

Update on School Funding

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Director

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Schools Forum

Headteacher representatives

Jack Newton	Grasvenor Infants
Jeanette Adak	Monkfrith Primary
Jo Djora	The Hyde Academy
Jude Stone	Cromer Road
Lesley Ludlow	Moss Hall Infants
Robin Archibald	Broadfields Academy
Jodi McCallum	Barnet EY Alliance
Matthew Glenn	St Mary's & St John's
Andrew McClusky	Hasmonean High
Angela Trigg	London Academy
Michael Whitworth	Wren Academy
Simon Horne	Friern Barnet
Joanne Kelly	Pavilion PRU
Lesley Burgess	Northway School

School funding issues

- Cost pressures – National Audit Office report
- National Funding Formula for Schools
- National Funding Formula for Early Years
- Education Services Grant
- Apprenticeship Levy

Financial sustainability in schools – NAO report

- Nationally the **schools budget up** by 7.7% (15-16 to 19-20) - but is a real-terms reduction taking account of inflation and pupil growth.
- **8% real-terms reduction** in per-pupil funding between 14-15 and 19-20 due to cost pressures: pay rises, national living wage, higher NI employer contributions, teachers' pensions, non-pay inflation and the apprenticeship levy
- DfE: **savings of £3 billion** - efficiency savings of £1.3 billion through better procurement, £1.7bn through more efficient use of staff.
- Doesn't include cost of **policy changes** – NFF and ESG .



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National Funding Formula for Schools

- Second stage schools **NFF consultation**
- 10,740 **schools** (54 per cent) gain; 9,128 schools (46 per cent) lose; 101 **LA areas** will gain; 49 will lose.
- Most **London** LAs will lose funding - **Barnet estimate is 1%**
- **Max loss** per school is **1.5%** per pupil per year, max of **3%** by 19-20
- **Winners and losers** in each LA; a very small number of schools in Barnet will gain
- **High Needs** funding for pupils with SEN is protected.

Early Years National Funding Formula

- New National Funding Formula for EY from **17-18**
- Barnet funding per hour the same as in 16/17 for **2-year old** places
- Significant increase for **3- and 4-year olds** - the 'notional' rate (the average rate) to providers, including schools, in 2017/18 will be £5.44 per hour compared to £4.30 in 2016/17 (The higher rate includes extension to 30 hours)
- **Nursery Schools** - transitional protection if formula funding is below 16-17 budget level

Education Services Grant - 1

- For services such as **school improvement, education welfare services, asset management and strategic planning.**
- **£600 million** national saving by 2019/20 – brought forward to 17/18. **Barnet ESG** - £3.6million.
- A **retained duties element** covers statutory duties in relation to all schools (including Academies and Free Schools)
- A **general fund element** that relates to LA statutory duties in respect of maintained schools.



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Education Services Grant - 2

- The **retained duties** funding is £15 per pupil, **£800,000** for Barnet.
- DfE has moved it into the Dedicated Schools Grant (**DSG**) and **allows LAs to retain the funding** for statutory purposes relating to all schools.
- The Schools Forum agreed this.
- The **remaining £2.8m** of ESG funding relates to statutory duties in respect of maintained schools only - **withdrawn entirely by 2018/19**.



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Education Services Grant - 3

- **Transitional ESG** funding for 17-18 - **£985,000** for Barnet – so lose £1.8m in 17/18, rising to £2.8m in 18/19
- **LAs may retain some of their schools block funding** to cover the statutory duties for maintained schools
- Separate **School Improvement grant** for LA transitional role: **£190,000** (pays for part of cost of LNI service).
- Schools Forums **may agree to de-delegate** further funding for school improvement but not after 18/19.
- LBB **not proposing** to retain funding or dedelegation in 17/18 but **will need to consider the** position in respect of 2018/19



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Apprenticeship levy - 1

- 0.5% on salaries – but allowance of **£15,000**, which excludes employers with pay bills below £3m
- Most secondaries pay on salary bill **above £3m**; so £4m – pay 0.5% on £4m-£3m = £5k.
- Most **VA and Academy Primaries** will not have to pay (unless in a chain)
- LA is the employer for **community schools**, so LBB has to pay **£413,000** for community school staff
- Per community primary school is **between £2k and £15k**
- Many LAs passing this on

Apprenticeship levy - 2

- LBB proposing to **invest** in apprenticeships
- Employers can draw on **training credits** to support apprentices
- Awaiting **committee/council decision** on payment of the levy for **community schools**
- To be **reviewed** in future but affected by schools' take-up of apprentices
- The council will support schools with **apprentice recruitment**
- **Schools pay salary** – at least the **Barnet Living Wage**.

School Budgets in 2017/18 - summary

- **Cost pressures** 1.5% (NAO)
- **Funding formula** for Barnet the same as in 2016/17 - **AWPU** as in 16-17 (+£10 for secondaries)
- Minor change in **IDACI** bands by DfE - same overall percentage.
- **MFG** -1.5% set by the DfE, +2.25% for winners
- **EY** funding up; **SEN** funding protected
- **Unified Reward** – council paying pay protection for community schools in year 1 and HR costs for VA schools
- **Apprenticeship levy** and **ESG** – not passing levy to community schools in 17/18 or ESG to maintained schools

Outstanding issues for 2018-19

- **Cost pressures** - 1.6% in 18/19 and a further 1.8% in 19/20
- **NFF** – average 1% cut over 2 years (max 3%)
- **EY** continues at higher rate; **SEN** protected
- Possible passing on of **Apprenticeship Levy** to community schools
- Possible passing on of **ESG** cuts to maintained schools

Questions and discussion

- Cost pressures – National Audit Office report
- National Funding Formula for Schools
- National Funding Formula for Early Years
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- Apprenticeship Levy