* A new National Funding Formula (NFF) will come into effect from 2018/19. There is a two year period of transition from the old formula to the new.
* The new formula provides a core element of funding per pupil which is then topped up via a number of factors such as deprivation of the area in which they live, prior attainment (for secondary school, for example, this is how well each child did in their Year 6 SATs) and a variety of other socio-economic/school based “characteristics”.
* The very lowest funded schools should\*\* benefit from a newly introduced minimum level of per pupil funding. Primary (2018-19) £3300 and (2019-20) £3500. Secondary (2018-19) £4600 and (2019-20) £4800.
* These minimum funding arrangements will allow the (currently) *very* lowest funded schools to gain around 6% in 2018-19 and 10% in 2019-20. All other gains for the majority of low funded areas are capped at 3% (2018-19) and a further 2.5% (2019-20). All other schools, regardless of their current funding position, will gain 0.5% (2018-19) rising to 1% (2019-20).
* If the funding formula was introduced in full so that no capping was needed at all, all schools across England would be funded purely on the basis of the new formula arrangements.
* The tables below use the Department for Education’s own statistics to show how funding disparities will be maintained *even if a school in one area of the country has similar characteristics to those in another*. This is because of the capping system noted above. On average, York is the lowest funded Local Authority in England, Reading is at the average, Greenwich is in the top 10% of funding arrangements and Hackney is the highest funded authority.

**Example A - Primary School of 400 pupils 2018-19**

|  |  |
| --- | --- |
| Average per pupil funding - York = | 400 x £3548 = £1,419,200 |
| Average per pupil funding - Reading = | 400 x £3938 = £1,575,200 |
| Difference between York and Reading  | £156,000 |
| Average per pupil funding - Greenwich =  | 400 x £4898 = £1,959,200 |
| Difference between York and Greenwich =  | £540,000 |
| Average per pupil funding - Hackney =  | 400 x £5887 = £2,354,800 |
| Difference between York and Hackney = | £935,600 |

**Example B – Secondary School with 1400 students 2018-19**

|  |  |
| --- | --- |
| Average per pupil funding - York = | 1400 x £4704 = £6,585,600 |
| Average per pupil funding - Reading = | 1400 x £5106  = £7,148,400 |
| Difference between York and Reading  | £562,800 |
| Average per pupil funding - Greenwich =  | 1400 x £6451 = £9,031,400 |
| Difference between York and Greenwich =  | £2,445,800 |
| Average per pupil funding - Hackney =  | 1400 x £7840 = £10,976,000 |
| Difference between York and Hackney = | £4,390,400 |

**These differences do not include additional per pupil funding for pupils who are in receipt of Free School Meals - the Pupil Premium allowance - £1320 Reception to Year 6 and £935 Year 7-11.**

* These per pupil funding arrangements are likely to be further reduced as local authorities can, and will need to use some elements of per pupil funding to pay for other student services such as funding students with High Needs. In fact, the minimum guaranteed per pupil uplift is 0.5%\*\*.
* Costs to schools continue to rise. Inflation is running at 2.9%. Schools now have to pay an Apprenticeship Levy and an Educational Services Grant to support the work of schools and Local Authorities is no longer fully funded. Additional pension, national insurance and salary costs that school budgets must pay for are unfunded. The Independent Institute of Fiscal Studies states that in spite of the £1.3 billion provided to schools in the DfE’s funding formula statement overall school budgets have /will decline by 4.6% in real terms during the financial period 2015 – 2020.

**For further details about our own Local Authority please see page 2**

**West Sussex - Primary School of 400 pupils 2018-19**

|  |  |
| --- | --- |
| Average per pupil funding – West Sussex = | 400 x £3677 = £1,470,800 |
| Average per pupil funding - Reading = | 400 x £3938 = £1,575,200 |
| Difference between West Sussex and Reading  | £104,400 |
| Average per pupil funding - Greenwich =  | 400 x £4898 = £1,959,200 |
| Difference between West Sussex and Greenwich =  | £488,400 |
| Average per pupil funding - Hackney =  | 400 x £5887 = £2,354,800 |
| Difference between West Sussex and Hackney = | £884,000 |

**West Sussex– Secondary School with 1400 students 2018-19**

|  |  |
| --- | --- |
| Average per pupil funding – West Sussex = | 1400 x £4756 = £6,658,400 |
| Average per pupil funding - Reading = | 1400 x £5106  = £7,148,400 |
| Difference between West Sussex and Reading  | £490,000 |
| Average per pupil funding - Greenwich =  | 1400 x £6451 = £9,031,400 |
| Difference between West Sussex and Greenwich =  | £2,373,000 |
| Average per pupil funding - Hackney =  | 1400 x £7840 = £10,976,000 |
| Difference between West Sussex and Hackney = | £4,317,600 |

