



**HOUSE OF COMMONS
LONDON SW1A 0AA**

17 July 2017

Dear Colleague,

School funding in England

This afternoon I gave an Oral Statement to the House in which I announced a significant additional investment in schools in England, to support the transition to a national funding formula from April 2018. These are significant reforms, and together they will mean that we can provide every school with the resources they need to offer every pupil a world-class education.

School funding is at a record high because of the choices we have made to protect and increase school funding even as we faced difficult decisions elsewhere to restore our country's finances, but we recognise that at the general election, people were concerned about the funding going to the frontline of schools.

The additional £1.3 billion spending on schools I have announced today is on top of the commitment we made at the 2015 Spending Review. Core funding for schools and high needs will rise from nearly £41 billion in 2017-18 to £42.4 billion in 2018-19, and to £43.5 billion in 2019-20. This represents an increase of £2.6 billion between this year and 2019-20, and funding per pupil will now be maintained in real terms for the remaining two years of the Spending Review.

This additional investment in our schools will be funded in full from efficiencies and savings I have identified from within my Department's existing budget, rather than higher taxes or more debt. This of course requires difficult decisions, but I believe it is right to prioritise core schools funding, even as we continue the vital task of repairing the public finances. By making efficiencies and savings, I am maximising the proportion of my Department's budget which is allocated directly to frontline headteachers – who can then use their professional expertise to ensure that it is spent where it will have the greatest possible impact. I have challenged my civil servants to find efficiencies and savings, as schools are having to.

The introduction of a national funding formula will begin to ensure we can distribute this funding fairly and transparently, ending the current unfair postcode lottery, and getting resources to those schools who need them most. The additional funding means that, through the formula, we can increase the basic amount that every pupil attracts in 2018-19 and 2019-20, while we continue to protect funding for pupils who have additional needs. We will also ensure that every secondary school attracts at least £4,800 per pupil during this period, in response to the views we heard through the consultation.

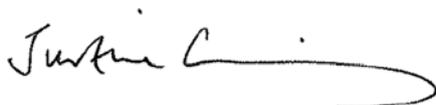
As we said in our manifesto, no school will lose any funding as result of the new formula. We will go further than this, and provide for a 0.5% cash increase for every school in 2018-19 and 2019-20. Those schools that have been underfunded will see increases of up to 3% in both years.

The consultation on our proposals for a national funding formula attracted over 25,000 responses, demonstrating the importance of this issue for parents and teachers in all parts of the country. We are grateful to all those who have shared their views throughout this process, which has helped us to develop and refine our thinking. We will respond to the consultation in full in September, confirming the final formula and indicative allocations for every school. At the same time, we will set out the gains for each local authority, on the basis of the formula. I can confirm now that every local authority will see some increase over the amount they plan to spend on schools and high needs in the current year.

It remains our intention that schools' budgets should be set on the basis of a single, national formula, so that pupils with the same characteristics attract the same level of funding, wherever they live. To provide stability in the transition, in 2018-19 and 2019-20, local authorities will continue to set a local formula in consultation with their local schools, as they do now, to determine individual schools' budgets.

The reforms we are making to the school funding system and the significant investment we are making underpin our ambition for an education system that unlocks potential for every child and allows them to achieve to the best of their ability. This is a key part of our commitment to social mobility.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Justine Greening', with a long, sweeping underline that extends to the right.

Rt Hon Justine Greening MP
Secretary of State for Education