

**SUMMARY OF THE MAIN ISSUES FROM THE CONSULTATION RESPONSES
NOVEMBER 2017 RELATING TO THE
LOCAL SCHOOLS FUNDING FORMULA (LSFF) FOR 2018-19 AND 2019-20**

Q1. Do you support the LSFF in 2018-19 and 2019-20 being: -

Option 1 – Retain the current WCC LSFF for 2018-19 and 2019-20.

If you support Option 1 please indicate further: -

a) How you would prefer any potential additional Schools Block DSG to be allocated in the LSFF e.g.

AWPU

Deprivation – Free School Meals, IDACI

Low Prior Attainment

EAL

Lump Sum

Sparsity

Pro Rata to all the above

b) To support schools subject to MFG what level of local MFG do you think would be appropriate: -

Current -1.5% per pupil

0% per pupil

Somewhere in between – please indicate

Option 2 – The LSFF in 2018-19 and 2019-20 being the DfE NFF parameters as far as is practicable and affordable subject to the Schools Block DSG available.

Overall

The numbers of responses received from **226** (176 Primary, 20 Middle, 29 secondary and 1 Free School) mainstream schools were as follows with overall and sectors percentages: -

- **65** (37%) Primary – **40** (31% sector) Maintained; **25** (52% sector) Academies.
- **8** (40%) Middle – **3** (33% sector) Maintained; **5** (45% sector) Academies.
- **23** (79%) Secondary – **3** (**60% sector**) Maintained; **20** (83%) Academies.

There were **2** Other responses – **1** Academy Special; **1** Worcestershire Association of Governors.

In terms of numbers of schools of the **96** responses from mainstream schools **45** supported Option 1 and **51** supported Option 2.

In terms of numbers of funded pupils in 2017-18 Option 2 was supported by a ratio of **over 3.5:1**.

The details are in **Appendix 2**.

A summary of the main issues raised by phase is detailed below.

Maintained First/Primary Schools Sector

40 schools responded: - **33** supported Option 1 and **7** supported Option 2.

For those supporting Option 1: -

Use of any additional DSG: - **31** Pro rata to factors.

Minimum Funding Guarantee (MFG) Per Pupil: **28** +0.5%; **3** Not Specified

Comments made were as follows: -

Supporting Option 1

Minimum Funding Levels (MFLs) previously disseminated seem to have been ignored and abandoned without a reasonable explanation as to why this is the case.

The AWPU is a vital deciding factor financially and seems to have been reduced disproportionately for Primaries compared to Secondaries.

The big public announcement is that schools will gain by 2.4% - if this is the case how is it that every school in the cluster would receive proportionally less of an increase than this? This excludes the local High School that would gain but by a small amount of money. It is surely 'fairer' to allocate the planned increase in schools' finance equally amongst all schools?

Will produce the least turbulence for WCC schools and therefore the best situation for WCC pupils.

From peer group analysis it would seem through no fault on the part of WCC that the NFF encompasses some well-known funding imbalances.

Schools is in the 'primary' sector and in a semi-rural location can see the NFF does not give fair access to additional funds.

This option with a pro rata allocation for any additional DSG made by 9 schools: -

- Maintains greater stability across schools.
- Provides a better option for small, rural primaries that are set to lose most if option 2 is adopted.
- Allows time to consider and even change some of the unfathomable decisions within the NFF proposal.
- Means that all schools rise in proportion and in relation to their need.
- Is compatible to previous decision making options which supported schools equitably.

There were 9 schools that made comments similar to those made by the Worcestershire Association of Governors (WAG) (see later).

Supporting Option 2

The NFF guarantees that all schools will see at least a 0.5% per pupil increase. WCC should address this issue by campaigning on the behalf of schools to ensure that this can happen. The impact of a real terms cut would impact greatly on the ability to drive improvements already committed to delivering for children.

Will benefit significantly and immediately if the DfE NFF parameters are applied and have to consider the positive impact this would have on the school. The LSFF last year resulted in a reduction for the school and this trend cannot be sustained.

According to available data, the school will be better off with option 2. As all the local schools are not adversely effected by choosing option 2.

There has been a long campaigned in WCC for change to achieve 'fairness' and there should be no move now to block change by preserving the old. So, WCC should move to as close to NFF over the next two years as possible.

The NFF is about a fairer distribution based on a national funding per pupil and continuing to use the current WCC formula will only preserve locally created inequalities.

NFF factors will give an increase in funding for all schools. This is positive in the current funding climate. Continuing to use the WCC local formula is not guaranteed to do this.

Change needs to be addressed not put off until another day. If schools are allowed to do nothing that's what many will do.

For many of these it is likely that in 2020-21, when NFF is not optional, they will hit a significant crisis point. So, need to change under NFF need to get on with it rather than 'sit on the fence' for another two years and face a potential 'cliff edge' in 2020-21.

Any change in NFF in 2020-21 is likely to be a step change only and evolution not revolution. Being as close to NFF at this point is more likely to reduce any turbulence at this point.

General

LAs are charged with improving outcomes for schools and pupils and should be taking the views of all their local schools, giving their opinions equitable weight and using local knowledge to ensure funding is distributed fairly.

By giving greater weight to the secondary voice it would appear that WCC are not appreciating the rich diverse nature of WCC as a rural LA and are at risk of ignoring the needs of their rural communities.

Do not appreciate the consultation process being weighted on votes according to school size.

Need to consider how many pupils within the Secondary Schools attended small rural primary schools and what the child's voice would say about protecting the stability of that provision.

Academy First/Primary Schools Sector

25 schools responded: - 10 supported Option 1 and 15 supported Option 2.

For those supporting Option 1: -

Use of any additional DSG: - 2 Deprivation; 7 Pro rata to factors; 1 Not specified
Minimum Funding Guarantee (MFG) Per Pupil: - 2 0%; 7 +0.5%; 1 Not specified.

Supporting Option 1

Cannot support an option which will see the school significantly financially disadvantaged, to the benefit of high schools. This issue has already caused division and turbulence within the Cluster/MAT.

This option with a pro rata allocation for any additional DSG made by 6 schools: -

- Maintains greater stability across schools.
- Provides a better option for small, rural primaries that are set to lose most if option 2 is adopted.
- Allows time to consider and even change some of the unfathomable decisions within the NFF proposal.
- Means that all schools rise in proportion and in relation to their need.
- Is compatible to previous decision making options which supported schools equitably.

There were 7 schools that made comments similar to those made by the Worcestershire Association of Governors (WAG) (see later).

Supporting Option 2

The NFF (or its local version) may be imperfect and inadequate, but it is a start, and to delay in its implementation now would merely push the cliff-edge of transfer and any associated pain or benefits to 2020.

The impact of the transfer of a limited amount of funding from primary to secondary students is offset for the many smaller primary schools in WCC by the proposed increase in the lump sum.

Maintained Middle Schools Sector

3 schools responded:- 2 supported Option 1 and 1 supported Option 2.

For those supporting Option 1: -

Use of any additional DSG: - 2 Pro rata to factors.
Minimum Funding Guarantee (MFG) Per Pupil: 2 +0.5%.

No comments were made.

Academy Middle Schools Sector

5 schools responded: - 0 supported Option 1 and 5 supported Option 2.

No comments were made.

Maintained Secondary Schools Sector

3 schools responded: - 0 supported Option 1 and 3 supported Option 2.

No comments were made.

Academy Secondary Schools Sector

20 schools responded: - 0 supported Option 1 and 20 supported Option 2.

Comments made were as follows: -

Supporting Option 2

The NFF (or its local version) may be imperfect and inadequate, but it is a start, and to delay in its implementation now would merely push the cliff-edge of transfer and any associated pain or benefits to 2020.

Local decisions regarding the WCC funding formula have had a detrimental impact on secondary schools, resulting in less favourable funding for secondary students than in many other LAs and affecting pupils at a critical stage of their education – GCSEs.

The national primary to secondary ratio is 1:1.29 and there are no compelling arguments that this should not apply in WCC also.

The majority of funding under the proposed NFF is pupil-led. The principle of recognising additional needs and maintaining the pupil premium ensures that money follows need – deprivation, low prior attainment and SEN.

Implementing the NFF locally would protect the LA from criticism from both schools and the Government. In the past the LA has been criticised by schools, rightly or wrongly, for implementing a formula that is neither fair nor equitable. Implementing the NFF would ensure that schools know exactly who to lobby regarding both the quantum of funding and its distribution - the Government not the LA.

In the same way, the DfE would have no grounds upon which to challenge the LA, and no excuses to use in conversations with schools.

Using NFF is more likely to help to address the acute issues faced by the secondary sector. Unfunded cost pressures at secondary level equate to much larger cash sums to find.

The secondary sector has been hit by the doctrine of cash flat/unfunded cost pressures far harder as percentage increases in things such as National Insurance are in reality much larger cash sums. Using NFF is more likely to help to address the acute issues faced by the secondary sector.

This is the most financially beneficial option for this school of the two proposed and is the one most closely aligned to NFF which has, for the last 20 years, been campaigned for by WCC and local schools.

This option will provide schools with stability over the next 2 years and is fundamental to assist schools to carry out effective future budget planning.

Funding provided by this option will redress the inequality of the LA local funding formula adopted since 2015. The previously received £6.2m of additional funding received by WCC was allocated using a local funding formula and resulted in 20% of WCC schools (predominantly secondary and academy schools) showing no financial gain from this additional funding or a real term cut to their already agreed funding allocation.

It is believed that using a funding method overseen by the LA to allocate the NFF, as proposed in Option 1, would not redress this imbalance and could further increase it.

WCC is a member of the F40 group and as such, receives less educational funding per pupil than some or most of LA neighbours. As a result of this shortfall in funding, schools located in WCC and other F40 group areas have often suffered criticism from financial bodies, auditors and local or national politicians for not reaching and maintaining a safe level of reserve.

Reduced levels of reserve are currently caused by meeting in year budgetary shortfalls trying to cover additional expenditure levied on all schools by the government, without a commensurate increase to income, or to meet a funding shortfall of income brought about by the withdrawal of specific grants by either national or LAs.

Schools will not only be more financially able to meet the continuing erosion of allocated funding and other school grants, but will also have an opportunity to enhance and bolster reserves to a level expected of them.

The NFF is what the LA and schools have been fighting for, whilst accepting that this is a local version of the proposal, it embraces and tries to address inadequacies in per pupil funding, which within WCC has been at the forefront of what has been campaigned for.

The NFF also helps to address the inequalities between Secondary and Primary funding ratios within WCC.

The NFF is pupil led, which in turn equates to most schools central costs in terms of premises, staffing and resources. The NFF appears to be a fairer way to distribute funding which would then allow for the pupil premium, IAR, SEN and other specialist funding to specifically target need (rather than what is perceived as a 'double funding' issue at present).

To apply the local version of the NFF would in essence mean that WCC is making a start on what will inevitably follow, this will allow schools to have some indication on medium term financial forecasting, which at the present time is unrealistic.

The NFF is government led and will provide clearer lines of accountability for schools in terms of amount and distribution of funding.

The Local Formula still provides no guarantees that the additional funding will go into AWPU, for some schools, NFF is the safest option in terms of safeguarding funding.

Having weighed this carefully, and listened to views of other secondary schools and those of WAG. The latter argue for LSFF as this will give continued 'stability'. Feel this is a misnomer – continued inequality and instability may be a better term, since the current arrangement is very far from satisfactory.

Schools have fought to achieve a NFF. There are shortcomings with it, in particular baseline thresholds are set too low. However, it is fairer than the current system and as such it is better to move to this system now to better address existing inequalities in the system.

Schools will have to move to the NFF for 2020/21 so believe this should be not delayed with a local formula in 2018/19. The current LSFF proposal heavily supports primary schools and deprivation. As deprivation is already supported by Pupil Premium so the core funding should be more fairly distributed.

The current local funding formula, with its significant weighting on lump sum, has created a perverse system which treats high schools less favourably.

WCC has fought for a number of years for a 'fair' national funding formula, and although none of us are happy with the current solution (or that it is 'fair'), it is a step in the right direction.

As a school which is subject to MFG following the adoption of the last local formula, it is inconceivable to be subject to further reductions when the NFF parameters ensure this will not happen to any school. In addition, although recognising the rural nature of much of WCC, it seems to be forgotten that a number of primary and high schools serve urban areas of significant deprivation. These significant additional challenges generate significant additional costs for the schools involved. The current local formula has failed to address these needs.

The suggestion from WAG that 'stability is preferable' only applies if stability is not adversely affecting funding, and consequently the standard of care and education that the school can provide. Agree that the current parameters for the NFF are not ideal. In fact the school stands to gain one of the lowest increases in the LA. However, as the quantum has been calculated using the NFF, it only seems right to use the same principles to calculate individual school funding.

Whilst recognising and fully support the principle of responding for the greater good, rather than an individual school, estimates suggest that the gains for the school would be marginal at best under the NFF. However, with the uncertainty around the MFG would almost certainly face further cuts to allocations under the local formula. Whilst the current proposed NFF is far from ideal, believe it is a step in the right direction and therefore should be supported.

Without clear modelling of the implications of retaining the local funding formula it is difficult to see where individual schools will stand. However, as WCC have lobbied for many years for a NFF and this school believes in supporting its introduction. Without it this school will have make further cuts which will be even more detrimental to the education of young people. It is the most vulnerable, whose education and wrap around care is labour intensive and therefore costly, who are suffering most as a result of the cuts already made.

Believe that the NFF is in the best interests of the school and represents a response to the collective wish of headteachers across the country; as such, it seems important to accept the NFF as a political response.

General

WCC schools have long been campaigning for a more equitable system for funding schools rather than one which relies on historical anomalies. It is understood that this proposal is not actually for a NFF (which would require legislation), but for a locally imposed version of the proposed formula. It is also understood that there may not be sufficient funds to fulfil all of the requirements of the formula.

Have also listened to the arguments that suggest WCC cannot afford the NFF – if this is the case then it is incumbent on Schools Forum and WCC to demonstrate the unworkability of the plans to DfE, and ensure that it is funded such that the formula can be applied.

Should the LSFF Option be chosen by the majority then would choose the additional DSG to be allocated to AWPU and the MFG as close to 0% as is possible.

Should consultation demonstrate that the current LSFF is to be maintained then we request in the strongest terms that the MFG is moved to at least +0.5% per pupil, and preferably +1% per pupil to ensure that the sense of fairness is at least considered for all schools.

If, following consultation, the decision is to retain the LSFF, it should be acknowledged that this is compounding the hardship for high schools, who suffered the greatest cuts in the previous consultation and therefore efforts should be made to redress this with the MFG.

Given that those schools in favour of NFF have been given the option to state their preference on how the LSFF is organised, request that if LSFF is chosen then a further consultation is entered into to once again answer this question, otherwise none of those who have chosen NFF will have their say on this matter

On a wider issue, feel that the response to this consultation should be analysed on a 'proportional representation' basis of the number of students in the schools that are responding, otherwise there is a risk that the response is skewed in favour of small/primary schools just because there are more of them.

All Through Schools Sector

No response was received.

Other

Worcestershire Association of Governors (WAG)

The WAG executive as a consensus supported Option 1 (All factors and +0.5% MFG).

For those supporting Option 1: -

Use of any additional DSG: - 1 Pro rata to factors.

Minimum Funding Guarantee (MFG) Per Pupil: - 1 +0.5%.

Comments made were as follows: -

Cannot see how the NFF can justify increasing Low Prior Attainment (LPA) by over 60% and reduce Primary Sparsity by 43%. Changes on this scale cause dramatic turbulence.

The NFF boosts additional factors (IDACI, EAL – in addition to LPA above) by reducing basic entitlement (AWPU and Lump sum).

Concerned that the reductions leave factors below the previously set MFLs – these were based on national averages and should not be discarded so casually.

The reduction to the primary AWPU is nearly twice as much in proportion to the secondary AWPU and overall, Primary deprivation is decreased while secondary deprivation is increased. This means that the funding for the increase in additional needs comes disproportionately from primary schools.

The additional funding derived from the NFF calculations is not reduced if choose to continue with the MFL based local formula – so WAG is urging schools to vote for stability and reject the turbulence of NFF.

With such a large amount of additional money to apply (£7m initially rising to £11m), altering any one factor alone, even one as generally applicable as the AWPU, will cause modest turbulence. It may be harder to see how the money is applied across many factors compared with the simple concept of, say, increasing the AWPU by £100 per pupil, but it is fairer for all schools to rise in proportion to their pupil needs.

Stability suggests keeping things as they are but Minimum Funding Guarantees (MFG) are about transition even in situations where all else remains the same. MFG means that schools lose protection progressively over time.

When new money is available, schools that were protected will see the need for protection decrease but may not see any immediate cash advantage.

When schools are facing constant inflationary pressures, there is a case to increase funding protection when new money is available so that all schools see some immediate benefit.

Absolute protection (i.e. MFG of 0% per pupil) will still mean that heavily protected schools may not see any extra cash.

The NFF guarantees that all schools will see at least a 0.5% per pupil increase. WAG believes that the local formula should match this and this would require an MFG of +0.5% per pupil even if special permission needs to be sought to allow this.