



Department
for Education

Implementing the Direct National Funding Formula

Government consultation response

April 2023

Ministerial foreword



This Government is committed to providing a world class education system for all pupils and has invested significantly in education to achieve that. Our Levelling Up mission for schools is that by 2030, 90% of children will leave primary school having achieved the expected standard in reading, writing and maths, up from 65% in 2019. Through the Opportunity for All white paper, we added to this goal, setting an ambition to increase the national GCSE average grade in both English language and in maths from 4.5 in 2019 to 5 by 2030. To deliver these improvements it is crucial that we support every

school and multi-academy trust with the right resources, so that they can achieve the best outcomes for all of their pupils.

We have delivered significant increases in funding, with core schools funding increasing by £3.5 billion in 2023-24, compared to 2022-23. The core schools budget will total £58.8 billion by 2024-25. This means that we will see the highest ever level of spending on schools in real terms per pupil in 2024-25.

As well as ensuring that we allocate the right level of funding to the school system, we must ensure that funding is distributed in a fair, consistent way across the country and is based on the needs of pupils. The introduction of the national funding formula (NFF) in 2018-19 was the first step in that journey, distributing school funding more fairly across the country based on schools' and pupils' needs and characteristics. This was a major step forward from the postcode lottery of the previous funding system, in which historic funding levels, rather than current needs, drove distribution.

But it remains the case that funding levels between individual schools – with similar intakes and similar circumstances – can vary significantly simply because of where they are located in the country. For example, in the 2022-23 funding allocations distributed by local authorities, a school taking a primary bulge class of 30 pupils would receive an extra £31,000 in Bexley, but as much as £186,000 in Tower Hamlets. It is this remaining unfairness that our next phase of school funding reform – the introduction of the “direct” school national funding formula – will tackle.

2023-24 will be the first year of transition to the direct NFF with the end point being a system which ensures full fairness and consistency in funding, with every mainstream school in England funded through a single national formula. This transition follows the positive response received to proposals in the first consultation on the direct NFF, Fair school funding for all. I am pleased to see that many local authorities are already moving their local formulae so that that they follow the NFF much more closely. In 2022-23 78

local authorities' formulae mirrored¹ the NFF.

The move to a direct NFF will require a number of complex, technical changes to the funding system, and it is essential that we take time to get these right, and listen to the feedback from the schools sector in doing so. Accordingly, this consultation focused on the technical details of the implementation of the direct NFF. The Department has carefully considered the responses to this consultation, which included strong support for the Department's proposals.

As the transition to the direct NFF continues, the Department will remain guided by our principles – that funding must be fair, simple and transparent, efficient and predictable. The changes the Department will implement in 2024-25 will move us closer to this goal by making growth funding simpler and more predictable for schools, by removing the reliance on historic data to calculate split sites funding so that it can be provided on a consistent basis across the country, and by continuing to require that local authorities move their local formula factors closer to the NFF values.

The interaction between core funding for mainstream schools and funding for high needs is a key consideration in the Department's reform plans. In this consultation we confirm that under a direct NFF there will be continued flexibility to transfer funding to high needs budgets and that the Department will introduce a national approach to calculating schools' indicative SEND budgets. These reforms will be developed alongside the changes to the wider high needs system as set out in the recently published SEND and Alternative Provision Improvement Plan², and the consultation response highlights the key policy interdependencies.

This consultation will be followed by further sector engagement on related funding issues such as the reforms to high needs funding arrangements and Private Finance Initiative funding. I would like to thank everyone who responded to the consultation. Your thoughts and proposals are critical as the Department reforms school funding and moves towards the implementation of the direct NFF. I know that we share the aim of ensuring that the funding system helps to deliver improved outcomes and opportunities for all pupils, and I am grateful for your continued support.



The Rt Hon Nick Gibb MP
Minister for Schools

¹ Local factor values within 2.5% of the respective NFF values are deemed to be mirroring the NFF.

² [SEND and alternative provision improvement plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/send-and-alternative-provision-improvement-plan)

Contents

Ministerial foreword	1
Introduction	6
Summary of respondents	8
Summary of responses received and the Government's response	9
Developing the Schools NFF	9
Interaction between high needs and schools funding	9
Interaction between the direct NFF and funding for high needs	11
Question 1	11
Question 1 Commentary	11
Government response	12
Question 2	15
Government response	16
Growth and Falling Rolls Funding	18
Question 3	18
Government response	19
Question 4	20
Government response	21
Question 5	21
Government response	23
Question 6	24
Government response	24
Question 7	24
Government response	25
Question 8	25
Government response	27
Premises: Split sites	28
Question 9	28
Government response	28
Question 10	29
Government response	30

Question 11	30
Question 12	31
Question 13	32
Government response for questions 11, 12 and 13	33
Question 14	34
Government response	35
Question 15	35
Government response	37
Exceptional Circumstances	38
Question 16	38
Question 17	39
Government response to questions 16 and 17	40
The Minimum Funding Guarantee (MFG) under a direct NFF	42
Question 18	42
Government response	42
Question 19	43
Government response	43
Question 20	44
Government response	45
The Funding Cycle	47
Question 21	47
Question 22	47
Government response	49
Question 23	49
Government response	51
Question 24	51
Question 25	52
Government response to questions 24 and 25	53
Next steps	55
Annex A: List of organisations that responded to the consultation	56

Introduction

In 2021 the Department held its first-stage consultation on the direct national funding formula (NFF) for schools: [Fair school funding for all: Completing our Reforms to the National Funding Formula](#). Following the feedback to that consultation, in March 2022 the Department published its response. This confirmed our commitment to introducing the direct NFF. This will mean that, in time, every mainstream school's final funding allocation will be determined by the same national funding formula. A direct NFF will make funding simpler and more transparent for all those involved to understand. Allocating funding on a consistent basis, regardless of which local authority schools happen to be located in, will provide schools and trusts with the predictability needed to make the best use of resources and to drive up academic standards, and ensure fairness between individual schools' allocations.

The move towards a direct NFF constitutes a major change to our school funding system. It will also ultimately require a new legislative framework, replacing the 1998 School Standards and Framework Act which sets out that education funding is delegated to local authorities. The government will bring the necessary legislation forward in a future parliamentary session. However, even in the absence of this legislation, since the introduction of the NFF in 2018, we have seen local authorities voluntarily choosing to move their funding formula closer towards the NFF, in discussion with their local schools. As of 2022-23 there were 78 local authorities whose formula factor values were within 2.5% of the NFF factor values³. This year the Department has begun the formal process of transition to the direct NFF, requiring local authorities (LAs) to move their local funding formulae towards the NFF from the 2023-24 funding year. An additional 27 local authorities have moved so that they are mirroring the NFF in 2023-24.

Between 7 June 2022 and 9 September 2022, the Department held its second stage consultation on these reforms: [Implementing the Direct NFF](#). This consultation sought views on the details of how a direct NFF would work in practice. This document provides the Department's response to the outcome of that consultation.

The proposals consulted on were:

- The continuation of two current elements of funding for children and young people with special educational needs and disabilities (SEND). First, continuing to have some flexibility within the funding system to move funding to local authorities' high needs allocations (and correspondingly adjust mainstream schools' NFF allocations) and second, the determination of indicative budgets for mainstream

³ Annex C: [National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](#)

schools' provision for pupils with SEND, within their direct schools NFF allocations.

- How the Department should fund schools experiencing significant growth in pupil numbers, or falling rolls, under a direct NFF. This included proposals for a system which retains some local flexibility to determine how this funding is allocated, while achieving much greater fairness, simplicity, and predictability.
- The allocation of split sites and exceptional circumstances funding, such that we move away from relying on historic local authority spending decisions to the allocation of these “school-led” elements directly through the NFF.
- How the Department will operate the minimum funding guarantee (MFG) in the direct NFF to ensure we continue to protect schools effectively against excessive year-on-year changes in their per pupil funding.
- How the funding cycle should operate in the direct NFF – that is, the regular timescales for gathering data to calculate funding allocations, and then confirming these allocations to schools – to support schools' and trusts' budget planning.

Having carefully considered the feedback to the consultation, this document presents our response and confirms our overall approach to implementing the direct NFF. Further engagement with the sector is planned on related funding issues. Following the recently published [SEND and Alternative Provision Improvement Plan](#), we will seek views on consequent reforms to high needs funding arrangements. Likewise, we plan to work with the sector on how funding for schools with Private Finance Initiative (PFI) arrangements could operate in the direct NFF.

Summary of respondents

In total we received 196 responses to the consultation. We have grouped the respondents by organisation type, or individual respondents, to support analysis of findings (see table below). A full list of consultation respondents can be found at Annex A.

We also discussed these proposals with a number of local authorities and representative organisations during the consultation period, such as the Department's School and Academy Funding Group⁴ and the Service-level Working Group for Education and Children's Services⁵, and workshops with members of these groups. As well as the findings from the online consultation, the discussion at these meetings and events has influenced the final decisions and, where relevant, has been reflected in the responses set out below.

Our detailed response with full analysis of the responses is set out below. In the analysis the total number of responses associated with each response type does not always equal 196. For questions which allowed a free text response, we have calculated percentages as the proportion of those who responded to that question and made that same point. The respective percentages, therefore, do not always total 100. Some respondents provided comments falling under more than one category or did not provide a response to a particular question. In the analysis we have set themes which were mentioned by at least five respondents. As such, the totals do not always match the number of respondents to a question.

Table showing respondents grouped by organisation, ordered by total respondents.

Organisation	Total	Percent
Local Authority	80	41%
Academy	38	19%
Maintained School	37	19%
Sector Organisation	28	14%
Other	8	4%
Diocese	4	2%
Parent or Carer	1	<1%

⁴ The School and Academy Funding Group (SAFG) exists to advise the Department on matters relating to all aspects of school funding, in the context of the wider policy objectives for schools. It is made up of key stakeholders from a number of organisations with a focus on education and/or funding.

⁵ The Service-level Working Group on Education and Children's Services (SWGECs) facilitates exchanges between local authority finance representatives and the DfE on matters concerned with revenue and capital expenditure on education and children's services.

Summary of responses received and the Government's response

Developing the Schools NFF

We plan to develop the schools NFF ahead of the final transition to a direct NFF, to ensure the formula is as fair and targeted as possible and is ready to be used as a direct NFF. This consultation included proposals on reforms of two elements of funding, which will be implemented in advance of the full introduction of the direct NFF – split sites and growth and falling rolls funding. This consultation response confirms that changes to both factors will go ahead for 2024-25. The NFF will determine funding for schools with split sites using a basic eligibility element and a distance eligibility element. We collected the appropriate data from local authorities through the 2023-24 Authority Proforma Tool (APT) returns to implement this change and will confirm the exact design of the formula in July. In addition, we will introduce a set of minimum standards for the allocation of growth funding by local authorities to improve consistency and predictability. We will also revise the NFF's current growth allocation methodology to allocate funding to local authorities on the basis of both growth *and* falling rolls and will work with stakeholders over the coming months to refine the standard criteria that will be used to fund schools with significant increases in pupil numbers or falling rolls from 2024-25.

Implementing changes in 2024-25

- Place further requirements on how local authorities can operate their growth and falling rolls funding.
- Introduce a national split sites factor.

Interaction between high needs and schools funding

The interaction between funding for mainstream schools and funding for high needs is a key consideration in our reform plans. As a result of this consultation, we can confirm how two key elements of this interaction will be managed under the direct NFF. First, following the introduction of the direct NFF, there will be continued flexibility to transfer funding to authorities' high needs budgets, through a new mechanism to adjust mainstream schools funding. Such transfers will be subject to final decisions being made by the Secretary of State, on applications from local authorities following consultation with local schools. We will work with the sector to identify a menu of options that will be provided to local authorities in submitting any such applications and to ensure this aligns with the wider funding cycle. Second, we will calculate indicative SEND budgets for individual schools in the direct NFF – continuing to give mainstream schools an indication

of a (non ringfenced) portion of their core budget for meeting the additional costs of provision for pupils with special educational needs. This will replace the notional SEN budgets that local authorities currently calculate within their local formulae. The exact design of these indicative budgets will be developed alongside the wider reforms following the Government's SEND and Alternative Provision Improvement Plan, as it will be important to ensure that indicative SEND budgets align with expectations set out in the SEND and Alternative Provision national standards.

High Needs Funding

- Continued flexibility to transfer funding to high needs budgets, with a corresponding adjustment to mainstream schools' funding allocations, through an application process to the Secretary of State.
- Introduce a national approach to calculating schools' indicative SEND budgets and consult further on the design and operation of this approach, including aligning with the reforms in the Government's SEND and Alternative Provision Improvement Plan.

Interaction between the direct NFF and funding for high needs

Question 1

Do you agree that local authorities' applications for transfers from mainstream schools to local education budgets should identify their preferred form of adjustment to NFF allocations, from a standard short menu of options?

The current ability for local authorities to transfer funding between blocks of their Dedicated Schools Grant (DSG) is an important flexibility that has helped local authorities as they face pressures due to high needs costs. The first stage consultation confirmed that the Department, in introducing the direct NFF, would retain the ability for funding to be transferred to high needs budgets, through a new mechanism to adjust mainstream schools' funding allocations. This consultation provided proposals on how that system would operate in practice, including that the Department would provide a "menu" of options of how an adjustment could be made, that local authorities would need to apply to the Secretary of State for an adjustment, and the criteria that the Secretary of State would take into account. Question one of the consultation tested whether people agreed with this process. There were 185 responses.

Answer	Total	Percent
Yes	151	82%
Unsure	20	11%
No	14	8%

The majority of respondents were in favour of the proposal. The highest level of support was from maintained schools and local authorities with 84% of those who responded in favour. 76% of academies were in support and 61% of sector organisations.

Question 1 Commentary

Do you have any other comments on the proposals for the operation of transfers of funding from mainstream schools to high needs?

The consultation gave respondents the ability to provide comments on the proposal set out in question one. There were 129 responses. We have categorised these responses into six key themes.

Common points raised	Total	Proportion of respondents who made the point
Support the ability for local authorities to transfer funds from mainstream schools to high needs.	32	25%
Supportive and would like more details on the process.	27	21%
Supportive but feel that transfers should be limited and rare.	26	20%
Support the ability for transfers but would like for some local flexibility to remain – either to decide on transfers up to 0.5% of schools funding without Secretary of State approval, or to depart from the “menu of options.”	19	15%
Does not support the rationale/need for block transfers from mainstream schools to high needs.	7	5%
Does not support the proposal, feels that local authorities should be able to continue to transfer 0.5% without Secretary of State approval.	7	5%

The majority of the comments were supportive of the proposals overall. 19 (15%) respondents who were supportive of the proposals also argued for greater flexibility at a local level – such as some decisions not requiring Secretary of State approval, if the amount of funding to be transferred was sufficiently low, and there was local agreement. 20% of local authorities called for greater local flexibility. 26 (20%) of respondents argued that, while they were generally supportive of this flexibility, it should be exercised rarely – and that investment for high needs should be prioritised to reduce the need for such transfers. This comment was raised by 24% of sector organisations and 17% of local authorities. 27 (21%) of respondents were supportive but asked for greater detail on how the funding transfer mechanism would operate – which included questions on the timing of local consultations and applications to the Secretary of State, with some respondents concerned that consultations would be difficult to manage over the school holidays.

Government response

We can confirm that, in introducing the direct NFF, the Government will allow local authorities to request funding transfers to high needs budgets, and that these requests will draw from a short menu of potential options on how the funding adjustment to mainstream schools should be made. This follows the positive response to this proposal in the consultation and, in particular, we note that a substantial majority of local authorities, maintained schools, and academies agreed with this proposal, with many comments on the importance of this flexibility to fund high needs appropriately.

Some respondents questioned the need for transfers for high needs, and argued that the key issue is, rather, increased funding for high needs. The Government has significantly increased high needs funding, with a rise of over 50% between 2019-20 and 2023-24, so that over £10 billion is being provided to support high needs budgets this year. Alongside this, we are supporting financial sustainability and value for money in high needs spending, both through targeted work with local authorities (the Safety Valve and Delivering Better Value programmes) and the system reform proposals in the recently published SEND and Alternative Provision Improvement Plan. The pattern of demand and supply for high needs varies significantly across local authorities, as does the current ability of local authorities to manage their high needs costs from within their high needs funding allocation. A result of this is that sufficiency of funding at a national level will not immediately obviate some need for the local level adjustments (through the proposed funding transfer mechanism) to deal with specific, local issues. As we see the impact of the reforms in bringing local high needs systems to financial sustainability, we expect that this flexibility would be used increasingly rarely. But these reforms will take time to have an impact, and so it will be important to allow this flexibility – even if it is seldom used by local authorities – as part of the direct NFF funding system.

Some respondents who were supportive of the principle of the continued flexibility to transfer funding to high needs nevertheless questioned the need for a menu of options for these applications – and proposed, instead, that local authorities should have greater flexibility in requesting how the funding adjustments are made. We are conscious of the importance of ensuring that all funding transfers are decided in a timely manner, ensuring that decisions do not disrupt or delay the confirmation of funding allocations to mainstream schools. Unlimited choice for how the funding adjustments are to be made (that is, with no restriction to a menu of options) would inherently risk just such delays. Our aim will be to develop a menu of options that is sufficient to give genuine choice, at a local level, while also ensuring that the usual timescales for confirming funding allocations are adhered to.

Respondents proposed a range of further options within the “menu” that local authorities would use in submitting these funding transfer requests – for example, to allow funding adjustments to be made by reducing funding through *some* additional needs factors rather than *all* additional needs factors. The list of options provided in the consultation document was an illustrative example (rather than a proposed “final” menu), which will form the basis of further discussion with stakeholders. We will continue to engage with local authorities and other stakeholders on the precise options to be included in the “menu.”

Some respondents asked why the Secretary of State must be the decision maker in all cases of funding transfers under the direct NFF – given that, in the current funding system, local authorities can decide (with agreement of their schools forums) to transfer up to 0.5% of their schools block funding to high needs. In line with the policy principles underpinning the direct NFF – specifically, greater fairness and consistency in funding –

we believe that the Secretary of State should have decision making authority on all funding transfers in the direct NFF. It will be the Secretary of State who determines school funding allocations under the direct formula and – as such – final decisions on funding adjustments will need to sit with the Secretary of State. We do acknowledge that a local authority requesting a relatively small transfer of funding to high needs (and with the support of local schools) presents a different case to a local authority requesting a large transfer (for example, above 0.5% of total schools funding) – especially if the latter does not have the support of local schools. In further developing the criteria against which local authority funding transfer applications are assessed, we will therefore be conscious that proportionality, based on the overall size of the funding transfer (and local support) will be required – such that there will be a higher bar for the approval of funding transfer requests which do not have local support, and/or are above a threshold as a proportion of mainstream school funding. We will engage further with local authorities and other stakeholders as we develop the detail of the criteria. Some respondents also flagged the importance of any criteria being transparent – and we can confirm that the criteria will be published and available to all.

Further to the points around local support for funding transfer applications, it remains the Government's view that local authorities will need to consult with local stakeholders and include the results of these consultations in their applications. The Secretary of State's decision will then be informed by local feedback. Ideally, there will be agreement between the local authority and local stakeholders on the application. We are conscious that sometimes this agreement will not be possible – just as is the case in the current system of “block movement” transfers, to which local schools forums do not always agree. In such cases the local authority will still be able to submit an application to the Secretary of State – but the Secretary of State will, of course, carefully consider concerns from local schools and others as part of the decision making process.

The detail of who will need to be consulted, and how, in the local authority application process will be developed in parallel with wider policy thinking on the role of local SEND and alternative provision partnerships as set out in the SEND and Alternative Provision Improvement Plan, as well as the existing responsibilities of school forums. We will engage further with stakeholders to discuss what role local inclusion partnerships could have in these consultations. We acknowledge the view that some respondents raised that local schools forums should continue to have a formal role in consultations on transfers of funding from mainstream schools allocations to high needs – given that many members of schools forums represent those schools and colleges with a direct financial interest in whether the funding transfer is made.

Finally, some respondents raised concerns regarding the timings for consultations on funding transfers – with some being concerned that this would necessitate consultation over the school summer holidays. Our proposal is that the funding transfer process would follow very similar timescales to the current “block movement” process. That is, local authorities would consult on a proposed transfer over the autumn, following the

publication of the NFF factor values in July. Applications would then be submitted to the Secretary of State in the autumn term with decisions made early in the new year. There would be no expectation of consultation over the summer holidays.

Question 2

Do you agree that the direct NFF should include an indicative SEND budget, set nationally rather than locally?

The consultation proposed that the Department would determine an indicative SEND budget for each school. This would be calculated by the Department under the direct NFF, rather than by local authorities, and would indicate the amount within the school's overall budget that is (indicatively) allocated to help schools meet the costs of additional provision for pupils with SEND, up to a defined threshold (currently £6,000 per pupil, per annum). Question two of the consultation asked whether people agreed with this proposal. There were 186 responses.

Answer	Total	Percent
Yes	131	70%
No	35	19%
Unsure	20	11%

The majority of respondents (70%) were in favour of the proposal to include an indicative SEND budget set nationally rather than locally. The highest level of support was from local authorities, with 80% of those who responded in favour. This was closely followed by organisations representing schools and specialist SEND provision, with 77% supporting the proposal. Academies and maintained schools were also generally supportive: of those who responded, 65% and 56% were in favour, respectively.

Those who supported the proposal highlighted that this would ensure consistency and address the current variation in approaches taken by different local authorities and misunderstandings of what the local notional SEN budget was for. Several respondents explained that many think the current notional SEN budget is a separate funding allocation. One local authority said "The [current] notional SEND budget can be unhelpful if schools regard it as the maximum to be spent on SEND rather than a purely indicative figure. However, on balance it is useful to remind everyone that [the school's budget] includes money for SEND."

Respondents who were not in favour of the proposal raised concerns both that a nationally determined indicative SEND budget could continue to be misinterpreted and unhelpful, and that it would not be able to adjust to local circumstances so should continue to be set locally to cater for local needs.

Some respondents drew attention to the fact that the current £6,000 per pupil cost threshold, on which the calculation of the current notional SEN budget is based, had not been changed for many years despite changes in costs, and recommended that the threshold should therefore be raised. Others thought the threshold should remain at £6,000 or be lower to encourage more schools to be inclusive. Some argued that defining the SEND provision that should be ordinarily available in mainstream schools would be preferable to a monetary threshold. Others thought that such a definition would be important as a way of determining the indicative budget allocation. One academy commented: “It is important that any nationally set level of notional SEND provides an incentive, not disincentive, for schools to be inclusive, including clearly setting out the responsibilities that should be expected of mainstream schools but also afforded within the indicative SEND allocation.”

A number of comments included the importance of careful transition to any new national system, to avoid undue turbulence, both for schools and for local authorities in managing their high needs budgets.

Government response

Having considered the consultation responses, we continue to think it would be helpful to identify for each school an indicative budget as a guide to the resources that might be needed by a school in supporting its pupils with SEND, and to reinforce the message that schools’ core budgets are expected to provide for support to these pupils. It could only ever act as an indication of what might be needed, because head teachers, Special Educational Needs Coordinators and other professionals working in and with the school are best placed to decide what support each child needs, and a budget calculation at national level based on proxy measures of need could never accurately predict the precise level of resources required. An indicative SEND budget would, however, provide some assurance that the level of SEND in the school’s pupil population was reflected in their funding allocation.

As set out in the recent SEND and Alternative Provision Improvement Plan, the Department will be developing new National Standards for SEND and alternative provision. We will engage further with the sector to consider the design of the indicative SEND budget in the context of the National Standards as they are developed.

In the meantime, it is important that mainstream schools are resourced appropriately to allow them to make suitable provision for those of their pupils with SEND, taking into account the current cost threshold of £6,000 per pupil. In August 2022 we published

guidance⁶ that sought to clarify what the current notional SEN budget is for, and how local authorities should review the calculation of that budget through local funding formula factors. We will look at whether to strengthen the guidance we issue for 2024-25 so that there is more consistency in the calculations adopted by local authorities.

⁶ <https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2023-to-2024/the-notional-sen-budget-for-mainstream-schools-operational-guidance>.

Growth and Falling Rolls Funding

Question 3

Do you have any comments on the proposals to place further requirements on how local authorities can operate their growth and falling rolls funding?

The consultation proposed that the Department would introduce further requirements on how local authorities can operate their growth and falling rolls funding, while still allowing some local flexibility. This would provide significantly greater consistency and transparency than in the current system over how growth funding is distributed, with local authorities required to use consistent criteria. We would also place minimum requirements on the funding that local authorities should provide in certain circumstances to ensure schools can be assured of a basic level of funding as and when they agree to take on additional pupils. We also set out an alternative option, under which the Department – rather than local authorities – would determine growth and falling rolls funding to individual schools, in a fully standardised national system.

We have categorised the responses to question three into the following eight key themes. 150 respondents answered this question, with many making several points in their answer.

Common points raised	Total	Proportion of respondents who made the point
Support the development of national criteria/minimum standards.	78	52%
Support the case for retaining local flexibility.	77	51%
Need to ensure affordability.	44	29%
Local authorities should determine growth funding without further restrictions.	18	12%
Any reform must ensure transparency.	16	11%
Any unspent growth funding should be retained in the Dedicated Schools Grant.	15	10%
Local authorities already have clear and transparent policies on allocating growth and falling rolls funding.	14	9%
Prefer option two - moving to a fully standardised, national system.	10	7%

Just over half of respondents (78) supported the development of national criteria/minimum standards for the use of growth funding, with 77 supporting the case for these standards to operate in a system with continued local flexibility. The need for

transparency was key to many responses, with one respondent stating “This process needs to be rules based and transparent. There needs to be more rigour in the process and more transparency in the allocation of funding.”

Of those who disagreed with our proposal, 18 were against any additional restrictions on local authorities ability to control growth funding. Of these 18, over half were local authorities. Responses typically argued that local authorities already set a high bar for the allocation of growth funding and that local authorities are best placed to understand the local context. Ten respondents were in favour of moving to a full standardised, national system which would remove local authority involvement altogether.

A considerable number of respondents (44) were concerned about affordability, especially in light of any new restrictions/criteria which are placed on growth and falling rolls funding. Respondents proposed that the minimum criteria should not require local authorities to fund schools at a higher level than can be afforded within their Dedicated Schools Grant (DSG) growth and falling rolls allocation, and that where funding is insufficient, the Department should operate a form of exceptional funding to bridge the gap. A number of respondents (15) called for unspent growth funding to be retained in the DSG budget as is the case now, rather than returning it to the Department.

More broadly, some respondents were concerned that Departmental criteria would not be able to meet every circumstance where growth funding was required. It was argued that reduced flexibility for local authorities would make it challenging for them to meet their sufficiency duty on school places and that local authorities are best placed to determine the precise support needed.

We received a small number of responses (14), the majority from local authorities, which stated that their existing growth criteria align with the examples given in the consultation. In general, these local authorities supported the proposed requirements and felt that meeting these was a reasonable expectation.

Government response

As we transition to a direct NFF we remain committed to the principle of gradual change – allowing local authorities, schools, and trusts time to adjust to new requirements. We understand that some local authorities will have committed growth funding over a number of future years and so will implement only minimum requirements for 2024-25 rather than fully determined national standards.

These requirements will apply in all circumstances where a school has agreed with the local authority to host an additional class to meet basic need. Local authorities will not be required to provide funding where the growth is as a result of parental choice or academies have admitted above PAN by their own choice. In addition, we will place minimum requirements on how much funding should be provided. We will continue to engage with local authorities and other stakeholders on the particular design of these

new requirements – including the minimum funding rates – in advance of publishing final guidance in the Schools Operational Guide in July 2023. We will allow local authorities to retain any underspent growth funding within their DSG.

A number of respondents noted that their local growth criteria are more generous than the proposed requirements. The new requirements will form a *minimum* expectation for local authorities, and we anticipate that some local authorities will choose to allocate funding in circumstances beyond the national requirements or at a higher rate. For example, local authorities might choose to provide enhanced funding in circumstances where the pupil intake has a higher proportion of pupils with English as an additional language, perhaps as a result of international migration. We will continue to consider such circumstances as we progress towards the direct NFF.

We will change how growth funding is recorded in the Authority Proforma Tool (APT) that local authorities return to the Department to increase transparency around the use of growth funding. We will include a requirement for local authorities to use a consistent formulation of their growth and falling rolls criteria. This will allow the Department to collect and publish summary statistics on growth funding.

Question 4

Do you believe that the restriction that falling rolls funding can only be provided to schools judged “Good” or “Outstanding” by Ofsted should be removed?

The consultation considered whether or not to retain the restriction that only schools that are judged to be ‘Good’ or ‘Outstanding’ by Ofsted are eligible for falling rolls funding.

Feedback to our first consultation on the direct NFF was that this requirement can cause difficulties in some local authorities’ ability to ensure the viability of places that will be needed in the future. In light of this we also proposed that local authorities would be required to use their School Capacity Survey (SCAP)⁷ data to assess whether school places will be required in the next three to five years, replacing the current requirement to use local planning assessments. The use of SCAP data in allocating growth funding should provide improved assurance that places will be needed in the future. Question four of the consultation assessed whether people agreed with this proposal. There were 187 responses.

⁷ <https://www.gov.uk/guidance/school-capacity-survey-guide-for-local-authorities>

Answer	Total	Percent
Yes	160	86%
No	18	10%
Unsure	9	5%

The majority of respondents, 86%, agreed with our proposal to remove the Ofsted requirement for eligibility to falling rolls funding. The highest level of support was from maintained schools, with 94% of those who responded in favour of removal of the Ofsted requirement, with equivalent figures from sector organisations and local authorities 92% and 86% respectively. Only 10% of respondents were against the proposal and 5% were unsure.

Government response

There was widespread support for the removal of the restriction that falling rolls funding can only be provided to schools judged “Good” or “Outstanding” by Ofsted. We have carefully considered this issue and concluded that the use of robust data on falling rolls (through SCAP) will ensure that this funding is targeted only at schools where places will be needed in future. We intend, therefore, to remove the Ofsted restriction for 2024-25, and to require local authorities to use SCAP data in taking decisions and only provide funding where SCAP data shows that school places will be required in the subsequent three to five years.

Question 5

Do you have any comments on how we propose to allocate growth and falling rolls funding to local authorities?

The consultation proposed that the Department reform the allocation of growth and falling rolls funding to local authorities to increase the consistency and predictability of this funding. This would involve calculating local authorities’ growth funding allocations on the basis of MSOAs (Medium Super Output Areas) that have seen growth *and* MSOA areas that have seen significant declines in pupil numbers (currently, only growth in pupil numbers is used in the funding calculation). Secondly, we proposed re-baselining the amount of funding, nationally, to reflect the current pattern of spend better.

We have categorised the responses to question five into the following common themes, including the proportion of respondents who made each point. There were 138 responses, with many respondents making several points in their response.

Common points raised	Total	Proportion of respondents who made the point
Generally supportive.	46	33%
More detail needed.	44	32%
Agree to the inclusion of falling rolls in the formula.	44	32%
Agree to re-baselining growth funding.	41	30%
Would require an overall larger funding envelope to reflect increased asks.	34	25%
There is a need for transitional arrangement.	23	17%
Agree on the use of MSOAs as the right unit of area to calculate funding for falling rolls.	20	15%
Under existing arrangements local authorities require more growth funding including to support new schools.	18	13%
Detrimental effect on current practices.	10	7%
Retain existing methodology.	10	7%
Concerns regarding data quality including covid skew.	7	5%

Respondents broadly supported the proposed approach on how the Department will allocate growth *and* falling rolls funding to local authorities, with 44 (32%) agreeing that data on falling rolls should be included in the formula, and 41 (30%) agreeing to the proposal to re-baseline growth funding. The second most frequent comment was a request for more detail on proposals (44), particularly around how and if the methodology and funding rate would change, how the MSOAs would operate in practice and requests for transitional arrangements.

A smaller number of respondents (10) were in favour of retaining existing methodology, and four respondents were against the operation of a falling rolls fund. Across those against a falling rolls fund a common theme was uncertainty as to why we would look to operate a fund which would support schools with decreasing pupil numbers at the expense of those which are growing. For example, one respondent commented “The formula cannot afford to protect schools that can’t attract children.”

18 respondents argued that existing funding under status quo arrangements is insufficient. Further, there was broader concern that without additional funding the proposals would place further pressure on growth budgets and might result in some local authorities’ spending exceeding their allocation.

Ten respondents (50% of them LAs) stated that changes could have a detrimental impact on areas or schools that are currently receiving the funding. 23 proposed that we use transitional arrangements to smooth the introduction of the formula, and protect local

authorities from any sudden drops in funding which would make any previously agreed multiyear growth funding commitments difficult to meet. One respondent from a maintained school requested that “we would wish the Department to ensure any significant losses at a local authority level [are] managed over time through transitional arrangements. Growth funding is currently allocated to individual schools over a period of time and schools will have commitments against this income, therefore, a lack of transitional support could place schools in financial difficulty.”

Seven respondents raised issues of data quality. A particular concern was the proposal to re-baseline the national funding allocations based on the current pattern of spend. Respondents stated that this recent data may not be suitable for predicting future growth spend, and instead it was proposed that we could re-baseline funding allocations through SCAP data or national pupil projections.

Government response

We can confirm that from 2024-25 we will revise the current growth allocation methodology to allocate funding on the basis of both growth *and* falling rolls. We will measure whether small areas within a local authority (Medium Super Output Areas, or MSOAs) have either seen growth or (significant) declines in pupil numbers. Those MSOAs that have seen pupil growth will have funding allocations calculated at the growth funding rate. In addition, MSOAs that have seen significant declines will be allocated at a separate falling rolls funding rate. There will not be any “netting off” of funding allocations: that is, if a local authority has MSOAs that have experienced growth as well as MSOAs that have experienced falling rolls, its full funding allocation will include both the element relating to pupil growth, and the element relating to falling pupil numbers. In advance of the funding allocations incorporating data on falling rolls, we will work with stakeholders to define what constitutes a “significant” decline in pupil numbers for the purposes of this calculation.

We appreciate that the reforms outlined above (with regard to consultation question three) may lead to demand increasing on growth and falling rolls funding from 2024-25. In line with the gradual approach, we have committed to taking as we transition to the direct NFF, we will not re-baseline the allocation for 2024-25. We will explore re-baselining the amount provided through the growth and falling rolls allocation in the future once we have analysed data collected through the Authority Proforma Tools (APT) collected for 2024-25. The changes we will make to the APT this year will allow us to understand better how local authorities allocate both growth and falling rolls funding.

We will confirm growth funding factors for 2024-25 to the usual timescale – publishing these factors in July 2023.

Question 6

Do you agree that we should explicitly expand the use of growth and falling rolls funding to supporting local authorities in repurposing and removing space?

Question six tested whether people agreed with the proposal to support the removal or repurposing of excessive surplus space. There were 187 responses.

Answer	Total	Percent
Yes	146	78%
Unsure	24	13%
No	17	9%

The majority of respondents (146) agreed with our proposal to extend the scope of how growth and falling rolls funding may be used. The highest level of support was from local authorities, with 81% of those who responded in favour. A number of respondents asked the Department to provide more detail on what this funding could be spent on.

Government response

In light of the widespread support for this proposal, we can confirm that from 2024-25 we will expand the use of growth *and* falling rolls funding to allow local authorities to fund the revenue costs associated with repurposing or reducing school places. Such funding could support local authorities to repurpose surplus space to create SEND Units or Resourced Bases in mainstream schools, activity which we know many local authorities already undertake. We will provide further guidance in the Schools Operational Guide and make the relevant changes to the Regulations.

Question 7

Do you agree that the Government should favour a local, flexible approach over the national, standardised system for allocating growth and falling rolls funding; and that we should implement the changes for 2024-25?

This question refers to the approach discussed in questions three to six and sought to understand whether people agreed that we should favour a local, flexible approach. There were 189 responses.

Answer	Total	Percent
Yes	156	82%
No	19	10%

Answer	Total	Percent
Unsure	14	7%

This proposal received strong support from respondents, with 82% in favour overall - with 93% of local authorities, 79% of maintained schools and 60% of academies in favour.

Government response

In light of the significant support for this approach, we can confirm that we will retain some local flexibility in the allocation of growth funding to schools, rather than moving to a fully national, standardised system. As outlined in our response to question three there will be additional requirements on local authorities' use of this funding. These requirements could be revised, and strengthened to bring about greater consistency, following the initial changes made for 2024-25.

Question 8

Do you have any comments on the proposed approach to popular growth?

As proposed in our first stage consultation, and confirmed in our first stage consultation response, we will retain a system of "popular" growth funding for academies which have seen a significant increase in popularity.

In this consultation we asked whether maintained schools should also be able to access such funding. There were 137 responses with many people making several points in their response.

Common points raised	Total	Proportion of respondents who made the point
Agree that maintained schools should be able to access popular growth funding.	120	88%
Equitable arrangements key - whether we remove access to popular growth for all or make this funding open to all school types.	33	24%
Any approach adopted must be transparent.	25	18%
Decisions around popular growth and funding should be made locally.	24	18%
Remove requirement that academy must be recently sponsored - all schools should be able to apply if school improvement is demonstrated.	24	18%
Concern that popular growth is often at the expense of other schools.	24	18%

Common points raised	Total	Proportion of respondents who made the point
More detail is required.	13	10%
Any new application should be fair and transparent and not burdensome.	11	8%
Clawback does not provide stability to schools.	8	6%
Funding will support/stabilise local schools.	5	4%

There was significant support (120 respondents) for allowing maintained schools to access “popular” growth funding. Respondents felt that all schools, regardless of governance structure, should have access to the same funding, in line with the principles of the direct NFF. As an example, one schools forum commented that “a system that provides equitable arrangements across maintained schools and academies seems to be in keeping with the principles of a direct NFF.”

The need for equitable access to funding was raised by 33 respondents. Many were against the use of popular growth funding and proposed closing down this funding avenue, with funding instead funnelled through the existing basic need growth factor. Others were in favour, provided that any application process was consistent across school types and had published, transparent criteria.

24 respondents commented that the requirement for popular growth funding to be linked to a recent academy sponsorship arrangement should be removed. This would allow successful, established MATs equal access to the funding. There were also comments regarding the definition of school improvement, and requests that any approach is transparent and clear (25).

There was some concern the current system of “popular” growth incentivises academies to expand at the detriment of local schools, if academies are not incentivised to consider the impact on other local schools when the academies expand (24 respondents). These respondents often wanted to see local input into these decisions, allowing decisions to be made with reference to the pupil place planning needs of that area and/or to be able to reflect the particular local circumstances of schools. There was concern that if popular growth funding is allocated at a national level it could impinge on local authorities’ ability to fulfil their sufficiency duty. Respondents also pointed out the challenge in differentiating “popular” growth and growth in pupil numbers due to demographics – that is, “basic need.”

The mechanism of funding via estimate pupil numbers for popular growth was raised by eight respondents who were concerned that the use of clawback if pupils do not materialise could destabilise school budgets.

Government response

We recognise the widespread feedback around the need for consistency with regard to popular growth funding and as we move towards the direct NFF we will ensure that there is equivalence in the funding accessible for all schools. We will work further with stakeholders to determine the limited circumstances in which schools should be able to access funding adjustments based on higher pupil numbers as a result of popularity in parental choices. We see this as a limited part of the funding system and note that very few academies are currently receiving funding adjustments as a result of popular growth.

Premises: Split sites

Questions 9-15 focussed on splits site funding. Questions 9-14 were all closed response questions, whereas question 15 gave respondents the opportunity to add comments. These comments are included throughout this section on split sites.

Question 9

Do you agree we should allocate split sites funding on the basis of both a school’s ‘basic eligibility’ and ‘distance eligibility’?

The consultation proposed that split sites funding should be allocated through a national formula factor on the basis of a ‘basic eligibility’ and a ‘distance eligibility’ – replacing the current system, whereby split sites funding is allocated through the NFF according to the previous year’s locally determined funding allocation. Question nine of the consultation asked whether people agreed with this proposal. There were 188 responses.

Answer	Total	Percent
Yes	144	77%
Unsure	27	14%
No	17	9%

The majority of respondents (77%) were in favour of allocating funding through a national formula on the basis of a ‘basic eligibility’ and a ‘distance eligibility’. Respondents felt that this was a fair and consistent approach which recognises the basic costs schools incur through operating across multiple sites, and the additional costs schools face where their additional site is at some distance.

There was a high level of support across respondents, with 83% of sector organisations, 82% of local authorities, and 76% of academies agreeing with the proposal. The view from maintained schools was slightly more mixed, with 61% in favour, 18% against, and 21% unsure.

In response to question 15, five respondents questioned whether a nationally determined formula factor could recognise the complexities and range of split site schools and argued that split sites funding should remain as a locally led factor.

Government response

We can confirm that the Government plans to allocate split sites funding nationally on the basis of a formula factor made up of a ‘basic eligibility’ element and a ‘distance eligibility’ element from 2024-25. This will replace the current local authority led approach.

A national formula will allow the Department to ensure funding is allocated consistently and fairly across the country, and that all split site schools receive funding towards the additional costs they face from operating across multiple, separate sites. Introducing this new approach for split sites funding is an important part of developing the NFF in advance of the final transition to the direct NFF.

Question 10

Do you agree with our proposed criteria for split sites ‘basic eligibility’?

The consultation proposed that the Department introduce basic eligibility criteria for split sites funding that would require additional sites:

- To be separated from the school’s main site by a public road or railway.
- To be used primarily for the education of 5 to 16-year-olds.
- To share a unique reference number (URN).
- To have a building on a site that is maintained by the school.

Question ten of the consultation tested whether people agreed with this proposal. There were 189 responses.

Answer	Total	Percent
Yes	142	75%
Unsure	28	15%
No	19	10%

The majority of respondents (75%) agreed with the proposed basic eligibility criteria. There were high levels of support from across the sector, with 80% of sector organisations, 79% of local authorities, 74% of academies, and 66% of maintained schools in favour.

In their response to question 15, some respondents (13) raised concerns around schools which operate across multiple sites but would not meet our proposed eligibility criteria due to their unique circumstances, such as being separated by a feature other than a road or a railway. They advocated for a route to raise such circumstances with the Department.

There were also some comments around considering the size and use of the additional building in the eligibility criteria to avoid funding minor sites that would attract only minimal additional costs. Whilst some argued that larger sites should get more additional funding, others argued that small schools were in particular need of split sites funding to remain financially viable.

A few respondents (5) advocated for remote playing fields to be eligible for split sites funding to cover travel costs. In the absence of split sites funding, respondents argued that schools would still need to transport pupils safely between sites and would have to find a way to cover the cost of doing so.

Government response

Given the high level of support for our proposed eligibility criteria from across the sector, we can confirm that the Government plans to allocate funding to schools who meet the basic split sites eligibility criteria (as set out on page 29).

These criteria were included in guidance sent out to local authorities in November 2022, and published on gov.uk in December 2022⁸. The guidance addresses some of the concerns flagged by respondents around ensuring that local authorities can raise exceptional cases with the Department. We have also clarified that by a site being used “*primarily* for the education of 5 to 16-year-olds”, we mean that the site is used by 5 to 16-year-old pupils that attend the school during school hours for the majority of those hours. This will help to ensure that we are only funding schools whose additional sites do carry genuine additional educational costs.

As stated in the consultation, we are excluding playing fields from being eligible for split sites funding. We know that playing fields are not widely funded through local authority formulae⁹. Only five respondents (4%) raised this as an issue.

Question 11

Do you agree with our proposed split site distance criterion of 500 metres?

The consultation proposed a distance threshold of 500 metres by road between a school’s main and additional site in order to be eligible for the ‘distance’ element of split sites funding. Question 11 of the consultation sought views on this proposal. There were 189 responses. We have set out the Government response to this question as part of a collective response to questions 11-13.

Common points raised	Total	Percent
That is about the right distance	72	38%

⁸ <https://www.gov.uk/government/publications/how-to-complete-the-authority-proforma-tool-apt-2023-to-2024/how-to-complete-the-authority-proforma-tool-apt-instructions-for-local-authorities-for-2023-to-2024>.

⁹ Only ten local authorities explicitly include playing fields in their local split sites formula.

Common points raised	Total	Percent
Unsure	51	27%
The distance should be shorter	44	23%
The distance should be longer	22	12%

The largest number of respondents (38%) thought that a 500 metre distance threshold was “about right”, a view held by 42% of local authorities. This was followed by 27% of respondents who were “unsure”. Some respondents (23%) thought the distance should be shorter, a view evenly shared across the sector. A smaller number of respondents (12%) thought the distance should be greater.

In response to question 15, a number of respondents (31) welcomed the idea of a distance taper which would remove a “cliff edge” threshold. They also agreed that a taper would better recognise the differences in costs incurred between schools operating over different distances.

Question 12

Do you agree with total available split sites funding being 60% of the NFF lump sum factor?

The consultation proposed that the maximum level of funding for a school with an additional site that meets both the basic and distance eligibility criteria should be equivalent to 60% of the NFF lump sum factor. Question 12 of the consultation sought views on this proposal. There were 186 responses. We have set out the Government response to this question as part of a collective response to questions 11-13.

Common points raised	Total	Percent
That is about the right amount of funding	70	38%
Unsure	59	32%
The funding should be higher	45	24%
The funding should be lower	12	7%

The most common response was agreement that 60% of the NFF lump sum factor was “about the right amount of funding” and a reasonable compromise given that an additional site should not be attracting the same costs as a school’s main site (38%). This view was shared by 50% of sector organisations, and 40% of academies.

Some respondents (24%) recommended that funding “should be higher”, a view held by 32% of academies.

Within question 15, 17 respondents argued that 60% of the NFF lump sum was too low to meet schools' costs, especially at a time of high cost pressures, and would mean that more schools would need their funding protected.

16 respondents highlighted the need to understand the additional costs faced by split site schools to inform these proposals. Some argued that the NFF lump sum was not evidence based nor representative of the fixed costs of operating a school, and therefore not an appropriate basis for split sites funding.

Several respondents (12) thought funding "should be lower", citing examples of schools who were funded adequately at much lower than 60%. Some respondents (12) argued that a lump sum was not appropriate and offered alternative proposals for allocating funding.

Question 13

Do you agree that distance eligibility should be funded at twice the rate of basic eligibility?

The consultation proposed that the Department tilt split sites funding towards the distance eligibility element of the formula – with one third of the available funding allocated through basic eligibility (20% of the NFF lump sum), and two thirds of the funding available allocated through distance eligibility (40% of the NFF lump sum). Question 13 of the consultation sought views on this proposal. There were 187 responses.

Common points raised	Total	Percent
The basic eligibility should be given a higher weighting	62	33%
That is about the right weighting	57	31%
Unsure	53	28%
The distance eligibility should be given a higher weighting	15	8%

The largest number of respondents (33%) thought that basic eligibility "should be given a higher weighting" than that proposed in the consultation, a view held by 46% of sector organisations, 41% of local authorities, and 29% of academies. Following this, 31% of respondents agreed that a 20:40 split was "about the right weighting". More respondents were "unsure" (28%) about the weighting, than those (8%) who thought that there should be more funding weighted to distance eligibility.

A number of respondents to question 15 (30) argued that there were more costs attached to simply being a split site school, such as additional staffing to cover two receptions, and that this should be reflected in the weighting of funding. They added that travel costs

were the only additional costs where a school's sites are at a distance. A smaller number of respondents (7) argued that distance was the greater driver of cost.

Government response for questions 11, 12 and 13

These proposals have been developed to reflect the current breadth of split site funding offered by local authorities in their split sites formulae, as well as to provide consistency in how funding for split site schools is allocated across the country.

Split sites distance criterion

We maintain that 500 metres, in line with the distance threshold used by the majority of local authorities, is the right threshold to bring consistency to the system whilst not causing undue turbulence to schools. We acknowledge that a hard "cut off" would disadvantage schools who were just below the threshold, so we will include a distance taper as part of the formula, starting at 100 metres.

Total available split sites funding

Funding split sites at a maximum of 60% of the NFF lump sum factor had the most support from respondents, with 38% agreeing that this was a suitable amount, compared to 24% who thought the funding should be higher.

The NFF "premises" factors, including split sites, are designed to help schools by contributing to the costs that do not vary with pupil numbers. For example, the lump sum factor gives schools certainty that they will attract a fixed amount each year in addition to their pupil-led funding. The lump sum is not linked to any specific expenditure. In the same way as the NFF lump sum, split site funding is not intended to account for the total running costs of the additional site, but to support these costs and provide certainty in funding outside of a school's pupil-led funding. We think that around 60%¹⁰ of the 2024-25 NFF lump sum is an appropriate amount for this given that an additional site should cost less to run than the school's main site, and funding should be seen as a contribution to overall costs. We will keep the precise level of funding under review. We plan to publish the split sites factor value for 2024-25 alongside the July 2023 NFF announcement.

¹⁰ The 60% refers to the value relative to the NFF lump sum – not relative to the different lump sums set in local formulae. As such, the same split site factor value will apply to all local authorities, no matter if they have a higher or lower lump sum than the NFF.

Weighting of basic and distance eligibility funding

We have considered the concern that the majority of costs relate to the duplication of services and occur regardless of distance. 33% of respondents suggested that the basic eligibility element should carry a higher weighting. In line with the feedback received we plan to increase the weighting given to the basic eligibility element – allocating two-thirds of the available funding through the basic element and one-third of the available funding through the distance element.

Question 14

Do you agree with our proposed approach to data collection on split sites?

The consultation proposed that the Department will collect data on split site schools from local authorities as part of the annual Authority Proforma Tool (APT) data collection. Question 14 of the consultation tested whether people agreed with this proposition. There were 188 responses.

Answer	Total	Percent
Yes	130	69%
Unsure	41	22%
No	17	9%

130 respondents (69%) agreed with our approach to collecting data on split site schools from local authorities, a view held by 80% of sector organisations, 76% of academies and 71% of local authorities. More respondents were “unsure” (22%) than disagreed (9%) with our proposals.

Respondents agreed that local authorities were best placed to collect this data, but pointed out that they may not hold all the relevant information and the Department would need to engage proactively with schools to ensure that all those impacted were aware of the changes. They also highlighted the role that schools must play, sharing the responsibility to engage with the process and to provide accurate data, alongside local authorities.

Some respondents (21) raised concerns around the additional burden on local authorities being required to collect data on split site schools, although others thought it was reasonable given the relatively small number of split site schools. There were also proposals for alternative approaches, including the Department collecting information from academies and voluntary aided schools, or through [Get Information about Schools](#).

Government response

We can confirm that local authorities will be required to return data to the Department on all split site schools in their area (including academies and voluntary aided schools) as part of the APT, until we transition to the direct NFF in full. We first requested this data in winter 2022, enabling us to plan for a split sites factor from 2024-25. We will confirm how data will be collected once we transition to a direct NFF in due course, to align with wider developments on the funding cycle in the direct NFF.

We will continue to ensure the data gathering process is as straightforward as possible and does not create an additional burden for local authorities. In response to earlier feedback, and in advance of the winter 2022 data collection template, we drafted guidance to clarify eligibility for split sites funding and the data collection process. This guidance was circulated as early as possible to allow local authorities additional time to review the data requirements in advance of the 2023-24 APT. We also proactively engaged with schools to ensure that they were aware of the changes and encouraged them to reach out to their local authorities to ensure that their split site circumstances were accurately recorded in the data collection.

Alongside this consultation response, we have published details of split site schools that meet the Department's basic and distance eligibility criteria. These details can be found here: <https://www.gov.uk/government/publications/schools-block-national-funding-formula-split-sites-funding>

Question 15

Do you have any comments on our proposed approach to split sites funding?

Question 15 asked for comments on the proposed approach to split sites funding. We have categorised the responses into 14 key themes, including the proportion of respondents who made those points. There were 121 responses.

Common points raised	Total	Proportion of respondents who made the point
Protect schools from changes to split sites funding.	39	32%
Welcome the introduction of a distance taper.	31	26%
Basic eligibility should have a greater weighting.	30	25%
Requirement for local authorities to collect data adds additional burden and responsibility.	21	17%

Common points raised	Total	Proportion of respondents who made the point
Proposed funding levels will not meet schools' costs.	17	14%
Need for bottom up costings/analysis of actual additional costs of split site schools.	16	13%
Allow applications from schools with exceptional "split site" circumstances that do not meet eligibility criteria.	13	11%
Negative impact of proposals on certain types of schools and/or locations.	13	11%
Allocate split sites funding on a different basis to a lump sum.	12	10%
Proposed approach is fair.	11	9%
Important role of split site schools in place planning.	10	8%
Distance eligibility should have a greater weighting.	7	6%
A formulaic approach to split sites is not appropriate.	5	4%
Playing fields should be eligible for funding.	5	4%

Many of the points raised above have already been considered in the discussion of questions 9 to 14 and so are not repeated here.

The highest number of responses (39) concerned the need to protect schools from changes to their split sites funding under our proposals, ensuring that no school is negatively impacted due to factors beyond their control. On the other hand, some respondents argued that a heavy reliance on protection would point to ineffective policy. Respondents also asked the Department to provide more information on the impact of these proposals.

13 respondents raised concerns around the impact of these proposals on certain types of schools. Some were worried about the effect on small, rural schools, whilst others put forward that schools in urban areas were less likely to meet a distance threshold and could therefore lose out on funding.

Some respondents argued that operating a split site school is more burdensome at primary level as it is more difficult to move younger pupils between sites. Conversely, other respondents argued that proposals may negatively impact secondary schools where there is usually more movement of pupils and staff between sites, and greater timetabling complexities. Respondents also pointed to the higher costs faced by schools where an additional site is used for the delivery of a significant part of the curriculum,

such as where sites are organised by key stage, compared to a site used less consistently.

Similarly, respondents argued that funding should not be the same across different phases, and that funding would better meet need if building size or pupil numbers were considered – rather than a lump sum. For instance, funding could be allocated on a per pupil basis, or related to the number of rooms on the additional site.

Some respondents (10) highlighted the role split sites can play in supporting efficient school place planning. At the same time, respondents cautioned that proposals could incentivise schools to open additional sites, or keep additional sites open where the capacity is not needed.

Government response

A national split sites factor will ensure that split site schools are funded on a fair and consistent basis, in line with the principles of greater fairness and consistency in funding which underpin the transition towards the direct NFF.

Schools which currently see very generous split sites funding through their local authority formula will likely see a reduction in this element of funding. Conversely, other schools, especially those in local authorities who do not currently use a split sites factor in their local formula, will attract additional funding. We can confirm that schools with split sites which lose funding, or are no longer eligible, as a result of the “formularisation” of the split sites factor will see their funding protected through the minimum funding guarantee (MFG). This is in line with our position that schools should be protected from changes in funding resulting from policy changes as we transition to a direct NFF. In contrast, once the reform has taken place, schools will not be protected from losses in split site funding resulting from them ceasing to be a split site school.

We believe that a lump sum approach is simple and transparent, and ensures that smaller schools, who are more reliant on elements of funding not driven by pupil numbers, are not unfairly disadvantaged.

Before taking any final decisions on the precise levels of funding, the Department will analyse the impact of the proposals further to ensure that funding is fair and does not disproportionately impact certain types of schools, or schools in particular areas.

Exceptional Circumstances

Question 16

Do you agree with our proposed approach to exceptional circumstances?

The consultation proposed that the Department make changes to the exceptional circumstances factor in the NFF. These changes included:

- Standardising what is funded through the factor by moving to a system where only a set of discrete categories of costs can attract additional support. Some costs currently being funded through exceptional circumstances arrangements will be funded through other existing formula factors.
- Restricting funding to historic commitments that have already been made by local authorities under the restricted list.
- Raising the funding threshold to account for at least 2.5% of a school's budget, up from the current 1%.

We also noted that the requirement that the exceptional circumstance applied to fewer than 5% of schools in the local authority would no longer apply under a direct NFF.

Question 16 of the consultation tested whether people agreed with these proposals.

There were 188 responses.

	Total	Percent
Yes	77	41%
No	70	37%
Unsure	41	22%

Responses were closely spread between those who agreed (41%) with our proposed changes and those who disagreed (37%). The highest level of support was from academies (61%), with 39% of local authorities and 31% of maintained schools in favour.

We have set out the Government response to this question alongside the analysis of responses to question 17.

Question 17

Do you have any comments on the proposed approach to exceptional circumstances?

We have categorised the responses to question 17 into the following common themes, including the proportion of respondents who made those points. 95 respondents answered this question, with many making several points in their answer.

Common points raised	Total	Proportion of respondents who made the point
The proposed 2.5% threshold is too high.	38	40%
Need to protect schools who may lose out from proposals.	24	25%
Need flexibility in the new system for unique and newly arising circumstances.	18	19%
Small and rural schools would be disproportionately impacted by changes to the threshold.	15	16%
The use of a threshold is arbitrary.	14	15%
Should retain the current local authority led approach.	12	13%
Categories eligible for funding should be expanded.	10	11%
Concerned about the impact on schools with circumstances that would be incorporated elsewhere in the NFF.	10	11%
In support of proposals.	9	10%
In support of proposals except raising the threshold.	8	8%
Alternative proposals for exceptional circumstances factor.	8	8%

A number of respondents disagreed with the proposal to raise the minimum threshold value of an exceptional circumstance from 1% to 2.5% of a school's budget. The most common point raised (38) was that the proposed 2.5% threshold was too high, would have a significant impact on schools who did not meet the threshold, and could create perverse incentives for schools to increase costs. 15 respondents raised concerns that a higher threshold could have a disproportionate impact on small, rural schools, who may find it more difficult to manage cost pressures.

Some respondents (14) argued that the use of a threshold is arbitrary, with costs either being exceptional or not. In addition, some respondents were concerned that any threshold creates a "cliff edge," whereby schools just below the 2.5% would miss out on funding.

Respondents (24) also highlighted the need to protect schools from any loss of funding if the Department were to raise the minimum threshold value, and asked for clarity on how this funding protection would operate. Further to this, a couple of respondents pointed to the impact on schools which had to rent additional premises due to insufficient facilities, who could be disadvantaged compared to more modern schools, designed with sufficient facilities.

18 respondents fed back the need for flexibility in any new system to address the possibility of unexpected events or new circumstances arising, as well as genuine costs that don't fall within the restricted list. Some respondents (12) advocated for exceptional circumstances decisions to be taken at a local authority level so that they could reflect the range of situations that individual schools face.

Some respondents (10) supported a broader list of categories to be funded through exceptional circumstances. There were also proposals (8) for alternative approaches to funding exceptional circumstances, such as continuing to fund on an historic costs basis, or to provide an additional lump sum for schools without adequate facilities.

Some consultation responses (10) asked for further details on current categories of exceptional circumstances that would be incorporated into the NFF.

Government response to questions 16 and 17

We can confirm that the Government will continue to progress plans to reform the exceptional circumstances factor. We will move away from a locally led approach to a national application system, in line with our wider policy objectives of ensuring greater fairness and consistency in schools funding. We plan to implement changes to the factor in time for the introduction of the direct NFF.

To improve consistency, and in line with feedback from our [Fair school funding for all](#) consultation that there needed to be greater clarity around what exceptional circumstances are, we plan to restrict the circumstances that are eligible for funding through the factor to a small number of categories.

For some "exceptional" circumstances that we think are better suited to be incorporated into other factors in the NFF, we will continue to look at their use and how we bring them into the NFF either prior to, or at the same time as, we implement a direct NFF. These are as follows:

- We will look to include schools with Building Schools for the Future contracts that are currently funded through exceptional circumstances in a reformed PFI factor. We will work closely with the sector to develop a suitable approach and will provide more details in due course.
- Amalgamated schools will receive 100% of the joint lump sums in the year they amalgamate and continue to receive 85% of the combined lump sum of their

predecessors in the year following amalgamation. We will review the use of the flexibility for the following year, which allows local authorities to apply for a combined lump sum of up to 70%, before coming back to the sector with any final decisions.

- In considering whether, and how, to bring “super sparsity” (additional funding to very small, rural secondary schools who wouldn’t otherwise be viable) into the NFF, we will work with the sector to ensure that some form of protection mechanism is put in place to protect against cliff edge effects resulting from year-on-year fluctuations in sparsity distances.
- We will also review whether to incorporate adjustments to minimum per pupil funding levels for all-through schools with uneven year group structures into the direct NFF.

For the remaining circumstances currently funded through the factor, we will keep under review the applications into the Department to understand better what these circumstances are, and whether they are exceptional and necessary to the running of the school, before finalising a discrete list of eligible categories. We plan to build in some flexibility to the new, standardised system to allow for newly arising exceptional circumstances to be funded, rather than solely historic commitments.

We understand the concerns raised by respondents around raising the minimum threshold. We believe there is a need for a mechanism that ensures costs covered through exceptional circumstances make up a substantial portion of a school’s budget and are not faced by a large number of schools. We will continue to review what safeguards we can put in place to ensure that our approach to funding exceptional circumstances is fair. The threshold will remain at the rate of 1% for now. We will, of course, ensure that schools who would lose out on funding as a result of the reform to the exceptional circumstances factor will see their funding protected through the minimum funding guarantee. This is in line with our position that schools should be protected from losses in funding resulting from policy changes. This will apply to all schools who receive exceptional circumstances funding at the point where we move to a direct NFF, and will be achieved by adding any loss in funding from exceptional circumstances into a school’s baseline for the purpose of the MFG calculation.

The Minimum Funding Guarantee (MFG) under a direct NFF

Question 18

Do you agree that we should use local formulae baselines (actual GAG allocations, for academies) for the minimum funding guarantee (MFG) in the year that we transition to the direct NFF?

The NFF floor (which guarantees a minimum year-on-year increase in schools' indicative allocations within the NFF, used to calculate local authorities' total school funding allocations) and the MFG (used in local authorities' local school formulae, determining individual schools' actual allocations) both operate by guaranteeing a certain amount of funding in reference to the school's "baseline", which is calculated in respect of a school's funding allocation from the previous year. When the NFF was first introduced in 2018-19, the baselines for both the NFF floor and the MFG were calculated in reference to schools' 2017-18 actual funding. With time the NFF and local formulae baselines have drifted apart, as the NFF baseline each year has been calculated in respect of the previous year's NFF allocations, whereas the MFG baseline has been calculated in respect of the previous year's actual funding from the local funding formulae.

The consultation proposed that the Department uses local formulae baselines (as opposed to the baselines used in the NFF) in the year that we introduce the direct NFF. Question 18 of the consultation tested whether people agreed with this proposition. There were 189 responses.

Answer	Total	Percent
Yes	157	83%
Unsure	22	12%
No	10	5%

A significant majority (83%) of respondents agreed with our proposal to use actual budgets in the year that we introduce the direct NFF. Only ten respondents opposed the proposal and 22 were unsure. Out of those that opposed, two argued that we should use the APT baseline rather than the GAG baseline for academies.

Government response

We can confirm that the Government will use local formulae baselines – and actual GAG allocations for academies – in the year that we transition to the direct NFF. This will ensure that schools continue to be protected against year-on-year losses as intended by

the MFG. Using APT instead of GAG baselines for academies would not achieve this objective.

Question 19

Do you agree that we should move to using a simplified pupil-led funding protection for the MFG under the direct NFF?

The NFF has both school-led and pupil-led factors. As set out in the consultation, the aim of the NFF's funding floor, and the MFG, is to protect schools from sudden losses in their pupil-led funding, per pupil:

- It is a per pupil protection which allows funding to go up and down with pupil numbers.
- It protects pupil-led funding only (not total funding per pupil) as school-led funding should not increase or decrease with pupil numbers.

In the way the floor and the MFG currently operate, there is a complication whereby year-on-year changes in school-led funding are also included in the protection.

Once we have introduced the direct NFF, this complication is no longer needed, since all schools will be funded directly by the NFF factor values. The consultation therefore proposed that, as we move to a direct NFF, we move to a fully pupil-led protection which does not take into account changes in school-led funding. Question 19 of the consultation tested whether people agreed with this proposition. There were 187 responses.

Answer	Total	Percent
Yes	158	84%
Unsure	20	11%
No	9	5%

A majority of respondents (158) agreed with our proposal of using a simplified pupil-led funding protection for the MFG under the direct NFF. The most common points raised in favour of the reforms centred around fairness, the importance of transparency and simplicity. Only nine respondents opposed the proposal, and 20 were unsure.

Government response

We can confirm that the Government will move to a simplified pupil-led funding protection under the direct NFF. This will simplify the floor significantly, which will help improve the transparency of the funding system and make it easier for schools to understand how their funding levels are calculated.

In addition, as discussed in more detail below, we will also introduce some form of mitigation for sparse schools to prevent them from sudden losses in sparsity funding resulting from decreases in their sparsity distance calculation.

Question 20

Do you have any comments on our proposals for the operation of the minimum funding guarantee under the direct NFF?

In addition to the proposals discussed in questions 18 and 19 above, the consultation also proposed that, under the direct NFF, we adjust the baselines such that schools that change their year group structures will not be unfairly “overprotected” compared to other schools. The consultation then asked for any comments on all of the proposals on the operation of the MFG.

We have categorised the responses to question 20 into the following common themes, including the proportion of respondents who made those points. There were 105 responses.

Common points raised	Total	Proportion of respondents who made the point
Funding will be fairer.	28	27%
Funding will be simpler/more transparent/more certain.	27	26%
We should not over protect schools with changing year group structures.	17	16%
More analysis is needed.	15	14%
Concern on future policy changes to school-led funding.	14	13%
MFG should be based on the actual budget (local formulae baselines/ General Annual Grant for academies).	14	13%
MFG should not be removed or reduced further.	13	12%
School-led funding should not lose protection.	13	12%
Concern over sparsity effect – e.g., impact from fluctuation in sparsity distances or loss of eligibility.	11	10%
More certainty on the proposals and/ or the MFG needed.	7	7%

Some of the points raised have already been considered in the discussion of questions 18 and 19, and so are not repeated here.

In terms of the specific proposal regarding schools with changing year group structures, 17 respondents said they agreed. No respondent disagreed with the proposal, but one noted that efficient changes in year group structures should not be discouraged.

In terms of other comments raised, 15 respondents argued that more analysis was needed to understand the impact on individual schools before a change is made. Some respondents also asked for more guidance.

13 respondents expressed some concerns around the loss in school-led protection. The majority of these centred around concerns over losses to premises funding or sparsity funding, and possible future policy changes. With regard to premises funding, several respondents asked us to ensure that any policy changes to school-led funding are completed before we simplify the calculation of the MFG, and/ or that if a policy change to school-led funding occurred after the simplification, we should adjust the MFG to protect schools from ensuing losses.

Several respondents (11) were concerned about small rural schools and wanted a specific assessment on those schools. In particular, some respondents noted that year-on-year changes in sparsity distances could cause significant fluctuations in sparsity funding. On the other hand, there was some support for removing sparsity funding from the MFG calculation in order to support small schools, since the current floor calculation can lead to undesirable outcomes in certain circumstances.

While not in scope for the consultation itself, a number of respondents commented on the level of the MFG protection and the level of overall funding for schools. 13 respondents thought the MFG was important and should not be removed or reduced, whereas four respondents argued that the MFG is unfair since it locks in historic inequalities.

Government response

In light of the positive responses to the specific proposal regarding schools with changing year group structures, we can confirm that we will proceed with that change.

Regarding the wider comments, we agree with the importance of analysing the impact at individual school level before the change is implemented to ensure that there are no unintended consequences. We will undertake robust modelling before the changes take effect.

We also agree that, for the proposal to operate as intended, any significant changes to school-led funding needs to be completed before we simplify the calculation of the MFG. If any significant changes to school-led funding occurred *after* the simplification, further adjustments would need to be made to the MFG to take account of those changes.

With regard to the specific concerns raised around sparsity funding, our analysis indicates that it would be rare for schools to experience significant year-on-year decreases in their sparsity funding as a result of changing sparsity distances, but that it

could occur. Before the changes to the MFG are introduced, we will therefore consider options for changing the operation of the sparsity factor to mitigate the financial impact on such schools. That could, for example, include using an average sparsity distance measure over a number of years, to limit year-on-year fluctuations.

We recognise that the calculation of the MFG is complex and understand the desire for further guidance. Before we move to the direct NFF, we will set out clearly how we will transition from the current system to a pure pupil-led per pupil protection under the direct NFF, and how the new system will operate in practice.

In response to comments made regarding the future funding rates and MFG levels, we cannot set that out at this stage. Future funding rates will depend on a number of factors, including the outcome of future spending reviews. In every year, the MFG levels are set with the aim of striking a balance between fairness and stability.

The Funding Cycle

Question 21

What do you think would be most useful for schools to plan their budgets before they receive confirmation of their final allocations: (i) notional allocations, or (ii) a calculator tool?

Key aspects of the annual funding cycle relate to when we announce the structure of the NFF and associated factor values, when and how we gather data to calculate funding allocations, and when we confirm final allocations to schools. Our aim is to provide early information to schools to support schools' budget planning, while ensuring enough time to gather and quality assure data and calculate allocations accurately. The consultation asked respondents what would be the most useful form of that early information – the publication of a calculator tool, for schools to estimate their NFF funding before the funding allocations are confirmed, or through publication of *notional* NFF allocations (which would be based on less recent pupil data than the actual NFF allocations themselves). There were 185 responses.

Answer	Total	Percent
Calculator Tool	121	65%
Unsure	33	18%
Notional Allocations	31	17%

Overall, there was more support for a calculator tool (65%) than notional allocations (17%) as a mechanism for providing schools with early information regarding their allocations. This view was particularly popular with respondents from maintained schools (81%) and academy trusts (74%).

Question 22

Do you have any comments on our proposals for the funding cycle in the direct NFF, including how we could provide early information to schools to help their budget planning?

We have categorised the responses to question 22 into the following common themes, including the proportion of respondents who made those points. There were 142 responses.

Common points raised	Total	Proportion of respondents who made the point
Support the use of a flexible calculator tool.	49	35%
Would like to have both a calculator tool and receive notional allocations.	48	34%
Early planning is essential. Earlier indication of allocations is helpful.	39	28%
Provide schools with multiyear funding certainty.	33	23%
Local authorities will need timely access to aggregated data and need time to work through block transfers and de-delegations.	28	20%
Notional allocations are confusing.	17	12%
Late pay rise announcements/supplementary grants makes financial planning difficult.	15	11%
DfE needs to share/consult on indicative timings more.	11	8%
There is a role for the DfE in dealing with queries and training business managers in use of tools.	7	5%
Would prefer accurate allocations (even if later).	5	4%

There was significant support for both a flexible calculator tool and notional allocations (48). In particular respondents felt that notional allocations would be useful for schools with stable pupil characteristics over time, allowing them to keep the administrative burden of performing calculations to a minimum. 17 respondents flagged concerns with notional allocations which they described as “confusing.”

A large proportion of respondents thought a calculator tool would be most useful in supporting schools’ financial planning and would allow for early census data to be included (49) by schools in using the tool. Respondents highlighted that any tool would need to be flexible to respond to different circumstances. For example, respondents flagged that the calculator tool would need to highlight any elements of school funding that might affect the final school allocations (e.g., high needs transfer mechanism, de-delegation, exceptional circumstances, and growth/falling rolls funding), and that it would include the functionality for users to enter such information. In addition, some respondents asked for the tool to be prepopulated with the previous years’ data to allow them to use the tool effectively.

A concern raised by seven respondents was that the more complicated any calculator tool becomes, the more confusing it will be to use effectively. These respondents argued for a need for the ESFA to be responsible for responding to queries (a role currently

undertaken by LAs) and providing detailed guidance and training to ensure budget planning is accurate and effective.

39 respondents stated that early information around funding is essential to aid planning. 15 respondents raised frustration with the timing of teacher pay award announcements and supplementary grants, which makes financial planning difficult. 33 respondents were in favour of multiyear funding information being provided, such as the percentage funding uplift in factor values, to support certainty in budget planning. In addition, respondents stated that the forecast increases as part of the minimum funding guarantee (MFG) and/or minimum per pupil funding levels (MPPLs) would be particularly helpful for affected schools. Relatedly, 11 respondents wanted earlier indication of any proposed policy changes – for example, such as earlier sight of tilting towards particular factors, or the setting of MFGs and MPPLs.

Lastly 28 respondents, mainly local authorities, noted that local authorities will require timely access to aggregated data and time to work through transfers to high needs, and de-delegations.

Government response

The Government recognises the need to provide early information to schools and the sector to support budget planning. We will continue to give early information regarding the design of the subsequent year's formula in July each year. We will also explore what information, be it general levels of funding change, policy changes within the national funding formula or some formula values, can be provided in advance.

Given the strong support for a calculator tool, we will aim to develop a product that schools can use to estimate future funding. We will explore including prepopulated data from the previous year as this will provide some form of notional allocation. Some local authorities commented that they already provide such a tool for their local schools. The Department will aim to replicate best practice that exists in the sector as we develop a national tool for this purpose.

Question 23

Do you have any comments on the two options presented for data collections with regard to school reorganisations and pupil numbers? When would this information be available to local authorities to submit to DfE?

The consultation discussed the timing and nature of data collected from local authorities under the direct NFF. It put forward two options for collecting information on planned school reorganisations and pupil number changes:

1. Issuing a request earlier in the autumn than we currently do, without a prepopulated form, giving local authorities longer to respond.
2. Requesting the data in December as we currently do, using a prepopulated form with data from the October census, but with a shorter turnaround time.

We have categorised the responses to question 23 into the following common themes, including the proportion of respondents who made those points. There were 155 responses and many respondents made several points in their response.

Common points raised	Total	Proportion of respondents who made the point
Re: school reorganisations: Prefer option two (using a prepopulated form).	59	38%
Could cause resource issue for local authorities.	23	15%
Reasonable request.	15	10%
Re: school reorganisations: Prefer option one, seeking information early.	13	8%
Not all information available in January.	9	6%

There was significant support (59) for option two of supplying data on planned school reorganisations and pupil number changes in December, using a prepopulated form with data from the October census. Respondents noted that this would reduce the burdens on local authorities and decrease the risk of errors. Only 13 respondents preferred to receive the request earlier without prepopulated data.

While a number of respondents (15) thought the requests seemed reasonable and manageable, those who preferred option one raised concerns around the short turnaround that would be required over the holiday period, when schools are closed, and staff are absent. Questions were also raised around whether schools forum approval would still be needed for the return, noting that timings would be more problematic if it would. To minimise risks around the short turnaround with option two, two respondents proposed that ESFA send out a draft template before it is formally issued, to allow local authorities to familiarise themselves with the upcoming request.

A number of other issues were also raised, most notably concerns around resource implications for local authorities (23). Three respondents also questioned whether there would be duplication with the SCAP data request, and hence whether the processes could be streamlined. Nine correspondents pointed out that not all information is available in January, so there needed to be scope for adjustments later in the year. Others noted that the later we set the deadline for responses, the less likely it is that the returns will need to be revised.

Some correspondents requested further detailed information and stressed the importance of DfE engaging stakeholders, including local authorities, in designing a new approach to data collection.

Government response

In light of the majority of respondents favouring option two, we can confirm that we will adopt that approach. We will work closely with local authorities and other stakeholders on the details as this is developed, to ensure the data requests are as simple and clear as possible.

We understand that option two will involve a tight turnaround over the holiday period and will do what we can to make sure local authorities are well prepared in advance for what the request will be – including by sending out some form of draft template before the prepopulated data is available. This should minimise the amount of work required once the prepopulated data becomes available.

Overall, we expect burdens for local authorities to decrease substantially when we implement the direct NFF, as local authorities will no longer need to create their own local funding formulae.

Question 24

Regarding de-delegation, would you prefer the Department to undertake one single data collection in March covering all local authorities, or several smaller bespoke data collections for mid-year converters?

The consultation proposed two options with regard to de-delegation and data collection. These were to undertake a separate data collection in March to cover the amounts schools will pay for de-delegated services, or not to collect information on de-delegation as a matter of course from local authorities. Under this second option we would only collect information when needed for mid-year converters.

Question 24 of the consultation asked which of the options respondents preferred. There were 182 responses.

Answer	Total	Percent
One single data collection	117	64%
Unsure	34	19%
Several smaller bespoke data collections	28	15%
Other	3	2%

There was significant support for the proposal to operate one single data collection, with 117 respondents in favour. This proposal received strong support from both local authorities (70%) and maintained schools (67%). The second option of several smaller bespoke data collections received less support with only 28 (15%) of respondents in favour.

Question 25

Do you have any other comments on our proposals regarding the timing and nature of data collections to be carried out under a direct NFF?

Question 25 of the consultation asked respondents to provide any other comments on the proposals for data collection under the direct NFF. There were 86 responses. The table below separates out the comments regarding de-delegation and other comments raised. The proportion of respondents who made each point has been set out.

Common points raised	Total	Proportion of respondents who made the point
Comments regarding de-delegation		
Single March data collection.	13	15%
Keep process and timings similar to now.	9	11%
Alternative method proposed.	9	11%
Other comments raised		
Importance of advance notice, and as long and flexible deadlines as possible.	18	21%
October deadline too early for split sites and exceptional circumstances.	16	19%
How will school queries be addressed in the new system?	14	16%
Request for more detailed information.	13	15%
Importance of keeping collections simple to minimise burdens.	9	11%
Concerns around local authority workloads.	5	6%

Regarding de-delegation under the direct NFF, some respondents reiterated their response to question 24. Out of the two options presented in the consultation, 13 respondents preferred to keep to one single data collection in March, compared to only one who preferred the alternative of smaller bespoke collections. Nine respondents

thought we should keep the process and timings the same, or similar, to how they are now, and a further nine put forward their own alternative proposals, such as twice yearly or termly.

A number of respondents (16) also commented on the proposed October deadline for a data collection on split sites and exceptional circumstances, noting that it would limit the ability of local authorities to consult with schools and the schools forum. These respondents thought a November deadline would be more achievable.

Many respondents also provided wider comments on our proposals. 18 respondents stressed the importance of giving schools and local authorities as long and flexible deadlines as possible, and also to provide advance notice of the deadlines to help local authorities with their planning. Nine respondents noted the importance of keeping collections as simple as possible to minimise burdens and five respondents raised concerns that the proposals, as they stand, could add to local authority workloads. 13 respondents requested that we provide more information on the proposals to allow them to gauge the impact of the changes. Several of these raised questions around the timing for when local authorities would receive the data they require for their own internal processes, such as determining de-delegation amounts. Others among them asked if the proposals meant that DfE would start paying maintained schools directly, and how de-delegation would operate in practice under the direct NFF.

Linked to this, 14 respondents asked how queries around funding would be handled in the new system. Currently, local authorities field these types of queries, but this responsibility would now move to the Department.

A number of correspondents included commentary in their responses which were out of scope of the consultation, for example with regard to overall funding levels and wider questions around the existing funding cycle.

Government response to questions 24 and 25

Regarding de-delegation, we can confirm that we will issue one single data collection in March when we introduce the direct NFF, in line with the preference of the majority of respondents. This will keep the timeline similar to the current system, limiting the amount of change in the first instance. Once the direct NFF has been implemented and we receive feedback we will continue to review processes and consider how we might improve them over time.

We agree with the wider comments regarding the importance of minimising burdens, including by keeping data collections as simple as possible, and providing advance notice to upcoming changes. Over the coming months and years, we will be working to refine our proposals and refine the details around how the data collections and other operational processes will work under the direct NFF. We will engage closely with local

authorities and other stakeholders when doing so to ensure the processes are as streamlined as possible. We will provide further detail and information as that work progresses.

As part of that continued work, we will be sure to consider the information local authorities need for their own internal processes, as well as the timing and processes around de-delegation. We will also consider whether it will be possible to move the deadline for collecting information on split sites and exceptional circumstances to November.

There are no plans to change the actual payment processes for maintained schools. DfE will pay local authorities, who in turn will pass the funding on to maintained schools. As such, local authorities will continue to deduct the funding for de-delegation before they pass on the funding to maintained schools.

Next steps

We will announce the 2024-25 National Funding Formula for schools and high needs in July, in line with the usual timetable. This will also confirm requirements on local authorities to bring their local funding formulae closer to the NFF in 2024-25, following the initial transitional steps in 2023-24.

We plan to engage with the sector further on funding for PFI schools, and the determination of indicative SEND budgets. This will support a smooth transition to the direct NFF.

Annex A: List of organisations that responded to the consultation

This list of stakeholder organisations was drawn from the online form submitted and from responses to the consultation mailbox. Some respondents chose to keep their responses confidential and thus are not listed here, and the list does not include individual respondents, including those on behalf of individual schools.

- Association of School and College Leaders
- Barnsley MBC
- Bath & North East Somerset Council
- Blackburn with Darwen Borough Council
- Blagdon Primary School
- Bolton Council
- Brighter Futures for Children
- Brighton and Hove City Council
- Britannia Education Trust
- Buckinghamshire Council
- Cambridgeshire County Council
- Campsbourne School
- Cardinal Pole Catholic School
- Cathedral Schools Trust
- Central Bedfordshire Council
- Cheshire East Council
- Cheshire West & Chester Council
- Cheshire West & Chester Schools Forum
- Churchfields the Village School
- City of Bradford Metropolitan District Council
- City of Wolverhampton Council
- Clevedon Learning Trust
- Community trade union
- Coventry City Council
- Coventry Primary Finance Group
- Coventry Schools Forum
- Creative Education Trust
- Cumbria County Council
- Cygnus Academies Trust
- Danes Educational Trust
- Derby City Council
- Devon County Council
- Diocese of Ely Education Directorate
- Diocese of Salisbury Academy Trust
- Dorset Council
- Durham County Council
- East Riding of Yorkshire Council
- East Sussex County Council
- Essex County Council
- Essex Schools Forum

- F40
- Gateshead Council
- Grange Primary School
- Haggerston School
- Hammersmith and Fulham
- Hampshire County Council
- Herefordshire Schools Forum
- Hertfordshire County Council
- Holy Cross Catholic MAC
- Holy Family Catholic School
- Hull City Council
- Hull Schools Forum
- Irk Valley Community School
- ISBL
- Isle of Wight Council
- Isle of Wight Education Federation Governing Board
- Joint response on behalf of Thurrock LA and Thurrock Schools Forum
- Kent County Council
- Keswick School Multi Academy Trust
- King Edward VI School
- Knowsley MBC
- Lancashire Schools Forum
- Lancasterian Primary School
- Leicester City Council
- Leicestershire County Council
- Leventhorpe
- Lighthouse Schools Partnership
- Lincolnshire County Council
- Local Government Association
- London Borough of Brent
- London Borough of Bromley
- London Borough of Ealing
- London Borough of Enfield
- London Borough of Hackney
- London Borough of Haringey
- London Borough of Havering
- London Borough of Islington
- London Borough of Lambeth
- London Borough of Lewisham
- London Borough of Waltham Forest
- Lunesdale Learning Trust
- Manchester City Council
- Manchester Schools Forum
- Milton Keynes City Council
- Moorlands Learning Trust
- NAHT
- NASUWT
- National Education Union

- National Governance Association
- Newcastle City Council
- North Lincolnshire Council
- North Northamptonshire Council
- North Yorkshire County Council
- Nottingham City Council
- Nottinghamshire County Council
- Oldham Council
- Oxfordshire County Council
- Oxfordshire Schools Forum
- Park View School
- Pembury House Nursery School and Children's Centre
- Peterborough City Council
- PKAT
- Portsmouth City Council
- Primary Advantage Federation
- Puttenham CoE Infant School
- Rackham (CE) Primary School
- Royal Borough of Kensington and Chelsea
- Salisbury Diocesan Board of Education
- Sandwell Metropolitan Borough Council
- SHARE Multi-Academy Trust
- Sheffield City Council
- Shropshire Council
- SIGOMA
- Society of County Treasurers
- South Tyneside Council
- Southend on Sea - Education Board / Schools Forum
- St Elizabeth's Catholic Primary School
- St John Vianney Catholic Primary School
- St Mary's CE Primary School (Haringey)
- St Mary's CE Primary School (Manchester)
- St Paul's CE Primary School
- St Peter's School, Bournemouth
- Staffordshire County Council
- Stratford Rural Schools Federation
- Suffolk County Council
- Surrey County Council
- Swindon Borough Council
- The Active Learning Trust
- The Association of Directors of Children's Services
- The Colleton Primary School
- The Confederation of School Trusts
- The Federation of St. Paul and St. Martin of Porres Catholic Primary Schools
- The Nelson Thomlinson School
- The Special Educational Consortium
- Together for Children Sunderland Limited
- Trafford MBC

- Tring School
- Twyford Church of England Academies Trust
- Wakefield and Metropolitan District Council
- Walsall Metropolitan Borough Council
- Warrington Borough Council
- West Berkshire Council
- West Sussex County Council
- Westminster City Council
- Wiltshire Council
- Wiltshire Schools Forum
- WMAT
- Wokingham Borough Council



Department
for Education

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