

The next steps for funding reform

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**Department
for Education**

What I will cover today

1. The reform story so far
2. 2016 and beyond – education spending
3. 2016 and beyond – policy challenges
4. Q&A

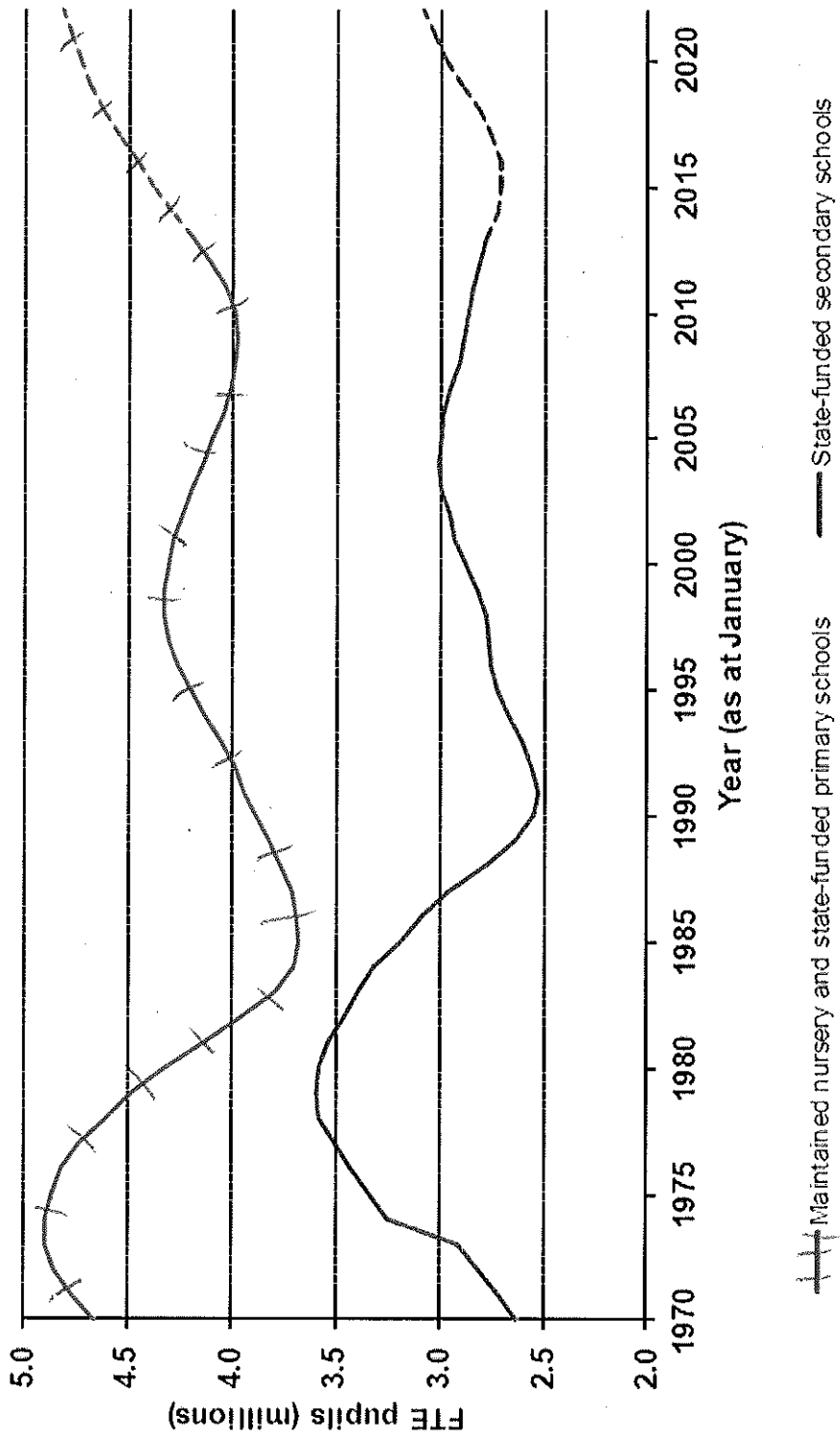


Reform story so far

- Reforms at a local level
 - More consistency, more funding allocated on a per pupil basis
 - Continuing minimum funding guarantee to help schools manage transition
- Fairer national distribution
 - Introduction of minimum funding levels to allocate £390m extra funding to the least fairly funded local areas
 - Additional funding for deprived pupils from schools and early years pupil premiums
- Simplification
 - Replacing LACSEG with the education services grant
 - Turning non-recoupment academies into recoupment academies
- Protected schools budget over this parliament



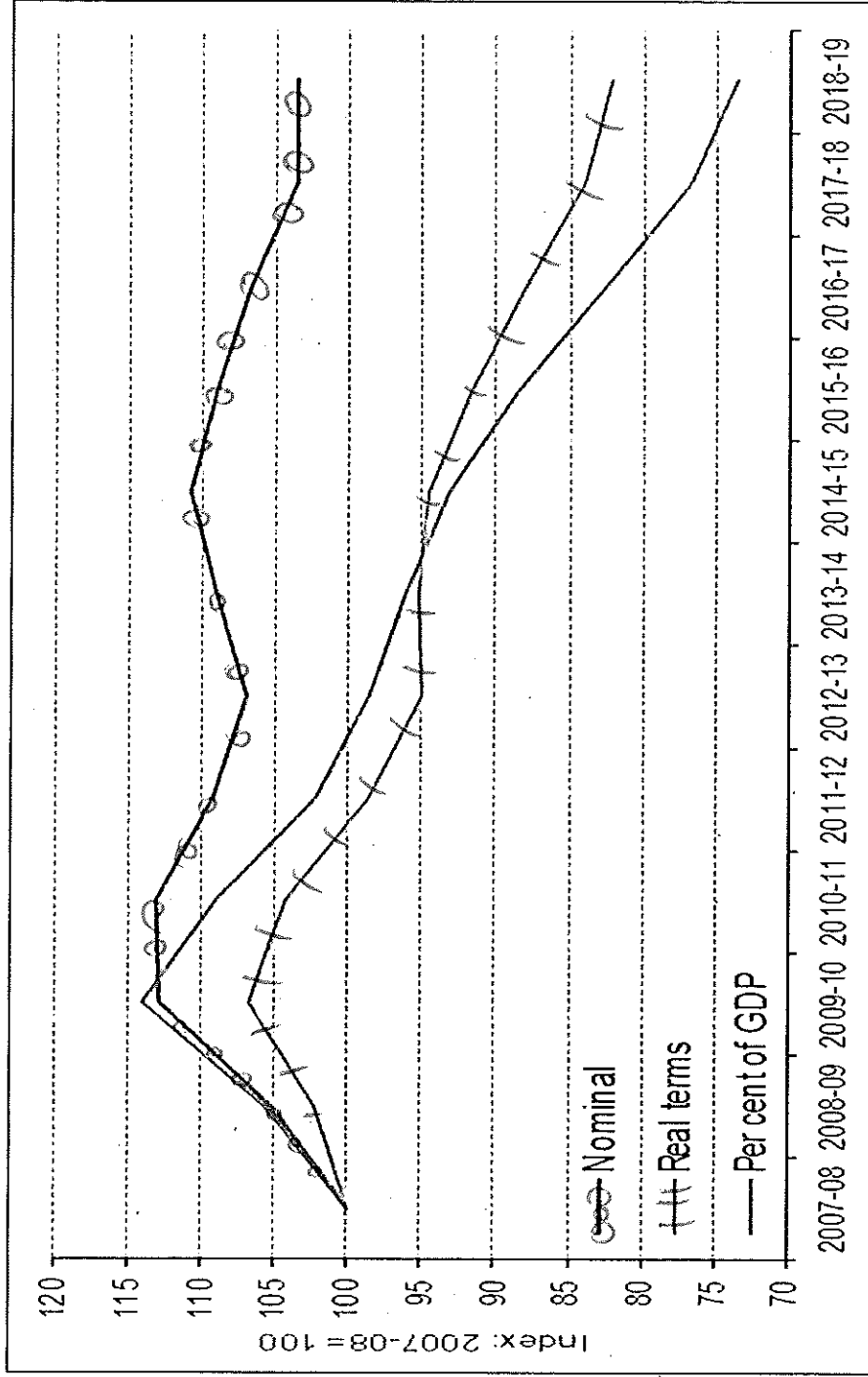
2016 and beyond: the demographic challenge



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2016 and beyond: the fiscal challenge

OBR forecast of departmental spending on public services and capital*



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*Office of Budget Responsibility assume no change to current policy and therefore that all future consolidation is delivered through RDEL

2016 and beyond: policy challenges

- Commitment to introducing a national funding formula for schools over the next parliament
- Reform of high needs funding
- Rising number of academies
- Making sure the system is working as well as possible – for example:
 - Funding areas with the highest levels of pupil growth
 - Different funding year for maintained schools and academies
- Very tight timetable for any changes for 2016-17 following a May election



A national funding formula

The Government is committed to introducing a national funding formula for schools after the next spending review.

- We want to introduce a national fair funding formula when we can give schools and local authorities more certainty about how it will affect them over a number of years.
- That will be after the next spending review, when there are multi-year public spending plans.
- It is likely that any NFF would be introduced gradually over a number of years, with transitional protections.
- The introduction of minimum funding levels in 2015-16 means we are starting from an easier place.



High needs funding reform

- We would like to move to a more formulaic way of distributing high needs funding to local areas.
- But at the moment we simply don't know how to do this!
- We have therefore commissioned research to help us:
 - Analyse the existing national data and literature
 - Undertake fieldwork to collect more information
 - Draw conclusions about appropriate factors that could be used in distributing high needs funding
 - Make recommendations on a formulaic approach to allocating funds to local authorities
- The research is due to report by April 2015
- **Can you help?** We would love you to help us – for example by comparing how you and a neighbouring LA fund high needs pupils differently. Or just by giving us your ideas on how the formula should work.



Getting involved

- **Ask a question now**
- **Email us**
 - via the Education Funding Agency's funding reform team: reformteam.funding@education.gsi.gov.uk
 - or for specific suggestions about how to change school funding policy from 2016-17 onwards, you can email the policy team directly: suggestions.FPU@education.gsi.gov.uk
 - kit.mchenry@education.gsi.gov.uk
 - josh.goodman@education.gsi.gov.uk
- **High needs call for evidence:**
 - www.gov.uk/government/consultations/funding-for-children-and-young-people-with-send

