' high needs funding

REPORT DETAIL

High Needs budget forecast 2021-22

The latest forecast of the high needs expenditure for year end 2021-22 is shown at Appendix A. This is based on actual expenditure to August and the current number of EHCPs and placements.

The High Needs block of the Dedicated Schools Grant (DSG) is forecast to overspend in year by £3.0m. The deficit brought forward from 2020-21, following the transfer of underspends on the Schools and Central Services blocks, was £2.7m. This brings the forecast cumulative deficit at year end to £5.7m

The final deficit will be higher if the pre pandemic pattern of increases in number of EHCPs and external placements during the autumn term is repeated this year.

The number of pupils with High Needs and the complexity of those needs continues to grow. Factors contributing to the increased overspend are:

- an increase in the number of pupils with an EHCP
- an increase in the number of ARP places
- an increase in the number of pupils attending out of borough special schools

Review of High Needs Funding for Schools

At the meeting held on 17 June 2021 the LA informed the Schools Funding Forum of their intention to review aspects of High Needs funding during the autumn term. To facilitate this review the LA is seeking to set up a working party consisting of school representatives together with LA high needs and finance officers.

The proposed scope of the review is:

- funding rates for EHCP supported hours
- financial support for the EHCP assessment period
- high needs inclusion supplement (headroom)
- ARP funding

The proposal is for the working party to contain two primary and two secondary school representatives to be drawn from the membership of the Schools Forum or the SEN Executive Board.

Outcomes and proposals would be brought to the Schools Funding Forum at the October 2021 and December 2021 meetings.

High Needs Forecast 2021-22

Funding allocation before recoupment
Available funding after recoupment
Deficit fwd from previous year
Transfer from Schools Block
Total funding for the financial year

Havering Special Schools
Expenditure on therapies etc
Out of Borough Maintained Special Schools
Revised In-Borough Primary Top-up
Out of Borough Mainstream Primary
Expenditure on alternative tuition + therapies
In year EHC Plans
Total Primary High Needs funding
Revised In-Borough Secondary Top-up
Out of Borough Mainstream Secondary
Expenditure on alternative tuition + therapies
In year EHC Plans & uplifts
Total Secondary High Needs funding
Schools with high nos. of pupils with SEN
Additionally Resourced Provision
In-Borough Post-16 Top-up
In-Borough Post-16 Top-up
Out of Borough Post-16
Expenditure on Post-16 Tuition & therapies
Internships
Total Post-16
Non-Maintained & Independent Special Schools Pre-16
Non-Maintained & Independent Special Schools Post-16
Early Years EHCPs
Alternative Provision
Central support teams
Total

Total funding available
Forecast overspend
projected increase of deficit (year on year)

**Summary
September 2021**

£000
31,886
28,744
-2,667
0
26,077

Estimated Expenditure £000	No of Pupils/Places supported			
	Pre 16		Post 16	
	Apr-Aug	Sep-Mar	Apr-Aug	Sep-Mar
10,730	296	300	83	89
164				
805	37	35		
4,050	569	567		
158	19	12		
325				
290				
4,823	588	579	-	
2,584	333	368		
183	23	20		
460				
100				
3,327	356	388	-	
384				
1,370	106	112		
497			84	79
777			128	136
679			77	69
131				
68				
2,152			289	284
2,500	42	40		
1,334			11	17
50				
2,376				
1,715				
31,730	1,282	1,307	383	390

26,077
-5,653
-2,986

Agenda Item 6



Schools Funding Forum 23rd September 2021

ITEM 6

Subject Heading:

Schools Funding 2022-23

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcements of indicative DSG Schools Block funding for financial year 2022-23.

RECOMMENDATIONS

That the Schools Funding Forum

- (i) notes the announcements on schools funding for 2022-23
- (ii) agrees to apply the national funding formula rates to schools data in calculating schools funding

REPORT DETAIL

Government Announcement on School Funding

A written statement from the The Minister of State for School Standards to the House of Commons is attached at Appendix A providing an overview of the funding changes for 2022-23

This item considers the Dedicated Schools Grant (DSG) Schools Block funding. Other agenda items consider changes to Havering's High Needs and Central Schools Support DSG Blocks.

1. Operational Guidance

Every year the ESFA publishes Operational Guidance to local authorities to use with their Schools Forums to determine the funding arrangements for the year. The full Operational Guidance for 2022-23 can be found on the DfE website at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003631/Schools_revenue_funding_2022_to_2023.pdf

An extract of the document showing the key changes is attached at Appendix B.

2. Background

Financial year 2018-19 was the first year of the implementation of a “soft” National Funding Formula and for that year and the two subsequent years Havering has used the NFF rates in calculating funding for its schools. For each of those years decisions have been made by the Schools Funding Forum on the minimum funding guarantee (mfg) and the gains caps to be applied. For 2021-22, the mfg was set at +1.75% and there was no gains cap. This was after using £550,000 of the Schools Block to support the Pupil Growth/Falling Rolls Fund. No transfer was made to the High Needs Block in 2021-22. In the previous year (2020-21) the mfg was +0.5%, the gains cap +4% and £500k was transferred to the High Needs block.

For 2022-23 it is again recommended that Havering adopts the NFF funding rates and the Forum will again be asked to consider proposals for the level of the minimum funding guarantee, whether to apply a gains cap and if so at what rate. Consideration will again need to be given to any top up that is required to Havering's allocation of funding for pupil growth and falling rolls and to any transfer of funding to support high needs expenditure.

3. DSG Schools Block 2022-23

Indicative funding for 2021-22 through the DSG Schools Block has been announced by the DfE as shown in the table below against the baseline data from 2021-22.

	Pupil Numbers	Schools Block allocation excluding pupil growth and premises factors £	Allocation through premises factors £	Total allocation (excluding pupil growth) £	Allocation per pupil £
2022-23	37,478	198,818,062	2,430,762	201,248,824	5,370
2021-22	36,979	190,978,314	2,241,145	193,219,458	5,225
increase	499	7,839,748	189,617	8,029,366	145
				4.16%	2.78%

The Schools Block funding for 2022-23 shown above will be updated in December using pupil numbers from the October 2021 census and will also include Havering's allocation of funding for pupil growth/falling rolls. Until then the LA models various options based on estimated pupil numbers and data.

The table above shows the comparison of indicative 2021-22 funding against the baseline figure for 2021-22. This is not the final allocation that the LA received in 2021-22 which is shown in the table below together with the indicative Schools Block funding for 2022-23.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £	Primary pupil numbers	Secondary pupil numbers	Pupil Funding £	Rates (NNDR) £	Total Funding £
2022-23	4,667	6,285	22,701	14,777	198,818,062	2,430,762	201,248,824
2021-22	4,559	6,097	22,701	14,777	193,595,869	2,241,195	195,837,015
Diff	108	188	-	-	5,222,193	189,617	5,411,809

As already stated, the final Schools Block allocation for 2022-23 will be provided by the DfE in December based on the October 2021 census.

4. NFF Funding rates

The comparison between NFF funding rates to be used in the 2022-23 formula and those used for 2021-22 is shown in Appendix C

5. Minimum Funding Guarantee and Gains Cap

The range for the minimum funding guarantee (mfg) percentage that local authorities can apply is between 0.5% and 2%. Local Authorities can also apply a cap on the % gains per pupil that schools will receive to ensure that the total amount allocated to schools does not exceed the Schools Block funding that has been allocated. In

calculating funding to schools in 2021-22 an mfg of 1.75% was applied with no gains cap.

6. Pupil Growth and Falling Rolls Fund

In 2019-20 the DfE introduced a formula through which to allocate growth funding to LAs. This is based on multiplying the difference between the October data in one year to the previous year and multiplying that difference by £1,370 per primary pupil and £2,050 per secondary pupil. These arrangements based on lagged data do not support LAs with a growing number of pupils. Havering's allocation has decreased year on year although the reduction of £33k for 2021-22 was much smaller than in recent years.

2018-19	£3.3m
2019-20	£2.5m
2020-21	£1.6m
2021-22	£1.6m

For 2021-22 the LA had calculated that the cost of funding pupil growth and falling rolls would be £2.15m and the Schools Funding Forum agreed to allocate £550k of the Schools Block to meet the shortfall in funding.

Havering's arrangements are to fund new expansions, increases in PANs as they move through the year groups of schools and commitments to fund bulge classes in which pupil numbers are significantly below the number required to fund the additional teaching costs etc. For 2021-22 the AWPU from 2020-21 was used to allocate funding.

e.g. for a primary school expansion

28 pupils x AWPU £3,093.39 x 7/12 (Sept – March) = £50,525

This budget must also fund schools with falling rolls. To comply with the DfE requirements Havering's arrangements fund good and outstanding schools only and when the capacity is likely to be filled in 3 years. The formula funds schools with a NOR below 85% of its PAN in the first two year groups.

Havering also has local arrangements that support primary schools that have significantly and consistently low numbers in some year groups.

Proposals in the DfE Consultation 'Fair school funding for all: completing our reforms to the National Funding Formula' may result in a significant reduction in funding for schools with low numbers in some year groups.

Statement made on 19 July 2021

Nick Gibb

The Minister of State for School Standards

Today I am confirming provisional funding allocations for 2022-23 through the schools, high needs and central school services national funding formulae (NFF). The allocations distribute the final year of the three-year school funding settlement that the Secretary of State for Education announced to Parliament on 3 September 2019. Core school funding increased by £2.6bn in 2020-21, and is increasing by £4.8bn and £7.1bn in 2021-22 and 2022-23 respectively, compared to 2019-20.

These allocations are part of the annual funding cycle. They are separate to the three major interventions we have made to support education recovery in response to the COVID-19 pandemic –over £3bn in total. All of that support for recovery will be provided on top of the funding allocations announced today for local authorities and schools.

Funding through the schools NFF is increasing by 3.2% overall in 2022-23, and by 2.8% per pupil. The NFF will distribute this funding based on schools' and pupils' needs and characteristics. The main features in 2022-23 are:

- The core factors in the NFF (such as basic per-pupil funding, and funding for additional needs such as deprivation) will increase by 3%.
- The funding floor will ensure that every school is allocated at least 2% more pupil-led funding per pupil compared to its 2021-22 NFF allocation.
- The minimum per pupil funding levels will increase by 2%, compared to 2021-22. This will mean that, next year, every primary school will receive at least £4,265 per pupil, and every secondary school at least £5,525.
- Support for small and remote schools (through the “sparsity” factor) will receive a further increase. In 2022-23 the additional funding that such schools can attract is rising to up to £55,000 for primary schools, and up to £80,000 for secondary schools – in both cases, a £10,000 increase from 2021-22. We are also moving to using road distances instead of straight line distances when measuring a school's remoteness. This will significantly increase the number of schools attracting this funding. As a result, the funding allocated through the sparsity factor is increasing from £42 million in 2021-22 to £95 million in 2022-23.

High needs funding is increasing by £780m, or 9.6%, in 2022-23 – following the over £1.5 bn increase over the last two years. This brings the total high needs budget to £8.9bn, an increase of over a third since 2019-20. The high needs NFF will ensure that every local authority receives at least an 8% increase per head of population, with some authorities seeing gains of up to 11%. This vital extra resource will continue to help local authorities manage their cost pressures in this area, while the government remains focused on completing the cross-departmental review of the

SEND system to ensure that it supports children and young people with SEND as efficiently and effectively as possible.

Central school services funding funds local authorities for the ongoing responsibilities they continue to have for all schools. The total funding for ongoing responsibilities is £284 million in 2022-23. In line with the process introduced for 2020-21 to withdraw funding over time based on the historic commitments local authorities entered into before 2013-14, funding for these historic commitments will decrease by 20%.

The provisional NFF allocations published today will be updated, based on the latest pupil data, to produce final allocations in December that local authorities will receive through the Dedicated Schools Grant.

Local authorities will continue to use that funding to determine final allocations for all local mainstream schools. In parallel with the changes being implemented for 2022-23, the Government is in the process of consulting on how we complete our reforms to the schools NFF in the longer term – whereby funding allocations for individual schools are determined by one single national formula, rather than 150 separate, different, local authority formulae.



Education & Skills
Funding Agency

Schools revenue funding 2022 to 2023

**Operational guide
July 2021 Publication**

Introduction

1. This guide helps local authorities and their schools forums, to plan the local implementation of the funding system for the 2022 to 2023 financial year.
2. As the country moves through the coronavirus (COVID-19) pandemic, the Department for Education (DfE) acknowledges the essential role those local authorities are playing to support education. To ensure that funding can be delivered as smoothly as possible to schools, the department has made limited changes to funding arrangements in 2022 to 2023.

Expiry or review date

This guidance is current for the 2022 to 2023 funding year.

Who is this publication for?

This guidance is for:

- local authorities
- schools forums

Changes in 2022 to 2023

The department has updated the NFF in 2022 to 2023 with new factor values, and made some technical changes. These are detailed in the NFF technical notes and policy document. Where these affect local formula arrangements, they are also covered in this guidance.

Key changes to the schools NFF in 2022 to 2023 are:

- 1 NFF factor values have increased by:

- £10,000 to the maximum sparsity values
- 3% to basic entitlement, free school meals at any time in the last 6 years (FSM6), income deprivation affecting children index (IDACI), lower prior attainment (LPA), English as an additional language (EAL) and the lump sum
- 2% to the floor, the minimum per pupil levels and free school meals (FSM);
- 0% on the premises factors, except for PFI which has increased by RPIX.

Note - The Area Cost Adjustment for Havering has increased from 1.08274 to 1.08410. This has resulted in the NFF factors for Havering rising by slightly more than the increases shown above. NFF IDACI funding rates are rounded to the nearest £5. This results in some variation in the percentage increase.

- 2 Schools sparsity distances are now based on road distances, instead of straight-line distances, and a sparsity distance taper has been introduced, in addition to the existing year group size taper.

Note – No schools in Havering meet the criteria for receipt of sparsity funding

- 3 Data on pupils who have been eligible for FSM6 is now taken from the October 2020 school census instead of the January 2020 census, to make the factor more up to date and bring it in line with arrangements for other NFF factors as well as the pupil premium.

Note – This change was announced in December 2020 and was applied for 2021-22 funding.

4 Pupils who joined a school between January 2020 and May 2020 attract funding for mobility based on their entry date, rather than by virtue of the May school census being their first census at the current school (the May 2020 census did not take place due to coronavirus (COVID-19)).

5 Further to the consultation on changes to the payment process of schools business rates, schools business rates will be paid by ESFA to billing authorities directly on behalf of all state funded schools from 2022 to 2023 onwards. Further details on this will be issued separately within the formal consultation response over the summer.

6 Guidance for high needs funding arrangements for 2022 to 2023 will be available in late summer 2021.

The department has confirmed the following aspects of the high needs NFF:

- the funding floor is set at 8% so each local authority will see an increase of at least 8% per head of their 2 to 18 population (as estimated by the Office of National Statistics)
- the gains cap is set at 11%, allowing local authorities to see gains up to this percentage increase under the formula, again calculated on a per head basis of their 2 to 18 population

Note – The High Needs Operational Guide for 2022-23 has now been published

7 A reminder that the following requirements have been removed from appendix 3 as they no longer need schools forum approval, following the consultation on changing the dedicated schools grant:

- any deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget
- any brought forward deficit on de-delegated services which is to be met by the overall schools budget
- In 2022 to 2023, as in previous years, each local authority will continue to set a local schools funding formula, in consultation with local schools. In July 2021, the department published a consultation on proposals for completing our reforms of the funding system, whereby individual schools budgets would be set directly through one single national formula, rather than local funding formulae. This consultation proposes that, from 2023 to 2024, local authorities will be required to bring their own formulae closer to the schools NFF, to smooth the transition. These requirements do not apply in 2022 to 2023, but local authorities may choose to move their local formulae closer to the NFF in advance of these requirements.

Minimum per pupil levels (MPPLs)

The MPPLs will remain mandatory, at the new NFF values.

Minimum funding guarantee (MFG)

Local authorities have the freedom to set the MFG in local formulae between +0.5% and +2% per pupil

Dedicated schools grant (DSG) transfers

Local authorities continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval.

A disapplication is required for transfers above 0.5%, or any amount without schools forum approval; this applies to any transfers even if the minister agreed an amount in previous years.

Deficit management

The department recognises that there may well be some local authorities which, despite their best efforts and the increased funding for the high needs block, will still not be able to pay off their historic deficit from the DSG over the next few years. In these cases, the department expects to work together with the local authority to agree a plan of action to enable the local authority to pay off its deficit over time. The department will need convincing evidence from the local authority that it would be impracticable to pay off a historic deficit from the DSG it would expect to receive in future years. The department will discuss the evidence requirement with selected local authorities and has provided a template to assist all local authorities report their plans for managing the DSG.

The department will continue to approach selected local authorities to begin discussions with them during 2021. These discussions are detailed, and to make this process manageable it will be necessary to limit discussions during 2021 to 2022 to a small number of authorities, as was the case in 2020 to 2021. The department expects to expand the discussions to other local authorities in later years.

LPA assessment data

Following the cancellation of assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), local authorities will use 2019 assessment data as a proxy for assessments that would have taken place in 2020 and 2021.

Early years funding

We intend to publish the early years national funding formula (EYNFF) operational guide, that local authorities should follow when funding providers to deliver the early years entitlements in 2022 to 2023 in the autumn.

Reviewing and consulting on the pre-16 formula

1. The department appreciates that there may be limitations in the way local authorities are currently able to work due to the coronavirus (COVID-19) situation, although we expect a continued easing of restrictions.
2. However, local authorities must continue to do their best, within the circumstances, to engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula, including the principles adopted and any movement of funds between blocks.
3. Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.
4. Local authorities also need to be setting out whether changes would bring their local formula closer to, or further from, the NFF.
5. Local authorities should communicate proposed formula changes to all bodies affected by the changes.
6. The local authority is responsible for making the final decisions on the formula; however, each local authority's process should have ensured that there was sufficient time to gain political approval before the APT deadline in January 2022.
7. Political approval means approval in line with the local authority's local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council. The schools forum does not decide on the formula.

8. Local authorities should, as much as is possible, ensure that they allow sufficient time for wider consultation with schools, agreement by their schools forum, and political approval if they wish to transfer funding out of the schools block, or submit a disapplication request.

Further information is included in the movement between blocks section of this guidance.

9. Schools forums can meet remotely. This includes, but is not limited to, telephone conferencing, video conferencing, live webcast and live interactive streaming.

ITEM 6 Appendix C

NFF rates 2022/23

ACA 1.08410

Factor	Primary			
	2022/23		2021/22 % change	
	NFF £	LBH £	LBH £	LBH
Basic per pupil	3,217.00	3,487.55	3,381.40	3.14
Free School Meals	470.00	509.53	498.06	2.30
FSM Ever 6	590.00	639.62	622.58	2.74
IDACI A	640.00	693.82	671.30	3.36
IDACI B	490.00	531.21	514.30	3.29
IDACI C	460.00	498.69	481.82	3.50
IDACI D	420.00	455.32	443.92	2.57
IDACI E	270.00	292.71	281.51	3.98
IDACI F	220.00	238.50	232.79	2.45
Low Prior Attainment	1,130.00	1,225.03	1,185.60	3.33
EAL	565.00	612.52	595.51	2.86
Mobility	925.00	1,002.79	974.47	2.91
Lump sum	121,300.00	131,501.33	127,546.77	3.10
Minimum Funding Level	4,265.00	4,265.00	4,180.00	2.03
Minimum Funding Guarantee	0.5% - 2.00%	1.75%	0.5% - 2.00%	tba

	Secondary			
	2022/23		2021/22 % change	
	NFF £	LBH £	LBH £	LBH
KS3	4,536.00	4,917.48	4,768.39	3.13
KS4	5,112.00	5,541.92	5,373.64	3.13
	470.00	509.53	498.06	2.30
	865.00	937.75	909.50	3.11
	890.00	964.85	936.57	3.02
	700.00	758.87	736.26	3.07
	650.00	704.67	682.13	3.30
	595.00	645.04	627.99	2.72
	425.00	460.74	449.34	2.54
	320.00	346.91	335.65	3.36
	1,710.00	1,853.81	1,797.35	3.14
	1,530.00	1,658.67	1,607.87	3.16
	1,330.00	1,441.85	1,396.73	3.23
	121,300.00	131,501.33	127,546.77	3.10
KS3	5,321.00	5,321.00	5,215.00	2.03
KS4	5,831.00	5,831.00	5,715.00	2.03
Weighted	5,525.00	5,525.00	5,415.00	2.03
	0.5% - 2.00%	1.75%	0.5% - 2.00%	tba

Agenda Item 7



Schools Funding Forum 23rd September 2021 ITEM 7

Subject Heading:

High Needs Funding 2021-22

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcements of indicative DSG High Needs Block funding for financial year 2022-23.

RECOMMENDATIONS

That the Schools Funding Forum notes the additional High Needs Block funding for financial year 2022-23

REPORT DETAIL

1. Background

In 2018-19 the DfE implemented a National Funding Formula for the allocation to local authorities of high needs funding through the DSG although the funding has not kept pace with the increasing number of children with Education Health and Care Plans or the increased complexity of need.

2. National funding formula allocations for 2022 to 2023

The full operational guidance can be found on the DfE website at:

<https://www.gov.uk/government/publications/high-needs-funding-arrangements-2022-to-2023/high-needs-funding-2022-to-2023-operational-guidance>

2022-23 is the third year of the Government's three year settlement. The national increase in high needs funding in 2022 to 2023 will be £780 million, or 9.6% compared to the amounts allocated in 2021 to 2022.

The funding floor factor in the high needs NFF for 2022 to 2023 will continue at 8% per head of 2 to 18 population. This is based on what local authorities received in high needs funding in 2021 to 2022.

The limit on gains, before the imposition of a cap, is set at 11%, again calculated on the basis of per head of population, and using the 2021 to 2022 funding baseline.

The historic spend factor has been updated for 2022 to 2023, to provide every local authority with a set percentage (50%) of their 2017 to 2018 spending on high needs, and is now based on the local authority's actual spend from 2017 to 2018 outturn data rather than planned spend as previously used.

3. DSG High Needs Block allocation 2022-23

Indicative funding for 2022-23 through the DSG High Needs Block has been announced by the DfE as shown in the table below with comparable data from 2021-22.

Funding factor	2022-23 £	2021-22 £	Change £	Change %
(A) Basic entitlement factor	2,109,083	2,048,505	60,578	3.0
(B) Historic spend factor	11,194,567	10,603,814	590,753	5.6
(C) Population factor	12,581,963	11,075,302	1,506,660	13.6
(D) FSM factor	2,117,116	1,850,498	266,618	14.4
(E) IDACI factor	2,243,173	1,956,690	286,483	14.6
(F) Bad health factor	1,637,830	1,452,054	185,776	12.8
(G) Disability factor	1,562,504	1,387,839	174,665	12.6
(H) KS2 low attainment factor	1,260,458	1,078,723	181,736	16.8
(I) KS4 low attainment factor	1,617,724	1,509,728	107,995	7.2
(J) Funding floor factor	0	39,033	-39,033	-100.0
(K) 2021-22 hospital education, AP teachers pay/pension and supplementary funding factor	135,746	138,549	-2,802	-2.0
(L1) Import/export adjustment	-1,374,000	-1,320,000	-54,000	4.1
(L2) New and growing special free schools	24,000	18,000	6,000	33.3
Total funding	35,110,164	31,838,736	3,271,428	10.3

It should be noted that the figures shown are before DfE recoupment for their direct funding of academies and non maintained special schools.

The anticipated deficit at year end 2021-22 must be taken into account when considering the impact of the additional £3.3m in meeting the costs of ongoing high needs provision in Havering.



Schools Funding Forum 23rd September 2021 ITEM 8

Subject Heading:

**Central Schools Services Block (CSSB)
2022-23**

Report Author:

**Nick Carter Principal Finance Officer
(Schools)**

Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcement of indicative DSG Central Schools Services Block (CSSB) funding for financial year 2022-23 and seeks approval for the retention of funding to maintain central statutory services.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the allocation of CSSB for 2022-23
- (ii) considers the request to retain funding for central statutory services

REPORT DETAIL

1. Background

As part of the introduction of a Schools and High Needs National Funding Formula in 2018-19 the DfE also introduced a fourth funding block, the CSSB, which

brought together funding for services previously funded through the Schools Block and through an Education Services Grant. The allocation for 2022-23 is shown below.

The ESFA Operational Guidance requires Schools Forum approval for the central retention of this funding as shown at section 3 below.

2. CSSB allocation 2022-23

Indicative funding for 2022-23 through the DSG Central Service Block has been announced by the DfE as shown in the table below with comparable data from 2021-22.

	Ongoing responsibilities			Historical commitments	Total CSSB
	Pupil nos.	Per pupil £	£	£	£
2022-23	37,478	39.69	1,487,592	147,195	1,634,788
2021-22	37,478	37.74	1,414,419	183,994	1,598,414
Difference	0	1.95	73,173	-36,799	36,374

3. Services to be funded

The services that LAs can fund from the CSSB are set out in the extract from the Operational Guidance at Appendix A attached. For Havering, these services are as follows:

Ongoing responsibilities	2022-23 £
Copyright licences	183,183
Admissions	511,590
Schools Forum	44,548
LA responsibilities to all schools	688,307
Pension funding	59,964
Total	1,487,592

Historical commitments	2022-23 £
Schools Partnerships/Schools Causing Concern	147,195

Total	1,634,788
-------	-----------

The copyright licence costs tend to increase each year but LAs are not notified of the increase until later in the year. It is suggested that should the licence cost be different from the £183,183 above, the allocation for LA responsibilities to all schools is adjusted to balance to the CSSB.

Schools Funding Forum approval is requested for this use of the CSSB.

Extract from the Operational Guidance 2022-23

Central school services block (CSSB)

The CSSB continues to provide funding for local authorities to carry out central functions on behalf of maintained schools and academies, comprising two distinct elements:

- ongoing responsibilities
- historic commitments

Further details on the methodology used for the CSSB are set out in the 2022 to 2023 NFF technical note.

The total funding for ongoing responsibilities is £284m in 2022 to 2023. This funds all local authorities for the functions they have a statutory duty to deliver for all pupils in maintained schools and academies.

Local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is -2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.6%.

As previously stated, the department will begin to reduce the element of funding with CSSB that some local authorities receive for historic commitments made prior to 2013 to 2014.

In 2022 to 2023, for those local authorities that receive it, historic commitments funding will be reduced by 20%.

The department has protected any local authority from having a reduction that takes their total historic commitments funding below the total value of their ongoing prudential borrowing and termination of employment costs, in recognition of the lead in times required for such costs to unwind. DfE will consider the evidence local authorities submitted for this same protection last year and invites any other local authority in this position to contact the department at FundingPolicy.QUERIES@education.gov.uk.

The DfE has made the necessary adjustments for 2022 to 2023 in the DSG allocations. The department is not proposing any changes to the regulations, which require local authorities to have the approval of the schools forum for such expenditures, nor is DfE changing the requirement in regulations that local authorities spend no more on these commitments than they did in the previous year. With the approval of the schools forum, a local authority can maintain spending in this area using other funding sources if they wish to.

The duties included in the CSSB are set out at Annex 2, which also includes maintained school only functions.

Where local authorities hold duties in relation to all schools (as set out in schedule 2, parts 1 to 5 of the School and Early Years Finance (England) Regulations 2021, all schools must be treated on an equivalent basis.

Local authorities should not treat voluntary aided schools, foundation schools or academies, differently from maintained schools in the services they provide to them; this is set out in the DSG conditions of grant.

Schools such as voluntary aided schools, foundation schools and academies, cannot therefore be charged for services that are provided free of charge to community and voluntary controlled schools, and paid for out of the centrally held DSG.

For example, although admissions appeals are not a duty that the local authority holds in relation to all schools, the department would still expect all schools to be treated fairly and equitably by the local authority.

This does not include funding that has been retained centrally from maintained school budgets only (as set out in schedule 2, parts 6 and 7), where some statutory duties relate to community and voluntary controlled schools only.

However, in these situations, local authorities should not charge voluntary aided and foundation schools if requested to provide services to these schools and where there is no charge to community and voluntary controlled schools for the same service.

Annex 2 – Central services that may be funded with agreement of schools forums

The split of services between responsibilities that local authorities hold for all schools, and those that relate to maintained schools only are shown below.

Responsibilities held by local authorities for all schools are funded from the central school services block, with the agreement of schools forums.

Responsibilities held by local authorities for maintained schools only are funded from maintained schools budgets only, with agreement of the maintained schools members of schools forums.

The department has included references to the relevant schedules in the School and Early Years Finance (England) Regulations 2021.

Responsibilities held for all schools **Statutory and regulatory duties**

- director of children's services and personal staff for director (sch 2, 15a)
- planning for the education service (sch 2, 15b)
- revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (sch 2, 22)
- authorisation and monitoring of expenditure not met from schools' budget shares (sch 2, 15c)
- formulation and review of local authority schools funding formula (sch 2, 15d)
- internal audit and other tasks related to the local authority's chief finance officer's responsibilities under section 151 of LGA 1972 except duties specifically related to maintained schools (sch 2, 15e)
- consultation costs relating to non-staffing issues (sch 2, 19)
- plans involving collaboration with other local authority services or public or voluntary bodies (sch 2, 15f)
- Standing Advisory Committees for Religious Education (SACREs) (sch 2, 17)
- provision of information to or at the request of the Crown other than relating specifically to maintained schools (sch 2, 21)

Education welfare

- functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (sch 2, 20)
- school attendance (sch 2, 16)
- responsibilities regarding the employment of children (sch 2, 18)

Asset management

- management of the local authority's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (sch 2, 14a)
- general landlord duties for all buildings owned by the local authority, including those leased to academies (sch 2, 14b)

Other ongoing duties

- licences negotiated centrally by the Secretary of State for all publicly funded schools (sch 2, 8); this does not require schools forum approval
- admissions (Sch 2, 9)
- places in independent schools for non-SEN pupils (sch 2, 10)
- remission of boarding fees at maintained schools and academies (sch 2, 11)
- servicing of schools forums (sch 2, 12)
- back-pay for equal pay claims (sch 2, 13)
- writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (sch 2, 23)

Historic commitments

- capital expenditure funded from revenue (sch 2, 1)
- prudential borrowing costs (sch 2, 2(a))
- termination of employment costs (sch 2, 2(b))
- contribution to combined budgets (sch 2, 2(c))

Agenda Item 9



Schools Funding Forum 23rd September 2021 ITEM 9

Subject Heading:

De-delegation of funding for central services 2022-23

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

LA maintained school representatives

SUMMARY

This item is to seek the approval of the Schools Funding Forum for the de-delegation of funding to maintain the provision of a range of central services permitted by the Schools Funding Regulations.

RECOMMENDATIONS

For LA maintained school representatives to consider:

1. The de-delegation of funding for the following services:
 - (i) Contingency to support schools in financial difficulty
 - (ii) Attendance & Behaviour
 - (iii) EAL
 - (iv) Free school meals eligibility
 - (v) Insurance
 - (vi) Maternity insurance
 - (vii) Trade Union Facility Time
2. The de-delegation of funding in support of LA central services for maintained schools.

REPORT DETAIL

Funding for de-delegated services must be allocated to schools through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval. De-delegation is not an option for academies, special schools, nursery schools and PRUs.

Where de-delegation has been agreed for maintained primary and secondary schools the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

Any decisions made to de-delegate in 2021 to 2022 related to that year only, so new decisions will be required for any service to be de-delegated in 2022 to 2023.

Schools forum members decide separately for each phase whether the service should be provided centrally and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be subtracted from the formula allocation before school budgets are issued.

The services which may be de-delegated are:

- contingencies (including schools in financial difficulties and deficits of closing schools)
- behaviour support services
- support to underperforming ethnic groups and bilingual learners (EAL)
- free school meals eligibility
- insurance
- museum and library services
- licences/subscriptions
- staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties)

For each service de-delegated, local authorities will need to make a clear statement of how the funding is being taken out of the formula (for example, primary insurance £18 per pupil, FSM eligibility £9.50 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated.

Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school converts to an academy at any point in the year. Where a school converts to an academy in the period 2nd April to 1st September 2022, local authorities will have an opportunity to present an evidence based case to the EFA to request a recoupment adjustment for the period 2nd September 2022 to 31st March 2023.

Any unspent de-delegated funding remaining at the year-end should be reported to schools forum. Funding may be carried forward to the following funding period as with any other centrally retained budget, and local authorities can choose to use it be used specifically for de-delegated services.

Services for which de-delegation is requested

1. Contingency for Schools in Financial Difficulty

Each year a small budget is held centrally to support schools who are in financial difficulty, sometimes through past decision making, unforeseen expenditure that cannot be contained within the school's budget or more commonly because of a reduction in pupil numbers. Several schools have been supported through this fund through criteria agreed by the Schools Funding Forum.

Funding required through de-delegation from LA maintained primary schools is as follows

2022-23	Primary
Formula factor	AWPU
Amount	£11.00
Total	£190,000

2021-22 rate	£11.00
--------------	--------

2. Attendance & Behaviour

An explanation of the service offered through de-delegation is attached at Appendix A.

Funding required through de-delegation from LA maintained primary schools is as follows:

Formula factor	AWPU	FSM Ever 6	IDACI E	IDACI D	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	
Total	£86,400	£6,513	£30,492	£25,769	£6,511	£4,671	£1,310	£24,581	£186,247

2021-22 rates	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	
---------------	-------	-------	--------	--------	--------	-------	--------	-------	--

The range in sums de-delegated from each school is shown below. The majority of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

	De-delegated from individual schools
Lowest	£1,815
Median	£3,855
Highest	£10,135

3. EAL Service

An explanation of the service offered through de-delegation is attached at Appendix B.

Funding required through de-delegation from LA maintained primary schools is as follows:

2022-23	Primary
Formula factor	EAL 3
Amount	£38.00
Total	£93,000

2021-22 rate	£38.00
--------------	--------

The range in sums de-delegated from each school is shown below. The majority of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

	De-delegated from individual schools
Lowest	£297
Median	£1,650
Highest	£4,740

4. Free School Meals Eligibility

This service checks the eligibility of children for free school meals and pupil premium grant by accessing a central government hub. Without this service schools would need to make their own arrangements to determine eligibility.

Funding required through de-delegation from LA maintained primary schools is as follows:

2022-23	Primary
Formula factor	FSM
Amount	£9.50
Total	£28,000

2021-22 rate	£9.50
--------------	-------

5. Insurance

Insurance for maintained schools is arranged as part of the Borough's main insurance contract, funded from de-delegation.

2022-23	Primary	Maximum
Formula factor	AWPU	
Amount	£19.00	
Total	£327,000	

2021-22	£18.00
---------	--------

6. Maternity leave insurance

The LA administers an insurance scheme that meets the costs of teachers who are on maternity leave. The benefit of de-delegating the budget, rather than operating a traded service, is that schools do not have to pay premiums or make claims.

If the funding is not de-delegated, schools would need to make individual choices to buy into the scheme which, if some schools decided not to, may make it unviable to run. It is not offered to academies.

Funding required through de-delegation from LA maintained primary schools

2022-23	Primary
Formula factor	AWPU
Amount	£26.80
Total	£462,000

2021-22	£26.80
---------	--------

7. Trade Union Facility Time

A working group of the Schools Funding Forum has previously considered issues raised in a DFE advice and guidance document and made comparisons of costs with other LAs. Decisions were made to reduce the amount of facility time and therefore the costs to schools and academies.

The pooled arrangements continue to benefit schools through the provision of support from locally based and accredited trade union officials.

The cost per pupil to schools has been £2.50 for four years having been reduced gradually each year from an original £5.70 in 2014-15.

The total funding received from de-delegation and from academies will generate a budget that will determine the total facility time that is allocated to trade unions based on the proportion of their membership.

A letter to Directors of Children's Services, signed jointly by the ASCL, NAHT and NEU, is attached at Appendix C. This outlines the case for continued delegation.

Funding required through de-delegation from LA maintained primary schools

2022-23	Primary
Formula factor	AWPU
Amount	£2.50
Total	£43,000

2021-22	£2.50
---------	-------

8. Central Education Services

The Schools Funding Forum has previously received reports on the withdrawal of the Education Services Grant (ESG) which was previously allocated to local authorities by the Government for the provision of statutory services in relation to schools. Academies had also been allocated ESG. This too has ceased.

The reports advised that from an original allocation of £2.3m, £589k had been transferred to the DSG leaving no funding source to meet the remaining costs. After reducing its operational costs by £590k this left a shortfall of £1.2m.

In reducing the funding to local authorities, the DFE introduced a provision within the School Funding Regulations for local authorities to agree a contribution from LA maintained schools towards the cost of statutory services and specific tasks that are carried out for them that are not for academies. This principle reflects the charge that most Multi Academy Trusts place on their partner academies for central services.

The contribution from LA maintained schools budgets' was introduced for the 2018-19 financial year and was set at £19.89 per pupil for primary schools and £44.00 per place for special schools. The primary school rate was reduced to £17.90 for 2019-20 and it remained at that level for 2020-21 and 2021-22.

For 2022-23 the LA is proposing to increase the rate for LA maintained primary schools by 3%, bringing it to £18.44. The 3% rise is in line with the increase in the NFF funding rates used to calculate school budgets in 2022-23. Using the minimum per pupil funding level of £4,265 this equates to a central services charge of 0.4%. No increase is proposed for special schools.

The cost of providing the services supported by this funding is comprised largely of staff salaries. Salary costs rose by 2.75% in 2020-21 and will rise by at least 1.75% in 2021-22.

The new rate would produce a total contribution of £325,000.

2022-23	Primary	Special
Formula factor	AWPU	Place
Amount	£18.44	£44.00
Total	£318,000	£7,000

2021-22	£17.90	£44.00
---------	--------	--------

A list of LA responsibilities for maintained schools only is attached at Appendix D.

Havering Attendance, Behaviour and Traveller Support Services

We aim to support schools to manage the most challenging pupils with the human resources that they currently have, hence ensuring good value for money and crucially increase the confidence of our staff.

Introduction

The Attendance, Behaviour and Traveller Support Teams provides for a central bank of knowledge and support to be available to primary and secondary schools across Havering. Our teams work to support a range of school staff, including members of SMT, SENCOs, teachers and support staff. We also work closely with parents/carers, undertaking home visits where appropriate, with the aim of reducing barriers to good attendance/school engagement and reminding parents of their legal responsibilities where necessary.

A key part of our role and one which we believe sets us apart from other approaches, is our joint work with other key professionals in Health and Social Care. This year the team has continued to forge our partnership with the Early Help Service. This work has enabled us to continue to advocate for a more holistic and education focused approach. Our focus is to support pupils at risk of school disengagement and to intervene in schools where thresholds for early help/social care intervention are not being met.

The focus of our work over the past year has been:

- Supporting schools to improve attendance, particularly persistent absence
- Support and challenge of parents/carers where there are attendance and/or behavioural concerns, developing targeted interventions for pupils at wave 2, 3 and 4 thresholds.
- Linking with other key inclusion and wider council services to improve attendance and behaviour, including SEN, the AP Commissioner, Early Help and CAMHS services, as well as supporting pastoral support networks
- Further roll out of the Restorative Approaches training
- Support for schools in policy writing (such as Flexi School Guidance)
- Supporting staff with Staff Discussion Groups and working with key primary school leaders in particular through the Head programme.
- Inclusion consultations, working with CAD and providing a child centred approach to supporting children with a variety of SEMH needs.

The Attendance and Behaviour Teams would like to request that Schools Funding Forum give a mandate for them to continue support for schools to help bring about further positive change, and to build on existing work to support a much needed multi agency approach with our most vulnerable pupils.

Our Core Offer to LA Maintained Schools. THIS OFFER IS AVAILABLE TO ACADEMIES VIA HES.**Behaviour Support**

Support for an average of four individual children per primary school per academic year at risk of disengagement/exclusion depending on the waves threshold. This may vary depending on the current need in the school and will be assessed by ABTSS team also in consideration with

school demographics / need. This is a useful benchmark around general levels of support and some cases may be supervised more intensely than others. This will be dynamically assessed on a case by case basis. Support is designed to meet the need of each individual child in each individual school and can be delivered in a variety of ways. This could include twilight training sessions, online consultations, intensive 5 P planning and teaching as well as in class support.

In the 2019/20 academic year, the service actively supported 243 students who are struggling in the classroom, disengaged from learning or undertaking a school transition move through the IYFAP process. The support offered works on a step up and down mechanism where our students at most risk of disengagement receive between 2-5 sessions per week of in school support overseen by a senior officer in the team.

School professionals can also be supported through our comprehensive professional development training programme (listed below). Schools are entitled to choose a one-day training per year as part of the core offer, we have also greatly appreciated in this academic year schools sharing trainings across sites as some trainings such as Team Teach have been in very high demand.

We recognise that school and life transitions are trigger points for stress; we offer a transition service via our Transition Coordinator. We support pupils, through group work and 1-1 support if we anticipate that attendance at secondary school will be potentially overwhelming. This year much of programme was online with demand for support for Year 7 transitions. The online transition week continues to be a popular feature of the support we provide via the Havering FIS website which has thousands of hits with support provided following enquires via that page.

Attendance Support:

It is important to note that school attendance is coming under increasing scrutiny, with the persistent absence (PA) rate now defined as below 90% as opposed to 85%. We offer EVERY school an experienced named officer/s who will work flexibly with schools and visit regularly to monitor attendance, advise and work with schools and families to improve attendance.

The package of support provided to schools in the de-delegated arrangements includes bi-weekly or monthly visits to your school by a named officer to oversee patterns of non-attendance. This includes early intervention when patterns of poor attendance arise and multi-agency working to support the family and improve outcomes. Providing in-school training for school staff on attendance matters on SIMS plus templates, monitored late gate, presentations at new intake meetings, staff meetings and school assemblies. In addition:

- Advice and guidance when a parent wants to educate their child at home.
- Provision of advice and guidance on child protection issues.
- Regular support from a linked Attendance and Behaviour Support Officer (including absence cover when linked officer is unavailable due to ill health, etc.)
- Advice and guidance on promoting early intervention for pupils with poor attendance.
- Guidance on strategies for managing pupil absence.
- Detailed casework with pupils with low attendance that will reach the threshold for legal intervention, if required.
- Outreach work with pupils and families, including home visits and attendance at multi-agency meetings and case conferences for pupils causing serious concern.
- Meetings at school with staff and parents.
- Cross border liaison in relation to out-borough pupils.
- Pre- Ofsted 'health check'

The above support is in addition to the statutory service provided to every Havering school as follows:

- *Guidance for children on child protection plans and children missing from education*
- *Issuing and full administration of Fixed Penalty Notices including holiday fines*
- *Presentation of cases in court that meet the legal threshold for prosecution*

Primary schools have particularly appreciated our updated attendance leaflets for parents and the new fridge magnets and parents 'THINK TWICE' medical advice booklet.

Dedicated telephone service

To cover any kind of query related to attendance, behaviour, traveller support or exclusion we offer a dedicated Mon-Fri 9am-5pm duty telephone system for every school in Havering, where a member of our team will be here to answer any questions and provide you with a quick and timely follow-up. Our telephone service is also located in the MASH team so that we are able to share and support your safeguarding and welfare concerns.

Dedicated Traveller Education Support

We have a wealth of experience of dealing with traveller families. With the dedicated support of our specialist Traveller Education Support Officer and our knowledge of the traveller community, we aim to improve the attendance, educational outcomes and school engagement of all pupils from a traveller background. We maintain close and regular contact with parents. We visit families living on privately owned sites, fairgrounds and circuses as well as those in private and council accommodation, by building trust and confidence. This has led to an increase in school attendance, and a wider participation in the life and activities in Havering schools.

Our commitment:

- Support positive relationship building between Traveller families and schools
- Liaise with other agencies within the Borough to improve the quality of services available to traveller families.
- Provide intensive support packages and initial integration support for pupils who demonstrate great need.
- Share information with other agencies, schools, out of borough authorities by developing systems and protocols where necessary, and develop and maintain effective joint working relationships.
- School presentations, parent meetings and trainings according to need.

Training/CPD offer to all schools and Academies on a BUYBACK offer.

The core-training offer is flexible in terms of venue, full-day/half day and twilight options. **LA maintained schools** are entitled to **one whole day** training inclusive, selected from the list below. We offer a wide training menu to schools depending on the needs of the school in consultation and partnership with the Head teacher. We will deliver training packages that will improve the implementation of policy into practice and enhance the confidence of school staff. Our packages are approved and recommended by the DfE, NICE and OFSTED. **Much of the future training offer will be online or compliant with staffing 'bubbles'.**

Trainings available to you are:

- Positive Classroom Behaviour Management for teachers, including NQT's and support staff support via CPD programme to assist teaching staff in developing understanding of the motivations behind children's challenging behaviour. Key stage 1-4
- NQT Behaviour Classroom Management Key Stage 1-2
- Positive Lunchtimes! – a specific half day training for SMSAs in-line with the new OFSTED framework Key stage 1-2
- Accredited 1 and 2 day Team Teach Training: de-escalation and positive handling Key stage 1-4 (with staff groups of more than 24 staff at any one time there may be a minimal extra cost for extra tutors for this course only in line with accreditation specifications)

- Restorative Approaches –a whole school approach to behaviour management. We are able to offer whole school or part school training across key stages 1-4. (Please note this training requires more than one training day commitment and some parts of the training require additional purchase).
- Problem solving and circle time. Programmes/workshops to promote better social skills and related to the PSHE curriculum using the 'Dina Dinosaur' programme, building capacity and developing a school culture. Key stage 1-2
- Engaging Traveller Families Workshop Key stage 1-4
- Teacher and staff reflective problem solving sessions Key stage 1-4
- Training for Governors and schools on the attendance legal framework Key stage 1-4

Our training packages are well researched and received, providing enormous value when compared to the price charged by private providers for similar training programme for example if a whole school one day Team Teach Positive Handling Training was booked through Team Teach Ltd would cost in excess of £2,600!. On average, we train over 1700 staff each year.

Why continue with us?

As well as always taking a professional and flexible approach. We pride ourselves on our customer service and we value excellent communication with all our customers.

Our service is backed by educational and therapeutic specialists who work with you to achieve and maintain student well-being and direct access into a multi-disciplinary service of excellence.

For quality assurance, all of our staff members are suitably qualified and highly skilled within their job role. All staff attend regular training and our casework is closely supervised by senior staff members. We also keep schools informed and staff trained on new and emerging initiatives to help promote and maintain good attendance and behaviour in school; we provide guidance that is both purposeful and practical.

English as an Additional Language - Proposal to maintain a central EAL team

To retain a central EAL Team to maintain the high levels of support and response to Havering's maintained primary schools, it is proposed that £38 per EAL pupil be de-delegated in the financial year 2022-23. This would provide funding of £93,000 towards the costs of the team which would otherwise be put at risk should an insufficient number of schools decide not to buy into the service. The level of funding requested in 2022/23 remains unchanged from 2021-22 despite an increase in the numbers of pupils with EAL.

Through the national funding formula, primary schools receive £612.51 per EAL3 pupil so would retain nearly 94% of their funding to provide support to their EAL pupils. The percentage retained by schools would therefore continue to increase for the period 2022-23.

Rationale for maintaining a central team with EAL expertise in Havering

- Havering's demographic is continuing to change. Over the last 3 years, the EAL population in Havering primary schools has risen from 21.6% (Jan 2018) to 25.0% (Jan 2021) with increasing numbers of children entering mid-phase with little or no English.
- The need for a service can be evidenced by how well it is used by schools. From April to March 2020-2021, 37 LA-maintained primaries accessed the service for consultancy support and/or CPD. In addition, the team has maintained repeat buy-in from academies with 21 (13 primary and 8 secondary) buying into the service through the year.
- Unlike other service areas which generate a more consistent level of need, EAL needs fluctuate across schools making it more difficult for the EAL team to project a guaranteed income to fund salaries. Without collective buy-in from schools, EAL support could cease to exist within Havering and schools would have to source support from elsewhere.
- The central team plays a crucial role in managing school-to-school support networks and ensuring the sharing of best practice, both within and beyond Havering.
- The team also carries out important back office work, liaising with a range of LA services to ensure effective transitions, to facilitate SEND diagnoses and to safeguard children with EAL.
- Liaison with a number of commercial providers ensures that the EAL team is able to negotiate resources at a reduced rate for schools.

The offer for LA-maintained primaries:

- Termly consultancy visits (more available on request, depending on the needs of individual schools – may be virtual or face-to-face)
- Full-day EAL reviews, on request
- Twice-termly networks for EAL co-ordinators and EAL TAs (may be virtual or face-to-face)
- Unlimited access to centrally-held EAL CPD (may be virtual or face-to-face)
- Telephone, email support and resources

Impact of the EAL team:

The targeted work of the EAL team with EAL co-ordinators, class teachers and TAs helps schools tailor their provision to ensure EAL learners make rapid progress. As a result, pupils that start with limited English across all phases make accelerated progress in order to reach ARE or close the gap towards this. Many EAL learners are likely to have been disproportionately affected by the Covid-19 crisis due to lack of access to models of spoken English during lockdowns; central EAL funding will ensure ongoing support continues into the next financial year to help schools close these gaps.



Dear Director

We are writing on behalf of all employees working in your local authority area who are members of NAHT, ASCL and the National Education Union (NEU).

Acting in accordance with advice issued by the Local Government Association and the National Employers' Organisation for School Teachers, the vast majority of schools made the right decision last year by agreeing through their Schools Forum to 'de-delegate' funding for supply cover costs, including for trade union facilities time.

We believe that the central retention and distribution of this funding is the most effective and efficient arrangement, and we would like to work with you to ensure that this arrangement continues. Discussions are now taking place in your authority on funding arrangements for supply cover costs from April next year and we are asking you to pass the information in this letter to members in your Schools Forum and to encourage them to vote for de-delegation of funding arrangements for supply cover costs.

Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time as follows:

- Paid time off for union representatives to accompany a worker to a disciplinary or grievance hearing.
- Paid time off for union representatives to carry out trade union duties.
- Paid time off for union representatives to attend union training.
- Paid time off for union 'learning representatives' to carry out relevant learning activities.
- Paid time for union health and safety representatives during working hours to carry out health and safety functions.

These provisions are contained within the Employment Relations Act 1999 and the Trade Union Labour Relations (Consolidation) Act 1992 and the Safety Representatives and Safety Committees Regulations 1977.

NAHT, ASCL and NEU have members and union representatives in academies as well as maintained schools within your local authority area and, in addition to seeking your support for de-delegation, we are seeking your agreement for the local trade union funding arrangement to be formally extended to academies within your local authority boundary.

Item 9 Appendix C

As the DfE Advice on Trade Union Facility Time acknowledges, the trade union recognition agreement between the authority and the recognised unions will have transferred to each academy school as the new employer of the transferred staff as part of the conversion process to academy status under TUPE. We believe that, following conversion, academies should also become parties to local authority trade union facilities arrangements.

The academies within your authority will have received funding for trade union facilities time in their budgets and they are permitted to use that funding to buy-back into local authority arrangements. Indeed, many academies across England have already agreed to buy in to local authority trade union facilities arrangements.

Pooled funding will help the local authority and all schools to meet their statutory obligations on trade union facilities time. Setting up a central funding arrangement will allow academies to pay into a central pool if they wish to. But most importantly it will help maintain a coherent industrial relations environment where issues and concerns whether individual or collective can be dealt with more effectively. All these points are echoed in the advice issued by the LGA and NEOST.

We urge you therefore to support the de-delegation of funding for trade union facilities time and to continue or establish (if you did not do so previously) a mechanism whereby academies within your authority are able to buy into a central fund for trade union facilities time. If you agree to do so, we will write to academy principals to encourage them to buy in to your arrangement.

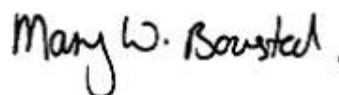
Yours sincerely



**General Secretary
ASCL**



**General Secretary
NAHT**



**Joint General Secretary
NEU**



**Joint General Secretary
NEU**

Responsibilities held for maintained schools only

Statutory and regulatory duties

- Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 59)
- Budgeting and accounting functions relating to maintained schools (Sch 2, 75)
- Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 60)
- Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 61)
- Internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 62)
- Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 63)
- Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 64)
- Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 65)
- Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 78)
- HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 67); determination of conditions of service for non-teaching staff (Sch 2, 67); appointment or dismissal of employee functions (Sch 2, 67)
- Consultation costs relating to staffing (Sch 2, 69)
- Compliance with duties under Health and Safety at Work Act (Sch 2, 70)
- Provision of information to or at the request of the Crown relating to schools (Sch 2, 71)
- School companies (Sch 2, 72)
- Functions under the Equality Act 2010 (Sch 2, 73)
- Establish and maintaining computer systems, including data storage (Sch 2, 74)
- Appointment of governors and payment of governor expenses (Sch 2, 75)

Education welfare

- Inspection of attendance registers (Sch 2, 81)

Asset management

- General landlord duties for all maintained schools (Sch 2, 79a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:
- appropriate facilities for pupils and staff (including medical and accommodation)
- the ability to sustain appropriate loads
- reasonable weather resistance
- safe escape routes
- appropriate acoustic levels
- lighting, heating and ventilation which meets the required standards
- adequate water supplies and drainage
- playing fields of the appropriate standards
- general health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)
- management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Central support services

- Clothing grants (Sch 2, 55)
- Provision of tuition in music, or on other music-related activities (Sch 2, 56)
- Visual, creative and performing arts (Sch 2, 57)
- Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 58)

Premature retirement and redundancy

- Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78)

Monitoring national curriculum assessment

- Monitoring of National Curriculum assessments (Sch 2, 77)

Therapies

- This is now covered in the high needs section of the regulations and does not require schools forum approval

Additional note on central services

Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the local authority (including preparation of applications) and, where it's the local

authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions

- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services



Schools Funding Forum 23rd September 2021 ITEM 10

Subject Heading:	Early Years Funding 2021-22 and 2022-23
Report Author:	Nick Carter – Principal Finance Officer (Schools)
Eligibility to vote:	All members

SUMMARY

This report lays out the proposed schedule for reviewing Early Years funding rates for 2021-22 and setting funding rates for 2022-23.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the proposed schedule for determining Early Years funding rates

REPORT DETAIL

Early Years funding 2021-22

The funding rates for 2021-22 were agreed by the Schools Funding Forum at a special meeting held on 23rd February 2021. This followed discussions held at the Early Years Provider Reference Group (EYPRG) and consultation with Early Years providers.

Rates for 2021-22 were agreed as follows:

1. The basic hourly rate for 2 year olds was increased from £5.68 to £5.76
2. The basic hourly rate for 3 & 4 year olds was increased from £5.00 to £5.02.
3. The Early Years Inclusion Fund funded from the Early Years Block remained at £300,000 and that the hourly rate for eligible children remained at £4.90.

The Schools Forum also agreed that in future, the use of any underspend in the Early Years Block should be discussed with the EYPRG before any proposals are brought to the Schools Funding Forum and before any decisions are made on its use.

As in 2019-20 and 2020-21 rates were to be reviewed during the year as the likely funding the LA would receive in the Early Years block became clearer.

The estimate of funding for 2021-22 was calculated using estimated hours at 95% of 2020-21 levels. In the summer term 2021 actual hours were very close to this level, meaning that funding from the DfE is unlikely to be significantly higher than forecast. It also means, of course, that funding should not be significantly lower. The funding rates agreed necessitated using part of the £701k balance brought forward that the LA has pledged to keep within Early Years. The remainder of the balance brought forward was left unallocated as a reserve in case EY hours, and therefore funding, were significantly lower than forecast.

The remaining balance is available for distribution to providers in the form of an increase in the hourly rate.

At the end of 2020-21 there were unspent balances on the Early Years Block as follows:

Provision for 2 year olds (in-year)	£81k
Provision for 3&4 year olds (in-year)	£62k
Centrally retained	£108k

As agreed the LA will discuss use of these underspends with EYPRG before any decisions on their use are made.

The LA plans to meet with EYPRG in early October to discuss the use of balances and proposals for increasing hourly rates for 2021-22. The discussion will include the balance between increasing the basic hourly rate and increasing the hourly rate for inclusion. Proposed funding rates will then be brought to the meeting of the Schools Funding Forum on 21 October 2021.

Early Years funding 2022-23

The DfE did not release any details of Early Years funding for 2021-22 until 17 December 2021 and it would be wise to assume that details for 2022-23 will be released at a similar time this year.

The LA has arranged a meeting of EYPRG on 10 January 2022 to discuss funding rates for 2022-23. Following this, there will be a consultation with providers. The outcome of the consultation will be discussed with EYPRG and proposed funding rates brought to the Schools Funding Forum for approval at the meeting on 10th February 2021.

Agenda Item 11



Schools Funding Forum 23rd September 2021 ITEM 11

Subject Heading:

Schools' Business Rates 2022-23

Report Author:

**Nick Carter Principal Finance Officer
(Schools)**

Eligibility to vote:

All school and academy members

SUMMARY

This report provides details of changes to the payment of business rates for state-funded schools from 2022/23 onward.

RECOMMENDATIONS

That the Schools Funding Forum notes the changes to the arrangements for the payment of business rates.

REPORT DETAIL

The DfE are centralising the payment of business rates for state-funded schools from 2022/23 onward. Essentially this will involve the ESFA paying Havering directly on behalf of schools and academies from April 2022.

Existing Arrangements

i. Local Authority maintained schools

Havering receives funding for schools' business rates within the DSG. The budgets sent to schools in February include an allocation for business rates. The Council's business rates team charge the total rates bill for all LA maintained schools to

Learning and Achievement, usually in July. In September Education Finance pass on the cost to individual schools by means of direct debit. On the same day that the direct debit is made, schools receive a cash release for the business rates element of their budget allocation.

ii Academies

Academies receive a bill from the Council for their business rates. Academies then pay their business rates directly to the Council.

Individual academies submit claims to the EFSA to recoup the cost of their business rates via the NNDR portal. Once validated the EFSA reimburses academies the exact cost of business rates within two months of receiving the claim. The payment is funded outside of GAG payments.

The cost of academies' business rates is included within the DSG, in order to be allocated according to the LA's formula. The EFSA, however, recoups this sum from the LA.

It was felt that these arrangements are largely circular involving substantial bureaucracy.

New arrangements

From April 2022 the EFSA will essentially pay the Council directly on behalf of state-funded schools.

The proposed changes do **not** represent a change in funding levels, but instead represent a more streamlined system which restructures the payment process of existing funding. The funding available to cover the cost of local authority maintained schools' and academies' business rates will remain unchanged. This approach to top slicing dedicated schools grant (DSG) and general annual grant (GAG) funding to streamline cash management is already in place for other payments.

Billing authorities are expected to provide a single bulk upload of bill data every year to the EFSA. Schools and LAs will have access to the on-line business rates portal so that they can see schools' rates bill amounts and when bills have been paid. Any penalties for late payment will be met by the EFSA.

The EFSA will cover the cost of historic adjustments raised after April 2022 that relate to bills paid prior to that date, for example where there is revaluation following new build on the school site. Where there are backdated adjustments downward, academies, or the LA in the case of community schools, would be responsible for reclaiming overpayment.

Where schools are in receipt of discretionary relief this will be applied prior to billing.

Agenda Item 12



Schools Funding Forum 23rd September 2021 ITEM 12

Subject Heading:

**The National Funding Formula
Consultation**

Report Author:

**Nick Carter Principal Finance Officer
(Schools)**

Eligibility to vote:

All school and academy members

SUMMARY

This report examines the Government Consultation document 'Fair school funding for all: completing our reforms to the National Funding Formula', the likely impact of the proposals on primary and secondary schools and academies in Havering, and considers responses to the questions it contains.

RECOMMENDATIONS

To consider and respond to the consultation

REPORT DETAIL

On 8th July 2021 the DfE launched the consultation document 'Fair school funding for all: completing our reforms to the National Funding Formula'. The deadline for consultation responses is 30th September 2021.

The full consultation document can be found on-line at:

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

Some sections of the consultation document contain proposals that will not impact on Havering schools, for example funding for split site schools. Extracts from the consultation document, covering those areas most pertinent to Havering schools, are included in **Appendix A**.

Responses to the consultation are submitted on-line at:

<https://consult.education.gov.uk/funding-policy-unit/completing-our-reforms-to-the-nff/>

Introduction

The National Funding Formula (NFF) was introduced in 2018-19 in order to make the school funding system fairer and to move away from a funding system driven by historic funding levels rather than current need. The introduction of the NFF meant that funding was allocated between local areas by reference to need.

Since its introduction the NFF has been a 'soft' formula. The DfE calculates funding allocations for individual schools based on particular characteristics. These individual allocations are then aggregated for each LA.

The LA, following consultation with the Schools Funding Forum and schools, then determines the final funding allocations through a local formula which it sets. The DfE has set parameters within which local formulae operate but LAs have had discretion about the amount of funding put towards each factor. Havering adopted the National Funding Formula rates from the outset. Since the introduction, the majority of LAs have moved towards the NFF.

The Government's intention has always been to move to a funding system in which all individual schools' funding allocations are set directly by the national formula without substantive further local adjustment. This was termed a 'hard' NFF.

The move to a hard NFF is intended to insure that the funding system better fulfils the following principles:

- Fair
- Simple and Transparent
- Efficient and Predictable

A hard NFF would mean that a multi academy trust with schools located in different LAs would no longer have schools being funded on different bases.

The consultation sets out proposals on how to move towards a hard NFF. It sets out proposals for what a fully delivered hard NFF should look like and for the next steps to be taken to ensure a smooth transition towards this.

A hard NFF is a significant change requiring careful implementation to avoid unexpected disruption. The DfE does not, at this stage, intend to set a fixed date by which a hard NFF will be fully in place. Instead LAs local formulae will be moved progressively closer towards the NFF. The consultation includes proposals on how, and how quickly, LA formulae could move to a hard NFF, as well as proposals on the eventual completion of the reforms.

The national funding floor and local minimum funding guarantee (MFG) protections will remain in place, so that schools will not lose funding in cash per-pupil terms as a result of moving towards a hard NFF, and all schools will continue to receive fair funding increases. The Area Cost Adjustment (ACA), that reflects the payment of London Weighting at different levels, will also continue.

This consultation concerns funding of mainstream schools from Year R to Year 11 only. There will be a separate consultation on funding for High Needs, Special Schools and alternative provision following proposals in the long awaited SEND review.

The consultation does not consider funding that is not determined by the NFF, such as Pupil Premium and grants to support schools' recovery provision as a result of the pandemic.

The consultation does not consider funding for Early Years.

The consultation document

The scope of the directly applied NFF

Here the DfE outlines the case for moving to a hard NFF in which all individual schools' funding allocations are set by the national funding formula with all elements of funding distributed through that hard NFF.

Havering adopted the NFF rates when they were first introduced in 2018-19 and has continued to use the rates in subsequent years. A move to a hard NFF would, therefore, have no direct impact on the formula funding received by Havering schools. Such a move, however, would rule out the possibility of moving away from NFF rates in the future.

Developing the schools NFF to support the directly applied NFF

This section of the consultation looks at three premises factors, PFI, exceptional circumstances and split site, that do not apply to any school in Havering and are unlikely to apply at any time in the future.

Growth and falling rolls funding

Currently the allocation of funding for growth and falling rolls is determined locally by LAs in consultation with the schools' funding forums. The DfE believe that if the principles of fairness, efficiency and predictability, and simplicity and transparency are to be applied to this funding, then it needs to be allocated on a consistent basis across all eligible schools.

The move to a national formula for growth and falling rolls will impact on the funding received by some Havering schools. In the case of case of funding for falling rolls this impact could be significant.

LAs receive a sum to fund growth and falling rolls within the DSG. Since 2019-20 this funding has been allocated to LAs by means of a formula. The sum delivered by the formula has not been sufficient to maintain the funding methodology used in Havering to support schools with growth or falling rolls. With the agreement of the

Schools Forum, funding has been top-sliced from the Schools Block in order to continue funding at the same levels. For 2021-22 the sum transferred to growth and falling rolls was £550k. Under the DfE proposals such transfers would not take place.

Funding for growth would be allocated by the DfE using standardised criteria and funding rates based on forecast pupil numbers collected from local authorities and academy trusts. Funding would be incorporated into the schools' core NFF allocations. Funding would be subject to an adjustment process to prevent additional funding being allocated where growth did not appear as forecast. This would involve an additional data collection point beyond the publication of the NFF each year. The schools' core NFF allocations, that has already been published, would be adjusted.

Funding for falling rolls would be available where it can be evidenced that the capacity is needed in the next three years. Local authorities would be required to inform the DfE which schools are likely to see a significant decrease to their number on roll in the current year and provide data to demonstrate that the spare capacity is likely to be needed in future.

Funding would not be provided in the first year of a decrease as protection is already provided by the lag in funding; funding is calculated using numbers from the previous October census. For LA maintained schools the lagged protection only exists for seven months, from September to March.

Funding would only be available to Good or Outstanding schools. As with growth, funding rates would be standardised and factored into core NFF allocations.

No reference is made in the consultation document to funding for bulge classes that do not fill, or to pledges that may have been made to schools when they agreed to take additional pupils.

Next steps for the transition to the directly applied NFF for schools

This section of the consultation looks at the time period over which a move to the Hard NFF might occur. As Havering is already using the NFF factors and NFF rates this has no direct bearing on Havering schools.

It is possible, however, that where a local authority is not using NFF rates, or where a large proportion of schools are in receipt of MFG as a result of previously high funding levels, that local authority is attracting more funding for its schools than would otherwise be the case. If the DfE has a finite sum to allocate, this could result in the NFF funding rates being lower than would otherwise be the case. This would suggest that a short period of transition, or indeed no period of transition, would benefit schools in LAs that have already adopted the NFF in full.

The EAL factor

The DfE is proposing that in future schools would be funded using the EAL3 measure in which pupils that attract funding are recorded on the census as having entered state education in England in the last three years. Havering already uses the EAL3 measure, so the dropping of EAL1 and EAL2 would have no impact.

Central School Services

Services delivered centrally by LAs and academy trusts fall into three broad categories

- Local authorities' ongoing responsibilities for all schools. These are funded through the ongoing responsibilities element of the Central Schools Services Block (CSSB)
- De-delegated central functions for schools currently funded by de-delegation or by a top-slice in MATs.
- Optional traded services

The DfE intend to review which services sit best within each category. It is possible that this could result in a reduced number of services remaining with the LA and a reduced CSSB. In these circumstances the DfE would consider whether funding for these services should become part of the Local Government Finance Settlement.

CSSB historic commitments

As discussed in agenda Item 8, this funding, used in Havering for School Partnerships and Schools Supporting Schools, has been reducing by 20% each year. The DfE intend that it is removed completely by the time a hard NFF is introduced. A legacy grant would be created for unavoidable legacy payments that some LAs are tied to. This would not cover the usage of funding made by Havering.

Local and national decision making

Once a hard NFF is fully implemented, some of the schools forums' powers and responsibilities will no longer apply, the role in being consulted on the funding formula being the most obvious.

Although the role of school forums would change the DfE expects that this kind of representative group will continue to play an important part in local decision making and stakeholder engagement. Annex B of the DfE consultation document summarises which of the schools forums' function will no longer apply and which will be maintained.

A consistent financial year

LA maintained schools are funded on an April – March financial year whilst academies are funded on the September – August academic year. The DfE are seeking to gauge whether there is an appetite for moving LA maintained schools funding to an academic year basis.

Maintained schools would still be expected to account for their funding, however, on a financial year basis. This would mean, in each financial year, accounting for the last 7 months' funding from one academic cycle and the first 5 months' funding from the next.

Proposed response to the consultation

Following discussion at the meeting, the LA is proposing to submit a response on behalf of the Schools Funding Forum. This does not, of course, preclude the possibility of separate submissions from the schools represented.

Provisional responses to the individual questions contained in the consultation are included at Appendix B.



Department
for Education

Extracts from:

Fair school funding for all: completing our reforms to the National Funding Formula

Government consultation

Launch date 8 July 2021

Respond by 30 September 2021

Contents

Foreword by the Minister of State for School Standards	3
1 Introduction	4
2 About the consultation	4
3 Completing the NFF reforms	4
3.1 The scope of the directly	5
3.2 Developing the schools NFF to support the applied NFF	8
3.3 Growth and falling rolls funding	8
3.4 Next steps for the transition to the directly applied NFF for schools	13
4 Completing our funding reforms within a school-led system	14
4.1 MATs' pooling of their funding	15
4.2 Central school services	15
4.3 Supporting effective SEND provision	18
4.4 Local and national decision-making	18
4.5 A consistent funding year	19
Annex A: The current structure of schools national funding formula (NFF)	21
Annex B: Proposed changes to schools forum responsibility	22
Annex C: Equalities Impact Assessments	25

Foreword by the Minister of State for School Standards



The government is committed to levelling up opportunity across the country and education lies at the heart of that mission. Our reforms are supporting teachers and school leaders to drive up academic standards throughout the country.

To deliver these improvements, we recognise that it is crucial that we support every school and multi-academy trust with the right resources, so that they can achieve the best outcomes for all their pupils. We have delivered the biggest increase in education funding in a decade with total additional funding of £2.6 billion in 2020-21, £4.8 billion in 2021-22 and £7.1 billion in 2022-23, compared to 2019-20: in total, over £14 billion across the three years.

We know it is also critical that this investment is distributed fairly between all areas of the country and all schools to help level up opportunity. We have already taken significant steps to make the school funding system fairer. The introduction of the schools National Funding Formula (NFF) in 2018-19, following extensive consultation, means that funding is now being distributed more fairly across the country. This was a major step forward from the postcode lottery of the previous funding system, in which historic funding levels, rather than current needs, drove distribution.

As we set out at the time of its introduction, our long-term goal for the NFF is that every school's final funding allocation is determined by the same, national formula, and is no longer subject to further adjustment from one of 150 local authority formulae. Removing the role of local authority formulae in determining schools' funding allocations and instead setting these directly through a national formula will complete our programme of reforms to the funding system. It will mean the funding system is fair for every school, with funding matched to a consistent assessment of need. It will make the funding system simpler and more transparent for all involved, with a single formula responsible for determining all schools' funding allocations. It will also help to underpin our ambition for all schools to be part of a strong multi-academy trust – final allocations set directly by a single national formula will mean all schools within a multi academy trust will be funded on a consistent basis, regardless of which local authority they happen to be located in, providing trusts with the predictability needed to make the best use of resources and drive up academic standards.

We appreciate that moving away from local formulae, to all schools' funding allocations being determined directly by the NFF, is a significant change for the school system. We

are determined to complete these reforms, and secure the benefits that they will bring; but we want to move carefully towards this end goal over the coming years, working with the sector to ensure that the transition is a smooth one. As part of this careful approach, we will maintain the protections within the funding system (such as the minimum funding guarantee) to minimise disruption for schools and ensure that no school sees a reduction in its per-pupil funding.

This consultation is seeking your feedback on our proposals on what precisely the direct NFF should look like, and how we can progressively move the system towards it. We look forward to your responses.

A handwritten signature in black ink, reading 'Nick Gibb' in a cursive style.

Rt Hon Nick Gibb MP
Minister of State for School Standards

1. Introduction

For the contents of this section please refer to the consultation document on-line at:

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

2. About this consultation

For the contents of this section please refer to the consultation document on-line at:

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

3. Completing the NFF reforms

In this section we set out proposals for what the scope of a hard formula should be – the elements of mainstream school funding that should be allocated through the national formula, without further local adjustment by the LA - in order to realise the benefits of the NFF fully. We then set out our proposals for how we will move towards completing the NFF reforms and the next steps we propose for transitioning smoothly towards a hard NFF.

3.1 The scope of the directly applied NFF

The introduction of the NFF in 2018-19 represented the biggest improvement to the school funding system in decades. It was a major step towards fairer funding for schools and between different areas of the country, and towards a system in which funding is allocated on the basis of schools' and pupils' needs and characteristics rather than accidents of location and history.

The move towards a hard NFF – in which all individual schools' funding allocations are set by the national formula, rather than 150 different local formulae - is crucial to achieving an equitable funding system and ensuring all schools receive resources consistently to support them to deliver the best outcomes for their pupils.

As set out in the introduction to this consultation, by moving towards a hard NFF we aim to further embed the following principles, in the funding system:

- **Fairness** – each mainstream school funded on a consistent basis, to reflect their needs and circumstances.
- **Simplicity and transparency** – every individual mainstream school's funding calculated through a single national formula transparent to all in the system.

- **Efficient and predictable** – a single national formula through which funding is matched to relative need, creating greater predictability in funding and ensuring resources are distributed and used across the system as efficiently as possible.

A critical question is whether, in order to achieve these principles and the goal of delivering an equitable funding system for all schools, all elements of funding should be distributed through a hard NFF or whether there would continue to be merit in local control of certain aspects of mainstream school funding.

The large majority of the current NFF is distributed at the national level on the basis of the pupils within a school – in 2021-22, 75% through a basic per-pupil entitlement and 17% through factors to reflect pupils' additional needs (indicated by measures of deprivation, low prior attainment, English as an additional language and pupil mobility).

This latter group of factors mostly act as proxies¹⁰ for the extra costs that schools are likely to face in delivering the education of pupils with additional needs, including, in particular, SEND.

Currently, some LAs use different factors in their local formulae to reflect additional needs in schools' allocations or allocate significantly different funding to these factors than the national formula does. Annex A provides further detail on the ways in which LAs' local formulae can currently vary from the NFF. Such local variation ultimately means that the NFF currently does not fully deliver funding on a consistent basis for all individual schools. Moreover, it means the link at school level between the pupils it educates and the funding it receives is not fully transparent. Ultimately, funding is dependent on a combination of the NFF, determining the total funding available for schools in each local area, and one of 150 local formulae determining its distribution to individual schools - rather than the result of a consistent, national approach. It also means that funding is not as well matched to relative pupil needs or as predictable as it could be, meaning the efficiency gains of a national funding formula are not fully realised.

We believe our aim should be that the hard NFF includes all of these pupil-led funding factors including those reflecting additional needs, to ensure equitable funding for all schools to deliver the best education possible for their pupils.

Apart from funding based on the number and needs of pupils within the school, remaining funding is allocated within the NFF on the basis of the characteristics of the school itself. These are: a lump sum, which recognises that schools face fixed costs regardless of pupil numbers; sparsity funding, which recognises the challenges of being a small and remote school; and premises funding, which recognises where there are unusual revenue costs associated with an individual school's site (for example PFI or a split site). The NFF also allows for growth funding to reflect the costs of increased pupil numbers. Our proposals for this are addressed in section 3.3.

In line with the discussion above of pupil-led factors, we believe that the best way to

achieve the principles of the hard NFF will be for these school-led factors to be included within a school's allocation under the hard formula. This would mean that schools' costs were funded in a consistent way, no matter where they are in the country, to reflect their circumstances.

Schools' key budgeting decisions take a holistic approach to how they will spend their total funding allocations – schools will consider the total funding available to them, and the full set of priorities that they need to address, in determining the best way to allocate

their resources. Schools rightly have considerable autonomy in making those decisions. It is, therefore, appropriate that our aim should be that the hard NFF takes a similarly holistic approach, incorporating both school-led and pupil-led funding elements into the same fair and consistent formula. To include one element of core funding within the hard NFF, but not another, would not align well with the clarity and consistency that best supports schools' budget planning.

The distribution of funding for some school-led factors currently relies on local knowledge and we recognise that we need to build new approaches to distribute this funding appropriately between schools under a hard formula. In the following sections of this consultation we set out proposals for how we can move towards having a national approach for determining growth funding. We also set out in outline our plans to reform how premises funding is allocated, which we will consult on separately, in more detail, in future.

The NFF also includes a funding floor, which has ensured that all schools attract a per-pupil increase in their pupil-led funding. We plan that a floor protection will be retained once we move to the hard NFF. This will mean that all schools will be protected from per-pupil losses. This will continue the protection currently afforded to schools by the minimum funding guarantee but with a single, national rate of protection for all schools once we move to a fully hard NFF.

Schools' funding allocations also include an area cost adjustment (ACA) designed to ensure that their funding allocations reflect local labour market costs and we plan to continue with an ACA as part of a hard NFF.

Our overall proposal therefore, subject to the further development of premises and growth funding factors, is **to include all NFF funding factors – pupil-led and school-led – in the hard formula, such that all funding distributed by the NFF will be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae.**

This will mean we are able to fully realise its benefits once delivered. It will mean that once we fully transition to a hard NFF every school will know that the funding they have been allocated is on the basis of a consistent formula - it is a fair reflection of their relative circumstances and pupil intake and needs, supporting them to deliver on the

educational standards expected of them. It will also be transparent to schools why they have been allocated a particular amount, rather than needing to engage with the interactions between both a national and a local allocation approach.

Question 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?

3.2 Developing the schools NFF to support the directly applied NFF

For the contents of this section please refer to the consultation document on-line at:

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

Premises: PFI

There are no schools in Havering funding through this factor

Premises: Exceptional Circumstances

There are no schools in Havering funding through this factor

Premises: Split Sites

There are no schools in Havering funding through this factor

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

3.3 Growth and falling rolls funding

Our principles for the overall hard NFF – fairness, efficiency and predictability, simplicity and transparency – extend to growth and falling rolls funding. We want, under a hard NFF, to allocate this funding on a fair and consistent basis across all eligible schools. Growth funding and falling rolls funding are key elements of the NFF because schools' budgets are set under a lagged funding system.

The lagged funding system

Schools' core allocations in any given year are based on the number of pupils that they had on roll at the previous autumn census – this is known as the lagged funding system.

This means that maintained schools could educate a different number of pupils from the number that they are funded for, across seven months of the financial year (September to March), and academies for twelve months (September to August).¹¹

A lagged system provides certainty over the amount of funding that schools will receive in advance of the start of the financial year, once pupil numbers are confirmed in the autumn census. We have considered whether we should make changes to the lagged system as we move to a hard NFF, for instance basing a school's funding in a given year on the exact number on roll in that year, but we believe that this would be unhelpful for the majority of schools and that the certainty that lagged funding brings is, in general, the best basis for funding to aid financial planning.

Maintaining a lagged funding system, with growth funding, within the NFF is particularly beneficial for schools experiencing significant growth in pupil numbers because growth funding can then be factored into schools' allocations ahead of the coming financial year, based on forecast growth. Therefore, budgets increase at the same point at which additional costs resulting from pupil growth, mainly staff salaries, would begin to occur.

The lagged system is also particularly beneficial for schools that experience decreases to their number of pupils because it gives lead-in time for such schools to decide how to amend their spending in response to having fewer pupils. This benefit is likely to become more widely felt given primary pupil numbers are forecast to decrease each year to at least 2027, before this smaller pupil population moves through to secondary schools.¹²

Growth funding and falling rolls funding in the current 'soft' NFF

We recognise that a lagged funding system, without any approach to reflect growth, would be difficult for some schools. 'Growth funding' - additional revenue funding, beyond core allocations – is therefore provided to schools who will face significant increases in the number of pupils that they will educate in-year. This is necessary to help such schools meet the additional costs that they incur as a result of growth in pupil numbers, before these additional pupils lead to schools receiving greater core allocations in the following year under the lagged system.

At present, funding is allocated to local authorities through the NFF's growth factor¹³, which local authorities are expected to distribute to schools that are growing to meet basic need. Basic need is additional demand for school places due to population growth or net migration.

The current arrangements have led to the adoption of a wide range of different local criteria to allocate growth funding and a variety of different amounts being paid out by different local authorities. This can mean that schools facing similar levels of pupil growth can be allocated very different levels of funding depending on where they are located. It also means that funding allocated to local authorities through the NFF's

growth factor is not necessarily passed on in full for this purpose. Moving to a hard NFF allows a new, consistent and fair approach to growth funding.

In addition to funding for basic need, 'new and growing' schools are also allocated funding to reflect their expected pupil numbers in the coming year's autumn census. 'New and growing' schools are those that have opened in the previous seven years (primaries) or five years (secondaries), and are still adding year groups. These schools are academies, due to the presumption that all new schools will have academy status. At present, academy trusts provide the ESFA with an estimate of their pupil numbers for the coming year, which is then used to calculate their funding allocation, outside the main NFF and local funding formulae system. Our proposals below consider how this funding would work as we move towards a hard NFF.

'Falling rolls' funding also provides specific schools with additional revenue funding. LAs can make this available for schools with short-term falls in pupil numbers, which are expected to be reversed in the near future, in order to ensure that capacity which will evidently be required in the near future is not put at risk. Falling rolls funding is not provided where decreases to pupil numbers are not significant, or increased demand for school places in future cannot be evidenced. This is only available to schools judged to be Good or Outstanding at their most recent Ofsted inspection. As with growth funding, LAs currently have a large degree of discretion in how they allocate falling rolls funding to schools, and some LAs do not provide this funding at all. Again, the hard NFF provides an opportunity to make the allocation of falling rolls funding consistent and fair across all eligible schools.

We propose that, when a hard NFF is implemented, funding for growth, new and growing schools, and falling rolls will still be allocated, as these will all continue to be important parts of the lagged funding system. However, the method through which this funding is allocated should change – moving to a new, national approach. Below, we set out our specific proposals for growth funding, falling rolls, new and growing schools, and funding for start-up costs in brand new schools, and for schools experiencing 'popular growth'.

Proposed changes to growth funding, and new and growing schools

For growth funding to meet basic need, and for new and growing schools, we propose the following:

- Collecting forecast pupil numbers in maintained schools and academies that are growing to meet basic need (from local authorities) and collecting forecast growth for new and growing schools (from academy trusts).
 - Collecting data on growth to meet basic need from local authorities is important because it is local authorities who have a legal duty to ensure a sufficient number of school places. Furthermore, this makes for an

efficient approach as local authorities record such data already, enabling swift data collections which mitigates against any risk of late allocations.

- Collecting data on new and growing schools from academy trusts mirrors what is currently in place, which we do not see reason to change.
- Using national, standardised criteria to determine which schools are eligible for funding. The main criterion would involve the size of the forecast growth, to ensure that additional funding is only allocated where growth is significant. Where growth is not significant, we would expect schools to manage within the funding allocations on the basis of lagged data until the following year in which budgets will increase, to reflect the higher pupil numbers.
- Factoring this funding into schools' core, NFF allocations, where growth is significant enough to meet the national criteria.
- Standardising the amount that eligible schools receive. We would look to spend broadly the same proportion of the total Schools Block on growth as at present, adjusted to reflect the level of growth that is forecast when the hard NFF is introduced, and in subsequent years.

Funding would be subject to an adjustment process, similar to that currently used for new and growing schools, which will be designed to prevent additional funding being allocated where higher pupil numbers do not appear as forecast. We would use the in-year autumn census to check the amount of growth that actually materialised in schools and adjust or recoup overpayments in the following year, if necessary. We would not expect to make adjustments in cases where pupil numbers fell slightly short of forecasts. We will seek to design an adjustment process that recognises the inherent uncertainty in forecasts, and that schools may face similar levels of additional cost where an extra class was required but fewer pupils than forecast actually materialised, but one that ultimately helps to ensure that funding is directed where there is greatest need.

We recognise that it will not be possible for local authorities to provide us with forecast growth before the NFF is calculated in every instance, because there may be uncertainty over which schools will admit more pupils or the growth, or size of growth, is yet to be confirmed. We would therefore have one additional data collection point beyond the publication of the NFF each year, for local authorities to be able to provide us with information on growing schools that it was not possible to confirm until then. We would make adjustments to schools' core NFF allocations that have already been published in these cases.

Proposed changes to falling rolls funding

For falling rolls funding, to protect capacity where it will evidently be needed in the near future, we propose:

- Requesting that local authorities inform us which schools are forecast to see a significant decrease to their number on roll in the coming year and provide us with data to demonstrate that their spare capacity is likely to be needed within the next three years. As this funding does not apply to new and growing schools, all information on falling rolls would be requested from local authorities.
- Only provide this funding where schools had already experienced at least one year's decrease to their number on roll, in addition to the forecast decrease in the coming year. Schools should otherwise adjust budgets using the planning time afforded by the lagged system.
- Continuing to provide this funding only to schools with a Good or Outstanding grade at their most recent Ofsted inspection.
- Similarly to growth funding, standardising the amount that schools eligible for falling rolls funding receive, and factor this funding into schools' core NFF allocations.

Funding start-up costs of new schools

We recognise that it is not always possible or appropriate for local authorities to meet increased demand within existing schools. In such situations, and where a new central route free school is not planned to open, a local authority may choose to open a new school through the 'presumption' route (that is where the local authority is the proposer of the new free school). At present, such schools receive a Project Development Grant (PDG) of £25,000 and any additional start-up funding is determined by local authorities' growth criteria. Similarly for basic need revenue growth funding in existing schools, this has led to inconsistencies across the country in amounts new schools opened through this route receive, as well as inconsistencies in the amount these schools receive with schools opened through the central free school programme.

The hard NFF offers an opportunity to achieve consistency of revenue funding between schools opened through the presumption route and between schools opened through different routes. Our review of existing local criteria for growth funding will encompass start-up costs for new schools and we will consult on detailed proposals in the second stage of this consultation. In advance of this, we will discuss further with LAs that have had schools open through the 'presumption' route.

Popular growth funding

Not all growth in schools is to meet basic need. Growth can also occur where a school becomes more popular with parents and children locally. Just as with schools experiencing basic need growth, we provide schools experiencing significant growth in pupil numbers due to increased popularity with additional funding to reflect their increased costs.

At present, this funding is available for academies with significant forecast growth in pupil numbers. The process for allocating this funding operates in the same way as funding for ‘new and growing schools’, that is academies that are entitled to this funding provide us with an estimate for their number of pupils in the coming year, which we provide funding for subject to an adjustment process based on the actual, in-year autumn census. Agreements are made on a case-by-case application basis at academy trust level.

Similar to basic need growth, we aim, as we move to the hard NFF, to move to a more transparent and consistent approach for allocating popular growth funding. We do not think we can mirror the proposed approach for basic need revenue growth funding under a hard NFF, where growth funding is automatically provided based on forecasts ahead of the coming year, because it is inherently more difficult to accurately forecast which schools will see such an increase in popularity.

Instead, for popular growth funding we propose:

- Making funding available for schools which have seen an increase in popularity, after being recently sponsored by a multi-academy trust which has improved the school’s performance. This funding would, therefore, remain targeted at academies, rather than all schools – to reflect the unique role that academy trusts have in turning around previously under-performing schools.
- Using the in-year autumn census to check which academies that meet the criteria above have experienced significant in-year growth. We do not propose collecting forecast increases to pupil numbers for popular growth funding because it is much more difficult to forecast than basic need growth.
- Making the amount of funding consistent with basic need growth funding allocations.

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

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

3.4 Next steps for the transition to the directly applied NFF for schools

For the contents of this section please refer to the consultation document on-line at:

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

Havering schools have been funded at the NFF rates since 2018-19

Question 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?

Question 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?

Question 7: 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? If you do not agree, can you please explain why?

Question 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?

LAs are currently given additional flexibilities in the precise formulation of the English as an Additional Language (EAL) and sparsity factors in their local formulae. For pupils with EAL, LAs have flexibility relating to the number of years in which an EAL pupil has been in the school system, in order to attract this funding. We propose that this flexibility should be removed from 2023-24 – so that all LAs would need to use the NFF’s ‘EAL3’ measure.

Havering already uses the EAL3 measure.

Question 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?

Havering does not have any schools that qualify for the sparsity factor.

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

4. Completing our funding reforms within a school-led system

The move towards a hard NFF set out above has important implications for and interactions with wider aspects of the funding system and how it supports a school-led system. In this section of the consultation we set out these implications and interactions and make proposals in relation to these aspects to support the transition towards a hard NFF and ensure we can fully realise its benefits.

4.1 MATs' pooling of their funding

In 2013, MATs were granted the ability to pool General Annual Grant (GAG) funding. Pooling of GAG is defined¹⁵ as 'the freedom to amalgamate a proportion of GAG funding for (all of a MAT's) academies to form one central fund'. This allows a Trust to pool some of the funding provided for all of the pupils for which it is responsible and distribute it between its constituent academies.

In considering whether the move towards a hard NFF should change MATs' freedom to pool GAG, we considered the substantial benefits that this flexibility brings to the school system. Academy trusts are the primary driver of the department's school improvement strategy and their freedom to pool funding is important in allowing them to deliver on that role. Academy trusts may choose to pool their funding to help them to turn around under-performing schools that they have brought into the trust, as they can direct funding to urgent school improvement priorities. In instances where one academy runs into financial difficulty, pooling helps to provide the trust with the resources and tools to manage independently. It can allow trusts to provide common services across all their academies efficiently, without the need for complex and bureaucratic re-charging systems. The move towards a hard NFF does not alter these key benefits that MAT pooling can bring. Indeed a significant benefit of moving towards a hard NFF is that it will ensure all schools within an academy trust are funded on a consistent and equitable basis, providing greater certainty and predictability of funding to support trusts' school improvement work. This freedom will therefore remain as we move to a hard NFF and continue once the transition to a hard formula is complete.

Whilst we consider that the benefits of MAT pooling for the system as a whole are clear, it is important to note that this freedom is specifically linked to the structure, and responsibility that academy trusts have – with each trust representing a unified governance structure sitting across each of its constituent academies and playing a key role in delivering the department's school improvement strategy. This is not true for other participants in the sector such as LAs (which do not have an equivalent unified governance structure sitting across their schools, nor the role that academy trusts have in turning around inadequate schools). We do not, therefore, see a role for any equivalent to MAT pooling in other part of the education system. The government's long term ambition is that all schools should ultimately be part of strong academy trusts.

4.2 Central school services

Ongoing services that are delivered centrally (either by LAs, or by academy trusts) for schools vary considerably across the country, but we consider these to fit into three broad categories:

- **Local authorities' ongoing responsibilities for all schools** – both maintained and academies (for example relating to admissions, or monitoring school attendance). These are funded from the ongoing responsibilities element of the Central Schools Services Block (CSSB) that is paid to LAs in the Dedicated Schools Grant (DSG).
- **De-delegated central functions for schools that local authorities (for maintained schools) and MATs (for academies) are responsible for.** These functions are generally funded through local authorities or MATs top-slicing school budgets. Functions that can be funded this way by LAs are set out in regulations (for example outdoor education or duties related to functions under the discrimination provisions of the Equality Act 2010)¹⁶. Statutory school improvement functions are also delivered centrally for schools for maintained schools, but provided for separately through the local authority school improvement monitoring and brokering grant.
- **Optional traded services for all schools** paid out of individual school's delegated budget share that are offered to schools to buy or not.

Moving towards a hard NFF, whereby the department determines schools' allocations centrally, creates a strong case for change in how funding for central school services should work. The role that LAs currently have in the school funding landscape will change as we move towards a hard NFF, leaving them with less flexibility to determine how the remaining DSG allocated to them is used. The transition to a hard NFF also presents an opportunity to review the variation in how central school services are currently provided and funded. Our proposals aim to bring more consistency across the

country, reflecting these changing roles to support a more school-based system that allows schools maximum control over their funding.

Ongoing central school services

In our review of central school services, we will review which services best sit within each of the three categories mentioned above and whether there is scope for us to set out a clearer list of services to be funded centrally, alongside a greater move towards de-delegated and traded services. Our intention is for this consultation to be followed by a more technical consultation on the future of central school services covering these issues.

We would continue to fund statutory responsibilities that local authorities hold for all schools centrally (for example some admissions duties). We are aware that in some cases it might make sense to centrally fund duties that are not statutory as well (for example some admission services which are optional but might be more appropriate for the LA to continue to provide, thereby retaining their strategic oversight function).

One non statutory area that we will wish to treat separately is the existing scheme whereby DfE purchases centrally copyright licences for all state-funded schools and LAs act as local agents for the scheme. This scheme has been successful, reducing the administrative burden on schools of purchasing individual licenses, and we do not intend to change it. Depending on what changes are decided on for central school services, we will if necessary include funding for the copyright licence scheme in the schools block in the same way as growth funding.

It is possible that, after reviewing central school services, there may be a decrease in services remaining with the LA that are centrally funded with more services de-delegated or traded. Under such a scenario we would consider whether the local authorities' funding for those should become part of MHCLG's Local Government Finance Settlement (LGFS) rather than a reduced CSSB block. This could provide helpful flexibility to LAs, if particularly if the simple distribution methodology used for the CSSB formula does not accurately match their need to spend.

Question 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?

Funding for historic commitments under a direct NFF

The CSSB also includes a historic commitments element, relating to continuing expenditure by LAs on commitments entered into before 2013, on activities which since that date have been deemed not to be appropriate for local authorities to fund directly from the DSG (because either the expenditure was not on mainstream education, or because the expenditure was on long term contracts entered into by LAs on behalf of their schools over which schools should have control).

The expectation in 2013 was that the spend on these commitments would reduce over time as commitments and contracts expired but some of these are taking longer to unwind than expected. Therefore from 2020-21, we have started to reduce the funding for historic commitments by 20% on the previous year's allocation and have continued the reduction at the same rate subsequently¹⁷. These reductions are in line with our reforms to move to a fairer funding system, as we do not believe it is fair to maintain significant differences in funding indefinitely which reflect decisions made by some LAs a decade or more ago.

We therefore propose that the department fully removes the remaining funding for historic commitments by the time the hard NFF is introduced, as part of making funding fairer and in line with previously stated intentions. We propose replacing funding for unavoidable legacy payments (those for termination of employment costs and prudential borrowing) that some LAs will still be tied into, with a separate legacy grant.

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

4.3 Supporting effective SEND provision

For the contents of this section please refer to the consultation document on-line at:

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

4.4 Local and national decision-making

Schools Forums are representative bodies in each LA to advise on (and, in some cases, take) local funding decisions. They have a wide range of responsibilities, covering funding for schools, high needs, early years and central LA services. As well as these formal responsibilities, they play an important role in local stakeholder engagement – they are well-established networks that bring local providers together to discuss common issues. In the long term, the introduction of a hard NFF will change the role of schools forums in some important ways, but not remove the need for a local forum to facilitate the engagement of schools and other providers in decisions and consultation on local matters.

Schools forums have a range of responsibilities relating to local funding formulae for mainstream schools. For example, they must be consulted by their LA on changes to local funding formulae for schools. Schools forums must decide on LAs' proposals to move up to 0.5% of the schools block to other funding blocks. Schools forums also have a decision making role on 'de-delegation' arrangements (whereby LAs deduct some of maintained schools budgets to fund central services for those schools, as set out in section 4.2 above), and on criteria for allocating funding to schools for growth in pupil numbers due to basic need (as set in section 3.3).

Once a hard NFF is fully implemented, some of schools forums' powers and responsibilities will no longer apply. Under a hard NFF, there will no longer be local funding formulae for mainstream schools – and so schools forums' role in being consulted on such formulae will clearly fall away. As we propose to move to a national approach to funding schools with significant pupil growth, then the role of schools forums on this issue will likewise no longer apply. Under our proposals, transfers from the schools block to other funding blocks (such as high needs) will no longer be possible under a hard NFF – again, as a consequence, the current role for schools forums in deciding such transfers will no longer apply.

While the move to a hard NFF would mean that the role of schools forums will change,

we expect that this kind of representative group will continue to play an important part in local decision making and stakeholder engagement. The move to a hard NFF does not have an impact on schools forums' existing roles in relation to early years funding. As proposed in section 4.2, LAs would continue to have a role in providing central services to schools under a hard NFF – and schools forums should have a continued role in decisions over the funding for these services. Schools forums also have an important role in relation to high needs funding – for example, they must be consulted by the LA on arrangements for the education of children and young people with SEN and those who require alternative provision, including the places to be commissioned by the LA, and the arrangements for paying top up funding to schools and other providers.

We plan to conduct a wider review of the role of schools forums as we progress with the introduction of the hard NFF, and following decisions on the future of the SEND system. This wider review will consider the rules around the membership and structure of schools forums, to consider whether these remain appropriate in light of the direct changes as a result of the move to a hard NFF, and any new responsibilities that schools forums take on.

The table at annex B summarises which of schools forums' responsibilities and powers will no longer apply following the introduction of a hard NFF, and which will be maintained (as well as flagging areas where current responsibilities may change as a result of future policy developments – particularly related to SEND).

In addition to the important stakeholder engagement role that schools forums play at a local level, the department regularly engages with stakeholders at a national level in order to inform the development of school funding policy. The department regularly holds public consultations on proposed changes to school funding (for example, in 2021 we have held consultations on improving how the NFF supports small and remote schools, and on streamlining the process for payment of school business rates). The introduction of the hard NFF will not change this – we will continue to consult in advance of changes to the design of the NFF. The department also regularly meets with forums of LA representatives and national stakeholders (such as unions, and other national representative bodies) to discuss emerging funding policy proposals. These forums play a key role in informing funding policy development – and, again, the introduction of a hard NFF would not change this approach.

4.5 A consistent funding year

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. This dates back to the initial introduction of academies, who preferred funding to be allocated on an academic year basis which coincided with their business cycle.

This difference between the funding cycles means that, at a pre-16 level, maintained

schools and academies are likely to be receiving different funding amounts for 5 months of a year, despite having otherwise the same characteristics. This does not align fully with the intention of moving to a hard NFF - that schools with the same characteristics should receive the same amount of funding.

Most schools plan their staffing, spending and curriculum on an academic year basis. This means that the profile of funding – the way that a maintained school's income changes during the year – does not reflect the profile along which maintained schools plan and make their spending commitments. Most importantly, changes to the single most significant element of any school's budget - teachers' pay - take effect from the start of the academic year, rather than the start of the financial year. We are therefore interested in whether there is a case to move to funding maintained schools on an academic year basis.

We are aware that moving maintained schools to being funded on an academic year basis would have the potential to cause some complications with accounting and financial reporting. This is because the financial reporting cycle would differ from the funding cycle, with the financial reporting cycle remaining on a financial year basis in line with the reporting cycles of other funding streams local authorities work with.

As we move to a hard NFF, we want to explore the pros and cons of setting funding allocations for both academy and maintained schools, on a consistent academic year basis. Maintained schools would be expected to account for their funding on a financial year basis (in each financial year, accounting for the last 7 months' funding from one academic year, and the first 5 months' funding from the next). This would remove the need for maintained schools to account for their funding twice a year. It is important to note that local authorities, as well as many secondary schools, will have already dealt with issues similar to this in relation to their funding for post-16 provision.

We are therefore using this consultation to understand the appetite for a change in funding year for maintained schools, from a financial year to an academic year, as part of the shift towards a hard formula.

Question 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?

Question 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?

Annex A: The current structure of schools national funding formula (NFF)

For the contents of this section please refer to the consultation document on-line at:

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

Annex B: Proposed changes to schools forum responsibilities

Function	Current schools forum role (as set out in regulations)	Proposal: remove or retain schools forum role under a hard NFF?
Formula changes, including redistributions	Must be consulted	Remove powers as these relate to the funding formulae for mainstream schools. Retain these powers as they relate to early years and high needs funding.
Movement of up to 0.5% from schools block to other blocks	Decides	Remove
Minimum funding guarantee	Gives a view	Remove – hard NFF will set a single, national funding floor level, replacing local MFGs
Central spend on and the criteria for allocating funding for: <ul style="list-style-type: none"> Significant pre-16 pupil growth Falling rolls funding 	Decides	Remove – we propose that we allocate ‘growth’ funding centrally, replacing local decisions
De-delegation for mainstream schools for example administration of FSM, supply cover staff costs, school improvement (LA intervention), joining RPA	Maintained primary and secondary schools to decide on proposals relating to their phase.	Retain
Central spend on early years block provision		Retain

Function	Current schools forum role (as set out in regulations)	Proposal: remove or retain schools forum role under a hard NFF?
<p>Central spend on:</p> <ul style="list-style-type: none"> • statutory responsibilities that LAs hold for all schools • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils • admissions • servicing of schools forums 	Decides	Retain – if the Central School Services Block within the DSG continues under hard NFF (that is if funding is not transferred to the LGFS)
<p>Central spend on:</p> <ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State 	None, but good practice to inform forum	Retain – but we will review how the LA role on central spending on high needs block provision will apply following SEND Review proposals
<p>Financial issues relating to:</p> <ul style="list-style-type: none"> • arrangements for pupils with SEN, in particular the places to be commissioned by the LA and schools, and arrangements for 	Gives a view	<p>Retain in respect of responsibilities relating to central government grants and early years.</p> <p>Some responsibilities relating to SEN, PRUs and AP likely to still apply – but the details of these responsibilities will depend on policy decisions</p>

Function	Current schools forum role (as set out in regulations)	Proposal: remove or retain schools forum role under a hard NFF?
<p>paying top-up funding</p> <ul style="list-style-type: none"> • arrangements for use of PRUs and AP, and arrangements for paying top-up funding • arrangements for early years provision • administration arrangements for allocation of central government grants 		<p>following the SEND Review.</p>
<ul style="list-style-type: none"> • Central spend on historic commitments. For example prudential borrowing, termination of employment costs, capital expenditure funded from revenue 	<p>Decides on each line</p>	<p>Retain - but a reduced role as we propose (that central funding for historic commitments is gradually removed in advance of introduction of a hard NFF, with a small legacy grant for those LAs with historic commitments that cannot be unwound by the time of the hard NFF implementation.</p>
<ul style="list-style-type: none"> • Contracts (where the LA is proposing to enter a contract to be funded from the schools budget) 	<p>Gives a view</p>	<p>Remove – these arrangements have now been replaced by traded services.</p>

Annex C: Equalities Impact Assessment

This consultation document sets out proposals to move to a 'hard' NFF, in which all individual schools' funding allocations are set by the national formula without substantive further local adjustment. Therefore, our expectation is that the hard NFF will create a fairer and more consistent distribution of funding that is more closely aligned to need, and is essential to support opportunity for all children, irrespective of their background, ability, need, or where in the country they live. This funding system does not seek to target specific groups of pupils simply because they are protected by the Equality Act, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement. This mirrors the assessment from our previous national funding formulae consultation in 2016 that the national funding formula would benefit all pupils with a clearer and fairer distribution of funding. We believe that the move to a 'hard' funding formula and the gradual removal of substantial local adjustment will further enhance fairness, consistency and allocation according to need across school funding at a national level.

There is some inherent uncertainty about the effects of moving to a hard NFF. There are various ways in which LAs currently depart from the national formula and schools' forums will retain some discretion as we transition to the new system. The consultation proposals include taking an incremental approach to the move towards a hard NFF. This gradual approach to introducing a hard formula will allow the department to continue to monitor the impacts on those with protected characteristics going forward. We will continue to consult with the sector to understand the implications of our proposals.

However, it is likely that the 'hardening' of the funding formula will direct further funding at schools with a higher proportion of SEN pupils. Where LAs' formulae depart from the NFF currently, this is often because of a lower value (compared to NFF values) for additional needs factors (which act as a proxy for SEND within the schools NFF), and/or a higher value for school-led factors such as the lump sum. Moving LA formulae closer to the NFF should therefore lead to relatively more funding being allocated through the pupil-led additional needs factors within the funding formula. The low prior attainment factor, which directs additional funding for every pupil who did not reach the expected standard at the previous stage, and deprivation factors are strongly correlated to schools with higher proportions of SEN pupils in mainstream provision. Insofar as 'hardening' the NFF will direct greater funding to schools with a higher proportion of pupils with additional needs factors that correlate with SEND, this should have a positive impact on equalities.

The proposals for a hard NFF will have implications for High Needs funding. For example, transfers from the schools block to the High Needs block will not be possible under a hard NFF, which currently help LAs to meet funding pressures in provision for

children and young people with SEND. However, we anticipate that this issue will be mitigated by recent increases in high needs funding, work with LAs with the highest DSG deficits to improve financial sustainability and, in the longer-term, the proposals from the SEND Review to address the underlying causes of the pressures on high needs spending. However, this is an issue we will continue to monitor as we develop detailed proposals for how the hard formula will operate and once the recommendations from the SEND Review are known.

Our analysis of the impact of our proposals in relation to those with protected characteristics will be ongoing during the consultation period and will continue during the longer-term move towards a hard NFF, incorporating findings from the consultation.

Question 15: Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change.

Question 16: Are there any further comments that you wish to make about our proposed move to complete the reforms to the NFF?



Department
for Education

DfE Consultation:

Fair school funding for all: completing our reforms to the National Funding Formula

Proposed responses

Question 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

No opportunity is provided for comment

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

As the areas under consideration do not impact on any school in Havering we do not wish to comment.

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

NO

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

We feel that the methodology for determining funding for growth and falling roll is best determined locally by LAs, in consultation with school forums. The drivers behind changes in roll will vary between LA areas and local knowledge is required, for example about housing developments and the housing market.

The consultation document does not give details of how funding for falling rolls will be calculated, or for how long that may be paid to a school that has experienced a dip in roll in a single year group, or two successive year groups. Where a school admits below capacity in a year group, these low numbers are likely to remain until the year group leaves Year 6 or Year 11. The reduced numbers may be large enough to have a significant impact on funding but not large enough to allow a school to restructure classes or the timetable. For example in the case of a primary school with a PAN of 60 that admits only 40. We feel in these circumstances protection should continue until that year group leaves the school.

The DfE intends that funding for falling rolls is dependent on the LA or Trust being able to demonstrate that the places will be needed in future. This implies a degree of subjectivity in determining which schools receive funding, with the risk that funding goes to those most skilled at completing the return and not those in most need.

Delays in housing development or re-development, frequently result in fewer pupils being admitted than when places were planned. A school may have been asked to increase its PAN, restructured classes or the timetable accordingly, but then finds the pupils do not arrive. Adjusting funding for anticipated growth in the light of actual numbers would unfairly penalise these schools.

No reference is made to bulge classes. Additional places may be required in an area, but the class created may not fill to 30. Schools will be reluctant to create bulge classes unless they are guaranteed additional funding should this arise. Difficulty in creating bulge classes may force local authorities to operate with greater spare capacity in their schools in order to avoid the risk of being unable to place pupils in a year when numbers are unexpectedly high in a particular area.

Question 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

No opportunity is provided for comment

Question 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

No opportunity is provided for comment

Question 7: 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? If you do not agree, can you please explain why?

NO

Since the introduction of NFF in 2018-19 the DfE has clearly signaled its intention to move to a hard NFF at some stage in the future. Indeed the move is happening later than originally envisaged. By 2023-24 LAs, working with their school forums, will have had five years in which to phase the introduction of NFF funding rates. We feel that if schools are protected by the MFG the move to a hard NFF should be swift, if not immediate. The open ended nature of move is likely to create greater uncertainty for schools about future funding levels.

It is possible that where a local authority is not using NFF rates, or where a large proportion of schools are in receipt of MFG as a result of previously high funding levels, that local authority is attracting more funding for its schools than would otherwise be the case. If the DfE has a finite sum to allocate, and continues to fund some LAs at a higher level, this could result in NFF funding rates, for every school, being lower than necessary. As a historically poorly funded LA we would welcome a quicker move to full adoption of NFF rates.

Having made the case that a hard NFF provides the fairest method of allocation, it is difficult to see why a protracted move to a hard NFF is being proposed.

Question 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?

The adoption of NFF rates should pose few problems for schools in LAs already very close to the NFF. We would, therefore, like to see these LAs required to move closer to NFF, or required to adopt NFF rates in full, at an early stage.

Question 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

No opportunity is provided for comment

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

NO RESPONSE

No schools in Havering are in receipt of sparsity funding, or are ever likely to be, so it seems most appropriate to offer no response

Question 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?

We do not welcome the proposal that funding for central schools services moves to LGFS. The DSG is intended to provide funding for schools and this should include funding for central schools services. Any sum included in the LGFS is likely to prove difficult to identify and is unlikely to be ring-fenced. This could put funding at risk if expenditure on central schools services have to compete with the other Council expenditure met from LGFS.

With regard to the national copyright licence, an option not explored in the

consultation, which should be, is whether this licence could be taken out of the equation altogether, as with business rates. LAs have to report the licence cost as a memo item and there is an administrative task required in reclaiming VAT.

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

NO RESPONSE

The historic element of the CSSB in Havering is not given for this purpose

Question 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?

STRINGLY DISAGREE

Question 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?

We believe that a funding cycle that is different from a financial reporting cycle would significantly add to the complexity of budget setting and budget monitoring with schools effectively having to create two budgets, monitor two budgets and undertake closure of accounts procedures twice. This would add significantly to the administrative workload in schools. It would create difficulties for LAs in monitoring school budgets, measuring progress towards financial recovery where a school is in deficit, and in ensuring that schools do not have excess balances.

It seems likely that in future schools would be required to report outturn figures on the funding year to the DfE and the financial year to the LA. Academies, where the financial year runs September to August, are required to submit two returns annually to the EFSA detailing income and expenditure to 31 March, even though neither their funding year nor accounting year operate to that date.

A move to a September – August year would provide additional lagged protection for schools with reducing rolls. It is to be hoped, however, that the differential lag is something that the DfE will take into account when determining funding for falling rolls. Conversely, the change would adversely affect school budgets in respect of annual pay awards and rising prices. At present, for example, in any funding year, schools are paying teachers' salaries for five months at pre September pay award levels.

Question 15: Please provide any information that you consider we should

take into account in assessing the equalities impact of the proposals for change.

Revisions to the funding of high needs are likely to have greater equalities impact.

The proposals for funding falling rolls may disadvantage schools, and therefore pupils, living in areas under regeneration. These are frequently economically disadvantaged areas.

Question 16: Are there any further comments that you wish to make about our proposed move to complete the reforms to the NFF?

Whilst we welcome many of the individual proposals contained in the consultation we are concerned that it represents a significant centralisation of decision making. The role of the schools forum is greatly reduced. The LA rarely make decisions on school funding without consultation with the School Forum. The Schools Forum, as currently constituted, provides schools and academies with an effective role in the decision making process in the key area of school funding.