

School Funding Update

Schools are currently funded under a system known as the 'soft' National Funding Formula (NFF), whereby local authorities receive aggregated schools block funding under the NFF, but still have some discretion over the use of local formulae to distribute funding to schools.

In 2019, the Government made a General Election Manifesto Commitment, essentially to move to a 'hard' NFF, where all schools are funded in accordance with the NFF and local funding formulae are abolished, and the Department for Education (DfE) consulted over the first stage of this in the Summer and Autumn of 2021.

The DfE has now responded to its first stage consultation on implementation of the hard NFF for schools, which it has renamed as the 'direct NFF'. The DfE's response is available at: <https://consult.education.gov.uk/funding-policy-unit/completing-our-reforms-to-the-nff/>.

The DfE has confirmed that it will proceed with the proposals in its first stage consultation. These involved a gradualist approach to 'nudge' local authorities (LAs) to the direct NFF over time, without setting a target or end date for this. The DfE has confirmed that they will be following this approach.

As part of this approach, from 2023-24, the DfE will require:

- LAs to use all, and only, NFF factors in their local formulae;
- all local formula factors to move at least 10% closer to the NFF, except where local formulae are already 'mirroring' the NFF; and
- LAs to use the NFF definition for the English as an Additional Language (EAL) factor (although flexibility over the sparsity factor methodology will remain in 2023-24).

The DfE's approach to transition in subsequent years will depend on the impact of moving to the direct NFF from 2023-24 onwards. However, the DfE is likely to continue to follow a gradualist approach to the introduction of the direct NFF.

De-delegation of Trade Union Facility Time

The NASUWT has achieved one of the key aims when participating in the DfE consultation, which is that de-delegation for trade union facility time purposes from the schools block can continue under the direct NFF. This has been confirmed by the DfE in its consultation response:

'For central functions which are delivered on behalf of schools, under a direct NFF LAs will continue to have flexibilities to de-delegate maintained schools' funding, and MATs will continue to have the ability to top-slice academy funding.' (page 36).

Negotiating Secretaries can therefore continue to organise for de-delegation of trade union facility time from LA schools' budgets for the 2023/24 financial year and for all subsequent years. The decision whether to de-delegate trade union facility time will continue to be taken by schools forums, which will continue to have a role under the direct NFF.

