

Wiltshire Council

Schools Forum Finance & SEN Working Group 23rd May 2022

Schools Forum 9th June 2022

DfE Consultation – ‘Completing the reforms to the National Funding Formula’

Purpose of report

1. To provide an update following the Department for Education (DfE) consultation with stakeholders regarding their reforms to the National Funding Formula (NFF), which took place between July and September 2021. Given the timing of the consultation, a report was presented to an extraordinary meeting of the School Funding and SEN Working Group in September 2021
2. The DfE have published their response following the consultation and this report sets out the outcome from the responses and the proposed next steps.
3. The report is for information only and it should be noted that a second stage consultation is proposed, with more detailed proposals in 2022.

Background

4. A link to the DfE’s consultation response can be accessed using the link [here](#).
5. The DfE held the consultation on proposed changes to complete their reforms to school funding and move to a “direct” schools NFF.
6. The consultation sought views on the approach to reforming the NFF and how the DfE could most effectively transition away from the use of local formulae to all schools’ funding allocations being determined directly by the NFF in the years ahead.
7. The consultation reflected the continued DfE journey towards a ‘**hard**’ formula with no or little local flexibility. In Wiltshire, our formula has been aligned with the NFF and therefore there would be no, or very little impact, on budgets for Wiltshire schools.
8. A School Funding and SEN Working Group (Schools Forum) response was compiled and shared with Headteachers, Governors and School Business Managers via Right Choice, Helean’s Weekly Newsletter and the respective ‘Briefings’. Wiltshire was well represented with responses from schools, the local authority and the Wiltshire Governors Association.

Outcomes from the Consultation

9. The key outcomes from the consultation include:
 - The DfE will move to allocate funding for all mainstream schools according to a single, national formula (removing local flexibility)
 - The Government will bring forward the relevant legislation to achieve this change when parliamentary time allows

10. The DfE have not committed to a fixed date by which the NFF will be in place but instead have confirmed that they will transition across to the NFF. From the 2023-24 year, the DfE will require:
 - LAs to use all, and only, NFF factors in their local formulae
 - All local formulae factors to move at least 10% closer to the NFF, except where local formulae are already “mirroring” the NFF
 - LAs to use the NFF definition for the English as an Additional Language (EAL) factor
 - The approach to transition in subsequent years will depend on the impact in the first year

11. As part of a second-stage consultation for improving the NFF, in the 2022 year, the DfE will
 - Consult on an approach to the split sites factor and to the PFI factor in the NFF
 - In the second stage consultation, include proposals for the revised growth and falling rolls factor – and some options which would allow a degree of local flexibility
 - In the second stage consultation, include proposals for an exceptional circumstances factor

Impact in Wiltshire

12. Having moved the Wiltshire funding formula to align with the NFF, there will be a minimal impact for schools in Wiltshire. The areas which could impact upon our schools are still subject to further consultation and include the following factors:
 - Split site funding and a move to a national approach
 - PFI funding – to be consulted on later
 - Exceptional Premises factors which have always been funded on a historical basis, will be included in the second stage of consultation.
 - A national approach to funding growth and falling rolls will form part of the second stage of consultation

Moving maintained schools to be funded on an academic year basis

13. As part of the consultation, stakeholders were asked about their views for moving maintained schools to being funded on an academic year basis.
14. The results were inconclusive without a clear majority in favour of a move. Given the additional workload to transition to a new funding year, particularly for small primary schools, this area will not be prioritised as a move towards the direct NFF.

Role of Schools Forum

15. The move to a direct NFF would mean that the role of schools' forums will change. The DfE expect that schools' forums will continue to play an important part in local decision making and stakeholder engagement.
16. The proposed reforms do not, for example, have an impact on schools' forums' existing roles in relation to early years funding or de-delegation. The DfE also plan to review how schools' forums engage with high needs funding issues, following the SEND Review.

Proposals

17. Schools' Forum notes the DfE's response to their consultation on reforms to the NFF.

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