



Schools Funding Forum 22nd September 2016

National Funding Formula

Written statement to Parliament

Statement by Education Secretary Justine Greening about school funding.

The government is firmly committed to introducing fairer funding for schools, high needs and early years. This is an important reform, which will fairly and transparently allocate funding on the basis of schools' and children's actual needs, rather than simply on historic levels of funding tied to out of date local information.

Along with the record levels of funding for schools announced at the spending review, and our commitment to the pupil premium for pupils from disadvantaged backgrounds, a fairer funding system will set a common foundation that will enable schools - no longer held back by a funding system that is arbitrary, out of date and unfair - to maximise the potential of every child. It will provide a crucial underpinning for the education system to act as a motor for social mobility and social justice.

The first stage consultations on national funding formula for schools and high needs, which were published in March, have been met with an overwhelmingly positive response from headteachers, teachers, governors and parents.

There is also a strong sense in the response to the first stage of the consultation that this is a once in a generation opportunity for an historic change and that we must get our approach right. I will therefore publish the government's full response to the first stage of the schools and high needs consultations and set out my proposals for the second stage once Parliament returns in the autumn. We will run a full consultation, and make final decisions early in the new year. Given the importance of consulting widely and fully with the sector and getting implementation right, the new system will apply from 2018 to 2019. I will set out our full plans for a national funding formula for early years shortly.

In the meantime, I understand the need for local authorities to have sufficient information to begin to plan their schools and high needs funding arrangements for 2017 to 2018. Many of those who responded to the first stage national funding formula consultations emphasised that schools and local authorities need stability, and where there are changes need early notice, as well as a fair system.

In that context, I am confirming that in 2017 to 2018 no local authority will see a reduction from their 2016 to 2017 funding (adjusted to reflect authorities' most recent spending patterns) on the schools block of the dedicated schools grant (per

pupil funding) or the high needs block (cash amount). As usual, we will apply an uplift for high needs later in the year. I am also publishing today detailed funding tables so that authorities can see exactly how this funding has been calculated. Final allocations for schools and high needs blocks will follow in December on the basis of pupil numbers recorded in the October census.

I am setting this out now so that local authorities can begin the process of setting the budgets of schools in their area and that this can be concluded in time for the start of the coming financial year.

I am also confirming that, for 2017 to 2018, we will retain the current minimum funding guarantee for schools, so that no school can face a funding reduction of more than 1.5% per pupil next year in what it receives through the local authority funding formula. To ensure that local authorities can start planning their budgets for next year with certainty, I do not intend to proceed, for 2017 to 2018, with proposals to create a new central schools block, allow local flexibility on the minimum funding guarantee or to ring-fence the schools block within the dedicated schools grant. These will be covered, for 2018 to 2019 and beyond, in my response to the first stage consultation in the autumn.

I will shortly publish the Education Funding Agency's operational guide to schools funding in 2017 to 2018, and send the draft Authority Proforma Tool to authorities.