

## Pupil funding

- 1 Welsh Government provides funding to local authorities for pre-16 provision in schools (and post-16 in special schools) whether they are maintained by the local authority or are voluntary-aided schools.
- 2 Local authorities are responsible for determining how they spend their allocation of the RSG on the services for which they are responsible, which includes schools. The underlying principle of the local government settlement is that funding is not earmarked for particular services. Welsh Government does not set targets for local authority expenditure on schools.
- 3 Once local authorities receive their settlement allocation, they set budgets for the services for which they are responsible, including education, according to local needs and priorities.
- 4 Individual councils set budgets for the services they provide, and this includes the budgets for their schools. School delegated funding is distributed to schools based on a local funding formula. The School Funding (Wales) Regulations 2010 require 70% of the total funding to be distributed based on pupil numbers. Councils have discretion to distribute the remaining 30% based on a range of factors to take account of individual school circumstances.
- 5 Therefore, while local authorities across Wales use pupil numbers as a common basis to determine funding allocations, other components vary from authority to authority and school to school. These can include size and condition of buildings and grounds, business rates, number of pupils receiving free school meals, special educational needs of learners and for learners for whom English or Welsh is not their first language. Consequently, funding per pupil will vary across schools to take into account the differing circumstances in each school.
- 6 There was a commitment set out by the former Welsh Government Education Minister Leighton Andrews AM to 'work towards' delegating 85% of total expenditure to schools. The measure is taken from the Revenue Account (RA) return completed by the local authority each year based on estimated expenditure. The return is used to calculate the delegation rate as well as the amount of funding per pupil in a local authority.
- 7 There are several issues with this measure:
  - Figures are based on gross spend (i.e. including grant funding from Welsh Government and other sources (e.g. EIG, PDG and post-16 grants). The amounts delegated to schools and/or retained centrally will be a determining influence on the delegation rate and consequent amount of funding per pupil.
  - Figures for services include apportionments of corporate recharges (i.e. support services such as legal, finance and human resources). These can be based on different methodologies across local authorities and can be widely distributed to services or charged to the corporate core. This can significantly affect the amount of funding and delegation rate.
  - Bridgend has two special schools both providing places for out-of-county pupils. The special school budget is gross, with the Council recharging the appropriate authorities for their place costs. This artificially inflates the delegation rate for the authority as the delegated budget includes funding for out-of-county school places.

8 Welsh Government produces a report on local authority budgeted expenditure on schools per financial year. For 2017-2018, this shows the following:

	<b>Bridgend</b>	<b>Wales</b>
<b>Delegation rate</b>	84.7%	84.2%
<b>Delegated funding per pupil</b>	£4,519	£4,740
<b>Nursery</b>	£0	£8,614
<b>Primary</b>	£3,860	£4,233
<b>Middle</b>	£0	£5,172
<b>Secondary</b>	£4,759	£5,025
<b>Special</b>	£23,357	£20,806
<b>Central funding per pupil</b>	£813	£888
<b>Total funding per pupil</b>	£5,332	£5,628

- 9 In addition, the Council is required to submit to Welsh Government a Section 52 budget statement each year, which breaks down the delegated budget per school and sector. It does not include any money held centrally by the local authority and spent on behalf of schools.
- 10 The return calculates the per pupil funding per school, and in addition, Welsh Government produces a statistical analysis each year based on the information, showing per pupil funding per authority per sector, but the figures do not take account of:
- the delegation rate per local authority;
  - specific funding through the funding formula (e.g. site specific and ALN classes);
  - centrally provided services;
  - voluntary aided (VA) schools only pay, and therefore receive funding for, 20% of business rates. VA schools also have different responsibilities and therefore funding for building maintenance;
  - nursery provision policy;
  - whether the local authority has middle schools or not; or
  - sixth form grant allocations.
- 11 When considering 'per pupil' funding, it is also important to note that each primary school receives a lump sum allowance towards the headteacher's salary of £70,700. On a 'per pupil' basis, this is shown as:
- £995 for our smallest primary school of 71 pupils; and
  - £124 for our largest primary school of 568 pupils.
- 12 Therefore, while there is an on-paper 'per pupil' difference of £871, there is no/little additional cost.