

Rt Hon Gavin Williamson CBE MP
Secretary of State for Education
House of Commons
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June 2nd 2020

Dear Mr Williamson,

My name is Dominic Burke and I am the Head of Balcarras School in Cheltenham. I am writing to raise concerns over various aspects of the current funding formula for schools. Before I set out my concerns I wanted to thank you for the many times you have paid tribute to the profession during this difficult time. I realise that you must be incredibly busy making arrangements to tackle the pandemic, however, I decided that I should make contact nonetheless. I believe that the issues I raise need solving with or without Covid 19. I will deal with each of my concerns in turn.

Concerns about the funding for children with EHCPs

Next year my school will cater for 29 students with EHCPs. This is well above national and LA averages. I am proud that my school is inclusive and proud also that students with very particular challenges to learning are supported on to great things. Next year we will receive £220,860 to pay for the TA hours which are named on each child's EHCP.

The cost of providing the stipulated TA hours for these students will be £427,152. That means a shortfall of £206,292. We are supposed to find this money from the Notional SEN Budget. The Notional SEN Budget is part of the Funding Formula but in fact takes no account of the SEND make up of a school and rather is determined by the overall population of the school using factors such as income deprivation, prior attainment and eligibility for free school meals, none of which are factors particularly favourable to my school. Therefore the funding we receive for SEND bears no relationship to the actual profile of the SEND students in the school. It is a good demonstrator of how deprivation factors are generally too dominant in the funding formula. These are then compounded by the addition of Pupil Premium funding on top.

This shortfall effectively wipes out the Notional SEN budget meaning that we are left with £90,984 to fund the salary of a SENDCo, an Assistant SENDCo, administrative support for the EHCP process, the provision of external services such as speech and language and educational psychologists and the TA support for 80 SEND students who are on the SEND register but who do not qualify for an EHCP.

I am afraid this is simply not possible. We can only manage to sustain all of this by sanctioning big transfers from the rest of the school budget and whilst we have worked hard to ensure that the school has an adequate reserve, it cannot survive an annual transfer of around £200,000 – in effect a financial penalty for being inclusive – for much longer. If Balcarras had the same proportion of EHCPs as the Gloucestershire average (1.6%) it would mean we had 16 EHCPs – resulting in an immediate cash windfall to the school of around £100,000. Two of the grammar schools in Gloucestershire have no EHCPs. For Balcarras that would mean an immediate budget windfall of the full £206,292 we are struggling to fund. How can it be right that schools that are inclusive are financially punished for being so?

We have worked hard to protect our reserve and since 2012 we have gradually restructured the school so that the pupil teacher ratio has risen from 15.1 to 17.5. I don't believe further efficiencies can be found without fundamentally altering the school's offer. If further efficiency is not the answer then what? I am afraid one possible solution is to refuse to accept any more EHCP students until our proportion of EHCPs have fallen to the county average. Under the provision of the 2014 Children and Families Act a school can refuse to admit an EHCP student where admitting that student is incompatible with the efficient education of others.

As the head of a school committed to inclusion and the parent of a child with an EHCP I would view this as a terrible solution. What we need instead is urgent reform to the system. The High Needs Block must be funded properly and local authorities should be compelled to pass on the funding for EHCP students in full. There should be no financial penalties for welcoming students who need very specific support lest it creates a culture where these young people, who already face significant challenges, are shunned, made to feel unwelcome or turned away. Schools should be celebrated for being inclusive not punished.

Concerns about the funding formula

Beyond the very specific issue of EHCP funding I wanted also to urge you to begin another attempt to reform the funding system, which I can only describe as having gone totally haywire. It creates funding settlements which bear no relationship to the circumstances in which a school operates. Below are the details of two secondary schools in Gloucestershire. The example looks at 11-16 funding for 2019/20.

		School A	School B
1	11-16 school population	1015	666
2	Total number of students who receive Prior low attainment factor	120	0
3	Total number of FSM Ever 6 Students	86	12
4	Total number of EHCPs	24	2
5	Total number of EAL students	44	41
6	Per Pupil Funding for 2019/20	4732	4766
7	Per Pupil Funding adjusted for the cost of SEND contribution	4590	4748

Data is taken from the Block Funding file produced by Gloucestershire County Council and the DfE performance tables. FSM Ever 6 refers to those students who have received Free School Meals at any point over the last 6 years. Low attainers refers to those students whose attainment at KS2 qualified them for low prior attainment funding of £1550 per pupil.

Because both of these schools operate in a county which has been historically under-funded the formula leaves them both well short of the minimum funding which has now been set at £5,000. Both schools are therefore artificially boosted to this level meaning that all of the factors that should have attracted extra funding e.g. low attainment and the proportion of FSM children are just not accounted for. Then the penalty for inclusion is applied so that the school with very few EHCP students ends up with a far greater per pupil income than the school that is far more inclusive. School A is Balcarras and School B is a highly selective grammar school. For 2020-21 I calculate it as follows: Balcarras £4,792 per pupil, School B £4,964.

How can this possibly be fair? Balcarras serves a far more diverse and complex range of students and should quite obviously receive higher per pupil funding. Comparisons to schools in other authorities reveal even greater disparity. Using the DfE Financial Benchmarking site I was able to compare our income to our closest statistical neighbour in London. If we received the same pre-16 funding per pupil next year as School X our budget would be boosted by £1,651,000. The table below compares Balcarras to School X in London.

	Balcarras	School X
Number on Roll	1382	1381
Average profile on entry	30.4	30.3
Grant Funding per pupil 11-16	£5,281	£6,932
Pupil Teacher Ratio	17.1	17.4
Total Cost of Staffing budget	£5,720,000	£6,080,000
Amount spent on staffing per pupil	£4141	£4403
% of income spent on staffing	78	64
3 Year average Progress 8	0.58	0.46
3 Year average value added at A level	0.27	-0.08

Data taken from DfE School Financial Benchmarking Website

Although the two schools are very similar they receive vastly different financial settlements which cannot be explained by accounting for the London Allowance. Can anyone reasonably explain how a 'fair' funding formula could produce a settlement like this?

Concerns about sixth form funding

The funding we receive for sixth form students has reduced dramatically over the last decade and is one of the main reasons why our per pupil income has fallen by 12.4% since 2012. The table below compares Balcarras to a private school locally.

	Balcarras	Private School A Day Fees Post-16	% of Private School fees received by Balcarras
Funding/Fees per sixth Form student 2008/9	£5,000	£20,823	24.0
Funding/Fees per sixth former 2020/21	£4,025	£29,280	13.7
% change in post 16 per pupil funding	-19.5	40.6	

Has the DfE any understanding of the way that school based sixth forms have had to change their offer? Class sizes have increased markedly, the curriculum has narrowed and lots of the enrichment opportunities have disappeared. It is in stark contrast to what is happening in private schools which continue to be able to offer a wide and broad post 16 offer largely because their income continues to rise with inflation. Whilst our income has fallen by 20% over the last decade theirs has increased by around 40%. In 2009 we received roughly a quarter of the funding that private schools received for our sixth formers. Next year we will receive less than 14%. How can a government committed to social mobility allow this gulf to continue to widen at such a rate? It's interesting to note as well that the private schools charge more for 6th form students (usually between £1,000 and £1,500 per year) whereas state funding reduces post 16 by about £800 per pupil. The reason they do this is because they know that it is more expensive to cater for sixth form students. I've always said that the key lesson we in the state system can learn from our colleagues in the private sector is that schools work best when they are funded properly.

Your response

In your response I would be very grateful if you could particularly focus on the following:

1. Is the DfE aware that schools who admit EHCP students are financially penalised for doing so? Presuming that you don't agree that this should be the case what do you intend to do about it?
2. Are you aware that the current formula leaves many schools with a level of income that does not adequately reflect the school's population? What do you intend to do about it?
3. How can the DfE continue to sanction funding settlements for schools based on their postcode? Can it be right that if Balcarras operated in a different authority we would receive an extra £1.65 million to provide for the education of a statistically similar pupil population?
4. Are you aware that in 2009 private school pupils received about 4 times the amount of funding as a state educated sixth former and that by 2020 this has increased to 7 times the amount? Do you intend to allow this gulf to continue to widen or is it your intention to look to narrow it? Is the government committed to social mobility? If it is then you must accept that the widening of this funding gap can only damage the cause of greater social mobility.
5. Why do state schools receive less per pupil post 16 whereas private schools charge higher fees for post 16 pupils compared to their fees for 11-16 pupils?

I would like to thank you for engaging with these important issues and I would welcome the opportunity to speak with you about them either via a telephone call or a visit to the school, once coronavirus allows. I am proud of my school and the role it plays in our community and I feel duty bound to do everything I can to protect the interests of the families we serve. I believe that the changes that have occurred in the last

decade are doing enormous damage to our ability to facilitate social mobility and I feel that certain elements of the funding formula are simply wrong. I look forward to your reply.

Yours sincerely,

A handwritten signature in blue ink that reads "Dominic Burke". The signature is written in a cursive style with a horizontal line underneath the name.

Headteacher

cc: Alex Chalk, MP for Cheltenham
Hannah Woodhouse, Regional Schools Commissioner South West
Chris Spencer, Director of Children's Services, Gloucestershire County Council
Rosi Shepherd, Chair of Trustees, Balcarras