

The Implementation of the National Funding Formula School Funding for 2018/19



On 14 September 2017, the Secretary of State for Education, Justine Greening, announced the publication of the final outcome of the Government's schools, high needs and local authority central school services National Funding Formulae (NFF) consultation, which closed in March 2017.

The Secretary of State's announcement is available via www.gov.uk/government/speeches/justine-greening-statement-on-national-funding-formula.

This follows Justine Greening's announcement in July 2017 on the Government's strategy for implementing the NFF and also the Department for Education's (DfE's) publication in August 2017 of further details of its implementation, including an operational guide on school funding for 2018/19 published by the Education and Skills Funding Agency (ESFA).

The overall system for implementation of the NFF was reported by the NASUWT in a school funding bulletin in July 2017, and this remains fully accurate.

In 2018/19 and 2019/20, as previously reported by the NASUWT:

- local authorities will continue to allocate funding to schools in accordance with their local formula, but the funding allocated by the DfE to each local authority will be the total aggregated amount which their schools and academies would receive under the NFF (known as the 'soft NFF');
- from 1 April 2018 onwards, the Dedicated Schools Grant (DSG) will include a new block, the Central School Services Block (CSSB), meaning that the DSG will comprise four blocks, each with a separate NFF:
 - o schools;
 - o high needs;
 - o early years;
 - o central school services.
- local authorities will continue to deliver key services for schools, including school improvement;
- local authorities will be free to de-delegate services for maintained primary and secondary schools, subject to the agreement of the schools forum. This includes trade union facility time.

The key additional details of the NFF announced by the Secretary of State on 14 September 2017 include:

- the illustrative allocations for individual schools and local authorities for 2018/19 and 2019/20;
- additional funding information about the high needs and central school services blocks for each local authority.

In its final NFF, the Government has targeted funding at schools which would have lost per pupil funding under the NFF, meaning that the largest gainers from the additional £2.6 billion funding over the two years are the schools which would have been the most significant losers under the last Government's NFF proposals:

- schools in London and other large cities;
- schools with low levels of deprivation, particularly in the shire counties.

Rural schools also benefit from additional funding.

Throughout the Government's consultation on the NFF, the NASUWT has called for no reduction in the funding which any individual school would receive as a result of its implementation and this has been accepted, in principle, by the Government.

The DfE has published new school and local authority illustrative funding allocations for 2018/19 and 2019/20, which replace the December 2016 illustrative allocations. As in December 2016, these are for individual schools, high needs, central school services and aggregated local authority schools block funding.

Early years funding is subject to an NFF which has already been implemented and is not included in this illustrative data.

Although individual school allocations have been published, these are only illustrative of the impact of the NFF. School funding allocations for 2018/19 and 2019/20 will continue to be determined by the local funding formula, as the 'soft NFF' is continuing through to 2020/21.

School funding from 2020/21 onwards will be allocated direct to schools (the 'hard NFF'). This will be determined by the next Government Spending Review and is not covered by the Secretary of State's announcement on 14 September.

The illustrative allocations to schools, academies and local authorities are available via www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs. These can be downloaded but they are only provisional at this stage and final allocations will be provided to schools, academies and local authorities following the submission of actual pupil numbers for 2018/19 to the DfE.

Additional needs

Spending on additional needs has been maintained at the same level within the NFF, but the deprivation factors have been reduced and the prior attainment factor has been increased. This may well have a regressive impact by reducing funding for areas of high deprivation compared with the original NFF proposals, and the NASUWT is assessing this further.

Local authority funding formulae will continue to determine individual academy funding, and therefore the aggregated General Academies Grant (GAG) funding which multi-academy trusts (MATs) receive, through to 2020.

The Education and Skills Funding Agency guide to the NFF

The ESFA has published a guide to the NFF, which is available via www.gov.uk/guidance/pre-16-schools-funding-guidance-for-2018-to-2019.

Key details of the ESFA guide to the NFF include:

The Schools NFF

Per pupil funding will increase by 0.5% in 2018/19 and, as argued for by the NASUWT, no school will lose NFF per pupil funding as a result of the implementation of the NFF. However, the individual funding which schools will receive will be dependent on the local formula, and local authorities will determine the level of the per pupil minimum funding guarantee (MFG), which can be between 0% and minus 1.5%.

Local authority formula funding factors remain the same as for 2017/18, with the exception that local authorities can set a minimum level of per pupil funding for secondary schools if they choose.

Local authorities will continue to have the flexibility to include factors in their local formulae which are not in the NFF, through to 2020.

High needs

The 2018/19 allocations for local authorities' high needs blocks will be increased by 0.5%. Local authorities will be able to transfer up to 0.5% of the schools block to the high needs block if a consultation with all schools and academies occurs and the schools forum agrees.

Central school services

The DfE/ESFA has confirmed that local authorities will continue to retain the range of duties for schools and for the schools workforce which they currently have, and the CSSB brings together funding previously allocated through the retained duties element of the Education Services Grant (ESG) and top-sliced from the schools block for those services.

A comprehensive list of services for schools and for the schools workforce is provided in the ESFA guidance and continues to include historic costs such as termination of employment costs, although these must be approved by the schools forum.

School improvement

The cost of school improvement can be de-delegated from the schools block with the agreement of the schools forum, but the DfE has made a separate grant available for schools for this purpose, totalling £50 million across all authorities.

De-delegation

De-delegation arrangements for 2018/19 are identical to those for 2017/18, but any continuation of current de-delegation arrangements into 2018/19 will have to be determined again by the schools forum.

Local authorities can continue to de-delegate long-term staff costs, including sickness, maternity, trade union and public duties. The DfE expects that academies are offered the opportunity to buy these services back on an individual or academy trust basis.

The DfE/ESFA has stated in its guidance: *'Where de-delegation has been agreed for maintained primary and secondary schools our presumption is that the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.'*

'In the case of special schools and [Pupil Referral Units] PRUs, the funding to buy such services will be included in any top-up payments.'

Next steps

Headteachers/Principals

- NASUWT headteachers/principals will wish to check the individual allocations which their schools, high needs provision and local authorities will receive under the NFF, directing any queries to the Union if necessary. If there are any concerns about the impact of the NFF, the NASUWT should be contacted for assistance.
- Given the increase in NFF per pupil funding which the NASUWT has secured, the Union cannot see a justification for any cuts in per pupil funding arising from the implementation of the local funding formula. Local authorities should be pressed to adopt a minimum funding guarantee which prevents any losses in per pupil funding in individual schools.
- NASUWT headteachers/principals should request clarification from their local authorities about the implementation of the soft NFF, including whether the implementation of the local formula will result in any schools losing per pupil funding. Headteachers/principals should seek assistance and advice from the Union if any schools lose per pupil funding or if the full benefits of the NFF are not being passed onto their schools.
- NASUWT headteachers/principals in high needs and early years should seek an early discussion about the sufficiency of funding to the high needs and early years blocks. The NASUWT should be contacted for assistance in the event of concerns about this.
- The NASUWT remains concerned about the large amount of misinformation about school funding circulating in the system, including claims that schools will have to make thousands of teachers and support staff redundant between now and 2021. In the event of any headteacher/principal being concerned about information circulating in the public domain about their school, the NASUWT should be contacted for assistance.

The NASUWT

The NASUWT is the only union to take continuous action since 2011 against the impact of the Government's cuts in school spending. The NASUWT's action has saved large numbers of teachers and support staff jobs in schools and the NASUWT will continue to press the Government to invest in schools, the schools workforce and children and young people.



03330 145550
E-mail: advice@mail.nasuwt.org.uk
Website: www.nasuwt.org.uk