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**Rt Hon Nick Gibb MP**  
Minister of State for School Standards

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Councillor James McInnes  
Chair, f40 Group  
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30 November 2018

*Dear Mr McInnes*

Thank you for your letter of 16 November, addressed to the Chancellor of the Exchequer, regarding school funding. Your letter was passed to this Department and I am replying as the Minister of State for School Standards.

The Secretary of State was pleased to meet you and enjoyed his visit to two schools in Devon recently. We look forward to continuing these helpful discussions in the future and I understand that you are meeting officials from the Department in December.

While there is more money going into our schools than ever before, we do recognise the budgeting challenges schools face and that we are asking them to do more. As you are aware, we have invested an extra £1.3 billion over the period 2018-19 and 2019-20, over and above the budget set at the Spending Review in 2015. 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. Analysis by the Institute for Fiscal Studies shows that real terms per pupil funding for 5 to 16 year olds in 2020 will be more than 50 per cent higher than it was in 2000, and more than 70 per cent higher than in 1990.

However, schools are already benefitting from the gains delivered by the national funding formula, which has allocated an increase for every pupil in every school in 2018-19. The f40 counties will attract an average funding increase of 4.1 per cent per pupil by 2019-20, compared to 2017-18. This is significantly higher than the national average increase of 3.1 per cent and represents a total increase of £602 million for f40 areas, when rising pupil numbers are taken into account. Funding will increase from an average of £4,239 per pupil in 2017-18, to £4,412 in 2019-20, subject to changes in pupil numbers.

In 2019-20, all schools will attract an increase in per pupil funding of at least 1 per cent, compared to their 2017-18 baselines. Those schools that have been historically underfunded will attract up to 6 per cent more per pupil, compared to 2017-18. This is a further 3 per cent per pupil in addition to the 3 per cent gained in 2018-19.

Spending plans beyond 2019-20 will be set at the next Spending Review and we cannot pre-empt these decisions. I am, however, committed to securing the right deal for education and ensuring that schools can budget effectively.

With regard to high needs funding, we have increased overall funding allocations to local authorities by £130 million last year and £142 million this year. The f40 local authorities have received a combined high needs allocation of £2.1 billion this year, £35.5 million more than last year. However, we recognise that local authorities are experiencing cost pressures on their high needs budgets, and we keep the formula and the overall high needs budget under review.

We recognise that local authorities and schools are facing cost pressures. Our recently announced strategy sets out the support provided to schools, current and planned, to help them reduce costs. This includes a new national deal to provide schools with greater transparency on costs when hiring agency supply teachers and temporary staff. Approximately 70 deals will be live by the end of this academic year. The financial benchmarking service allows schools to assess their spending levels and identify potential savings.

We want to continue to work with the f40 Group as we develop the schools funding system and maintain the constructive relationship we have previously enjoyed.

With best wishes.

*Yours sincerely*

*Nick*