Schools Forum

13 June 2019

Current Work of the f40 Group

Purpose of report

1. To outline the current work of the f40 group, towards a fairer funding model for schools.

Background

- 2. The f40 group was established over 20 years ago with the aim of influencing significant changes to the way the Government allocates funding to LA's and schools.
- 3. The group currently comprises 42 of the lowest funded local authorities in England, with Wiltshire being in the lowest 10 consistently for many years.
- 4. F40 has sought a fairness and equal opportunities for all children, regardless of where they live. The current funding method under the new National Funding Formula has not fully delivered a fairer funding model and continues to see some schools benefiting from historical decisions, protections and add-ons. The additional £1.3bn which accompanied the introduction of the NFF was welcomed, but did not fully address the 'fairness' which f40 had fought for.
- 5. One of the key concerns of the f40 group is that the NFF does not deliver enough basic entitlement funding to schools and instead allows too much through add-ons.
- 6. The main points being campaigned for are;
 - Removal of historical inequalities and funding protections
 - Increases in the basic entitlements for schools to cover core school costs
 - Increase in funding of £2.3bn to cover current cost pressures
 - Index-linked increases in funding each year
 - Additional £1.4bn of funding towards High Needs provision

F40's Update Proposal - Current Problems

- 7. The f40 formula is a bottom up calculation of the costs of running a school in any part of the country.
- 8. Following the introduction of the NFF, there has been a general move by LA's towards implementing the NFF and an understanding that the NFF will become 'hard' at some point in the future. One of the key changes under the NFF was the introduction of the 'minimum funding levels' per pupil of £3,500 for primary and £4,800 for secondary pupils.
- 9. The implementation of the NFF has left several issues, namely;
 - Protection of better funded schools leaves the gap between the lowest funded and highest funded too great and constrains the true effect of the NFF.

- Schools and local authorities at the lower funding levels are still capped, meaning that LAs are not able to fund schools using the NFF.
- The application of Minimum per pupil Funding Levels is unfair, meaning that schools with medium levels of deprivation are being funded at the same levels as schools with little deprivation. MFL is unnecessary if the NFF is properly funded and applied.
- Proper consideration needs to be given to aligning sparsity funding and the additional costs of essential rural schools
- The NFF is not clear what it is trying to achieve? There is not a clear understanding of what the government expects of schools compared to social care, mental healthcare and other SEND needs. The f40 formula provides funding for teaching and low level SEND but does not include funding to replace social care (e.g. working with families to support a child's learning in schools). Children who come to school with problems at home are not and will not be ready to learn. Schools are not able to support all these needs but are being asked to solve them by the pressures and cuts that have taken place elsewhere in the whole system.
- There is no consideration in the NFF on fairly funding the cost of inclusiveness in schools so that schools with excellent high needs provision are not disadvantaged by the high cost of significant numbers of £6,000 high needs thresholds. This is an important factor in the emerging high needs funding crisis.

F40's Update Proposal – Key Principles

- 10. The f40 model is based upon the following principles;
 - It offers a formula for distributing the national schools' budget to local authorities based on a clear rationale
 - The f40 national funding formula has, as its main building block, a core entitlement at pupil level. The formula enables a school to have access to similar resource levels for a child's basic classroom costs i.e. the share of a teacher and teaching assistant. The core entitlement reflects different needs and costs at the various Key Stages.
 - The formula contains factors to reflect pupil level needs beyond the core entitlement (e.g. deprivation and high incidence SEN) and factors to reflect the needs of small schools that are necessary in a local authority's structure.
 - The formula does not contain funding to address social or health needs for pupils other than at the lowest, occasional counselling for a pupil, level. It is assumed that pupils are at school and ready and able to learn.
 - All funding formula factors used in the proposed model allocate the same flat rate per pupil across all regions and appropriate area cost adjustment will be applied accordingly
 - f40 would ideally include all current grant funding streams (i.e. Pupil Premium (PP)) in the overall proposed model

F40's Update Proposal – The Formula

11. In considering the NFF, f40 concluded that it favoured a proposal which resulted in a core formula to produce a local authority level total, with each local authority then having discretion on how the total is allocated within the area. This option would ensure consistency

in the overall level of funding whilst offering the local flexibility needed, together with very sharp local accountability.

- 12. The Schools Block should be distributed between local authorities on six formula factors:
 - Basic entitlement (formerly age weighted pupil unit)
 - Deprivation (based on Ever 6 FSM data only)
 - Low prior attainment
 - English as an Additional Language (EAL)
 - o Lump sum
 - Sparsity
- 13. In addition, the formula would enable an uplift for the Area Cost Adjustment, Split Site Allowances and other Exceptional Circumstances.
- 14. Local Authorities and their Schools Forums, should continue to be able to;
 - add additional factors e.g. split sites and leases
 - shift funding between the three blocks
 - agree any de-delegations from all LA maintained schools

F40's Update Proposal – The High Needs Block

- 15. There are different views regarding whether children with SEN should be educated in mainstream schools or special schools and around the country there are differences in the way that schools are set up to support pupils with SEN and these views alter around the country too. The relationship between the High Needs Block and the Schools Block needs to have the ability to ebb and flow with these views and ways of supporting children and young people change. This is the only way that schools can support pupils with SEN and schools can challenge or support each other.
- 16. It has become clear over the last 2-3 years, that as cost pressures rise in schools, schools make decisions that lead to less inclusion. There are no incentives to keep pupils with difficult behaviour or with SEND in school and therefore greater numbers of pupils are being 'pushed out' with the costs being borne by the High Needs Block
- 17. f40 response to the High Needs consultation question 6 about local budget flexibility stated our belief that Schools Forums should have the power to transfer funding between the blocks (if only to enable innovative ways to support inclusion in all schools)
- 18. It is incongruous that at a time when additional funding is being provided to mainstream schools to cover the cost of pay and pension increases that the £10,000 per place for special schools remains unaltered since 2014. At the very least it must be increased for inflation; many special schools regard the lack of a comparable lump sum to cover similar fixed costs to mainstream schools is unfair. f40 would like to see an independent post-implementation review of these and similar questions about the NFF and regards it as best practice that the DfE should adopt in the interests of improving the implementation of the NFF

F40's Update Proposal –The Formula

- 19. Using the 2018-19 economic data, the f40 group has applied their formula to the 2018-19 NFF dataset to understand the impact that they could have on schools funding and how it should be distributed.
- 20. The result of f40's modelling demonstrates that there is a shortfall in 2018-19 of £2.3bn. The pages below set out the workings of the f40 group.

Funding Values

Funding	T G. GO	9									
		Based On APRIL Financial									
		years		Revised Apr	2019						
F40 Factors		2015-16 Original F40 model	Revised F40 2015-16	Revised F40 2016-17	Revised F40 2017-18	Revised F40 2018-19	Revised F40 2019-20	Compared to 2015-16	NFF 2018-19	NFF 2019-20	f40 - MFF difference 2018-19
Primary AWPU		2,923.00	3,060.22	3,095.36	3,134.03	3,198.09	3,361.58	109.85%	2,746.99	2,746.99	(451.10)
KS3 AWPU		4,034.00	4,056.52	4,100.62	4,146.89	4,221.11	4,436.68	109.37%	3,862.65	3,862.65	(358.46)
KS4 AWPU		4,946.00	4,895.84	4,947.72	5,007.03	5,098.31	5,353.18	109.34%	4,385.81	4,385.81	(712.50)
FSM	Prim	440.00	440.00	440.00	440.00	440.00	440.00	100.00%	440.00	440.00	` -
FSM	Sec	440.00	440.00	440.00	440.00	440.00	440.00	100.00%	440.00	440.00	-
FSM6	Prim	1,060.00	1,060.00	1,072.17	1,085.56	1,107.76	1,164.38	109.85%		540.00	(567.76)
FSM6	Sec	1,060.00	1,060.00	1,071.52	1,083.61	1,103.01	1,159.34	109.37%		785.00	(317.01)
IDACI A	Prim	-	-	-	-	-	-		575.00	575.00	
	Sec	-	-	-	-	-	-		420.00	420.00	
IDACI B	Prim	-	•	-	-	-	-		390.00	390.00	
104010	Sec	-	•	-	-	-	-		360.00	360.00	
IDACI C	Prim Sec	-	•	-	-	-	-		240.00	240.00	
IDACI D	Prim	-	-	-	-	-	-		200.00 810.00	200.00 810.00	
IDACI D	Sec	-	-	-	-	-	-		600.00	600.00	
IDACI E	Prim	-	-	-	-	-	-		560.00	560.00	
IDAOI L	Sec	·	•	-	_	_	_		515.00	515.00	
IDACI F	Prim	- -		-	_	_	-		390.00	390.00	
15/1011	Sec	_		_	_	_	_		290.00	290.00	
EAL(Primary)		466.00	466.00	471.35	477.24	486.99	511.89	109.85%		515.00	28.01
EAL(Secondary)		1,130.00	1,130.00	1,142.29	1,155.17	1,175.85	1,235.90	109.37%		1,385.00	209.15
Prior Attainment (Primary)		1,000.00	1,000.00	1,011.48	1,024.12	1,045.05	1,098.47	109.85%		1,022.00	4.95
Prior Attainment (Secondary)	1,000.00	1,000.00	1,010.87	1,022.28	1,040.57	1,093.71	109.37%	,	1,550.00	509.43
Lump Sum Primary		101,823.00	103,531.06	104,457.11	106,331.07	108,452.28	112,807.12	108.96%	,	110,000.00	1,547.72
Lump Sum Secondary		167,936.00	169,035.06	170,427.51	173,649.50	176,941.28	183,564.13	108.60%	,	110,000.00	(66,941.28)
other schools by reference to	proportion		,	, ,	.,	.,	,		.,	.,	(= , = = -)
Sparsity		no change									

Calculation of the Basic Entitlement and Lump Sum

			20/				
		2018-19	2% 2019-20	2018-19	2019-20	2018-19	2019-20
	Basic Entitlement (AWPU)		Key Stage 1/2	Key Stage 3	Key Stage 3	Key Stage 4	Key Stage 4
		Cost £	Cost £	Cost £	Cost £	Cost £	Cost £
	Standard teacher cost (U1) (April 15)	36,346	37,074	36,346	37,074	36,346	37,074
	On cost percentage	27.08%	30.95%	27.08%	30.95%	27.08%	30.95%
Teaching	Standard teacher cost (U1) with on costs	46,190	48,547	46,190	48,547	46,190	48,547
chi	Allowance for non-contact time	40,130	40,547	40,130	40,547	40,130	40,547
ea	PPA min 10%, secondary also includes allowance for						
-	setting, practical classes and subject inefficiencies	10%	10%	22%	22%	22%	22%
	country, practical classes and caspet memoreness	4,619	4,855	10,162	10,680	10.162	10,680
		,	.,	,	,	,	,
	Teaching assistant (mid-point grade F)						
S	includes movement for national minimum wage	18,277	19,037	18,277	19,037	18,277	19,037
ant	Term Time Only 30 hrs pw, 43.6 wks per yr	13,217	13,767	13,217	13,767	13,217	13,767
ist		31.18%	31.71%	31.18%	31.71%	31.18%	31.71%
SS)		17,338	18,133	17,338	18,133	17,338	18,133
g	Proportion per class	0.50	0.50	0.25	0.25	0.25	0.25
Teaching Assistants		8,669	9,066	4,334	4,533	" 4,334 '	4,533
acl	Sickness Maternity etc cover	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
e	,	1,487	1.562	1,517	1,594	1,517	1,594
	Direct employee cost	60,964	64,030	62,203	65,354	62,203	65,354
		,	2 .,000	-,0	2,001	12,200	,
	Standard no. of learners per teaching group	29	29	22	22	19	19
	Direct employee costs per pupil	2,102	2,208	2,827	2,971	3,274	3,440
	Responsibility points	1.5%	1.5%	3.0%	3.0%	3.0%	3.0%
_	Responsibility points per pupil	32	33	85	89	98	103
Pupil	Exam fees	32	33	03	03	211	216
σ.	Proportion for other staff	20%	20%	15%	15%	15%	15%
Per	Other staff - finance, mid day, technician, premises		448	437	459	506	531
	Proportion for other costs	30%	30%	30%	30%	30%	30%
	- ·	640	672	874	918	1,012	
	Other costs - resources, premises, library, ICT etc			4,222.72	4,436.68		1,063
	Age weighted pupil unit (AWPU)	3,200.64	3,361.58	•	•	5,100.18	5,353.18
	National Funding Formula Basic Entitlement	2,747.00		3,862.25	3,862.25	4,385.81	4,385.81
	Difference to NFF	453.64	614.58	360.47	574.43	714.37	967.37
	Drawautiana	2.13%	5.03%	1.83%	5.07%	1.86%	4.96%
	Proportions Teaching	E70/	1	64%	7	620/	1
	Class staff			5%	= 79%	62% 5%	769
	Non Class staff				1970	10%	707
	Other costs		_	10% 21%		24%	
	Other costs	100%		100%		100%	
		100%)	100%		100%	
	LUMP SUM	2018-19	2019-20	2018-19	2019-20		
	based on 60 pupil primary & 600 pupil secondary	2010-13	2%	2010-13	2%		
	Headteacher (L10 Primary) (L25 Secondary)	49,629	50,520	71,675	72,960		
	Teaching On costs	27.08%	30.95%	27.08%	30.95%		
	Headteacher with on-costs	63,069	66,154	91,085	95,540		
	Non teaching time	0.50	0.50	0.50	0.50		
	Head teacher for leadership	31,534	33,077	45,543	47,77 0		
	rioda todonor for reducionip	01,004	00,011	70,070	77,770		
	other leadership costs						
	1@0.1 Assistant Head / 1@0.6 Deputy Head	0.10	0.10	0.60	0.60		
	pay%	75%	75%	85%	85%		
	multiplier	0.075	0.075	0.51	0.51		
	Other leadership	4,730	4,962	46,453	48,725		
	Total Leadership Contribution	36,265	38,039	91,996	96,495		
	Total Loudership Contribution	33,203	00,000	31,330	30,433		
	Plus Allowance for fixed elements of with RPI	2.60%	2.50%	2.60%	2.50%		
	Administration and Finance	15,927	16,325	31,854	32,651		
	Premises Supplies and Services	5,309	5,442	10,618	10,884		
	Insurance	10,618	10,884	21,236	21,767		
	Office/Medical supplies	5,309	5,442	10,618	10,884		
	·		5,442 5,442	10,618	10,884		
	Minimum ICT Provision			IU DIA	10.004		
	Minimum ICT Provision	5,309	5,442	10,010	-,		
		5,309	0,442	10,010			
	Primary: 0.5 additional class to allow for numbers			10,010	-,		
		5,309 29,739	31,234	10,010			
	Primary: 0.5 additional class to allow for numbers			176,941	183,564		

f40 and NFF calculations using 2018-19 data

	f40			f40				NFF		NFF	
			2018-19			2019-20					
Using 2018-19 school/pupil data	2018-19	yr on yr increase	to 2015- 16	2019-20	yr on yr increase	to 2015- 16	L	2018-19	F40 2018-19 to NFF 2018-19	2019-20	F40 2019-20 to NFF 2019-20
Primary Pupil funding	14,452,354,294	2.04%	4.51%	15,191,149,907	5.11%	9.85%		12,413,797,633	2,038,556,660	12,413,797,633	2,777,352,274
Secondary Pupil Funding	12,776,570,287	1.80%	4.09%	13,423,161,079	5.06%	9.36%		11,391,734,050	1,384,836,236	11,391,734,050	2,031,427,029
Primary Deprivation	1,493,333,172	1.66%	3.63%	1,555,378,250	4.15%	7.94%		1,877,359,517	(384,026,346)	1,877,359,517	(321,981,268)
Secondary Deprivation		1.50%	3.39%	1,097,729,573	4.30%	7.84%		1,281,775,429	(229,273,806)	1,280,972,506	(183,242,934)
	1,052,501,622	2.04%	4.51%		5.11%	9.85%					113,128,656
Primary LPA	1,545,937,801			1,624,965,207				1,553,256,730	(7,318,929)	1,511,836,550	
Secondary LPA	609,625,940	1.79%	4.06%	640,758,725	5.11%	9.37%		908,076,178	(298,450,238)	908,076,178	(267,317,453)
Primary EAL	271,054,102	2.04%	4.51%	284,910,224	5.11%	9.85%		286,641,604	(15,587,502)	286,641,604	(1,731,380)
Secondary EAL	86,663,652	1.79%	4.06%	91,089,450	5.11%	9.37%		102,078,778	(15,415,126)	102,078,778	(10,989,329)
Total Primary	17,762,679,369	2.01%	4.43%	18,656,403,588	5.03%	9.69%		16,131,055,485	1,631,623,884	16,089,635,305	2,566,768,283
Total Secondary	14,525,361,502	1.78%	4.04%	15,252,738,827	5.01%	9.25%		13,683,664,436	841,697,066	13,682,861,513	1,569,877,313
TOTAL PUPIL LED	32,288,040,871	1.91%	4.25%	33,909,142,415	5.02%	9.49%		29,814,719,920	2,473,320,950	29,772,496,818	4,136,645,596
Primary Premises Led	1,858,176,662	1.97%	4.70%	1,931,962,493	3.97%	8.86%		1,714,966,427	143,210,235	1,714,966,427	216,996,066
Secondary Premises Led TOTAL PREMISES LED	580,517,735 2,438,694,397	1.88% 1.95%	4.64% 4.68%	602,072,479 2,534,034,972	3.71% 3.91%	8.52% 8.78%		330,104,204 2,045,070,631	250,413,531 393,623,766	330,104,204 2,045,070,631	271,968,275 488,964,341
OTAL FINEIMIGES ELD	2,430,034,337	1.9376	4.00 /8	2,334,034,372	3.3176	0.7076		2,043,070,031	393,023,700	2,043,070,031	400,904,041
Total Primary formula	19,620,856,031	2.01%	4.46%	20,588,366,081	4.93%	9.61%		17,846,021,912	1,774,834,119	17,804,601,733	2,783,764,349
Total Secondary formula	15,105,879,237	1.79%	4.06%	15,854,811,306	4.96%	9.22%		14,013,768,640	1,092,110,597	14,012,965,717	1,841,845,589
TOTAL FORMULA	34,726,735,268	1.91%	4.28%	36,443,177,387	4.94%	9.44%		31,859,790,552	2,866,944,716	31,817,567,450	4,625,609,937
Plus ACA	904,368,954	1.91%	4.28%	949,169,729	4.95%	9.45%		838,240,889	66,128,065	837,176,527	111,993,202
Part year adjustments	(14,719,732)	1.86%	4.25%	(15,424,388)	4.79%	9.24%		(13,213,400)	(1,506,332)	(13,207,802)	(2,216,586)
Other Premises incl PFI &Mobility	557,227,487	0.00%	0.00%	557,227,487	0.00%	0.00%		549,147,393	8,080,094	549,147,393	8,080,094
TOTAL OTHER	1,446,876,709	1.17%	2.59%	1,490,972,828	3.05%	5.72%		1,374,174,881	72,701,827	1,373,116,117	117,856,711
ECOMULA DIV. CTUED	00 470 044 077	4.000/	4.000/	07.004.450.045	4.070/	0.000/		00 000 005 400	0.000.040.544	00 400 000 507	4 740 400 040
FORMULA Plus OTHER	36,173,611,977	1.88%	4.22%	37,934,150,215	4.87%	9.29%		33,233,965,433	2,939,646,544	33,190,683,567	4,743,466,648
(excludes MFG, MPPFL, floor)	F40 end point						DSG	33,862,043,268 628,077,835	2,311,568,709		
				5,180.15	effect of TI	9% increase	to sta				
Pupil Numbers in exemplar											
Primary	4,519,055			4,519,055				4,519,055		4,519,055	
Secondary	2,803,930			2,803,930				2,803,930		2,803,930	
	7,322,984	inc growth		7,322,984				7,322,984		7,322,984	
Dunit Lad funding on Drimon.	3,930.62	2.040/	4.400/	4 420 20	F 020/	0.600/		2 500 50		2.500.40	
Pupil Led funding pp Primary		2.01%	4.43%	4,128.39	5.03%	9.69%		3,569.56		3,560.40	
Pupil Led funding pp Secondary	5,180.36	1.78%	4.04%	5,439.77	5.01%	9.25%		4,880.17		4,879.89	
Pupil Led funding pp All	4,409.14	1.91%	4.25%	4,630.51	5.02%	9.49%		4,071.39		4,065.62	
Premises pp Primary	411.19	1.97%	4.70%	427.51	3.97%	8.86%		379.50		379.50	
Premises pp Secondary	207.04	1.88%	4.64%	214.72	3.71%	8.52%		117.73		117.73	
Total Formula pp Primary	4,341.81	2.01%	4.46%	4,555.90	4.93%	9.61%		3,949.06		3,939.90	
Total Formula pp Secondary	5,387.40	1.79%	4.06%	5,654.50	4.96%	9.22%		4,997.90		4,997.62	
Total Formula pp All	4,742.16	1.91%	4.28%	4,976.55	4.94%	9.44%		4,350.66		4,344.89	
Total Formula plus other pp	4,939.74	1.88%	4.22%	5,180.15	4.87%	9.29%		4,538.31		4,532.40	
	DSG			DSG				DSG		DSG	
Dedicated Schools Grant Allocations	2018-19	yr on yr increase	2018-19 to 2015- 16	2019-20	yr on yr increase	2019-20 to 2015- 16					
Schools Block	33,683,974,148		70	34,501,566,949		70		33,862,043,268	3	35,654,828,29	В
Teachers Pay Grant (mainstream schools)	470.000.400			205 204 246							
Teachers Pension Grant (from	178,069,120			305,261,349	,						
Sept 2019)				848,000,000)		-			L	
Central Schools Services Block (inc growth fund)	468,611,604			467,509,572	2						
Pupils in year	7,275,277			7,357,476	6						
Epp (exc CSSB where possible)	4,654.40	1.13%	-1.60%	4,730.81	1.64%	0.01%					
comparative with central costs	4,718.81	2.17%	-0.24%	4,909.61	4.04%	3.79%					
Difference (40 formula (in											Is this for
Difference f40 formula (inc other) less Schools Block/TPG DSG in £ (row 34 - rows 58 & 59)	2,311,568,709			2,279,321,917	,			(422,037,653)	Is this for growth? Or protections? Or both?	(2,258,104,549)	arouth? Or
										Pupil numbers wi between 2017 an removing some of funding	d 2018 census
										The impact of the for primary low primary low primary 100 to 1 2019 (£1,050 to 1 £43.281m	ior attainment in

Proposal

21. Schools Forum to note the content of the report.

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