



Buckinghamshire County Council

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For action

For information

Statutory Information

Please reply by

Date:

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Schools Portfolio Management Group
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E-Communications Officer (Schools)
Cabinet Member – Schools
Cabinet Member – Children & Young People
Strategic Manager – Children & Young People

To: All Headteachers and Chairmen of Governors
of LEA Maintained Schools

Dear Colleague

SCHOOL FUNDING 2004/05 AND 2005/06

Given that the Secretary of State and the DfES more generally have made statements over the summer on school funding levels for the next two financial years it is appropriate to update colleagues in schools. The update within the Schools Management Briefing for this term was written before some of these statements were made and in one sense this letter takes the place of that update.

The Secretary of State made his announcement in the House of Commons on 17 July 2003 and within that statement the guiding principles for the changes needed to the schools' funding system for the next two years in order to deliver more stability were set out as:-

1. That every school should receive at least a guaranteed per pupil increase in its funding for each year;
2. That central and local government should achieve earlier announcements of the financial allocations to schools so that heads have greater certainty and time to plan;
3. That we should provide greater stability through a two year settlement on teachers' pay, ringfenced grants and the guaranteed per pupil increase in schools' funding;
4. That there should be greater transparency in the overall system of funding for schools; and
5. That the reforms agreed with the key workforce partners as reflected in the national agreement on raising standards and tackling workload should be sustained.

Continued/-



INVESTOR IN PEOPLE

The backbone of these aims is that in 2004/05, and indeed in 2005/06, the guarantee is that every school will receive, at least, a minimum increase in its funding per pupil compared to the previous financial year.

In essence there are four main elements to a school's funding allocations, provided from public funds. These are:-

- ❑ The School Budget Share
- ❑ The Learning and Skills Council allocation for post-16 pupils in secondary schools with sixth forms
- ❑ Standards Fund allocations
- ❑ Schools Standards Grant allocations

The DfES will be ensuring that appropriate provision is made within the Standards Fund allocations for each school and the School Standards Grant allocations in 2004/05. A similar requirement is being placed on the Learning and Skills Council (LSC) to deliver a minimum increase per pupil and the LSC will be consulting with schools with sixth forms in the Autumn on how to deliver this. The remaining element, the School Budget Share, is for LEAs to deliver the minimum requirements as stipulated by the Secretary of State and modelling on how this might work has already been started with individual LEAs. The DfES will also be looking for a number of secondments from LEA finance staff to ensure this is delivered across the country.

The delivery of a minimum increase per pupil needs to be set up within agreed strict definitions and parameters and work will be required with the Schools Forum later in the Autumn on how it will operate within Buckinghamshire.

The second aim from the Secretary of State was that central and local government should achieve earlier announcements of financial allocations to schools and a number of issues will be coming together in November 2003. These will include:-

- ❑ The announcement of Standards Fund allocations and School Standards Grant allocations for individual schools;
- ❑ The provisional central government settlement for local government finance will be announced in November 2003 rather than in December 2003;
- ❑ The government, in its submission of evidence to the School Teachers' Review Body has made a case for a two and a half year settlement for teachers' pay on the basis of current targets for inflation. The Secretary of State has asked the School Teachers' Review Body to report on all the major issues in early November 2003 so that LEAs and schools will have much earlier certainty about the level of pay cost pressures for the next two years.

If these come together as intended before the end of the calendar year 2003 this will give more time for budget allocations and work to be done on the implications for school spending levels in 2004/05 and indeed in 2005/06.

In addition you may know that the Secretary of State announced that the original intention to reduce Standards Fund activities in 2004/05 may well still proceed although the Government will be finding an additional £400m in each of the next two years over and above the existing plans. This, in effect, reverses the reductions previously announced for Standards Fund activities and support for schools.

However one Standards Fund activity which it has recently been announced will cease is School Improvement Awards and the allocations in the current financial year 2003/04 are the final allocations for this activity. This takes account of the scheme evaluation published on 28 August which found that there was no hard evidence about the scheme's continuing impact

on teaching and learning and school improvement.

General

Clearly more work will be done on these proposals and aims before the end of the calendar year and it is the intention of central government that a number of funding targets, etc, will be announced in November 2003 relating to the next two financial years. We will continue to keep schools informed as and when information becomes available.

As regards consultation, there will be a limited number of issues we will wish to consult governing bodies and headteachers about in relation to 2004/05. We will need to discuss these with the Schools Forum and take their views into account before the process takes place with schools. This consultation with schools is likely to happen in late October, but will be determined, and to some extent limited, by the new requirements which the Secretary of State will be putting in place as set out earlier in this letter.

The issue of provisional school budget shares for 2004/05 in January 2004 will also need to be reviewed in the light of what information is then available. Their usefulness has been limited in recent years and it may be appropriate to update schools on their provisional budgets for 2004/05 in a different format.

As always we are happy to answer questions and receive comments on the detail set out in this letter and indeed will be discussing it in some detail at the future meetings of the Schools Forum. Please do pass on a copy of this letter to anybody in the school who you feel may benefit from the information included within it, which might include bursars and other governors involved with the finances of the school.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan Mander', written in a cursive style.

Alan Mander
Assistant Head of Finance
(Schools and Children & Young People)