

DCSF – Investing for the future, protecting the front line
School Funding 2010-2013

Headlines

1 Overall DCSF Funding

75% of DCSF £63bn spending is protected i.e.schools, 16-19 participation and Surestart, but savings of £500m required from unprotected budgets i.e. 7% cuts from BECTA, TDA, Extended schools start-up, teacher training bursaries and DCSF back office services.

2 DCSF Priorities

- Protect frontline provision in schools
- Sufficient resources to make increased frontline investment in schools which need it most; particularly disadvantaged communities via local pupil premium
- Start to move to fair distribution of funding between authorities

3 Overall level of school funding 2010-13

Proposing to roll most core school grants into DSG from 2011/12.

Indicative increases based on current inflation assumptions and DCSF estimates of cost pressures

	2010-11	2011-12	2012-13	Average
Increase per pupil	4.3%	1.9%	2.3%	2.1%
Cost pressures	3.1%	1.9%	1.3%	1.6%

For Herefordshire, 4.3% national increase in 10/11 turned into a 3.3% Cash increase due to falling pupil numbers which in turn resulted in school budgets of less than 2.3% teachers’ pay inflation for almost half our schools.

Sufficient funding in 10/11 to

- Maintain one-to-one tuition in KS2 and expand to KS1
- Maintain subsidy for extended services
- New or improved provision e.g. Sir Jim Rose school place following child’s 4th birthday
- Continued protection of front line provision in schools
- 0.9% efficiency savings by schools

All schools will need to make some level of savings to meet cost pressures and invest in their priorities. Schools that receive the Minimum Funding Guarantee will need to make more.

APPENDIX A

- The MFG will be set below cost pressures - we expect 1%. Will be announced in the autumn.
- MFG will apply to school budget and the grants now included in DSG but previously allocated separately.

4. Local Pupil Premium

- Pupil premium to determine exact amount of money attached to each and every deprived pupil – precise nature determined locally.
- Require local authorities to pass on 100% of deprivation funding by 2014/15
- Introduce local pupil premium by 2012/13 and to become the main vehicle for distributing deprivation funding
- Local authority working through Schools Forum to determine which deprivation factors the local pupil premium uses – and also how best to implement gradually.
- Progress towards the 100% target will be monitored through the annual S52 budget statement.

Some redistribution of funding between schools within an authority is desirable over the next 5 years.

5. School Efficiencies

Procurement - schools spend £6.5bn – DCSF looking for 10% savings on procurement i.e. £650m. Benchmarking shows that if schools that spent the most on goods and services improved to just the 75th percentile then the savings would be £700m

Back office costs - schools spend £2.5bn on back office staff and service. 10% savings would be £250m.

Energy - schools spend £500m on energy. Research suggests between 5 and 15% is achievable through changing behaviours of school occupants. 5% would save £5m. Loans are available to support energy reduction programme and free energy display meters will be provided and installed by British Gas.

Collaboration and federation - schools working together are stronger and can deliver better outcomes for their pupils. Many schools are discovering the significant savings that federations can deliver, in addition to the huge school improvement savings with savings of well over £300m if a third of all schools federated.

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