

## **Schools National Funding Formula Consultation Stage 2**

**(Closing Date 22<sup>nd</sup> March 2017)**

### **Overall Approach**

- **In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance? (Pages 7-15)**

Yes

**No**

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum welcomes this consultation and the intention to introduce a fairer National Funding Formula. However, **fundamentally there is insufficient money in the system to sustain schools**. There remains a basic weakness in that there is no commitment to a definition of what the government is actually funding. The emphasis is on redistributing money more fairly, but without giving clarity on what level of service the money can purchase.

We would prefer a needs-based model which can show that the proposed funding levels are sufficient to cover the required costs of operating schools of different sizes and levels of needs wherever they are in the country.

Without a clear understanding of what the government is funding it is difficult to understand the rationale for the basic entitlement compared to the additional needs. The additional needs indicators do not necessarily support those “JAM” families and therefore by reducing the basic element of funding this could be having the opposite effect to that intended.

We believe there should be a minimum of 75% of the total funding available allocated to the AWPU and lump sum factors.

We would like to see the following current elements in the Formula amended:

- The proportion of weighting given to AEN rather than basic entitlement.
- The 3% funding floor, which locks in historical differences;
- Weakness of evidence for proposals and continued use of averages

#### **The proportion of weighting given to AEN rather than basic entitlement**

Too much funding is directed towards deprivation and that when Pupil Premium is also taken into account this could be considered as double funding.

#### **The 3% funding floor, which locks in historical differences**

The proposed 3% funding floor “locks” in some of the historical differences for those schools which have been better funded for many years. Equally the cost of this protection limits the redistributive impact and will perpetuate rather than resolve the continuation of different funding levels for pupils across the country. Stability for schools in funding is important, but should not be at the expense of preventing there ever being a truly fair formula.

#### **Impact of real term funding to schools**

Schools in lower funded areas such as Wigan have been managing significant budget reductions for several years and are overwhelmingly concerned that further reductions, such as those that will arise if the current funding Formula is adopted will without question lead to a decline in standards and detrimentally affect both the quality of education provision and overall outcomes for children.

The removal of the Education Services Grant (ESG) will have an impact on schools. Academies will have costs which were supported by the ESG which they will need to fund from their General Annual Grant and local authority cuts are undoubtedly going to result in additional charges to maintained schools, thereby increasing the financial burden on schools

- **Do you support our proposal to set the primary to secondary ratio in line with the current national average? (Pages 16-17)**

We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage one. We are now consulting on how great the difference should be between the phases.

The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

Yes

No – the ratio should be closer (i.e. primary and secondary phases should be funded at more similar levels)

No – the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase)

**None of the above**

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum recognises the need for a differential in funding between primary and secondary schools but adherence to a defined ratio is not the way forward. The amounts and relative weightings need to be evidence based with reference to actual costs. When this has been calculated the ratio will be what it is.

- **Do you support our proposal to maximise pupil-led funding? (Pages 17-18)**

We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average (see question 7 on the lump sum value).

**Yes**

No - you should further increase pupil-led funding and further reduce school-led funding

No - you should keep the balance between pupil-led and school-led funding in line with the current national average

No - you should increase school-led funding compared to the current national average

Please explain your reasoning and any further evidence we should take into account:

See also the answer to Q7.

The balance between the factors must result in adequate funding for all schools regardless of their size or location. It is vital that small schools remain sustainable as a result of the revised funding formula.

Wigan would wish to see a larger lump sum (currently £150,000 for Wigan schools)

Pupil-led funding should be the main component of the formula.

### **Pupil-Led Factors**

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right proportions for each factor.

- **Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors? (Pages 20-21)**

Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language).

The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may be only just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system.

We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

Yes

No – allocate a greater proportion to additional needs

**No – allocate a lower proportion to additional needs**

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum believe it is vital that the basic level of funding allocated to all schools is adequate for the school to staff and operate sufficiently. The additional needs funding should not be at the expense of the basic entitlement funding which is intended to provide a core baseline of funding for all pupils and is imperative to achieving a fair, balanced and equitable funding formula.

- **Do you agree with the proposed weightings for each of the additional needs factors?**

**Deprivation - pupil based at 5.5% (Pages 21-25)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above.

There is also a question around the double funding of deprivation through pupil premium. Where schools attract relatively low levels of additional needs funding there needs to be confidence that basic funding is sufficient to cover the costs of running the school.

It is critical that clarity is required between the differences in what the deprivation funding in the main funding formula and pupil premium are intended to support.

It would be helpful if the DfE developed a method of removing the need for parents to apply for free school meals so this could become an automatic entitlement for all that are eligible.

**Deprivation - area based at 3.9% (Pages 21-25)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above.

**Low prior attainment at 7.5% (Pages 25-27)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above.

**English as an additional language at 1.2% (Pages 27-28)**

Allocate a higher proportion

**The proportion is about right**

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

See answer to Q4 above.

- **Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond? (Pages 28-29)**

We have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while we develop a more sophisticated indicator. We would welcome any comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.

Mobility factor needs to provide for schools that have a high proportion of service children and to provide for exceptional turnover of pupils.

### **School-Led Factors**

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think are the right amounts for each factor.

- **Do you agree with the proposed lump sum amount of £110,000 for all schools? (Pages 29-31)**

This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

#### **Primary**

##### **Allocate a higher amount**

This is about the right amount

Allocate a lower amount

#### **Secondary**

##### **Allocate a higher amount**

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

See also the answer to Q3.

Wigan Schools Forum would advocate a link between the level of the lump sum to the size of school. The lump sum is vital to support the operation of all schools, especially small schools and as such should be protected and preferably increased from the level now recommended. The lump sum needs to be considered alongside the basic per pupil funding

amount and sparsity funding to ensure that schools, particularly small schools receive sufficient funding allocation to be able to operate.

Wigan Schools Forum would wish to see a minimum of £150,000 lump sum for primary schools and a higher level for secondary schools.

- **Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools? (Pages 31-33)**

We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £65,000 for secondary schools.

#### **Primary**

Allocate a higher amount

This is about the right amount

Allocate a lower amount

#### **Secondary**

Allocate a higher amount

This is about the right amount

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum has no strong view on this.

- **Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term? (Pages 34-37)**

The growth factor will be based on local authorities' historic spend in 2018-19. For the longer-term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

Wigan Schools Forum would support the use of lagged pupil growth data as an interim approach to funding growth; but supports a fundamental review of how growth in existing schools and new schools is funded.

## **Funding Floor**

- **Do you agree with the principle of a funding floor? (Pages 37-39)**

To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the minimum funding guarantee (see question 13).

Yes

**No**

Please explain your reasoning and any further evidence we should take into account:

See response to Q1 the proposed 3% funding floor “locks” in some of the historical differences for those schools which have been relatively better funded for many years.

The cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country. MFG should be sufficient protection at -1.5% per pupil per year.

If a floor is to be implemented there needs to be the ability to change funding where school circumstances change, so not to further lock in historical funding which is no longer appropriate.

- **Do you support our proposal to set the funding floor at minus 3%? (Pages 37-39)**

This will mean that no school will lose more than 3% of their current per-pupil funding as a result of this formula.

Yes

**No – the floor should be lower (i.e. allow losses of more than 3% per pupil)**

No – the floor should be higher (i.e. restrict losses to less than 3% per pupil)

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum believes there should not be a funding floor. (As set out in our response to Q1 and Q10).

The MFG mechanism provides stability to schools and if the NFF identifies schools that have been considerably better funded for many years then this funding should be removed over time and re-distributed accordingly.

MFG should be sufficient protection to allow change over a period of time. The proposal to implement a floor simply locks in the past inequities that the new formula is purporting to address.

- **Do you agree that for new or growing schools (i.e. schools that are still filling up and do not have pupils in all year groups yet) the funding floor should be**

**applied to the per-pupil funding they would have received if they were at full capacity? (Page 43)**

**Yes**

**No**

We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled all their year groups.

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum agrees that new/growing schools may require additional protection, but there is a need to ensure their funding is not artificially inflated and that there is the ability to apply dis-applications to the MFG should school circumstances change.

**Transition**

- **Do you support our proposal to continue the minimum funding guarantee at minus 1.5%?**

The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil per year.

**Yes**

No – the minimum funding guarantee should be lower (i.e. allow losses of more than 1.5% per pupil in any year)

No – the minimum funding guarantee should be higher (i.e. restrict losses to less than 1.5% per pupil in any year)

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum believes the -1.5% per pupil MFG provides sufficient protection to schools on an ongoing basis.

**Further Considerations**

- **Are there further considerations we should be taking into account about the proposed schools national funding formula?**

**Movement between blocks**

By ringfencing the Schools Block, the High Needs Block (HNB) becomes too exposed. Wigan Schools Forum would wish to see a continuation of the ability to move funding between the blocks with the agreement of the Schools Forum. The way forward is to either increase the funding into the HNB to ensure that it is adequate for pupils that are in need of increased support, or to enable schools via their Schools Forum to allow movement between the Schools and High Needs Blocks.



### **Schools Forum and Local Expertise**

Clarity is needed on the continuing purpose of the Schools Forum. The members of Schools Forums and locally elected Councillors work in their local area and understand the needs of their communities. This is a huge resource of local expertise and by moving to a funding formula managed at a national level, this local expertise is not going to be used to best advantage.

### **Auto-registration for free school meals**

Wigan Schools Forum believes that there ought to be auto-registration for free school meals. The DfE should be developing methods of removing the need for parents to have to apply for free school meals; this should become an automatic entitlement for all that are eligible.

### **Central School Services Block (Pages 66-72)**

- **Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?**

**Yes**

No - a higher proportion should be allocated to the deprivation factor

No - a lower proportion should be allocated to the deprivation factor

No - there should not be a deprivation factor

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum would ask for clarity over what elements the planned 10% funding will meet.

- **Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?**

**Yes**

No - allow losses of more than 2.5% per pupil per year

No - limit reductions to less than 2.5% per pupil per year

Please explain your reasoning and any further evidence we should take into account:

Wigan Schools Forum believes the proposals appear to give reasonable levels of protection which should allow LAs to realign services in a timely manner.

- **Are there further considerations we should be taking into account about the proposed central school services block formula?**

Paragraph 5.22 refers to the ability of the LA to recycle money that is no longer needed for historic commitments into schools, high needs or early years in 2018-19. How will this be taken into consideration against a move towards a 'hard' national funding formula for schools?

Yes we would seek further clarity around how those LAs who have historically received low levels of funding and who should substantially gain from the new formula will ever see this if the funding floor of 3% is imposed. On that basis the historical inequalities will never be a fully addressed.

### **Equalities Analysis**

- **Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?**

Wigan Schools Forum has no comment to make.