

# Local Government Association

## Debate on the school funding formula

Wednesday 28 June 2017



### Key messages

- A national formula to ensure fairness between schools in different areas is welcome, but an element of local flexibility must be retained in the implementation of this policy.
- Government proposals published before the General Election mean that the budgets of 22,000 schools will be set in Whitehall, with no possibility that schools and councils can agree a slightly different allocation to reflect local needs and circumstances.
- Schools should also be given greater certainty of future funding, with three-year budgets, to help them plan for the spending pressures they face.
- It was disappointing that the Queen's Speech did not give schools and councils any detail about how much additional funding will be committed to education or how the Government's school funding reforms will be implemented. If there are to be changes for 2018/19, schools will need certainty about their future funding by the autumn at the latest, to ensure no schools lose out.

### Background

The Government's commitment to ensure that no school is worse off as a result of the national funding formula, and subsequent reassurance for a fair funding arrangement for all school in the Queen's Speech, is positive. More details are needed so that councils can get on with necessary budget planning. Schools should also be given greater certainty of future funding, to help them better plan for the spending pressures they face. Three-year budgets should replace annual budgets.

We are concerned that the £600 million (75 per cent) cut to the Education Services Grant (ESG) leaves councils with little resource to perform a wide variety of statutory duties. These include essential services such as mental health support, maintenance of school buildings and playing fields, and school improvement.<sup>1</sup>

Local government leaders are supportive of the national funding formula but are clear that setting 22,000 school budgets remotely from Whitehall will not work. Councils know their local schools best and are uniquely placed with up to date local knowledge to ensure funding is

<sup>1</sup> LGA response to the Department for Education's stage two consultation on a schools national funding formula

<https://www.local.gov.uk/sites/default/files/documents/LGA%20School%20Funding%20Formula%20consultation%20FINAL.pdf>

# Briefing

distributed fairly, and therefore must be in a position to agree a different allocation of funding locally if necessary.

A strict application of the national formula will see councils lose their ability to work with head teachers, governors and schools forums to determine need in their local area. Decisions about providing additional funding for more teachers or providing higher allocations for small rural schools to ensure they can stay open cannot be made from Whitehall. Councils and schools must retain an element of flexibility over how schools funding is distributed locally to avoid some children missing out on the education they deserve.

Councils are particularly concerned about the proposed changes to high needs funding which will reduce council and school flexibility to make additional funding available where there are rising demand pressures for special educational needs and disability (SEND) support.