

Shaping the Future of Education in Gloucestershire

7th and 8th February 2018

School Finance in Gloucestershire 2018-19

Stewart King, Lead Commissioner for Education Strategy and
Development

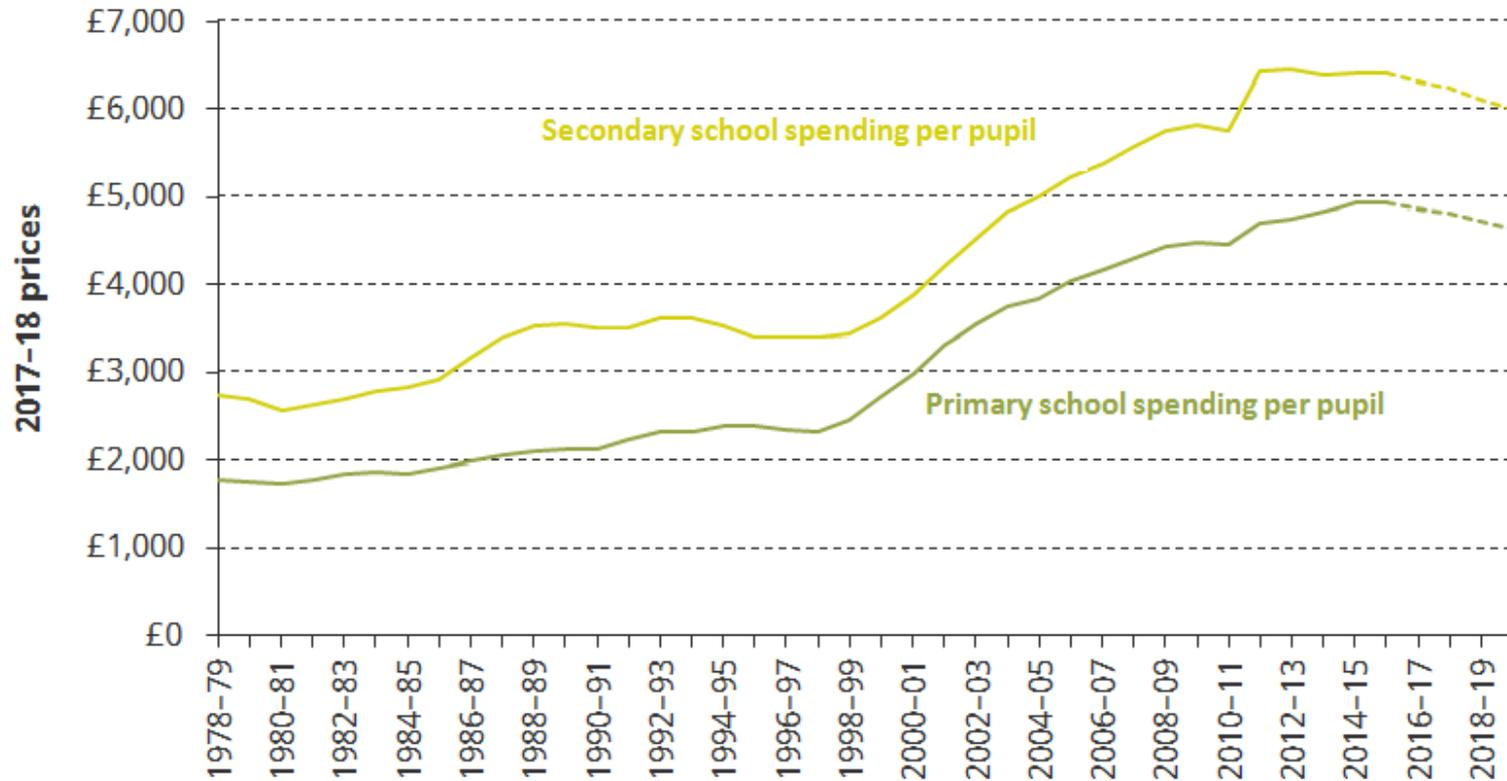
Programme

- School funding – history and prospects (general)
- Does more money produce better outcomes?
- The National Funding Formula – phantom or saviour?
- School budgets 2018/19
- High Needs and the impact on school budgets
- Some other funding issues

A backward glance

- 1990: Education Reform Act 1988 introduces:
 - National Curriculum
 - Local Management of Schools
 - Grant Maintained
- The Labour years:
 - Big rises in funding
 - Lots of specific grants
 - Foundation schools
 - The ‘Blair academies’
 - ‘Standards not structures’
- The Coalition 2010 – 2015:
 - Academies
 - Bonfire of specific grants
 - Towards national funding

School funding 1978/9 to present



School funding and outcomes

NFER findings:

- No relationship *between* countries
- Strong relationship *within* countries
- London Challenge - £40m p.a.

The best performing local authorities for social mobility:

Social Mobility Rank Position	Local Authority	Region	School Funding Position	Average per pupil funding Secondary
1 (best)	Westminster	London	9	£6756
2	Wandsworth	London	13	£6325
3	Redbridge	London	25	£5281
4	Tower Hamlets	London	2	£7806
5	Islington	London	5	£7130
6	Hackney	London	1	£7840
7	Kensington and Chelsea	London	10	£6721
8	Ealing	London	19	£6017
9	Barnet	London	25	£5700
10	Hammersmith and Fulham	London	6	£6998
11	Southwark	London	3	£7746

- 18 of the 20 best performing social mobility “hotspots” are in London

And the worst performing local authorities for social mobility:

Social Mobility Rank Position	Local Authority	Region	School Funding Position	Average per pupil funding Secondary
324 (worst)	West Somerset	South West	146	£4755
323	Norwich	East of England	106	£4968
322	Wychavon	West Midlands	84	£5054
321	Corby (Northamptonshire)	East Midlands	86	£5027
320	Wellingborough (Northamptonshire)	East Midlands	86	£5027
319	Fenland (Cambridgeshire)	East of England	137	£4853
318	Waveney (Suffolk)	East of England	108	£4928
317	Mansfield	East Midlands	96	£4985
316	Blackpool	North West	60	£5270
308	Crawley	West Sussex	144	£4756
300	Barnsley	Yorkshire	149	£4729

Impact of the Squeeze

- Initially
 - Building maintenance
 - CPD
- Then
 - Teaching assistants
 - Support staff
 - Teaching group sizes
- Now:
 - Contact ratios/PPA
 - Narrowing curriculum
- Next?

A Bit More History

- Historically, school funding has been locally-determined through the 'rate fund'
- Funding levels varied greatly
- Dedicated Schools Grant introduced in 2006/7, based on history but with DfE 'rules'
- Gloucestershire's formula – needs-led
- Features of school funding in Gloucestershire:
 - Low *level* of funding in aggregate
 - Low for small primary schools
 - High for low prior attainment following big inclusion push in the early 2000s

National Funding Formula (1)

- It all started with the White Paper December 2010 (or did it?). Big theme – identical schools funded very differently arising from:
 - Different historic levels of funding
 - Different formula
- And the answer?

We will consult on developing and introducing a clear, transparent and fairer national funding formula based on the needs of pupils and end the disparity in funding for 16–18 year-olds

- So the NFF was to be about **fairness** not **outcomes**

National Funding Formula (2)

- Major consultation December 2016
- Disappointing outcome for Gloucestershire then ...
- £1.3bn extra for 2018/19 and 2019/20 (then what?)
- Allocated to:
 - Basic per pupil
 - Minimum per pupil (a new idea)
 - Increase in the baseline amount per pupil for all schools by 0.5% in 18/19 & 19/20
- Impact in Gloucestershire: big improvement for secondary schools with low levels of additional needs

NFF v Gloucestershire Values

	NFF Value	Glos 2017/18 value
Basic per pupil KS1/1	£2,747	£2,973
Basic per pupil KS3	£3,863	£3,773
Basic per pupil KS4	£4,386	£4,526
Deprivation	*	*
Low prior attainment - primary	£1,050	£1,679
Low prior attainment - secondary	£1,550	£1,771
EAL - primary	£515	£1,679
EAL - secondary	£1,550	£1,771
Lump sum - primary	£110,000	£72,769
Lump sum - secondary	£110,000	£175,000
Minimum per pupil - primary	£3,300/£3,500	0
Minimum per pupil - secondary	£4,600/£4,800	0

National Funding Formula (3)

- What they've done:
 - Averaged out LA formulae
 - Transferred funding into additional needs
 - Put in major protections for the 'losers'
 - Added a 'floor' level of funding per pupil following consultation
 - Change to transfers re exclusions
- What they've not done:
 - Produced a formula based on anything
 - Redistributed much funding
- Impact in Gloucestershire:
 - modest gain for Gloucestershire schools overall but
 - small primary schools to gain
 - many secondary schools now gain nicely
 - marginal increases only for larger primaries

So has the NFF delivered clarity, transparency and fairness?

Overall funding per pupil by LA 2018/19

	Highest	Lowest	Average	Gloucestershire
Primary	£5,893	£3,548	£4,058	£3,949
Secondary	£7,840	£4,704	£5,229	£4,886

IFS – 45% of schools will be 'overfunded' on the NFF in 2019/20

Local Decisions

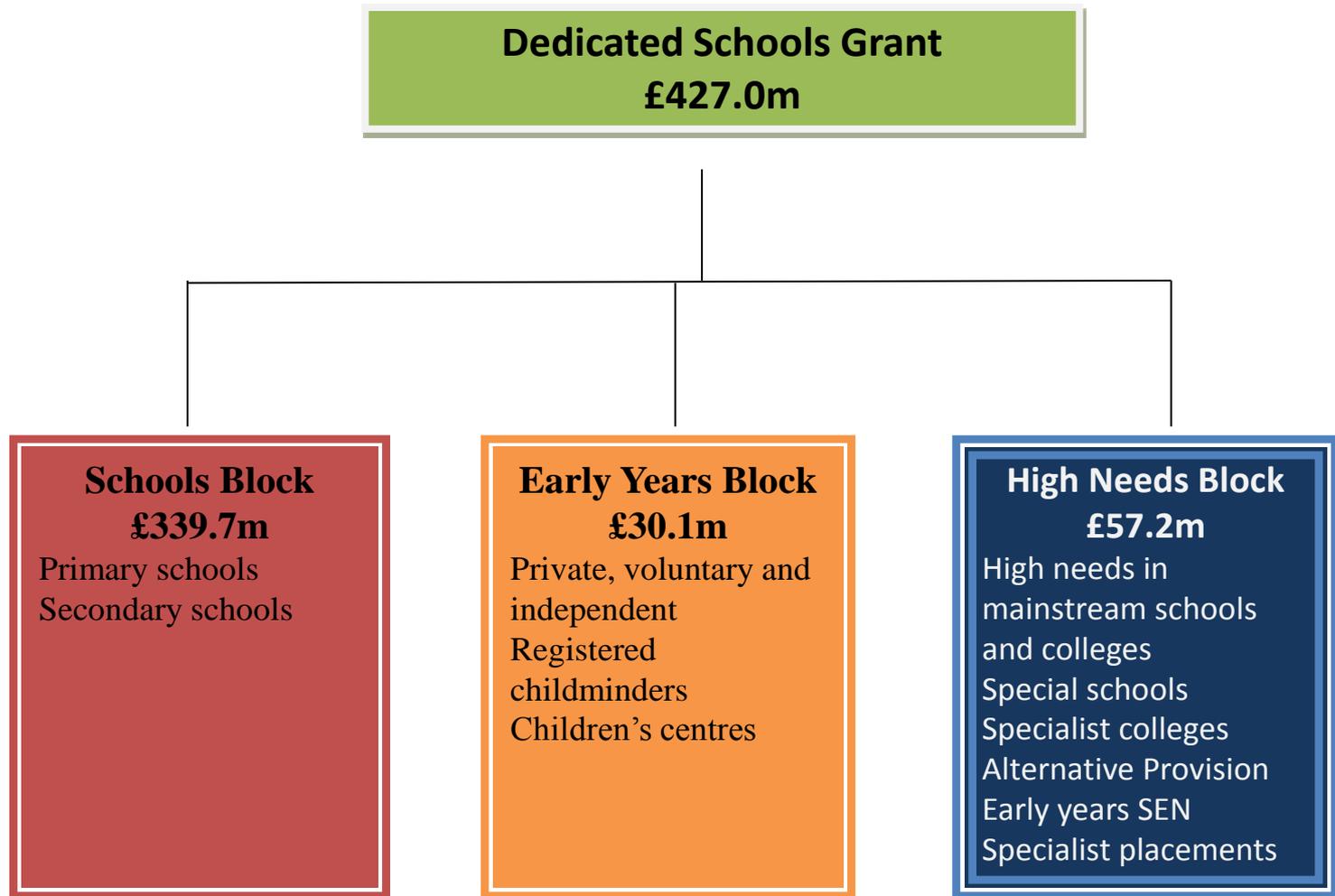
- No 0.5% transfer from Schools Block to High Needs
- Schools Forum recommendation, agreed by the council: move as close to the NFF as we can in 2018/19 i.e.
 - Implement the 0.5% per pupil minimum increase
 - Implement the minimum per pupil
 - Introduce sparsity, IDACI for deprivation etc

BUT

- ***Formula must be submitted to DfE via APT and APT doesn't allow us to replicate the NFF***
- So there are some variations from the NFF

A quick word about High Needs

Dedicated Schools Grant 2017/18



Context

- EHCP numbers rising across the country
- Local authorities struggling to manage what is now a fixed budget
- Gloucestershire position is precarious but better than many:
 - Overspends less dramatic
 - DSG balances available in (very) short term
 - Implementation of SEND reforms highly regarded
 - Spending has been contained without raiding the Schools Block
- ***But budget not sustainable***

High Needs budget

	Budget 2017/18 £000
Mainstream top-ups for children with EHCPs	9,357
Special centres in mainstream schools	953
Special schools	19,433
Specialist placements	8,600
Alternative Provision	4,378
Recoupment	592
Hospital Education Service	1,619
Post 16	6,088
Early years SEND	640
Specialist services – Virtual School, ATS etc	3,538
Overheads and misc	2,015
Total	57,213

Starting point for the High Needs programme

- Spending pressures on *every* line of the budget
- Mixed outcome profile but major concerns on:
 - Early years
 - SEND in the secondary phase
 - Exclusions and Elective Home Education
- This is not a problem unique to Gloucestershire
- ***We need to negotiate radical changes with schools (and parents and other stakeholders)***

The Impact on the budget

- £2m overspend in 2016/17 (after managing spend without transfers from the Schools Block)
- 2017/18 – projected £1.2m overspend
- DSG balances down to £2.1m at 31st March 2018
- Further overspend inevitable in 2018/19
- If current trends continue, by 2020/21 the overspend will be **£9m +**
- The overspend could be contained by cutting top-ups across the board but

Engagement

- Engagement paper published on 15th January
– Heads Up/What's up Gov/SENCo Spot
- Please respond by 28th February-
highneedsprogramme@gloucestershire.gov.uk
- Then formal consultation May →
- The big issues:
 - The future of EHCPs
 - Making inclusion work
 - Connecting specialist services
 - Reducing exclusions

Managing low funding

- Balances and deficits
- Parental contributions
- Multi Academy Trusts
- Lobbying:
 - F40/*WorthLess*?
 - Spending Review 2020/21 →
 - Targeting