

2017-0004398POGibb

Rt Hon Nick Gibb MP Minister of State for School Standards

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Mr Huw Merriman MP House of Commons London SW1A 0AA

Your ref: HM/FM/58855

/5 February 2017

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Thank you for your letter of 20 January, enclosing correspondence from

schools in your constituency, regarding school funding.

I would like to assure you that we want schools to have the resources they need so that every child has access to an education that unlocks their potential. Introducing a national funding formula will mean, for the first time, that we have a funding system that is simple, transparent and based on need. Similar schools will be treated in the same way, across the country.

In making our proposals, we have tried to strike a careful balance between the weightings given to each of the factors. We are keen to hear through the consultation whether we have got the balance of the formula right, and where there is strong evidence that it should be weighted differently, we will look to change our proposals.

While East Sussex schools would gain 2.5 per cent overall under the proposed formula, funding for some schools in the area would reduce, and I appreciate this will be disappointing. To ensure stability in the transition to a national funding formula, we will put in place significant protections to limit reductions to any individual school's budget to manageable levels. No school will, therefore, face a reduction of more than 3 per cent per pupil overall as a result of the formula. We will also keep in place the minimum funding guarantee, which will continue to operate as it does now, limiting year-on-year reductions to a school's funding to 1.5 per cent per pupil.

I note concerns about funding for schools who have a higher proportion of pupils with special educational needs (SEN). Currently, local authorities can use factors in their local formula, such as free school meals

and prior attainment, to give an estimate of the number of pupils with SEN a school is likely to have, and consequently the notional SEN budget that the school will receive. Local authorities are required to delegate funds to a level that enables schools to meet the additional cost of pupils with SEN up to £6,000 per annum. Where a school can demonstrate that the costs of additional support required for a pupil with SEN exceed £6,000, the local authority should allocate additional top-up funding to cover the excess costs. The local authority can also give additional funding from its high needs budget to schools that have a disproportionate number of pupils with SEN.

The national funding formula will recognise the significant overlap between deprivation, low prior attainment and special educational needs. A significant proportion of SEN children will, therefore, attract additional funding. Local authorities will continue to provide top-up funding from their high needs block. They will also be able to continue directing additional funding from the high needs block for schools that are particularly inclusive. Our proposed high needs national funding formula would target more than £1.4 million of additional funding to East Sussex, an increase of 3.2 per cent.

We do recognise the pressures schools face and I would like to reiterate our commitment to continuing to support schools to become more efficient and manage their budgets well. We have produced tools, information and guidance for schools' financial health and efficiency. We are also bringing together support on overall school improvement, and we have launched a school buying strategy to help schools save over £1 billion a year by 2019-20 on their non-staff spend so they can invest more of their resources in the classroom.

With regard to the apprenticeship levy, we expect around 73 per cent of schools to pay contributions towards the apprenticeship levy, which will support schools to recruit, train and develop their staff. With the support of local authorities as employers, they will be able to use their levy contribution, plus a 10 per cent top-up from Government, to support the training of apprentices. We encourage all schools to employ or designate apprentices. Employers who have used up the money in their levy account will be able to access further Government funding for eligible apprenticeship training, with Government paying 90 per cent of the cost. This subsidy will also be available to the approximately 27 per cent of schools that will not pay the levy. This means that schools will have access to much more funding for training and development of staff.

We will be providing schools with detailed information on how the levy will work for them, and how they can make the most of the apprenticeships available. We will also be working with local authorities to ensure that schools where the local authority is the employer can easily access the levy pot to which they have contributed.

As I hope will appreciate, school inspections are a matter for Ofsted as a separate Government Department and independent inspectorate. I have, therefore, passed a copy of your letter and this response to Her

Majesty's Chief Inspector, Ms Amanda Spielman, and have asked for a response to be sent to you addressing the issues you have raised.

With regard to ______ concerns about primary assessment, the Government is committed to ensuring that every child in this country leaves primary school having mastered the basics of literacy and numeracy they need to succeed in secondary school and beyond. Too many children currently start secondary school unable to read, write and add up properly.

We recognise that primary schools have been contending with significant changes to assessments and our focus now is on embedding those changes in a stable system. The forthcoming primary assessment consultation will enable the teaching profession to raise concerns about the current system, and I would encourage to respond to the consultation when it is published shortly.

With best wishes.

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