

Fair school funding for all: completing our reforms to the National Funding Formula – Response by Bromley Council

Question 1: Do you agree that our aim should be that the directly applied NFF should include all pupil-led and school-led funding factors and that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae?

Response:

Being pragmatic and assuming that the NFF is going to be based on a hard formula rather than a soft formula anyway, then yes it should be applied across all factors without further local adjustment through the local formulae. We see no point in having a half-way house where the lines can be blurred if this is the chosen approach. There needs to be consistency across the board if this is being taken. The Minimum Funding Guarantee (MFG) will offer protection to schools to a degree although it can be disconcerting for schools to see that their funding is potentially much lower were it not for the MFG to support them.

Question 2: Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF?

Response:

Bromley does not use the exceptional premises factor so is unable to comment on this first hand. Perhaps this needs a further consultation for those affected. Other exceptional factors such as PFI will affect London proportionally more than other areas of the country due to BSF, etc.

Question 3: Do you agree with our proposal to use national, standardised criteria to allocate all aspects of growth and falling rolls funding?

Response:

Being pragmatic and assuming that the NFF is going to be based on a hard formula rather than a soft formula anyway, then yes, a national, standardised criteria to allocate all aspects of growth and falling rolls funding. Again the overarching MFG will offer schools some protection.

Question 4: Do you have any comments on our proposed approach to growth and falling rolls funding?

Response:

The proposed method will not fund all growth, only that that is deemed significant, which may cause some schools short term funding issues as schools may have to wait for the lagged funding to kick in to be funded.

In both growth and falling rolls proposed methodologies there will need to be input from Local Authorities to provide information. This would be an additional burden on Local Authorities which will need to be managed/funded.

Clarity is required on how bulge classes will be managed.

Why is popular growth funding not available to maintained schools, this seems inequitable?

Funding for new schools being standardised is sensible in theory, but more details are required as to the proposed funding mechanism.

Question 5: Do you agree that, in 2023-24, each LA should be required to use each of the NFF factors (with the exception of any significantly reformed factors) in its local formulae?

Response:

Bromley already follow the NFF and use the vast majority of the NFF factors, except for some of the optional/exceptional factors, such as mobility, sparsity and PFI. By using all of the relevant factors it moved the LA's position closer to that of the hard NFF and avoids a potential cliff edge of funding for schools. This is why Bromley implemented it swiftly.

Question 6: Do you agree that all LA formulae, except those that already 'mirroring' the NFF, should be required to move closer to the NFF from 2023-24, in order to smooth the transition to the hard NFF for schools?

Response:

Yes, as stated above this will avoid cliff edges of funding for schools. In any case the MFG will kick in to offer protection from any significant swings in funding once the hard NFF is introduced.

Question 7: Do you agree that LA formulae factor values should move 10% closer to the NFF, compared with their distance from the NFF in 2022-23? If you do not agree, can you please explain why?

Response:

This is not a particular issue for Bromley as the majority are well within the 10% threshold. However if the hard NFF is to be introduced then it would be reasonable to expect authorities to move towards the hard NFF but in a measured way to avoid

cliff edges in funding. 10% seems to be an appropriate level as too fast or large a movement could lead to unnecessary turbulence in some schools.

Question 8: As we would not require LAs to move closer to the NFF if their local formulae were already very close to the NFF, do you have any comments on the appropriate threshold level?

Response:

The 1% difference considered to be mirroring the NFF factor seems appropriate.

Question 9: Do you agree that the additional flexibility for LAs in the EAL factor, relating to how many years a pupil has been in the school system, should be removed from 2023-24?

Response:

Bromley uses the 'EAL3' measure currently so this would make no difference to Bromley. However in terms of bringing all authorities closer to the NFF calculation this would seem a reasonable proposal.

Question 10: Do you agree that the additional flexibilities relating to the sparsity factor should remain in place for 2023-24?

Response:

Bromley does not currently use the sparsity factor in its local calculations and would more than likely not be impacted by this. However the proposal gives LA's some flexibility.

Question 11: are there any comments you wish to make on the proposals we have made regarding ongoing central school services, including on whether in the future central school services funding could move to LGFS?

Response:

Bromley has only the statutory responsibilities as all other funding has been delegated to schools. In reference to transferring the funding to become part of the Council LGFS rather than a DSG block, this needs to be treated with some caution and a great deal of transparency. Local Government has since the time of austerity seen significant cuts to its funding. If this were to be implemented, it could mean that this element of funding is treated in the same fashion and drastically reduced. Bromley are already seeing a per pupil reduction in funding of 2.5% and the funding is insufficient to meet the current needs. Transferring it to the LGFS may mean even greater funding issues and increased burdens on the council tax payer.

Question 12: Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs? We will also invite further evidence on this at a later stage.

Response:

This is not relevant to Bromley. However, in terms of other LAs it is essential that the same level of funding is included and that the legacy grant is not top sliced for other purposes.

Question 13: How strongly do you feel that we should further investigate the possibility of moving maintained schools to being funded on an academic year basis?

Response:

We do not share the view that maintained schools funding should move to an academic year. Bromley has few maintained schools remaining, but other authorities have more schools and this will cause unneeded disruption. The merits of this intention are not clear.

Question 14: Are there any advantages or drawbacks to moving maintained schools to being funded on an academic year basis that you feel we should be aware of?

Response:

This will cause disruption at both a maintained school level and LA level. This may well need additional resource, especially at a LA level. If schools' accounting periods are also changed this will have a large impact where in effect two sets of accounting will be needed, and perhaps two audit visits which will incur further costs. Any additional burden would need to be funded.

Question 15: Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change.

Response:

Apart from the popular growth funding only being made available to Academy schools, there are no other comments on this point.

Question 16: Are there any further comments that you wish to make about our proposed move to complete the reforms to the NFF?

Response:

Paragraph 4.1 refers to pooling of funding for MATs. However LAs cannot pool resources without agreement from schools via the Schools Forum. There seems to be an inequity here as to the ease of pooling funding and resources.

It is difficult to comment on this area when other areas of funding have yet to be clarified. The SEN review and the High Needs review need to dovetail into this in order to get an overall picture of the funding situation and the overall direction of DfE.