



Llywodraeth Cymru
Welsh Government

GUIDANCE

Funding for schools: FAQs

Answers to common questions about the arrangements for funding schools.

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General

Q1. How does Wales receive funding from the UK Government?

The Welsh Government receives funding through the Barnett formula a non-statutory mechanism used by UK central government to allocate public expenditure to Wales, Scotland and Northern Ireland. It is based on population, not need.

Q2. How do local authorities in Wales receive their funding?

The Welsh Government provides around 80 per cent of the money allocated to

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local authorities in Wales through the Revenue Support Grant. The funding allocated is available for the authority to spend as it sees fit on the range of services it is responsible for. The other 20 per cent of local authority funding is raised locally in the form of council tax which is set by each authority as part of its annual budget setting process.

Q3. How is the amount of funding that Welsh councils receive for their services calculated?

Standard Spending Assessments (SSA) are notional calculations of what each Council needs to spend to provide a standard level of service. They are calculated to reflect the differing costs of providing services in each authority area because of their different demographic, physical, economic and social characteristics. The SSA is broken down between the different services provided by local authorities. These different elements are called service Indicator-Based Assessments (IBAs). Each IBA has its own distribution formula, for example, the primary and secondary education IBAs use learner numbers and measures of deprivation and sparsity to distribute funding. The individual service IBAs for an authority are then added together to give the total SSA for that local authority.

The 'Green Book' provides background information for the calculation of Standard Spending Assessments for the annual local government revenue settlement.

Q4. How does the Welsh Government provide funding for pre-16 provision in schools in Wales?

The Welsh Government does not provide funding directly to schools. It provides funding mainly through the local government revenue settlement in the form of the Revenue Support Grant (RSG). The RSG is not ring-fenced and as a consequence, the funding allocated to each authority is available for the authority to spend as it sees fit on the range of services it is responsible for including schools.

Post-16/Capital funding

Q5. How is post-16 provision for schools in Wales provided?

Funding for post-16 provision in schools is allocated by specific grant from the Welsh Government. Information on post-16 provision can be found on the Post-16 education webpage.

Q6. How do I fund improvements to my school building and property?

Details on funding for capital investment and maintenance of school buildings can be found at the Capital funding webpage.

Comparisons between England and Wales

Q7. Why do statistics show a variation in the amount of funding received by schools in Wales and England?

There is a variation in funding levels between England and Wales when looked at on a per learner basis. However, as policy priorities in Wales and England have diverged since devolution, so too have the school funding arrangements. Direct funding comparisons have become increasingly misleading. The statistics for England and Wales are not made up in the same way because they include different elements of spend. Significant amounts of school expenditure in England is spent on matters not experienced by Welsh schools with fees for expensive professional services and other accommodation related expenses falling to some English schools.

We know that performance is not always related to funding – it is about how the money is being spent.

There are many distorting factors such as the massive need in London boroughs and the metropolitan conurbations of England. The neighbouring border authorities show a very different picture with Welsh border authorities per pupil funding levels comparable with their English neighbours.

Q8. Why is data not published this year?

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The Chief Statistician made the decision not to publish this Statistical Article due to the difficulties in producing robust comparisons, because of the changing education policy landscape in England and the large numbers of schools moving to academy status in-year and therefore out of local government control.

Under the Code of Practice for Official Statistics, decisions on the content and publication of statistical outputs are made by the Chief Statistician, independent of Ministers.

The Chief Statistician published a statistical article on 26 January 2012 fully explaining the reason that the comparison is not possible.

All correspondence with English departments on this matter is fully available on the Welsh Government's access to information website.

Local authorities' distribution of funding to schools

Q9. What happens once funding has been distributed to the local authorities?

Individual authorities set budgets for the services they provide and this includes the budgets for their schools. These are determined by a local funding formula. [The School Funding \(Wales\) Regulations 2010](#) require 70 per cent of funding for individual schools' budgets to be distributed in accordance with factors which are learner led. Authorities have discretion to distribute the remaining 30 per cent on the basis of a range of factors so that they can take account of individual school circumstances.

Q10. Why does there appear to be a variation between authorities in funding per learner for schools that appear on the face of it to be very similar?

While local authorities across Wales use learner numbers as a common basis to determine funding allocations other components vary from authority to authority and school to school. Additional factors or criteria such as the size and condition

of buildings and grounds, rates, cleaning, schools meals and milk, salaries, a school which has a split site, special educational needs of learners, learners for whom English or Welsh is not their first language, etc., may be taken into account in local authority formula. Further information on these additional factors can be found under regulation 18, Schedule 3 of the School Funding Regulations (Wales) 2010.

Q11. Are Welsh-medium schools entitled to more funding than English-medium schools?

In accordance with the regulatory framework, local authorities may take into account in their funding formula, when determining school budgets, whether a learner is being educated through the medium of Welsh and the possible additional costs involved with delivering education through the medium of Welsh. Additional costs to Welsh-medium education may arise because there are fewer off the shelf learning resources available. Local authorities may take these factors into account and will fund schools accordingly.

Q12. How do I know what my local authority is spending on schools?

Local authorities are required, under Section 52 of the School Standards and Framework Act 1998, to prepare a Budget Statement each financial year which shows the amount of education funding that will be centrally retained by the authority, the budget share for each school, the formula used to calculate those budget shares and the detailed calculation for each school.

A copy of the Budget Statement must be supplied to the governing body and headteacher of each maintained school within the local authority, the Welsh Government and also made available to parents/carers and other persons at all reasonable times and without charge.

Q13. How can I be certain my school's budget allocation is correct?

Individual schools budgets are determined using a locally agreed funding formula. If you have any queries about your school's budget or the local funding formula you should contact your authority.

Q14. What happens to a schools budget if learner numbers fall?

Because an individual schools budget is allocated according to factors that are at least 70 per cent learner led; individual schools' budgets will reduce accordingly if learner numbers fall.

Q15. What happens to the staff if the school budget is reduced?

Governing bodies are responsible for managing the schools budget and have to make some difficult decisions when budgets are reduced. This may include staff redundancies in order to make the best use of resources available for the benefit of all learners. The school governing body in consultation with the local authority decide on staffing levels at individual schools. Local authorities as employers have a responsibility to school staff and most will consider options for redeployment elsewhere.

Q16. Where do I find out information on what funding other local authorities and other schools receive?

The School Statistics section within the Statistical Directorate collects and analyses a wide range of data on schools in Wales. These pages will provide you with easy links to information and publications. Further information can be found on the school statistics webpage.

Spend against indicator-Based Assessments (IBA)

Q17. Why has my local authority chosen to spend less on education than their education IBA?

An authority's IBA is not a spending target and each local authority determines its own spending priorities from its overall funding allocation and what it can raise from council tax.

School Funding (Wales) Regulations 2010

Q18. What are the School Funding (Wales) Regulations 2010?

The School Funding (Wales) Regulations 2010 is the new regulatory framework for funding schools in Wales. They came into force on 1 September 2010 for the financial years 2011-12 onward. They amalgamate and replace the following school funding regulations made under the School Standards and Framework Act 1998.

- The LA Budget, Schools Budget and Individual Schools Budget (Wales) Regulations 2003
- The Schools Budget Shares (Wales) Regulations 2004
- The Education (LA Financial Schemes) (Wales) Regulations 2004

The School Funding (Wales) Regulations 2010 is available on the UK Legislation website.

Q19. Are there changes to previous provisions introduced by the School Funding (Wales) Regulations 2010?

Yes. While the provisions are largely unchanged from the previous sets of school funding regulations, the School Funding (Wales) Regulations 2010 make the following significant changes.

- When allocating budgets for schools authorities will provide schools with an annual budget and provide budget forecasts for the following two years
- The date by which local authorities are required to notify the Welsh Ministers of their proposed Schools Budget has changed from 31 January to 14 February
- To provide authorities with the ability to take certain specific action when school surpluses reach certain levels. When surpluses are £50,000 or more in a primary school, £100,000 or more in a secondary school or special school, authorities will be able to direct schools to spend balances. If the governing body does not comply with the direction, the amount could be clawed back with the proceeds applied to the authority's schools budget
- Allows school budget forums to approve revisions to local authority schemes

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for financing schools instead of approval being needed from Welsh Ministers.

Q20. Why has the Welsh Government chosen the figures £50,000 for primary schools and £100,000 for secondary schools and special schools for the level at which authorities can direct schools to spend surplus balances or claw them back?

It is considered that these limits are adequate reserves for schools. The limits approximately cover the cost of 1 or 2 full time teaching staff at the top of the main pay scales. These are not targets but trigger points above which action can be taken and local authorities can agree different levels with their schools to reflect individual circumstances.

Q21. What if the Council want to claw back my surplus budget?

These levels are not targets but trigger points above which action can be taken. Work on surplus balances should not be seen as just a year-end issue and schools and their authorities should be working together throughout the year to discuss plans of how large surplus balances will be used. Schools with surpluses already above the threshold should be subject to on going monitoring to ensure that approved plans to spend their balances are delivered, or the excessive surplus is otherwise clawed back.

Q22. Can my school build up a surplus budget to spend on a particular project?

If a school has a plan to keep money above the cash limit it should be allowed to do so. But such plans must be good and stand up to scrutiny. The school must provide evidence to show that monies have been set aside for a specific purpose, will be spent within a defined timescale with a fixed end point; and have been properly approved by governors.

Q23. What if I am expecting a fall in learner numbers next year, can I use the surplus balance to fund a shortfall?

Surplus balances should not be used to defer difficult decisions relating to

changes in staffing, though it could be legitimate to cushion a temporary dip in learner numbers or fund the part-year costs of not implementing staffing reductions until the autumn term.

Q24. To what purposes will surplus balances clawed back by the local authority be used?

Recovered monies must be allocated to the authority's schools budget. It cannot therefore be lost to schools.

Schemes for financing schools

Q25. What is a 'Scheme for Financing Schools'?

Each local authority must have a 'Scheme for Financing Schools' which sets out the financial relationship between the authority and the schools within its area. It contains requirements relating to financial management and associated issues and may specify where responsibilities lie about certain issues.

The scheme should state the responsibilities of the headteacher and governing body in respect of the annual budget plan. The first formal budget plan of each financial year must be approved by the governing body. Supplementary guidance on schemes for financing schools can be found within the related links section at the top of this page.

Q26. What if the authority wants to revise their Scheme for Financing Schools?

The financial controls within which delegation works are set out in the scheme for financing of schools made by the local authority in accordance with **section 48 of the SSFA** (external link) and the **School Funding (Wales) Regulations 2010**(external link). Any revisions to the scheme must be approved by the schools forum. The schools forum may approve the proposals as they are, they may approve the proposals subject to modifications or they may refuse to approve the proposals. Where the schools forum approves any revisions to the scheme, they may specify the date upon which the revised scheme is to come

into force. Where the schools forum refuses to approve proposals or approve proposals subject to modifications which are not acceptable to the local authority, the authority may apply to the Welsh Ministers for approval of such proposals.

Individual school finance

Q27. How are finances delegated by the local authority to a headteacher?

Governing bodies decide how a school's delegated budget should be spent in accordance with any conditions set in the local authority's scheme for financing schools. However, the governing body can delegate some aspects of school expenditure to the headteacher. It is open to the authority to suggest to schools what might be a desirable level of delegation to head teachers, but the authority's 'Scheme for Financing Schools' must not seek to impose such a level or levels. The scheme requires the governing body to consider the extent to which it wishes to delegate its financial powers to the head teacher, and to record its decision (and any revisions) in the minutes of the governing body.

Q28. How can I ensure that I am getting my school supplies purchased at the best available price?

Achieving better value for money in public services is being taken forward by the Welsh Government's Value Wales. Its role is to support public sector organisations in making the Welsh pound go further. This includes using the buying power of the entire Welsh public sector to set up better arrangements with suppliers. Details are available through the Value Wales website.

Q29. Who keeps the income from fees and charges?

The school is allowed to retain income from fees and charges except where a service is provided by the local authority from centrally retained funds. However, schools should be required to have regard to any policy statements on charging produced by the local authority.

Q30. What about income from fund-raising activities and the sale of

assets?

Schools are allowed to retain income from fund-raising activities and may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the local authority to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the local authority.

Q31. Can the local authority charge items to my school's budget without the consent of the governing body?

The budget share of a school may be charged by the local authority without the consent of the governing body only in circumstances expressly permitted by the authority's Scheme for Financing Schools. The local authority will consult with schools as to the intention to so charge and notify schools when it has been done. Schemes may also provide for a disputes procedure for such charges.

Q32. If I have a complaint about financial management at my school, how do I report it?

The authority's 'Scheme for Financing Schools' must contain a provision that requires the local authority to set out its procedure by which governors or those working at a school may complain about financial mismanagement. Schools are also required to adopt the 'Confidential Reporting/Whistleblowing Policy' that has been published by the local authority separate to the Scheme. All school staff and governors should be made aware of this policy.

School charges policy

Q33. What is a Charging and Remission policy?

Every school is required by law to have a Charging and Remission Policy in place providing details of the circumstances in which the school will charge parents/carers and in what circumstances it may ask for voluntary contributions. The policy should also explain any circumstances in which the school will wholly,

or partially, waive a charge.

Q34. Can charges be made for educating children at a maintained school?

No. In Welsh schools other than independent schools the education provided wholly or mainly during school hours is free. This includes materials and equipment and transport provided in school hours by the local authority or by the school to carry learners between the school and an activity.

Q35. Are there circumstances where a school can make a charge?

Yes. Charges may be made for activities known as 'optional extras'. Optional extras are:

- education provided outside of school time that is not:
 - part of the national curriculum
 - part of a syllabus towards a prescribed public examination
 - part of religious education
- board and lodging for a learner on a residential trip
- transport that is not required to take the learner to school or to other premises where the local authority/governing body have arranged for the learner to be provided with education
- materials used in practical subjects and project assignments provided parents/carers have agreed in advance that they or the learner wish to keep the finished project
- examination entry fee(s) if the registered learner has not been prepared for the examination(s) at the school
- an examination that the school has arranged for learners to take but does not appear on a prescribed lists.

Charges may also be made for music tuition in limited circumstances.

Q36. Is my school allowed to ask parents/carers for a voluntary contribution?

Yes. Schools may not charge for activities that take place during school hours

but they can ask for voluntary contributions towards activities. When voluntary contributions are requested, parents/carers must be made aware that there is no obligation to contribute and that children of parents/carers who do not contribute will not be treated any differently from those that do. It is essential that all learners are treated equally and that none are excluded from an activity because his or her parents/carers cannot, or will not make a contribution.

Q37. I am having difficulty paying for my child's residential trip, is there any help available?

There is no central fund that can assist parents/carers with the cost of their child's residential trip but parents/carers who are in receipt of the following benefits are exempt from paying the cost of board and lodging on residential trips.

- Income Support
- Income Based Jobseeker's Allowance
- In receipt of any other benefit or allowance, or entitled to any tax credit under the [Tax Credits Act 2002](#) (external link) or element of such a tax credit, as may be prescribed by regulations from time to time for any period wholly or partly comprised in the time spent on the trip. Currently the following are prescribed
- Support under Part 6 of the [Immigration and Asylum Act 1999](#) (external link)
- Child Tax Credit, providing Working Tax Credit is not also received and the family's income (as assessed by Her Majesty's Revenue and Customs) does not exceed £16,190 (i.e. children who are eligible to receive free school meals
- Income Related Employment and Support Allowance
- Guarantee element of the State Pension Credit
- Receipt of Universal Credit

You will need to discuss this with your school.

Q38. Are there subsidies available from the Welsh Government toward travel costs or school trips?

There are no funds held centrally for such purposes. Individuals can seek support locally through sponsorship from local businesses or charitable organisations. Students can also seek to fund such activities through individual fundraising and/or collective efforts through parent/teacher associations.

Q39. Where can I find out more about what a school can and cannot charge for?

Each school is required by law to have a charging and remission policy. Ask your school to see their policy. The Welsh Government has also produced non-statutory Guidance for Governing Bodies on Charging for School Activities.

Q40. Do I have to pay for my child's music lessons?

Although the law states that all education provided during school hours must be free, music lessons are an exception to this rule. Schools may charge for musical instrument tuition provided to individual learners, or to a group of not more than four learners, if the teaching is not an essential part of either the national curriculum or a public examination syllabus being followed by the learner.

We would like to hear from you if you have a suggestion about how we can improve our web page or if you find that any of the links don't work.

Also if you have any other questions you would like answered. Please contact us at SchoolFundingMailbox@gov.wales

We will respond to any requests for information within 15 working days.

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