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Rt Hon Nick Gibb MP
Minister of State for School Standards

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Mr Rob Wilson MP
By email: robwilsonmp@parliament.uk

15 March 2017

Thank you for your email of 17 February, enclosing correspondence from your constituent, [REDACTED], regarding funding for schools in Reading.

I would like to reassure you and [REDACTED] that we want schools to have the resources they need. The national core schools budget has been protected in real terms overall, and per pupil funding has been protected in cash terms. As pupil numbers increase, so will the amount of money in our schools. This year the core schools budget is the largest on record, totalling over £40 billion.

We are introducing a national funding formula to support our ambition that all children reach their full potential and succeed in adult life. For the first time, we will have a clear, simple and transparent funding system that matches funding to children's needs and the schools they attend. Similar schools will be treated in the same way, across the country.

As part of the consultation, we have illustrated the impact of the proposed national funding formula on schools and local authorities. This shows that Reading would see an increase of 2.7 per cent for its schools block and an overall increase of 2.2 per cent across the schools, high needs and central school services blocks.

We recognise that schools are facing increased cost pressures, including salary increases, the introduction of the National Living Wage, as well as increases to employers' National Insurance and Teachers' Pension Scheme contributions. In this context, it is particularly important that we distribute the overall schools budget fairly, according to need. We are committed to providing support for schools to make savings, and we have already published a wide range of tools and support available in one collection at: tinyurl.com/HUTWG36. This includes tools to help schools assess their level of efficiency, guidance and case studies, and support for schools to organise a financial health check. We also recently launched a school buying strategy to support schools to save over £1 billion a year by 2019-20 on their non-staff spend, maximising the resources that can be spent in the classroom.

I note [REDACTED] concerns regarding funding for special educational needs (SEN) pupils. Schools are currently funded through the formula set by their local authority. The funding formula is decided by each local authority in consultation with its schools and often uses factors such as free school meals and low prior attainment to give an estimate of the number of pupils with SEN a school is likely to have, and consequently the notional SEN budget that the school will receive. Local authorities are required to delegate funds to a level that enables schools to meet the additional cost of pupils with SEN up to £6,000.

When a school can demonstrate that the costs of additional support required for a pupil with SEN exceed £6,000, the local authority should allocate top-up funding to cover the excess costs. The local authority can also give additional funding from its high needs budget to schools that have a disproportionate number of pupils with SEN. We have provided £92.5 million of additional funding for high needs in 2016-17 and have confirmed a further £130 million for 2017-18.

At a national level, we are retaining and recruiting the teachers we need. We recognise, however, that the strengthening labour market and growth in pupil numbers have made the situation more challenging and that this is more acute in certain subjects and particular schools or areas of the country. We are spending over £1.3 billion up to 2020 to attract new teachers into the profession. This investment in training the next generation of teachers clearly demonstrates our commitment to make sure that all schools are able to recruit the teachers they need.

In relation to [REDACTED] concerns over growing pupil numbers in schools, the school funding system operates on a lagged basis, that is, we use the previous year's pupil numbers to determine funding for the financial year. This means we can give greater financial certainty to schools. We recognise, however, that the national funding formula also needs to be responsive to significant changes to pupil numbers that are not recognised by lagged funding. We are therefore including a growth factor in the national funding formula, which will be used to allocate additional funding to local authorities for them to distribute locally. [REDACTED] can find out more detail on our proposals for the growth factors in the schools national funding formula stage two consultation.

The consultation will run until 22 March, and we welcome views from across the sector to make sure we get the final proposals right. The consultation, including the illustrative allocations for local authorities and schools, is available at: tinyurl.com/HLODTAL.

With best wishes.

