



Right Honourable Justine Greening MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
Great Smith Street
London, SW1P 3BT

21 August 2017

Copy to:

Rt Hon Nick Gibb MP
Minister of State for School Standards

Dear Secretary of State,

Final announcement on National Funding Formula

As you will be aware, the f40 Group, which has campaigned for fairer funding of education for over 20 years, largely welcomed your announcement to Parliament in July on school funding and we publicly stated that we hope that it means that all schools can look forward to a fairer deal in the future. We expressed this support knowing that key information and decisions were being held back until your September announcement on the final shape of a new national funding formula.

Unlike most organisations which reacted over-quickly, generally negatively and have confused NFF with quantum, f40 took a much more considered approach and delayed making a comment until we had the opportunity to meet with your Special Adviser and the Director of the Education Funding Unit and had the chance to look behind the headlines to check what we understand will really be on the table.

Following our assessment, f40 announced that it welcomed the additional cash that is being reallocated within the education budget to help finance our schools. We also welcomed the pledge that secondary schools will receive at least £4,800 per pupil by 2019-20.

As f40's principle aim is to achieve a fairer funding allocation to our schools, we also welcomed the fact that the government said it will maintain its commitment to developing proposals for a national funding formula. As the date of your forthcoming announcement rapidly approaches, f40 is writing to highlight our main requirements from a new formula.

Most importantly, we are concerned about how the extra investment in core school services will be used and whether the percentage balance of allocation between basic per pupil funding and disadvantage will be adjusted, as requested by f40 in its response to the consultation. We believe that a greater amount must be expended on per pupil funding and lesser amount on deprivation and other add-ons. We understand you may have some adjustment to the percentages in mind and we will be pleased if they can match those we have suggested.

As a reminder, the table below shows the DfE's proposed national funding formula, as consulted in March 2017, compared to the f40 alternative formula, which we have discussed with your officials. This table presents the pure formula only and excludes additional funding for exceptional circumstances, PFI, or mobility which are assumed to be the same in both formulae. It also excludes funding for area costs and any protections or caps.

	NFF	F40
Pupil Funding	22,443,928,461	25,062,124,353
Deprivation Funding	2,857,700,841	2,537,144,794
Low Prior Attainment Funding	2,313,559,539	1,964,228,415
English as an Additional Language Funding	360,422,281	324,079,853
Lump sum	2,211,560,967	2,316,504,092
	30,187,172,089	32,204,081,507
	NFF	F40
Pupil Funding	74.35%	77.82%
Deprivation Funding	9.47%	7.88%
Low Prior Attainment Funding	7.66%	6.10%
English as an Additional Language Funding	1.19%	1.01%
Lump sum	7.33%	7.19%
	100.00%	100.00%

Coincidentally, the f40 formula provides a primary secondary split of 1.1.29 which is the same as the government proposes, but the difference is that f40's is based upon a rational calculation, not upon an average figure used by LAs depending upon their current circumstances. Because the f40 figure has been calculated from the bottom up, taking into account the cost of teachers, the cost of support staff and all the other necessary factors, it gives a real indication of the costs of running all schools in the country. This makes it more easily understood and, if priorities change in the future, it can flex and move with the changes.

We appreciate that f40's formula costs around £456m more than the NFF in the first year and requires just under £2bn more when fully implemented at current costs but we believe it is now generally understood that more funding will be needed to meet the real costs of teaching in schools in England than has been allowed for in the NFF formula.

Naturally we hope that the details announced in September will demonstrate that you have listened to f40's arguments and that you will recommend and apply the type of fairer funding formula that we have asked for.

Yours sincerely



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