

The School and High Needs National Funding Formula (NFF) Consultation

The purpose of this document is to provide a summary of the key points from the Schools and High Needs NFF consultation documents. Appendix A and B provide a list of the consultation questions.

The key points:

There are two consultations- schools and high needs with Early Years following 'later in the year'. Both are six weeks long and run from 7th March to 17th April (Sunday). This is the first of a two stage consultation, the second stage will focus on weightings and include the impact of the formula on funding for individual areas and schools.

Schools National Funding Formula Stage 1 Consultation (principles, building blocks and factors)

- There are 7 principles – 'fair', 'transparent' etc.
- Implementation will be from 2017/18. For 2017/18 and 2018/19 the NFF is 'soft' and 19/20 a 'hard' formula.
- For 2017/18 and 2018/19 each LA gets a Schools Block allocation (aggregate of notional individual school budgets using the new national funding formula) but with national level Minimum Funding Guarantee and capping. Proposed flexibility over the local MFG.
- For the first two years LAs can continue to use their local funding formula to distribute to schools.
- From 2019/20 LAs will have no role in the formula or distribution of the DSG to mainstream schools.
- There will be no de-delegation of maintained schools budgets from 19/20.
- No flexibility to move money between the Schools and High Needs Blocks from 2017/18. *This doesn't impact on Nottinghamshire because we haven't been doing this anyway.*
- The proposed NFF formula factors are the current 14 less 3 (LAC, mobility and post 16) plus a new one for pupil growth. Only one factor has been removed for 2017/18 which is Post 16 mainstream (*this factor isn't used by Nottinghamshire*).
- The deprivation factor is still retained in the NFF and will use free school meals and IDACI.
- There is to be a 4th DSG block – the Central Schools Block. This will combine current central costs e.g. admissions and add the retained duties (for all schools) element of the Education Services Grant (ESG). The general element of ESG (maintained schools only) goes altogether from September 2017 when LAs are not expected to be funding any school improvement activity. The funding for this block is to be allocated on a per pupil basis!
- The consultation recognises that LAs will need to find alternative funding sources for statutory duties for maintained schools and would be able to retain some of the maintained schools' DSG to fund that. This would need to be agreed by the maintained schools representatives on the Schools Forum.
- The Schools Forum has a key role in 2017/18 and 2018/19 but their role is to be reviewed before the 'hard' formula is introduced in 19/20.
- Pupil premium remains as a separate grant and may take into account LAC funding via the pupil premium plus.

High Needs Consultation Stage 1 (principles, proposals and options)

- Will be formula based but also include a 'substantial' element for current spending for at least 5 years.
- The formula will include a 'substantial' element based on the 2-18 population.
- Other formula elements – basic unit of funding for pupils in specialist institutions, health and disability, low attainment and deprivation.
- Some funding available to invest in the right infrastructure (capital) and other restructuring.
- MFG and capping is to be introduced on the High Needs block.

Schools National Funding Formula Consultation Questions

Question 1 page 11	Do you agree with our proposed principles for the funding system?
Question 2 page 13	Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?
Question 3 page 19	Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?
Question 4 page 25	a) Do you agree that we should include a deprivation factor? b) Which measures for the deprivation factor do you support? <ul style="list-style-type: none"> • Pupil-level only (current FSM and Ever6 FSM) • Area-level only (IDACI) • Pupil- and area-level
Question 5 page 27	Do you agree we should include a low prior attainment factor?
Question 6 page 28	a) Do you agree that we should include a factor for English as an additional language? b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?
Question 7 page 31	Do you agree that we should include a lump sum factor?
Question 8 page 33	Do you agree that we should include a sparsity factor?
Question 9 page 34	Do you agree that we should include a business rates factor?
Question 10 page 34	Do you agree that we should include a split sites factor?
Question 11 page 34	Do you agree that we should include a private finance initiative factor?
Question 12 page 35	Do you agree that we should include an exceptional premises circumstances factor?
Question 13 page 34	Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors? <ul style="list-style-type: none"> • Business rates • Split sites • Private finance initiatives • Other exceptional circumstances
Question 14 page 37	Do you agree that we should include a growth factor?
Question 15 page 37	Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?
Question 16 page 39	a) Do you agree that we should include an area cost adjustment? b) Which methodology for the area cost adjustment do you support? <ul style="list-style-type: none"> • general labour market methodology • hybrid methodology
Question 17 page 41	Do you agree that we should target support for looked-after children and those

	who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?
Question 18 page 42	Do you agree that we should not include a factor for mobility?
Question 19 page 43	Do you agree that we should remove the post-16 factor from 2017-18?
Question 20 page 47	Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?
Question 21 page 48	Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?
Question 22 page 55	Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?
Question 23 page 55	Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?
Question 24 page 60	Are there other duties funded from the education services grant that could be removed from the system?
Question 25 page 61	Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?

High Needs Funding Formula and Other Reforms Consultation Questions

Question 1 page 20	Do you agree with our proposed principles for the funding system?
Question 2 page 22	Do you agree that the majority of high needs funding should be distributed to local authorities rather than directly to schools and other institutions?
Question 3 page 23	Do you agree that the high needs formula should be based on proxy measures of need, not the assessed needs of children and young people?
Question 4 page 29	Do you agree with the basic factors proposed for a new high needs formula to distribute funding to local authorities? Hospital
Question 5 page 30	We are not proposing to make any changes to the distribution of funding for hospital education, but welcome views as we continue working with representatives of this sector on the way forward.
Question 6 page 30	Which methodology for the area cost adjustment do you support?
Question 7 page 31	Do you agree that we should include a proportion of 2016-17 spending in the formula allocations of funding for high needs?
Question 8 page 31	Do you agree with our proposal to protect local authorities' high needs funding through an overall minimum funding guarantee?
Question 9 page 38	Given the importance of schools' decisions about what kind of support is most appropriate for their pupils with SEN, working in partnership with parents, we welcome views on what should be covered in any national guidelines on what schools offer for their pupils with SEN and disabilities.
Question 10 page 39	We are proposing that mainstream schools with special units receive per pupil amounts based on a pupil count that includes pupils in the units, plus funding of £6,000 for each of the places in the unit; rather than £10,000 per place. Do you agree with the proposed change to the funding of special units in mainstream schools?
Question 11 page 39	We therefore welcome, in response to this consultation, examples of local authorities that are using centrally retained funding in a strategic way to overcome barriers to integration and inclusion. We would be particularly interested in examples of where this funding has been allocated on an "invest-to-save" basis, achieving reductions in high needs spending over the longer term. We would like to publish any good examples received.
Question 12 page 40	We welcome examples of where centrally retained funding is used to support schools that are particularly inclusive and have a high proportion of pupils with particular types of SEN, or a disproportionate number of pupils with high needs.
Question 13 page 41	Do you agree that independent special schools should be given the opportunity to receive place funding directly from the EFA with the balance in the form of top-up funding from local authorities?
Question 14 page 46	We welcome views on the outline and principles of the proposed changes to post-16 place funding (noting that the intended approach for post-16 mainstream institutions which have smaller proportions or numbers of students with high needs, differs from the approach for those with larger proportions or numbers), and on how specialist provision in FE colleges might be identified and designated.