



Llywodraeth Cymru
Welsh Government

POLICY AND STRATEGY

The School Funding (Wales) Regulations 2010: explanatory note

Explains the legal framework for school funding.

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The School Funding (Wales) Regulations 2010 were made on 16 March 2010 and came into force on 1 September 2010 for the financial year 2011 to 2012 onwards. These regulations 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 significant changes are:

- a requirement for local authorities to provide schools with information about

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funding over a three year period – setting an annual budget for each school and providing a forecast over the following two years and

- new powers for local authorities to direct spending or claw back monies when surplus budgets held by schools exceed £50k for primary schools, or £100k for secondary schools and special schools
- 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.

The Welsh Government issue Guidance describing what is to be included in Schemes.

Local authorities are required to consult their Schools Forum on amendments to Schemes and amendments must be approved by the Welsh Assembly Government.

All local authorities must publish their Scheme.

The School Funding (Wales) Regulations 2010 require local authorities to allocate expenditure to three budgets.

The LA Budget relates to central LA functions and includes the costs of provision of a specialised nature, school improvement, access to education, further education and training for young persons and adults and strategic management.

The Schools Budget covers expenditure directly aimed at supporting schools. It comprises of expenditure on services for which the LA may retain funding centrally, such as special educational needs services, schools meals and milk.

The amount of expenditure retained centrally is deducted from the Schools Budget and the remainder is the Individual Schools Budget (ISB), ie funding delegated to schools.

The ISB does not include any hypothecated grant funding from the

Welsh Government or any other source but such grant forms part of an individual school's overall delegated budget.

Under The School Funding (Wales) Regulations 2010, the ISB must be allocated amongst schools maintained by the authority in the form of budget shares, using a locally determined funding formula. The regulations require the 70% of the funding to be distributed on the basis of pupil numbers. Authorities may in their formula weight pupil numbers according to any or all of the following factors:

- age, including weighting according to key stage or year group
- whether a pupil is provided with nursery education by a school
- in the case of pupils under five, their exact age when admitted to school
- in the case of pupils aged under five, hours of attendance
- Special Educational Needs
- whether a pupil at a school is also attending an institution within the Further Education sector
- whether a pupil is being educated through the medium of Welsh.

Authorities have discretion to distribute the remaining 30% of budgets on the basis of a range of factors in the regulations, e.g. the size and condition of buildings and grounds, rates, cleaning, schools meals and milk, salaries etc.

Except in certain circumstances the power to spend the budget share is delegated to the school's governing body, which is free to spend their budget shares as it sees fit, as long as it is for the purposes of the school.

If you have any queries about a local authority's Scheme for Financing Schools, its local funding formula or an individual school's budget, you should contact your local authority.

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