

## The implementation of the National Funding Formula and the future of school funding

### Background and context

On 17 July 2017, following months of uncertainty about the future of the National Funding Formula (NFF) for schools, the Secretary of State for Education, Justine Greening, announced the Government's school funding policy through to 2020.

When responding to the last Government's NFF consultation in March 2017, and during the General Election campaign, the NASUWT told the Government that it was unacceptable for any school to lose funding as a result of the NFF, and also that there should be a substantial programme of investment in schools to make up for years of under-investment since 2010.

The NASUWT also told the Government that the transitional period for the NFF was too short and should be lengthened. Furthermore, the NASUWT expressed concern that the widespread and popular arrangements made by schools forums to de-delegate services to schools, including trade union facility time, would come to an end in March 2019 under the NFF proposals and that the Government should find a solution which enables pooled facility time arrangements to continue after this date.

The Government's school funding announcement on 17 July 2017 includes:

- an additional £2.6 billion in schools' core funding for 2018/19 and 2019/20;
- the NFF will go ahead, but the transitional period will be extended by one year, so that the 'hard' formula, whereby all schools receive their funding direct from the Department for Education (DfE), will not begin until 31 March 2020;
- in 2018/19 and 2019/20, the 'soft' NFF will apply, meaning that schools will continue to receive their funding allocations from their local authority in accordance with the local formula. All NFF allocations for individual schools in each local authority will be aggregated and provided to local authorities in a global sum for distribution to schools;
- the floor protections in the NFF will be raised, so that no school loses funding in 2018/19 or 2019/20 through the introduction of the NFF. For schools which previously lost funding under the NFF proposals, there will be an increase in funding from 2018 to 2020 of up to 3%;
- in terms of future funding levels, the hard NFF will be delayed until the next Comprehensive Spending Review (CSR) period from 2020 to 2025 and will be the subject of future legislation.

### Implications for schools and school leaders

There are some key implications for schools and school leaders arising from the Secretary of State's announcement:

- The DfE's illustrative allocations of the impact of the NFF on schools and local authorities, which were published in December 2016, will be replaced by new illustrative allocations under the revised NFF. The DfE has confirmed that it intends to publish these in September this year. Schools should not rely on the December 2016 DfE funding data as forecasts of their funding from 2018/19 onwards.
- The DfE has also confirmed that the total amount of funding allocated to additional educational needs under the revised NFF will remain the same, but the weighting given to these factors will also be published in September 2017.
- Under the revised NFF proposals, the current schools forum regulations allow for the continuation of de-delegated services for schools, including trade union facility time, until 31 March 2020, 12 months later than the previous NFF proposals.

### Next steps

It will only be possible to identify the full impact of the revised NFF on schools and local authorities after the new illustrative allocations for 2018/19 are published by the DfE in the Autumn Term this year. However, the improvement in protections against funding losses under the NFF which the NASUWT argued for has been secured.

The NASUWT will continue to campaign for increases in school funding up to 2020 and in the next CSR period. The NASUWT is the only teacher union which has taken national action since 2011 against the impact of reductions in school funding, and the NASUWT's industrial action and campaigning continues to defend the jobs of teachers and support staff which are under threat.

There are no changes to school funding allocations for the 2017/18 funding year, which began on 1 April 2017 for local authority maintained schools. However, it is clear that the improvement in funding for many schools will remove the basis for any claim that they cannot afford to implement significant pay increases for teachers in 2017/18, as the funding boost announced on 17 July 2017 will cover one term of the 2017/18 School Year.

All schools should ensure that sufficient funding is made available to implement the following recommendation in the School Teachers' Review Body's (STRB's) 27th Report:

*'Pupil achievements are largely dependent on schools maintaining a strong cadre of teachers. This will require school leaders and governing bodies to make best use of their people and give the necessary priority to teachers' pay within their schools' budgets.'*

The NASUWT will continue to press the DfE for the prompt publication of its revised funding allocations to schools for 2018 to 2020. The Union is aware of the uncertainty within the system about future levels of funding, including the circulation of wildly inaccurate forecasts of school funding levels which are being used to justify staffing reductions, the removal of key educational provision for children and young people and attacks on teachers' pay and conditions of service. The NASUWT is a key source of accurate information for school leaders about school funding.

The NASUWT will issue further advice for school leaders when the DfE's revised funding allocations