



## School Funding

From the academic year 2006-7 the way that schools are funded has changed. School funding operates on two levels: government and local authority.

### Government Level

The Government now distributes a Dedicated School Grant (DSG) to Local Authorities (LAs). This is a ring-fenced grant for schools from the DfES and was first set out in the Five-Year Strategy for Children and Learners published in 2004.

The Government wishes schools to operate on a multi-year budget setting basis. 2006-07 and 2007-08 will be used to ensure that changes to the system are well embedded within local authorities and schools, and to allow them to evaluate the effectiveness of the new arrangements. A full three year budget cycle will begin in 2008-09.

When considering which factors to use in the formula for calculating DSG, mobility was examined, with the following conclusions:

'We have explored the impact of mobility on attainment and looked at whether it is possible to produce a consistent, robust definition of mobility. Our conclusion is that mobility is an important issue, having a significant detrimental impact on attainment for both deprived and non-deprived pupils, particularly in respect of secondary pupils, where moving in the GCSE years can be very damaging. However, defining 'real' mobility is very difficult, particularly in the primary sector where pupils join schools at different scheduled times and different definitions can produce different patterns. Furthermore, the definitions tested suggest that most authorities have reasonably similar mobility rates, and there is no significant consistent disadvantage for any particular type of authority. We therefore conclude it is not a suitable factor for inclusion in the formula for distributing DSG. However, since the variation in mobility at school level can be quite marked, mobility is a factor that authorities should continue to take account of in their local formula, where appropriate.'

### Local Level

Local Councils set their own School Budgets. This is dedicated pupil-related funding, and consists of two elements:

- *Individual Schools Budget (ISB)*. The ISB is the funding that is distributed to schools in the form of delegated budget shares, and is based partly on the Single Pupil Count (see below).
- *Centrally retained schools budget*: this is expenditure that is not delegated to schools, and covers spending such as pupil referral units and high-cost (non-LA) SEN provision. LAs must decide how much of the DSG to retain for this.

Each local authority will have a formula by which it calculates the distribution of the ISB. There is a large degree of variation in the operation of local authorities' formulae, although regulations do exist.

### The Single Pupil Count

Under the new arrangements, all local authorities are required to use the PLASC count taken in the January preceding the start of each financial year as the only pupil count used for the purposes of allocating schools' budget shares for that financial year. Some authorities have previously used more than one pupil count per year as a means of adjusting school budgets; using a single pupil count will mean that budgets will be fixed at

the start of the year and will not be subject to further re-determination, thus providing greater stability.

Each school is set a guaranteed funding level, and if the budget share a school receives from its local formula is less than this guaranteed funding level, it is topped up from a fund called the Minimum Funding Guarantee.

It could of course be argued that the Single Pupil Count does not provide enough flexibility for school budgets to reflect changing circumstances within a school year. In the case of pupil mobility, the following is stated:

*'Schools with high pupil mobility: Some schools have a high degree of disruption caused by, and incur significant expenditure in managing, a transient pupil population. However, there are formula factors that enable funding for such circumstances to be provided to schools. The inclusion of such factors in local formulae, while a matter for local authorities, is seen by the Department as the appropriate way in which such circumstances should be managed: the provision of multiple count dates in a local formula does not actually provide any guaranteed protection for such situations in any case.'*

A key task for local authorities under the new system will be to project pupil numbers in order to provide meaningful future budget allocations.

*(Source: New School Funding Arrangements from April 2006: DfES)*

## Local Authority Formulae

It is a statutory duty that LAs must publish their budget statements, and these can be found online.

Many local authorities do include a mobility factor in their formula, but the way in which this is calculated varies. For example, in Surrey, pupil mobility funding was introduced in 2003-04 to assist those schools which experienced high levels of pupil turnover with the additional administrative and teaching costs which such turnover creates. Changes were made in 2006-07 to target funding more closely on schools with consistently high numbers of joiners, since it was recognised that these create far more work for schools than leavers. Only schools with a consistently high number of joiners receive the additional funding. This is a flat rate of £5,500 plus £350 per joiner.

Schools in Hampshire can receive an annual amount to support the number of service children in their schools and a varying amount for turbulence as part of their SEN funding. This can vary each year by as much as £10,000.

I have recently learned from a head teacher in Barnet that they receive no extra funding for their Service children, as the LA has recently changed its formula for allocating mobility funds.

## Other Mobile Groups

Schools receive funding for Gypsy and Traveller children in the same way as for other pupils on their roll. In addition, where LEAs and schools are faced with significant financial burdens in responding to the educational needs of these children, they may benefit from the Traveller Achievement Grant. In 2003 the Traveller Achievement Grant became part of the Vulnerable Children Grant, which encompasses looked-after children, pupils with medical needs, asylum seekers, young carers and school refusers. Funding for Gypsy and Traveller children mainly goes to the Traveller Education Services within LAs.

Comment: As detailed above, each LEA will distribute funds according to its own formula, and Service children are most likely to be catered for financially where a mobility factor is included. Receipt of such extra funds does tend to depend on the quantity of Service children in a school, as often the number of joiners needs to be above a certain percentage before any extra money is received. It is becoming apparent that a valid case for extra funding specifically for Service children will have to be backed up by quantifiable data, the most reliable source of which will be the Annual School Census (PLASC) in January, also used for the Single Pupil Count. As a Service children's marker will only be included from January 2008 it may be some time before a pattern emerges which is deemed acceptable by policy-makers.