

## **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)
  - 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.



## Calculation of the Basic Entitlement and Lump Sum

	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
<b>Basic Entitlement (AWPU)</b>	<b>Key Stage 1/2</b>	<b>Key Stage 1/2</b>	<b>Key Stage 3</b>	<b>Key Stage 3</b>	<b>Key Stage 4</b>	<b>Key Stage 4</b>
	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%
Standard teacher cost (U1) with on costs	<b>46,190</b>	<b>48,547</b>	<b>46,190</b>	<b>48,547</b>	<b>46,190</b>	<b>48,547</b>
Allowance for non-contact time <i>PPA min 10%, secondary also includes allowance for setting, practical classes and subject inefficiencies</i>	10%	10%	22%	22%	22%	22%
	<b>4,619</b>	<b>4,855</b>	<b>10,162</b>	<b>10,680</b>	<b>10,162</b>	<b>10,680</b>
<b>Teaching Assistants</b>						
Teaching assistant (mid-point grade F) <i>includes movement for national minimum wage</i>	18,277	19,037	18,277	19,037	18,277	19,037
Term Time Only 30 hrs pw, 43.6 wks per yr	13,217	13,767	13,217	13,767	13,217	13,767
	31.18%	31.71%	31.18%	31.71%	31.18%	31.71%
	17,338	18,133	17,338	18,133	17,338	18,133
Proportion per class	0.50	0.50	0.25	0.25	0.25	0.25
	<b>8,669</b>	<b>9,066</b>	<b>4,334</b>	<b>4,533</b>	<b>4,334</b>	<b>4,533</b>
Sickness Maternity etc cover	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
	<b>1,487</b>	<b>1,562</b>	<b>1,517</b>	<b>1,594</b>	<b>1,517</b>	<b>1,594</b>
Direct employee cost	<b>60,964</b>	<b>64,030</b>	<b>62,203</b>	<b>65,354</b>	<b>62,203</b>	<b>65,354</b>
<b>Per Pupil</b>						
Standard no. of learners per teaching group	29	29	22	22	19	19
<b>Direct employee costs per pupil</b>	<b>2,102</b>	<b>2,208</b>	<b>2,827</b>	<b>2,971</b>	<b>3,274</b>	<b>3,440</b>
Responsibility points	1.5%	1.5%	3.0%	3.0%	3.0%	3.0%
Responsibility points per pupil	32	33	85	89	98	103
Exam fees					211	216
Proportion for other staff	20%	20%	15%	15%	15%	15%
Other staff - finance, mid day, technician, premises	427	448	437	459	506	531
Proportion for other costs	30%	30%	30%	30%	30%	30%
Other costs - resources, premises, library, ICT etc	640	672	874	918	1,012	1,063
Age weighted pupil unit (AWPU)	<b>3,200.64</b>	<b>3,361.58</b>	<b>4,222.72</b>	<b>4,436.68</b>	<b>5,100.18</b>	<b>5,353.18</b>
National Funding Formula Basic Entitlement	2,747.00	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
	2.13%	5.03%	1.83%	5.07%	1.86%	4.96%
<b>Proportions</b>						
Teaching	57%		64%		62%	
Class staff	10%	80%	5%	79%	5%	76%
Non Class staff	13%		10%		10%	
Other costs	20%		21%		24%	
	100%		100%		100%	
<b>LUMP SUM</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2019-20</b>		
based on 60 pupil primary & 600 pupil secondary		2%		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	<b>63,069</b>	<b>66,154</b>	<b>91,085</b>	<b>95,540</b>		
Non teaching time	0.50	0.50	0.50	0.50		
Head teacher for leadership	<b>31,534</b>	<b>33,077</b>	<b>45,543</b>	<b>47,770</b>		
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	<b>4,730</b>	<b>4,962</b>	<b>46,453</b>	<b>48,725</b>		
<b>Total Leadership Contribution</b>	<b>36,265</b>	<b>38,039</b>	<b>91,996</b>	<b>96,495</b>		
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		
Minimum ICT Provision	5,309	5,442	10,618	10,884		
Primary: 0.5 additional class to allow for numbers not fitting standard class structure	29,739	31,234				
<b>Lump Sum Total</b>	<b>108,476</b>	<b>112,807</b>	<b>176,941</b>	<b>183,564</b>		



## **Proposal**

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

---

Report Author:

Grant Davis, Schools Strategic Financial Support Manager

Tel: 01225 718587

e-mail: [grant.davis@wiltshire.gov.uk](mailto:grant.davis@wiltshire.gov.uk)