

Manchester City Council

Report for Resolution

Report to: Schools Forum

Subject: Schools Consultation Outcome for National Funding Formula Transition

Report of: Directorate Finance Lead – Children’s and Education

Summary

In July 2021, the Department for Education (DfE) launched a consultation which seeks views on government plans to develop a single national funding formula (NFF) system to direct funds to schools. In September 2021, the Local Authority brought to Schools Forum details of this consultation, along with workings demonstrating the anticipated financial impact of the NFF and Manchester’s draft response to the consultation.

Following the report to Schools Forum, a consultation was then launched directly to Manchester schools to understand their views on the proposals, with a response deadline of 5th November, 2021. This report includes responses received by the Council at the time of writing the report, responses that are received after this will be tabled for discussion and information at November’s Forum.

Recommendations

School Forum members are asked to note and comment on:

- School responses to the NFF consultation.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

Supporting Reports:

20 September 2021	National Funding Formula Consultation
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1. INTRODUCTION

- 1.1 In July 2021, the Department for Education launched a consultation which seeks to develop a funding system whereby DfE (Department for Education) directly funds schools. Plans to move local formulae "progressively closer" to a national funding formula (NFF) direct to schools start 2023/24. In September 2021, the Local Authority brought Manchester's draft response, along with workings demonstrating the anticipated impact to Manchester, to Schools Forum.
- 1.2 Following the report to the Schools Forum, a consultation was launched by the Local Authority directed at Manchester maintained and academy schools, requesting their views and comments on two key principles of the consultation. This consultation concludes on 5th November 2021, and this report has collated the responses received by the Council at the time of writing the report. Responses that are received after this will be tabled for discussion and information at the November meeting.

2. CONSULTATION RESPONSES

- 2.1 At time of writing the report, 26 schools formally responded to the consultation. The list below outlines the questions asked during the consultation and the answers provided.

Q1. Do you agree that the Local Authority should begin transitioning from the Local Funding Formula (LFF) to the National Formula Factor (NFF) in 2022/23?

A1. Responses: 26
Yes: 22
No: 1
Not sure: 3

From the schools in favour, there was the view that it was prudent to begin a gradual transition to the NFF to allow monitoring of the real-term impact over a number of years. Another response requested training to support schools in understanding the budgetary impact of the move. Overall, it was positive as it would allow schools a longer adjustment period and would allow more strategic budget planning.

The school who responded in opposition to the transition raised referred to Manchester's current local formula and its acknowledgement of the high levels of deprivation in the city. They raised concerns that a move to the NFF might adversely impact budgets and create instability.

Of the schools who responded as "not sure", one school was in favour of a quicker transition so that schools could benefit from any potential increases to deprivation factor rates sooner rather than later.

A few schools requested data on what their individual school budget shares would look like under the changes. Unfortunately, the Local Authority does not have the level of detail from the DfE to provide these workings.

Q2. Do you agree that Local Authority should introduce the NFF Free School Meals (FSM) factor into the LFF in 2022/23?

A2. Responses: 26
Yes: 22
No: 0
Not sure: 4

Overall, schools were supportive of this proposal, stating that it would help target deprivation in schools.

A couple of responses requested clarity around what this would mean in budgetary terms, and whether this would increase the administrative burden on schools. The Local Authority wants to clarify that this should involve no further work for the school; schools should continue to identify and support FSM eligible pupils as done presently. This proposal, if implemented, will provide additional deprivation funding within your school block funding to facilitate this.

3. CONCLUSIONS AND RECOMMENDATIONS

3.1 School Forum members are asked to note and comment on:

- School responses to the NFF consultation.