

County Council – 17 February 2017

Agenda Item 8(c) – Notice of Motion by Mr M G Jones

School Funding

Mainstream schools in West Sussex are underfunded in comparison with those in other local authorities, with the County Council receiving funding through the Schools block of the Dedicated Schools Grant (DSG) at a rate of £4,198 per pupil in 2016/17.

If mainstream schools in West Sussex were funded at the 2016/17 national average per pupil rate of £4,636, they would have received an additional £438 per pupil, which would equate to an additional £44.6m in total this year.

If West Sussex schools were funded at the average for all shire local authorities, they would have received an additional £17.2m which would be an increase of £169 per pupil.

This underfunding has existed for a number of years and means that there has been no funding for inflation, pay and pension increases or additional costs arising from government policy changes such as the increase to national insurance in 2016/17 which cost schools an additional £1,000 per teacher.

Furthermore, schools face additional cost burdens in 2017/18 as a result of the removal of the General Duties Education Services Grant (ESG) which funds the statutory duties that the local authority has for its maintained schools, and the introduction of the Apprenticeship Levy. Employer contributions to the Local Government Pension Scheme will also increase by 5.4% from April 2017 as a result of the 2016 triennial review.

The National Audit Office report on the Financial Sustainability of Schools published in December 2016 indicates that:

- The Government has not taken account of the cost implications for schools of policy changes such as National Insurance, teacher pensions, ESG and the Apprenticeship Levy.
- The impact of these policy changes is an 8% real terms reduction in per pupil funding by 2019/20.

It is estimated that the total shortfall in school funding in West Sussex from new burdens and unfunded cost pressures in 2017/18 is at least £8m. This has implications for the provision of education in West Sussex. Schools are now considering staffing reductions and other cost saving measures.

Despite severe budget pressures, the County Council has absorbed £1.39m in 2017/18 from the removal of General Duties ESG, with a further cost to the County Council of £2.23m in 2018/19.

In recognition of the costs of the Apprenticeship Levy for community and voluntary controlled schools, the County Council has agreed to charge the levy

only to 16 schools with a pay bill in excess of £3m, with the Council meeting £15k of the Apprenticeship Levy cost for each of those schools. The total cost to the Council of this action to support community and voluntary controlled schools is £0.87m in 2017/18.

Headteacher representatives from the WorthLess? Worth Enough? Campaign met Nick Gibb, Minister of State for School Standards, and local Members of Parliament on 2 February 2017.

In December 2016 the Government launched Stage 2 of the consultation proposals for the introduction of a National Funding Formula (NFF) for mainstream schools and for high needs.

The provisional financial information released with the consultation indicates that, although there is a small net increase to mainstream school funding in West Sussex, this is insufficient to cover the increased costs affecting schools. Within the net increase 72% of primary schools lose funding; this is particularly small primary schools serving rural communities.

The consultation document provides no evidence that there has been a review of basic per pupil funding which funds core teaching, support staff, premises, materials and the equipment required to deliver the curriculum in every school. This is important for schools in West Sussex in view of current underfunding and the cost pressures that schools have accrued in recent years.

The County Council will be responding to Stage 2 consultation proposals. Schools have also been encouraged to respond individually. The deadline for consultation responses is 22 March 2017.

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