



DEBATE PACK

Number CDP-2017/0202, 27 October 2017

Education funding in Wirral

Robert Long
Alexander Bellis

Summary

On 31 October, at 4:30pm, there will be a Westminster Hall Debate on Education Funding in Wirral. The sponsoring Member is Angela Eagle MP.

The wider context is that the Government is planning major school funding reforms for England, including the introduction of a new schools National Funding Formula (NFF). It announced some changes to its funding reform plans in July 2017, and “£1.3 billion for schools and high needs across 2018-19 and 2019-20 in addition to the schools budget set at spending review 2015”. It confirmed these arrangements, with some further changes, in September 2017.

The schools NFF will operate as a 'soft' formula in 2018-19 and 2019-20, to work out notional individual school budgets only. These will then be aggregated; it will be up to local areas to then determine how to share out overall core funding between schools. They'll do this in line with Government guidance, which has been revised so that the NFF can be more closely followed in local arrangements.

The key policy aims of the NFF reforms have been widely welcomed. However, many argue that the overall school funding pot is too small, and schools are struggling, and will continue to struggle, to meet their running costs.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

Contents

1.	Background	2
2.	Allocations under the new National Funding Formula – Wirral	6
3.	Press releases and articles	9
4.	Parliamentary material	13
5.	Further reading	20

1. Background

The wider context: Government plans for school funding reform in England

The Government is planning to introduce a new national funding formula (NFF) to calculate the amount of core revenue funding that mainstream schools in England will attract. There are separate formulas to calculate early years and 16-19 funding – outside the scope of these reforms. There are also new formulas for high need (largely special educational needs funding) and for services still centrally provided by local authorities. The schools NFF will be transitioned in.

In July 2017, the government signalled some changes to its original proposals, and said there would be “£1.3 billion for schools and high needs across 2018-19 and 2019-20 in addition to the schools budget set at spending review 2015”.¹ It confirmed these and other modifications in September 2017.

Under the original proposals, there would have been cash ‘gainers and losers’ from the schools NFF in 2018-19 and 2019-2020, compared to baselines. The Department for Education says that the final NFF arrangements:

[W]ill provide for up to 6% gains per pupil for underfunded schools by 2019-20 and, as a minimum, a 0.5% per pupil cash increase in 2018-19, and a 1% increase by 2019-20 compared to their baselines, in respect of every school.²

The schools NFF will operate as a ‘soft’ formula in 2018-19 and 2019-20. This means that it will not be used to work out actual funding allocations for individual schools. Plans for beyond 2019-20 have not been confirmed yet, but the Government says it intends to introduce a ‘hard’ formula in time. Section 2, below, provides more information on what a ‘soft’ formula means in practice, and on the transitional arrangements.

How are schools currently funded?

Under the current system, there is a two- step process to calculate and distribute core school revenue funding. First, the Government calculates a local authority area’s overall allocation of Dedicated Schools Grant, or DSG. The largest element of this is known as the Schools Block, but there are other elements, and other school funding outside the DSG. Schools Block allocations are strongly influenced by historical factors; there is considerable variation in the per-pupil level of funding for different areas.

Local authorities, in consultation with statutory bodies called schools forums, then draw up a local funding formula following DfE guidance and regulations, to share out this money between schools in their area.

Funding for sixth forms and 16 to 19 year olds in colleges

Funding for this group is outside the scope of the current NFF reforms. 16-19 funding is already calculated according to a national funding formula. A report by the Institute for Fiscal Studies published in February 2017 said that 16-18 provision had been:

[T]he big loser from education spending changes over the last 25 years [...] the long-run, and continuing, squeeze in resources in 16–18 education poses significant challenges for the sector as a whole.³

In response to questions on post-16 funding on 14 September 2017, in the context of the NFF reforms, Education Secretary Justine Greening said:

The formula I set out today covers primary and secondary—up to 16. We are making sure that we continue funding post-16 colleges and A-levels, and the hon. Gentleman will be aware that we have gone beyond that. We announced an additional £500 million in the last Budget to help boost technical education, which will be of benefit not just to further education colleges, but to sixth forms and sixth-form colleges.⁴

More information about education funding for this age group can be found in the Library paper [16-19 education funding in England since 2010](#).

Reaction to the Government's school funding plans

One key policy aim of the school funding reforms is to reduce unintentional variation in the funding received by individual schools in similar circumstances. This aim has been widely supported, and many have welcomed the £1.3 billion for core school revenue funding identified in July 2017.

Organisations representing schools continue to express concern, however, that there is not enough money overall in the system, and that the plans will not adequately address funding pressures schools are already facing. The Association of School and College Leaders (ASCL) said:

We welcome the government's continued commitment to a national funding formula for schools. It is essential that schools are funded fairly wherever they are located, and that historical inequities which have created a postcode lottery are removed.

"Setting minimum funding levels for schools is also a welcome move, but we need to examine whether the levels announced today by the Secretary of State are sufficient. We fear they are still way too low to allow schools to deliver the quality of education they want to provide and which pupils need.

³ Institute for Fiscal Studies (IFS), '[Long-run comparisons of spending per pupil across different stages of education](#)', 27 February 2017.

⁴ [HC Deb 14 September 2017, c1035](#)

“The fundamental problem is there is not enough funding going into education. The additional £1.3bn announced by Justine Greening in July was a step in the right direction. But schools have already suffered huge cuts and the additional funding is nowhere near enough to prevent further cuts.⁵”

The newly-formed National Education Union (NEU – a merger between the NUT and the ATL) claimed that the school funding plans fell short:

In anticipation of this [14 September 2017] announcement, the NEU and other education unions set Justine Greening five tests. She has failed every one of them:

School cuts have not been reversed. This announcement means that the vast majority of schools will have less money per pupil next year and in 2020 than when this Government took office in 2015.

There is no new money. These plans are still based on taking money from other areas of education spending and making unrealistic assumptions about ‘efficiency savings’ which hard-pressed schools cannot achieve.

High needs, early years and post-16 education are not being fairly funded. These areas have suffered the biggest cuts - but she has said nothing about early years and post-16 funding and the funding increases promised for high needs pupils are well below inflation.

She has made no long term funding commitment. Schools need to be able to plan for the future. Instead of announcing and guaranteeing funding for at least the next five years, she has not even confirmed the limited extra funding promised in the manifesto.

Historic underfunding will not be addressed. Schools in historically underfunded areas may receive some extra money, but it will not be enough to protect them against inflation and other cost increases - and it is being taken away from other schools which will now lose even more.⁶

The Institute for Fiscal Studies (IFS) published a short briefing, responding to the Government’s September 2017 announcements, and comparing the final funding reform proposals to the ones that had been consulted on prior to the 2017 General Election. This concluded:

[..] There were [...] a number of other changes to the original proposals. First, there is more money. The average cash-terms increase in funding in pupil between 2017–18 and 2019–20 is now around 3% rather than just under 1% as under the original proposals (equivalent to a real-terms freeze). Second, there are new absolute minimum levels of funding per pupil for both primary and secondary schools. Finally, protections against losses were extended such that no school could experience a cash-terms increase of less than 0.5% per year between 2017–18 and 2019–20 (as opposed to a cash-terms fall of 1.5% per year). The maximum any school can gain has also increased from 5.6% to 6.1% in cash-terms per pupil.

⁵ Association of School and College Leaders press release, ‘[Prime Minister and Chancellor must act on school funding](#)’, 14 September 2017.

⁶ National Education Union press release, ‘[Schools national funding formula](#)’, 14 September 2017.

However, none of these changes will affect schools directly. They will affect the amount that each local authority receives and it is the local authority (in discussion with schools themselves through 'School Forums') who will decide how much each school actually receives. The minimum funding levels for primary and secondary schools are not obligatory and local authorities are able to reduce individual schools' funding per pupil by up to 1.5% in cash-terms if they wish. It is sensible that this latter protection is less than the 0.5% increase in the main formula as it will allow local authorities' funding formulae to respond to the changing circumstances of schools (e.g. if a school is becoming less deprived, its funding can go down).

Given the current state of the school funding system, the latest proposals imply school funding reform is moving in the right direction, albeit it at a slower pace than implied by policy prior to the general election. If implemented, this will get closer to a system where similar areas will receive similar levels of funding. However, the proposals will not ensure that similar schools are funded in a similar way, as local authorities will still be free to implement their own funding formulae.

We don't know anything, however, about government plans after 2019–20, either in terms of continued transitional protections or the full introduction of a school-level national funding formula. This is a source of major uncertainty. The government still says it is their 'intention' to implement a 'hard' formula. Whether it actually happens – in particular given that this change would require primary legislation to pass through parliament – remains to be seen.⁷

⁷ Belfield, C and Sibieta, L., Institute for Fiscal Studies, '[School Funding Reform in England: a smaller step towards a more sensible system, will the final leap ever be made?](#)', 21 September 2017.

2. Allocations under the new National Funding Formula – Wirral

The following table gives data for the Wirral as a whole and Wirral constituencies based on the new National Funding Formula (NFF) announced in September 2017. It includes:

- Baseline funding in 2017-18 under the current system
- Notional funding in 2018-19 under the NFF and a comparison with 2017-18
- Illustrative funding in 2019-20 under the NFF and a comparison with 2017-18
- Illustrative funding as if the NFF were implemented in full without any transitional arrangements, and, again, a comparison with 2017-18

The figures are mainly presented as total school budgets, although the local authority data includes per pupil funding in 2018/19. However, as 2017/18 pupil numbers are used for each year of the NFF data, the percentage increases to the total budget are generally a good guide to changes to per pupil funding.

All schools will attract a cash funding increase in pupil-led funding of at least 0.5% in 2018-19 and 1.0% in 2019-20 (compared to the 2017-18 baseline). Across Liverpool the average cash increase is, provisionally 1.0% in 2018-19 and 1.7% in 2019-20. Both figures are below the national average of 1.9% and 3.6% in 2018-19 and 2019-20 respectively.

The briefing paper [*School funding reform in England from 2018-19: Implementation of the national funding formula*](#) includes analysis of the component parts of the new formula, details of its implementation, reactions to the final formula, maps of funding change by local authority and constituency and under 'supporting documents' spreadsheets of local authority and constituency level summaries.

National funding formula: Impact on school funding for selected areas

	Baseline funding	Provisional NFF funding in 2018/19						Illustrative NFF funding in 2019/20				Illustrative funding if the NFF were introduced in full without any transition			
	2017-18 baseline total (£ million)	Primary unit of funding (£ per pupil)	Secondary unit of funding (£ per pupil)	Total (£ million)	Percentage change compared to baseline			Total (£ million)	Percentage change compared to baseline			Total (£ million)	Percentage change compared to baseline		
					All schools	max gain	min gain		All schools	max gain	min gain		All schools	max gain	min gain
England	32,608.9	..	..	33,217.2	+1.9%	+14.4%	+0.1%	33,638.0	+3.2%	+21.8%	+0.3%	33,790.5	+3.6%	+60.6%	+0.3%
Wirral	194.7	3,913	5,283	197.8	+1.6%	+3.5%	+0.4%	199.3	+2.4%	+9.7%	+0.8%	199.3	+2.4%	+9.7%	+0.8%
Birkenhead	48.0	..	..	48.6	+1.2%	+2.8%	+0.4%	48.8	+1.6%	+5.6%	+0.8%	48.8	+1.6%	+5.6%	+0.8%
Wallasey	51.4	..	..	52.1	+1.5%	+2.8%	+0.4%	52.5	+2.1%	+4.8%	+0.8%	52.5	+2.1%	+4.8%	+0.8%
Wirral South	46.6	..	..	47.4	+1.7%	+3.0%	+0.4%	48.0	+2.8%	+8.7%	+0.8%	48.0	+2.8%	+8.7%	+0.8%
Wirral West	48.5	..	..	49.3	+1.8%	+3.5%	+0.4%	49.8	+2.8%	+9.7%	+0.8%	49.8	+2.8%	+9.7%	+0.8%

Source: <https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs>

Background information on the NFF

The NFF will be introduced in a 'soft' version in the first two years. This is where the Government uses the formula to set budgets for each school which are then added together to give the total schools block allocation for each local authority. It is then up to each local authority to distribute this total between local schools using their own local formula, as at present. Hence school-level figures are *notional* or *illustrative* as are constituency summaries. There are rules covering how these local formulas are set and the Government is changing these rules so the national formula can be more closely followed. The 'hard' version of the formula, where all schools receive their funding on the basis of a single national formula, is expected to follow this transitional period, although no definitive date has been given.

The NFF funding figures for 2018-19 and later use current pupil numbers and characteristics, so are subject to change when new data are collected.

The transitional arrangements which will apply to the first two years of the NFF are:

- A maximum increase in per pupil funding for most schools of 3% in 2018-19 and a further 3% in 2019-20
- A minimum increase in pupil-led funding of 0.5% per pupil in 2018-19 and 1.0% (compared to the baseline) in 2019-20
- Minimum funding per pupil levels in 2018-19 of £4,600 per pupil in secondary and £3,300 in primary schools
- Minimum funding per pupil levels in 2018-19 of £4,800 per pupil in secondary and £3,500 in primary schools.

In a relatively small number of schools the operation of the minimum funding level means that notional budgets will increase by more than the maximum of 3% per pupil each year. Some schools see an increase of less than 0.5% in their total budget because of changes to non-pupil-led funding.

3. Press releases and articles

General financial pressures on schools

[Value for money in schools](#), Reform, December 2016

- A series of blogs on the subject of 'value for money in schools'

[Schools must give more bang for their buck](#), *Times*, 17 March 2017
[available via Library subscription]

- Michael Gove, writing in the *Times*. Considers improvements to education spending since the last Labour Government and how the Coalition Government spent money more efficiently. Mr Gove calls for benchmarking of schools to encourage the adoption of efficient practices that deliver a good result in education.

[The middle classes should cough up for state schools](#), *Times*, 6 April 2017 [available via Library subscription]

- Considers the NFF and argues that voluntary donations to state schools are acceptable

[Exclusive: DfE believes more than a quarter of schools spend too much money](#), *Times Educational Supplement*, 11 May 2017

- Report on a Department for Education study which believes that many schools can make efficiency savings. Includes comments from other organisations who argue that such savings much lead to a fall in standards.

[Education needs a revolution, not just more cash](#), *Times*, 21 July 2017
[available via Library subscription]

- Comparative look at spending internationally and compared with further education, which has experienced greater real-terms cuts. The author argues that despite comparatively greater levels of funding, structural issues remain a barrier to better educational results.

[Teachers' funding fears for breakfast clubs](#), BBC News, 8 September 2017

[Four in 10 parents 'asked to give to school funds'](#), BBC News, 22 September 2017

['We need to ask ourselves: what does it really cost to run a successful school?'](#), *Times Education Supplement*, 22nd September 2017

- An article arguing that although regional disparity in funding needs to be addressed, some schools use their money more efficiently and effectively than others

[English school budgets facing 'breaking point', warn headteachers](#), *Guardian*, 16 October 2017

[Why we're marching on Westminster for school funding](#), Schools Week, 23 October 2017

- A message from the General Secretary to the National Association of Head Teachers, explaining why lobbying MPs for more school funding is necessary

[Academy entrepreneur calls on government to increase funding for schools](#), *Guardian*, 24 October 2017

- Lord Harris of Peckham, who owns an academy chain, calls for more funding

[As protesters descend on London, it's high time the teaching unions stopped scaremongering over school funding](#), *Telegraph*, 24 October 2017

- An article criticising the a push for more funding despite recent Government announcements to increase funding by £1.3 billion

Impact on school services

Schools switch off the music (and heating) as big cuts loom, *Times*, 15 February 2017 [available via Library subscription]

[School budget squeeze 'is reducing pupils' subject choice'](#), BBC News, 10 April 2017

Two out of three schools forced to cut teaching staff, *Times*, 10 May 2017 [available via Library subscription]

[The contempt with which politicians hold our state schools, and those who learn and work in them, could not be clearer'](#), *Times Education Supplement*, 15 May 2017

- Parent's perspective on how funding levels might impact on school services

[English schools taking desperate measures as funding crisis hits](#), *Guardian*, 5 June 2017

[Why do some schools let pupils go home earlier than others?](#) *Liverpool Echo*, 26 June 2017

- Council responds to suggestions that some schools might cut down their working hours to deal with budgetary pressures

[Schools in England cut back on teaching hours to save money](#), *Guardian*, 28 June 2017

[No more music, Spanish or engineering: parents angry at cuts to GCSEs](#), *Guardian*, 8 August 2017

School funding formula

Commentary on the 2015 Government's proposals for school funding prior to the 2017 General Election

[School funding 'crisis' warning](#), BBC News, 25 January 2017

[Tory MPs increase pressure on ministers over school funding cuts](#), *Times Education Supplement*, 6 February 2017

[School funding cuts will damage economy, city councils warn](#), *Times Education Supplement*, 16 February 2017

[Schools will have less to spend per pupil by 2020](#), Full Fact, 21 February 2017

- Discusses the 8% cut in funding per pupil by 2020, as suggested by the National Audit Office [see further reading]

[Reality Check: Is education spending at a record level?](#) BBC News, 17 March 2017

[Schools in deprived areas 'will suffer most from funding cuts'](#), Labour warns, *Evening Standard*, 7 April 2017

[School funding: the £3bn problem creeping up on Theresa May](#), *New Statesman*, 25 April 2017

Impact in Liverpool area (including Wirral) of NFF as proposed under the 2015 Government

[Liverpool schools to lose millions of pounds in funding changes](#), *Liverpool Echo*, 14 December 2016

[Liverpool schools face cuts and Knowsley's face gains](#), *Liverpool Echo*, 18 December 2016

[Anger as figures reveal EVERY local school could lose money](#), *Liverpool Echo*, 17 March 2017

[Unions warn hundreds of Wirral teaching posts at risk from Government spending cuts](#), *Wirral Globe*, date unclear

Articles after the announced increase in funding in July 2017

[The government has rescued the National Funding Formula by the skin of its teeth](#), *Schools Week*, 18 July 2017

[Exclusive: No guarantee secondaries will receive per pupil funding ministers promised](#), *Times Education Supplement*, 13 September 2017

- Highlights concerns that with the 'soft' implementation of the NFF, local councils will not commit to a basic level of income per student

['Historic' schools funding change confirmed](#), BBC News, 14 September 2017

- Provides a good overview of the history of the NFF and the proposals as they currently stand

[New funding formula for English schools is 'recycling'](#), say heads, *Guardian*, 14 September 2017

[New funding system for schools 'not sustainable in long term'](#), Public Sector Executive, 18 September 2017

[School Funding Reform in England: a smaller step towards a more sensible system, will the final leap ever be made?](#) Institute for Fiscal Studies, 21 September 2017

- Looks at the increase to the schools budget announced in July
[‘You want to shout: Stop saying that! Look at your own school funding figures!’](#), *Guardian*, 10 October 2017
- A head teacher argues that the new funding formula is still unfair
[Exclusive: Funding formula ‘privileges’ grammar schools](#), *Times Educational Supplement*, 13 October 2017
‘Discriminating against primaries is disastrous’, *Times Educational Supplement*, 13 October 2017 [Available via Nexis News]
- Although the Government has promised a minimum spend of £3,500 per pupil, the National Education Union believes that primary pupils will receive 5 % less in real terms by 2020 in comparison with 2015

4. Parliamentary material

Debates before the July 2017 Government announcement

[Education \(Merseyside\)](#), HC deb 19 October 2016 cc 342WH – 366WH

[School Funding Formula and Northern Schools](#), HC deb 17 January 2017 cc232WH – 239WH

- Liverpool is discussed and the Minister, in their closing remarks, considers briefly the impact on the area.

[School funding](#), HC deb 25 January 2017 cc.357 – 408

- Liverpool was discussed in this debate at [column 369](#):

Stephen Twigg: The Department has produced a school-by-school analysis of the impact of the proposed funding formula. For schools in Liverpool, the results are worrying; 80% are forecast to lose funding, and we are set to lose around £1.3 million from the schools block in the first year, 2018-19. When the formula is fully implemented, unless it changes, that will increase to slightly more than £3 million. I know that consultation is still under way, but it is very important that schools in my constituency know what is happening as soon as possible so that they can plan their budgets.

I welcome the fact that the Liverpool settlement will mean more money for high-needs funding. There is, however, concern from the council and schools that that high-needs funding will not be available in time to alleviate the cuts in the schools block. What timescale do the Government envisage for full implementation of the new formula, particularly the high-needs funding element?

As we know, early years education is vital to pupils' life chances. I have two nursery schools in my constituency, Ellergreen and East Prescott Road, both of which have been rated outstanding by Ofsted. Both are very concerned about the Government's plans for nursery school funding. I seek assurances from the Minister that long-term funding for our nursery schools will be secure, so that they can continue their excellent work of providing quality early years education.

When I saw the motion for this debate, I wrote to the heads of schools in my constituency, asking them for their concerns. Blackmoor Park Infant School in West Derby told me about its need for repairs. It is using four mobile classrooms, which are three years beyond their shelf life. The headteacher told me that the school does not have enough money to replace them, because of the financial pressures that it faces.

[School Funding Formula](#), HC deb 20 March 2017 cc.631- 633

- Questions following the publication of reports from the National Audit Office and the Education Policy Institute [see further reading section below]

[Schools: Funding Formula](#), HL deb 21 March 2017 cc.149 – 150

- Questions following the report from the National Audit Office and the Education Policy Institute [see further reading section below]

[Prime Minister's Questions](#), HC deb 22 March 2017 cc.853 – 864

- Part of this exchange considered the New Funding Formula

[School Funding \(London\)](#), HC deb 29 March 2017 cc.115WH – 140WH

[Oral answers: School Funding](#), HC deb 18 April 2017 cc.525 – 4

[School Funding: North-east of England](#), HC deb 26 April 2017 cc.504WH – 527WH

[Education and Local services](#) [Queen's Speech debate]: HC deb 27 June 2017, cc477 - 564

- See in particular a contribution by Maria Eagle MP at [cc505-506](#):

As you well know, Mr Deputy Speaker, there is now no academic A-level provision in the borough of Knowsley, part of which is in my constituency and the rest of which is in yours. Since the closure of the sixth form at Halewood academy, young people in Halewood have to leave the borough to access opportunities that should be readily available for every child in their own local community. In areas such as south Liverpool and Halewood, we have a constant battle to increase educational attainment. The Queen's Speech could have tried to do something about that, but it did not. It does not even guarantee that no school will have its budget cut, as the Tory manifesto purported to do.

I have been asking local headteachers what the new funding formula will mean for their school. Some have already cut teachers and support staff. One of my schools has lost 26% of its teaching staff. Others see redundancies next year as inevitable. Schools are cutting back on the curriculum; one has removed drama and cut back on modern foreign languages and music. All are now having to use school budgets to pay for shared support services, such as special educational needs outreach, educational psychology and family support services, which were once provided by Liverpool City Council. Others are forced to ask parents for money to make their budgets work. This is a catastrophe and will further disadvantage those pupils who already face barriers. This Queen's Speech will do nothing to help my constituents who need to be safe from gun crime or who want their children to have a fair chance in education. It is the last desperate effort of a Government who seek only to cling on to office. We will make sure that they do not.

[School Funding Formula \(London\)](#), HC deb 28 June 2017 cc.703 – 712

[Education: Funding](#), HL deb 04 July 2017, cc791 – 794

[Education: Public Funding \[Urgent question\]](#) HC deb 04 July 2017, c1037

Louise Ellman: The Government's current plans mean cuts of over £600 per head for students in Liverpool's schools. Is the Minister now saying that schools will face no cuts at all, in real terms, in any aspect of Government funding?

Nick Gibb: What we have said is that there will be no cut in per-pupil funding as a consequence of moving to the national fair funding formula. I have acknowledged that cost pressures—equivalent to 3.1% of the total schools budget in 2016-17, and to

between 1.5% and 1.6% of that budget over this year and the subsequent two years—will affect schools in the hon. Lady's area and in other parts of the country over a four-year period, as a result of higher employers' national insurance contributions and teacher pension contributions. Those cost pressures, which are replicated across the public sector, exist because we are having to deal with the budget deficit. It is imperative that we do so if we are to continue to have a strong economy.

[Interruption.] The shadow Education Secretary suggests from a sedentary position that we have had seven years to deal with that deficit. It was an historic deficit, and it will take as many years as it takes to get it down to zero.

[Education: Public Funding \[Urgent question\]](#), HC deb 04 July 2017, cc1025 – 1037

Debates after the July 2017 announcement

[Schools Update](#), HC deb, 17 July 2017, cc563 - 587

- In this statement, the Secretary of State announced increased funding to the schools budget of £2.6 billion by 2020. It was followed by debate.

[Schools Update](#), HL deb, 17 July 2017, cc1430 – 1441

- House of Lords debate on the increase in funding for schools

[Oral answers: School Funding](#), HC deb, 11 September 2017, cc431 – 433

- The Secretary of State for Education is questioned regarding the NFF

[Schools: National Funding Formula](#), HC deb 14 September 2017 cc1024 – 1038

- House of Commons debate following the announcement that the final National Funding Formula had been published.

[Schools Update: National Funding Formula](#), HL Deb 14 September 2017 cc.2611 – 2620

- Brief debate in the House of Lords following the announcement that the final National Funding Formula had been published.

[Education Funding \(South Liverpool\)](#), HC Debate 10 October 2017, cc 64WH -80WH

Written Parliamentary Questions regarding the schools National Funding Formula and wider school funding context

[PQ3280](#) [Pupils: Per Capita Costs] 14 Jul 2017

Joan Ryan: To ask the Secretary of State for Education, what assessment she has made of the implications for her policies of the findings of the report by the Institute for Fiscal Studies, The short- and long-run impact of the national funding formula for

schools in England, published in March 2017, on the projected change in the level of school spending per pupil by 2021-22 if the proposed formula were to be implemented.

Nick Gibb: We want to ensure every school has the resources it needs to deliver a high quality education for every child and that all schools are fairly funded.

Since 2010 the schools budget has been protected in real terms. The Government has committed to increase the school budget further, as well as continuing to protect the Pupil Premium to support those who need it. We know that how schools use their money is also important in delivering the best outcomes for pupils. The Government has produced tools, information and guidance to support improved financial health and efficiency in schools which can be found at:

<https://www.gov.uk/government/collections/schools-financial-health-and-efficiency>.

We received over 25,000 responses to the consultation. We are grateful to all those who expressed their views on school funding and the proposed formula as part of this process. We will publish the response to the consultation in due course.

[PO6642](#) [Schools: Finance] 21 September 2017

Layla Moran: To ask the Secretary of State for Education, what estimate she has made of the number of schools in (a) England and (b) each local authority in England that carry an in-year deficit for each of the last (i) two, (ii) three, (iii) four and (iv) five years.

Nick Gibb: The Government want schools to have the resources they need to deliver a high quality education for their pupils. This is why we have announced that under the national funding formula there will be an additional £1.3 billion for schools and high needs across 2018-19 and 2019-20, on top of existing spending plans. This means that core funding for schools and high needs will rise from almost £41 billion in 2017-18 to £42.4 billion in 2018-19. In 2019-20, this will rise again to £43.5 billion.

On the latest available data, for 2015-16, the total number of local authority maintained schools in England with a cumulative budgetary surplus was 15,621 and the average surplus per local authority maintained school was £141,264.

For academies, we collect cumulative budgetary surplus data at trust level – in 2015/16 the total number of single academy trusts (SATs) in cumulative surplus was 1,735 and the total number of multi academy trusts (MATs) in cumulative surplus was 1,084. The median cumulative surplus for academy trusts (of which a higher proportion are secondary schools than is the case for maintained schools) was £364,000 for SATs and £664,000 for MATs.

The total number of schools in England with an in year deficit in each of the last five years can be found in the table attached (Annex A). It is important to note that an in year deficit is not in itself a cause for concern unless it is symptomatic of a trend towards a cumulative deficit. Many schools will draw on their reserves for a range of planned reasons – for example to spend on capital projects.

The total number of schools in England that carried an in year deficit for each of the last (i) two, (ii) three, (iii) four and (iv) five years can be found in the table attached

(Annex B).

The breakdown at local authority level for local authority maintained schools (for each of these areas) and academies (for in year deficits) can be determined using the local authority and school expenditure data, which is available here:

<https://www.gov.uk/government/collections/statistics-local-authority-school-finance-data>, and is summarised in the spreadsheet attached (Annex C).

The Department collects data on cumulative surpluses for academies at trust level only. As schools managed by MATs do not necessarily fall within the same local authority area, we are unable to present the data broken down by local authority.

[PQ 105649](#) [Schools: Finance] 16 Oct 2017

Lyn Brown: To ask the Secretary of State for Education, with reference to her Department's national funding formula tables for schools and high needs, whether the per pupil funding levels set out will be maintained in real terms over the years 2018-19 and 2019-20 in the event that teachers and other elements of the education workforce are awarded pay increases higher than one per cent during that period.

Nick Gibb: The national funding formulae we announced on 14 September sets out the changes to the schools budget in 2018-19 and 2019-20. For the next two years, allocations of school funding to local authorities will be based on what schools are notionally allocated through the national formula. Individual schools will have their actual funding determined through formulae set by their local authorities. The Department does not prescribe to schools how they must use their funding allocations.

There is a statutory process in place to review teachers' pay and we will be asking the School Teachers Review Body (STRB) later this year to make recommendations taking into consideration key factors such as recruitment and retention, as well as affordability.

[PQ 106054](#) [Schools: Finance] 16 Oct 2017

Ian Lavery: To ask the Secretary of State for Education, what steps her Department is taking to ensure that changes in the level of funding for schools do not result in the reduction of pastoral or other child support services.

Nick Gibb: The introduction of the national funding formulae is supported by significant extra funding of £1.3bn across 2018-19 and 2019-20, over and above the budget announced at the 2015 spending review. As a result, per pupil funding will be maintained in real terms for the next two years.

Under the national funding formula for schools, every school will attract at least 0.5% more per pupil in 2018-19, and 1% more in 2019-20, compared to its baseline. Under the national funding formula for high needs, every local authority will see a similar minimum increase in funding of 0.5% in 2018-19, and 1% in 2019-20.

We believe that in a school led system it is right for school leaders to decide how best to allocate their resources, including on pastoral and other child support services. We are committed to helping schools improve outcomes for pupils and promote social mobility by ensuring schools achieve the best value from all their resources. We already provide schools with support, guidance and tools to help them maximise their efficiency and long-term

financial health and we will now go further to ensure that support is effectively used by schools.

[PQ 105673](#) [Schools: Finance] 16 Oct 2017

Mike Kane: To ask the Secretary of State for Education, whether the per pupil minimum funding level is a temporary feature of the funding formula until the age-weighted pupil funding has been raised sufficiently to render it unnecessary.

Nick Gibb: We have now set out our final national funding formula for schools, following a consultation in which we heard from over 26,000 individual respondents and representative organisations.

We are recognising the challenges of the very lowest funded schools by introducing a minimum per pupil funding level. In 2019-20 all secondary schools will attract at least £4,800 per pupil, and all primary schools will attract at least £3,500 per pupil. In 2018-19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600, and primary schools £3,300.

Decisions about spending after 2019-20 will be subject to the next Spending Review.

[PQ107491](#) [Secondary Education: Finance] 20 Oct 2017

Dr David Drew: To ask the Secretary of State for Education, what the Government's policy is on secondary school inclusion; and how that policy has been taken account of in the new funding formula.

Nick Gibb: We are committed to an inclusive education for children and young people with special educational needs and disabilities (SEND), and progressively removing the barriers to education and participation in mainstream education. The Children and Families Act 2014 secures the general presumption in law of mainstream education in relation to decisions about where children and young people with special educational needs should be educated; and the Equality Act 2010 provides protection from discrimination for disabled people. The 2014 Act also requires local authorities to ensure the views, wishes and feelings of children, young people and parents are taken into account when deciding what support children and young people with SEND need.

The introduction of national funding formulae for schools and high needs is supported by significant extra investment of £1.3 billion across 2018-19 and 2019-20, over and above the budget announcement at the 2015 spending review. We are therefore able to provide additional funding for every school and allocate extra high needs funding to every local authority, both of which will support schools in providing for their pupils, including those with SEND. Both schools and high needs national funding formulae reflect the number of children and young people with SEND who are attending mainstream or specialist provision.

[PQ 107487](#) [Schools: Finance] 20 Oct 2017

Dr David Drew: To ask the Secretary of State for Education, what assessment she has made of the level of funding in the new funding formula for schools that have a large number of pupils with additional needs and those that do not.

Nick Gibb: The national funding formula allocates the majority of funding, 72.9%, through the basic per-pupil allowance, while protecting the funding directed towards children with additional needs, with a total spend of £5.9 billion and overall weighting of 17.8%.

Funding will be distributed according to the individual needs and characteristics of every school in the country. This will direct resources where they are needed most, and provide transparency and predictability for schools.

The attached table shows the unit values, total funding and proportion of funding for each factor in the formula.

[PQ 107760](#) [Schools: Finance] 24 Oct 2017

Dr David Drew: To ask the Secretary of State for Education, whether the new funding formula for schools includes funding for students with high needs; and if she will make a statement.

Nick Gibb: On 14 September, we published our decisions on the introduction of a national funding formula for schools (which provides core funding for all mainstream schools), and a national funding formula for high needs (which provides place funding for special schools, and top-up funding for high needs pupils in both special and mainstream schools).

Under the national funding formulae, mainstream schools will be expected to contribute the first £6,000 of additional funding for any pupil on their roll with high needs from their schools block funding. When a school can demonstrate that the costs of additional support required for a pupil with high needs exceed £6,000, the local authority should allocate additional top-up funding from their high needs budget to cover the excess costs. This process is the same as under the previous funding system. This is explained in paragraph 54 of the High Needs funding 2018 to 2019 operational guide, which can be found at <https://www.gov.uk/government/publications/high-needs-funding-arrangements-2018-to-2019>. If a school has concerns about the level of funding they receive for their pupils with high needs, it should discuss it with their local authority in the first instance.

5. Further reading

Some of these documents were written before the Government announcements on school funding in July and September 2017.

[Long-Run Trends in School Spending in England](#), Institute for Fiscal Studies, April 2016

[Financial sustainability of schools](#), National Audit Office, 14 December 2016

[Implications of the national funding formula for schools](#), Education Policy Institute, March 2017

[The short- and long-run impact of the national funding formula for schools in England](#), Institute for Fiscal Studies, 22 March 2017

[Education Policy Institute Research Note: Where next on school funding and the National Funding Formula?](#) Education Policy Institute, July 2017

[PTA UK survey finds parents concerned about cost of sending children to school](#), Parent and Teacher Association, 21 September 2017

[Long-run comparisons of spending per pupil across different stages of education](#), Institute for Fiscal Studies, 27 February 2017

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).