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Rt Hon Nick Gibb MP

Minister of State for School Standards

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Councillor Mark Hawthorne MBE
Leader of the Council, Gloucestershire County Council
Cabinet Office, Shire Hall
Westgate Street
Gloucester
GL1 2TG

Your ref: MH/SH/mc

20 May 2019

Dear Councillor Hawthorne,

Thank you for your letter of 10 April, addressed to the Secretary of State, regarding school funding. I am replying as the Minister of State for School Standards.

While there is more money going into our schools than ever before, we recognise the budgeting challenges schools face and that we are asking them to do more. The Government is investing an extra £1.3 billion in schools and high needs over the period 2018-19 and 2019-20, over and above the budget set at the Spending Review in 2015. Core funding for schools and high needs has risen from almost £41 billion in 2017-18 to £43.5 billion in 2019-20. Analysis by the Institute for Fiscal Studies shows that real terms per pupil funding for 5 to 16 year olds in 2020 will be more than 50 per cent higher than it was in 2000, and more than 70 per cent higher than in 1990. Spending plans beyond 2019-20 will be set at the next Spending Review, and we cannot pre-empt these decisions, but we are committed to securing the right deal for education.

We are delivering on our promise to reform the unfair, opaque and outdated school and high needs funding systems, and introduce national funding formulae. It is not true that this will not be implemented until 2020-21. The formula came into force in April 2018 and means that, for the first time, resources have been directed where they are needed most, based on the individual needs of every school in the country. Schools are already benefitting from the gains delivered by the national funding formula, which has allocated an increase for every pupil in every school, with up to 3 per cent increases for historically underfunded schools. Gloucestershire's schools block allocation reflects the national funding formula allocations of its schools.

Under the national funding formula, funding for schools in Gloucestershire has increased by 3.1 per cent per pupil, compared to 2017-18. This is equivalent to an extra £19.0 million in total, when rising pupil numbers are taken into account. To provide stability for schools, local authorities continue to be responsible for the distribution of funding in their areas, in consultation with local schools, allowing councils to respond to local needs. This includes flexibility on whether or not to implement the minimum per pupil funding levels in the national funding formula. Gloucestershire County Council is, therefore, responsible for the design of its local funding formula for schools, including the level at which it sets the minimum per pupil funding level.

There is no consensus on the minimum operating cost of a school. Each school is unique and we believe it should be for head teachers and governors to decide their operating model. We have listened carefully to representations on how we can better support schools that attract the lowest levels of funding and believe that setting minimum amounts of £3,500 and £4,800 in 2019-20 strikes an appropriate, affordable balance in the formula.

We recognise that local authorities and schools have faced cost pressures in recent years. In August 2018 we announced the School Resource Management Strategy, which provides schools with practical advice on savings that can be made on more than £10 billion non-staff spending costs across England last year. This includes support and guidance for schools and academies to help them reduce costs on things like energy, recruitment costs and insurance so that schools can invest their resources into the areas that make the most difference to pupil outcomes. The document is available at: tinyurl.com/Y7Gv7o9d.

With best wishes.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick Gill', written in a cursive style.