

# England's schools in funding crisis

Liz Smith  
14 June 2003

When Prime Minister Tony Blair came to power in the 1997 general election one of his main themes was "Education, education, education." Yet, after six years, schools in England face a funding crisis unprecedented in the postwar period.

After weeks of denying the full extent of the funding crisis Blair had to admit in Parliament that 500 teachers are being made redundant due to cuts and falling school rolls. His figures are a gross underestimation of the crisis facing schools across the country and do not take into account those teachers whose contracts will not be renewed at the end of the academic year, or those who leave or retire in July 2003.

Surveys by teaching unions and the media have established that over 1,000 teaching jobs are to disappear and hundreds of support staff placements are to be cut.

John Dunford, leader of the Secondary Head Teachers Association (SHA), told BBC News Online, "Every year at this time there is a large turnover of teachers, especially in the secondary sector. It is probably several thousand, I have no doubt." The situation is similar in primary schools where hundreds of hours of support staff are being cut.

David Hart, leader of the National Association of Head Teachers, (NAHT), stated, "It's essential the government finds more money this year, otherwise this year's problems will continue into next year's budgets and we shall have two years of reduced provision."

An analysis of adverts placed in the *Times Educational Supplement* (TES) by Professor John Howson, a leading recruitment expert, shows that schools are taking on fewer staff. In the primary sector in March and April 2001 there were 2,227 vacancies. By 2002 this had reduced to 1,858 and by 2003 to 936.

Maplesden Noakes Secondary School in Maidstone, Kent has become the first to announce it is cutting the school week from September in order to balance its

books. Fewer lessons will be timetabled and some pupils will be sent home early. Other schools are looking at a four-day week. At Buxton primary school near Norwich the head teacher has placed himself on a four-day week and taken an £8,000 pay cut in order to ease the school's £43,000 budget shortfall. Some schools propose to increase class sizes to over 30.

The extent of the funding crisis came to a head when school budgets finalised in March were not enough to cover rising costs in the new financial year. These included a 2.9 percent increase in teachers' wages (below the rate of inflation), a 4 percent increase in support staff wages due to the government raising National Insurance contributions, and a 5 percent increase in pension contributions to maintain their value. In an effort to stem falling teacher numbers due to low wages, salary scales have also been altered to enable teachers to progress more rapidly.

These measures, combined with changes in the way schools are funded, have left many schools facing budget deficits under conditions in which they are already thousands of pounds in debt.

The crisis was further exacerbated at the end of May when teachers who were leaving had to hand in their notices for posts to be advertised for September, thus revealing the true extent of the cuts.

When the crisis initially erupted Education Minister Charles Clarke blamed Local Education Authorities (LEAs) for not passing on £533 million to schools from the government's Standards Fund. He threatened to take power away from the LEAs and local councils who give additional support to schools through services such as educational psychology, language support, special needs support, pupil referral units, supply teacher agencies, attendance and inclusion services.

Clarke also told cash-strapped head teachers they could either use a one-off amount from funds for the capital programme that pays for essential repairs to

school buildings, or borrow from richer neighbouring schools! If this advice had been followed many of the essential repairs that are carried out in the summer break could not be maintained, leaving many schools with the possibility of closure for health and safety reasons.

Clarke's insistence that the government had increased its school funding by £2.7 billion was rapidly exposed as a lie when challenged by the Local Government Association (LGA), which calculated that the funding increase amounted to just £250 million, the equivalent of just £10,000 a school. Clarke and other government ministers then admitted that they did not know where some of this finance had gone.

It has been estimated that rising costs have meant that schools need at least an 8 percent increase in their budgets to stand still. In reality, many authorities were given as little as 3.2 percent extra. Whilst the overall funding for schools has increased by 11.5 percent, increased staff costs (which account for up to 90 percent of a school's spending) have taken the crisis over school finances to a higher level.

London has been particularly hard hit. Around £20 million has been lost by the boroughs of Newham, Merton, Haringey, Ealing, Barking and Brent, which all pay the highest rated inner-London salaries to their teachers but are classified by central government as being outer London and so having a lower wage bill. There are also discrepancies between schools in different areas where those with greater social need are given more monies per pupil. This funding is completely arbitrary and a number of factors can suddenly impact on a school's circumstances.

Recent events have exposed a trend introduced by Labour in 1998 termed "fragile funding". These were additional amounts based on certain criteria paid per pupil to schools. There are now 65 separate funding streams that head teachers can apply for—each one imposing a new round of targets and paperwork to be completed in order to account for every penny.

The Standards Fund was previously paid directly to schools by the way of project grants for lower class sizes, nursery education, teacher induction and overall improvement. This has now been added on to general Local Authority budgets. The LEAs have also held on to some of the funding in order to pay for additional ongoing services to schools such as the Behaviour

Improvement Programme and the youth service, which is funded by education spending but not based in schools.

The crisis that has emerged is symptomatic of New Labour's policy of increasing the privatisation of education. Virtually all new building projects are financed by the Private Finance Initiative (PFI), whereby schools do not own the building and services within them but lease them from the private sector. Blair's new project of awarding "specialist status" to schools, which makes additional funds (some from the private sector) dependent on exam results, are also being rapidly expanded.

A national investigation has been launched by the National Audit Office, the government's spending watchdog, into the funding crisis. It remains to be seen what the outcome of such a narrowly circumscribed inquiry will be, but one thing is for sure—the government insists that no new finance will be forthcoming to redress the gross underfunding of schools.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**