

**Wirral Schools Forum
Consultation on Schools National Funding Formula 7 March to 17 April 2016
Draft Response**

Question 1

Do you agree with our proposed principles for the funding system?

Wirral Schools Forum agrees with the principles described and recognises that stability, which was previously an important element in funding, may not be compatible with the development of a national formula. The main principle however must be to improve outcomes, this can only be where there is sufficient funding, where the weighting and value of each funding element is reasonable and where the pace of change is manageable.

The Forum endorse the collective view that this consultation has been poorly timed.

Question 2

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?

There is a recognition that a national system of funding gives equity, but this may be at the expense of local knowledge and needs.

Some flexibility is desirable for school place planning and to accommodate the pressures in relation to High Needs, without which this may restrict opportunity.

Question 3

Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?

Yes, although there should be some research to show that the reasons for the differences are still valid, particularly between KS3 and KS4 where this may have been eroded.

Question 4

a) Do you agree that we should include a deprivation factor?

Yes, this should take account of all deprivation funding. There should be no grants that sit outside the formula. Deprivation should include the Pupil Premium, even though this currently has a separate accountability.

b) Which measures for the deprivation factor do you support?

- Pupil-level only (current FSM and Ever6 FSM)
- Area-level only (IDACI)
- Pupil- and area-level

A measure including pupils and area is supported, however the balance needs to be carefully considered. The specific pupil costs in schools associated with deprivation extend beyond Free Meals to include other subsidies. Whilst there are difficulties collecting FSM data this should continue within the funding formula whatever decisions are made about the broader Ever 6 and IDACI measures.

Question 5**Do you agree we should include a low prior attainment factor?**

Yes, although generally we are unsure how good a proxy this is for low cost high incidence SEN or how robust the data is.

Question 6**a) Do you agree that we should include a factor for English as an additional language?**

Yes – we note however that there is a wide variation in the unit values used in LA formulae.

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)?

Yes

Question 7**Do you agree that we should include a lump sum factor?**

Yes – lump sums provide an element of stability for a school. This should not have a big weighting in the formula since it goes against the principles outlined and should be directed more to Primary rather than Secondary schools

Question 8**Do you agree that we should include a sparsity factor?**

Yes

Question 9**Do you agree that we should include a business rates factor?**

Yes

Question 10**Do you agree that we should include a split sites factor?**

Yes

Question 11**Do you agree that we should include a private finance initiative factor?**

Yes, these are government initiatives, generally it is recognised that there are additional (fairly fixed, index linked) costs for schools over the lifetime of the debt. PFI costs are different to other pupil focussed elements and are difficult to model. In earlier discussions about a national formula and academies some thought was given to the PFI Affordability Gap being held by the DfE centrally and not being charged to schools. This option if developed would be supported.

Question 12

Do you agree that we should include an exceptional premises circumstances factor?

Yes

Question 13

Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors?

- **Business rates**
- **Split sites**
- **Private finance initiatives**
- **Other exceptional circumstances**

This method of allocation would help to reduce any turbulence. They are not fixed costs however and the costs base should be updated.

Question 14

Do you agree that we should include a growth factor?

Yes

Question 15

Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?

Historic spend may not be the best measure for future growth and allocations would need a sense check.

Question 16

a) Do you agree that we should include an area cost adjustment?

Yes, but only if this reflects spending pressures and does not allocate excessive resources

b) Which methodology for the area cost adjustment do you support?

- **general labour market methodology**
- **hybrid methodology**

Previous work in this area has indicated that the hybrid methodology reflected additional costs in schools better than the GLM methodology. There should however be an element of fairness, recognising differences in costs between areas and examining other regional differences, such as the additional water charges paid by schools in the North West.

Question 17

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?

Funding in this area supports some of the most vulnerable children in schools and care is needed in any reallocation. If this is included in the Pupil Premium the allocations per pupil should reflect that there is little or no deprivation funding for LAC within the funding formula, yet many will be from significantly disadvantaged backgrounds.

Question 18

Do you agree that we should not include a factor for mobility?

Yes

Question 19

Do you agree that we should remove the post-16 factor from 2017-18?

Yes - all funding for post 16 should be directed through the national formula

Question 20

Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?

No – this change should be made at the end of the 2 year transition period, not at its introduction.

In addition there is a need for flexibility and local decisions, particularly where it impacts on inclusion or High Needs. The proposed ring-fence around the Schools Funding block may detach schools from High Needs expenditure pressures.

Question 21

Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?

No – schools will need predictability in order to manage change, a flexible MFG will not give this.

Question 22

Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?

No - These changes such as for School Improvement should be given a longer lead in than those described. Variations in costs need to be understood better, since the funding for ongoing responsibilities needs to be sufficient to meet them.

Question 23

Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?

Yes

Question 24

Are there other duties funded from the education services grant that could be removed from the system?

This should only be with changes to statutory responsibilities. In a number of areas such as audit, legal etc these duties will transfer to academies.

Question 25

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?

This is needed to make the system work. However the LA statutory duties will need to be specifically funded