



A National Funding Formula for
Schools
Briefing for MPs

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The starting point

- The distribution of the national education budget to LA areas is not based on any current rationale and is clearly unfair
- Every LA has a different funding formula for distributing its share between schools. DfE regulates but there are inconsistencies
- ***Result - school funding is a mess***
- The answer? - A national funding formula for schools
- With some local discretion
- Government policy to introduce from 2015/16
- Flat cash for schools but feeling the squeeze

The funding gap – some illustrations

- The 'gap' between the highest and lowest funded LAs has grown:

	1997/98 £	2012/13 £
Highest	3,555	8,052
Lowest	2,073	4,429
Difference	1,482	3,623

- The impact at school level is huge:

	Pupils	Free school meals %	Funding per pupil £	Pupil Teacher ratio
Gloucester Academy	789	34.6%	£5,651	15.2
School in Southwark	761	31.9%	£7,922	13.4

The consultation – key issues

- The formula - a limited number of factors?
- Formula applied to either:
 - Produce a total for each LA area
 - Calculate a budget for each school
- Degree of local discretion
- Transition – how quickly do we get to fair funding?

The f40 position

- There should be a national funding formula, from 2015/16 based on formula factors:
 - Per pupil
 - Lump sum
 - Sparsity
 - Deprivation
 - Special educational needs
 - English as an additional language
 - Area costs
- With overt assumptions about teaching group sizes for each key stage
- Some local discretion to deal with inevitable local circumstances
- Reasonable protection for LA areas and schools that lose funding but aim to implement in full as speedily as possible

Consultation on a national funding formula

- issues for schools and local authorities

- Impact on lowest funded and 'gap'
- Pace of transition
- Additional formula factors
- Lump sum and sparsity

Issues for schools in f40 areas

- Government has announced that there will be a national funding formula from 2015/16 so schools are expecting it to happen
- Clear (and short!) transition period
- Small schools – sparsity debate has raised expectations

Some other things that still need resolving

- Different funding years for maintained schools and academies
- Rates
- Shift DfE focus from regulation to good practice
- Reduce bureaucracy – Education Funding Agency carrying out formula replication