

Dear Parent/Carer

As you may already be aware, schools and academies receive a budget each year which they use to fund all of their operating costs: everything from staffing, to ICT, resources and buildings maintenance costs. The Government is progressing with plans to implement big changes to the way this funding is distributed, by fundamentally amending how the total amount of money available is shared out between all schools & academies in England. There are huge concerns for headteachers & governors that this will mean gains in funding for some schools, but losses for others.

From 2019-20 the Department for Education (DfE) intends to put in place a Schools National Funding Formula (SNFF) and the intention is to have greater consistency between school and academy budget allocations, across the country. This will be different to the current position whereby each Local Authority (Durham, Darlington, Newcastle, Gateshead, Sunderland, Northumberland, South Tyneside, North Tyneside, Stockton and Hartlepool) has some say in the way individual school funding amounts are decided across each area. Instead of 152 different local funding formulae for schools, there will be one, national formula.

In summary, a massive amount of money (£32,071m nationally) will be gathered up by DfE and they will decide how it should be allocated to all schools & academies.

Key Funding changes are proposed as follows – nationally there will be:

Less funding linked to the **number of pupils** in a school;
Less funding linked to a fixed **lump sum** fund per school/academy;
More funding linked to pupil & area **deprivation**;
More funding linked to pupil **attainment** at the previous stage of their education; and
More funding linked to remoteness of schools – **sparsity**.

DfE has provided an example of what the new National Formula may mean at both Local Authority level and for individual schools and academies and school leaders are busy interpreting what this means for us. Proposed transitional arrangements will limit any school gaining additional funding to 3% in 2018/19 and 2.5% in 2019/20. These schools will therefore still be disadvantaged compared to similar schools in other areas, meaning that the postcode lottery which the Government is seeking to remove will still exist for a number of years to come.

Furthermore, you may also be aware that schools and academies in our region receive significantly less funding than our counterparts in London. The DfE intend to continue to supplement the funding of schools and academies in and around London by applying an 'area cost adjustment' to support schools which have to pay higher teacher salaries because they are located in the London fringe area.

This unfairness is having a crippling effect upon schools across the region and in our diocese. The government continues to maintain that the financial situation of our schools would improve with the introduction of the SNFF, however the protection given to schools and academies who will lose funding protects those London schools who have traditionally benefitted from the inequalities of the school funding system.

We are constantly compared to and reminded about how successful London schools are with regard to their students' progress and achievement. Is this success any wonder when for many years London schools have been so generously funded compared to the rest of the country? For example they had around £120 million invested in their schools under the 'London Challenge' umbrella a few years ago. This has been the standard set that all schools and academies must aspire to, but our regions are expected to achieve the same outcomes with less money.

School leaders in our region have endeavoured to make every conceivable cut to our spending but are now faced with reducing basic services still further, all to the disadvantage of your child. The operational implications for us, despite the phased implementation of these funding changes means that we must reluctantly, but very seriously, consider the following as possible courses of action:

- Increasing pupil to teacher ratios again;
- Reducing basic services such as cleaning and site and premises work;
- Stopping any investment in books and IT equipment;
- Designing curriculum offers that fulfil only basic requirements; and
- Not replacing staff who leave.

As you can imagine, such radical considerations are the very last thing that any school wishes to do but we are being given no option. We do not understand why children in our region are worth less than others around the country.

Furthermore whilst the headline government message is that they will protect the budgets of schools and academies it has been announced that from September 2017 The Education Services Grant (ESG), valued at £600m for Local Authorities and Academies, is being removed. The ESG equates to a reduction in funding of £77 per pupil and this, alongside increased costs relating to employer pension contributions, unfunded pay rises and the introduction of the new Apprenticeship Levy, presents even further budget pressures on our schools. In a recent publication the National Audit Office quote the following facts:

- 8.0% real-term reduction in per-pupil funding for mainstream schools between 2014-15 and 2019-20 due to cost pressures;
- £3.0bn savings which mainstream schools need to make by 2019-20 to counteract cost pressures; and
- 60% of secondary academies spent more than their income in 2014/15.

It is the belief of all school leaders that the time has come for the immediate action that will enable us to provide the service that your child deserves. To that end, we are again urging the government to pledge to close the financial gap between our region and London schools properly by revisiting the additional funding given to London schools. We are of the opinion that the introduction of the SNFF does not compensate for the acknowledged years of underfunding experienced by our schools.

We urgently need your support. This can be done in a straightforward way that will allow us to demonstrate to all political parties the unfairness of the education funding system.

Find out your individual school/academy position via: **xxxx** contact?

Respond directly to the government consultation via:

<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/consultation/intro/>

School leaders will always act responsibly on behalf of the children we educate and care for. We need your support in order to do this to the best of our abilities.

Yours faithfully,

Diocesan Secondary Head Teachers