

department for

# education and skills

creating opportunity, releasing potential, achieving excellence

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**To: Directors of Children's Services and Chief Executives of local authorities in England; Chairs of Schools Forums in England; and the organisations listed in the annex to this letter**

Our Ref: SPS06\_45

6 April 2006

*Jan Colleague,*

## **REVIEW OF THE SCHOOL FUNDING SYSTEM FOR 2008-09 AND BEYOND**

When Jacqui Smith announced the new school funding system to be introduced in April 2006, she also made it clear that the government would regard the years 2006-07 and 2007-08 as transitional. She committed the government to review many aspects of the new system in its first two years of operation.

I am writing now to let you know how we intend to take forward this review. We are committed to reviewing many of the features of the funding system including: the distribution of the Dedicated Schools Grant; the future of specific grants; how well the distribution of funds by local authorities to schools deals with deprivation; the future of the Minimum Funding Guarantee; whether or not to move to academic year budgeting; the operation of multi-year budgets; and the operation of Schools Forums. The attached terms of reference set out the main issues we intend to address in relation to each of these areas, as well as the principles we intend to follow in taking forward the review.

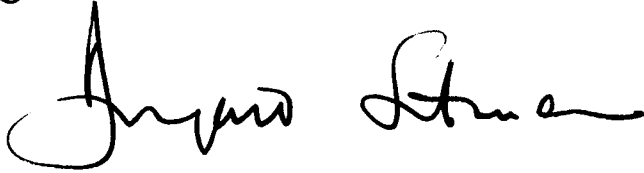
The initial phase of this work will focus on collecting evidence about the impact which the 2006-08 arrangements have had on schools and authorities and identifying in broad terms the options for the future which should be considered further. If you have views on the issues set out in the attached terms of reference which you would like us to consider as part of that first phase, please let us know by writing to us at [schoolfunding.review@dfes.gsi.gov.uk](mailto:schoolfunding.review@dfes.gsi.gov.uk) by **31 May** if possible.



INVESTOR IN PEOPLE

We then intend to work up detailed proposals with our national partners on the School Funding Implementation Group (representing local authorities, head teachers and governors) and will consult formally with all interested parties, probably in early 2007.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dugald Sandeman'. The signature is written in a cursive style with a large initial 'D'.

**Dugald Sandeman**  
Joint Head of School Funding

**REVIEW OF THE SCHOOL FUNDING SYSTEM FOR 2008-09 AND BEYOND**

Association of School and College Leaders  
Association of Teachers & Lecturers  
National Association of Head Teachers  
National Association of School Masters/Union of Women Teachers  
National Union of Teachers  
Professional Association of Teachers  
GMB  
Transport and General Workers Union  
UNISON  
Association of Directors of Education and Children's Services  
Association of London Chief Education Officers  
Association of London Government  
Confederation of Education Service Managers  
Local Government Association  
National Association of Education Inspectors, Advisers and Consultants  
National Employers' Organisation for School Teachers  
Society of Local Authority Chief Executives  
County Councils' Network  
F40 Group  
High Ethnicity Authorities Special Interest Group  
Special Interest Group of Metropolitan Authorities  
Association of Colleges  
Children's Education Advisory Service  
Foundation and Aided Schools National Association  
National Association of Special Schools  
National Bursars' Association  
National Confederation of Parent Teacher Associations  
National Governors' Association  
National Primary Headteachers' Association  
Sixth Form Colleges Forum  
Specialist Schools and Academies Trust  
Youth Sports Trust  
Agency for Jewish Education  
Association of Muslim Schools (UK)  
Catholic Education Service  
Church of England Board of Education  
Free Church Federal Council  
Greek Orthodox Church  
Hindu  
Seventh-Day Adventist Church  
Society of Friends  
The Board of Deputies of British Jews  
The Methodist Church  
The Network of Sikh Organisations  
Audit Commission  
Chartered Institute of Public Finance and Accountancy  
General Teaching Council for England  
Health and Safety Executive  
Learning and Skills Council

National Audit Office  
National College for School Leadership  
National Remodelling Team  
Ofsted  
Qualifications and Curriculum Authority  
School Teachers' Review Body  
The Training and Development Agency  
National Assembly for Wales