

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

13<sup>th</sup> October 2017

Dear Mr Hammond,

As you may know, the National Governance Association is the national membership organisation for governors and trustees in state funded schools in England. I am writing on behalf of NGA's members to ask you to use the autumn budget to put an end to the uncertainty surrounding education funding.

NGA very much welcomes the Government's decision to tackle the difficult issue of funding reform, and whole heartedly support your aim to introduce a National Funding Formula so that historically under-funded pupils receive what they deserve. We too want to see school funding which is fair, transparent and based on pupils' needs.

NGA was pleased that in July the Secretary of State for Education recognised the urgency of situation and announced an increase of £1.3 billion for schools over the next two years. We welcome the protection being given to the lowest funded schools.

However, this reallocation of Department for Education's expenditure does not fully resolve the issue of sufficiency of the overall schools' budget. The Institute of Financial Studies' initial calculations show that, even with the extra funding, schools' budgets will still have declined in real terms by 4.6% between 2015 and 2020. The reasons for this decline are well documented and affect schools of all types. Aside from general inflationary pressures, schools have had to manage increases to national insurance, teachers' pensions contributions and pay, the anomalies of the Apprenticeship Levy, as well as cuts to the Education Services Grant and a range of other children's services. We have also written to you recently as part of a coalition of organisations concerned about inadequate funding for post-16 provision.

The National Audit Office reported in September that the Department for Education's figures show that cumulative cost pressures facing schools are still estimated to rise from 3.4% in 2016-17 to 8.7% in 2019-20.

In the early summer, NGA and TES conducted our annual survey on governance which received over 5,300 respondents. The results show that insufficient funding was the primary concern of state school governors and trustees in England. 72% of respondents agreed that the current funding constraints could not now be managed without the quality of education being adversely affected.

NGA has been supporting governing boards to increase their financial efficiency for some years, and has been involved in developing and promoting the DfE's tools. Governing boards have already taken many actions to balance their budgets. Unfortunately, some do limit the offer to pupils which I am sure is not the Government's intention. For example, our survey shows that 56% of respondents from secondary schools have already reduced the number of subjects they teach and 49% had reduced the number of qualifications they offer.

Children and young people are the key to future flourishing and prosperity of our country and if we cannot provide them with a good education we will have failed them. I am writing on behalf of tens of thousands of school governors and trustees when I ask you to invest in the future by fully funding our schools.

Yours sincerely,



Emma Knights

Chief Executive

cc. Rt Hon Justine Greening MP, Secretary of State for Education