



TO: SchoolsNationalFundingFormula. CONSULTATION@education.gov.uk

20th March, 2017

RESPONSE FROM THE RURAL SERVICES NETWORK TO THE CONSULTATION ON THE SCHOOLS NATIONAL FUNDING FORMULA STAGE 2

INTRODUCTORY COMMENT:

1. The Rural Services Network (RSN) strongly supports the comments being made by the F40 Group
2. The RSN also supports the Local Government Association (LGA) in its warning that School funding cuts will leave councils 'unable to meet legal obligations' to schools over issues such as checking staff for criminal records or ensuring buildings are free of asbestos. The LGA has said that the welfare of more than five million pupils could be at risk because of cuts to the Education Services Grant from the next academic year - which also covers mental health support, fire safety and the maintenance of school buildings and playing fields - and changes to government regulations. Cllr Richard Watts, Chair of the LGA's Children and Young People Board, said: "Councils have their hands tied. They are legally obliged to provide these services but will have no money to do so unless the school is prepared to pay for them out of its own pocket."

SPECIFIC RESPONSE TO THE CONSULTATION ISSUES:

- The inconsistencies in funding for individual schools with similar characteristics across the country are too great.
- A national funding formula allocating the same funding for all mainstream pupils nationally would resolve the problem of a child attracting very different levels of funding if they attend a school on one side of a local authority boundary rather than another.
- Schools in low funded areas have inevitably had to prioritise meeting their core costs and have struggled to improve outcomes for vulnerable pupils as a

Providing a voice for rural communities and service providers

Graham Biggs MBE, FCIS, Chief Executive PO Box 101, Craven Arms, SY7 7AL
Tel: 01588 674922
www.rsnonline.org.uk email: graham.biggs@sparse.gov.uk twitter: @rsnonline



consequence. Fair funding will enable schools to be judged fairly on the outcomes their pupils achieve.

The government has agreed that the existing system is unjustifiable and unfair. It initially promised a new national funding formula for 2017-18 but this was delayed for a range of reasons. A first stage consultation on the principles of fair funding was held in the spring of 2016 and a second stage consultations containing proposals for change was announced in December 2016. The implementation date has now been delayed until 2018-19.

The RSN welcomes the stage 2 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.

The RSN shares the f40 view that the government's proposals fall short of what was expected, will not deliver true fairness and, therefore, are in need of substantial revision. There are four key elements of the proposals that need to be re-considered, namely:

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

The RSN's more detail comments about the four main elements of concern are:-.

Weakness of evidence used to support the proposals

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 the RSN, like 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.

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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 the RSN does not consider that the additional needs indicators do support those families and, therefore, by reducing the basic element of funding this could be having the unintended consequence of the opposite effect coming about..

The proportion of weighting given to AEN rather than basic entitlement

The group 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. The basic funding percentage under the existing proposed formula – approximately 72.5% - is simply too low. It creates distortions which risk replacing one unfairness with another.

We seek more clarity between 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 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. In practice, schools in lower funded areas will be subsidising those in better funded areas who will not lose more than 3%.

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The amount invested in education funding and the cost pressures facing all schools The RSN 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 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, including the removal of the Education Support Grant later this year.**

About the Rural Services Network

The Rural Services Network is a non- party political group of over 250 service providers and local authorities working to establish best practice across the spectrum of rural service provision. The network has representation across the complete range of rural services, including local authorities, public bodies, businesses, charities and voluntary groups.

We are devoted to safeguarding and improving services in rural communities across England. We are the only national network specifically focusing on this vital aspect of rural life.

The network has three main purposes:

- ! **Representing** the case for a better deal for rural service provision
- ! **Exchanging** useful and relevant information
- ! **Developing and sharing** best practice

The Rural Services Network exists to ensure services delivered to the communities of predominantly rural England are as strong and as effective as possible.

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