

National Funding Formula – LGA perspective

Mike Heiser, Senior Adviser (Finance)
Local Government Association

National Funding Formula

- An issue for 2015-16
- Government did work in Autumn 2013
- Consultation almost published in mid-December
- Now civil servants say they need more time

Funding formula background

- Dedicated Schools Grant - from 2006/07
 - Based on 'spend plus' – now 'flat cash'
 - Baseline 2005/06 school spending
 - Pupil numbers – but no other data – kept up to date
 - Protection at school level – minimum funding guarantee – currently -1.5% per pupil
 - Significant local formula reform in 2013/14
 - New block structure – Schools; High Needs; Early Years
 - Government promised reform in Spending Round 2013
-

What do we expect to see ?

- What will the formula cover – just the Schools Block ?
 - Will it be at LA or school level ?
 - How much compulsion will there be – and how much local leeway for local decision through Schools Forums
 - What factors will they use – likely to be chosen from the local funding formulae
 - An age weighted per-pupil unit
 - Factors such as deprivation, EAL, low prior attainment
 - Lump sum – any difference between phase ?
 - Sparsity
 - Area cost adjustment
 - How will they weight the factors against each other ?
 - Damping – through the minimum funding guarantee (at what level ?) or through authority-level damping
 - Timetable for implementation
-

National Funding Formula – the arguments

- General agreement that the current system produces perverse results
 - Campaign from least well funded authorities led by F40 has focussed ministers' minds
 - Government may hope that publishing early and a long timetable for implementation will take the sting out of it as an election issue
 - But any new system will bring winners and losers – and the losers will be the most vocal
 - Maintained schools and academies are treated the same
 - What about the pupil premium ?
-

LGA view

- The current methodology – based on spend in previous years – is unfair and needs to be reformed
 - We need a fair formula – at a local authority rather than a school by school level
 - LA maintained schools and academies should be funded on the same basis
 - Councils and schools forum should retain the right to allocate taking into account local circumstances – and not just for a transition period
 - Councils and schools forums have a role targeting resources for school improvement
-

Questions and discussion

mike.heiser@local.gov.uk

lgfinance@local.gov.uk

www.local.gov.uk
