

# Minute Item 6.(i)

**From:** ACCOUNT, Unmonitored [mailto:Unmonitored.ACCOUNT@education.gov.uk]

**Sent:** 17 October 2017 15:25

**To:** Damian Eaton <damian.eaton@stockport.gov.uk>

**Subject:** Department for Education: 2017-0048876 CRM:0146631

Dear Mr Eaton

I am writing on behalf of the Secretary of State to thank you for your letter of 10 April, received into the department on 6 October regarding the schools national funding formula (NFF).

We are determined to create a country that works for everyone. That is why we are delivering on our promise to reform the unfair, opaque and outdated school and high needs funding systems and introduce the national funding formula

The need for reform has been widely recognised, because of the manifest unfairness in the current system. Coventry receives £510 more per pupil than Plymouth despite having equal proportions of pupils eligible for free school meals; and Nottingham similarly attracts £555 more than Halton. Given the significance of this reform, we have undertaken wide-ranging consultations which have allowed us to hear from, and carefully consider, over 26,000 individual respondents and representative organisations.

This is an historic reform. For the first time school funding will be distributed according to a formula based on the individual needs and characteristics of every school in the country. This will direct resources where they are needed most, and provide transparency and predictability for schools.

The introduction of the NFF is supported by significant extra investment of £1.3bn across 2018-19 and 2019-20, over and above the budget announced at the 2015 spending review. Core funding for schools and high needs will rise from almost £41 billion in 2017-18 to £42.4 billion in 2018-19 and £43.5 billion in 2019-20. This will allow us to maintain school and high needs funding in real terms per pupil for the next two years.

Building on the proposals in our consultation, and supported by our significant additional investment, the national funding formula will:

- Increase the basic amount of funding that every pupil will attract.
- Recognise the challenges of the very lowest funded schools, by introducing a minimum per pupil funding level. Under the NFF, in 2019-20 all secondary schools will attract at least £4,800 per pupil, and all primary schools will attract at least £3,500 per pupil. In 2018-19, as a step towards these minimum funding levels, secondary schools will attract at least £4,600, and primary schools £3,300.
- Provide a cash increase in respect of every school and every local area from April 2018. Final decisions on local distribution will be taken by local authorities, but under the NFF every school will attract at least 0.5% more per pupil in 2018-19, and 1% more in 2019-20, compared to its baseline.
- Provide significantly larger increases in respect of underfunded schools, of up to 3% per pupil in 2018-19 and a further 3% per pupil in 2019-20. The minimum per pupil funding level will not be subject to this gains cap, and so will deliver faster gains in respect of the very lowest funded schools.

- Protect the funding directed towards additional needs, and distribute it more fairly, in line with the best available evidence.
- Provide £110,000 to every school through our lump sum. And for the smallest, most remote schools, distributing a further £26 million through our dedicated sparsity funding.

Our formula will rightly result in a significant boost directed towards secondary schools that would have been the lowest funded under our December proposals, which will gain on average 4.7%. Rural schools will gain on average 3.9%, with those schools in the most remote locations gaining 5.0%. Schools with the highest numbers of pupils starting with low attainment will gain on average 3.8% per pupil. All schools will attract an increase in funding through the formula in 2018-19, compared to their baselines.

Our consultation confirmed the importance of funding for additional needs, targeting resources towards schools serving pupils from deprived families or with low prior attainment, who are most likely to fall behind, and to stay behind, their peers. The final national funding formula protects the £5.9 billion total for funding directed towards additional needs, as proposed in our consultation. It distributes that funding in line with the best available evidence: using a broad measure of deprivation to include all those who are likely to need extra help; and increasing the proportion of additional needs spending allocated on the basis of low prior attainment, to give additional support to those who may not be economically deprived but who still need help to catch up.

We are particularly focused on supporting children who face the greatest barriers to success, and that is why we are also committed to reforming the funding for children and young people with high needs. The additional investment we are putting in means that every local authority will see a minimum increase in high needs funding of 0.5% in 2018-19, and 1% in 2019-20. Underfunded local authorities will receive up to 3% per head gains a year for the next two years. Overall, local authorities will gain 4.6% on average on their high needs budgets.

We have published the full detail of the school and high needs national funding formulae, and the impact they will have for every local authority. And we have published notional school level allocations showing what each school would attract through the formula. It means that for the first time, everyone can see what the NFF will mean for them and understand why.

As the Secretary of State set out in July, to provide stability for schools through the transition to the national funding formula, local authorities will continue to set their own local formulae which will determine individual schools' budgets in their areas, in 2018-19 and 2019-20, in consultation with local schools.

As important as the fair allocation of funding is how that funding is used in practice. We are committed to helping schools improve outcomes for pupils and promote social mobility by getting the best value from all of their resources. We will continue to increase the support offered to schools and school leaders so they can ensure every pound is achieving the best outcome for pupils.

After too many years in which the funding system has placed our schools on an unfair playing field, we are finally making the decisive and historic move towards fair funding. Alongside the increased investment we are making in schools, this will

underpin further improvements in standards, help create a world-class education system, and build a system that finally allows every child to achieve their potential, no matter what their background.

Once again, thank you for writing on this important matter.

Your correspondence has been allocated reference number 2017-0048876. If you need to respond to us, please visit: <https://www.education.gov.uk/contactus> and quote your reference number.

As part of our commitment to improving the service we provide to our customers, we are interested in hearing your views and would welcome your comments via our website at: <http://www.smartsurvey.co.uk/s/YBK1O/>

Yours sincerely

K Walker

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