

**DCSF CONSULTATION ON THE FUTURE DISTRIBUTION OF SCHOOL  
FUNDING 15 MARCH 2010 – EXECUTIVE SUMMARY**

The full document is available on:

<http://www.teachernet.gov.uk/docbank/index.cfm?id=14743>

An **executive summary** of the key issues is:

- A wish to return to a formula-based method of allocation of the Dedicated Schools Grant (DSG) in 2011, so that allocations better reflect actual characteristics of pupils.
- Proposing five elements for the formula: -
  - A basic entitlement for every pupil.
  - Additional money for pupils with Additional Educational Needs (AEN).
  - Funding for provision for High Cost Pupils (HCP).
  - A sparsity factor to support LA's to maintain small schools in sparsely populated areas.
  - An Area Cost Adjustment (ACA) for Local Authorities (LAs) who have higher labour costs.
- Also proposing the introduction of a Local Pupil Premium (LPP), in order to ensure that the very significant resources in the system for deprivation reach the pupils who need them.
- Intend to continue to distribute money to schools through LAs using their local formulae.
- Mainstream as many of the current separate specific grants as possible into the DSG, so it will form the vast majority of funding for schools.
- The future DSG is seen as:
  - DSG.
  - School Development Grant (SDG).
  - Schools Standards Grant (SSG).
  - School Standards Grant Personalisation (SSG(P)).
  - School Lunch Grant.
  - Ethnic Minority Achievement Grant (EMAG).
  - Extension of the Early Years Free Entitlement.
  - Extended Schools – Sustainability and Subsidy.
- There will be further proposals for a grant to support school improvement, which will be outside of the DSG funded by re-directing resources from the national strategies and other central programmes.
- Specialist school funding will continue to be allocated separately outside of the DSG.
- Continue to set a Minimum Funding Guarantee (MFG) per pupil for schools, apply to a base including both DSG and grant funding.