



The Rt Hon Philip Hammond
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

27th February 2017

Dear Chancellor,

We are writing to underline the urgency of the school funding crisis and to ask you to use the upcoming Budget to deliver the investment that schools so desperately need.

Although we agree that a new funding formula is the right thing to do, the truth is that it cannot be fair unless there is enough money to go around in the first place. The total size of the budget per-pupil in state schools is not enough. This undermines a manifesto pledge made by your party in 2015 to “continue to protect school funding”.

Governing boards and school leaders are being forced to make impossible choices as a result of insufficient funding. They are doing their best to ‘make do’ but there are only so many financial efficiencies a school can find before reaching breaking point. Schools are running out of things they can cut. As one governor put it to us recently: “if I make the cuts necessary to ensure financial balance I will rob our children and those most vulnerable of vital teaching, help or services”. For many schools, the only real way they can make the savings the government is asking for is by making staff redundant.

We understand the desire to keep control of public spending but the public were assured that during this parliament, “the amount of money following your child into school will be protected”. As the Permanent Secretary to the Department for Education, Jonathan Slater, acknowledged in his evidence to the Public Accounts Committee on 23 January, the schools budget has seen “a real-terms protection at system level, but not per pupil”.

The National Audit Office forecast an 8% real-terms reduction in per-pupil funding for mainstream schools between 2014-15 and 2019-20.

The March Budget provides an opportunity to make the funding formula work for everyone, and to address the worst consequences of the funding shortfall facing schools. An increase in national insurance contributions, pension costs and the apprenticeship levy are all putting serious pressure on budgets that have remained static.

We write to suggest reasonable changes that can be made to ensure schools have the resources they need to deliver high quality education:

- **Sufficiency:** ensure that the funding settlement for schools is sufficient. We urge you to keep the promises made to voters at the last election by making additional funding available to protect per-pupil funding in real terms, and in particular the basic building blocks proposed per pupil (£2,712 in primary, £3,797 in Key Stage 3 and £4,312 in KS4) need to be increased to make up the reduction forecast by the NAO.

- **Apprenticeship levy:** ensure maintained schools are given the same exclusions from the levy as those offered to standalone academies.
- **Education Services Grant:** reverse the £600 million cut to the Education Services Grant.
- **High needs funding:** reverse proposals that will leave high needs funding with a £124m shortfall.
- **Sixth Form funding:** commit to sufficient funding for sixth forms. 16-18 education has been the biggest loser from education spending over the last 25 years and is set to fall further, leaving spending per student at a similar level in real terms to 30 years ago.
- **Early years:** ensure early years pupils receive the same amount of pupil premium as children in the primary phase, and ensure extra funding for maintained nurseries continues beyond 2020 to cover qualified early years teachers in every nursery.
- **Pupil premium:** ensure that children eligible for the pupil premium are registered automatically.

Every young person's experience of school matters because it is an investment in the future of our society and economy. Greater investment in schools now will mean future costs associated with poor health, crime and unemployment are likely to be lower.

Children get one chance to attend school, so action is needed now.

We ask you to use this Budget to commit the resources schools need to provide the highest standard of education for all children.

Yours sincerely,

Russell Hobby
NAHT General Secretary

Emma Knights
NGA Chief Executive

