



Department
for Education

F40

Consultation Response Form

Consultation closing date: 30 April 2014
Your comments must reach us by that date

Fairer schools funding in 2015-16

If you would prefer to respond online to this consultation please use the following link: <https://www.education.gov.uk/consultations>

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

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

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

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

Please tick if you want us to keep your response confidential.	<input type="checkbox"/>
Reason for confidentiality:	

Name:	
Please tick if you are responding on behalf of your organisation.	<input type="checkbox"/>
Name of Organisation (if applicable): f40	
Address: Doug Allan, Secretary. doug@dtw.co.uk	

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: consultation.unit@education.gsi.gov.uk or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.

Please mark the box that best describes you as a respondent.

<input type="checkbox"/> Maintained school	<input type="checkbox"/> Academy	<input type="checkbox"/> Local authority
<input type="checkbox"/> Governor	<input type="checkbox"/> Bursar	<input type="checkbox"/> Parent
<input type="checkbox"/> Schools forum	<input type="checkbox"/> Trade union organisation	<input checked="" type="checkbox"/> Other

Please Specify:

Representative group of the lowest funded education authorities

1 Do you agree that the existing distribution of schools funding is unfair?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

The evidence that the current distribution of school funding is unfair is overwhelming; this has been repeatedly acknowledged by government. We warmly welcome this further recognition.

The introduction of Minimum Funding Levels (MFL) for the Schools Block of DSG is a welcome step towards a fairer system of funding. It remains the view of f40, however, that fair funding will only be achieved by introducing a formula-based approach covering the whole of DSG i.e. mainstream schools, Early Years and High Needs. The introduction of MFL still leaves a funding system that is neither transparent nor fair.

The methodology proposed for 2015/16 produces some obvious anomalies, with

children and schools in many low-funded authority areas receiving little or no benefit. Those low funded schools and authorities will continue to struggle to meet their responsibilities without additional funding.

We think it is odd that so many LAs in the higher part of the funding league table are gainers, whilst LAs that are obviously more poorly funded have small gains or are overlooked.

We have particular concerns about limiting the MFL notion to the Schools Block given the inter-relationship between the Schools and High Needs blocks. The consequence has been that the introduction of MFL for the Schools Block has done little to address the impact of low funding in local authority areas where historically more of the cost rests in the Schools Block. Or to address the impact of low early years funding.

We acknowledge that the government is not able to offer certainty about funding beyond 2015-16: however this leaves Local Authorities and Schools Forums with real difficulties in planning spending for 2015-16. If the extra funding proves to be only temporary for some or all authorities the effect will have been to introduce further Minimum Funding Guarantee for succeeding years.

The Department will be aware that schools are facing major cost increases at a time of 'flat cash' funding settlements, particularly:

- September 2014's 1% pay increase for teachers (typically, teacher's salaries account for 65% of school costs)
- The anticipated increase to non-teaching staff pay – which as yet remains unknown.
- The increase in the employer's superannuation contribution from 14.1% to 16.4% from September 2015
- The introduction of a flat rate state pension from April 2016, the impact of which will be to increase schools' costs of in excess of 2% for teaching staff and most ancillary staff.
- For schools with sixth forms, a continuing reduction in sixth form funding
- Energy, fuel and other cost increases

We urge that these cost pressures are fully taken into account in the Spending Review for 2016-17 onwards. Without additional funding a typical secondary school will need to identify compensating savings of around £350,000, the equivalent of ten teachers.

It would be helpful if the Department, in publicising the funding arrangements for 2015-16, could make it clear that schools cannot expect to receive the Minimum Funding Level for each formula factor given that Local Authorities will need to add additional formula factors e.g. for rates and split sites.

2 Do you agree with our proposed choice of characteristics to which to attach minimum funding levels?

Yes No Not Sure

Comments:

If a Minimum Funding Level is to be the approach for the Schools Block in the short-term at least, the government should give serious consideration to establishing Minimum Funding Levels for the Early Years and High Needs Blocks as well.

However, given the limited and interim nature of the proposals, we agree with the proposed choice of formula factors for Schools Block funding.

We would argue, however, for an adjustment for those authorities that have an exceptional basic need growth requirement.

Given our proposal to set minimum funding levels such that we can afford to fund all local authorities at those levels or above in 2015-16, do you agree with the proposed values of the minimum funding levels?

3 a) Age Weighted Pupil Unit

Yes No Not Sure

3 b) Deprivation

Yes No Not Sure

3 c) Looked-after children

Yes No Not Sure

3 d) English as an additional language

Yes No Not Sure

3 e) Low prior attainment

Yes No Not Sure

3 f) Lump sum

Yes No Not Sure

3 g) Sparsity

Yes No Not Sure

Comments:

We agree that these are the correct factors and we understand that the formula value for each factor has been based on weighted averages, but we would need to see the calculations before commenting further.

It remains f40's view, however, that school funding should be based on a clear rationale rather than reference to current average values in local authority formulae and that the rationale for deprivation also embraces the Pupil Premium.

The proposed methodology for distributing funding for the sparsity factor does not, but should, differentiate between primary and secondary phases.

4 Do you agree that labour market cost differences should be taken into account as we allocate the £350m?

<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	<input type="checkbox"/> Not sure
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Comments:

We do not understand the rationale for adjusting for labour market costs – they are already fully taken into account in the main funding distribution between local authorities.

We can see no case for supplementary funding for area costs. The research work undertaken by f40 has clearly identified that the very large funding differential between London and f40 authorities enables schools in London to employ significantly more staff; it does a great deal more than compensate for additional employment costs.

5 Do you agree this should be calculated using the hybrid approach we have set out?

<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Disagree	<input type="checkbox"/> Not sure
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Comments:

Please see response to question 4. If there is to be an adjustment for area costs it should be for direct additional employment costs only.

6 If you do not agree that we should use a hybrid approach, what would you prefer we used?

<input type="checkbox"/> Use teacher pay bands only	<input type="checkbox"/> Use a general labour market measure only	<input checked="" type="checkbox"/> Use an alternative method
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Comments:

None of the additional funding should be allocated for labour market costs.

Sparsity Review

7 We introduced a sparsity factor for the first time in 2015-16. How helpful has this factor been in ensuring that sufficient funding is targeted at small schools serving sparsely populated areas?

<input checked="" type="checkbox"/> Useful	<input type="checkbox"/> Not useful	<input type="checkbox"/> Not sure
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Comments:

We agree that sparsity is potentially a useful means of targeting funding at small rural schools. Many authorities have not introduced a sparsity factor for 2014/15, taking the view that further work is needed on producing a viable model. We would welcome an evaluation by the Department on the approaches local authorities with different characteristics have adopted for 2014/15.

8 Do you think it would be useful to revise the criteria for the sparsity factor to take into account the average number of pupils in each year group, rather than the number of pupils in the school? If so, how?

<input checked="" type="checkbox"/> Useful	<input type="checkbox"/> Not useful	<input type="checkbox"/> Not sure
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This was a suggestion that the f40 group put forward. We believe the number of pupils in each year group is a relevant factor. The key additional cost that small schools face is the 'inefficiency' in organising children into viable teaching groups.

9 Are there any other changes you would like to suggest to improve the operation of this factor, and why?

Comments:

We believe there are a number of issues on sparsity that still need to be addressed:

- We strongly favour using road distance rather than "as the crow flies" and remain concerned about the potential number of claims for 'exceptional factors', in particular for geographical features such as major rivers, hills and marshes.
- Adjustments need to be made where the 'next nearest school' has a degree of specialism e.g. selection, faith or boarding.
- We remain concerned about the impact of a distance threshold where one pupil moving house means a school may qualify for sparsity in one year but not the next.

We are also conscious that the needs of rural communities vary widely across the country and even within local authority areas. This argues strongly for local authorities having discretion on how the factor is applied locally – we do not believe the Department for Education needs to regulate in this area.

F40 would also ask the Department to note the relationship between the pattern of

schools in rural areas and the cost of home to school transport; this needs to be fully reflected in the main funding settlement for local authorities.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

Please acknowledge this reply.

E-mail address for acknowledgement:

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
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All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: aileen.shaw@education.gsi.gov.uk

Thank you for taking time to respond to this consultation.

Completed responses should be sent to the address shown below by 30 April 2014

Ministerial and Public Communication Division, Level 2, Department for Education,
Mowden Hall, Staindrop Road, DARLINGTON DL3 9BG

Send by e-mail to:

SchoolFunding.CONULTATION@education.gsi.gov.uk