

Rt Hon Justine Greening MP
Secretary of State
Department for Education
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Our reference:
Your reference:
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Dear Secretary of State

Funding for excellence and growth - the future of our city schools

We are writing regarding your commitment to introduce a National Funding Formula for schools, the second stage consultation for which opened on 14th December 2016. We will be responding to the consultation published by the Department for Education formally in due course.

The Core Cities and London Councils are deeply committed to providing the local leadership required to transform school performance. However, this transformation also requires investment. The potential impact of reduced funding for some of our schools is directly linked to our ability to raise standards, and to the future economic performance of our cities, and this demands that we should bring this to your attention without delay. Whilst we therefore welcome your announcement of £200m additional funding to ease the transition to the NFF, and the greater recognition of mobility in the formula, the latest consultation reveals that thousands of schools across our urban areas will lose funding.

Together, London and the Core Cities wider urban areas deliver over 50% of the UK economy¹. Our labour markets rely on having the right mix of skills to attract and retain business. In addition, the level of public spending across our cities is directly related to levels of employment, which in turn are dependent on skills.

The skills which lead to employment are developed in schools. Reductions in funding to some of the schools in our areas will by necessity therefore reduce the growth and productivity of our local economies – and not least the ability of local people to participate in any growth that may nevertheless happen. We know you will share our desire to avoid the creation of another cadre of unemployable young people indefinitely dependent on welfare, but there is a real risk these changes will do just that in some places.

Whilst we agree with the principles of equity and transparency being behind any reforms, but believe that levelling down rather than up is unfair. Nevertheless, very significant reductions are clearly signalled in the consultation papers issued by your department.

For a fraction of the overall schools budget the Government could level up funding allocations and deliver a new National Funding Formula without having to take funding away from any of our city

¹ Core Cities:ONS data for the Core Cities Wider Urban Areas and GLA combined.

schools. This would surely be the best outcome for all pupils and parents across the country, and the economy.

Despite protections on school funding, school spending per pupil has already faced reductions in real terms in many of our schools and the National Audit Office predicts that it is likely to fall by 8% by 2020. Our city schools are already dealing with unprecedented rising demand for places, high levels of in-year pupil mobility and increasing challenges around teacher retention and recruitment.

We have very real concerns about how some of our schools will be able to cope with further considerable cuts in funding resulting from the introduction of the National Funding Formula. Any loss of funding could jeopardise the ability of schools to continue to deliver good educational outcomes and put pupils' longer term employment prospects at risk.

London Councils' analysis of illustrative school-level allocations, published alongside the consultation, reveals that to protect completely all the schools set to lose money under the introduction of a National Funding Formula the Government would need to find an additional £335m per year. This amounts to 1.0% of the current Dedicated Schools Grant and would also allow schools set to gain under the formula to receive additional funding earlier.

While identifying such additional resource in the current fiscal climate may be a challenge for the Government, we believe that driving up standards across the country should be a priority for investment. By providing sufficient funding this would give all schools the tools to be able to match the country's best performing schools and help to deliver stronger economic growth across the country.

Yours sincerely



Cllr Claire Kober
Chair, London Councils



Cllr Judith Blake, Leader of Leeds City Council and Chair of Core Cities UK

CC: Chancellor of the Exchequer