

TITLE OF REPORT: School Funding Update

Purpose of the Report

1. To update Schools Forum on what is currently known on the direction of travel of the reforms to the Schools Block (SB), Central Schools Block (CSB) and High Needs Block (HNB) of the Dedicated Schools Grant (DSG).

Background

2. Following the general election, the Queen's Speech confirmed that the Government intends to go ahead with the National Funding Formula (NFF), but with a change to the original proposals to ensure "no school loses out". There was no detail provided on any funding changes or proposals and no timescales provided for the implementation of any changes.
3. The move to a "hard" NFF where the Department for Education (DfE) funds all mainstream schools directly will not be implemented in 2019/20 as proposed in the stage 2 consultation, as this would need primary legislation and no such Bill has been proposed for the 2 year period covered by the Queen's Speech.
4. There are also several areas that are difficult to allocate funding on a national level; Private Finance Initiative (PFI), rates, split sites, growth, and exceptional circumstances. It was proposed in the stage 2 consultation that these factors would be funded at historic levels.
5. There is the possibility of a "soft" NFF with allocations of the SB of the DSG being funded to local authorities (LAs) using a NFF, and LAs continuing to calculate individual mainstream school budgets. The allocation could be a net figure after applying national protections and capping at a school level. This could make it more difficult to balance the formula at a local level, and meet any cost pressures due to changes in rates and the indexation of PFI costs.
6. The Government could use the Schools and Early Years Finance (England) Regulations (which are usually updated annually) and Operation Guidance to impose additional restrictions on the use of DSG and the range of factors and their values.
7. Until the DfE starts publishing information including their response to the stage 2 consultations and their school funding proposals the uncertainty around school funding will continue.

Proposal

8. It is proposed that Schools Forum notes the contents of the report and that any information or announcements relating to school funding will be the subject of future reports.

Recommendations

9. It is recommended that Schools Forum notes the contents of the report and that any information or announcements relating to school funding will be the subject of future reports.

For the following reasons:-

- To ensure that Schools Forum receives information and updates on school funding arrangements and proposals.

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