

Schools in the poorest areas could lose out under new school funding formula

The Government's planned cuts to school budgets in the Liverpool City Region are disproportionately concentrated on the poorest areas. This is the major outcome of a review of the latest Government announcement on school funding that purported to protect schools in the poorest areas.

Analysis carried out by the Liverpool City Region Child Poverty and Life Chances Commission reveals that the overall level of funding for the City Region's schools in 2018/19 (set out in the Department for Education's new National Funding Formula) is set to be lower (1.5% increase on the year before) than inflation (2.1%). This is before additional cost pressures, such as staff pay and pension contributions, are taken into account.

The analysis finds that across the City Region:

- Nearly 60% of all primary and secondary schools have a notional funding allocation that is lower than the forecast level of inflation.
- Almost half of those schools are located in the poorest fifth of areas in the whole country.
- Almost two thirds of City Region schools located in England's poorest 5% of areas have been given a notional allocation that is lower than the forecast level of inflation.

The Commission's Chair, Frank Field MP said: 'Why has the Government singled out schools in the poorest areas of the Liverpool City Region for a disproportionate share of real cuts to school budgets? Schools across the Region are doing their utmost to offer the best opportunities for children from all backgrounds, but this wave of real terms cuts for many schools will strike them like a hammer, especially when we take into account the challenging circumstances faced by children growing up in some of our most disadvantaged communities. The Commission will be challenging the Government to think again about this proposed funding settlement, to ensure that the life chances of children from our poorest communities are not disadvantaged further during their school years.'

ENDS

For further information on the Commission's analysis, please contact Joseph Ong on 0151 443 2692. For any further information please contact andrew.forsey@parliament.uk or 0207 219 6636.

Note to the Editors

1. Whilst the overall level of funding set out for the City Region is set to increase by 1.5% in 2018/19, the Office for Budget Responsibility's most recent inflation forecasts indicate that prices are likely to have risen by 2.1% during the 2018/19 financial year, meaning that the funding received will effectively be lower than that received the previous year.
2. The inflation forecast of 2.1% is sourced from the Office for Budgetary Responsibility's economic and fiscal outlook – November 2017, CPI forecast for 2018/19.
3. School level allocations published by the [Department for Education](#) are notional, and final allocations to each school will depend on each local authority's own local formula to distribute the funding until the NFF is fully rolled out in 2020/21.

4. The Commission's analysis is included below:

Combined (schools, block, high needs block and central school services block)

	2017/18 baseline		2018/19 provisional	
		(£m)	(£m)	% change
Halton		98.796	100.240	1.5
Knowsley		107.202	109.702	2.3
Liverpool		347.213	351.578	1.3
Sefton		183.701	185.298	0.9
St Helens		124.308	127.150	2.3
Wirral		230.943	234.933	1.7
Liverpool City Region		1,092.163	1,108.902	1.5
England		-	-	1.9

School block – national funding formula

IMB deprivation	All Schools		Schools with an allocation below 2.1%			
	Number	%	Number	% of all schools	% of those below 2.1%	% of group
All	530	100%	309	58%	100%	58%
50%	375	71%	224	42%	72%	60%
20%	245	46%	144	27%	47%	59%
5%	118	22%	77	15%	25%	65%
1%	25	5%	15	3%	5%	60%