

CWAC schools national funding formula consultation stage two response

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? (Pages 7-15)

Yes

No

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

We are supportive of funding reform, and as a poorly funded LA that has continued to press for a more equitable school funding regime, we do commend the government in seeking to tackle this longstanding issue.

However, we believe that the NFF as proposed does not resolve the inequities in the current funding regime that it sought to address. There are numerous instances where either currently poorly funded LAs will not gain and where many schools within poorly funded authorities will lose out. Both of these apply to CWAC.

In broad terms there are 4 main aspects that we have fundamental issues with:-

1 – The 3% Funding Floor

One of the key principles set out in Stage 1 of the consultation is that pupils of similar characteristics should attract similar levels of funding wherever they are in the country. In practice the only adjustment should then be for regional/area fluctuations in costs, as allowed for by the area cost adjustment. For this key principle to be adhered to the funding formula should apply to all schools on a consistent basis and similar schools should be funded at the same levels.

The proposed inclusion of 3% funding floor “locks” in some of the historical differences for those schools which have been better funded for several decades. As a consequence of this protection the redistributive impact is limited and will result in the continuation of different funding levels for pupils across the country. Whilst stability for schools in funding is important, it should not be at the expense of never reaching a fair formula and outcome.

Under existing DfE formula regulations we operate with the Minimum Funding Guarantee in place, which enables school funding within an LA transition to an equitable funding distribution over time. The proposals do not enable such transition and the 3% floor is a backward step with regard to funding equity.

2 – What it costs to run a school?

There is nothing in the consultation that suggests that the DfE have considered how much it costs to operate a school. The focus has been on redistributing funding fairly, without reference to a needs-based model, which would seek to evidence 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 this evidence, it is difficult to support and new funding proposal and it is vitally important this work is undertaken before committing to a funding regime that will mean significant financial hardship for swathes of schools across the country.

3 – Basic Entitlement v Additional Education Needs Funding

Linked to the previous point, the view from this LA is that too much funding has been directed away from Lump Sum and AWPU, which provides the financial foundation for all schools. There is too much emphasis on AEN funding and, in particular, Deprivation. We do believe that targeted funding is key to the success of those pupils that come from deprived backgrounds, but given that we already have Pupil Premium supporting those families, the increase in Deprivation funding is considered to be duplicate funding.

4 – National Funding Levels

Whilst the NFF is clearly about funding redistribution, the 'Elephant in the Room' is the level of funding assigned to Education, and schools specifically. Whilst overall funding might be increasing, this is typically due to reflect increasing demand (e.g. more pupils) or new initiatives (e.g. Early Years – increase to 30hrs free entitlement). In practice schools have been faced with year on year real time reductions with increasing inflationary pressures set against cash capped funding, which they have managed so far by delivering efficiencies, whilst maintaining educational provision. It is unrealistic to assume that the scale of efficiencies referred to in the consultation document can be delivered.

The removal of the Education Services Grant (ESG) will have also 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 likely to lead to additional charges to maintained schools.

2. 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)~~

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

None of the Above - The ratio should be a consequence of a needs based approach to funding and not about trying to adhere to a ratio that is a consequence of outdated, historic funding levels. The ratio should be the outcome of an appropriately funded, equitable formula.

Previous analysis by the EFA on local funding formulae across the country concluded that there were wide variations in the ratio which did not lend to implementing a national ratio. This conclusion would therefore not support using the current average as the basis for a NFF. Consideration should be given to the cost differential between primary and secondary education.

3. 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:

The relative funding balance between all the factors in the formula must result in adequate funding for all schools, irrespective of size or location. However, we are of the view that there the weighting for basic per pupil funding is now too low, with too much emphasis on AEN. and funding for AEN is too high.

The fixed costs for a school should be adequately funded and we do not believe that an increase in basic per pupil funding should be at the expense of school led funding. This is particularly important for small schools, where relatively less funding is delivered through pupil-led factors. The lump sum should be set at a level which smaller schools can be sustained and should not just be seen as a contribution to total funding.

With regard to Lump Sums, we consider the existing CWAC Lump sums of £117k (Primary) and £175k (Secondary), when combined with appropriate basic per pupil (AWPU) funding provides an appropriate level of funding (within our means) to support the cost of running a school before AEN funding is applied. A reduction to £110k (plus ACA) for Primary would be a significant reduction, which would disproportionately fall against smaller schools. In 2015/6 the DfE, when allocating an

additional £390m to underfunded authorities, determined an appropriate Lump Sum level of £117k for primary schools, which is in line with our formula allocation. To propose £110k is considered to be too low.

For High Schools we apply the higher level of £175,000 recognises the additional fixed costs of these schools. In 2015/16 the DfE determined a secondary lump sum of £128k and we struggle to see how a standard rate of £110k for all schools could be considered to be either equitable or sustainable.

All schools should receive an appropriate value for fixed costs, which should reflect the actual cost of running a school.

It is also vital that small schools remain sustainable as a result of the revised funding 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.

4. 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:

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 be as the name suggests, additional. If the DfE can clearly evidence that additional funding needs to be targeted at the AEN factors, this 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.

Schools already receive Pupil Premium funding, which provides additional funding to support children from deprived backgrounds. Increasing formula led funding for based on deprivation raises concerns about double funding.

5. 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.

We do not support the increased weighting for Deprivation when it is at the expense of basic pupil-led funding.

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. The additional needs funding should be as the name suggests – additional and to support creative additional programmes for pupils, not prop up the funding for the majority of pupils. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

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:

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, so that additional needs funding can be targeted where it is most needed, rather than prop up the funding for the majority of pupils.

We have already raised the issue around multiple funding of deprivation through pupil premium.

We have concerns about the increased reliance upon IDACI as a formula driver for deprivation, given recent difficulties that arose from the revaluing of this index.

We are also concerned by the levels of funding attached to lower levels of deprivation. Our current formula only funds 10% through IDACI (NFF is circa 40%) and it only applies to children living in a post code area where the IDACI score is 40% or above. Optioning for 20% or above in the proposed formula will fund children who have an 80% chance of not being considered as deprived. Combined with the formula values the NFF would spread targeted funding more widely i.e. less targeted.

We would support more funding through basic need with increased targeting of AEN than proposed in the NFF.

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:

Low prior attainment is the proxy factor for SEN and therefore needs to correlate as best possible to the proportion of SEN need and enable schools to fund up to £6k of high needs support. We allocate 5.27% in funding after applying weightings to manage the disproportionate differences in assessments used for this factor. In the majority of our schools this is sufficient and alongside deprivation funding, needs not be as high as 7.5% to support the AEN of pupils.

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:

We agree in principle with the introduction of this measure, but there are difficulties with this measure in terms of about who is deemed eligible and for how long.

The weightings are a proportion of the total schools budget.

6. 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 two different situations. First, for schools that have a high proportion of service children where whole regiments can be transferred in and out and the mobility factor needs to provide sufficient funding to keep a stable staff in school.

Secondly to provide for exceptional turnover of pupils.

Additionally the proposal to base this initially on historic spend by LAs is inequitable. CWAC did not adopt this factor locally because the prescribed measures were unsuitable for supporting our traveller and military cohorts. This does not mean it is not an issue. If it is to be included in the NFF, all LAs should be funded for this, not based on whether historically they have chosen to use this factor.

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? (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:

We do not support the use of the same funding rates across both the primary and secondary sectors. The lump sum is vital to support the operation of all schools, especially small schools. As such CWAC believes that the lump sum needs to be considered alongside the basic per pupil funding amount and sparsity funding to ensure that a necessary small school receives a sufficient funding allocation to be able to operate.

We consider the existing CWAC Lump sums of £117k (Primary) and £175k (Secondary), when combined with appropriate basic per pupil (AWPU) funding provides an appropriate level of funding (within our means) to support the cost of running a school before AEN funding is applied. A reduction to £110k for Primary would be a significant reduction, which would disproportionality fall against smaller schools. In 2015/16 the DfE, when allocating an additional £390m to underfunded authorities, determined an appropriate Lump Sum level of £117k for primary schools, which is in line with our formula allocation.

For High Schools we apply the higher level of £175,000 recognises the additional fixed costs of these schools. In 2015/16 the DfE determined a lump sum of £128k and we struggle to see how a standard rate of £110k for all schools could be considered to be either equitable or sustainable.

Also, in April 2013 the DfE allowed for the introduction a two tier Lump Sum after consulting with stakeholders. Many LAs took up this option, which is considered appropriate and should not now be removed through the NFF.

8. 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:

CWAC supports the use of such a factor. However, we do not feel the current DfE proposal adequately reflects the need for small schools in some areas. The use of the distance criteria as the crow-flies is still too rigid and does not allow for local variables. A number of small, rural schools within CWAC do not attract Sparsity funding due to the 2 mile direct line method of assessment and a disadvantaged because of it.

Consideration also needs to be given to the interaction between the lump sum and support to small schools which may not be reflected in sparsity alone. .

Importantly, schools also act as a social community hub in an area and are not just stand-alone institutions. Small schools (whether primary or secondary) need to be supported not only to maintain standards but also to preserve, in an efficient manner, their benefit to the community around them.

If the sparsity factor does not fund small, rural schools equitably, there will be a movement to the closure of small schools with social consequences for communities and financial consequences for the transportation of pupils.

9. 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.

The use of lagged pupil growth data appears to be a reasonable interim approach to funding growth on a formulaic basis. However, we would support a fundamental review of how growth in existing schools and new schools is funded. As we move towards a national funding formula there needs to be a consistent approach and guidance to funding growth and new schools. This will undoubtedly require local knowledge and input to ensure that growth is based only on need, otherwise there is

the potential for inefficient use of resources. We think that if there were national funding rates based on set criteria it would support some of the additional issues in meeting sufficiency requirements. In the interim, there should also be a central contingency held by the EFA to support exceptional growth that cannot be met from historic allocations.

Funding Floor

10. 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:

As set out in 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 several decades. Equally 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.

The application of a national funding floor does not enable the model to achieve one of the key principles of “fairness” and will only continue to perpetuate the argument for these changes outlined by the DfE of similar schools in different local authorities being funded at different levels.

If a floor is to be implemented, whether in the short or longer term, there needs to be the ability to apply dis-applications to the calculation should school circumstances change, so not to further lock in historical funding which is no longer appropriate.

11. 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:

CWAC is of the view that there should not be a funding floor, on the assumption that other flaws in the formula are addressed i.e. increased funding for basic needs and, ideally, a needs based review.

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. This floor locks in past inequities.

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? (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:

CWAC 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

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:

Continuing -1.5% per pupil MFG provides sufficient protection to schools on an ongoing basis.

Further Considerations

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

Yes, there are many issues that need to be taken in to account. These include:

Education Services Grant (ESG) - the removal of the ESG has an impact on all schools, whether maintained or academy. This is another cost which schools across the country will have to bear without additional resources. It is another funding cut. There is still considerable uncertainty around the responsibility of the local authority for standards in all schools and no funding to carry this function out if it remains with the Local Authority. This needs resolving.

Movement between blocks - by ringfencing the Schools Block, the High Needs Block becomes very exposed. If the High Needs Block becomes stand-alone the only method available for LAs will be to reduce funding for top-ups for mainstream schools, resource provision, special schools and alternative provision. This will not result in better, collaborative provision for the most vulnerable pupils. Consideration needs to be given as to how funding, with agreement of Schools Forum, can be realigned between Schools (Schools Block) and High Needs.

Schools Forum and Local Expertise - there is no clarity in the consultation about the ongoing purpose of the Schools Forum. This is a huge resource of local expertise about what works locally and supports children locally.

Capacity of EfA to consider local issues - we question the ability and capacity of the Education Funding Agency to manage the fallout from a national funding formula.

Consistency of Funding Proposals -Each of the NFF, Early years, high needs and central schools block funding proposals use differing bases for the proportion allocated through deprivation. There are also differing methodologies for determining the area cost adjustment. The DfE need to make it explicit why such allocations apply differently in each proposal as LAs can be funded differently within national redistributions for no apparent reason which does not support equity and transparent proposals agreed in stage 1 of this consultation.

Timing of Announcements – We ask that the DfE give consideration to the timing of implementation for the soft formula in 2018-19. If, following the outcome of this consultation, values are not confirmed until after October census and again in December, there will be insufficient time for LAs to consult on and implement an interim NFF for 2018-19.

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:

The majority of services funded through the Central Schools Block are not impacted by levels of deprivation and, therefore, we do not see a need for a deprivation factor.

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:

We are supportive of the principle, but believe that the reductions should be limited to 1.5% per pupil per in line with the MFG and other reductions included in the NFF proposal.

17. 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. Clarity is required as to how this will be taken into consideration against a move towards a 'hard' national funding formula for schools i.e. if funding is moved into the schools block in 2018-19 is there a danger it will be "lost" when the hard funding rates are introduced from 2019-20?

The consultation states that the department will "set out our long-term intention for funding released from historic commitments at a later point". We would request this guidance as early as possible as it is likely to influence Schools Forum decisions on where best to recycle this funding as and when it becomes available.

We would also urge the DfE to consider the continuation of certain pooled arrangements from within the central schools service block where they are to the

benefit of all schools (maintained and academies) across the LA. In much the same way as the national copyright licences, there are opportunities to broker similar arrangements for all schools which removes a considerable amount of administration costs.

Equalities Analysis

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?

Nothing to add to this section

Appendix B

Draft response to high needs national funding formula and other reforms consultation -stage two

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:

The proposed formula creates stability at the expense of fairness. The significant reliance on historic spend and £190m built into funding floors fail to demonstrate a fair re-distribution of funding.

2. Do you agree with the following proposals?

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Historic spend factor - To allocate to each local authority a sum equal to 50% of its planned spending baseline	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

There is no evidence in the consultation of the basis for arriving at 50%. Despite the aim being to introduce a national funding formula, this proposal locks in historic high spending in some local authorities and secures gains for lower spending

authorities without the evidence of need. The proposed formula therefore remains largely based on historic allocations rather than need or provision.

	Allocate a higher amount	This is about the right amount	Allocate a lower amount
Basic entitlement - To allocate to each local authority £4,000 per pupil	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Proposed amount is consistent with element 1 in other funding streams - consistent with post 16 and average basic entitlement in schools block funding

3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Population – 50%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The consultation is not explicit on how the 50% has been arrived at. The consultation recognises the link between EHC and population but not how that this equates to the allocation of this proportion of funding. The consultation does not identify how this weighting would impact should this be applied to the whole formula and therefore the redistributive effects of applying these weightings are unclear.

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Free school meals (FSM) eligibility – 10%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

The consultation is not explicit on how the 10% has been arrived at and how this correlates with need. The consultation does not identify how this weighting would impact should this be applied to the whole formula and therefore the redistributive effects of applying these weightings are unclear.

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Income deprivation affecting children index (IDACI) – 10%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

The consultation is not explicit on how the 10% has been arrived at and how this correlates with need. The consultation does not identify how this weighting would impact should this be applied to the whole formula and therefore the redistributive effects of applying these weightings are unclear.

Using all 6 IDACI bands captures 42% of children and is wider spread rather than targeted.

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Key stage 2 low attainment – 7.5%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The consultation is not explicit on how the 7.5% has been arrived at and how this correlates with need. As the strongest available indicator of likely SEN, 7.5% seems a low proportion on which to allocate funding.

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Key stage 4 low attainment – 7.5%	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The consultation is not explicit on how the 7.5% has been arrived at and how this correlates with need. As the strongest available indicator of likely SEN, 7.5% seems a low proportion on which to allocate funding.

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Children in bad health – 7.5%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

The consultation is not explicit on how the 7.5% has been arrived at and how this correlates with need. Given the apparent inadequacy of available datasets, 7.5% seems a high proportion to allocate when compared to other proxy indicators.

	Allocate a higher proportion	The proportion is about right	Allocate a lower proportion
Disability living allowance (DLA) – 7.5%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

The consultation is not explicit on how the 7.5% has been arrived at and how this correlates with need. Given the apparent inadequacy of available datasets, 7.5% seems a high proportion to allocate when compared to other proxy indicators.

4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document.

Yes No

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

Yes, but the funding floor should not be applied permanently whilst so much of the formula is also based on historic spend.

5. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

Yes No

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

This is necessary to continue to fund current demand while LAs review provision in view of changes to future funding.

6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

Yes **No**

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

The limitations of moving funding between the remaining blocks, with MFG restrictions on schools and an NFF formula that already sees some schools fall by 1.5%, provides little scope in reality to further move funding to support high needs. There is no financial incentive for mainstream schools to be inclusive under these funding reforms.

7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

We are developing our proposals on the level of flexibility to allow in the longer term. We will consult fully on our proposals at a later stage, but would welcome any initial comments now.

Beyond 2019-20 initial NFF proposals for all funding blocks should be re-baselined to ensure funding is sufficient to meet outcomes for pupils in all sectors.

8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

With increasing and changing demands in high needs provision, the proposal would only see a small part of high needs funding that would in any way recognise need because of the small proportion allocated through proxy indicators.

At a maximum of 20% differential, the proposed area cost adjustment creates too significant a disparity between areas of the country but is not evidenced by the same level of additional cost. The proposed use of the ACA is different in each of the funding blocks and a more consistent approach should be considered.