

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?

Yes

Question 2: Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF? e.g. PFI costs, exceptional circumstances, split sites

PFI costs and the affordability gap in particular with its reliance on future inflation rates is extremely complex and future consultation is essential. At this stage it is not at all clear how the responsibility for the affordability gap can be split between the Local authority and the DfE whilst maintaining the link with RPIX inflation. There is a significant risk that the NFF will be distorted in unacceptable ways to deal with the few schools involved with PFI. It may be better to keep PFI outside the national formula until contracts expire.

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

Yes

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

Whilst agreeing with the proposal to use national standardised criteria we are concerned that no definition of significant growth is provided. Care must be taken to recognise that "significant" growth must relate to the size of the school(s) and that significance in rural areas may be much lower than what is regarded as significant in urban areas. Significance must in part relate to the unavailability of alternative places within easy travelling distances.

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?

Yes

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?

Yes

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?

Yes

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?

I'm not sure that local authorities should be allowed to exceed the NFF as this may cause transition problems in later years. DfE need to consider what LAs should be permitted to do with any unused School Block funding. In general 98% or 99% would seem an appropriate threshold.

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?

Yes

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

Yes

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?

it would seem sensible to move this funding into the Local Government Finance settlement and abolish the central school services block as it is a relatively small amount.

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

Not sure

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?

Strongly agree

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?

This proposal was strongly supported by Herefordshire Schools Forum and the Budget Working Group on behalf of all schools.

The only disadvantage will fall to the local authority that will have to work across both the "local government" financial year and the academic year resulting more year end processes for e.g. funding allocations for the periods April - August and September - March.

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

No additional comments beyond the DfE's assessment

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

Not sure that there should be a legacy grant paid in full to those authorities that have unavoidable termination of employment costs and prudential borrowing costs.

These authorities have received the benefits of new school buildings from prudential borrowing and better retirement settlements for school staff which have been paid for in agreement with their school forums and schools by reducing funding to schools.

Authorities that have preferred to pass all their school funding to schools and not used school funding to pay for such benefits will now receive exactly the same national funding formula as all other local authorities, which is right and proper.

However the government is proposing to fully fund these legacy costs which is unfair on local authorities that did not incur such costs. Without knowing the number of authorities and costs involved it is impossible to comment objectively but it would seem fairer that any such legacy grants were paid to meet 50% or 75% of the cost so that those authorities continue to pay a contribution towards the benefits they continue to receive.