



# Department for Education

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Ministerial and Public  
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Dear Mrs Penrose

Thank you for correspondence regarding the schools national funding formula.

We received a number of letters from parents at your school about the national funding formula for schools. We are replying to the school directly, and would be grateful if you could share this response with all parents.

The government has protected the core schools budget in real terms overall. This year, it is the largest ever on record, totalling over £40 billion. This is set to increase to £42 billion by 2019-20 as pupil numbers rise over the next two years.

The current funding system is, however, based on data that is a decade or more out of date and does not support the government's ambition for all children to be able to fulfil their potential and succeed in adult life. Similar local areas and schools receive very different levels of funding, with little or no justification. The government is committed to introducing a national funding formula for schools in 2018-19 that will calculate schools' funding allocations consistently and transparently, using an up-to-date assessment of need.

Introducing a national funding formula is a major reform and the government has consulted widely on its proposals. The department has made available a significant amount of data to help schools, governors, local authorities and parents to understand the impact of the proposed formula, if it had been introduced in 2016-17. The illustrative figures can be found at: <https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

We are grateful to everyone who has taken the time to highlight their views on school funding and the proposed formula as part of the formal consultation. The department has received a significant number of responses, which will be reviewed in detail. The government will publish its response to the consultation in the summer.

The introduction of a national funding formula will mean a fairer distribution of funding between schools. The government does know, however, that schools are facing increasing cost pressures. As in other public services, these pressures will include salary increases, the introduction of the National Living Wage, increases to employers' National Insurance

and pension scheme contributions, and the apprenticeship levy.

The government will continue to provide advice and support to schools to help them use their funding in cost-effective ways, and improve the way they procure goods and services so that they get the best possible value for their pupils. The department has published a wide range of tools and support to help schools, and these are available at:

<https://www.gov.uk/government/collections/schools-financial-health-and-efficiency>

Schools could save, on average, up to 10 per cent by making use of the government's national energy deal, and over 40 per cent by using the national deal for printers and photocopiers. There is also well-established evidence, from the Education Endowment Foundation, of significant scope for better deployment of staff in schools. The department has also launched a school buying strategy to support schools to save at least £1 billion by 2019-20 in non-staffing costs. The strategy can be found at:

<https://www.gov.uk/government/publications/schools-buying-strategy>

Thank you again for writing to us on this important issue.

Yours sincerely



R Nelson  
Ministerial And Public Communications Division