



# NEWS RELEASE

27 January 2017

## **F40 says government has fallen short on fair funding promise**

The Government's proposals for delivering fair funding for schools need substantial revision. That's the view of f40, the group that has campaigned for over twenty years to see changes in the way funds are allocated to schools across the country.

f40's Executive Committee has set the tone of its response to the government's fair funding consultation and decided that what is proposed falls short of what was expected.

There are four key elements of the proposals that f40 is unhappy about and will be asking the government to consider, namely:

2. The proportion of weighting given to additional needs rather than basic entitlement
3. The 3% funding floor, which 'locks in' historical differences
1. The weakness of evidence used to support the proposals
4. The amount invested in education funding and the cost pressures facing all schools.

F40 Chairman, Cllr Ivan Ould, a Leicestershire County Council member, said: "f40 welcomes the consultation and commends the government for honouring its manifesto commitment to introduce fairer funding for all children in state funded schools in England. We also acknowledge that the proposed funding formula indicates a total gain of £183 million for f40 member authorities once the national formula is fully implemented from 2019-20. But that has to be tempered by an outcome that none of us really anticipated: that some poorly funded authorities will not gain and that many schools, both primary and secondary, within poorly funded authorities will lose out.

"We will highlight the main elements on which f40 would like to see further evidence or discussion prior to the implementation of a new formula and before it can be considered fair. However, we do not wish to see further delays in the implementation of a new formula."

Alex Chalk MP, who represents Cheltenham, is a recently appointed Vice Chair of f40 and is leading the parliamentary campaign for fair funding for schools. He said: "The Government is absolutely right to grasp the nettle of unfair schools funding. But the formula that officials have come up with needs some work, as it falls short of delivering true fairness. It's vitally important that one injustice isn't replaced with another, and I will be working constructively with the government to improve the formula."

In consultation with its member authorities, f40 is continuing to develop its detailed response to the government's consultation. The deadline for submissions is 22 March.

Here's more detail about the four main elements of concern.

### **The proportion of weighting given to AEN rather than basic entitlement**

The group will question the extent of the transfer of funding into additional needs at a time when schools are struggling to meet their core responsibilities, as evidenced by the National Audit Office report (December 2016) which indicated cost increases of around 8%. Our initial reaction is that too

much funding is directed towards deprivation and that when Pupil Premium is also taken in to account this could be considered as double funding. Clarity is required between the differences as to what the deprivation funding in the main funding formula and pupil premium are supposed to support.

### **The 3% funding floor, which locks in historical differences**

One of the key principles set out in Stage 1 of the consultation, supported by f40 was that pupils of similar characteristics should attract similar levels of funding wherever they are in the country (allowing for the area cost adjustment). When the funding formula to be implemented is deemed fair, it should be applied to all schools on a consistent basis. However, the proposed 3% funding floor “locks” in some of the historical differences for those schools which have been overfunded for several decades. Equally the cost of this protection limits the redistributive impact and will result in the continuation of different funding levels for pupils across the country. Stability for schools in funding is important, but not at the expense of never reaching a fair formula and outcome.

### **Weakness of evidence used to support the proposals**

As with the first stage of the consultation completed in March 2016, there is still a basic weakness in that there is no commitment to a definition of what the government is actually funding. The emphasis is on redistributing money more fairly, which is fine and long overdue, but without some clarity on what level of service the money can purchase, the proposed new system does not take us much further forward.

It is disappointing to see the continued use of averages, which reflect what local authorities can currently afford to do, rather than a needs-based model which can evidence that the proposed funding levels are sufficient to cover the required costs of operating schools of different sizes and levels of needs wherever they are in the country. As part of the ongoing strategic approach to schools funding f40 would urge the DfE to undertake to analyse and assess activity led funding to be factored into the funding formula rates prior to the implementation of the hard formula in 2019-20.

The funding formula model developed by f40 and presented to the Department for Education twelve months ago attempted to do this based on analysis of staffing ratios and associated school level costs. We would urge the department to again consider each element of that model to ascertain the true cost of operating a school and to ensure the proposed funding rates are sufficient.

Without a clear understanding of what the government is funding it is difficult to grasp the rationale for the basic entitlement compared to the additional needs. The proposals state that there has been a deliberate movement of funding into additional needs, partly to support those “just about managing” families, but we don’t consider that the additional needs indicators do support those families and therefore by reducing the basic element of funding this could be having the opposite effect to that intended.

### **The amount invested in education funding and the cost pressures facing all schools**

f40 understands that the current consultation is about finding a fair funding methodology and not about the quantum of funding available. But, schools in lower funded areas have been making cuts for well over many years now and have reached the limit of where cuts can be made. We recognise the work that the Department for Education has undertaken in supporting schools in making efficiencies, but we are struggling to understand where more cuts can be made in the lowest funded authorities. On top of this, all schools are facing significant additional costs which the government does not intend to pay for.

ENDS

Issued by Doug Allan, Secretary of the f40 Group. For further comment or information please call 07785 223707 or email [doug@dtw.co.uk](mailto:doug@dtw.co.uk)

#### Notes

1. f40 is a cross-party group which has the support of MPs, councillors, education directors, governors, head teachers, parents and teaching union representatives. The group has 41 member authorities representing over 3 million pupils in over 9,000 schools
2. The members are: Bedford Borough, Buckinghamshire, Cambridgeshire, Central Bedfordshire, Cheshire East, Cheshire West and Chester, Derbyshire, Devon, Dorset, East Riding of Yorkshire, Gloucestershire, Hampshire, Herefordshire, Kent, Leicestershire, Lincolnshire, North Lincolnshire, Northamptonshire, North Yorkshire, Northumberland, Nottinghamshire, Oxfordshire, Plymouth, Shropshire, Solihull, Somerset, South Gloucestershire, Staffordshire, Stockport, Suffolk, Swindon, Torbay, Trafford, Wakefield, Warrington, Warwickshire, West Sussex, Wigan, Wiltshire, Worcestershire and York.
3. There's more detail about f40 on the Group's website – [www.f40.org.uk](http://www.f40.org.uk)