



## Fair Funding for all Schools

Briefing for MPs – 15 October 2018

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## Fair funding and f40

- f40's goal is a **fair formula** that enables equal chances for all children wherever they live in England.
- We want schools to be equipped to provide a **quality education** for all children to meet the future needs of Britain.
- The introduction of a National Funding Formula (NFF) and additional funding for 2018-19 and 2019-20 were welcomed and f40 viewed the overall outcome as a **positive step towards fairer funding**.
- However, at present the NFF does not deliver true fairness and **locks in existing inequalities**.



## F40's Concerns

- The funding available is **not enough** to deliver education for the modern world
- The formula needs to stand alone without **false protections**
- The formula needs to be **future proof and allow for change**, not be locked into the past.



## f40's Solutions

- Currently the funding requires an injection of around around **£2bn** to meet the needs of schools. An early indication is that for 2019-20, the shortfall will be **£3.8bn for schools** nationally (based on current pupil numbers).
- An **index-linked activity led formula**, so that funding matches what politicians and others expect of the system.
- Move away from **historical** spending patterns which **lock in inequalities** and stifle change and improvement.



## The Funding Shortfall?

“Spending on Education is at its highest level”

Year	Pupils	Funding	£ per pupil
2015-16	6,939,219	£32,168,067,703	£4,635.69
2017-18	7,231,624	£33,523,566,620	£4,635.69
2018-19	7,322,984	£33,979,402,932	£4,640.10

Per pupil funding has remained steady over recent years, but costs have rocketed.



## Cost Pressures - Pay

	Teaching Assistant Salary	Mainscale Teacher (M4)	Upper Pay Scale Teacher	Headteacher (L25)
Sep 2015	16,559	27,927	35,218	69,652
Sep 2016	17,129	28,207	35,571	70,349
Sep 2017	17,435	28,772	35,927	71,053
Sep 2018	18,354	29,780	36,646	72,119
<b>PAY</b>	<b>10.8%</b>	<b>6.6%</b>	<b>4.1%</b>	<b>3.5%</b>

Teaching Assistants increase is as a result of the minimum wage bringing up the pay scales below this and pushing up experienced TA wages as a result.

Differentials in Teachers pay are mostly the result of this year's different pay awards ranging from 1.5% to 3%.



## Cost Pressures - On Costs

% addition to pay	Non Teaching Staff			Teaching Staff		
	NI - avg for pay value	Pension	TOTAL Non Teaching	NI - avg for pay value	Pension	TOTAL Teaching
Sep 2015	7.06%	20.71%	<b>27.77%</b>	10.63%	14.10%	<b>24.73%</b>
Sep 2016	7.29%	19.92%	<b>27.21%</b>	10.66%	16.48%	<b>27.14%</b>
Sep 2017	7.32%	21.53%	<b>28.85 %</b>	10.66%	16.48%	<b>27.14%</b>
Sep 2018	7.45%	22.49%	<b>29.94%</b>	10.62%	16.48%	<b>27.10%</b>
<b>ON-COSTS</b>	5.44%	8.59%	<b>7.79%</b>	-0.13%	16.88%	<b>9.57%</b>

Teachers Pension Employers Contribution is rising to 23.6% from Sept 19, which will give total on-cost of ~34%



## Activity-led approach is required

~~Historic Costs~~  
Averages

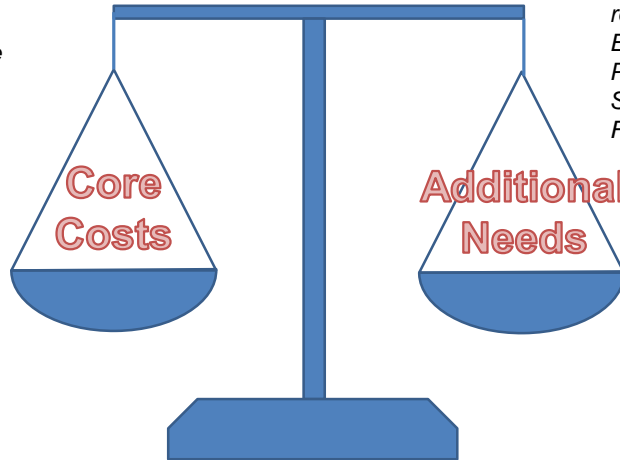


- **Activity-led formula** is the only way to ensure sufficient funding in the system, balanced to meet needs.
- This would allow for
  - future changes of policy direction
  - the creation of a world class system of education to enable our pupils to compete in the post-Brexit age with the rest of the world.



## Activity Led Formula

Teachers  
Repairs &  
Maintenance  
Books  
Resources  
Heating  
Cleaning  
Finance &  
Admin staff



Extra  
resources  
Extra staffing  
Pastoral  
Support  
Family Support



## Financial Planning

- f40 seeks to see plans for the funding formula beyond 2020.
- We require the establishment of rolling 3-4 year budget settlements for schools which are **index linked** and inflation-proofed, including funding for cost-of-living increases.



## NFF should be consistent

**CONSISTENCY**  
IS 

- A key principle for the NFF was that pupils of similar characteristics should attract similar levels of funding wherever they are in the country (allowing for the area cost adjustment).
- However, the protections applied, such as the 1.0% funding floor, 'lock in' some of the historical differences.
- Transition to the new formula is sensible but locking in past inequalities is not.



A Minimum Funding Level is unnecessary.

Unfair

Over Protective

Artificial



An activity-led NFF should undertake this role



## Mainstream School Costs

- The NFF needs to cover **all the funding** for mainstream schools, not just the pupil-led elements.
- NFF has elements that are individual to each school e.g. business rates and sparsity. Funding for these cannot continue to be based upon historical costs.
- Exceptional premises should be funded at realistic, not historical levels.
- f40 believes that all schools should be exempted from business rates with a one-off compensating cost adjustment nationally for local government.



## Local flexibility

- f40 seeks continued funding flexibility to support specific local issues or organisational requirements.
- The government should allow an element/percentage of the formula to be targeted using local discretion (via the Schools Forum or similar representative group).



Every **STUDENT** *can learn,*  
just not on the same day,  
or in the same *way.*

## The High Needs Crisis

- High Needs funding supports the most vulnerable pupils in our schools: those with complex SEN, those who are excluded or at risk of exclusion and those that cannot access education for medical reasons.
- Demand for high needs funding is out-stripping the budgets available.
- More accurate medical assessment and improved methods of treatment increase demand still further.



## The High Needs Crisis



- Crisis created in part by the continued use of historic funding levels.
- Short-term attempts to fix the problem are woefully inadequate.
- f40 seeks an immediate injection of new funding, estimated on increased costs and demand since 2015, of at least **£1.5bn** pa. is required. (index linked)
- We need a review of SEN policy and guidance to help manage down demand more effectively.





## The Early Years

- f40 seeks a review of the early years national formula to make it fit for future use.
- An increase in the quantum of funding for early years providers is needed to take account of the pressures of the living wage and the impact of 30 hours.
- Annual index-linked review for this block.



## Other Issues

- f40 seeks clarity on the way that the Central Schools Services Block will work. It should be index linked to meet increasing costs.
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- f40 wants Multi Academy Trusts to be held more accountable, especially for senior pay and for distribution of funding between individual academies in the MAT. An NFF means equality for all schools, including those in MATS.
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- f40 seeks a review of Home to School Transport funding.
- Government needs to recognise the real impact of reducing school transport on pupil choices.





Questions?