

Response ID ANON-F67D-RE6G-B

Submitted to Fair school funding for all: completing our reforms to the National Funding Formula
Submitted on 2021-09-29 18:54:19

Introduction

A What is your name?

Name:

David Green (response agreed by Executive Director and Cabinet member)

B What is your email address?

Email:

david.green.ses@surreycc.gov.uk

C What is the name of your organisation?

Organisation:

Surrey County Council

D What type of organisation is this?

Role:

Local authority

E Which local authority area are you responding from?

Local authority:

Surrey

F Are you happy to be contacted directly about your response?

Yes

Confidentiality

G Do you wish for your response to remain confidential?

No

The scope of the end state NFF

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?

No

Developing the schools NFF to support the end state NFF

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

Please comment::

We agree that the indefinite use of historic cost for premises factors is unsustainable, and that under a hard NFF, where all other factors are determined nationally, the level of funding for premises factors also needs to be determined nationally, and cannot be the result of choices by individual LAs. This is because LAs cannot vary premises factors to meet local need if they cannot make offsetting adjustments to other formula factors. We can only comment on the factors we use in Surrey: for rents we cannot see that a formula is possible (and we think strict criteria would be needed for funding actual cost), for split sites we can see that a formula is feasible but we are conscious of the range of criteria used to define and fund split sites and of the varying significance of split site funding to individual schools. It is important that any individual allocation process operated by the DfE is predictable, manageable and timely and has some credibility. For example for rents it needs to include some mechanism for managing costs and ensuring that rents reflect market value, and for ensuring that funding of rents isn't a way for schools to obtain use of new capital assets eg by leasing new buildings and charging the rent to the DfE For split sites it would need to reflect the diversity of split sites eg distance, size, rurality. It will be important for DfE to consult fully on the proposed criteria.

Growth and falling rolls funding

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

No

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

Please comment::

We oppose national criteria for funding growth and falling rolls, on the basis that the LA needs some flexibility, for example to fund vacancies in a bulge class for more than one year, and to decide whether or not to apply a minimum threshold to fund when funding growth (eg not to fund the first ten pupils or 10%) It is the LA's responsibility to ensure sufficiency of places so the LA needs to have some financial flexibility to do it, eg some scope to persuade schools to accept bulge classes and expansions.

This needs a full consideration of any proposed methods

We need to see more detail. We think there needs to be some recognition that an undersubscribed bulge class may place financial strain on a school for several years.

While basing initial allocations on LA place planning data seems sensible, it needs to be recognised that accurate place planning at individual school level (particularly for primary schools) is challenging, large expansions are relatively easy to model and fund, but the location of one off bulge classes can be more difficult to predict in advance. The proposed in year adjustment point must be sufficiently late to recognise that.

Thresholds on growth and on adjustments can be difficult to set fairly if only growth above a threshold is to be funded.

Falling birth rates locally are creating a major challenge to the sustainability of small schools and to the maintenance of standards in those schools. The current falling rolls criteria often do not help here because support can only be given where there is an expectation that the places will be needed within the next three years.

Next steps for the transition to the end state NFF for schools

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?

Unsure

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?

Yes

7a 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?

Unsure

7b If you do not agree, can you please explain below.

Please comment::

10% seems an arbitrary percentage

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?

Please comment::

No views

Next steps for the transition to the end state NFF for schools

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?

Unsure

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

Unsure

Central school services

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?

Please comment::

There is a need for a wider review of which support services should be funded from DSG and which are funded from the main local government finance settlement (LGFS), having regard, for example, to minimising the circumstances in which constraints on one funding source create pressure in another (such as with SEN assessment and admin with its impact on the high needs block).

We agree that the cost of copyright licences should continue to be met from outside LGFS.

12 Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs?

Yes

A consistent funding year

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?

Neither agree nor disagree

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?

Please comment::

We would note that such a change would mean maintained schools waiting five months longer for funding for non basic need pupil growth . Academies have chosen to forego this. Maintained schools haven't.

Equalities Impact Assessment

15 Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change. Before answering this question, please refer to Annex (C) of the consultation document.

Please comment::

Further comments

16 Do you have any further comments on our move to complete the reforms to the National Funding Formula?

Please comment::

Q1 We do not agree 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. We are unconvinced that a centrally set school level funding formula can adequately meet all local needs and the diverse circumstances of all schools within an LA. School leaders, locally accountable to their peers, should retain some local flexibility to respond to the needs of their communities

Q5/7/10 would not involve any changes for us

Other issues

While it is not a funding issue as such we would urge that the council should be able to charge borrowing costs against the high needs block (HNB) of the DSG for capital projects intended to contain HNB revenue costs as it is wholly illogical that general fund has to subsidise HNB indirectly via borrowing costs when it (quite appropriately) cannot fund HNB revenue costs directly.

Additionally, the LA faces the need to incur significant borrowing costs in order to improve energy performance in schools, the revenue benefits of which will accrue to schools' budgets. We think there may be a case for including such costs within the scope of eligible DSG expenditure in future as schools will benefit from the revenue savings.