



Education  
Funding  
Agency

**This document  
has been  
withdrawn as it  
is out of date.**

Education Funding Agency  
Sanctuary Buildings  
20 Great Smith Street  
London SW1P 3PT

Tel: 0370 000 2288

[www.gov.uk/efa](http://www.gov.uk/efa)

Email enquiry form:

[www.education.gov.uk/contactus/efa](http://www.education.gov.uk/contactus/efa)

Date: 16 July 2015

**Dear Colleague**

### **Schools funding in 2016 to 2017**

Today, the Department has published the per pupil funding rates for each local authority's schools budget for 2016 to 2017.

I thought it would be helpful to write to you before the end of term to update you on this and other important issues.

Today's [announcement](#) sets out the Department's commitment in 2016 to 2017 to:

- protect the per pupil funding in each local authority from 2015 to 2016
- include the extra £390m fairer funding uplift from 2015 to 2016

and to make schools and early education funding fairer, and to put forward proposals about how this will be achieved in due course.

Alongside the announcement, we have published the [Operational Guide](#) for local authorities. It sets out the funding arrangements for 2016 to 2017.

The publication of the Operational Guide means that your local authority can start the process of consulting with schools on how the funding should be distributed in their area.

The forthcoming Spending Review will set out the Government's plans for the delivery and funding of public services for this Parliament. It will set out further detail on key delivery priorities for schools and local authorities and confirm funding levels for other grants and programmes. In light of the Spending Review and any consequent changes to the School Finance Regulations (which would of course be consulted on), the Operational Guide may have to be updated and local authorities may wish to review the planning and modelling they have undertaken.

You will be particularly interested in the following, which remain subject to Spending Review decisions:

- There will be no change to the allowable funding factors through which local authorities can allocate funding in 2016 to 2017
- The Minimum Funding Guarantee will continue at 1.5%, which means that no school or academy can lose more than 1.5% of its per pupil pre-16 funding as a result of changes to the local funding formula
- Local authorities should assume that 2016 to 2017 allocations of high needs place

funding will remain unchanged from 2015 to 2016

Your local authority will submit their formula to us in October 2015 (in draft form) and January 2016 (in final form). This formula will underpin our calculation of your academy's allocation for the 2016 to 2017 academic year which we will issue to you by the end of March.

It is important that you are engaged in the discussions about the local funding formula, so please get to know your academy representative on the schools forum and make sure they are aware of your school's characteristics. If you are a local schools forum representative, make sure you understand the needs of academies and free schools in your area and encourage their input before the meetings take place. Papers from the schools forum will be available on your local authority's website.

### **Efficiency and value for money**

As you will be aware, we are facing a period of challenging overall public finances in coming years, which will impact on school budgets. We have already placed a great deal of emphasis on academy trusts and free schools using robust financial planning and monitoring systems, but this will become even more important. I know you are all committed and striving to drive down cost and drive up value for money year on year, as well as improving outcomes for the children and young people in your schools. The need to ensure efficiency remains a priority for all of us.

We will be aiming to help trusts to meet this challenge, for example with easy access to models of good performance, financial advice and data. Almost 3,000 of you have watched our [Efficiency Toolkit videos](#) that include representatives from the sector offering advice on areas such as procurement, workforce planning, strategic financial planning and financial benchmarking. The toolkits offer valuable hints and tips that I am sure you will find useful. Representative bodies also offer information and advice to help ensure your institutions remain financially efficient, so please make use of their support. Examples include, [Increasing efficiencies in schools](#) and a joint [EFA best practice library](#) from NASBM; [Strategic Finance](#) from ACSL and [Challenges of school budgeting](#) from NAHT.

### **Census returns**


The school census returns are the primary source of data used in school and academy budget calculations. It is vital that your returns are submitted on time – and are accurate, in order for your funding to accurately reflect your pupil cohort. We have produced a short [training video](#) to help you complete your returns, so please take a few minutes to watch the video and visit the [school census](#) webpage for more detailed information. The investment of time now will pay dividends for your future year's allocations.

The rates for your **Education Services Grant** will be announced later in the year. We will keep you updated on this and all other important developments via the EFA e-bulletin.

We will continue to our rolling programme of online communications via GOV.UK in the autumn to ensure you are up to date with the latest developments. This programme will be developed in consultation with our stakeholder groups and there are opportunities for everybody to feedback on the content.

I would like to take this opportunity to thank you and your colleagues for all your hard work and I look forward to working with you on such a worthwhile agenda in September.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sue Baldwin'. The signature is fluid and cursive, with the first name 'Sue' being more prominent and the last name 'Baldwin' following in a similar style.

Sue Baldwin  
Director, Academies and Maintained Schools Group