

Lord Hill of Oareford

Parliamentary Under Secretary of State for Schools

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Councillor Ivan Ould Chair of f40 Lead Member, Children's Services, Leicestershire County Council F40, Bank Chambers Market Place Guisborough TS14 6BN 1 3 MAY 2011

Dear Councium Dues,

5 May 2011

Thank you for your letter of 30 March, addressed to the Secretary of State and copied to me and officials at the Department for Education and HM Treasury, about the treatment of the Standards Fund as the Department for Education moves it into a single Dedicated Schools Grant. The Secretary of State has asked me to reply as the Minister responsible for this policy area.

I recognise the level of concern that this issue has generated, and my officials have been working closely with representatives of the LGA and CIPFA to try to agree a resolution.

As you may be aware, the Department met local authority representatives on 14 April. As a result, the Director of School Resources, Sarah Healey, wrote to Local Authority Chief Finance Officers setting out our proposals for both the immediate future and the longer term. I enclose a copy of this letter for your information. We are confident that these arrangements mean that it will not be necessary for local authorities to make any in-year adjustments to schools' budgets.

I hope that representatives from your member authorities involved in discussions with the Department will continue to work with officials to reach a definitive solution that can be implemented before 2012-13.

Jours simmy

JONATHAN HÌL

Department for **Education**