

National Fair Funding Conference - 18 October 2018

Schools Funding: Future Challenges and Opportunities - Tom Goldman, Deputy Director of Education, Funding Policy Unit, DfE

- NFF been in operation 200 days
- 20,198 notional NFF school allocations for 2019/20
- 150 local authorities (149 for April)
- 504,950 data points in the schools NFF summary spreadsheet
- £42.4 billion in the Core Schools budget in 2018/19, £43.5 billion in 2019/20
- 5.2% of total public spending

Significant shift locally towards, or to mirror, NFF values. 73 local authorities moved all factor values towards the NFF. 41 matched NFF factor values almost exactly. 112 introduced a minimum per pupil funding level (and for 23 more, it would have no effect).

Major change in 2018/19 but not as many in 2019/20 and does not expect many in 2020/21.

Of every £1 collected in taxes 5 pence goes to schools.

December final allocations for 2019/20. Soft formula for 2020/21. No decision for Soft or Hard formula 2021/22. Outcome of Spending Review will affect formula.

Beyond the NFF:

- **Teachers' Pay Grant (from September 2018)**
- £187m in 2018/19 (7 months); £321m in 2019/20 (12 months); full cost of the award over an assumed 1%
- Maintained schools, academies, special schools. Based on pupil numbers/place numbers
- **Teachers' Pensions Grant (from September 2019)**
- c£800m in 2019/20 (7 months); full cost of the additional employers' pensions contributions
- Maintained schools, academies, special schools, colleges
- Precise total and best distribution mechanism to be determined

Spending Review 2019 - school funding remains firmly in the public spotlight, especially - but not solely - the size of the quantum; and increasingly high needs as well as schools. No budgets currently set beyond 2019/20. Do not know when the Spending Review will take place. Treasury may also do one year review. There are many competing demands - in education (eg 16-19); across government. Schools have seen the smallest overall squeeze since 2010 compared with GPs, hospitals, adult and children's social care, LA neighbourhood services, Police, Courts and Pensions - information from the Institute of Government Performance Tracker 2018. Schools have been protected compared with LAs.

Cost pressures - pay, inflation, recruitment and retention. Talking to the Treasury about the pressure on High Needs. Increasing complexity of need. Have to show Treasury that we are removing perverse incentives - incentives driving up costs without seeing improvements.

The state of school funding: trends and challenges - Natalie Perera, Executive Director & Head of Research, Education Policy Unit.

Overall funding contract - spending per pupil frozen 2017/20. Secondary lower than in 2011.

Around 60% of schools are spending more than their income. In the North West over 25% of secondary schools in deficit.

Only 60% of teachers remain in state funded schools and only 50% of maths and physics teachers. Less than half of maths and physics teachers do not have a degree in the subject.

Three quarters of teachers time spent teaching.

National Funding Formula for Schools - Helen Alderton and Andrew Hackett, Funding Policy Unit, DfE

Update 2019/20 - Minimum pupil funding £4,800 Secondary and £3,500 Primary. Funding floor 1% gain per pupil.

Growth funding 2019/20 - £2,050 Secondary and £1,370 Primary. Protection minus 1/2% schools block. Growth fund based on actual growth that LA experience, rather than the amount they have historically chosen to spend.

The system relies on an ongoing LA role.

Deprivation - increased to 8.2% in 2018/19 compared to 7.7% in 2017/18

Considerable variation in the proportion of schools block funding which LAs are allocating to schools through the deprivation factor. A number of LAs are not using the combination of IDACI and/or FSM that is used in the NFF. Some LAs are not using all the IDACI bands (A - F) and a very small number not using IDACI at all. Some LAs not allocating for FSM, some not for FSM6 and a very small number not using either.

2018/19 Lump sum - large shift in the distribution of the lump sum values used, with most LAs choosing to use the NFF amount of £110,00 or a value close to it. Overall the LAs are allocating a slightly lower lump sum to the schools block.

2018/19 Sparsity - 50 LAs using sparsity factor compared to 25 in 2017/18.

2018/19 minimum pupil level - 112 used the factor.

50% used the 2018/19 NFF transitional per pupil rate of £3,300: the same % used the secondary rate of £4,600.

48 LAs chose not to implement minimum per pupil levels or implemented them at lower levels than the NFF.

Replacing the School Financial Value Standard - Emily Nunn, Funding Policy Unit DfE.

The DfE has recently published a new school resource management self-assessment tool. The initial version is targeted at academies but a maintained school version will be published in the new year with the view to it replacing the School Financial Value Standard. The session included a demonstration of the tool.

This tool will support governors and trustees and help with benchmarking. The dashboard is data based. It is an Excel based product and each section has a link through to the guidance. A school will be able to compare at the press of a button with statistically similar schools.

It will give Red, Amber, Green and Purple ratings. Green 60-80% of similar schools, Red out of line, Amber quite a lot out of line, Green in line, Purple lower % of similar schools. Tool does not take into account SEN or EAL.

Dashboard will compare Academies and Maintained schools and should be fully operational by May 2020. The self assessment tool is an improvement and will provide LAs with a master view. LA feedback so far is that it is an improvement.

Hilary Wood - Head of Business Support and Resources Blackpool Council.

Balancing the High Needs Budget

LA that were in overall deficit on their DSG:

- 2016/17 - 17
- 2017/18 - 22
- 2018/19 - 40 - £140 million

Funding gap on the High Needs Block:

- 2014/15 - £127 million
- 2017/18 - £409 million

Percentage of pupils with EHC Plan attending a mainstream school:

- 2016 - 52%
- 2017 - 50%
- 2018 - 47%

EHCs increasing - when cutting done it is in pastoral support who help with additional needs. Teacher training only 1/2 day on SEND and then into the classroom.

How can we close the gap? Giving mainstream schools the money they would have spent on out of borough to help with transport etc.

How are Blackpool closing the gap? Reviewed resourced provision units - closed 2 PD units, paying mainstream schools the top up based on needs. Reviewing remaining primary behaviour units and considering need for additional units based on recommendations of HN provision review. They have tightened up Fair Access. PRU being used for respite and then back to mainstream. Placed pupils with EHCP in PRUs instead of out of borough. Putting some home-to-school support workers in.