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NEU Councillors Network

**School funding briefing
for local councillors.**

National Education Union
Spring term 2019



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Foreword from Kevin Courtney and Mary Bousted



Councillors,

Thank you for taking the time to read this briefing on school funding.

We must be clear from the beginning; we are facing the largest cuts to school budgets for generations.

As a result of these cuts we have seen parents, teachers, support staff and school leaders united around the need for more money for education.

We need schools that can afford to offer our young people the education they deserve.

Real term funding cuts mean schools are cutting staff, narrowing the curriculum and axing support for our most vulnerable students, while the number and needs of all our young people are growing.

Schools and colleges are not only getting less money in real terms they are also having to do more with it.

It is vital that all schools and colleges have sufficient funding to:

- Employ enough staff so that class sizes are kept low and teacher workload is manageable;
- Recruit and retain dedicated teachers, teaching assistants and support staff by offering good pay;
- Provide a broad curriculum to pupils;
- Give all children the support they need.

We hope you find this briefing useful and please feel free to share with other councillor colleagues you know.

We are always happy to hear from councillors regarding education, so please do not hesitate to get in touch via cllrs@neu.org.uk

Yours sincerely

Mary W. Bousted . Kevin Courtney

Mary Bousted and Kevin Courtney
Joint General Secretaries, National Education Union

Section A:

Background to school cuts

School cuts: the headlines

We are facing real terms cuts:

1. Funding per pupil is being cut significantly in real terms – see www.schoolcuts.org.uk for the latest information on schools in your constituency.
2. The average primary pupil has had their funding cut by £260 since 2015.
3. The average secondary pupil has had their funding cut by £270 since 2015.
4. 91 per cent of primary schools have had their per pupil funding cut since 2015.
5. 93 per cent of secondary schools have had their per pupil funding cut since 2015.

How does school funding work?

With the introduction of academies and free schools, school funding has changed radically over the last 15 years.

Schools maintained by the local authority (as opposed to an academy trust) are funded by the Dedicated Schools Grant (DSG) and have their individual budgets allocated to them by their local authority (LA). The LA consults with the area's Schools Forum (made up of representatives of local schools) in order to reach financial decisions that reflect the interests of all involved. Academies, meanwhile, are funded by the Education Funding Agency (rather than the DSG).

Despite academies and LA maintained schools receiving their funding from different "pots", their Special Educational Needs and Disability (SEND) budgets are worked out in much the same way.

The DSG is divided into 4 notional blocks which are allocated to schools based on historical spending patterns:

- 1. The Schools Block:** core funding for all pupils in all state-funded schools (including SEND and non-SEND pupils). It is worked out on a per-pupil basis.
- 2. The High Needs Block:** this is used to provide additional funding (on top of that already provided by the Schools Block) for children with additional, complex educational needs – i.e. those with a statement, Education, Health and Care Plan (EHCP) or attending a special school.

3. The Early Years Block: this is used to fund education for pre-school age children, for instance in a nursery setting. It also funds additional support for children with SEND in early years settings.

4. The Central School Services Block: this block was introduced in 2018-19 and is intended for local authorities to use to provide centralised services for all schools and academies in their area (e.g. the provision of mental health services or external music lessons for pupils). Funding is allocated to LAs based largely on the number of pupils in their constituency, with 10 per cent being allocated based on local levels of deprivation.

Prior to April 2018, LAs were free to move funds between blocks in order to make up for any shortfall in previous budgets. However, recent budget reform means that LAs are now only able to transfer up to 0.5 per cent of Schools Block funding to the High Needs Block, and only with consent of their Schools Forum.

Subsequently, if the High Needs Block is unable to cater for pupils with additional needs this could lead maintained schools to push pupils into special schools, as they may not be able to afford to provide the additional support SEND pupils are legally entitled to within their own mainstream setting. With budgets squeezed so tight, schools will simply not be able to justify taking money from one underfunded group of children to give to another.

How does SEND funding work?

The Schools Block is used to fund the education of all children in mainstream schools and covers core, premises (PFI, split sites), mobility and growth funding. It makes up the majority of the DSG (80 per cent).

Every child with an EHCP is entitled to an extra £6,000 of School Block funding on top of the per pupil amount already allocated to their school. If more funding is needed, extra costs are covered by the High Needs Block. However, as schools are required to find the first £6,000 from their own budgets before being allowed access to additional High Needs funding there is concern that this could decrease inclusion for SEND children in maintained schools.

NOTE: not every child with SEND has an EHCP – this means that many children who need additional support in school are not entitled to money from the High Needs Block, or additional Schools Block money. This means their extra needs must be met through the per pupil funding allocated to their school via the Schools Block, creating additional financial pressure.

SEND and the High Needs Block

The High Needs Block is intended to cater for pupils with severe or complex additional needs. It is divided into:

- 1. Core funding:** money used to fund special school places and additional costs for children with EHCPs/Statements (beyond the initial £6,000 provided by the Schools Block). This is paid by LAs to maintained schools and Pupil Referral Units (PRUs) or by the Education and Skills Funding Agency to academies.
- 2. Top-up funding:** covers the cost of additional provision, beyond that already funded through the Schools and High Needs Blocks, to an institution to enable a pupil or student with severe needs to participate in education and learning.

Current challenges and pressures include a growing school population, rise in pupils diagnosed with SEN, increasing severity and complexity of SEND cases, limited special school places, pressure on wider local authority budgets (e.g. social care) and the extension of EHCP provision to the age of 25 without adequate additional funding.

Councils taking action on school funding

A survey by the County Councils Network revealed that yearly High Needs Block overspends are worsening as demand rises. They have written to the Secretary of State for Education asking for an urgent meeting to readdress insufficient funding.¹

Why has SEND funding hit a crisis point now?

- Although the underfunding of the SEND sector has been a longstanding issue within LAs, until recently councils and schools have been able to 'balance the books' through transferring funds from the Schools Block to the High Needs Block. In April 2018 this practice was limited to restrict transfers of a maximum of 0.5 per cent between the blocks. This has thrown the crisis in SEND funding into sharp relief as schools can no longer 'plug the gaps' in SEND funding shortfalls by robbing Peter to pay Paul.
 - The funding crisis is hitting children and young people with SEND especially hard, as SEND provision is often very expensive and caters to the most vulnerable children in society.
 - As a result of funding cuts to SEND education, LAs and schools have seen a drastic decrease in SEND provision, a rise in exclusion rates and over 2,000 children and young people with SEND having no access to schooling at all.
- As a result of the cuts to SEND provision, 39 LAs and School Cuts wrote an open letter to the DfE, shown below.
 - This initial action prompted widespread publicity of the crisis in SEND in schools, with the School Cuts coalition group working with councillors, teachers and parents to highlight the scale of the problem. In October 2018, a well-attended march saw activists deliver a petition signed by more than 34,000 people (shown below) demanding an increase in LA and school funding for children and young people with SEND.
 - As a result of this united action, Children and Families Minister Nadhim Zahawi wrote to the NEU and School Cuts to announce an additional £250 million of high needs funding, and an additional £100 million of capital funding for LAs for specialist provision and improved facilities (shown below).
 - Despite this fantastic win, even the DfE acknowledged that this extra funding is a "partial response" and "more needs to be done." Subsequently, the National Audit Office have launched an investigation into the effectiveness of current funding and support for children and young people with SEND. The NEU has submitted evidence to the NAO and is keen to work closely on this project going forwards.

¹ <https://www.countycouncilsnetwork.org.uk/councils-warn-that-yearly-overspends-on-special-education-are-unsustainable/>

Teachers pay award and what it means for school budgets

In July 2018 the Government finally announced the school teacher pay rise for September 2018, along with a new Teachers' Pay Grant (TPG) to help fund it.

However, the Government ignored its own independent pay review body's recommendation to award all teachers and school leaders a 3.5 per cent pay increase, and despite claiming the TPG ensured this increase was "fully funded" by the DfE, forced schools to fund 1 per cent of the cost – as well as the pay increase for support staff – from already severely strained budgets.

This has enormous implications for schools as the Treasury has not fully funded this pay rise, meaning schools have had to find the money from their own limited budgets. Furthermore, the TPG is awarded based solely on pupil numbers per school, rather than actual need, as it currently proposed as a one off payment.

The NEU is committed to working with head teacher trade unions ASCL and the NAHT to demand that Damian Hinds implement fully the current and future recommendations of the review body, and that the Treasury fully funds this pay rise.

Section B:

What some councillors have already done

Model motion on school cuts

Over the past few months councillors across the country have been passing motions against school cuts and pledging support for the campaign. The below is a adaptable model motion that you could pass in your council in your chamber.

Example motion for council meeting

[NAME OF COUNCIL] notes:

As a result of ongoing Government cuts, [NAME OF BOROUGH] schools:

- Will have lost £[X] million (figures available for your area via www.schoolcuts.org.uk) in overall funding between 2015-2020
- Will have lost £[X] per pupil
- Have seen a [X] of classroom sizes increase
- Have seen staff losses of [X] owing in part to recruitment and retention issues
- Must bear the brunt of unfunded National Insurance increases
- See inadequate High Needs Block Funding, leaving our most vulnerable pupils without the support they need

[NAME OF COUNCIL] resolves:

- To resist the Government's ongoing cuts to school budgets and call for more funding to be invested in education.
- To support the coalition of trade unions campaigning against school cuts.
- To call on the Government to fully fund and fully implement the recommendations of the School Teachers' Review Body on teachers' pay.

Let the NEU know that you have passed this motion, contact us via cllrs@neu.org.uk

Section C:

Actions you and other councillors can take

As part of the School Cuts campaign, the NEU aims to ensure that school funding is kept in the public eye and the Government is forced to act on the concerns of local councillors, constituents, teachers and parents.

As such we encourage you to undertake one (or all) of the following as a next step to highlight this crucial issue in the upcoming weeks:

1. Pass a motion in your council chamber and send it to cllrs@neu.org.uk (an example motion is available above).
2. Write to Damian Hinds, Secretary of State for Education, ahead of this spring's Comprehensive Spending Review encouraging him to lobby the Treasury on behalf of schools in your local area (example letter is available in Appendix 2).
3. Survey local head teachers to hear about the impact of cuts in your area (example survey in Appendix 1 below).
4. Plan a community event highlighting school cuts. Get in touch with our regional offices if you would like further support with organising an event – we have further resources to support you at <https://neu.org.uk/neu-councillor-network>.
5. Plan a lobby of local MPs.

Appendix 1:

The impact of school cuts by local authority (all figures in 2018/2019 prices)

For more information on how school cuts affect schools in your local area, please go to www.schoolcuts.org.uk

Appendix 2:

Example survey for local head teachers

Q1. Has your school's budget been cut in real terms in the current academic year (2018/19)?

- Yes
- No
- Don't know

Q2. How do you feel about the prospects for your school's funding over the next three years?

- Optimistic
- Neutral
- Pessimistic
- Don't know

Q3. Have pupil numbers at your school increased or decreased in the current academic year (2018/19)?

- Increased
- About the same
- Decreased
- Don't know

Q4. Has your school cut staff numbers in the current academic year (2018/19) compared to last year? Please tick all that apply.

	Yes – through natural wastage	Yes – through voluntary redundancy	Yes – through compulsory redundancy	No reduction in staff numbers	Don't know
Teaching posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Classroom support staff posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other support staff posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leadership posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q5. Is your school planning to cut staff numbers in the coming academic year (2018/19)? Please tick all that apply.

	Yes – through natural wastage	Yes – through voluntary redundancy	Yes – through compulsory redundancy	No reduction in staff numbers	Don't know
Teaching posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Classroom support staff posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other support staff posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leadership posts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q6. Has your school cut the range of subjects being taught in the current academic year (2018/19)? Please tick all that apply.

	Yes	No	Don't know	Not applicable
Secondary EBacc subjects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Secondary non-EBacc academic subjects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Secondary vocational subjects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Primary subjects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q7. Has your school made any of the following other changes in the current academic year (2018/19) compared to last year? Please tick all that apply.

- Bigger class sizes
- Increase in teaching hours per teacher
- Reduction in teaching hours per course
- Reduction in support staff hours in the classroom
- Increase in teachers teaching subjects in which they are not qualified
- Increase in use of teaching assistants/high level teaching assistants for teaching pupils with SEND
- Increase in teachers routinely carrying out admin tasks
- Increase in teachers being used to cover for absence
- Increases in workload
- Reduction in staff training
- Cuts in spending on books and equipment
- Cuts in spending on information and communication technology (ICT)
- Fewer extra-curricular activities for students
- Cuts to responsibility payments for teachers
- Pay rise not implemented/pay progression not awarded
- Cuts to SEND support
- Cuts to English as an additional language (EAL) support
- Cuts in pastoral or counselling support
- Cuts in budgets for planned building work
- Cuts in cleaning and maintenance budgets
- Other

Please specify other changes:

Q8. Was the Teacher Pay Grant sufficient to pay all teachers in the school the increases set out to pay ranges in the School Teachers' Pay and Conditions Document?

- Yes
- No
- Don't know

Q9. Have any of the following changes to special educational needs & disabilities (SEND) provision affected SEND pupils in your school in the current academic year (2018/19)?

Please tick all that apply

- No change in any of the following provision
- Don't know
- Reduction in teaching assistant support
- Reduction in access to specialist teaching resources
- Reduction in access to external support service interventions (e.g. CAMHS, speech & language therapy, physiotherapy)
- Reduction in arrangements for access to exams or SATs
- Local Authorities missing deadlines for Education, Health & Care Plan (EHCP)
- Reduction in support for pupils who have SEN
- Increase in referral times for pupils with diagnoses such as autism
- Pupils unable to attend school full-time due to lack of specialist SEND provision
- Increase in teaching hours for SENCO
- Reduction in access to SEND CPD for teachers
- Other

Please specify other SEND changes:

Q10. Has your school asked parents for money to help with school funding in the current academic year (2018-2019)?

- Yes – go to Q11
- No
- Don't know

Q11. If yes, how much?

- Not specified
 - £1 to £5 a month
 - £6 to £10 a month
 - £11 to £20 a month
 - £21 to £30 a month
 - £31 to £40 a month
 - £41 to £50 a month
 - Over £50 a month
-

Q12. Has your school asked parents to pay for any items in the current school year? Please tick all that apply

- No payments have been required for any of these items
- Don't know
- Payment for text books
- Payment for library books
- Payment for IT equipment
- Payment for art materials
- Payment for design and technology materials
- Payment for sports equipment
- Payment for attendance at concerts / sports events
- Payment for private SEND consultation/ report outside of LA provision
- Other

Please specify other items:

Q13. If you would like to provide any further information about how the cuts are affecting your school, please could you do so here:

Appendix 3:

Example letter to Damian Hinds MP

The Rt Hon Damian Hinds MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
20 Great Smith Street
London
SW1P 3BT

Dear Secretary of State,

I am writing to you to express concern relating to school funding in **NAME OF WARD IN NAME OF COUNCIL**.

Schools in my local authority area have lost out on CUTS FIGURE FROM SCHOOL CUTS SITE because of the Government's real terms cuts to per pupil funding since 2015.

I recently surveyed head teachers in my area and they told me that:

- X
- Y
- Z

I am asking that you meet with me and other council colleagues to discuss the urgent and pressing need for more funding for schools in my area.

I look forward to your reply. I will share your response with local residents and head teachers in my ward when I inform them of the steps I am taking to support the excellent work of schools in **NAME OF AREA**.

Yours sincerely,

NAME OF COUNCILLOR

Appendix 4:

Glossary of terms:

Academy trust – a school under the control of an independent trust or charity. Academy trusts vary in size and can consist of a single school, whilst the largest national trust includes over 60. Academies receive their funding from the Education Funding Agency.

DSG (Dedicated School Grant) – funding allocated to local authorities to be distributed to maintained schools in their area. The DSG also funds centralised services for local schools and academies.

Education Funding Agency – this body allocates funding directly to individual academy trusts to be distributed to their schools. This money bypasses the local authority which has led to increased financial pressures, as the LA is still obliged to provide certain services to all educational institutions within its constituency but receives less money via the DSG to do so.

Education Health and Care Plan (EHCP) – a legal document which establishes what additional support a child or young person with severe SEND is entitled to in order to fully access education. EHCPs replaced statements a number of years ago and cover a person from birth until the age of 25. However, the additional funding LAs have received to implement EHCPs has not proved adequate to cover the extended entitlement an EHCP provides, nor the complexity of need required for many young people living with SEND after the age of 18.

Maintained school – a school under the control of the local authority. Maintained schools have their budgets allocated to them by the LA via the DSG.

Pupil Referral Unit (PRU) – a specialist unit catering for children and young people who have not been able to remain within mainstream education, usually for reasons relating to SEND.

Schools Forum – made up of representatives from local schools and academies, the Schools Forum consults and decides on key educational funding issues within the constituency. Whilst the Schools Forum can rule on key areas of school funding, e.g. approving or halting proposals from the LA to transfer money between the different DSG blocks, the LA can appeal to the Secretary of State for Education have these decisions overturned.

SEND – Special Educational Needs and Disabilities. SEND can range from mild learning difficulties to severe and complex disabilities. Every child or young person with SEND should have their needs assessed and catered for on an individual basis.

Special school – a school providing specialist education and care for children and young people with severe learning needs. Funding for children in special school settings is very expensive. There has been a significant increase in the number of children taking up places at special schools since 2013.

My action plan

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2	
3	



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