

DRAFT Letter to MPs plus Minister from Cambridgeshire Schools Forum

Cambridgeshire Schools Forum is extremely concerned about the low level of funding in the Schools, High Needs and Early Year blocks and the impacts this is having on the outcomes of the education and social mobility of our children. The National Funding Formula as it stands is delivering a level of funding to Cambridgeshire schools that is now necessitating cuts to the basic provision for all children. There are no more savings to be made to accommodate the ever-increasing budget pressures without compromising yet further the education of our children. This letter and table provide a summary of the issues and consequences, and makes recommendations to address these problems in the short and medium term.

Background

The National Funding Formula (NFF) resulted in two thirds of Cambridgeshire Schools receiving a modest increase in their budget.

These increases are being completely eroded and more by salary increases for teaching staff (1%) and support staff (5.5% over two years) and increases in pensions and National Insurance. Many schools pay the Apprenticeship Levy (0.5%). Operating costs have risen too (for example utility price increases). Recruitment and retention of teachers is becoming much more difficult; salaries are having to be topped up to retain staff and “golden hellos” paid.

The High Needs budget is under enormous pressure too. We have increasing numbers of children with High Needs, and their complexity is rising too. This is in addition to the pressures described above.

Early Years settings are struggling too – they are facing a recruitment crisis and have a funding formula that is based on 2012 costs. Furthermore, the funding levels from Government do not cover the cost of delivery of the 30 ‘free’ hours for most settings (private, voluntary, nursery).

The major impacts of these pressures include larger class sizes, narrowing of the curriculum and the outcomes for our children are generally below the national average. The outcomes our most vulnerable groups are among the worst in England. Head Teachers of our mainstream schools freely admit that the additional needs budgets are being used to run the school!

Cambridgeshire remains one of the worst funded authorities in England. We receive ~£400 per child less than the average local authority in England and ~£1.6k less per child than Westminster. This is despite most of our county being below the average for social mobility with Fenland in the bottom 10%.

Small schools (those with a roll below ~200), especially those in rural parts of the county where the school is at the heart of the community, are under more financial pressure than most owing to National Funding Formula value of the lump sum (£110k) compared with £150k previously through the Cambridgeshire formula. Sparsity funding does not address

this shortfall in funding for Cambridgeshire schools; only X schools of our Y schools with less than 200 schools qualify for sparsity.

Some of the challenges and their impacts on our children are summarised in the attached table together with possible solutions.

At present, the situation is unfair and unsustainable, but it can be addressed immediately with four measures that would provide adequate funding and reasonably sustainable budgets for all schools, at least in the short term:-

- **to fund in full the annual increases in staff costs in 2019-20, and in subsequent years in all three funding blocks (Schools, High Needs and Early Years)**
- **to fund inflation in full for 2019-20 and in subsequent years in all three funding blocks**
- **to increase the lump sum in the NFF for small schools from 2019-20 so they remain viable**
- **to base Early Years funding levels on current costs, not on 2012 figures**

In the longer term, we request further changes to the National Funding Formulae for the Schools, the High Needs and Early Years budgets to address the very significant imbalances of allocation across England.

We would welcome the opportunity to provide a more detailed briefing on these issues, and provide further evidence for the statements above. We invite you to attend a Schools Forum meeting, or we can arrange a briefing in your constituency or in London.

Fair Funding for Cambridgeshire – challenges and possible solutions on a page

Schools Block	High Needs Block	Early Years
<p>The challenges</p> <ol style="list-style-type: none"> 1. Teachers' and support staff annual salary increases, inflation, and the Apprenticeship Levy have more than eroded the additional income of most schools in the 2018-19 settlement 2. In rural areas, small schools are at the heart of the community but are under more financial pressure than larger schools owing to the reduction of the block grant (£150k to £110k) 3. Many/All(?) schools cannot run on the AWPU plus block grant, therefore using additional needs budgets to meet the basic requirements of running the school. Thus children with additional needs are not receiving the extra tuition and facilities they deserve; their academic progress clearly suffers. 4. Growth funding from Government is lagged, hence impacts the Schools Block 5. Capital funding is inadequate; Schools Block funding has to be used for routine school maintenance and IT, hence impacts money that can be spent on education <p>The impacts</p> <ol style="list-style-type: none"> 6. The outcome for the disadvantage groups is near the bottom of the national league tables in the primary and secondary sectors 7. Narrowing curriculum and increasing focus on core subjects to ensure best possible progress 8 scores 8. More difficult to provide the breadth of curriculum to meet all needs, especially the less academic 9. Small schools may have to close being economically unviable, hence impacts on the community, and increasing traffic and CO₂ footprint 10. Fewer teachers, larger classes 11. Recruitment and retention in some parts of the County very challenging – cost of housing in the south, and rurality in the north 12. Redundancy and its costs 13. Further reduction in social mobility; most of Cambridgeshire below the national average <p>What we would like to see now</p> <ol style="list-style-type: none"> 14. Inflation and national salary increases funded annually 15. Increased block grant for small schools <p>What we would like to see in the medium (2-4 years)</p> <ol style="list-style-type: none"> 16. An uplift in the national schools' budget 17. A fairer distribution of the schools' budget; this requires accurate assessment of the basic cost of running a school, and defining the purposes of all elements of the NFF – there is still gross disparity hence unfairness in the system 18. Growth funding which is not lagged, hence growth does not impact on the Schools Block, and a consistent approach to funding new schools 19. Detailed analysis on how schools can run with lump sum and AWPU only, so that additional needs budgets can be spent on the purposes for which they are intended. 	<p>The challenges</p> <ol style="list-style-type: none"> 1. The number of high needs children both within mainstream schools and in special schools is increasing year on year. 2. The complexity of the high needs children is increasing every year. 3. The number high needs children is ~10% above the national average. 4. Cambridgeshire is now responsible for 19-25 SEND adults but sufficient additional funding was not allocated alongside the responsibility. 5. Inflation, teachers' and support staff salaries and the Apprenticeship level in 2017-18 and 2018-19 have more than eroded the additional income 6. The High Needs Budget has been supplemented in recent years from a transfer of funds from the Schools Block; this will cease when the hard formula comes in 2020. 7. Significant time-lag between child arriving in school with significant SEND and the completion of the statutory assessment process – schools are having to put in support for children with no funding in the meantime, putting further strain on school budgets 8. The formula is not based on needs of the children, hence requires revision to the factors and weightings <p>The impacts</p> <ol style="list-style-type: none"> 9. The outcome for various disadvantaged groups is near the bottom of the English league tables both in the primary and secondary sectors 10. Cambridgeshire may not be able to deliver its statutory and educational responsibilities <p>What we would like to see now</p> <ol style="list-style-type: none"> 11. Inflation and national salary increases funded annually <p>What we would like to see in the medium (2-4 years)</p> <ol style="list-style-type: none"> 12. An uplift in the High Needs budget 13. A funding system that is largely based on needs 14. A funding system that provides the same funding for a child that has same needs throughout England; i.e. remove post code disparities 15. Growth funding which is not lagged, hence growth does not impact on the in-year budget 	<p>The challenges</p> <ol style="list-style-type: none"> 1. Different settings (private, voluntary, nursery) have very different costs of delivery and service drivers e.g. profit margins making local funding models highly complex 2. Government advertising of "free" 30 hours is misleading as the hourly rate does not cover the cost for providers 3. National and Living Wage increases annually but no additional funding is provided 4. Recruitment and retention of staff is exceptionally difficult 5. Increasing Special Educational Needs of children takes extra staff time which is unfunded 6. Statutory requirements in terms of qualifications of staff is not recognised in the funding formula and is impacting significantly on budgets 7. Adjustment of costs to cover entitlement is limited as "paid for" hours are lost 8. Increased costs for non-funded entitlement children <p>The impacts</p> <ol style="list-style-type: none"> 9. Financial viability of some providers is seriously threatened 10. Loss of providers will impact on the current flexibility for parents 11. Challenge to voluntary sector - as the administrative and financial processes becoming "too" difficult and burdensome leading to potential closure 12. Staff shortages causing additional pressures on staff and a reduction in their well-being <p>What we would like to see now</p> <ol style="list-style-type: none"> 13. Early Years funding levels need to be based on current actual costs, not based on 2012 figures 14. Inflation and national salary increases funded annually <p>What we would like to see in the medium (2-4 years)</p> <ol style="list-style-type: none"> 15. An uplift in the Early Years budget 16. Update the 2012 – 13 cost of delivery analysis to reflect current statutory pay and qualification changes 17. Early intervention can save significant money in the long term; develop a method to fund this issue 18. A SEND strategy that addresses the complex needs for children aged 2-4, including workforce and funding expectations. 19. Termly census collection and funding adjustments as more children become eligible for "free" hours 20. Annual review of qualifying criteria 21. Growth funding which is not lagged, hence growth does not impact on in-year budgets 22. A workforce analysis and strategy that addresses the staff shortage in Early Years