



24 March 2017

Dear Parents and Carers

## BUCKINGHAMSHIRE SCHOOL FUNDING CRISIS

I am writing to all parents and carers of The Cottesloe School at the same time as Headteachers across Buckinghamshire, to let you know of our real concerns about the funding crisis that already exists in our schools and which is destined to get even worse. These concerns are shared across most the country and in all types and phases of school.

We don't want to be alarmist but there is a wealth of recent evidence produced not just by schools but also by the National Audit Office<sup>1</sup> (NAO), the Institute for Fiscal Studies (IFS), the Education Policy Institute, f40 (the organisation representing the lowest-funded local authorities), the National Governors' Association, and all the main teachers' professional associations. The consistent message is that schools face an average reduction in their budgets of 8-10% by 2020, described as the biggest real-terms cut in education spending in a generation.

We appreciate that education cannot be immune from the economic realities faced across the public sector, and it is quite right that we should find more and more efficient ways of operating; we must make the best use of every penny of public money that we receive.

Ministers have repeatedly claimed that education funding is protected in real terms - it is not, and bodies such as the NAO confirm this. We feel that the Government should be the champions of education but Ministers seem to be in denial about the realities of school funding and its impact on children – the crisis in teacher recruitment is there for all to see as a clear example of the need for better policies and proper investment in our children's futures. There is also a multi-billion pound shortfall in money for school buildings which means that premises are deteriorating and ultimately will cost more to repair than if an adequate amount was invested each year.

The harsh reality is that not only are our budgets being squeezed, we are also having to take on ever more expenditure as the services that we have previously accessed are either being cut, charged for, or are failing to operate properly, as their budgets are also under severe pressure – this applies to social care, mental health and school improvement services, to name just three.

The Government is currently finding significant amounts of money for a number of education schemes which are ill-defined and unlikely to achieve their stated aims. We believe that an objective appraisal of education's priorities would highlight core funding as key to achieving the world-class system that we would all agree is right for our children.

Having delayed its introduction by a year, the Government is bringing in the long-awaited National Funding Formula in 2018/19. We welcome the NFF in principle as the present set-up is so unfair and has been for many years.

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<sup>1</sup> In December 2016, a [National Audit Office report](#) showed that schools face having to make £3 billion of savings by 2019-20

However, it includes no new money, meaning there are winners and losers, and Ministers are proposing to hard-wire in unfairness by protecting those schools that have historically been relatively highly funded, restricting the level of funding that lower-funded schools can receive. This seems to be for political rather than educational reasons – we believe that a child should attract the same level of funding wherever they live (based on their educational needs, although with an adjustment for Area Costs to reflect higher labour costs in some areas); the Government’s proposals don’t support this and fail to identify the minimum funding that every child should attract.

So what can we do? We will continue to run our schools as efficiently as we can, and will do our absolute best to protect our children from the harsh realities of the funding landscape now and in the near future. We will lobby the Government and continue to challenge them wherever their policies seem to be counter to the needs not only of our children but all children nationally.

*If you share our concerns, we would invite you to add the weight of your opinion to strengthen our voice, by writing to your MP and asking them to take up the crisis in school funding with the Chancellor of the Exchequer and Secretary of State for Education on your behalf.*

A list of MPs can be found at [www.theyworkforyou.com/mp](http://www.theyworkforyou.com/mp).

Finally, we are proud of what we are achieving as an education service at a time of significant change to the curriculum, to technology and to the world around us. Of course our school report will always say, “Could do even better” and that’s as it should be – we need to be challenged to provide the best possible education for every child in the country – but we do need the backing of the Government to achieve our goals. Money is not the only ingredient to make this happen, but it certainly helps.

Thank you for your support and understanding.

Yours sincerely



**A C McBURNIE**  
Headteacher

## The Realities of School Funding

- There has been no increase in the per-pupil funding rate and no plans to increase it in the future, meaning that all cost increases are unfunded.
- The Education Service Grant (ESG) was reduced and has now been abolished - the ESG covers a range of services provided by local authorities or elsewhere and is outside the school funding budget. These extra costs will need to be met by both maintained schools and academies.
- Sixth Form funding is outside the main school budget; under the coalition government it fell by 14% between 2010 and 2015, with no prospect of any increase in the foreseeable future. The IfS<sup>2</sup> say, "The actions – as opposed to the rhetoric – of both Labour and Conservative governments suggest that they agree 16-18 is a low priority area for spending. Why they think that is unclear".
- Employers' contributions to Teachers' Pensions went up by 2.38% in September 2015.
- The main band of employers' National Insurance contributions went up by 3.4% in April 2016.
- Annual pay awards for staff are unfunded (any awards being made now are capped at 1% pa in common with the rest of the public sector and can only be funded through efficiency savings each year).
- General inflation costs are completely unfunded (inflation has risen this month to 2.3% pa and is expected to stay above 2% pa for the foreseeable future).
- The Apprenticeship Levy comes into effect in April 2017. This is a levy of up to 0.5% of the payroll costs of many schools and academies.
- National minimum wage increases will affect schools and colleges directly through some of their employees and, indirectly, through increased contract costs for some services.
- A further increase in employers' contributions to Teachers' Pensions is forecast for 2019-20 as the Government moves the costs of future pensions shortfalls to the education budget.
- The [National Funding Formula](#) will redistribute the existing schools' budget (and separately changes the funding systems for Early Years, High Needs and Local Authorities' Central Spending). It will be phased in from 2018 and be fully implemented a year later. The precise formula depends on Ministerial decisions after the current consultation round, but protects the schools which are presently most 'over-funded' compared with the proposals, and therefore prevents the lowest-funded schools from reaching the same level as other schools with the same characteristics. There is no proposal to have a minimum per-pupil level of funding.

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<sup>2</sup> Report on funding across different stages of education published by the IfS, February 2017