



IMPORTANT LETTER TO LEAD POLITICIANS (CHILDREN & YOUNG PEOPLE'S SERVICES) AND CHAIRS OF SCHOOLS FORUMS IN f40 AUTHORITIES

23 February 2010

Dear

Increasing cost pressures on school budgets

F40 is at a critical stage in its campaign to achieve additional funding for the lowest funded local authorities in England.

You will know that we held a hugely successful national conference in London last November. In acknowledgement of our case and the vigorous campaign we have staged, the three main political parties provided speakers, namely Vernon Coaker, Minister for Schools, and Shadow ministers David Laws from the Liberal Democrats and Nick Gibb from the Conservatives.

There had been an expectation that a consultation document regarding the funding formula review would have been issued in January. We are still waiting for its appearance, but keep getting the message that it will be announced "shortly". We certainly hope that will be the case.

Despite the delay, the f40 Group has continued to lobby for fairer funding and to ensure that new and developing financial evidence is made available to the Government. Over the last few months a number of important issues have emerged that will cause all f40 authorities additional concern. In no particular order they are:

- The potential increase in free school meals scheduled from this September.
- School transport costs arising from the increase in the statutory age to 18 for school leavers.
- Sure Start budgets that will need inflationary increases, but the funding is not available at present.
- Children's Centres, where there is a move to include costs in the Dedicated Schools Grant, as distinct from the current specific grant.
- Harnessing Technology where there are strong rumours that the grant will cease in 2011. This will mean that the funding of servicing and network maintenance of broadband will not be funded.
- Nursery education where pilot projects are currently underway for 2 year olds. If this is mainstreamed there will be huge cost implications.

- The transfer of funding from the LSC to local authorities which continues to cause worry that the available money will be insufficient to fund existing courses.
- The position of school support staff who now have their own Board for pay and conditions of service and who expect parity with teachers pay awards. As you will know, teachers are already guaranteed a 2.3% pay increase for the forthcoming financial year and there will be pressure for parity from the support staff.
- Building Schools for the Future is an area where some development costs fall on the local authority. Given the current state of finances in the f40 authorities, this is another unfunded burden.
- Demands of the DCSF for Value for Money savings. It is being reported that procurement is becoming difficult, with increased costs and/or poor service.
- Implications of Government demands in relation to school balances.
- The impact of changing admission codes for under-5s.
- Finally, for those f40 authorities who are top tier authorities, there are the financial implications of the 'Southwark judgement'. Recently, Cllr Shireen Ritchie, Chair of the LGA Children & Young People's Board, met with Dawn Primarolo MP, Minister of State at the Department for Children, Schools and Families, only to be told that top tier local authorities already have the money. This is ridiculous, as in two tier areas, housing has always been the responsibility of the borough/district councils. The Southwark judgement has very worrying implications for top tier f40 local authorities.

We realise that this is not an exhaustive list. Can you add to it? It is really vital that f40 brings these issues and concerns to the attention of Ministers and Shadow Ministers as soon as possible as their impact will be disproportionate on the lowest funded authorities.

As soon as we receive your additional points, f40 will be making arrangements to meet Government and Shadow Ministers and the LGA Children and Young People's Board to ensure that these cost pressures are understood and acted upon. We will also provide information to Prospective Parliamentary Candidates in all f40 authority areas so that they can use the information in the forthcoming election campaign.

If ever there was a time when f40 needs to show a united front on the challenges of increasing cost pressures and inadequate funding, it is now. We appeal to you to respond quickly.

Yours sincerely



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