



Consultation responses

For the 2023/24 Schools Funding Formulae

14 November 2022 publication with closing date of 12 December 2022 (*4 weeks*)

Children, Lifelong Learning and Families

Director: Jane McSherry

1. Response Summary

- 1.1 All schools and academies were emailed an electronic copy of the consultation paper after School Forum approved the draft paper on 9th November 2022. This was sent on 14th November 2022, with a closing date of 12th December 2022 at 5pm to Schools Finance. (4-week consultation).
- 1.2 A list of the 33% respondents or 15 returns/responses is given at the end of this document.
- 1.3 The sector split was 11 Primary schools and 4 Secondary schools (total 15 returns from 45 schools).

2. Response Analysis

2.1 Schools Funding Formula Options (section 2.1.7)

- 2.2 Question from consultation paper:

Options from Section 2 relating to the formula factors	
QUESTION 1	Section 2.1.7 Schools Funding Formula options
Please indicate below which schools funding formula option you would prefer Merton to use for the 2023/24 allocation. If your preferred option is B, please provide your reasons why you think this option would be better for all Merton schools	
Option A- Replicating the NFF	
Option B- Local Formula with additional funding through permitted factors	
Comments	

- 2.3 Respondents were asked to indicate which schools funding formula option they would prefer Merton to use for the 2023/24 formula allocation.
- 2.4 Responses:

	Primary	Secondary	Special	Weighted %
Option A	6	4	0	67%
Option B	5	0	0	33%

- 2.5 Comments:

2.5.1 "x school have been planning redundancies based on the illustrated figures and will probably still need to do so. "Changes in funding due to the Governments Autumn statement"- understandably schools will need revised figures as soon as possible to inform a redundancy timeline which begins after Xmas and before Feb half term. Is it possible for indicative figures to be released in January? NB Why do the totals for A & B not add up? What is the difference between the formulas? Is this in the lump sum given to schools?

2.5.2 "It is not clear from the narrative what the differences are between option A and option B - the explanation is confusing! Without knowing which permitted factors under option B attracts any additional funding it is difficult to determine whether

this is likely to benefit us as a school. Appreciating that the figures in appendix A are indicative and estimated using Oct 21 Census, it would appear that we stand to benefit from option B therefore would not make any sense to vote for option A, which it states is Merton's preferred option?"

2.5.3 "Using the local formula is financially advantageous to most primary schools".

2.5.4 "All primary schools gain through option B".

Reply - Indicative school budget allocations 2023/24 are published in January and reported to Schools' Forum as an appendix to the report received at that meeting. These are subject to ESFA validation checks, but could be used as a draft budget allocation to assist in strategic decisions. Legislation states schools should receive budget allocations by 28th February.

Consultation totals in model A plus B vary by £66 due to pence and rounding within the factor(s) used in each model. The factor rates used and differences are published as a table/comparisons and lump sum amounts included within the factors used in each model. These assist in the choice and detail both primary and secondary factors using NFF rates and slight variations/local rates.

Option B has a ratio of 1:34 (secondary schools receive 34% more funding than primary schools), whereas the option A ratio is 1:35. (secondary schools receiving 35% more funding than primary schools). This is reported on page 39 of the consultation paper.

3. MFG percentage (section 2.2)

3.1 Question from consultation paper:

QUESTION 2		Section 2.2 MFG percentage	
Merton intends to apply MFG at 0.5%. This is in line with last year's Schools Forum decision where it was agreed that the maximum MFG should be used. If you do not think that Merton should apply the maximum MFG, please state your reasons for this in the section below.			
Please select below which level of protection you think should be applied to schools.			
Option A – Set MFG at maximum of 0.5%			
Option B – Set MFG at a different percentage (Please state reason and percentage below)			
Comments			

3.2 Respondents were asked to select which level of protection or minimum funding guarantee (MFG) they thought should be applied to schools' formula from the options.

3.3 Responses:

	Primary	Secondary	Special	Weighted %
Option A - Set MFG at 0.5%	11	3	0	93%
Option B - Set MFG at a different %	0	1	0	7%

3.4 Comments:

3.4.1 "0.5% is very low compared to last year- how is this in line with last year's 2% MFG agreed?"

3.4.2 "Last year's MFG was 2% which was the maximum allowable, therefore agree that 0.5% maximum should be used again this year, however it is worrying that the MFG maximum has reduced so much from last year. What gains cap will be used this year?"

Reply - 0.5% MFG is the maximum protection allowed and published by the government for 2023/24 (this is decided and set by central government, each year). Merton proposed to use the maximum percentage allowed of 0.5% for 2023/24 within the proposed formula. There was no requirement for capping and scaling within the proposed formula for 2023/24 due to the School Supplementary Grant funding being rolled into the DSG baseline for 2023/24 of £4.253m.

4. De-delegation options (Section 2.4)

4.1 Question from consultation paper:

QUESTION 3 Options from Section 2.4 relating to de-delegation		
For all of the services below, please state either Yes or No to indicate whether or not you would prefer the services to be de-delegated to the authority to be managed centrally rather than by each individual school. Last year Schools Forum agreed to de-delegate all services.		
Paragraph	Service	De-delegate Yes/ No
2.4.5	Contingencies- Schools in challenging circumstances	
2.4.6	Contingencies- Attain	
2.4.7	Contingencies- Tree maintenance	
2.4.8	Primary school meals management	
2.4.9	Licences and subscriptions	
2.4.10	Supply staff cost for parenting cover and public duties (including TU duties)	
2.4.11	Support to under-performing ethnic minority groups and bilingual learners	
2.4.12	Behaviour support	
2.4.14	School Improvement	
2.4.15	School Improvement (School Improvement & <i>Brokering new</i> 23/24)	
2.4.16	School Attendance (<i>proposed new</i> 23/24)	
Other de-delegation comments		
Please provide any comments you would like to be considered by the Schools Forum on the de-delegation of budgets for 2022/23.		

4.2 Respondents were asked to indicate whether or not they would prefer a number of services to be de-delegated back to the Local Authority to be managed centrally rather than by each individual school.

4.3 Responses:

Paragraph of consultation	Service	Primary	%		Secondary	%	
		Total responses	Yes	No	Total responses	Yes	No
2.4.5	Contingencies - Schools in challenging circumstances	11	100%	0%	4	100%	0%
2.4.6	Contingencies - Merton Strategic School Effectiveness Partnership	10	91%	9%	4	100%	0%
2.4.7	Contingencies - Tree maintenance	11	100%	0%	2	50%	50%
2.4.8	Primary school meals management	11	100%	0%	N/A		
2.4.9	Licences and subscriptions	11	100%	0%	4	100%	0%
2.4.10	Supply staff cost for parenting cover and public duties.	11	100%	0%	4	100%	0%
2.4.11	Support to under-performing ethnic minority groups and bilingual learners	11	100%	0%	3	75%	25%
2.4.12	Behaviour support	11	100%	0%	4	100%	0%
2.4.13	Insurance	N/A			N/A		
2.4.14	School Improvement	11	100%	0%	4	100%	0%
2.4.15	School Improvement (Attendance)	11	100%	0%	4	100%	0%
2.4.16	School Improvement (School and Brokering)	11	100%	0%	4	100%	0%

4.4 Respondents were asked to provide any comments they would like to be considered by the Schools Forum on the de-delegation of budgets for 2023/24.

4.5 Comments:

4.5.1 *"Tree service does not work and provide the service needed".*

4.5.2 *"New items noted where DfE withdrawing grants from LA, schools are now expected to fund the shortfall.*

4.5.3 *"Surely there are many schools in challenging financial circumstances - how is it decided who gets support from this fund?"*

4.5.4 *"Funding the 2 new services via de-delegation is essentially a cut in our funding."*

4.5.5 *"2.4.5 - schools in challenging circumstances - LEA to share/publish criteria of who/how to benefit. 2.4.15 school improvement & brokering – this is a replacement of the DfE grant that schools are now paying - seems unfair in a funding crisis."*

Reply –

- **Tree service** – Concerns will be relayed to the relevant team to address concerns.
- **DfE withdrawal of funding and impact on school finances** – The Local Authority recognises the current significant challenges to schools with regards to their own budgets. In their decision to withdraw funding to local authorities with regards to the Monitoring and Brokering Grant, the Government identified that they felt that LA maintained schools were financially advantaged in comparison to academies, who have to fund this support from within their budgets. In their response to their consultation with regards to the removal of the grant, the DfE made it clear that councils were to seek to de-delegate funds via their schools' formula to ensure they are sufficiently funded to exercise all their improvement activities, including all core improvement activities.
- **Schools in challenging circumstances budget** - As reported on page 11 of the consultation, this budget is used to support schools experiencing specific

challenges where there is no school budget available to meet the agreed need. It is used proactively to prevent problems and to secure rapid progress when necessary. In particular it is used to support schools at risk of being judged as less than 'good' when they are next inspected; and when a school has a deficit budget, especially in the context of falling rolls. It is applied at the discretion of the AD for Education and Early Help in consultation with the Head of School Improvement and the Headteacher of the relevant school. It is used to respond to specific school level issues and as these change each year, there are no historic spending patterns by phase or school.

5. Transfer between blocks (section 2.7)

5.1 Question from consultation paper:

QUESTION 4 Section 2.7 Transfer between blocks	
<p>For 2023/24 Merton proposes to maintain the transfer from the Schools Block to the High Needs Block. This is estimated to be about £737,000 (0.5%) based on indicative grant allocations and will be used to continue to fund the increase in place numbers at special schools, the growth in top-up (banding) fees and maintaining the prudential borrowing agreed by Schools Forum in 2007.</p> <p>In support of the DSG Recovery Plan Merton proposes to transfer an additional £500,000 (one year) from the Schools Block to the High Needs Block in support of the deficit recovery plan and working in conjunction with the DfE on the Safety Valve Programme. This would be subject to Safety Valve Team and Secretary State (SOS) approval.</p>	
<p>Please state whether you would support this (0.5%) c£737,000 transfer from the schools to the High Needs Block.</p>	<p>Yes/No</p>
<p>Please state whether you would support the additional transfer of £500,000 in support of the Merton DSG Recovery Plan (<i>a Dis-application request would have to be approved by the Safety Valve Team/Secretary of State</i>)</p>	
<p>Comments</p>	

- 5.2 Respondents were asked whether they supported the proposal to maintain the transfer from the Schools Block to the High Needs Block in 2023/24. At the time of the consultation, at 0.5% this was estimated to be £737,000. This was based on indicative grant allocations and used to continue to fund the increase in place numbers at special schools, the growth in top-up (banding) fees, EHCP growth and maintaining the Prudential borrowing agreed by Schools Forum in 2007.
- 5.3 Also, in support of the DSG Recovery Plan Merton respondents were asked if they approved the transfer of an additional £500,000 (one year) from the Schools Block to the High Needs Block in support of the deficit recovery plan and working in conjunction with the DfE on the Safety Valve Programme. It was highlighted that this would be subject to the Safety Valve Team and Secretary State (SOS) approval.

5.4 Responses:

0.5% transfer	Primary	Secondary	Special	Weighted %
Yes	11	4	0	100%
No	0	0	0	

£500k CASH	Primary	Secondary	Special	Weighted %
Yes	7	3	0	91%
No	1		0	9%

5.5 Three primary schools and one secondary school did not reply to question about the £500k transfer.

5.6 Comments:

- 5.6.1 *"Last year we were asked to agree a "one year" transfer - by marking this as (one year) gives the impression that this would be a one-off request?"*
- 5.6.2 *"How much would this reduce our other funding by? If we could guarantee it meant more EHCP's then we agree with this"*
- 5.6.3 *"We support both transfers to HNB as we have a high number of EHCP's"*
- 5.6.4 *"I don't feel that I fully understand the implications of this."*
- 5.6.5 *"DSG recovery plan - LEA have received funds to support safety valve reduction in their SEND deficit. We do not believe it to be fair to ask schools to support this further from their own budgets."*

Reply - One-year transfer – When this term is used it shows that the decision is made for the year in question, with no decision made that it should or should not be continued each year after. The consultation with Schools and Academies for 2023/24 is therefore requesting for an additional transfer as part of budget setting for 2023/24 and Schools' Forum will be asked whether they approve this transfer for this year in support of the Safety Valve Agreement.

The Dedicated Schools Grant (DSG) is ringfenced to Schools and Academies and support from schools or their budgets is part of the consultation for 2023/24. If the transfer is not approved, the High Needs Budget 2023/24 would require a saving equivalent to the transfer amount in support of the Safety Valve Agreement.

The Local Authority receive funding from the DfE on condition that savings are delivered each year, for the next five years and as part of the Safety Valve Agreement.

6. High Needs Block - Targeted support to schools with high SEN pupil numbers

6.1 Question from consultation paper:

QUESTION 5	Section 2.1 High Needs Block - Targeted support to schools with high SEN pupil numbers
<p>Merton will continue to provide additional funding outside the main funding formula for mainstream schools and academies. During 2022/23 this methodology allocated an additional £550k where more than 3.4% of a school's overall pupils had EHCP's recorded on census. Moving in line with the National Funding Formula, it is therefore proposed to cap this fund at £350,000 for 2023/24 and for the percentage proportion to be adjusted in support.</p>	
<p>Please state whether you support this adjustment moving in line with the National Funding Formula for 2023/24. <i>(Please state reasons below)</i></p>	<p>Yes/No</p>
<p>Comments</p>	

6.2 Respondents were asked whether they supported the reduction in targeted support outside of the formula for a cap on the budget allocation of £350k for 2023/24 and apply the percentage to fit the model of funding.

6.3 Responses:

Target support £350k	Primary	Secondary	Special	Weighted %
Yes	8	3	0	79%
No	2	1	0	21%

6.4 One primary school did not reply to this question.

6.5 Comments:

6.5.1 *"This funding supports [a larger number of EHCPs at our school]. A disproportionate number in a school without ARP base funding. Historically, high quality provision at [this school] been attractive parents. However, we will need to reduce the number of SEN teachers and LSA's if this support is not reinstated. As a result, parents will find [the school] less attractive. Potentially choosing out of Borough independent specialist provision, where provision in mainstream schools becomes increasingly underfunded. Supporting Merton mainstream schools SEN is strategically positive action, a consistent and fair use of high needs block funding. Additional high needs funding comes from high needs block funding, not from the formula -this funding will always remain in LA control and is not affected by NFF (now delayed to 2027/28). In addition, in the current year, the LA received a one-off high needs supplementary grant - out of this fund all maintained schools with ARP's were given a discretionary grant by Merton, while [this school] with an equitable number of EHCP's was not and on the contrary had £50k of funding removed without prior notice. We have built our provision on this additional funding. There are consequences to withdrawing this funding - why would you withdraw it now, when you might not have to in 27/28?"*

- 6.5.2 *"Whilst recognising the need for this to be more and more in line with the NFF I have very mixed feelings about this reduction, being the head of a school with low deprivation but high SEND, the further reduction in this additional funding will have a considerable impact on budgets and staffing in schools such as mine.*
- 6.5.3 *"The reduction in funding from £550 to £350 is quite significant and although we will not benefit this year from this additional funding, we support it in principle, however it is a concern that should we qualify in future years this funding may no longer be available to us.*
- 6.5.4 *"This represents a cut in real terms for the schools which take higher than average proportions of pupils with EHCP's."*
- 6.5.5 *"Mainstream schools are already struggling to meet the needs of the significant numbers of pupils with SEN and EHCP's - a decrease in funding will negatively impact provision for all.*

Reply - As previously noted, the Local Authority recognises the current significant challenges to schools with regards to their own budgets, and individual school budget concerns raised via the consultation, and more generally, will be addressed directly with schools.

Also, as schools and settings already know, Merton are part of the DfE Safety Valve Programme, and the agreement includes savings each financial year to eventually reduce the £25m DSG overspend. Each year the SEN funding in support of SEN pupils in schools is calculated based upon school census and HNB affordability and any savings are used to offset ongoing pressures in funding EHCP growth, special school growth/places and ARP expansions in support of SEN children and young people.

There will be consultation on future changes of the school funding in accordance with setting of the school budgets for future years until the DfE implement the NFF in full.

Deprivation - Within the Schools' Block, schools are allocated money within the funding formula to support pupils with deprivation and the government has targeted additional funding for this purpose in 2023/24 via the NFF proposed rates. In total, Schools' Block funding for 2023/24 has increased by 7%.

Supplementary Grants - The High Needs Block Supplementary Grant (£1.692m in 2022/23) was distributed to ARPs and special schools in accordance with the HNB grant conditions and has been rolled into the HNB baseline as part of the 4.6% increase in funding for 2023/24. Separately, but for the same purpose, mainstream schools and academies (not including ARPs and academies) received an allocation from the Schools Supplementary Grant of £4.263m last year (2022/23) that is now also rolled into the school block baseline for 2023/24.

7. Other comments

- 7.1 Respondents were asked for any other comments to be considered by School Forum as part of the consultation.
- 7.2 No other comments were made.

8. Respondents

PRIMARY

Abbotsbury Primary
Gorringe Park Primary
Holy Trinity CE Primary
Malmesbury Primary
Merton Abbey Primary
Merton Park Primary

Pelham Primary
Sacred Heart RC Primary
The Sherwood Primary
St Marks Primary
Wimbledon Park Primary

SECONDARY

Raynes Park High
Ricards Lodge High
Ursuline RC High
Wimbledon College RC High