

Questions and current draft responses to the schools block national formula consultation (23rd March 2016)

Question	Detail
Question 1	Do you agree with our proposed principles for the funding system?
	<p>At this stage, we cannot support the principles for the funding system because there is too little information on which to come to a view.</p> <p>We certainly understand that schools in less well-funded areas should be funded fairly but we would want to see that introduced on the basis of a levelling up of resources not a levelling down. One of the principles of the new formula should therefore be that schools in relatively well-funded areas like Camden should not see a reduction in the cash amount that they receive.</p> <p>London schools are a national success story lauded internationally, both in terms of high attainment and in closing the attainment gap. In Camden, we have one of the highest performing school systems in the country. In 2014-15, 94% of Camden primary pupils were being educated in Ofsted graded good or better schools, (4th best in the country and top in Central London). 82% of pupils attend a good or better performing secondary school.</p> <p>There are many risks in de-stabilising the capital's education system not least in terms of leadership. Over 50% of London's heads are over 50 and recruitment is becoming increasingly challenging.</p> <p>The Sutton Trust report in November 2015 highlighted the challenges facing pupils in deprived urban areas who what it termed 'double disadvantage' (Sutton Trust November 2015). It found that disadvantaged students have poorer outcomes and living in a poor neighbourhood compounds this. The Trust's view was that it would like to see higher levels of resources maintained in these areas.</p> <p>London faces very particular challenges with high relative deprivation and high staffing and other costs. Any funding system needs to properly reflect this complex and challenging environment. Not only does education cost more to deliver in London than elsewhere in the country, schools also face factors such as higher levels of deprivation and mobility. Cost of living expenses mean funding education in Camden costs significantly more than the national average, whilst 46% of primary pupils in Camden are eligible for the deprivation-linked element of the pupil premium compared to just 26% nationally.</p> <p>We support the factors proposed in the consultation document, which are largely the same as those factors already used in Camden but without further information about the relative weightings of the factors, it is difficult for us to come to a view. Clearly, though, we would want to see the weightings reflect</p>

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	the challenges that we have set out earlier.
Question 2	Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?
	<p>We believe that there should continue to be local flexibility over funding to address and respond swiftly to local diverse and emerging issues.</p> <p>There are strong relationships between the Council and the Camden family of schools which has enabled effective collaboration in the school system in the interest of children and young people. We have developed a formula which responds to local needs. Our school system is a strongly inclusive one where mainstream schools fully share the responsibility for educational provision for vulnerable pupils. We also have a long-standing policy of the council and local schools jointly investing in early years education through the provision of 25 hours of nursery provision to pupils in schools and children's centres</p> <p>The proposals do not take into account the interrelationship of the mainstream, early years and high needs blocks enabling resources to be allocated flexibly to best meet the needs of children and young people. Taken together with the removal of the role of the schools forums and local authorities for allocating mainstream funding, this will significantly weaken the inclusive system of education that exists in Camden.</p>
Question 3	Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?
	<p>Camden currently has differential rates for primary, key stage 3 and key stage 4 to reflect the increased costs of funding education as pupils get older. Therefore in principle Camden supports this, though the consultation does not set out the split between the levels which will be important in determining whether this factor is appropriate. We would urge the government not to introduce a system that causes significant turbulence in relative funding between the two phases.</p>
Question 4	<p>a) Do you agree that we should include a deprivation factor? b) Which measures for the deprivation factor do you support?</p> <ul style="list-style-type: none"> • Pupil-level only (current FSM and Ever6 FSM) • Area-level only (IDACI) • Pupil- and area-level
	a) We agree that there should be a deprivation factor as is in our current

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	<p>formula.</p> <p>b) We favour a pupil and area level combination as Forum has agreed in our current formula since 2014/15.</p> <p>As with other London boroughs, Camden works within a challenging inner London context of significant levels of deprivation and high costs of living. 34% of children (under the age of</p> <p>16) in Camden are estimated to be living in poverty in real terms (this equates to 13,000 children), compared to 21% nationally. Camden has the sixth highest proportion of children living in poverty in London.</p> <p>Schools in Camden face significant challenges. Not only does education cost more to deliver in London than elsewhere in the country, schools also faces factors such as higher levels of deprivation and mobility. Schools need to continue to ensure that improvements are delivered to reduce the achievement gap for disadvantaged pupils, stretch the most able and enable more pupils to reach their full potential.</p>
Question 5	Do you agree we should include a low prior attainment factor?
	<p>Yes.</p> <p>The Council accepts the arguments for including prior attainment as a factor in the formula providing such a system does not introduce any perverse incentives. We know from experience in Camden that some pupils achieve better in some schools than others. If the criteria are being used to fund a school that pupils are transferring to, then it would be fair. However we would not wish to see a school that wasn't achieving high enough standards benefitting from this.</p> <p>The consultation states that dataset to be used as a basis to judge early years development will be kept under review and that further proposals will be released in due course. We would note that the Early Years Foundation Stage measure relies heavily on very accurate teacher assessment and not testing. Moderation of teacher judgements does take place but this would have to be extremely rigorous to make these criteria fair. We are unconvinced that this is a sufficiently robust index to measure prior attainment at the primary schools level.</p>
Question 6	<p>a) Do you agree that we should include a factor for English as an additional language?</p> <p>b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?</p>

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	<p>a) Yes, as in accordance with current formula.</p> <p>b) Yes, as currently operated by Camden's formula.</p> <p>English is not the first language for a significant number of pupils in Camden so the weighting in the final formula should reflect the high level of resources required to meet this need.</p>
Question 7	Do you agree that we should include a lump sum factor?
	Yes, this in accordance with our local formula.
Question 8	Do you agree that we should include a sparsity factor?
	<p>Yes, in principle this is reasonable but, similarly the high costs of providing education in London such as recruitment and retention of teachers and the high costs of living in London.</p> <p>However, there should also be a recognition that in London, high demand on school places can result in pupils travelling more than 2 miles.</p>
Question 9	Do you agree that we should include a business rates factor?
	Yes and this should fully reflect the disproportionately high costs of business rates in London.
Question 10	Do you agree that we should include a split sites factor?
	Yes, a split site element is in the current Camden local formula. However, the consultation does not state the value that would be put on this.
Question 11	Do you agree that we should include a private finance initiative factor?
	Yes it is important to reflect the specific costs associated with PFI contracts.
Question 12	Do you agree that we should include an exceptional premises circumstances factor?
	It is appropriate that specific and localised costs are reflected; however it is not clear from the consultation what sort of costs should be covered by this to

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	<p>take a firm view.</p> <p>Camden applied to the EFA to introduce a new factor for schools where building restrictions limit class sizes in its formula for 2016/17, as proposed by forum, but this was rejected by the EFA.</p>
Question 13	<p>Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors?</p> <ul style="list-style-type: none"> • Business rates • Split sites • Private finance initiatives • Other exceptional circumstances
	<p>It is not clear how this would work alongside the principles as to how the 'soft' formula would be calculated in 2017/18 and 2018/19 as set out in section 1.1 of the consultation. For example, will these factors be separated out and calculated differently from the other factors in the soft formula, which the consultation implies will be calculated according to the national formula.</p>
Question 14	<p>Do you agree that we should include a growth factor?</p>
	<p>Currently the Council topslices a part of DSG for growth and allocates this to schools as required based on anticipated and specific growth.</p> <p>It is appropriate that a mechanism to ensure that schools receive full funding for their pupil numbers is allowed for under the national formula.</p> <p>However, a broad growth factor that applies across the board risks over-funding schools that have not incurred growth and under-funding those that have had disproportionate growth. This should be considered in the final formula so ensure this factor is not a blunt instrument.</p>
Question 15	<p>Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?</p>
	<p>Historic trend does not necessarily reflect growth. This factor should reflect anticipated and expected growth to ensure funding relating to this factor achieves its desired outcomes. For example, where a school is to increase the number of classes the school should receive funding for this. This would not be reflected in historic spending.</p>

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Question 16	a) Do you agree that we should include an area cost adjustment?
	<p>Schools in Camden face significant challenges. Not only does education cost more to deliver in London than elsewhere in the country, schools also faces factors such as higher levels of deprivation and mobility. Schools need to continue to ensure that improvements are delivered to reduce the achievement gap for disadvantaged pupils, stretch the most able and enable more pupils to reach their full potential.</p> <p>Schools also face considerable challenges with teacher recruitment and retention. In London, over 50% of head teachers are aged over fifty and approaching retirement. As a result, governors report finding it harder to attract good head teachers in London and re-advertising rates for head teacher posts are higher in London than in other regions.</p>
	b) Which methodology for the area cost adjustment do you support?
	<ul style="list-style-type: none"> • general labour market methodology
	<ul style="list-style-type: none"> • hybrid methodology
	Further information is required on this question.
Question 17	Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?
	Yes we agree with this principle, provided an equivalent level of resource to children in care, as the pupil premium provides targeted support for deprived children so this removes a duplicated factor.
Question 18	Do you agree that we should not include a factor for mobility?
	Costs of education are significantly increased where mobility – meaning a high number of pupils leaving and joining schools – is high. This is because it takes time for new pupils to settle into a new educational environment, and this process may require additional support. This factor should therefore be included in the new formula.
Question 19	Do you agree that we should remove the post-16 factor from 2017-18?

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	<p>Camden does not currently have this factor in its formula and as 6th form funding is given through a specific grant it is appropriate that this is not cross-funded by the schools formula.</p>
Question 20	<p>Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?</p>
	<p>We do not agree with this proposal as it negates the ability of schools to use their funding in ways previously agreed through Forum, and it is right that schools maintain this flexibility.</p> <p>There are strong relationships between the Council and the Camden family of schools which has enabled schools and the local authority to collaborate. The proposals in the national funding formula seek to weaken the relationship between local authorities and schools. We believe that there should be local flexibility over funding to address and respond swiftly to local diverse and emerging issues.</p> <p>The consultation document rightly states “no funding formula – whether national or local – can match funding precisely to each individual pupil’s needs. Every child is different and teachers know much more about their pupils than any dataset can tell local authorities or government”. We therefore believe there should be some local flexibility in the funding formula.</p>
Question 21	<p>Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?</p>
	<p>This question relates to the transitional years of 2017/18 and 2018/19. We believe that the MFG applied nationally should also apply locally to avoid the potential that local authorities have to cut individual schools’ budgets in excess of the protection supposedly offered nationally due to a lack of funding on a borough level.</p>
Question 22	<p>Do you agree that we should fund local authorities’ ongoing responsibilities as set out in the consultation according to a per-pupil formula?</p>
	<p>The consultation proposes to fund responsibilities currently allocated from the centrally retained element of DSG and the general duties element of ESG through a per-pupil funding formula under a new central block.</p> <p>Of these elements are schools admissions, schools forums, fees to</p>

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	<p>independent schools for non-SEN schools, are notionally met from centrally retained DSG. Education welfare services and asset management, statutory and regulatory duties are currently funded by ESG which already does not cover the full cost of these services.</p> <p>A per-pupil funding rate should reflect the full costs of delivering these services at a local level.</p>
Question 23	<p>Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?</p>
	<p>We agree with this proposal.</p>
Question 24	<p>Are there other duties funded from the education services grant that could be removed from the system?</p>
	<p>The services that ESG provides that it is not proposed to fund through the new central block (see question 22) appear to be central support services, school improvement, asset management, and premature retirement and redundancy costs.</p> <p>The Council notes that the consultation proposes that Councils may be able to charge schools for services they want to retain but we are concerned that this would equate to an additional pressure for schools.</p> <p>At present, further discussion is required.</p>
Question 25	<p>Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?</p>
	<p>This question relates to the transitional period in 2017/18 and 2018/19. We agree with this proposal that the Council should, with the consent of Schools through Schools Forum, be able to retain some of maintained schools' DSG centrally to fund duties carried out on behalf of schools.</p>

The consultation document, questions and the draft response uses a number of abbreviated and technical terms regarding datasets. The following document sets out what the majority of these mean:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487009/Schools_Block_Dataset_Technical_Spec_2016-17_inc_Corrected_IMD_link_to_SFR.pdf