



**TO: All Members of Parliament representing f40 areas**

31 July 2017

Dear Member of Parliament

**An update from f40**

I thought I should contact you to offer an update on the fair funding campaign. I held off getting in touch immediately after the Secretary of State's announcement on 17 July because we were offered a meeting with senior officers at the Department for Education and I wanted to wait and see what they had to say.

First of all, I want to say that throughout the NFF consultation period and even after it closed, f40 has been actively developing its own proposals and making them known to the DfE team working on the new national funding formula. We can't be sure exactly what impact we have had on the department's thinking but we are advised that f40 has been an important consultee in the process and that our views and comments have been welcomed.

The details of the government's announcement earlier this month were a further step in the right direction but f40 continues to believe that more needs to be done to achieve fair funding. We have issued the attached news release presenting our reaction to the announcement and stating that:

- We welcome the additional cash that is being reallocated within the education budget to help finance our schools.
- We also welcome the pledge that secondary schools will receive at least £4,800 per pupil by 2019-20.
- f40's principle aim is to achieve a fairer funding allocation to our schools and so we are pleased that the government is maintaining its commitment to developing proposals for a national funding formula.
- Clarification is needed on several key points, such as exactly how the extra investment in core school services will be used and whether the percentage balance of allocation between basic per pupil funding and disadvantage will be adjusted, as requested by f40 in its response to the consultation.

The fact that the government has delayed an announcement on the important details of their proposed fair funding formula until September is more than a little frustrating and we have pointed out that local authorities and schools need to know the details of the National Funding Formula now. We have made it clear that this delay could create additional planning difficulties.

The details to be announced in September are what we need to see in order for the poorest funded authorities to determine if the government has listened to f40's arguments and will introduce anything like the fair funding formula that we have asked for. Until then we must wait and see.

I mentioned above that we had attended a meeting with officials at the Department for Education, namely Tony Foot, the Director of the Education Funding Group and the Secretary of State's Special Education Adviser, Victoria Crawford. F40 was represented by myself, our Vice Chair, Alex Chalk MP and Margaret Judd, Sufficiency and Funding Manager at Dorset County Council and Chair of f40's Finance Managers Research Team.

Obviously the main point for discussion was the Secretary of State's recent announcement in parliament, which essentially has four main elements – additional funding for education, the new national funding formula, the continuing role of local authorities and how the extra costs will be met.

1. The quantum has been increased by an extra £1.3bn over the amount set as the baseline at the last comprehensive spending review (CSR). Taken together, the additional £1.3bn will be £416m in 2018-19 and £884m in 2019-20 along with the extra funding announced in the CSR will give £2.6bn in 2019-20 more than schools received in 2017-18. This has the impact of providing schools and high needs with a real-term per pupil increase from 2017-18 to 2019-20 as identified by the Institute for Fiscal Studies and the £2.6bn over two years is directly comparable to the manifesto commitment of £4bn over four years.
2. In terms of the NFF, we were told that the government intends to “prioritise” the AWPU and we read into this that more will be distributed via the AWPU than had been set out in the consultation. There will be a 3% cap on increases in 2018-19 and a further 3% cap in 2019-20, allowing schools that would gain from the new formula to gain 6% over the two years. All schools will have a minimum 0.5% per pupil increase in 2018-19 and again in 2019-20, so the differential could close by 5%. F40 expressed concern that the increase in funding for schools that we believe should be seeing a reduction under the formula, will actually have gains and therefore unfair advantage for longer. However, the department saw this as being of benefit even to the schools in low funded authorities for whom the formula would provide an increase and, it also meets the manifesto commitment that no school should lose under the introduction of the NFF. So the proposal is that the government is not only providing a freeze, but also a small contribution to increasing costs pressures.

With regard to the announcement that there would be a minimum of £4,800 per pupil in secondary schools by 2019-20 our main points of concern were about how the 3% + 3% increase and the £4,800 would fit together. We suggested that there could be a number of schools where a 6% increase would still not meet £4,800 and the officials said that they were looking at how these could be dovetailed and would provide more information in September. They also indicated that operational guidance would be published very soon to enable local authority's to be in a position to consult with schools over the autumn term and simply 'drop in' the final figures when they are known.

3. With regard to the matter of a 'hard' or 'soft' formula, the officials suggested that the 'soft' formula will be in place for both 2018-19 and 2019-20 and a decision about the 'hard' formula will be part of the 2020-21 CSR.
4. Finally, there was a discussion about where the additional funding was coming from. It seems that £315m will come from the healthy pupils capital fund (which was for kitchens etc and funded by the sugar tax). The Free Schools capital fund will be reduced by £280m and wherever possible new free schools will be built in collaboration with local authorities. Both of these are capital to revenue transfers which have been allowed by the Treasury. This will not affect any schools in the current pipeline. Wave 13 onwards may be affected. In



addition, £250m in 2018-19 and £350m in 2019-20 will come from savings within the department.

So all in all, this is a mixed bag of offerings which secures additional cash for schools but, at this point, creates ongoing uncertainty about the eventual nature of the NFF proposal. We have concluded that a final assessment of the government's announcement can only be made once the NFF details are available in September. As our news release emphasises, fair funding continues to be f40's goal and we will only be satisfied if the new fair funding formula finally delivers an allocation system that is fair to all.

In conclusion, I do believe that f40 has had a major impact on the debate about school funding and we have made significant gains as our campaign has proceeded. Whether the current proposals will be sufficient to settle our long-standing grievance is yet to be seen. I hope it is, but if it fails to deliver, f40 will continue to push for an acceptable solution.

I will be in touch again in September with an assessment of the government's next announcement and to ascertain all member authority's views on the situation and what might happen thereafter.

Best wishes

A handwritten signature in black ink that reads "Ivan Ould". The signature is written in a cursive style and is contained within a thin black rectangular border.

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Issued by Doug Allan, Secretary to the f49 Group of local authorities. [doug@dtw.co.uk](mailto:doug@dtw.co.uk)