

**LONDON BOROUGH OF HAMMERSMITH AND FULHAM
SCHOOLS FORUM 16th JANUARY 2017
REPORT BY THE HEAD OF RESOURCES
STAGE 2: NATIONAL FUNDING FORMULA UPDATE**

This paper provides a summary of the stage two national funding formula consultation and models the potential impact on schools. To review the transition arrangements prior to the implementation of the national funding formula.

FOR INFORMATION

1 National Funding Formula consultation

- 1.1 From 2017-18, the amount of money schools and local authorities get will be based on the characteristics of their pupils rather than purely historic calculations.
- 1.2 A government source said: "This is a key part of our goal of extending opportunity and providing educational excellence, everywhere. It means bringing an end to a system that has become arbitrary and unfair. We'll ensure that there is a smooth transition, with a pace of change that is manageable for schools and local authorities. We are ensuring schools across England are funded fairly so that parents know all pupils, whatever their background and wherever they live in the country, have access to a good education."
- 1.3 Among the proposals announced, the Department for Education (DfE) sets out plans to fund schools directly from 2019/20, which would significantly reduce the role of local authorities and school's forums in determining allocations. It also proposes a new 'central schools' block of funding for local authorities to deliver their statutory duties.

- 1.4 At the heart of this highly charged debate are historical disparities in funding between schools in different areas. A complex array of local and national funding arrangements, developed over decades, can mean schools that are barely miles apart but sit across borough or county boundaries receive vastly different funding per pupil.

2 Second Stage: National Funding Formula

- 2.1 The second phase consultation for the NFF for schools and high needs was launched by the Department for Education (DfE) on the 14th December 2016, with responses accepted until 22nd March 2017. The consultation provides detailed proposals for the design of the new national funding formulae for schools and high needs, and for the new central school services block for local authorities. It builds on the previous consultation about the principles and structure of the new funding system, which ran between March and April 2016.
- 2.2 The first consultation set out proposals to create a new NFF based on redistribution of the existing funding pot. London Councils' preliminary modelling of these proposals estimated that London could lose £245m per year through a new NFF based on redistribution without any capping or additional investment. London Schools, MPs and Local Authorities lobbied strongly for stability in funding and extra investment in education to ensure that no school loses funding and those set to gain receive the funding as soon as possible.
- 2.3 The new consultation states that under the proposed funding formula changes, a total of 10,740 schools (54 per cent) in England would be funded at a higher level than in 2016-17. However, it also confirms that 9,128 schools (46 per cent) would be funded at a lower rate. It is the intention of the DfE to move towards this new funding formula in 2018-19, which will be a

transitional year, with a view that the hard formula will be implemented for 2019-20. A total of 101 local authority areas will see gains and 49 will see reductions.

2.4 The publication of the second stage consultation is an important step to delivering a national funding formula. It is the first time the DfE has provided illustrative allocations by school and local authority, so it is possible to understand the scale and size of funding gains or losses. While DfE stresses the illustrative allocations are based on current pupil characteristics, which are likely to change between now and when the national funding formula is implemented, it is the most accurate basis for analysis.

2.5 Set out within the consultation, the DfE has also committed to allocating an additional £200m in 2018-19 and 2019-20 (a total of £400m over a two-year period) on top of the current value of the schools block. This money has been found to provide protections for schools facing reductions and rapid increases for those set to gain. In addition, the consultation sets out:

- **Funding floor** – ensuring no school will see their per pupil funding amount decrease by more than 3%
- **Funding Gains** – schools that will see their per pupil funding amount increase will receive gains of up to 3% per-pupil in 2018-19, and then up to a further 2.5% in 2019-20. So a school could see its per pupil amount increase by a maximum 5.5% compared to current levels within a two-year period.
- **Central School Services** – There is to be a new funding block for LAs.
- **Pupil Premium** – will remain as a separate grant; Looked After Children will only be funded through PP+, which will increase.

2.6 These changes to the proposals to the NFF set out in the first consultation and additional funding that has been announced have

resulted in London losing less funding than predicted, however it will see larger reductions in funding than anywhere else in the country.

- 2.7 More schools in London will see reductions in their allocations in 2019-20 compared to all other regions. A total of 1,536 schools (70 per cent) will receive less funding, followed by 58 per cent of schools in the North West and 53 per cent of schools in the West Midlands.

3 Impact on Hammersmith and Fulham schools

- 3.1 As part of the second stage of the consultation the DfE have issued indicative figures to show the funding at an individual school level based on the 2016 data set.
- 3.2 In addition Schools in England report that they are facing rising cost pressures, especially from increased staffing costs. The Institute for Fiscal Studies (IFS) estimated in April 2016 that there would be at least a 7% real terms reduction in per-pupil spending between 2015-16 and 2019-20, or about 8% if changes in the costs likely to be faced by schools were also accounted for.
- 3.3 The second stage of the consultation ends on the 22nd March and the Local Authority will be drafting a response to outline the significant challenges faced by London School. These pressures include increasing staffing costs, apprenticeship levy, recruitment and retention and the impact of the recent revaluation of National Non Domestic rates (NNDR).
- 3.4 As for the first stage of consultation, London is worst affected with the majority of London boroughs facing a reduction in total funding for schools in their area.
- 3.5 The indicative figures show a reduction of funding of £2.734k (2.7%) by 2019-20. Detailed in the table below is the indicative figures based on the 2016 data set.

Table 1 - LBHF National Funding Formula Indicative figures

School	Sum of Funding the school received in 2016-17 or 2016/17	Sum of Illustrative total NFF funding	Sum of Illustrative NFF year 1 funding	Sum of Gain/Loss in funding Yr 1 transition	Sum of Gain/Loss in funding no transition
Addison Primary School	£1,978,000.00	£1,923,000.00	£1,951,000.00	-£27,000.00	-£55,000.00
All Saints CofE Primary School	£917,000.00	£903,000.00	£905,000.00	-£12,000.00	-£14,000.00
Ark Bentworth Primary Academy	£1,052,000.00	£1,025,000.00	£1,038,000.00	-£14,000.00	-£27,000.00
Ark Burlington Danes Academy	£6,912,000.00	£6,709,000.00	£6,810,000.00	-£102,000.00	-£203,000.00
Ark Swift Primary Academy	£1,767,000.00	£1,718,000.00	£1,742,000.00	-£25,000.00	-£49,000.00
Avonmore Primary School	£1,070,000.00	£1,042,000.00	£1,056,000.00	-£14,000.00	-£28,000.00
Brackenbury Primary School	£2,259,000.00	£2,196,000.00	£2,228,000.00	-£31,000.00	-£63,000.00
Earl's Court Free School Primary	£476,000.00	£466,000.00	£471,000.00	-£5,000.00	-£10,000.00
Flora Gardens Primary School	£1,078,000.00	£1,050,000.00	£1,064,000.00	-£14,000.00	-£28,000.00
Fulham Boys School	£2,351,000.00	£2,284,000.00	£2,317,000.00	-£34,000.00	-£67,000.00
Fulham College Boys' School	£3,188,000.00	£3,097,000.00	£3,142,000.00	-£46,000.00	-£91,000.00
Fulham Cross Girls' School and Language College	£4,596,000.00	£4,462,000.00	£4,529,000.00	-£67,000.00	-£134,000.00
Fulham Primary School	£1,616,000.00	£1,572,000.00	£1,594,000.00	-£22,000.00	-£44,000.00
Good Shepherd RC Primary School	£1,144,000.00	£1,114,000.00	£1,129,000.00	-£15,000.00	-£30,000.00
Greenside Primary School	£1,078,000.00	£1,050,000.00	£1,064,000.00	-£14,000.00	-£28,000.00
Hammersmith Academy	£4,756,000.00	£4,617,000.00	£4,687,000.00	-£69,000.00	-£139,000.00
Holy Cross RC School	£2,106,000.00	£2,047,000.00	£2,077,000.00	-£29,000.00	-£59,000.00
John Betts Primary School	£1,157,000.00	£1,126,000.00	£1,141,000.00	-£16,000.00	-£31,000.00
Kenmont Primary School	£1,128,000.00	£1,098,000.00	£1,113,000.00	-£15,000.00	-£30,000.00
Lady Margaret School	£3,505,000.00	£3,403,000.00	£3,454,000.00	-£51,000.00	-£102,000.00
Langford Primary School	£927,000.00	£903,000.00	£915,000.00	-£12,000.00	-£24,000.00
Larmenier & Sacred Heart Catholic Primary School	£1,918,000.00	£1,865,000.00	£1,891,000.00	-£27,000.00	-£53,000.00
Lena Gardens Primary School	£901,000.00	£878,000.00	£890,000.00	-£11,000.00	-£23,000.00

Melcombe Primary School	£1,922,000.00	£1,869,000.00	£1,896,000.00	-£26,000.00	-£53,000.00
Miles Coverdale Primary School	£1,224,000.00	£1,192,000.00	£1,208,000.00	-£16,000.00	-£32,000.00
Normand Croft Community School for Early Years and Primary Education	£1,379,000.00	£1,342,000.00	£1,360,000.00	-£19,000.00	-£37,000.00
Old Oak Primary School	£1,837,000.00	£1,786,000.00	£1,812,000.00	-£25,000.00	-£51,000.00
Phoenix Academy	£5,337,000.00	£5,188,000.00	£5,263,000.00	-£74,000.00	-£149,000.00
Queen's Manor School and Special Needs Unit	£1,052,000.00	£1,024,000.00	£1,038,000.00	-£14,000.00	-£28,000.00
Sacred Heart High School	£4,977,000.00	£4,832,000.00	£4,905,000.00	-£72,000.00	-£145,000.00
Sir John Lillie Primary School	£1,789,000.00	£1,740,000.00	£1,765,000.00	-£24,000.00	-£49,000.00
St Augustine's RC Primary School	£1,057,000.00	£1,029,000.00	£1,043,000.00	-£14,000.00	-£28,000.00
St John XXIII Catholic Primary School	£1,380,000.00	£1,342,000.00	£1,361,000.00	-£19,000.00	-£38,000.00
St Johns Walham Green Church of England Primary School	£1,692,000.00	£1,645,000.00	£1,668,000.00	-£24,000.00	-£47,000.00
St Mary's Catholic Primary School	£1,048,000.00	£1,020,000.00	£1,034,000.00	-£14,000.00	-£28,000.00
St Paul's CofE Primary School	£1,117,000.00	£1,088,000.00	£1,103,000.00	-£14,000.00	-£29,000.00
St Peter's Primary School	£1,030,000.00	£1,003,000.00	£1,016,000.00	-£14,000.00	-£27,000.00
St Stephen's CofE Primary School	£1,524,000.00	£1,482,000.00	£1,503,000.00	-£21,000.00	-£42,000.00
St Thomas of Canterbury Catholic Primary School	£1,746,000.00	£1,697,000.00	£1,721,000.00	-£25,000.00	-£49,000.00
Sullivan Primary School	£1,393,000.00	£1,356,000.00	£1,375,000.00	-£18,000.00	-£37,000.00
The Hurlingham Academy	£2,717,000.00	£2,641,000.00	£2,679,000.00	-£38,000.00	-£76,000.00
The London Oratory School	£5,631,000.00	£5,466,000.00	£5,548,000.00	-£83,000.00	-£165,000.00
Thomas's Academy	£951,000.00	£926,000.00	£938,000.00	-£13,000.00	-£25,000.00
Wendell Park Primary School	£2,017,000.00	£1,961,000.00	£1,989,000.00	-£28,000.00	-£56,000.00
West London Free School	£3,982,000.00	£3,866,000.00	£3,924,000.00	-£58,000.00	-£116,000.00
West London Free School Primary	£1,131,000.00	£1,101,000.00	£1,116,000.00	-£15,000.00	-£30,000.00
Wormholt Park Primary School	£2,301,000.00	£2,236,000.00	£2,268,000.00	-£33,000.00	-£65,000.00
Grand Total	£98,114,000.00	£95,380,000.00	£96,741,000.00	-£1,373,000.00	-£2,734,000.00

4 Recommendations

- 4.1 To note the report and agree to respond to the consultation.
- 4.2 To agree a communication and engagement strategy with all stakeholders.

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Background papers:

- Allocations of Dedicated Schools Grant 2016/17
- Department for Education website

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