

# General Election 2019

## An analysis of manifesto plans for education

### Priority 3: School funding

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Research Area:  
Election Analysis



## Priority 3: School funding

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While school funding has increased, so have the costs faced by schools, with schools reporting increasing financial pressures. As such, school funding has been an important issue, resonating not just with schools but parents and the electorate more widely. During the 2017 election campaign, the issue of school funding rose from the 5th most important issue to voters, to the 3rd most important issue.

In September 2019, the government announced that it would be increasing the schools' budget by an additional £7.1bn per year by 2022-23. If implemented, this would leave school spending per-pupil at around the same level in 2022-23 as it was in 2009-10.

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### The current landscape

#### Long term trends in school spending

In 2019-20, core funding for schools and high needs totalled just over £40bn, with a further £2.4bn delivered via the Pupil Premium and targeted at pupils from disadvantaged backgrounds.<sup>1</sup> Figure 3.1 shows the long-term trend in school spending in England. In 2019-20 overall school spending per pupil was about 40 per cent higher in real terms than in 2000-01, this was driven by rapid growth during the 2000s when spending per pupil increased by around 5 per cent per year in real terms. However, between 2009-10 and 2019-20 per pupil expenditure fell by 8 per cent in real terms.

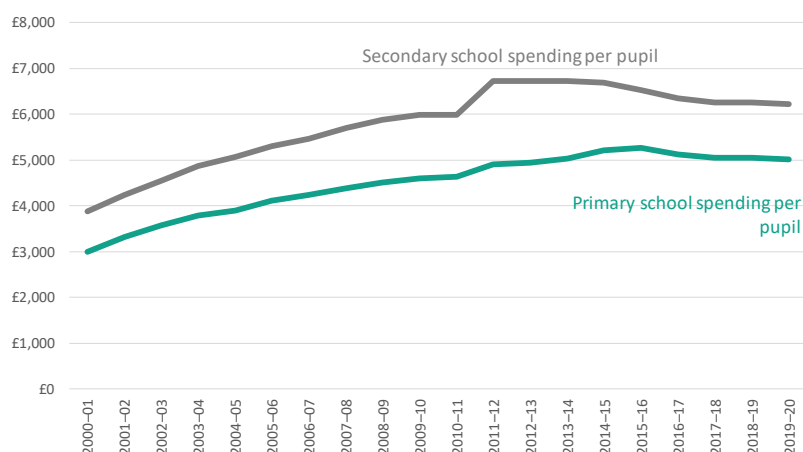
The overall level of funding that a school receives has been shown to have an effect on pupil attainment.<sup>2</sup> The effects are felt more strongly in schools serving disadvantaged communities, those with low prior attainment, and with high non-white populations.

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<sup>1</sup> DfE, 'National funding formula tables for schools and high needs' and 'Pupil premium: allocations and conditions of grant 2019 to 2020', (October 2019)

<sup>2</sup> Stephen Gibbons et al, 'Does additional spending help urban schools? An evaluation using boundary discontinuities', (November 2017)

**Figure 3.1: Long term trends in per pupil expenditure in state-funded primary and secondary schools<sup>3</sup>**



### Trends in the number of schools in financial difficulty

These funding pressures have been reflected in the number of schools with end of year deficit balances, which has grown in recent years.<sup>4</sup> In 2017-18 almost one in three (30.3 per cent) of local authority maintained secondary schools were in deficit at an average of nearly half a million pounds. Significantly, there was a marked contrast between the proportion of secondary schools and primary schools in deficit – only 8.0 per cent of primaries were in deficit in 2017-18. The proportion of special schools in deficit nearly doubled between 2014 and 2018 (to 10.1 per cent), with an average deficit of nearly a quarter of a million pounds (£225,298). Overall, in 2017-18, around half of all schools had expenditure that exceeded their income.

### Distribution of school funding

As well as the overall quantum of funding creating pressures in some schools, the distribution of that funding has also come under scrutiny for being out of date and inconsistent. To address this, the government introduced a new national funding formula in April 2018, although the transition arrangements mean that it will take a few years for schools to receive their full allocations under this new formula.

In October 2019, the Department for Education published illustrative schools level allocations for the National Funding Formula (NFF) for 2020-21.<sup>5</sup> Funding allocated through the NFF will total £35.7bn, representing an increase in per pupil funding of just over 4 per cent between 2019-20 and 2020-21. However, the amount that individual schools will receive is likely to vary considerably. Around one in four schools will only see increases in their pupil led funding that are in line with inflation. In London this increases to nine in ten schools.

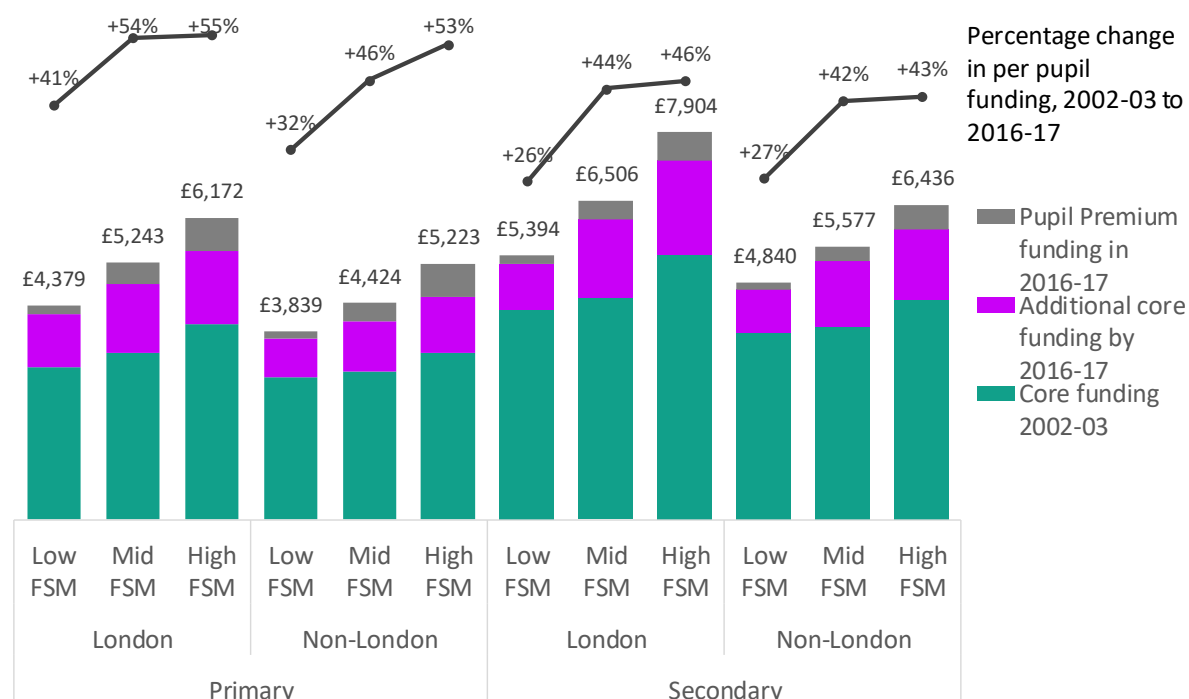
Around £3.2bn of funding will be allocated through formula factors relating to disadvantage, with an additional £2.4bn through the Pupil Premium, targeted towards pupils from low income backgrounds. As shown in Figure 3.2, the long-term trend, since the early 2000s, has seen schools with higher proportions of pupils eligible for free school meals receiving the largest increases.

<sup>3</sup> Jack Britton, Christine Farquharson, and Luke Sibieta, '2019 Annual Report on Education Spending in England', (September 2019)

<sup>4</sup> Jon Andrews, 'School Revenue Balances in England' (January 2019)

<sup>5</sup> DfE, 'National funding formula tables for schools and high needs: 2020 to 2021', (October 2019)

**Figure 3.2: Core schools block funding and pupil premium allocations per pupil 2002-03 and 2016-17 with percentage change in per pupil funding between the two years<sup>6</sup>**



The Conservative government has confirmed its new approach to ‘levelling-up’ funding so that in 2020-21 all primary aged pupils receive at least £3,750, and all secondary aged pupils receive at least £5,000, in core funding.<sup>7</sup> In order to meet this commitment, the NFF includes funding of £266m to raise schools to this level if they do not reach it through the other factors alone. Schools that are below these minimum levels are disproportionately serving more affluent communities and have less challenging intakes, since they generally attract less funding through the NFF. So, while all schools will see increases in funding, schools serving less disadvantaged communities are likely to see the biggest gains from recent announcements.

### School efficiency

Despite being a major source of government expenditure, there are no detailed estimates of the cost of running a school. The government’s NFF for schools is designed to distribute the total pot of money fairly, based on a set of school and pupil characteristics, but that’s quite different from a school being funded ‘correctly’. As such, we have a system whereby there’s wide variation in the amounts of funding that schools are receiving (even under the NFF) and considerable differences in the ways in which they are spending that money.

Staffing costs represent the largest source of expenditure for schools, with the cost of teachers alone accounting for around half of all expenditure.<sup>8</sup> The Department for Education has argued that there are significant efficiency savings to be made through better staff deployment. As part of a 2016 study by the National Audit Office (NAO), DfE estimated that a total of £3.0bn of efficiencies could

<sup>6</sup> Jon Andrews, ‘Understanding revenue expenditure – Part 2: which types of schools spend the most?’, (October 2019)

<sup>7</sup> The per pupil minimum for primary age pupils is planned to increase to £4,000 in 2021-22.

<sup>8</sup> Department for Education, ‘Trends in school expenditure: 2002 to 2016’, (August 2018)

be made, comprising £1.3bn through improved procurement and £1.7bn through changes to staff deployment.<sup>9</sup> The NAO noted that at that stage the department's guidance on workforce spending was not available.

## Funding for high needs

The adequacy of and system for funding for pupils with special educational needs and disabilities (SEND) – funded through the 'High Needs Block' – has also become more prominent. A significant issue is the ongoing rise in children and young people with SEND, and Education, Health and Care Plans (EHCPs).

The question is not simply the amount of money in the system but how it is distributed. A large proportion of funding allocated through the High Needs Funding Formula is **based on historical spending patterns**, meaning that if needs go up or down from year to year, this isn't fully reflected in local budgets and pupils in one local authority could attract significantly more or less funding than a pupil in another authority, despite having similar needs. Where local authorities need to deal with rising numbers, they have **limited flexibility to transfer money from** the schools to the high needs block. Schools are also required to meet the first £10,000 of costs, which can deter schools from taking on pupils with additional needs.

Children with SEND – and their families – are also often reliant on support from other public services, in particular health and social care. Indeed, it was a key aim of the 2014 reforms to drive better joint working between education, health and social care. However, health and social care services for children with SEND have also faced financial pressure. If children and families are not receiving the support they need from other services, it is harder for them to thrive at school; and schools will find it more difficult to meet their needs.

The high needs block also funds pupils in alternative provision (AP), which includes many pupils who have been permanently excluded from school. Permanent exclusions have also been increasing. Current commissioning arrangements for alternative provision schools also risk placing a pressure on local authority budgets. Places in AP free schools are funded centrally from the Education, Skills and Funding Agency (ESFA), but then the ESFA deducts the corresponding funding from the high needs block of the relevant local authority. But local authorities do not have the power to adjust place numbers, meaning that local authorities are facing reductions to their high needs budgets for places which they have no control over.

The government's one year spending round of September 2019 provided an additional £700m for high needs in a one year settlement for 2020-21. If the additional £700m is held flat in real terms it will mean that by 2022-23 the overall high needs budget will be some £600m short of what is required according to the Education Select Committee.

## What should a new government do?

Education research suggests that policies should:

- ensure that funding remains progressive and that funding should be targeted where it is needed most to help tackle the disadvantage gap;

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<sup>9</sup> National Audit Office, *'Financial sustainability of schools'*, (December 2016)

- reform high needs allocations to address inconsistencies between areas in the amounts that pupils with similar needs attract; and
- address funding for high needs in mainstream provision, so that funding pressures on schools do not have an impact on their ability to provide support for, and ultimately retain, pupils with SEND in mainstream provision.

## Manifesto commitments

All parties have committed to significant additional revenue expenditure on schools to reverse the real terms reductions in per pupil funding of the last decade. There are however differences in the overall amounts being proposed and the rate at which these increases will be introduced. As well as revenue funding we have seen new commitments to improve the condition of the school estate through additional capital funding. Three parties have also proposed significant additional expenditure on the provision of free school meals.

### Overall level of revenue funding

The commitments on school revenue funding are within the context of the recent Spending Round 2019 announcements for funding to 2022-23, in which revenue funding would increase by £7.1bn a year in cash terms or around £4.4bn in 2019-20 prices.

All of the parties have committed to at least this level of expenditure.<sup>10</sup> Figure 3.3 shows how total revenue expenditure will increase under each of the main parties.

The Conservative Party has largely kept in line with the commitments set out in Spending Review 2019. They have however introduced additional expenditure on an arts premium for secondary schools (around £100m per year) and additional funding for physical education (around £30m per year) meaning that by 2023 total expenditure will be around £4.5bn higher than in 2019-20. After accounting for pupil number growth, per pupil funding would be 7.4 per cent higher in real terms.

The Liberal Democrats go slightly further, with an increase of £4.8bn by 2022-23. After accounting for pupil number growth, per pupil funding would be 8.5 per cent higher in real terms. The key difference is the rate at which increases occur, with the majority of the increase being seen by 2020-21 followed by modest increases after that which amount to £0.5bn a year once inflation has been accounted for.

The Labour Party is proposing much larger increases. They would increase funding by £7.5bn by 2023. After accounting for pupil number growth, per pupil funding would be 14.6 per cent higher in real terms. The increases in 2021 would be faster still than those planned by the Liberal Democrats – an increase of £5.1bn in the first year – with increases of over £1bn in each of the following two years, once inflation has been accounted for.

The Conservative, Labour and Liberal Democrat parties have all also stated that they will provide a further £1.5bn a year for increased pension contributions, as set out in Spending Round 2019.

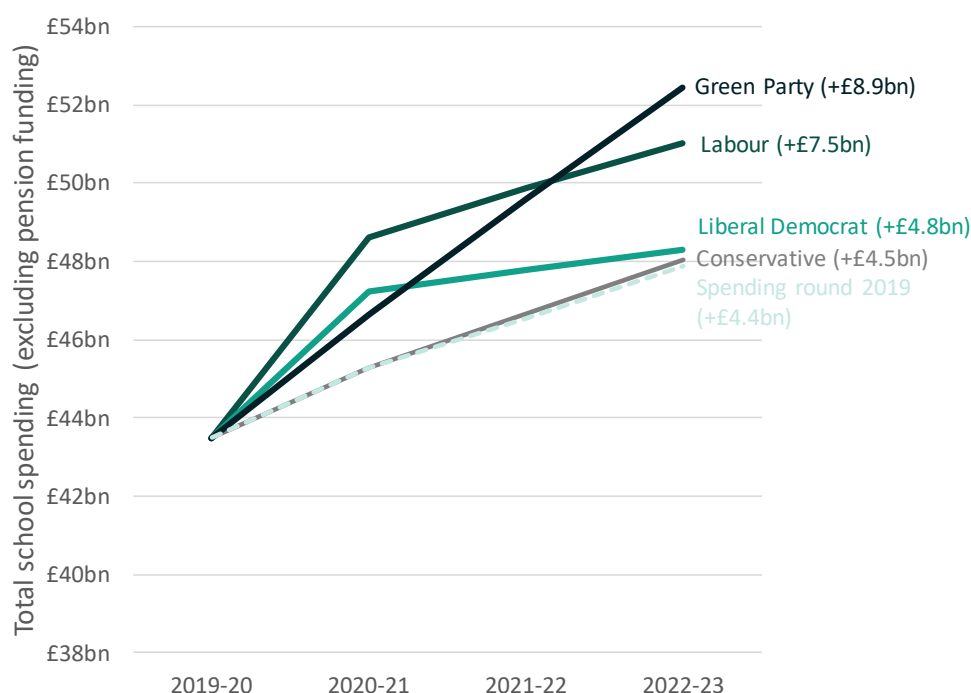
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<sup>10</sup> The Brexit Party made no statement on school funding. As elsewhere in this report we have assumed that in the absence of a different commitment then existing government policy (in this case Spending Round 2019) persists.

The Green Party commitment is less specific, stating simply that they will be “increasing funding by at least £4bn per year”. We have taken this to mean that they will simply increase the schools budget by £4bn a year, each year, in cash terms. This would mean that by 2022-23, they would be the highest spending party on schools with an increase of £8.9bn above 2019-20 spending. They would however be behind Labour’s planned spend in 2021-22 and behind both Labour and the Liberal Democrats in 2020-21. The Green Party make no reference to pension contributions and whether they would separately meet the £1.5bn of pension contributions as set out in Spending Round 2019.

The Brexit Party made no statement in relation to school funding. We therefore assume that it would maintain current government policy, in other words the spending commitments set out in Spending Round 2019.

**Figure 3.3: Total school revenue spending (excluding pension funding) 2019-20 to 2022-23 – in 2019-20 prices**



The additional funding announced in the spending round is sufficient to effectively reverse the reductions in per pupil spending since 2010.<sup>11</sup> However, it is important not to view these spending commitments in isolation from other policy commitments, such as teacher pay and expanded free school meal provision, which are likely to create additional pressures on school budgets. How money is distributed will also affect whether such a reversal is genuinely felt in individual schools.

<sup>11</sup> Jack Britton, Christine Farquharson and Luke Sibieta, ‘2019 annual report on education spending in England’, (September 2019)



## Distribution of revenue funding and the Pupil Premium

The main parties have said relatively little as to whether they will make any changes to how revenue funding is distributed. The Conservative Party has maintained their commitment to increase funding to at least £5,000 per pupil in secondary schools in 2020-21 and at least £4,000 per pupil in primary schools in 2021-22 (£3,750 in 2020-21). The Labour Party have said they will introduce a “a fairer funding formula that leaves no child worse off” though provide no further details.

In October 2019 the Department for Education published notional allocations of school funding for 2020-21 under the National Funding Formula.<sup>12</sup> Overall, per pupil funding increased by just over 4 per cent in cash terms.

Figures 3.4 and Figures 3.5 show that there are many schools that are set to receive much less than this (the minimum of inflation only) and conversely many that will see increases of twice the average. Nationally, 25 per cent of primary schools and 27 per cent of secondary schools are expected to receive increases only in line with inflation.

Schools with high levels of disadvantage are more likely than other schools to see only modest increases in per pupil funding next year. Outside of London, around half of secondary schools and just over a third of primary schools with high levels of disadvantage (meaning that more than a quarter of pupils are eligible for free school meals) will receive only inflation level increases. Meanwhile only 13 per cent of secondary schools and 20 per cent of primary schools with low levels of disadvantage will receive only the minimal increases to their budgets.

There are also clear regional differences. In Inner London, nine in ten schools will receive increases only in line with inflation. In the South West, fewer than one in ten primary schools will see such a small increase. In fact, a third will see increases of over 8 per cent, while no primary schools in Inner London will.

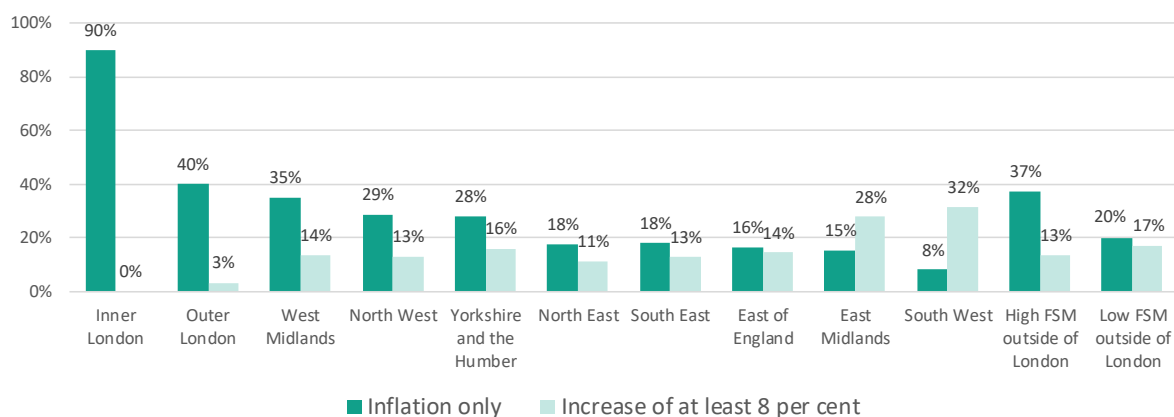
These disparities arise from policy decisions around formula factors in the National Funding Formula, including the current Government’s policy of “levelling up” funding. It is important to note, of course, that per pupil funding in London will still be much higher in London than elsewhere.

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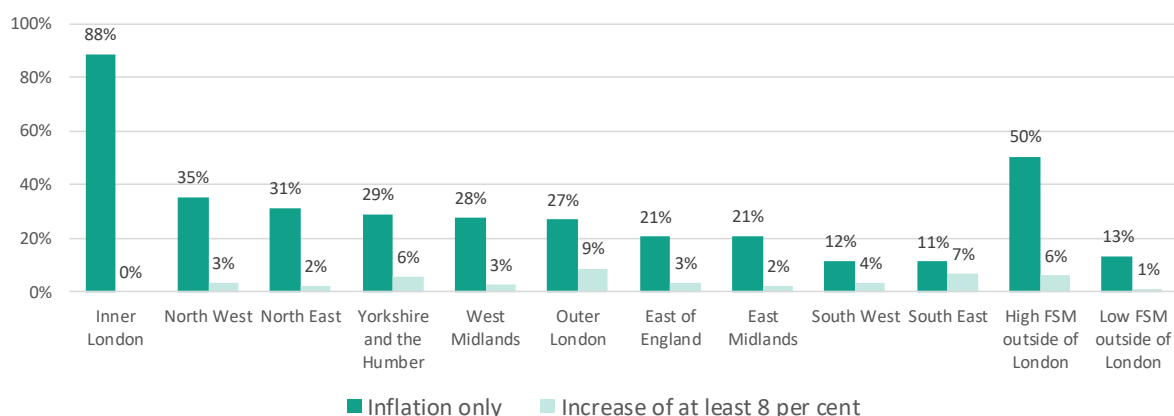
<sup>12</sup> Department for Education, ‘*National funding formula for schools for schools and high needs: 2020 to 2021*’, (October 2019)



**Figure 3.4: Percentage of schools with low increases (inflation only) and large increases (at least 8 per cent) in pupil led per pupil funding between 2019-20 and 2020-21 under current government plans by school characteristics - primary**



**Figure 3.5: Percentage of schools with low increases (inflation only) and large increases (at least 8 per cent) in pupil led per pupil funding between 2019-20 and 2020-21 under current government plans by school characteristics - secondary**



Any incoming government that is proposing large scale increases in per pupil funding overall will need to carefully consider how that money is distributed.

The Pupil Premium is an additional grant that is targeted towards disadvantaged pupils. In 2019-20, Pupil Premium allocations totalled around £2.4bn and were worth £1,320 per disadvantaged pupil in primary school and £935 per disadvantaged pupil in secondary school.<sup>13</sup> These allocations are largely unchanged from 2014-15 (with an increase in £20 for primary aged pupils and none for secondary aged pupils), had they continued in line with inflation, then pupils in primary schools would now attract £1,419 and pupils in secondary schools £1,020.

In other words, the Pupil Premium in primary schools has lost 7 per cent of its value since 2015 and the Pupil Premium in secondary schools has lost 8 per cent. If the allocations continue to be held at the cash level that they are, then, by the end of the next parliament, the value of the Pupil Premium would have fallen by nearly 15 per cent since 2015. Only the Labour Party has committed to reversing this fall in the value of the Pupil Premium.<sup>14</sup>

<sup>13</sup> Department for Education, 'Pupil premium: conditions of grant 2019 to 2020', (September 2019)

<sup>14</sup> Confirmed in correspondence from the Labour Party on 27 November 2019.

Pupil Premium eligibility is likely to increase over the coming years, putting additional pressure on the total grant. This is because the Department for Education has put in place eligibility protections to ensure that pupils who were previously eligible for a free meal do not lose it as a result of moving to Universal Credit. In 2019, the proportion of pupils eligible for free school meals increased by nearly 2 percentage points – equivalent to an additional 165,000 pupils.<sup>15</sup>

### **Funding for high needs**

The government's one-year spending round of September 2019 provided "over £700m more" for high needs in a one year settlement for 2020-21. If this is held flat in real terms it will mean that by 2022-23 the overall high needs budget will be some £600m short of what is required, according to estimates made by the Education Select Committee.

The Conservative Party has not proposed any additional money to that set out in the spending round (though their manifesto now provides a more precise £780m). On this basis, we assume that the funding will continue at the rate set out in the spending round, meaning that there will still be an expected short fall in the high needs budget of over £500m, placing pressure on both school and local authority budgets.

The Labour Party have said they will provide the "necessary funding" for SEND which we interpret as meaning the amounts identified by the Education Select Committee. They will also provide £690m to address debts incurred by local authorities in recent years. The Liberal Democrats have committed a further £730m in 2020-21 to SEND, which would meet the shortfall identified.

The Green Party do not make any specific commitment on funding for pupils with special educational needs and disabilities though they signal an intent to increase the availability of suitable places in mainstream education. Similarly, the Conservatives will expand the number of places in special schools and alternative provision – which we would assume to be through the free schools programme – though no further funding has been identified.

The Brexit Party make no additional commitments for pupils with special educational needs and disabilities.

We previously noted that it is not simply the amount of high needs funding that has created problems for schools and authorities but also how that money is distributed. However, proposals to reform how high needs funding is allocated are noticeably limited. The Liberal Democrats would halve the amount that schools pay towards the cost of a child's education, health, and care plan which may come some way to reduce financial pressure on schools and encourage inclusion where appropriate. The Labour Party mention an ongoing review of high needs funding.

It would appear that major reform to how high needs funding is allocated is not a priority for any party.

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<sup>15</sup> This does not directly translate into the number eligible for the Pupil Premium as some of the 'new' pupils may have been eligible for free school meals in the past anyway.

## Spending impacts from other announcements

### *Free school meals*

Currently all children in England's state funded schools in reception, year 1 and year 2 are entitled to a free school meal (FSM) through Universal Infant Free School Meals (UIFSM). Disadvantaged primary and secondary pupils are also eligible for FSM if they, or their parents, receive qualifying benefits, such as Universal Credit (UC).<sup>16</sup> Those in receipt of UC must have an equivalent annual net earned income of no more than £7,400 (before benefits) in order to be eligible.

The Conservatives have made no reference to UIFSM in their manifesto, so we assume there are no changes – neither an end of the policy, nor an expansion.

The Labour Party proposes extending free school meals for all primary pupils. Based on pupil numbers from the January 2019 school census this would suggest that an additional 2.2 million primary pupils become eligible for FSM, though not all of these pupils would take a meal. The Labour Party estimates this would cost £900m based on the 2019-20 rate of £440 - £2.30 a day for 190 days.

The Liberal Democrats' policy is to extend free school meals to all children in primary education and to all secondary school children whose families receive Universal Credit (as well as promoting school breakfast clubs). Based on 2019 FSM pupil numbers and assumptions about who becomes eligible under Universal Credit.<sup>17</sup> We estimate that this would mean an additional 3.2 million pupils become eligible for FSM – comprising 2.2 million more primary pupils and 1 million more secondary pupils. Again, not all of these pupils would take a meal. The Liberal Democrats estimate that this would cost £1,160m, again this is based on a rate of £2.30 per meal.

There is a risk that both have underestimated the true cost to schools of such an expansion. The rate of £2.30 is based on a survey carried out in 2012 which estimated the cost of primary school meals consisting of £1.20 in labour, £0.67 on ingredients, and £0.43 in overheads.<sup>18</sup> Those estimates have not been updated in that time. During the early years of the UIFSM programme, schools were protected to some extent by falling food costs and weak wage growth.<sup>19</sup> However, significant increases in the national minimum wage, including the introduction of the National Living Wage, and further increases announced by all parties, are likely to create further pressure on this unit rate as catering staff are likely to be at or close to these rates.

By way of illustration, the minimum wage in 2011-12 when the survey was carried out was £6.08. In the current financial year the National Living Wage (for those aged 25 and above) is £8.21 – an increase of 35 per cent. Whilst we are unable to measure the wage rates of catering staff from data

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<sup>16</sup> To protect pupils from uncertainty during the introduction of UC, there are transitional protections that mean that **pupils who were eligible for FSM on 1 April 2018, and those who become eligible during the UC rollout period until 2022, will retain eligibility until the end of this rollout period**. Following this, if they are still in education, they will continue to be eligible until the end of their phase of education

<sup>17</sup> Around half of pupils would be in families in receipt of Universal Credit; Department for Education '*Eligibility for free school meals, the early years pupil premium and the free early education entitlement for two-year-olds under Universal Credit: Government consultation response*', (March 2018).

<sup>18</sup> Michael Nelson et al, '*Seventh annual survey of take up of school lunches in England: 2011/12*', (July 2012)

<sup>19</sup> Peter Sellen et al, '*Evaluation of Universal Infant Free School Meals*', (January 2018)

available to us, a comparison of school expenditure on catering staff in 2013 and 2019 suggests that spending increased by 30 per cent in that period.<sup>20</sup>

If there was a genuine increase in staffing costs over this period of this magnitude it would suggest that costs have risen from £2.30 to £2.66. This alone would create a further £140m pressure on Labour's proposal and £180m on that of the Liberal Democrats. The Labour party has committed to an increase in the living wage to £10 – an increase of 64 per cent since 2012 – and the Liberal Democrats have committed to reviewing the rate of the National Living Wage. If the National Living Wage were to be increased to £10, then the cost pressures of expanding the UIFSM programme would increase to something of the order of £300m for Labour's proposal and £390m for the Liberal Democrats. There may also be additional capital expenditure associated with expanding provision.

It is important to note that, even without expansion of the programme, if the cost of providing UIFSM and FSM more generally is closer to £2.66 than £2.30, then the programme will be underfunded under any future government.

### *Teacher pay*

We estimate that in 2019-20, expenditure by schools on teacher salaries will total around £24bn.<sup>21</sup> This means that each increase of 1 per cent in teacher salaries creates a pressure in the region of £240m on school budgets.

The Conservative Party has pledged to raise teacher starting salaries to a minimum of £30,000 by 2022-23. This represents an increase of 23 per cent on minimum salaries, which in 2019-20 were £24,373 outside of London. Around one fifth of teachers are currently below the £30,000 threshold. We estimate that uplifting teachers to this point creates a pressure of around 1 per cent on the wage bill. Whilst we view it as likely that there will be associated increases for teachers who are above this threshold already, there are currently no further details as to how this will be implemented. Therefore, we assume that on average, teacher salaries would continue to increase by 2.75 per cent, consistent with the STRB recommendation for 2019-20. If this was consistent across all teachers, this would mean expenditure on teachers increasing by around £2bn by 2022-23. This expenditure would offset some of the expenditure required to lift teachers to £30,000, so the amounts are not simply additive.

As well as increasing teacher starting salaries in line with the Conservative proposal, the Liberal Democrats are proposing increases in teacher pay of at least 3 per cent a year over the course of the Parliament. This would imply that by 2022-23, school expenditure on teachers would have increased by around £2.2bn in cash terms. Again, this would offset some of the expenditure required to lift teachers to the £30,000.

Finally, the Labour party has pledged the largest increase in pay as part of their broader commitment to increase pay for all public sector workers beginning with an increase of 5 per cent. This would be an increase of around £1.2bn in 2020-21, increasing to £3.8bn by 2022-23 if the increases were to be of the same scale each year. However, the Labour Party has included a separate budget (reaching

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<sup>20</sup> Analysis of a sample of local authority maintained schools with expenditure in 2013 and 2019. Analysis restricted to junior schools, secondary schools, and special schools – i.e. to exclude infant schools and all through primary – so as to avoid distortion from UIFSM roll out.

<sup>21</sup> Based on total spend of £22.3bn in 2016-17 uplifted by 1 per cent in 2017-18, 2.9 per cent in 2018-19, and 2.75 per cent in 2019-20.

£5.3bn in 2023/24) within their costings to cover increases in public sector pay, with additional payments to the Department for Education outside of the core schools budget.

Neither the Green Party nor the Brexit Party make any commitments on teacher pay, therefore we assume that they will continue increases in line with STRB 2019 – 2.75 per cent a year, or around £2bn by 2022-23.

### *Reduced class sizes*

The Liberal Democrats include a commitment to reduce class sizes, though they do not specify the age range that would be included or the scale of any reduction. The Labour Party has committed to reducing class sizes in primary schools to under 30 – though there is no commitment to any further legislation nor is it clear whether the existing exceptions would apply and if they did, whether they would be extended to all primary aged pupils.

In 2019, 10.9 per cent of primary school classes in England had more than 30 pupils – 2,378 classes at Key Stage 1 and 12,423 classes at Key Stage 2 exceeded this threshold. A very simplistic approach is to assume that the ambition would be met if places were created for all those pupils in excess of this threshold – in total, an additional 26,000 places. This would come at a cost of around £300m in capital expenditure for the creation of new school places, and ongoing teacher costs of around £40m per year.<sup>22</sup> However, this is an incredibly conservative estimate as it assumes that all pupils in ‘oversized’ classes can be redistributed with perfect efficiency.

The Green Party has the most ambitious target of reducing class sizes to under 20, though this is framed as a long term ambition, and therefore it is unlikely that they would seek to deliver over the course of one parliament.

## **Overall assessment**

All of the parties have committed to significant additional spending on schools relative to 2019-20, though significant cost pressures have also been identified and there has been little discussion of addressing concerns with the allocation of high needs funding. The schools pupil premium is set to experience further real terms cuts under the plans of all parties, except for the Labour Party.

The Conservative Party have largely maintained the funding increases identified in Spending Round 2019, with some additional money allocated for the arts and physical education. Some schools will only see inflation level increases in the short term, this is particularly the case for schools with high levels of disadvantage. Schools will also face increasing cost pressures from the rises in teacher salaries which have to be met through core funding. The manifesto does not set out any additional spending for high needs, nor any indication of any reforms to its distribution.

Overall, the Liberal Democrats have allocated slightly more than current government plans, and their increases would reach schools more quickly. This includes additional money for the expansion of universal infant free school meals to all primary aged pupils and secondary aged pupils in families in receipt of universal credit. The cost of providing these meals is likely to have been underestimated

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<sup>22</sup> Broad estimate based on the average salary of a primary school teacher of £34,700 (derived from DfE ‘School workforce in England: November 2018’, June 2019), uprated by 2.75 per cent to reflect increases in 2019-20, on-costs of 26 per cent, and capital cost of a place of £10,900 from NAO ‘Capital funding for schools’ uprated to 2019-20 prices.

given recent increases in the National Minimum and Living Wages. The Liberal Democrats would however provide additional money for pupils with special educational needs and disabilities at a level that would address identified shortfalls, and would also encourage inclusion by ensuring costs to schools are reduced.

The Labour Party would spend more on schools than either of the other main parties and would also increase spending rapidly in the new parliament. They too would expand the provision of free meals to all primary aged pupils, the costs of which are likely to have been underestimated. They would address the shortfall in the total amount of high needs funding, but the manifesto lacks significant commitments to addressing the challenges associated with how the money is distributed.

The Green Party's spending commitments would appear to be the most ambitious, however there is little detail about the profile of spend over the course of the parliament. Their long term targets to reduce class sizes to under 20 would incur significant additional revenue and capital expenditure which was not explored at all in the manifesto.

The Brexit Party did not address any issues related to school funding.