

**F40 GROUP
ANNUAL CONFERENCE
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**The Current National Funding Formula
Is it Fair?**

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Background to Worcestershire

- **219 Maintained Schools**
 - 173 Nursery/First/Primary
 - 21 Middle
 - 16 Secondary/High
 - 9 Special
- **17 Academies**
 - 4 Primary
 - 13 Secondary/High
- **6 Short Stay Schools**
- **Approximately 75,000 pupils on roll (incl school post 16)**

Background to Worcestershire

- LA Budget 2011/12
 - £75.3m reduced by 12% from last year
- As a result of: -
 - Reductions in Formula Grant and Area Based Grant
 - Impact of the new Early Intervention Grant
 - County Council required savings programme
- DSG 2011/12
 - £344.6m (includes academies share and £46.6m mainstreamed grants)

DSG Guaranteed Unit of Funding Unfairness - The Gap has Widened

| | <u>2006/07</u> | <u>2007/08</u> | <u>1 Year</u> | | <u>2011/12</u> | <u>5 Year</u> | | <u>6 Year</u> |
|-----------------------|----------------|----------------|---------------|--|----------------|---------------|--|---------------|
| | <u>£</u> | <u>£</u> | <u>%</u> | | <u>£</u> | <u>%</u> | | <u>%</u> |
| Worcestershire | 3,337 | 3,553 | 6.5% | | 4,601 | 29.5% | | 37.9% |
| All England | 3,643 | 3,888 | 6.7% | | 5,083 | 30.7% | | 39.5% |
| Birmingham | 4,000 | 4,271 | 6.8% | | 5,689 | 33.2% | | 42.2% |

DSG Funding Considerations

Is it Fair?

- Funding gap between lowest and highest funded LAs has widened
- This has been made worse by mainstreaming of specific grants in 2011/12
- The gap between Worcestershire and All England is £482 per pupil (or about £36m of DSG)
- Compared to Birmingham the gap is £1,088 per pupil (or about £82m of DSG!)

Deprivation

Is it Fair?

English Indices of Deprivation 2010

- Overall rank for Worcestershire is 112th but 147th in funding
- For Education, Skills and Training Worcestershire has: -
 - 35 Local Super Output Areas that rank in the top 10% highest deprived nationally
 - One LSOA that ranks 8th out of the 32,482 LSOA's

Area Cost Issues

Is it Fair?

- A number of LAs receive area costs, including those neighbouring Worcestershire, but have no greater cost pressures
- Enables other LAs to offer more favourable recruitment incentives
- This funding needs to be recycled into the basic entitlement

Actual Impact in Schools

Is it Fair?

- All schools have to implement the increasing array of curriculum and other activities e.g. national strategies, extended schools, impact of newly arrived EAL pupils
- All schools have to manage the increasing cost base from within their resources e.g. staffing cost drift, energy costs, examination fees, inclusion
- This impacts significantly more on low funded LAs
- These issues are not specifically reflected in the funding model

What the Review Requires

- Fairness!!
- Reduce considerably the differential funding gap between LAs
- A system based on a basic fully-costed per pupil entitlement funded prior to any 'top ups' for deprivation and area cost
- Significant recognition of deprivation within LAs as there is too much reliance on whole LA deprivation measures
- Redress the inequalities **as soon as possible!**