



**Rt Hon Nick Gibb MP**  
Minister of State for School Standards

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House of Commons  
London  
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14 September 2017

Dear Nick,

The Secretary of State has today set out the Government's final decisions on the national funding formula for schools and high needs. The national funding formula will come into effect from April 2018, delivering on our manifesto pledge to make school funding fairer. It will replace the current unfair, opaque and out of date funding system that sees each area of the country receive very different amounts of money for no justifiable reason.

This is an historic reform. It means, for the first time, the resources that the Government is investing in our schools will be distributed according to a formula based on the individual needs and characteristics of every school in the country. The national funding formula will not only direct resources where they are most needed, helping to ensure that every child can get the high quality education that they deserve, wherever they live. It will also provide that money through a transparent formula, delivering greater predictability. And, by clearly setting out the sums that we are directing to different components of the formula – to the basic amount per pupil, or to children with additional needs – for the first time it allows for properly informed debate on this vital topic: something the existing, opaque system has held back.

The Secretary of State's announcement follows from her statement on 17 July, when she set out that we are investing an additional £1.3 billion in schools and high needs over the next two years, on top of our existing spending plans. As a result, the core funding underpinning the national funding formulae will rise from almost £41 billion in 2017-18 to £42.4 billion in 2018-19 and £43.5 billion in 2019-20. It means that per pupil funding will now be maintained in real terms for the remaining two years of the Spending Review period, as we transition to the national funding formula.

This additional investment has allowed us to:

- increase the basic funding that every pupil in every school will attract;
- introduce a minimum per pupil funding level so that, under the national funding formula, all secondary schools will attract at least £4,800 per pupil in 2019-20 (£4,600 in 2018-19), and all primary schools will attract at least £3,500 in 2019-20 (£3,300 in 2018-19);
- provide for a minimum cash increase in respect of every school of 0.5% per pupil in 2018-19 and 1% by 2019-20, compared to their baselines; and
- provide up to 3% gains per pupil in 2018-19 and a further 3% in 2019-20 for under-funded schools. The minimum per-pupil funding level will not be subject to this gains cap, and so will deliver faster gains in respect of the very lowest funded schools.

We are also increasing high needs funding, which supports our most vulnerable children. Each local authority will receive at least 0.5% more per head of population in 2018-19 and 1% more per head of population in 2019-20, compared to their baselines. Under-funded local authorities will receive up to 3% gains per head of population in 2018-19 and 2019-20.

Alongside the statement made today, we have published tables that illustrate the impact of the national funding formulae. Annexed to this letter are the illustrative figures for each school in your constituency. These demonstrate the overall impact of the introduction of the national funding formula, by showing what each school would receive if the national funding formula had been implemented in full in 2017-18, with no transition. It is important to note that these are illustrative figures, and are not actual allocations for any particular year.

In addition to these illustrations, we have also published figures showing the impact the formulae will have for schools in each of 2018-19 and 2019-20, and at local authority level. You can find these [here](#) and a detailed explanation of what these figures mean can be found in our policy document [here](#). During this period, each local authority will be funded on a fair and equitable basis, according to the national funding formula. Local authorities will then continue to decide how to allocate funding between the schools in their area, in consultation with local schools.

I hope this letter, and the attached illustrative figures, will be helpful in understanding what the national funding formula will mean for schools in your area. If you have any further questions, please contact my private office at [Gibb.PS@education.gov.uk](mailto:Gibb.PS@education.gov.uk).

With best wishes.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick', written in a cursive style.

**Rt Hon Nick Gibb MP**