

Schools Forum

31st October 2017

Analysis of and Response to the Schools National Funding Formula Consultation Phase 2

Phase 2 Consultation Responses

1. On December 14th 2016 the Department for Education (DfE) launched the second staged consultation on a national funding formula for schools. 17 questions were asked covering the following areas:
 - Overall approach to constructing the national funding formula for schools.
 - The detailed formula design proposals
 - DfE proposals for the central school services block.
2. In total there were 25,222 responses to Phase 2 of the consultation and the following is an overview of the responses and the decisions made from them.
3. DfE have stated that overall, respondents supported a number of the key proposals and much of the basic design of the formula. Full analysis of and response to the SNFF consultation can be found here.

<https://www.gov.uk/government/consultations/schools-national-funding-formula-stage-2>

Overall funding in the system

4. Several key themes were raised across multiple questions. These themes are summarised below.
5. The overall level of funding for schools was raised in response to nearly every question in the consultation. It was a common theme in questions relating to the different pupil-led factors, where many respondents called for an increase to the basic per-pupil funding rate for all pupils or a reweighting away from the additional needs factors towards basic per-pupil funding in order to deliver an increase to basic per-pupil funding.
6. DfE want schools to have the resources they need to deliver a world class education for their pupils. In July, they announced an additional £1.3 billion for schools and high needs across 2018-19 and 2019-20, in addition to the schools budget set at the 2015 Spending Review. This funding will be delivered across the next two years as we transition to the national funding formula.
7. As a result of the additional investment, core funding for schools and high needs will rise from nearly £41.0 billion in 2017-18 to £42.4 billion in 2018-19, and to £43.5 billion in 2019-20. The additional investment for the national funding formula will allow them to:

- increase the basic amount that every pupil will attract in 2018-19 and 2019-20
- continue to protect funding for pupils with additional needs, as proposed in the second stage of our consultation
- increase the percentage of funding allocated to pupil-led factors, as proposed in the second stage of the consultation
- provide a minimum per-pupil funding level over the next two years. For secondary schools this will be £4,800 in 2019-20 with a transitional amount of £4,600 in 2018-19; and for primary schools this will be £3,500 in 2019-20, with a transitional amount of £3,300 in 2018-19
- for the next two years, provide for up to 3% gains per pupil for underfunded schools, and a minimum cash increase of 1% per pupil by 2019-20, compared to their baseline, in respect of every school.

The Balance Between Fairness and Stability

8. There was particular support for the proposal to include a funding floor to limit overall reductions as a result of the formula. Some respondents cited the cost pressures facing schools and called for the floor to be further increased so that no school would lose funding as a result of the formula.
9. DfE recognise that stability is vital for schools and that is why they have raised the funding floor in the national funding formula so that all schools attract at least a 1% cash increase per pupil by 2019-20, compared to their baseline, as mentioned above. DfE are also using the additional funding to ensure that those schools that have been underfunded will be allocated per-pupil gains of up to 3% a year in both 2018-19 and 2019-20.

The Need for Minimum per-pupil Funding

10. DfE heard a consistent message throughout the consultation that they could do more through the formula to support those schools that attract the lowest levels of per-pupil funding.
11. They say they have listened carefully, and have decided to both raise the basic amount that each pupil attracts and target additional funding to the lowest funded schools. The national funding formula will provide at least £4,800 per pupil for every secondary school and £3,500 per pupil for every primary school in 2019-20. In 2018-19 the formula will provide a transitional minimum amount of £4,600 in respect of secondary schools and a transitional minimum amount of £3,300 for primary schools.

Recommendations

12. That the Forum notes the contents of this report.

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