



2016-0038502POSoS

**Rt Hon Justine Greening MP**  
Secretary of State

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Ivan Ould  
Chair, f40  
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13 October 2016

*Dear Ivan,*

Thank you for your letter of 10 August about the national funding formula for schools.

I am grateful for the support that you, and the f40 as a whole, have given to our proposals to introduce a national funding formula, and I was sorry to read about your concerns. I would like to reiterate that developing a national funding formula remains one of our key priorities. A fairer system of funding is essential to strengthening the education system, which will allow us to promote social mobility and social justice.

The responses to the first stage consultations on the national funding formula for schools and high needs communicated a strong need for us to get our approach right on the first attempt. Many of those who responded emphasised the need that schools and local authorities have for stability.

It became clear that introducing a national funding formula in 2017-18 would have resulted in uncertainty for schools and local authorities during autumn 2016, while the national funding formulae for schools and for high needs were consulted upon and debated, before being finalised. It would also have affected the time available for subsequent discussion and agreement to local formulae and final school budgets for 2017-18. I hope that you understand why we did not want to put schools and local authorities under this pressure, and chose to instead postpone the reform to 2018-19.

I appreciate that schools are facing increased costs due to teachers' pay, employer pension and national insurance contributions, and inflation. We have, of course, protected the schools budget so that, as pupils numbers increase, so will the amount of money for schools. Additionally, in 2017-18 no local authority will see a reduction from their 2016-17 funding – adjusted to reflect recent spending patterns – on the schools block of the dedicated schools grant or the high needs block. As in previous years, we will apply an uplift for high needs funding later in the year. School funding allocations for the coming financial year will be finalised in December, taking into account the latest pupil numbers from the October census.

I completely understand the concerns you raise on behalf of the schools that are being underfunded by the current system, and your suggestion that additional funds be found to provide an interim payment in 2017-18 to the lowest funded authorities. I am grateful for your invitation to meet to discuss these issues further, and I would like to take you up on this as soon as my diary allows. In the meantime, the Minister of State for School Standards would be pleased to meet you. His diary manager will be in touch with you shortly to arrange a mutually convenient time.

Thank you for writing on this important matter.

Best wishes,

Justine

RT HON JUSTINE GREENING MP