

## **David Laws MP, Shadow Schools Minister, Liberal Democrats**

### **Speech notes F40 Conference, London, 3 November 2009**

#### **Introduction**

Many thanks for inviting me to speak at this important conference. It is a very timely event, bearing in mind Formula Review and forthcoming election. I would like to thank the f40 Group for its hard work campaigning for fairer funding.

Education and its funding is an extremely important part of my party's manifesto. So it is natural for us to offer strong support to f40, not least as it is relevant to so many of our constituencies. For example, Somerset is 21<sup>st</sup> bottom in the funding league, and Dorset is 22<sup>nd</sup>, and Poole is 5<sup>th</sup> bottom.

I and my colleagues are aware of the strength of feeling among schools and head teachers. A retiring head in my own constituency suggests that if he was head in some authority areas, his school would be better off by as much as £500k in a 1,000 pupil school.

You can see how this works when you see that Tower Hamlets has £7,350 per pupil whilst Somerset receives just £4,350 (£3,000 x 1,000 = £3million).

However, I also recognise that the existence of a funding gap isn't necessarily evidence of a problem. There are reasons for the gap:

- More deprivation funding;
- Area cost (staff);
- Rurality/sparsity.

The Liberal Democrat party believes in using funding to tilt odds back to children growing up in very disadvantaged circumstances.

There is:

- Striking inequality in UK education system
- Striking inequality in society

#### **Deprivation**

There is evidence that the current formula is arbitrary and unfair because, the deprivation element is unreliable and poorly targeted. Nearly half the pupils receiving Free School Meals do not go to a "deprived school" and live in a deprived area. Deprivation funding is spread inconsistently across the country. There can be huge differences (£1,000 per pupil) between schools with very similar levels of need/ deprivation.

Moreover, there is an issue of whether traditional measures are good proxies. FSM – in rural areas may be low income families, with low levels of educational culture/attainment, not on FSM but still with high educational needs.

We also need to take account of timeliness of data – e.g. English as a Second language – fast moving situation in rural areas. Yeovil school, for example, where 50% of pupils are EASC.

### **Ultra High Needs**

Children costing up to £300 – 500k in small authorities. Extremely expensive.

### **Rurality/sparsity Factors**

Higher costs of transport and 14-19 curriculum.

### **Area Cost Adjustment**

London. But also justified in some areas outside of capital.

### **Lib Dem Policy**

- Fundamental Review of schools funding, including primary and secondary school allocation.
- Basic Entitlement for each pupil set against cost of delivering core provision. This makes spending review even more important!
- Local costs top-up for high cost areas – including teachers' costs, sparsity (not just to keep open unsustainable small schools).
- National and Regional Fund for assisting authorities with very high cost statements.
- Pupil Premium – to better target disadvantage.

### **Pupil Premium**

This would essentially:

Target disadvantage and follow the child

Provide extra cash – cannot work if redistributing in a zero growth environment

Money from Tax Credits – Start with a fund of £2.5billion, increasing to £5billion

Who? Income based? Deprivation? Medium – low level special needs? Local authority care? EASL (1 year?).

Follow the pupil, but allocated by schools

How income based? – FSM, WTC, MOSAIC – need to target beyond FSM

All schools to benefit – Expanded £5billion PP by decentralising some central budgets?

### **Impacts on f40 Group**

There are many policy consequences – area cost, baseline, sparsity

Lot of hidden deprivation – low unemployment – low income – low aspiration

Some areas already get a lot of deprivation funding

My party challenges all parties to find extra money if any reform is to be viable in the next decade.