

BACKGROUND TO BRISTOL SCHOOLS' FINANCES

1. OVERVIEW OF EDUCATION FUNDING 2006/07

1.1 Sources of funding

Education funding comes from the following sources:

a) DfES:	£m	
○ Dedicated Schools Grant (DSG)	180.7*	
○ Standards Fund	30.2	
○ Sure Start	5.9	
Total		£216.8m

* The Dedicated Schools Grant (DSG) provides the majority of the funding for education. This money is allocated from central government to the Local Authority, based on pupil numbers in January. The amount that is allocated to the Local Authority is determined by central government policy. The Local Authority then allocates the money to the schools, according to their own funding formula. Changes to the formula requires Schools Forum approval.

b) Bristol City Council:		
○ Bristol City Council		£21.8m

c) Other:	£m	
○ LSC Post 16	5.9*	
○ LSC Community Learning	0.8*	
○ Other Local Authorities	2.4	
○ Neighbourhood Renewal	2.0	
○ Other grants, fees and charges	10.3	
Total		£21.4m

Grand Total **£260m**

* This money comes via the Local Authority, from the LSC. The LSC is the funding authority for all Post 16 Education in England. They also fund colleges such as City of Bristol and Filton College.

1.2 Budgets

The various pools of money are allocated to the relevant budgets -

- The Schools Budget
 - The Individual Schools Budget
 - The Central Schools Budget
- The Local Authority Budget
- Children's Services

1.2.1 The Schools Budget

Individual Schools Budget

Money in the Individual Schools Budget is delegated to schools through the formula. This budget covers the following costs:

- Schools standards funds grants
- Free School Meals
- The cost of managing the Local Authority Admissions service
- Insurance – for services within the Schools Budget
- School specific contingencies, e.g. split site schools, off site playing fields
- Supply cover – maternity, trade union
- Other school grants

Central Schools Budget

- Frontline services such as:
 - Learning support
 - Behaviour support
 - Sensory support
 - Pupil referral units (PRUs)
 - Education other than at school (EOTAS)
 - Education of Children Looked After (ECLAS)
 - Early Years (most)
 - Recoupment
 - Independent-non Maintained places
 - All overhead costs

1.2.2 The Local Authority Budget

The LA Budget covers the following costs:

- Statutory role of the LA
 - Director and part of the Programme Directors
 - School Improvement
 - Finance
 - IT
 - HR
 - Premature retirement costs of school staff
 - Monitoring the national curriculum
 - LA Standards Funds
- Special Education
 - Psychology
 - SEN Assessment
 - LA Child Protection
 - Parent Partnerships
 - Monitoring of SEN provision
- Access
 - Asset Management
 - Supply of school places
 - Support for Excluded Pupils
 - Home-to-School transport
 - Education Welfare
 - Music Service
 - Visual and Performing Arts
 - Outdoor Education

- Youth and Community
 - Youth Service
 - Adult and Community learning
 - Student Finance and Support

1.3 Where is the money allocated?

1.3.1 The Schools Budget

	£m
Directly to schools	195.2*
Independent Special Schools	2.2
Inter Authority recoupment	2.0
Early Years settings	8.6
EOTAS	4.7
Other School Support services	7.5
Other central school costs	2.2
ICT Grants	1.1
Total schools budget	£223.5m

1.3.2 The Local Authority Budget

	£m
Premature retirement costs	4.1
Home-to-school transport	6.2
LA Grants	2.1
Special Education	1.5
Asset Management & School Organisation	1.1
School Improvement	2.2
Adult and Community Learning	1.2
Student Finance	0.5
Arts, Music and Outdoor Education	1.5
Education Welfare	1.1
'Sure Start' – Early Years	5.9
ICT Grants	0.6
Other incl. traded services, grants	4.0
Other statutory functions	4.5
Total Local Authority budget	£36.5m

**TOTAL EXPENDITURE ON EDUCATION IN
CITY OF BRISTOL 2006/07** **£260m**

1.4 Powers and Structure of the Schools Forum

The Schools Forum was established as an advisory body in January 2003. In January 2006, the Secretary of State passed on more power to the Schools Forum, to allow more involvement in the local decision making process. The forum now has the power to decide the following areas of finance:

- Central expenditure – limits and increases

- Minimum funding guarantee – alternative arrangements *
- Formula changes during funding periods
- Certain items of the Schools Budget expenditure

* The DfES determine the minimum increase in funding over the previous year per pupil which may mean a top-up is required for a school due to changes in that school's circumstances.

It is up to the Schools Forum to determine its own voting procedures, and Local Authority Officers cannot have voting rights.

- The Schools Forum is made up representatives from school and non-school bodies. Please see the Membership List for the allocation of members.
- There are 30 members, and not more than 20% can be non-school members.
- Members have a three year term of office.

1.5 Regulations

- There are several regulations relating to education spending:
- Financing of Maintained Schools regulations
- Scheme for financing schools
- Section 52
- Financial regulations
- Procurement regulations

1.6 Financial Year

- Schools run on a financial year from April – March.
- Schools are provided with an indicative budget by the end of March in line with the comprehensive spending review. For 2006/07 this meant the 2006/07 actual and 2007/08 indicative allocations. The DfES has yet to determine the arrangements for 2007/08 onwards.
- Formula funding calculations are now based on pupil numbers on roll in January, so if for example there is a change to pupils enrolling in September, (up or down), there is no adjustment made to the budget for that financial year.

2. FORMULA FUNDING

2.1 Background

It is a legal requirement for LAs to have a scheme for Local Management of Schools. Schemes are statements of policy, reflecting local priorities and conforming to legislation and regulations. Varying Local Management of Schools legislation was passed in 1986, 1988, 1993 and 1994. These changed the roles and responsibilities of LAs, Governors and Headteachers.

The LA

- Establishes strategic educational policies and objectives
- The DFES determines the overall level of resources in the Schools budget. The LA, through agreement with the Schools Forum, administers the Formula by which funds will be distributed to schools
- Provides support, advice, information and training

- Sets the framework for Local Management and establishes the conditions
- Monitors and evaluates the performance of schools
- Ensures accountability in spending public money
- Manages non delegated budgets and excepted items

School Governing Body

- Sets objectives for the school
- Ensures a School Development Plan is in place
- Prepares a budget and allocates resources in accordance with the School Development Plan
- Ensures all statutory and local conditions and requirements are met
- Reports to parents, the local community and the LA

Headteachers

- Provides the professional expertise for running the school
- Recommends to Governors
- Implements and Manages
- Reports to Governors and the LA on the operation of the school

2.2 Local Management of Schools

LMS has two distinct aspects which are closely linked:-

a) Formula Funding

All schools are funded on the basis of Bristol's formula which is a set of rules and criteria by which the Individual Schools Budget (ISB) is distributed, providing each school with an allocation for the financial year. In addition there can be specific funding agreed by the Schools Forum.

b) Delegation

Financial and managerial responsibilities are delegated by Legislation to Governing Bodies to enable them to choose how to make the best use of the resources within their own school.

The aims of LMS are to enable schools to adjust to the needs of their pupils and communities and to enable schools to make the best use of the money available.

LMS is part of a process of increasing the local responsibilities of schools. The principles of formula funding :-

- Agreed formula
- Simple and clear
- Based on objective needs
- Main determinant must be pupil numbers and ages
- All schools treated the same

2.3 Elements of the formula

Not all elements apply to all types of schools. Please use the key below to identify which elements apply to which type of schools:

P	Primary
S	Secondary
Sp	Special
N	Nursery

STRUCTURAL REPAIR & MAINTENANCE – P S Sp N

This is based on floor area and repair and maintenance backlog. The backlog recognizes the condition of buildings and how much needs to be spent.

REDEPLOYMENT – P S Sp N

Relevant if the school has employed staff who have been redeployed from elsewhere in Bristol City Council (usually due to redundancy). Sometimes redeployed staff are on protected salaries. This means that their redundant post was at a higher grade than their new post. They are therefore paid at their old grade for an agreed period of time. The school will be compensated for paying above the grade of the post.

ADVISORY SERVICE – P S Sp N

Support service budget delegated to schools. Schools may choose to use this money to buy into the LEA's Advisory Service, procure private contractors or not buy into any support at all.

MINIMUM FUNDING GUARANTEE P S Sp N

The regulations which govern the financing of maintained schools from 1st April 2004, require that total funding must increase in 2005/06 by at least 5% compared with 2004/05 adjusted for pupil numbers.

ESTIMATED INFLATION – P S Sp N

When budgets are set by schools, inflation increases for the following year are unknown. This indicates to the school how much they should set aside as a provision for inflationary increases. Schools set staffing budgets at current costs and then use this money later to increase budgets when rates are known.

THRESHOLD GRANT – P S Sp N

Previous grant given separately by DfES is divided equally between all teachers who are on the Upper Pay Scale.

KEY STAGE FUNDING UNITS – P S

Schools are funded according to the number of pupils they have in different Key Stages. For example a pupil in Key Stage 2 will generate funding of £1,646.81 for the school,

BASE LEVEL SEN – P S

This is to ensure that schools have the funding to provide 15 minutes SEN Teacher time for 15% of pupils. Schools are funded according to the number of pupils they have in different Key Stages. For example a pupil in Key Stage 2 will generate funding of £42.31 for the school.

CURRICULUM SPECIFICS – P S

To help fund core staff according to the group size of the school.

ADDITIONAL NEEDS – P S

This is to provide funding for schools in more deprived areas currently based on the percentage of pupils who have free school meals. Schools fall into specific banding according to this percentage. Each banding has a per qualifying pupil rate attached to it.

SCHOOL SPECIFICS – P S

Schools with a split site and/or detached playing field receive this funding.

BSNS – P S

Support service budget delegated to schools. Schools may choose to use this money to buy into the LEA's Bristol Special Needs Service, procure private contractors or not buy into any support at all.

ADMISSIONS (VA SCHOOLS ONLY) – P S

VA schools process their own admissions. This is to cover the admin cost of this.

PROTECTION –P S

To limit the drop in funding due to fall in pupil numbers to 5% between financial years.

PERSONALISED LEARNING – P S

New allocation in 2006-07. This is divided 50% on prior attainment, 15% on pupil numbers and 35% on ward deprivation.

STATEMENTS – P S N

Pupils with a statement of Special Educational Needs are allocated units which are funded at £63.47 per unit. This funding is clawed back from the school if a pupil leaves. Alternatively if a statemented pupil joins the school extra funding is given. These adjustments are also called 'Retrospective Adjustments'.

Retrospective adjustments are performed three times a year based on pupil counts in April, September and January.

SSENA CONSOLIDATION – P S N

SSENA is a fast track assessment system for pupils with special educational needs as an alternative to the complex processes involved in allocating statements to pupils. Funding is based on a snapshot of SSENA pupils in the school at a point in time. Funding is not linked to specific pupils and therefore isn't adjusted if a pupil leaves / joins.

IRESOURCE BASES – P S N

This is a facility attached to a school which caters for pupils with special educational needs such as Autism. Funding is allocated according to the number of agreed places

NNDR – P S N

National non domestic rates. Funding to pay the rates.

CATERING – P S N

To provide free school meals for authorised pupils and kitchen waste disposal and equipment costs.

AVERAGE / ACTUAL ADJUSTMENT – P Sp N

Only smaller schools with less than 10 Teachers are eligible for this funding. If the school's average teacher cost is higher than the city average then the difference multiplied by the number of Teachers is given to the school.

FLOOR & SITE AREA – P Sp N

Calculated by multiplying a rate by the sq metres of floor area.

ENERGY COSTS – P S Sp N

New allocation in 2006-07. A sum to help offset rapid increases in utility bills, divided equally on floor area.

NURSERY – P

A lump sum according to the number of authorised nursery places.

TURNOVER – P

Funding to recognize the extra admin work needed in schools with high pupil turnover.

SMALL SCHOOL SUPPORT – P

If a school has less than 120 pupils then the school will receive ghost funding to bring them up to the next multiple of 30. For example if a school has 100 pupils (excluding Nursery) they will receive funding for 20 pupils. If they have 85 pupils they will receive funding for 5.

OTHER CATERING – P

This is to recognize the admin cost for collecting school dinner money and the energy costs for producing meals.

CLASS SIZE GRANT – P

Reception and KS1 classes with an average of less than 23 pupils will receive ghost funding. For example a class of 19 pupils will attract funding for 4 pupils.

LSC FUNDING – S

Allocation as advised by LSC based on factors such as courses offered, take up and drop out rates.

LSC FUNDING NON AWPU – S

Funding for non pupil led elements of the formula is based on total pupil numbers so Sixth Forms are doubly funded. This adjustment is to offset this duplication.

SOCIAL INCLUSION – S

This has evolved from the previous Pupil Retention Grant to help lower the number of pupils being excluded. Funding is based on a lump sum and an amount for FSM, absences, turnover and EBD pupils.

PFI – S

An allocation which is charged back to the schools to cover the PFI contract costs in excess of the individual school contributions.

THRESHOLD GRANT LSC – S

Threshold grant delegated from LSC to cover threshold teacher in schools with Sixth Forms. This is divided according to number of Sixth Form pupils.

LUMP SUMS – Sp N

To help fund core staff according to the group size of the school. Also included here are the lump sums per school for Fair Funding delegations.

PLACE – Sp

An amount per planned place which varies for the Band of need of each place. For example Band 3 places currently attract funding of £8327.15 per place.

KS4 PUPILS – Sp

Funding for pupils at KS4 in Bands 1 to 4 to cover additional costs of lesson delivery and GcSEs.

FLOORS – Sp

Calculated by multiplying a rate by the sq metres of floor area.

OUTREACH – Sp

An amount based on average teacher cost, LSA cost and materials to cover the additional cost of outreach provision.

RESIDENTIAL/EXTENDED DAY – Sp

An amount per place, per pupil and per sq metre of floor area to cover increased costs for additional time that support is provided.

PLACE- N

An amount per planned place currently £2936.09 and £154.97 for Early Years places.

AGE WEIGHTED PUPIL UNITS – N

Funding for pupils currently £401.23 for full time and £174.35 for FTE part time pupils.

CONSOLIDATED STATEMENTS - N

Agreed number of statement places based on the position before nurseries became locally managed.

USEFUL CONTACTS :

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