



Tuesday, 4 August 2026

The Rt Hon Lucy Powell MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
Great Smith Street
London SW1P 3BT

Dear Secretary of State

Re: Creating a Fairer Education Funding System for All Children and Young People

Congratulations on your appointment as Secretary of State for Education. I am writing to introduce the f40 group and offer our support to you and your team as the Government continues its programme of education reform.

We know you are passionate about ensuring state education is both equitable and of the highest quality, so that no child is left behind. We share the Government's ambition to create an education system that enables every child and young person to access an outstanding local mainstream education that enables them to thrive and reach their full potential, regardless of where they live or the circumstances into which they are born.

These principles are central to the work of f40, and we would welcome the opportunity to meet with you to discuss how a fairer funding system and better-targeted investment can help turn this ambition into reality.

f40 represents 43 local authorities across England that receive some of the lowest levels of education funding in the country, including Trafford and Stockport, which are close to your constituency. Collectively, our members are responsible for educating millions of children and young people and have extensive experience of delivering services in financially challenging circumstances.

As the Government considers reforms to both mainstream education and SEND provision, we believe there is a significant opportunity to review and strengthen the National Funding Formula for Schools and High Needs to ensure budgets are distributed more fairly and targeted to have the most impact. While we recognise there will always be legitimate variations in funding to reflect area living costs, the current disparities are too great.

In some parts of the country, schools receive £5,000 less per pupil than comparable schools elsewhere. Similarly, High Needs funding varies dramatically between local authorities, with some areas receiving less than a third of the allocation provided to the highest funded authorities. Such disparities cannot be justified and inevitably impact on the opportunities available to children and young people.

No child should be valued less because of where they live. We therefore believe it is time to address historic proxy factors that continue to embed inequalities within the funding system, while limiting the ability of underfunded areas to catch up.

We strongly support the Government's direction of travel towards earlier intervention, stronger inclusion within mainstream settings, and a more strategic approach to the use of independent specialist provision. We also welcome the Prime Minister's announcement relating to the education system having a greater focus on vocational training. These are important and positive reforms that have the potential to improve outcomes for children and families.

However, successful reform must be underpinned by a fair and sustainable funding system. Without this foundation, schools and local authorities will struggle to deliver the changes expected.

The shift of SEND responsibilities towards mainstream schools, away from local authorities, is significant and should not be underestimated. Whilst we support the principle of increasing inclusion, schools will only be able to meet these expectations if they are provided with the resources, staffing, training and guidance necessary. Without sufficient investment and a long-term funding strategy, there is a real risk that the reforms will face the same challenges and unintended consequences that followed the 2014 SEND Code of Practice. Greater visibility of projected funding levels is crucial if schools are to plan for greater inclusive support.

We believe the reforms can succeed if they are supported by:

- A comprehensive review of schools and High Needs funding so resources are distributed more fairly before additional money is added on for local costs and specific needs.
- Significant additional investment to enable schools to develop the staffing, training, environments and provision required to strengthen inclusive practice.
- A long-term funding settlement that provides certainty and stability, replacing reliance on short-term grants and annual funding streams.
- Earlier and more timely sharing of policy guidance and information with schools and local authorities to support effective planning and implementation.
- Greater clarity around what constitutes ordinarily available SEND provision within mainstream education.
- Capital investment to increase local authority specialist provision and reduce reliance on costly independent placements by expanding local capacity.
- Stronger accountability across all partners, particularly health services, for the support and funding they are expected to provide.
- Inspection frameworks that recognise and value the quality of SEND provision, inclusion, and vocational pathways, alongside academic achievement.
- Greater regulation and transparency within the independent SEND sector to ensure value for money and the best possible outcomes for children and young people.

We recognise the significant financial pressures facing Government and the difficult decisions that must be made across public services. Nevertheless, we believe that a fairer funding system and better targeting of funding are the most effective ways to improve outcomes, deliver better value for the taxpayer, and support the successful implementation of the reforms.

f40 would welcome the opportunity to discuss these issues with you in more detail. We would be pleased to act as a constructive partner and trusted source of insight, drawing on the experience of our member authorities to help inform policy development and implementation. We look forward to working with you and your team in the months ahead.

Yours sincerely,



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