

ANNEX A Schools National Funding Formula: Draft Consultation response

Introduction

A. What is your name?

B. What is your email address?

This is optional, but if you enter your email address you will be able to return to edit your consultation response at any time until you submit it. You will also receive an acknowledgement email when you complete your response.

C. Response type

Please select your role from the list below:

Local authority representative

Please select your organisation type from the list below:

Local authority

Organisation name: Oxfordshire

Local authority area: Oxfordshire

D. Would you like your response to be confidential?

Information provided in response to consultations, including personal information, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 1998 or the Environmental Information Regulations 2004. In addition, the Education Select Committee may request to see the consultation responses as part of their role in holding the government to account. 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.

Yes No

Reason for confidentiality:

Overall approach

1. 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?

Yes No

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

This is not the outcome that Oxfordshire as a poorly funded authority (a member of the F40 group) expected. Although Oxfordshire is a net gainer around 50% of schools are losers.

Oxfordshire, as an f40 member, would like to see the following amended:

- 1. Weakness or complete absence of evidence for proposals and continued use of averages**
- 2. The proportion of weighting given to AEN rather than basic entitlement**
- 3. The 3% funding floor (see Q. 10 & 11 below), which locks in historical differences, probably for decades**
- 4. Quantum and spending cuts with unrealistic savings expectations**

It's not clear whether the outcomes of the formula have been checked against the costs of running a school. Does the formula provide each school with sufficient funding to deliver an education? Has the DfE undertaken detailed research on School running costs?

If the funding allocated through the factors to support Additional Education Needs is removed, is the remainder sufficient to run a school? The accumulation of funding for AEN (within the formula and pupil premium) directs too much funding away from basic pupil entitlement.

The use of floors and MFG continue a level of stability that will not produce change in funding allocated to schools quickly enough, if at all. Floors and ceilings will simply continue existing historic inequities and prioritises stability over fairness.

The DfE has published figures that show rising costs of 8% to 2019-20. All Schools have been making efficiencies to meet those cost pressures. It is unclear how schools in lower funded areas can continue to make cuts without impacting on educational standards and outcomes for children.

2. Do you support our proposal to set the primary to secondary ratio in line with the current national average?

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)

Don't know.

It is difficult to judge whether the ratio is appropriate without more information and research on the relative costs of running schools.

3. Do you support our proposal to maximise pupil-led funding?

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:

We would want to support a pupil-led funding scheme, as funding following the pupil is inherently sensible.

However the way that the proposed factors & formula work means that there are unintended consequences for small, rural schools. It's not clear whether the combination of factors gives sufficient funding to keep those schools sustainable.

Each Local Authority has modelled lump sums, mobility, sparsity, and other factors within their own formulas to financially maintain the required provision in their area. Taking information from each Local Authority formula and averaging factors does not lead to a sustainable national formula or sustainable provision.

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.

4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors?

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:

To run a school, it is essential that the basic level of funding is sufficient. Funding allocated through Additional Needs factors should be spent on additional support. There is no evidence in the consultation that the basic funding is sufficient to run a school. Similar, there is no evidence provided to support how much funding is required to meet Additional Needs.

In the most extreme example, a primary school pupil could attract an extra £2,500 compared to the basic per pupil funding of £2,700. That pupil could also attract Pupil Premium. What is the evidence to suggest that a pupil with multiple AEN attributes requires almost double the basic pupil funding?

There is a concern that the Additional Need factors duplicate Pupil Premium. Should Pupil Premium be part of the National Funding Formula to ensure that all funding is treated equally.

There may be increased volatility in school budgets as the budget will now have a higher proportion driven by the characteristics of individual pupils.

The DfE can help schools and Local authorities by providing information on automatic entitlement for factors both within the Schools Funding Formula and High Needs.

5. Do you agree with the proposed weightings for each of the additional needs factors?

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Deprivation - pupil based at 5.5%

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

It is disappointing that our response to part 1 of this consultation has not been addressed.....that response is repeated below.

But need to review interaction with Pupil Premium – considering level of both and the evidence of impact of PP Funding.

Greater clarity is needed about what outcomes both sources of funding are intended to achieve. It is not clear from the consultation what the justification is for retaining a separate deprivation pupil premium and how the purpose of that funding stream differs from a general deprivation factor. Greater clarity is needed about what outcomes both sources of funding are intended to achieve. It is not clear from the consultation what the justification is for retaining a separate deprivation pupil premium and how the purpose of that funding stream differs from a general deprivation factor.

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Deprivation - area based at 3.9%

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

Oxfordshire does not support using IDACI as it does not target the funding to need and the recent impact of changes in IDACI on funding do not provide reassurance.

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Low prior attainment at 7.5%

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

See response to Qn 4

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

English as an additional language at 1.2%

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

See response to Qn 4

6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?

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.

The current mobility factor doesn't step in until the 10% threshold is met. This results in some Oxfordshire schools having incredibly high turnover of pupils but not qualifying for funding. There is National data on pupil stability which could be used to model the allocation of funding.

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.

7. Do you agree with the proposed lump sum amount of £110,000 for all schools?

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.

	Allocate a higher amount	This is about the right amount	Allocate a lower amount
Primary	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Allocate a higher amount	This is about the right amount	Allocate a lower amount
Secondary	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

See answer to question 3, repeated below
 Each Local Authority has modelled lump sums, mobility, sparsity, and other factors within their own formulas to financially maintain the required provision in their area. Taking information from each Local Authority formula and averaging factors does not lead to a sustainable national formula or sustainable provision.

It is disappointing that our response to part 1 of this consultation has not been addressed.....that response is repeated below.

But what is the lump sum intended to cover? What evidence will be provided in stage 2 about the proposed lump sum value? How does this interact with sparsity?

8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary and up to £65,000 for secondary, middle and all-through schools?

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.

	Allocate a higher amount	This is about the right amount	Allocate a lower amount
Primary	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Allocate a higher amount	This about the right amount	Allocate a lower amount
Secondary			<input type="radio"/>

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

None of the above

From surveys undertaken to establish the Oxfordshire formula, there was no historic evidence to support additional costs. However, the lump sum in Oxfordshire was set to cover fixed costs and it is the interaction between the 2 factors that is important.

The sparsity formula in the proposed NFF does not sufficiently compensate schools for the reduction in per pupil funding and the reduction in the lump sum.

9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?

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.

This seems to be a reasonable interim approach

Funding floor

10. Do you agree with the principle of a funding floor?

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:

If the formula is designed to ensure that pupils of similar characteristics attract similar funding, then a funding floor prevents that and delays any movement to equality.

There are schools with a high level of protection already in their MFG. The proposed formula locks that in as base level funding, so existing MFG protection is not resolved, effectively it becomes a "double lock". This means that Schools who have been "over funded" compared to others, will continue to receive that "over funding" and Schools Funding will only become fairer at a very slow pace.

11. Do you support our proposal to set the funding floor at minus 3%?

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:

No, see response to Qn 10 above

12. 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?

- 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:

Yes, this seems reasonable

Transition

13. 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:

No, as referenced above, the funding floor and MFG continue historic inequity. Whilst the MFG may be seen as an appropriate tool to provide funding stability for schools, it does lock-in historic inequities in a similar way to the funding floor.

Further considerations

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

The Ringfence of the DSG blocks

Ringfencing each block leaves High Needs funding very vulnerable. The discretion to move funding between blocks with the agreement of Schools Forum, is a powerful tool to match funding with local need and should continue. As the High Needs block becomes more stretched, the decisions on how to spend that funding will impact on schools via reduced top-ups & reduced alternative provision.

Local Input to funding

Local Authorities working with School Forums have managed their local funding formulas very successfully to meet local need. Where is the local voice in the National Funding Formula, What is the role of Schools Forum?

Local Authorities

There needs to be clarity over the role of Local Authorities in relation to Schools Finance once the "hard" formula comes in. Will the EFA carry out all roles in relation to Schools?

Central school services block

Central School Services Block (Pages 66-72)

15. 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:

There is little correlation between deprivation and expenditure in the Central School Services block

16. 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:

This should be aligned with the 1.5% Minimum Funding Guarantee

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

Equalities analysis

The question below refers to the equalities impact assessment published with the consultation.

18. 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?