

Schools Forum – 12th May 2022

Briefing Note – Consultations

National Funding Formula

Last year the government launched the first stage of their consultation on the implementation of a 'direct' national funding formula, under which the Department for Education (DfE) will set school funding allocation using a single funding formula, without any local adjustments. The outcomes of this consultation were published in March 2022 and provided below is a summary of the key points:

- The DfE will move to allocate funding directly to all mainstream schools through a single national formula and will bring forward relevant legislation to achieve this change.
- From 2023-24, the DfE will require all LA's to:
 - Use all and only the national funding formula factors in their local formulae.
 - The value of local formulae factors must move at least 10% closer to the NFF values (unless already mirroring NFF).
 - Use the NFF definition of the English as an Additional Language factor (i.e funding for 3 years).

Wigan already adopt the NFF factors and values (including the EAL factor) and therefore the above proposals will not impact our current arrangements.

- Later this year the government will launch a second stage to consult on approaches to split sites, PFI and exceptional circumstances factors.

No Wigan schools currently attract funding under these factors and therefore this will not impact our LA.

- The second stage consultation will also provide proposals around growth and falling rolls and revisions to the factors and allocation of funds.

Wigan currently operates a growth fund allowing flexibilities at an LA level to agree additional places where necessary to accommodate basic need growth. Outcomes from the second stage of the consultation may impact on the current approach.

- The government will look to review the services funded as ongoing responsibilities through the Central Schools Services Block (CSSB). Under the direct NFF LA's will continue to have flexibilities to de-delegate for central services and MATS will have the ability to slice academy funding.
- The consultation sought to gauge the appetite for a move to an academic year funding cycle for maintained schools. Due to the mixed response received on this the DfE have indicated that they do not intend to prioritise this as a policy change as they proceed with the NFF.

SEND Reforms Consultation

Consultation is currently live in relation to the SEND reforms published in the Green Paper. The closing date for the consultation is 1st July and covers a wide range of areas, not just financial issues. Summarised below are the proposals and consultation questions which touch on the financial issues.

Proposals:

Require local authorities to create and distribute an **alternative provision-specific budget** so that alternative provision schools have greater funding stability and can focus on early intervention.

Reform funding with a view to **delivering better value for money** and creating a financially sustainable system.

Introduce a **new national framework of banding and price tariffs for funding**, matched to levels of need and types of education provision set out in the national standards. This includes considering whether **£6,000 notional budget remains the right threshold** for meeting the additional costs of supporting pupils with SEND.

Consultation Questions

What factors would enable local authorities to successfully commission provision for low-incidence high cost need, and further education, across local authority boundaries?

What needs to be in place in order to distribute existing funding more effectively to alternative provision schools, to ensure they have the financial stability required to deliver our vision for more early intervention and re-integration?

How can we best develop a national framework for funding bands and tariffs to achieve our objectives and mitigate unintended consequences and risks?