

## School Funding - the pathway from Welsh Government

### Welsh Government budget



### Final CCC Settlement allocation

The majority of funding for pre-16 provision in maintained schools comes from the Welsh Government's local government budget, through the Revenue Support Grant. Schools also receive specific grants, mainly from Welsh Government.

The Revenue Support Grant (RSG) is allocated to local authorities to deliver the services for which they are responsible, using a commonly agreed formula. The other main sources of funding for Local Authority budgets are council tax & non-domestic rates income, and specific grants.

The amount of RSG each local authority in Wales receives is announced annually in the Local Government Settlement. This is un-hypothecated, meaning that the amount of money within the RSG that local authorities should use to provide their services is not stipulated. However, the Welsh Government does include in the settlement an Indicator-Based Assessment (IBA) for each service area, which is a notional calculation of the money each Council needs to spend to provide a standard level of service. The Welsh Government says IBAs are not spending targets and it is for each local authority to determine its own spending priorities from its overall funding allocation and what it can raise from council tax.

### Local Authority Budget process



### Education & Children budget

Following receipt of their settlement allocation from the Welsh Government, local authorities set budgets for the services for which they are responsible, including Education, according to local needs and priorities.

### Schools Budget



### Individual School Budgets

The Schools Budget covers expenditure which is directly aimed at supporting schools. It comprises expenditure on services for which the local authority may retain funding centrally, such as other ALN funding, school meals and milk.

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

#### GARETH MORGANS B Ed. M. Sc

Cyfarwyddwr Addysg a Gwasanaethau Plant  
Adran Addysg a Phlant, Adeilad 2, Parc Dewi Sant,  
Heol Ffynnon Job, Caerfyrddin, Sir Gaerfyrddin. SA31 3HB  
Director of Education and Children's Services  
Department for Education and Children,  
Building 2, St. David's Park, Jobs Well Road,  
Carmarthen, Carmarthenshire. SA31 3HB

*Mae Cyngor Sir Caerfyrddin yn croesawu  
gohebiaeth yn Gymraeg neu yn Saesneg  
Carmarthenshire County Council welcomes  
correspondence in Welsh or English*



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The budget statement (Section 52) is issued annually by each LA –

Carmarthenshire link: [School budgets](#)

<https://www.carmarthenshire.gov.wales/home/council-services/education-schools/school-budgets>

**The School Funding (Wales) Regulations 2010 is the key legislation affecting school funding.**

**The main requirements for local authorities from these regulations are as follows:**

There must be a 'Scheme for Financing Schools' which sets out the broad responsibilities of the school and the local authority.

There must be an agreed system of allocating pre-16 funding across schools – the 'Funding Formula'

There must be a School Budget Forum whereby issues relating to school budgets, changes to the Formula, grants and Service Level Agreements (SLA) can be discussed and agreed. The School Budget Forum consists of headteacher representatives from both the primary and secondary sectors.

**Local authorities must allocate funding to three budgets:**

Local Authority budget – relates to central local authority functions such as strategic management, access to education and school improvement

Schools budget – covers expenditure directly aimed at supporting schools. The Local Authority may determine to retain some of this funding centrally, for example to fund Special Educational Needs (SEN).

Individual Schools Budget - The amount of Schools Budget that is retained centrally by the Local Authority is deducted from the overall Schools Budget and the remainder is allocated to individual schools via the funding formula.

The regulations requires that a minimum of 70% of the individual school budget is allocated using pupil-led factors i.e. is based on the number of pupils enrolled at the school. The remaining 30% can be distributed using other factors which must also be fair and equitable. This element of the funding relates to factors that vary at each individual school. These could include the size and condition of premises and grounds, cleaning, dual stream and additional educational needs.