



## **An explanation to the unfairness of funding**

The school funding system is complex and is made up of different funding elements, which are added together to give a total amount of funding for each local authority known as the Dedicated Schools Grant (DSG). However, the current funding process in England is a postcode lottery, with some local authority areas receiving additional funding based on history, whilst others go without.

The launch of the National Funding Formula (NFF) for mainstream schools in 2018 introduced a minimum per pupil funding level, which was designed to level up funding and ensure that all schools received equitable funding for their pupils. However, the NFF has continued to lock in many of the historic funding elements, which protect some local authority areas from losing extra funding they received, while preventing others from receiving more. These historical factors should be removed.

Also, at school level, the minimum per pupil funding does not take account of the differing needs of some schools e.g. those with a higher proportion of deprived pupils or the diseconomies of scale that need to be managed in small schools.

The NFF needs to be improved. Government is aware of the unfairness and has indicated that it wishes to level up, but it is a very slow process and, at the current rate, will take around 20 years for equitable funding to be established. That is a whole generation of children. Children should have the same opportunities and resources, regardless of where they live or go to school.

It is accepted there will always be some differences in funding levels between schools in different local authority areas, based on area living costs (such as London Weighting), and specific school and pupil needs, but the differential we now see is far too wide.

We do not wish to see money taken away from the higher funded areas, but we do wish to see the lower funded areas lifted up more quickly.

The NFF and minimum per pupil funding level also disadvantages small (rural) schools as they have fewer pupils, so receive less funding, yet still have the same high operational and staff costs that come with running a school. The minimum per pupil funding level does not work for small schools.

With regards High Needs (SEND) funding, more than 20% of funding is based on a local authority's historic SEND spending and need, which bears no resemblance to today's SEND landscape. f40 argues that no element of High Needs funding should be based on historic factors. It should be purely based on local need now and targeted where the need is greatest.

f40 also believes that the amount of funding for SEND has not kept pace with the changes in the SEND Code of Practice published in 2014 meaning that difficult decisions are being made daily at local level about how the limited funds are spent. There is simply not enough funding to meet all of the expectations set out in the Code, leading to two thirds of local authorities having a significant deficit budget for the SEND part of the Dedicated Schools Grant.