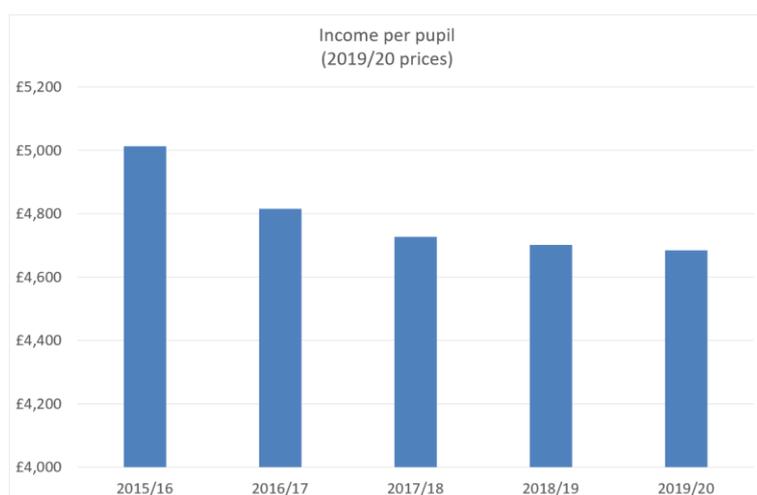


What do the parties' manifestos mean for schools?



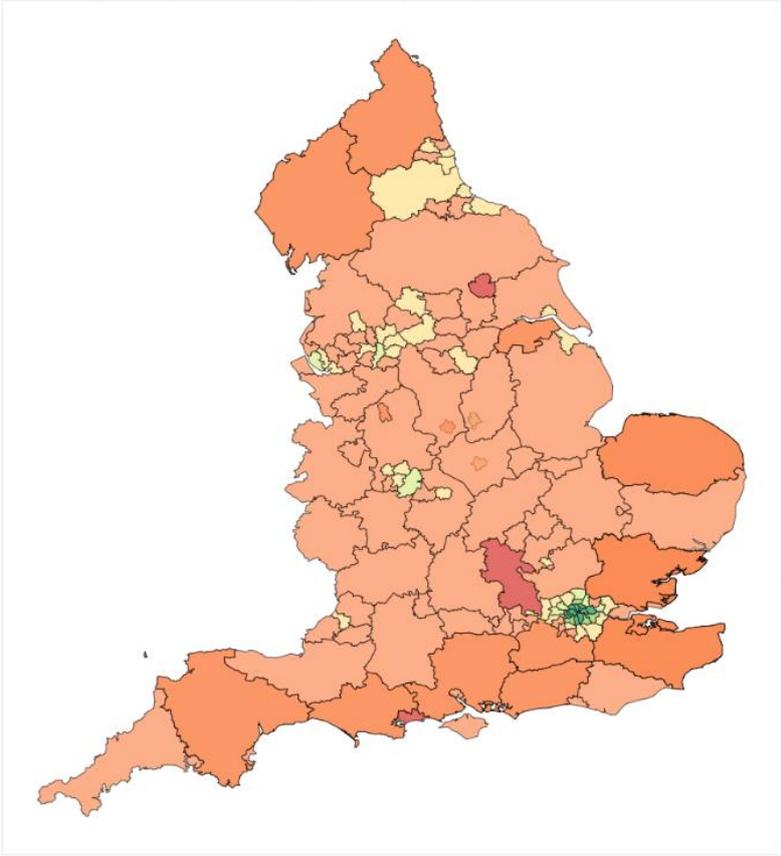
Schools have had to deal with cuts to their core budget since 2015. As a result, almost a million pupils are taught in classes of 31 or more pupils, an increase of 20% in four years. Many classes do not have a qualified teacher all the time - this is particularly common in primary schools. Compared with 2015, we have 420,000 more pupils in school and yet there are 3,500 fewer teachers to teach them. We have reached the extraordinary position where dozens - no one knows exactly how many - primary schools close on Friday afternoon.

The Schools Block for 2019-20 is £35.7bn. If per pupil funding had been maintained in real terms this figure would be £38bn. This is a real terms reduction of £2.3bn or 6.4%. In addition, the Government is conducting the largest redistribution of school funding in a generation. In the process cuts have fallen unevenly, with 3,483 schools suffering cuts of more than 10%. The redistribution was ostensibly introduced to deal with shockingly low levels of funding for schools in many areas of the country. But it is a redistribution with very few winners: only 6% of schools have higher funding than in 2015-16.

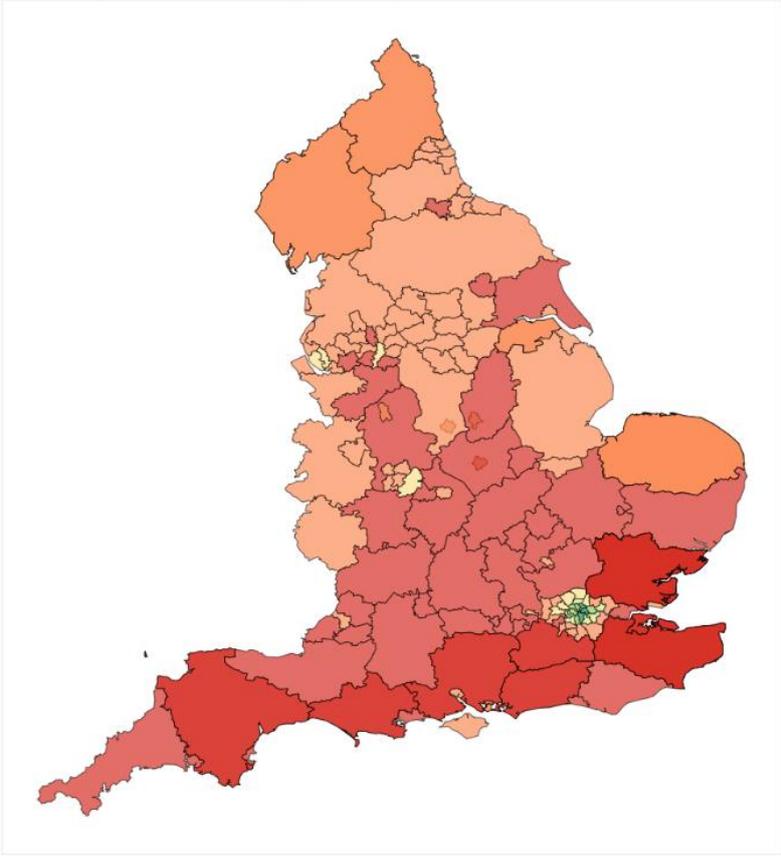


Change in per pupil funding in real terms 2015-16 to 2019-20	Schools	% Schools
-20% or worse	157	1%
-15% to -20%	319	2%
-10% to -15%	3007	15%
-5% to -10%	10142	51%
-5% to 0%	5121	26%
0% to 5%	775	4%
5% to 10%	187	1%
10% or more	143	1%

Income per pupil 2015/16 (2019/20 prices)



Income per pupil 2019/20 (2019/20 prices)



Conservative Manifesto

There is only a relatively small amount of additional money just £145m for schools in the Conservative Manifesto, beyond their announcement in the Summer, 30th August 2019. The additional funding works out as:

- £2,000 for every primary school for PE
- £34,000 for every secondary schools for the arts

Schools Block

Conservatives have promised to level up funding and change the mechanism of the system, so that it does not produce winners and losers. This claim is not matched by the funding they have proposed.

Year	Schools Block funding 2015-16 baseline ¹	Manifesto commitment	Funding gap
2020-21	£40.0bn	£38.1bn	-£2.0bn
2021-22	£41.7bn	£40.3bn	-£1.4bn
2022-23	£43.3bn	£42.7bn	-£0.7bn
2023-24	£44.8bn	£43.8bn	-£1.1bn

The mismatch between claim and financial commitment gives rise to at least two problems. First, since the Manifesto did not pledge a specific amount of money for schools for 2023-24 we must assume that funding is only being increased by inflation (GDP deflator 2%). However, there are projected to be a further 44,000 pupils in 2023-24 and school costs are rising faster than inflation².

Secondly, school costs are due to rise by 2.9% (excluding pension costs that are covered by a separate grant). The result is that a third of schools will suffer a further real-terms cut to funding in 2020.

The table above gives a best-case scenario for school funding under the Conservative's plans, to take full account of the pledges they have made in relation to High Needs funding. The Conservatives announced that the High Needs Block funding, used to fund the education of pupils with high level special needs, will be increased by £780m in April 2020. We have assumed that this budget will be kept at that total for the next four years. We think it is very unlikely that a Conservative Government would be able to keep High Needs funding at this level because their policies have resulted in a 38% increase in the number of pupils with an Education and Health Care Plan in the last four years and there are no signs of this slowing. Over the last four years, the Conservative Government have diverted money from the Schools Block to the High Needs block rather than find new money from the Treasury. We expect that if the Conservatives are re-elected then this pattern will be repeated and so cuts to school budgets are unlikely to be reduced to the extent predicted above.

We have used the school allocations announced for next year to calculate the impact on funding of a new Conservative government. We show that 83% of schools will have less funding than they did in 2015. The average pupil will have cuts to their education of £270 a year compared with 2015.

¹ Schools Block baseline includes the Central Services Schools Block, the Teachers' Pay Grant and the Pensions Grant. These elements have only been disaggregated since 2015/16.

² The average increase in school costs excluding pension increases is 2.7% for the period 2015-16 to 2022-23.

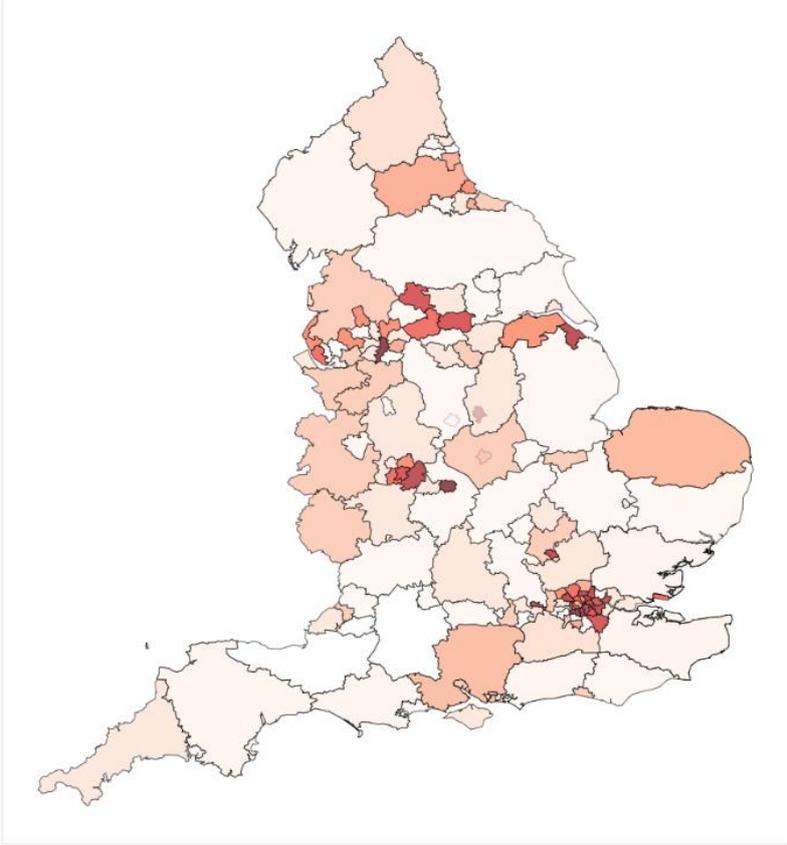
Change in per pupil funding in real terms 2015 – 2020	Schools	% Schools
-20% or worse	165	1%
-20% to -15%	342	2%
-15% to -10%	3026	15%
-10% to -5%	7067	36%
-5% to 0%	5913	30%
0% to 5%	2387	12%
5% to 10%	564	3%
10% or more	387	2%

The map on the next page shows the proportion of schools which will need to make further cuts in April 2020. These are generally concentrated in metropolitan boroughs with high levels of child poverty, but sparsely populated counties are also worse hit than average because of their higher than average costs.

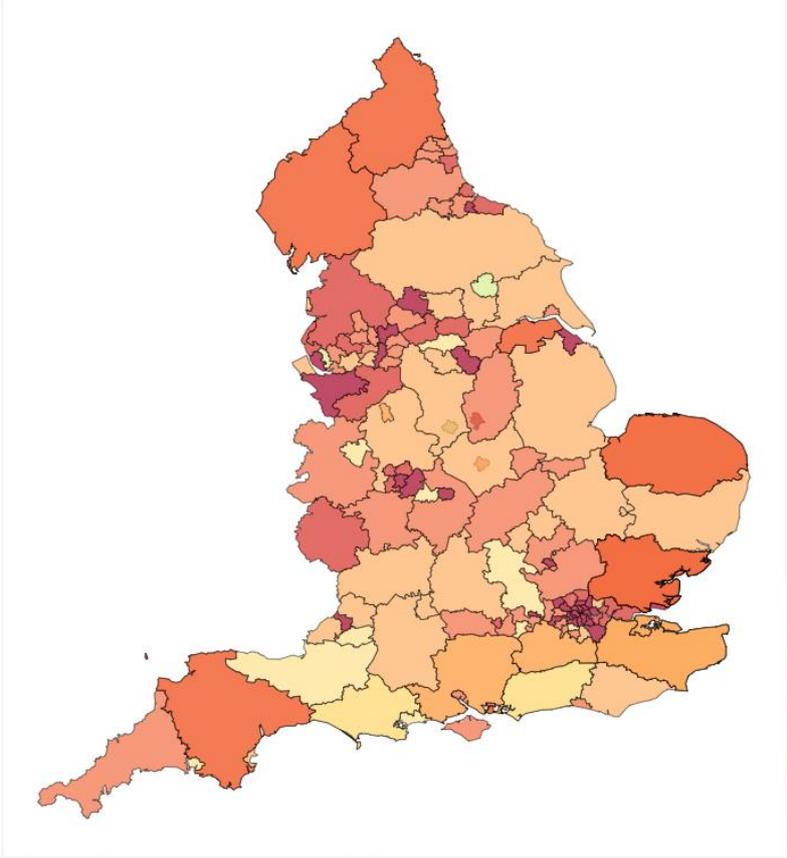
There is a strong link between child poverty and the size of the cuts to school budgets. Primary schools with the highest levels of child poverty have cuts averaging £381 per child compared with cuts to schools with the lowest levels of poverty of just £125. The picture is even more stark in the secondary sector with the comparison being £512 against £117. It should not be forgotten that there are no winners in this picture.

There are only three local authority areas with a funding increase - York, Derby and Knowsley. The increases are extremely modest. They are £19 per pupil, £125 per pupil and £27 per pupil. Given that these areas have the very lowest funding rates this cannot be described as a solution to their problems.

Schools with more cuts in 2020/21



Change in per pupil funding 2015/16 to 2020/21



Labour Manifesto

The Labour Manifesto commits to reversing school cuts in the first year of a Labour government and starting an investment programme to raise core standards of provision and to address the persistent underfunding of schools in large parts of the country.

Year	Schools Block funding 2015-16 baseline	Manifesto commitment	Difference
2020-21	£40.0bn	£41.5bn	£1.4bn
2021-22	£41.7bn	£43.8bn	£2.1bn
2022-23	£43.3bn	£46.0bn	£2.6bn
2023-24	£44.8bn	£48.0bn	£3.2bn

Labour have allocated £3.4bn more than the Government £41.5bn as against £38.1bn in 2020-21. The Labour manifesto commits to reversing the cuts of the last few years, this costs £2bn. The party has also committed to addressing historic underfunding - to protect the modest gains made by the 17% of schools that will have a higher rate of funding in 2020 compared with 2015, costs £200m.

This leaves a further £1.2bn to distribute. We have assumed that this is shared out on an equal basis for all pupils. There are 7.3m pupils of compulsory school age and so this works out as £168 per pupil to supplement the funding described in the previous paragraph.

We expect Labour will want to rework the National Funding Formula in office but since allocations have already been published and Schools Forums will be considering how to distribute them in the new year, we imagine Labour would have to use a simple mechanism to distribute the additional funds in its first year in office.

Funding Real Change commits Labour to remove the accumulated deficits identified by the Local Government Association and Isos Partnership report, "Have we reached a 'tipping point'?". The report estimates the accumulated deficits at between £889m and £1,192m for 2020-21. The Government has increased funding for High Needs by £780m since the report was written, so next year the remaining gap will be somewhere between £109m and £412m.

Labour have also allocated £5.3bn to fund a catch up pay award for public sector workers. This is for a pay rise above the OBR's forecast for wages 3%. We estimate that schools are entitled to about £800m of it in 2020-21, on a fair share basis. We estimate teachers' pay will rise by 3.7% a year for the next three years as a result of the Government's plan to raise the starting salaries of teachers to £30,000. Some of the £800m will be used to offset this pay rise and potentially as much as £500m. We have accounted for the commitment to the High Needs Block by not including any of the money from the Public Sector pay catch-up in the resources listed in the table at the top of this section.

Liberal Democrat Manifesto

The Liberal Democrat Manifesto says, “We will reverse school cuts with an immediate emergency cash injection so that pupils have the resources they need to learn.”

There is a commitment to increase school spending by £5bn more than the Conservatives Spending Round announcement over the next three years. In 2023-24 spending is increased by a further £1.5bn.

Year	Schools Block funding 2015-16 baseline	Manifesto commitment	Difference
2020-21	£40.0bn	£40.1bn	£0.0bn
2021-22	£41.7bn	£41.6bn	-£0.1bn
2022-23	£43.3bn	£43.1bn	-£0.3bn
2023-24	£44.8bn	£44.6bn	-£0.2bn

The spending commitments in the Liberal Democrats manifesto are consistent with the stated aim above.

It is good that the manifesto addresses the cuts of the last four years. However, there is no additional money to address historic underfunding that schools in many areas have faced for decades.

Also, under the Lib Dem plans, the 17% of schools that were due to receive additional funding in April 2020 published in the school allocations will now have that funding removed. They will return to their 2015 real terms funding level but won't get the marginal extra promised by the Government.

It is straight forward to model the impact of these proposals for every school, we simply restored funding to the 2015 baseline and increased the rates to account for school costs.

Projection of funding for 2020-21

We have only projected school by school funding for 2020-21, because we know what the Conservative and Liberal Democrat manifestos mean for all schools and we have a good idea of the impact of the Labour manifesto. Whereas from 2021-22 onwards that are quite a number of assumptions we would have to make both about how money will be distributed and the success or otherwise of the next Government delivering the promised funds to schools.

Andrew Baisley
NEU Data Analyst
2nd December 2019

Appendix

Methodological differences with Institute of Fiscal Studies

The method used in this analysis differs from the Institute of Fiscal Studies (IFS) in some important respects, but the two approaches are not contradictory.

- The IFS use general inflation for all their calculations of cost increases, whereas we use Department for Education calculations of school costs.
- The IFS use the Core Schools Budget which is a combination of school and special needs funding. The High Needs block funds the education of people with special needs up to 25 years old. It pays a top up for students in mainstream schools, the full cost of education at special schools and children in alternative provision.
- We use the Schools Block allocations which funds more than 90% of mainstream schools income. which we sum to find the total for all schools and draw pupil numbers from the same source.
- Data for the Core Schools Budget goes back decades whereas the Schools Block allocations have only been separated out since 2013-14.
- When looking at the impact on schools we use a sample of 98% of schools that have funding data available for 2015-16, 2019-20 and 2020-21.

The IFS's approach has the benefit of identifying patterns in Government spending over the long term. Our approach has the benefit of tracking the impact of Government spending year to year.

The spreadsheet that details the calculations for the funding commitments to schools is titled, "Manifesto costings".

The School Costs Index is explained in "School Costs Index - Dec 2019".

The methodology for the calculations is explained in the document "Calculating school cuts for England – December 2019".