



Department of
Social Policy

Working Paper Series

March 2022

A photograph of a busy subway station with multiple escalators. People are seen moving up and down the stairs. The station has a high, arched ceiling with circular lights. The image is partially obscured by a large orange diagonal shape in the bottom right corner.

School funding and resourcing policies

Meeting the needs of disadvantaged
pupils in France, Poland, UK (England),
China, New Zealand, Singapore

Working Paper 01-22

Anne West, Sarah Ang, Valentin Calori, Ning Wang, Frederick Waters and Julia
Wodzinska

Department of Social Policy
London School of Economics and
Political Science Houghton Street
London WC2A 2AE

Email: soc.pol.webteam@lse.ac.uk

Telephone: +44 (0)20 7955 6001

lse.ac.uk/social-policy



Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

To cite this paper: West, A., Ang. S., Calori, V., Wang, N., Waters, F. and Wodzinska, J. (2022) School funding and resourcing policies: Meeting the needs of disadvantaged pupils in France, Poland, UK (England), China, New Zealand and Singapore, Social Policy Working Paper 01-22, London: LSE Department of Social Policy.

Table of Contents

Abstract	1
Acknowledgements	2
Authors	2
1 Introduction	2
2 Methods	4
3 Distribution of funds and sources of school funding.....	4
4 Funding to meet the needs of disadvantaged groups	6
5 Discussion	8
6 Conclusion	9
References	10
Annex A: China.....	11
Annex B: France	13
Annex C: New Zealand	16
Annex D: Poland.....	18
Annex E: Singapore.....	20
Annex F: United Kingdom (England).....	22

Abstract

There has been growing interest in the ways in which governments fund school-based education. In this paper we focus on six countries – China, France, New Zealand, Poland, Singapore, and the UK (England) – and examine first, the approaches used by national governments to distribute funds/resources to schools, and second, the funding/resourcing approaches used to meet the needs of pupils deemed to be disadvantaged. As regards the distribution of funds/resources to schools, the countries in our sample fall into three main categories: (1) funds/resources are predominantly from central government, and are then distributed directly to schools; (2) funds are predominantly from central government and are then distributed to local government, which distributes funding to schools; and (3) funds/resources derive from both central and sub-national levels, with central funding/resources being distributed to local levels,

and then to schools. Turning to pupils deemed to be disadvantaged, the groups targeted vary between countries, ranging from pupils from low-income groups to those who are the children of migrant workers living in urban areas. The funding /resourcing approaches adopted also differ, particularly whether financial resources or teachers are deployed. We conclude that there is a case to be made for focusing on the deployment of human resources, especially teachers, as well as the delegation of resources to provide a more comprehensive account of how resources are distributed to meet the needs of children deemed to be disadvantaged.

Key words: school funding, resourcing, compensatory funding, needs, disadvantage, equality of opportunity

Acknowledgements

This research was funded by the LSE and the LSE Eden Centre. The views expressed in this paper are those of the authors alone and should not be attributed to the LSE or any organisation to which they are affiliated.

Authors

Anne West is Professor of Education Policy in the Department of Social Policy at the London School of Economics and Political Science

Sarah Ang, Valentin Calori, Ning Wang, Frederick Waters and Julia Wodzinska were undergraduate students in the Department of Social Policy at the LSE who took the course SP230 Education Policy in 2020/21.

1 Introduction

The funding of education is of fundamental importance to the study of education policy: the availability of resources to meet children's educational needs is essential for the provision and delivery of education services. More generally, expenditure on education – which is dependent on the human and financial resources made available – can also be seen as an indicator of the priority national governments give to education.

In the field of education policy, there has been growing interest in the ways in which governments fund school-based education, particularly with respect to the sources of funding and the distribution mechanisms. Atkinson et al. (2005) reviewed existing models of school funding in a sample of European and OECD countries. They identified three models based on the main initial financial source – central, regional, or local source. More recently, the OECD (2017) examined the governance of school funding and the contributions made by national governments and governments at sub-national levels.

Whilst the provenance and governance of funds are clearly important, the distribution of resources by national or sub-national levels is also crucially important. This in turn relates to the issue of equity as regards the distribution of resources (OECD, 2017) and to equality of educational opportunity. The concept of equality of opportunity is highly

contested and understood in different ways (see Breen, 2010). In the field of education, equality of opportunity has been construed in terms of access to schools, financial inputs, and educational outcomes (e.g., Coleman, 1975; Halsey, 1973; see also West and Nikolai, 2013). The way in which equal opportunity is understood has implications for policy responses. Thus, for Jencks (1988):

Equal opportunity can therefore imply either a meritocratic distribution of resources; a compensatory distribution of resources, or an equal distribution of resources. A meritocratic conception of equal opportunity can, in turn, favor either those who try hard or those who achieve a lot, while a compensatory conception of equal opportunity can favor either those who have suffered from some sort of handicap in the past or those whose current achievement is below average (p. 520).

In this paper, the compensatory conception of equality of opportunity is relevant given its long history in the field of education (e.g., Jencks, 1975; Karsten, 2006).

International and comparative research has sought to compare funding mechanisms designed to ameliorate the negative effects of disadvantage. Thus, Karsten (2006) reviewed the policies for disadvantaged children in a sample of countries since the 1960s, focusing on programmes of positive discrimination such as the American Title 1 programme, and the English, Dutch, Flemish and French priority areas policies. Our research builds on previous research by taking a comparative approach to explore the ways in which governments fund school-based education on the one hand, and more specifically how governments seek to meet the needs of groups of pupils deemed to be 'disadvantaged'.

In this short working paper, we seek to compare school funding and resourcing in a sample of different countries, and to ascertain how central and/or regional and/or local governments allocate funds/resources to schools with 'disadvantaged' pupils. There are two main research questions:

- What approaches are used by national governments to distribute funds/resources to schools, and related to this, what role is played by sub-national levels of government?
- What funding/resourcing approaches are used to meet the needs of pupils deemed to be disadvantaged?

We draw on individual case studies of funding school-based education in six jurisdictions: China (see Annex A), France (Annex B), New Zealand (Annex C), Poland (Annex D), Singapore (Annex E) and the United Kingdom (England)¹ (Annex F).

We argue that different definitions of disadvantage are used by national governments, and this is important to acknowledge as it has a bearing on our understandings of resource allocation. Further, there is a strong case to be made for focusing not only on financial resources but also human resources (notably teachers and their deployment)

¹ Education in the UK is devolved, with different approaches in place in each constituent country (England, Wales, Scotland and Northern Ireland). Our focus is on England, the largest country in the UK.

in future research to provide a more comprehensive account of how resources are distributed to meet the needs of children deemed to be disadvantaged.

The next section outlines the methods. This is followed by sections on the redistribution of funds/resources, and funding/resourcing measures to meet the needs of pupils deemed to be disadvantaged. The penultimate section discusses the findings, and the final section concludes.

2 Methods

The six countries represent variation that exists between education systems. The countries vary significantly as regards their size: two countries are comparative small, New Zealand (population 4.8 million) and Singapore (5.7 million); three larger, Poland (38 million), France (67.4 million) and the UK (67.2 million) and one much larger, China (1.4 billion) (World Bank, 2021). The countries also vary in terms of geographical location (three are in Europe, two in Asia, and one in Oceania) and the forms of governance.

The methodological approach involved desk-based research to address key questions regarding the funding/resourcing of school-based education: the role played by central government in allocating resources into school-based education; and the ways in which funds/resources are allocated to meet the needs of children from disadvantaged backgrounds, and how the notion of disadvantaged backgrounds is construed in different jurisdictions.

The study did not address the funding of children with special educational needs or disabilities, or on additional funds provided to meet the costs associated with schooling (e.g., transport, free school meals). The focus is primarily on funding to meet the day-to-day running costs of school-based education not capital expenditure. It is also important to note that our aim is not to compare the educational outcomes of different funding policies, rather to seek to understand the principles underpinning the funding – and resourcing – approaches adopted.

3 Distribution of funds and sources of school funding

In this section we outline the sources of funding for school-based education and the mechanisms used to distribute funds in the six countries in our sample. The sources of school funding and the distribution are presented in Table 1.

The main source of funding varied but was predominantly central government; this is the case in New Zealand, Poland, Singapore, and the UK (England). In the remaining countries, France and China, there is a combination of central government and subnational (hereafter, local) government funding. In the case of both countries, different levels of government have different but complementary roles as regards their contributions.

Funding for school-based education is distributed in two main ways: either from central government directly to schools, or from central government and then to local government. In two countries – New Zealand and Singapore – central government distributes funds directly to schools. By way of contrast in the UK (England) and Poland,

school funding is a two-stage process with funds being allocated first to local authorities and then by local authorities to schools (or academy trusts in the case of England).²

It is noteworthy that the two countries where funding is predominantly from central government and distributed directly to schools – New Zealand and Singapore – are the two smallest countries in our sample. However, it is also the intention of the UK government to distribute funds directly to schools in England (see Annex F).

Table 1: Distribution and sources of funding/resourcing

Distribution of funds/resources	Source of school funding/resourcing	
	<i>Predominantly central government</i>	<i>Central and regional/local government</i>
<i>Central government directly to schools</i>	New Zealand, Singapore	
<i>Central to local government (1) (and local government to schools)</i>	Poland, UK (England)	China, France

Note: (1) Government agency in the case of academy trusts in England.

The level of delegation of resources to schools varies between countries. There are high levels of financial delegation in New Zealand and England where funds for teaching staff are delegated to schools. This is not the case in Singapore and France, where the costs of teachers are met by central government; in these two countries, most teachers are civil servants and employed directly by the government.

In Poland, New Zealand, China, and the UK (England), teachers are employed by different bodies: local government, school governing bodies, academy trusts, or the school’s board of trustees. Where funds to cover the costs of teaching staff are delegated to schools, there may be central controls on teachers’ pay as in Poland; this contrasts with England, where there are statutory regulations regarding teachers’ pay in the case schools that are maintained by local authorities, but not in academy trusts (West and Wolfe, 2019).

Where central government is the main source of funds for school-based education, the approach varies. Whilst Singapore allocates the same per capita amount to each school, in New Zealand a formula is used to distribute funds to schools. Furthermore, in the case of Singapore, teachers are funded by the government whilst in New Zealand, funds are delegated to schools via a formula, which includes operational funding, salary funding for teachers, and property funding (see Annexes C and E; OECD 2017).

² The majority of secondary schools and a minority of primary schools in England are publicly-funded academies. They are owned and run by private single academy trusts (one school) or multi-academy trusts (multiple schools), which are registered as companies and have charitable status (West and Bailey, 2013; West and Wolfe, 2019).

4 Funding to meet the needs of disadvantaged groups

In all six countries there are funding mechanisms in place that seek to meet the needs of disadvantaged groups; these vary from country to country. Moreover, the approaches can be in the form of financial resources or human resources (notably teachers or teacher time) (also called 'in-kind resources' (OECD, 2017)). The groups deemed to be disadvantaged also vary between countries.

In France, the UK (England) and New Zealand concerns regarding the link between social and economic disadvantage and achievement are of paramount importance as regards funding. In France, central government funds the costs of teachers, and here we see an area-based distribution mechanism. The mechanism used by the Ministry of Education to allocate teachers to different areas considers a range of criteria deemed to justify a higher or lower number of staff for a given number of pupils. The indicators used in the model include social indicators, notably household income, unemployment level, proportion of adults with no qualifications; proportion of homeowners; proportion of those with foreign nationality in the total population. The model distinguishes between three groups of zones: urban zones, intermediary zones and rural zones (Le Laidier and Monso, 2017).

The Education Priority policy is also significant: this area-based policy comprises education priority networks of schools, the Réseau d'éducation prioritaire renforcé (REP+) and the Réseau d'éducation prioritaire (REP). The main policy mechanism is increased staffing, specifically a doubling of the number of classes in the first two years of the 'école élémentaire' to obtain classes of around 12 pupils, half the normal size. Additionally, in 2021, the remuneration of staff working in REP+ was increased. (Ministère de l'éducation nationale, de la jeunesse et des sports, 2021; Annex B).

In England, funds for school-based education are distributed from central government to local authorities (or a government agency in the case of academy trusts) using a national funding formula. The elements included in the formula are basic per-pupil funding (with a minimum per pupil level); additional needs (the proportion of children living in income deprived families; low prior attainment, English as an additional language; pupil mobility); school led factors (e.g., population sparsity, premises); and a geographic factor (area cost adjustment) (DfE, 2021). Funds are then distributed to schools (or academy trusts) using a formula devised by the local authority; at least 80% of the funding for schools is distributed through pupil-led factors. The formula is made up of a basic entitlement, a factor for deprivation, and a mandated minimum level of per pupil funding, all of which are compulsory. Optional factors include prior attainment, looked after children, English as an additional language, pupil mobility, and sparsity (ESFA, 2021). In addition to the main school budget individual schools also receive pupil premium funding from central government, which is aimed at improving the educational outcomes of disadvantaged children: a pre-determined sum is paid to each school for each pupil registered as eligible for free school meals at any point in the last 6 years (and some other disadvantaged groups) (see Annex F).

In New Zealand, state-funded schools receive additional funding depending on the extent to which the school draws pupils from low socio-economic groups. The Ministry

uses “deciles” to target funds on state and state-integrated schools to help them to overcome the barriers to learning faced by pupils from poorer communities. Deciles are a measure of the socio-economic position of a school’s pupil community relative to other schools in the country. The decile measure includes the number of pupils from each small census area and five area-based socio-economic indicators: household income (percentage of households with equivalent income in the lowest 20%); occupation (percentage of employed parents in lower skill occupations); household crowding; educational level (percentage of parents with no tertiary or school qualifications); and the percentage of parents in receipt of specific benefits. These indicators are weighted, and schools ranked. In the final stage, schools are divided into 10 groups or deciles (Ministry of Education, 2021). Due to a range of concerns regarding the decile system – including the fact that it does not adequately meet the needs associated with disadvantage – the government is exploring the replacement of the school decile system with an equity index which estimates the extent to which children grow up in socio-economically circumstances that are associated with educational achievement (see Annex C).

In contrast to France, New Zealand and England, the approach adopted in Poland is less explicit as regards the resources the Ministry provides to meet the needs of disadvantaged pupils. Funding to local authorities does however provide differential resources for different local authorities according to a wide range of indicators. The algorithm used to distribute funding for schools is based on the actual number of pupils, which is increased by a system of weightings and an adjustment index. The weightings for school tasks take into account factors including conditions in a given school and local authority (e.g., rural areas, small towns, small schools); and school tasks (e.g., special and integrated education; some vocational education for specific sectors of the economy; education for national and ethnic minorities (Eurydice, 2021). The Polish government aims for “inclusive education” (Edukacja Włączająca), specifically the inclusion of children with special educational needs, which to some extent relates to disadvantage. Local authorities can decide how to allocate funds to schools. There is in addition, a local authority bursary (Stypendium Szkolne): although outside the main financing system, this is designed to compensate for poverty (see Annex D).

In China and Singapore, the allocation of resources for children deemed to be disadvantaged is very different. In China, there are concerns regarding educational provision and teaching in rural areas, and regarding access to urban public schools by the children of rural migrants. As the education budget for primary and middle schools is distributed via local authorities and allocated for pupils with urban hukou status, migrant children have been largely excluded from the highly respected public education system; instead, they have tended to attend lower quality private fee-charging schools. However, there have been local initiatives. Shanghai for example has introduced subsidies to public schools to admit migrant children. And to improve education in rural areas, the central government supporting local governments in formulating and implementing plans for attracting teachers and volunteers to work in rural compulsory education schools (State Council, 2015) (See Annex A).

In Singapore, funding and resourcing are centralised. Teachers are civil servants employed by the Ministry of Education, and the Ministry utilises a per capita formula to allocate funds to schools; this is the same across all schools. Notwithstanding the equal formula funding, the government adopts a needs-based approach to resourcing, such that schools with a higher proportion of pupils from disadvantaged backgrounds who need intervention programmes, receive more resources from the Ministry. The resourcing can include the deployment of additional teachers to help these pupils with English, mathematics, and mother tongue languages. Schools with greater needs thus receive additional human resources (i.e., teachers) as opposed to financial resources. There is also funding available via the national Education Endowment Scheme, set up following the 1993 Education Endowment Scheme Act, to increase opportunities for Singapore citizen pupils from low-income households (see Annex E).

5 Discussion

There are different models in place regarding the role of central and local government in the funding of school-based education. In some countries the majority if not all the funding is from central government; this is the case in New Zealand, Poland, Singapore, and the UK (England). In France, there is a clear split between the role of central and local government, and this is the case in China too.

There is also variation as regards the extent of centralisation or decentralisation. In France, Poland and China, there are high levels of decentralisation, whilst in New Zealand, Singapore, and the UK (England) the systems are centralised, although to varying degrees. Where there is a high degree of centralisation with financial resources also covering the costs of teachers, school autonomy can be high. This is the case in the UK (England): schools maintained by local authorities and schools that are single academy trusts have more autonomy than schools that are part of multi-academy trusts, where the academy trust is the responsible body (West and Wolfe, 2019). In Poland, it is the local authority that decides on the overall expenditure and distribution of resources to schools in the area for which it is responsible (see Annex D).

It is clear from our discussion that a range of different funding approaches are in place to meet the needs of specific groups of children who can be deemed disadvantaged. Moreover, the groups of children deemed to be disadvantaged vary between countries. In France, the UK (England) and New Zealand, there is a focus on children from lower socio-economic groups. In Singapore, children from low income families are prioritised for additional support via human or financial resources. In China, children in rural areas and the children of rural to urban migrants are a particular focus. In Poland, no specific groups are identified other than via linkages with children with special educational needs.

In all countries there are resources allocated to compensate for disadvantage, but the ways in which resources are allocated – in particular, via financial or human resources – varies. In France, the allocation of teachers, funded by central government, is determined on the basis of indicators of disadvantage, and there are also area-based approaches. In Singapore and in China the deployment of teaching staff is also a key mechanism used to meet the needs of disadvantaged groups. In New Zealand, the

funding of individual schools is determined using an area-based approach, that seeks to address disadvantage. In the UK (England) funding to meet the needs of disadvantaged pupils is determined using an approach determined by the characteristics of the school population in an area and individual school. In Poland, the redistributive mechanisms are primarily from central to local government, with an increased focus on rural areas.

6 Conclusion

This research study has examined first, the approaches are used by national governments in six countries to distribute funds/resources to schools and the role is played by sub-national levels of government; and second, the funding/resourcing approaches used to meet the needs of pupils deemed to be disadvantaged.

In terms of the distribution of funds, different approaches are used by national governments, with countries falling into three main categories. In the first category, funds are predominantly from central government, and these are then distributed directly to schools (New Zealand and Singapore); in the second, funding is predominantly from central government, and is then distributed to local government which in turn distributes funds to schools (Poland and English schools maintained by local authorities); in the third category, funding is from both central and sub-national levels and is distributed to local levels, and then to schools (China and France).

Turning to the funding/resourcing to meet the needs of pupils deemed to be disadvantaged, the groups targeted vary. In France, the UK (England), and New Zealand the links between social and economic disadvantage and achievement are a key concern of policy makers and the funding approach and distribution reflects this: indicators relating to income and a range of other socio-economic indicators are employed. In China, the education of children in rural areas, and children of migrant workers in urban areas is a key concern of policy makers and resources are targeted toward these groups. In Singapore, resources are targeted on schools with a higher proportion of pupils from low-income backgrounds.

Our study adds to previous research. International research such as that carried out by the OECD (2017) has tended to focus specifically on financial resources, with less attention being given to human resources, specifically teachers, and how they are deployed by governments in jurisdictions where teachers are state employees. In China, France, and Singapore the deployment of teaching staff to meet pupils' educational needs is crucially important. This contrasts with those countries where high proportions of funding are delegated to schools (especially New Zealand and England).

In conclusion, previous studies have tended to focus on financial resources and their delegation to sub-national levels. However, we argue that there is a case to be made for focusing on the deployment of teachers as well as the delegation of resources to provide a more comprehensive account of how resources are distributed to meet the needs of children deemed to be disadvantaged. The definitions of which groups of children are deemed to be disadvantaged also warrants further investigation given our findings that different factors and/or indicators are of particular salience in different countries.

References

- Atkinson, M. et al. (2005) School Funding: A Review of existing models in European and OECD countries, Slough: National Foundation for Educational Research/Local Government Association.
- Breen, R. (2010) Social mobility and equality of opportunity, *The Economic and Social Review*, 41, 4, 413–28.
- Coleman, J. S. (1975) What is meant by “an equal educational opportunity”? *Oxford Review of Education*, 1, 1, 27-29.
- DfE (2021) The national funding formulae for schools and high needs 2022-2023. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003492/2022-23_NFF_Policy_Document.pdf
- Education and Skills Funding Agency (2021) Schools revenue funding 2022 to 2023 Operational guide July 2021. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003631/Schools_revenue_funding_2022_to_2023.pdf
- Eurydice (2021) Poland: Early childhood and school education funding. https://eacea.ec.europa.eu/national-policies/eurydice/content/early-childhood-and-school-education-funding-56_en
- Halsey, A. H. (1973) Educational priority, in H. Silver (Ed.), *Equal Opportunities in Education*, London: Methuen.
- Jencks, C. (1988) Whom must we treat equally for educational opportunity to be equal? *Ethics*, 98, 3, 518-533.
- Karsten, S. (2006) Policies for disadvantaged children under scrutiny: the Dutch policy compared with policies in France, England, Flanders and the USA, *Comparative Education*, 42, 2, 261-282.
- Le Laidier S. and Monso O. (DEPP) (2017), *L'Allocation des moyens dans le premier degré public : Mise en œuvre d'un nouveau modèle [Resource allocation in public primary education : implementing a new model]*, *Education & Formations*, 94, 59-89. <https://halshs.archives-ouvertes.fr/halshs-01699266>
- Ministère de l'éducation nationale, de la jeunesse et des sports (2021) *L'Éducation Prioritaire [Priority Education]*. <https://bit.ly/3rSDWsZ>
- Ministry of Education (2021) School deciles. www.education.govt.nz/school/funding-and-financials/resourcing/operational-funding/school-decile-ratings/#How
- OECD (2017) *The Funding of School Education: Connecting resources and learning*, Paris: OECD.
- State Council (2015) The General Office of the State Council's Notice on the National development plan for children in poor areas 2014-2020 (guowuyuan bangongting guanyu yinfa guojia pinkun diqu ertong fazhan guihua 2014-2020 nian de tongzhi)". http://www.gov.cn/zhengce/content/2015-01/15/content_9398.htm

The World Bank (2021) Population, total (data 2020)
<https://data.worldbank.org/indicator/SP.POP.TOTL>

West, A. and Nikolai, R. (2013) Welfare regimes and education regimes: Equality of opportunity and expenditure in the EU (and US), *Journal of Social Policy*, 42, 3, 469-493.

Annex A: China

Ning Wang (with Anne West)

Research studies have identified inequalities as regards access to education in China, in rural areas (Liu, 2018; Wu and Zhang, 2010), and in the allocation of resources between urban and rural areas (Wang et al., 2019). The rapid economic development and urbanisation process in China has led to particular challenges for the education of children living in rural areas, and the education of the children of migrant workers living in urban areas. Both groups have been found to be disadvantaged in terms of educational opportunity, the quality of teachers and the quality of facilities (Jiang and Sun, 2005). Two key reasons have been identified, first, the funding of school-based education and second, the hukou household registration system.

Funding policy for urban and rural schools and areas

Historically there was a two-track system to the funding of rural and urban education and this was continued by the Communist government from 1945. In the 1950s, directives stressed the importance of developing education in cities, and industrial and mining areas to meet the demands of industrialisation. Urban schools were supported by the central government, while rural schools were mainly funded and provided by local communities (Fu, 2005; see also Xuedong, 2008).

In 2001, the State Council issued the “Decision on the Reform and Development of Primary Education” (Guowuyuan guanyu jichu jiaoyu gaige yu fazhan de jue ding) which established county-level government as the main provider of rural primary education. In 2002, the “Directive Concerning the Improvement of the Organisational Structure of Rural Compulsory Education” (Guanyu wanshan nongcun yiwujiaoyu guanli tizhi de tongzhi) further emphasised that county governments should assume the primary role in providing and improving compulsory education in rural areas (Fu, 2005). Central government had a key role to play transferring funds (caizheng zhuan yi zhifu) to the poorest areas in central and western China (Xuedong, 2008).

Following the 2006 Compulsory Education Law Amendment, provincial governments became responsible for co-ordinating compulsory education. Since then, central and provincial governments have funded a larger share of the costs of compulsory education, although salaries for teachers and staff were paid by the district and county governments. The funding for upper secondary education has long been the responsibility of the district and county governments (Liansheng, 2012).

In 2010 the Chinese Communist Party Central Committee and State Council published guidelines for educational reform and development over the ten year period from 2010

to 2020 (Guojia zhong chang qi jiaoyu gaige he fazhan guihua gangyao (2010–20)). These stated that the responsibilities of governments at all levels would be further defined; that the distribution mechanism for funding would be improved at all levels; the state would formulate standards for expenditure per pupil and public expenditure per pupil; and that compulsory education would be exclusively funded by the government, with the responsibility and implementation shared by the State Council and local governments at various levels (Liansheng, 2012).

To further improve compulsory education in rural areas, the central government is to support local governments in formulating and implementing plans for attracting teachers and volunteers to work in rural compulsory education schools (State Council, 2015). The "National Training Plan" has trained more than 5.4 million rural teachers and school principals. Living allowances have been extended to all rural teachers in targeted areas (Ministry of Education, 2018).

Distribution of resources for schools

As regards the distribution of funds to schools, the household registration system is crucially important as educational funds are allocated to the place of household registration (Jianwen and Jiawei, 2010). The hukou system was established in the 1950s with the population divided into "residents" (jumin) and "peasants" (nongmin) (Xiang, 2007). The local government is only responsible for residents with local hukou status (Xiang, 1995).

The mass migration of workers from rural to urban areas has had major implications for the funding of school-based education. The education budget for primary and middle schools is distributed through local authorities at the district level and allocated proportionately to the number of pupils with hukou status (Chen and Feng, 2013); there is no budget allocation for migrant children (Liang and Chen, 2007). Migrant children have thus been excluded to a significant extent from the public education system and have instead tended to attend private fee-charging schools (Chen and Feng, 2013; Hu and West, 2015).

There have however, been local initiatives, with Shanghai having introduced a "three-year action plan for the education of migrant children" to subsidise public schools to admit migrant children. Most schools for migrant children closed and the children transferred to public schools. Although some of the former remained, they were given subsidies so that no tuition fees were charged (Chen and Feng, 2013).

References

- Chen, Y. and Feng, S. (2013) Access to public schools and the education of migrant children in China, *China Economic Review*, 26, 75-88.
- Fu, T. M. (2005) Unequal primary education opportunities in rural and urban China, *China Perspectives*, 60.
- Hu, B. and West, A. (2015) Education policy for migrant children in urban China, *Educational Studies*, 41, 3, 249-267.

- Jiang, G. and Sun, P. (2005) Education of peasant-workers' children: Policy reflections (nongmingong zinu jiaoyu wenti de zhengce fansi), *Journal of Jiangxi University of Finance and Economics*, 6, 42, 13-18.
- Jianwen, W. and Jiawei, H. (2010) The household registration system, education system, and inequalities in education for migrant children, *Chinese Education & Society*, 43, 5, 77-89.
- Liang, Z. and Chen, Y. (2007) The educational consequences of migration for children in China, *Social Science Research*, 36, 1, 28-47.
- Liansheng, Y. (2012) Financial policies for education in the national medium-and long-term educational reform and development guideline (2010-20), *Chinese Education & Society*, 45, 3, 37-49.
- Liu, J. (2018) *Inequality in public school admission in urban China: Discourses, practices and new solutions*, Singapore: Springer.
- Ministry of Education PRC (2018) Improvement plans for rural compulsory education and pupils' nutrition improvement plans benefited 37 million students (nongcun yiwu jiaoyu xuesheng yingyang gaishan jihua rang 3700wan xuesheng shouyi). http://www.moe.gov.cn/jyb_xwfb/xw_fbh/moe_2069/xwfbh_2018n/xwfb_20181228/mtbd/201812/t20181229_365354.html.
- OECD (2016) *Education in China: A snapshot*, Paris: OECD. <https://www.oecd.org/china/Education-in-China-a-snapshot.pdf>
- Wang, W., Chen, C. and Li, L. (2019) Research on the differences in basic education resources allocation between urban and rural areas from the perspective of educational investment and outcomes, *Advances in Social Sciences, Education and Humanities Research*, 315, 203-208.
- Wu, X. and Zhang, Z. (2010) Changes in educational inequality in China, 1990– 2005: Evidence from the population census data. In E. Hannum, H. Park and Y. G. Butler (Eds.), *Globalization, changing demographics, and educational challenges in East Asia* (pp. 123–152), Bingley, UK: Emerald.
- Xiang B. (1995) Peasant workers and urban development: A case study of Dongguan City, Pearl River Delta (mingong wenti yu chengshi shehui chengzhang), Department of Sociology, Peking University: China.
- Xiang, B. (2007) How far are the left-behind left behind? A preliminary study in rural China, *Population, Space and Place*, 13, 3, 179-191.
- Xuedong, D. (2008) The development of compulsory education finance in rural China, *Chinese Education & Society*, 41, 1, 51-57.

Annex B: France

Valentin Calori (with Anne West)

There is a long history in France of the government providing increased resources to schools in disadvantaged areas: *zones d'éducation prioritaire* (ZEP) were set up in 1981 and then replaced by *réseau d'éducation prioritaire* (REP) in 1999 (Karsten, 2006).

Funding and role of central and local governments

School funding in France is characterised by a distribution of responsibilities between the central government and regional and local government. Central government employs teachers, and different levels of local government are responsible for other types of expenditure.

Local authorities receive financial support from the central state via grants (dotations financières), of which there are around 20 for revenue expenditure and capital expenditure; these form the Dotation Globale de Fonctionnement (DGF). The grants represent almost one third of local authority resources (Ministère de la Cohésion des Territoires et des Relations avec les Collectivités Territoriales, 2020).

Central government provides resources mainly in the form teachers and administrative staff. Different levels of local government (regions, departments and municipalities) have various responsibilities. Municipalities are responsible for capital expenditure for primary schools, departments for lower secondary schools (collèges) and regions for upper secondary schools (lycées) with funds provided by central government (DGCL, 2021a).

Central government financial resource allocations to local government

Each year local authorities – including communes, departments and regions are allocated funds via the general recurrent grant, the Dotation globale de fonctionnement (DGF). The grant is not hypothecated. The grants for each type of local authority comprise a lump sum, and grants for compensation and equalisation (péréquation). DGCL, 2021a). Most of the grants are designed to compensate for the costs of the transfer of competences associated with decentralisation; this is the case with the la Dotation régionale d'équipement scolaire (DRES) and la Dotation départementale d'équipement des collèges (DDEC) (DGCL, 2021b).

Central government funding and distribution of resources

The Ministry of Education is responsible for employing teachers and for the distribution of teachers across the country. Teachers are allocated to 18 academic regions, comprising 30 académies each responsible for the organisation of education. Each year the Ministry of Education determines the allocation of teachers separately for primary and secondary schools. Different models have been employed by the Ministry of Education. The model adopted until 2014, was criticised by the Cour de Comptes for failing to fully address territorial disparities, and providing insufficient resources for disadvantaged pupils (Cour des Comptes, 2012). The most recent model of allocation of teachers, which was implemented in 2014, takes into account the projections of the number of pupils, geographical and social criteria, and other needs that are deemed to justify a higher or lower number of staff for a given number of pupils. The new model

also takes into account new policy orientations such as the Plus de Maîtres que de Classes (“more teachers than classes”) (Le Laidier and Monso, 2017).

The model includes a range of social indicators, external to the school system, notably household income, the unemployment level, the proportion of adults with no qualifications, the proportion of homeowners, and the proportion of foreigners in the total population. A key factor in the distribution is the ‘urban zones’ approach. The model distinguishes between three groups of zones: urban zones, intermediary zones and rural zones (Le Laidier & Monso, 2017).

It is important to note that the Education Priority policy also aims to alleviate the impact of social and economic inequalities on academic attainment by strengthening the teaching and educational provision in schools in those areas with the greatest social difficulties. This area-based policy comprises education priority networks of schools. There are two types of network the Réseau d'éducation prioritaire renforcé (REP+) and the Réseau d'éducation prioritaire (REP). The REP+ focuses on areas with the highest concentration of social difficulties which have a strong impact on educational success. The REP are more socially mixed but experience more social difficulties than those outside education priority areas. In 2021, the remuneration of staff working in REP+ was increased (Ministry of Education, 2021a). The main mechanism for the education priority policy is increased staffing, and notably a doubling of the number of classes in the first two years of the ‘école élémentaire’ to obtain classes of around 12 pupils, half the normal size (Ministry of Education, 2021a; 2021b).

References

Cour des Comptes (2012) Egalité des chances et répartition des moyens dans l'enseignement scolaire [Equality of opportunity and distribution of resources in school-based education]. <https://www.ccomptes.fr/fr/publications/egalite-des-chances-et-repartition-des-moyens-dans-lenseignement-scolaire>

DEPP (2019) Repères et références statistiques 2019 [Statistical benchmarks and references 2019]. https://cache.media.education.gouv.fr/file/2019/51/6/depp-rers-2019_1162516.pdf

Direction générale des collectivités locales (2021a) La dotation globale de fonctionnement (DGF) https://www.collectivites-locales.gouv.fr/files/Finances%20locales/guide_dgf_portail.pdf

Direction générale des collectivités locales (2021b) Principes régissant les dotations <https://www.collectivites-locales.gouv.fr/finances-locales/principes-regissant-les-dotations>

Karsten, S. (2006) Policies for disadvantaged children under scrutiny: the Dutch policy compared with policies in France, England, Flanders and the USA, *Comparative Education*, 42, 2, 261-282.

Ministère de la Cohésion des Territoires et des Relations avec les Collectivités Territoriales (2020) Budget et dotations des collectivités territoriales [Budget and

grants for local authorities], April 2020. <https://www.cohesion-territoires.gouv.fr/budget-et-dotations-des-collectivites-locales>

Ministère de l'éducation nationale, de la jeunesse et des sports (2021a) L'Education Prioritaire [Priority Education]. <https://bit.ly/3rSDWsZ>

Ministère de l'éducation nationale, de la jeunesse et des sports (2021b) La politique de l'éducation prioritaire : les réseaux d'éducation prioritaire REP et REP+. <https://eduscol.education.fr/1028/la-politique-de-l-education-prioritaire-les-reseaux-d-education-prioritaire-rep-et-rep>

Le Laidier S. and Monso O. (DEPP) (2017) L'Allocation des moyens dans le premier degré public : Mise en œuvre d'un nouveau modèle [Resource allocation in public primary education : implementing a new model], Education & Formations, 94, 59-89. <https://halshs.archives-ouvertes.fr/halshs-01699266>

Annex C: New Zealand

Frederick Waters (with Anne West)

The funding of school-based education in New Zealand has undergone major changes in recent decades, with central government now allocating funds to individual schools. The system is thus highly centralised.

The majority of pupils (85%) in New Zealand attend state schools, with around 10% attending state-integrated schools (former private schools integrated into the state education system) and 5% private schools (Ministry of Business, Innovation and Employment, 2021). State and state integrated schools are funded by the government, but in the latter, parents also pay "attendance fees"; private schools are mostly funded by fees but receive some government funding (Ministry of Education, 2021a). The 1989 Education Act gave schools significant administrative and management responsibilities and alongside these changes, the state funding system became highly centralised (Alliston, 2019).

The Ministry of Education provides funding for state and state integrated schools via three main channels: operational funding, salary funding for teachers, and property funding. Operational funding provides the financial resources for the day-to-day running costs of the school; salary funding comprises the gross salaries paid by the government to teachers employed in the school (but schools can employ more if resources permit); and property funding is for maintaining and expanding school property (Education Counts, 2021; see also OECD, 2017).

Turning specifically to meeting the needs of disadvantaged children, state and state-integrated schools receive additional funding according to their school decile. Deciles are a measure of the socio-economic position of a school's pupil community relative to other schools throughout the country. The deciles indicate the extent to which the school draws its pupils from low socio-economic communities; the Ministry uses deciles to provide funding to state and state-integrated schools to help them to overcome the

barriers to learning faced by pupils from poorer communities. The lower the school's decile, the more funding it receives. A school's decile thus indicates the extent to which the school draws its pupils from low socio-economic communities. (Decile 1 schools are the 10% with the highest proportion of pupils from low socio-economic communities, and decile 10, the 10% of schools with the lowest proportion (Ministry of Education, 2021b).

To determine the deciles, the number and percentage of pupils from each small census area is calculated. Each area is examined against five socio-economic indicators: household income (the percentage of households with equivalent income in the lowest 20%); occupation (the percentage of employed parents in lower skill occupations); household crowding; educational level (the percentage of parents with no tertiary or school qualifications); and the percentage of parents in receipt of specific benefits. The five indicators are weighted by the number of pupils from each area and schools ranked in relation to every other school for each indicator and given a score based on their percentile. The five indicator scores for each school are added together to get a total; this gives the overall position of the school in relation to all other schools in the country. In the final stage schools are divided into 10 groups or deciles, based on the total score calculated in this final stage (Ministry of Education, 2021b). Deciles are informed by census data, taken every five years, with schools' decile ranking updated by new information. Deciles determine some operational funding and a range of resource funding (MoE, 2021b).

Due to concerns regarding the decile system – including the fact that it does not adequately meet the needs associated with disadvantage – the government is exploring the replacement of the school decile system with an equity index which estimates the extent to which children grow up in socio-economically circumstances that are associated with educational achievement (Ministry of Education, 2021c). This is due to be implemented in 2023. The key aim of the Equity Index is to target resources at schools facing 'the greatest socioeconomic challenges' (Government of New Zealand, 2021, p.19). The precise details of the indicators to be used have not yet been finalised (Ministry of Education 2021d).

References

Alliston, L. (2019) The government's changing role in the governance of New Zealand's schools since 1847. Parliamentary Library Research and Information research paper 2019/03. www.parliament.nz/media/6157/school-administration-research-paper.pdf

Education Counts (2021) Funding to schools. Ministry of Education and New Zealand Government. <https://www.educationcounts.govt.nz/statistics/47696>

Government of New Zealand (2021) Wellbeing budget 2021: Securing our recovery. www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2021-securing-our-recovery

Ministry of Business, Innovation and Employment (2021) The school system. www.newzealandnow.govt.nz/live-in-new-zealand/education-and-schooling/the-school-system

Ministry of Education (MoE) (2019) Cabinet Paper - Replacing education deciles with the equity Index. www.education.govt.nz/assets/Documents/Ministry/Information-releases/2019-releases/R-131-133-Redacted.pdf

MoE (2021a) Education in New Zealand. <https://www.education.govt.nz/our-work/our-role-and-our-people/education-in-nz/>

MoE (2021b) School deciles. www.education.govt.nz/school/funding-and-financials/resourcing/operational-funding/school-decile-ratings/#How

MoE (2021c) Equity index. <https://www.education.govt.nz/our-work/information-releases/issue-specific-releases/equity/>

MoE (2021d) Education funding System Review <https://www.education.govt.nz/our-work/consultations/recent-consultations/education-funding-system-review/>

OECD (2017) The Funding of School Education: Connecting Resources and Learning, Paris: OECD.

Annex D: Poland

Julia Wodzinska (with Anne West)

Poland became a democratic country in 1989 and many reforms have since taken place. In 1990 a process of decentralisation started, and school funding subsequently became an explicit task of local authorities.

The key source of funding is from a government block grant for local authorities. The main transfer from the central to local government is the “general subvention” (subwencja ogólna); this comprises separately calculated components, including one for education and one for equalisation. The education component is calculated on the basis of the number of pupils with adjustments to reflect different costs of providing education to different groups of pupils. The equalisation component is based on a formula and ‘equalises poorer jurisdictions up to 90% of average per capita revenues of similar local governments’ OECD, 2017, p. 71; see also Ministry of Education and Science, 2021a). In 2021 there was also a change to the block grant so as to increase support for small schools in less wealthy local authorities (Ministry of Education and Science, 2020a).

The school education part of the general subsidy includes four components: a contingency element; the basic amount for school tasks; a supplementary amount for school tasks; and an amount for out-of-school tasks. The algorithm used to distribute education funding is based on the actual number of pupils, which is increased by a system of weightings and an adjustment index. The weightings for school tasks take into account factors relating to first, the school and area (e.g., rural areas, small towns, small schools); and second, school tasks (e.g., special and integrated education; certain types of vocational education; and education for national and ethnic minorities). The number of weightings used in the algorithm increased from 21 in 2000 to 73 in 2020 (Eurydice, 2021).

The Act on the Financing of School Education Tasks (Ustawa o finansowaniu zadań oświatowych) relates to the minimum amount of funding to be allocated by local authorities for tasks related to special education (Kształcenie Specjalne) and this must be no less than the amount given to them from the block grant (MoE, 2021b). The Polish government aims for inclusive education (Edukacja Włączająca), where “inclusive” means that individuals regardless of their health, ability (“sprawność”), country of origin, or religion, can achieve their educational potential and development and so be better included in society (Ministry of Education and Science, 2021c). Inclusive education is, in the main, aimed at inclusion of children with special educational needs, which to some extent relates to disadvantage (Ministry of Education and Science, 2017).

Local authorities have specific tasks related to education and care, including special education and the prevention of social problems. School education is funded primarily from the school education part of the general subsidy (outlined above), specific-purpose state-budget grants (e.g., purchase of textbooks and educational resources) and the authorities’ own resources. The local authority decides on the total amount of funding for school education and how it should be distributed (Eurydice, 2021). The local authority bursary (Stypendium Szkolne) although outside the main financing system, is the main method of compensating for pupil's poverty and disadvantage (Ministry of Education and Science, 2018).

Serious concerns regarding recent reforms to the education system have been voiced by the Supreme Audit Office as the educational subsidy, from which the changes were to be financed, increased by 6%, and the expenditure by local government on schools increased by 12% (Supreme Audit Office, 2019).

In summary, local authorities determine the level of their expenditure on school-based education depending on the range and types of all tasks to be carried out, their total budget and all revenues; the grant is generally not hypothecated (except for special educational needs), and local authorities can spend the grant funds on aims unrelated to education financing. Similarly, local authorities can decide how exactly do they spend the grant financing within the educational sector. Local authorities can also top up these grant funds from their own budget (Ministry of Education and Science, 2020b); they also decide how funds are distributed across schools in their area. However, the main expenditure is related to teacher salaries, which are centrally regulated. Local governments can thus make only small adjustments unless they contribute additional funds (Jakubowski, 2019).

References

Eurydice (2021) Poland: Early childhood and school education funding https://eacea.ec.europa.eu/national-policies/eurydice/content/early-childhood-and-school-education-funding-56_en

Jakubowski, M. (2019) Polish education reforms and governance structure, *Revue internationale d'éducation de Sèvres*, Colloque 2019: Conditions de réussite des réformes en éducation. <http://journals.openedition.org/ries/7801>

Ministry of Education and Science (2018) School scholarship – change of the income criterion. <https://www.gov.pl/web/edukacja-i-nauka/stypendium-szkolne-zmiana-kryterium-dochodowego>

Ministry of Education and Science (2017) Children with special educational needs in schools with peers. <https://www.gov.pl/web/edukacja-i-nauka/dziecko-ze-specjalnymi-potrzebami-edukacyjnymi-w-szkolach-z-rowiesnikami-2>

Ministry of Education and Science (2020a) Breakdown of the education part of the general subsidy in 2021. <https://www.gov.pl/web/edukacja-i-nauka/podzial-czesci-oswiatowej-subwencji-ogolnej-w-2021-roku>

Ministry of Education and Science (2020b) Financing education. <https://www.gov.pl/web/edukacja-i-nauka/finansowanie-edukacji>

Ministry of Education and Science (2021a) Auxiliary materials for calculation. <https://www.gov.pl/web/edukacja-i-nauka/dane-do-wyliczenia-wskaznika-zwiekszajacego---art-14-ustawy-o-finansowaniu-zadan-oswiatowych-w-2021-r-bez-rezerwy-04-subwencji-oswiatowej>

Ministry of Education and Science (2021b) Information for local governments on the calculation of subsidies for special education <https://www.gov.pl/web/edukacja-i-nauka/informacja-dla-samorzadow-na-temat-kalkulacji-subwencji-na-ksztalcenie-specjalne>

Ministry of Education and Science (2021c) Inclusive education. <https://www.gov.pl/web/edukacja-i-nauka/edukacja-wlaczajaca>

OECD (2017) The Funding of School Education: Connecting Resources and Learning, Paris: OECD.

Supreme Audit Office (Najwyższa Izba Kontroli) (2019) Education reform partly financed by the local government. <https://www.nik.gov.pl/aktualnosci/reforma-oswiaty-w-czesci-sfinansowana-przez-samorzad.html>

Annex E: Singapore

Sarah Ang (with Anne West)

Education has a high policy profile in Singapore, and there is a strong focus on seeking to provide equality of opportunity for all, regardless of background (Teh and Chia, 2012). Virtually all schools are government-run or government-aided schools (Ministry of Education (MOE), 2020a), although all receive government subsidies. The Singapore government is the sole financier of primary education, which is free of charge. The government is also the main financier of secondary education, although at this level, fees are also charged for all school types (with financial assistance being available for pupils from low-income families). Families (who are Singaporean citizens) in financial need can

get assistance with school fees and other expenses from the government (this applies to different school types: government, government-aided, specialised and some independent schools (MOE, 2021a)). Teachers in government schools, and some in government-aided schools, are civil servants (Teh and Chia, 2012) so employed by the Ministry of Education.

The government adopts a “needs based” approach for funding schools (MOE, 2021b). Funding is determined by the number of pupils enrolled in the school and is based on a per capita formula identical across all schools (Teh and Chia, 2012). However, to better support pupils with greater needs, additional human resources are deployed (MOE, 2021b). A parliamentary answer elaborates: ‘MOE resources schools based on student enrolment, student profile, and any programmatic needs to support student learning. Our objective is to uplift all pupils, and to provide more support for those with greater needs. Hence schools with a higher proportion of pupils from disadvantaged backgrounds who need these intervention programmes will receive more resources from MOE. For example, this would include the deployment of additional teachers to help these pupils in the Learning Support Programmes for English, Mathematics and Mother Tongue Languages’ (MOE, 2021c). In short, schools with greater needs receive additional human resources (i.e., teachers) as opposed to financial resources.

To meet the needs of disadvantaged pupils there is also funding available via the Education Endowment Scheme (commonly known as the Edusave Scheme), set up following the 1993 Education Endowment Scheme Act. The Edusave Scheme aims to enhance the quality of education in Singapore and “to level up educational opportunities for all Singapore Citizen children” (MOE, 2020a, p. 3). An Edusave Endowment Fund was established by a transfer of funds from the Government’s Consolidated Revenue Account. Income from the Edusave Endowment Fund is used to provide grants to schools (MOE, 2020a).

There are two grants of particular relevance for school-based education. First, Edusave grants are given to all types of schools (government, government-aided and independent) to procure resources or equipment, or to subsidise enrichment programmes that enhance the quality of teaching and learning (in 2019 the grant rates were \$50 per pupil for primary level and \$90 for secondary level). Second, and of relevance as regards children from disadvantaged backgrounds, is the Opportunity Fund grant. Since 2006, Opportunity Fund grants have been distributed by the Ministry of Education to all types of schools. The grants are disbursed annually at 100% to schools based on enrolment. The grants are to ‘level up co-curricular development opportunities for Singapore Citizen students from low-income households’ (MOE, 2020b, p. 11).

In addition to institutional support, at an individual level, the Ministry of Education administers an Education Fund which provides scholarships and bursaries for pupils from less advantaged backgrounds (MOE, 2021a). There are also some scholarships and bursaries for those from low-income families available via the Edusave Pupils Fund (MOE, 2020a; 2021d).

References

Ministry of Education (MOE) (2020a) Number of schools by level and type.
https://data.gov.sg/dataset/number-of-schools-by-level-and-type?resource_id=2c9bd88d-c233-47d7-80f1-9883b402c56a

MOE (2020b) The Education Endowment and Savings Schemes Annual Report for Financial Year 2019. <https://www.moe.gov.sg/-/media/files/financial-matters/edusave-report-2019-2020.pdf?la=en&hash=E8CB0EF2557DDF91411FA23D3BA4066F2F0E4DF1>

MOE (2021a) Education fund. <https://www.moe.gov.sg/about-us/organisation-structure/fpd/education-fund>

MOE (2021b) Correspondence to author (AW) (27th August 2021).

MOE (2021c) Parliamentary answer by Minister of Education.
<https://www.moe.gov.sg/news/parliamentary-replies/20210224-differential-treatment-across-primary-schools-for-p1-admissions>

MOE (2021d) Edusave awards and scholarships. Moe.Gov.Sg.
<https://www.moe.gov.sg/financial-matters/awards-scholarships/edusave-awards>

Teh, M. K. and Chia, S. M. (2012) Singapore, in C. L. Glenn, J. De Groof, & C. S. Candal (Eds.), *Balancing freedom, autonomy and accountability in education: Volume 4* (pp. 227–238). Wolf Legal Publishers.

Annex F: United Kingdom (England)

Anne West

The funding of school-based education in England has been radically transformed in recent years. School funding for pupils up to age 16 is a two-stage process: Funds are allocated by government to local authorities and then by local authorities to schools (West, 2009) or to academy trusts (private not-for-profit entities funded by central government) (West and Wolfe, 2019; 2021).

Historically the funding of school-based education in England has been designed to be redistributive, with more funds going to more disadvantaged areas. Between 1990 and 2006, local authorities received funding via the local government finance system and locally raised council tax (a property tax). On average 75 per cent of the funding for local authority services came from central government grants with the remainder coming from local taxation. The funding allocation was initially via the Education Standard Spending Assessment of the local government Revenue Support Grant, which was replaced by the Education Formula Spending Share in 2003-04. Neither was hypothecated, or ‘earmarked’, so local authorities were not obliged to spend a specific amount on education. There was an element in the funding formula for additional educational needs (AEN), for sparsity and also an area cost adjustment (West, 2009).

From 2006-07 a “ring fenced” (earmarked or hypothecated) grant was introduced – the Dedicated Schools Grant – and distributed by the government to local authorities. This was designed to ensure that increases in government education spending were passed

on in full to schools. The method used to distribute the grant was historically based, and largely reflected the allocation of resources through the previous systems. One of the main reasons why authorities received different levels of funding was because of different levels of deprivation, but there were major concerns about the method used to determine need with high expenditure being deemed to be an indicator of need (when in fact it may have been a political decision) (West et al., 2000). The second stage of the distribution involved local authorities setting an what is called an “individual schools budget” and distributing this to schools. Funding for academies – state funded but privately owned and run schools introduced from 2002 (West and Bailey, 2013) – is based on the same formula as used by the local authority in which the academy is based, but with the addition of a grant to cover services previously provided by the local authority.

As a result of longstanding concerns regarding the method of funding schools and in particular the variation in funding between local authorities (e.g., Belfield and Sibieta, 2017; West, 2000; 2009), a national funding formula was introduced in England in 2018-19 to distribute funds from central to local government (or the Education and Skills Funding agency in the case of academy trusts). The elements in the formula comprise: basic per-pupil funding (age weighted pupil unit, with a minimum per pupil level); additional needs (the proportion of children living in income deprived families; low prior attainment, English as an additional language; pupil mobility); school led factors (e.g., sparsity, premises); and a geographic factor (area cost adjustment) (DfE, 2021).

Funds are then distributed to schools using a formula devised by the local authority; the underlying principles have not changed significantly with the advent of the national funding formula. The local authority determines the formula and must (by statute) allocate at least 80% of the delegated schools block funding through pupil-led factors. The formula is made up of a basic entitlement, a factor for deprivation, and a mandated minimum level of per pupil funding, all of which are compulsory. Optional factors include prior attainment, looked after children, English as an additional language, pupil mobility, and sparsity (DfE, 2021). The local authority distributes funds to schools it maintains, and the Education and Skills Funding Agency distributes funds to academy trusts.

The government’s aim is for funding to become a one-stage process rather than the current two-stage process (for local authority maintained schools), a national funding formula for the central to local government distribution and a local government determined formula for the distribution to schools). This would entail individual school budgets being set through one single national formula, rather than through the varied local authority funding formulae (ESFA, 2021a).

In addition to the main school budget allocated, individual schools also receive pupil premium funding: a fixed sum is paid to each school for each pupil registered as eligible for free school meals at any point in the last 6 years (and some other disadvantaged groups such as children in local authority care) (DfE, 2021b).

There are also national funding formulae for the early years education and care and for 16- to 19-year-old education, with an element for disadvantage in both, and an early years pupil premium (DfE, 2020; West and Noden, 2019).

References

Belfield, C. and Sibieta, L. (2017) The short- and long-run impact of the national funding formula for schools in England. <https://core.ac.uk/download/pdf/199234563.pdf>

DfE (2020) 16 to 19 funding: how it works. <https://www.gov.uk/guidance/16-to-19-funding-how-it-works>

DfE (2021) The national funding formulae for schools and high needs 2022-2023. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003492/2022-23_NFF_Policy_Document.pdf

Education and Skills Funding Agency (ESFA) (2021a) Schools revenue funding 2022 to 2023. Operational guide July 2021. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003631/Schools_revenue_funding_2022_to_2023.pdf

ESFA (2021b) Pupil premium: conditions of grant 2021 to 2022 for local authorities. <https://www.gov.uk/government/publications/pupil-premium-allocations-and-conditions-of-grant-2021-to-2022/pupil-premium-conditions-of-grant-2021-to-2022-for-local-authorities>

West, A. (2009) Redistribution and financing schools in England under Labour: Are resources going where needs are greatest? *Educational Management, Administration and Leadership*, 37, 2, 158-179.

West, A. and Noden, P. (2019) 'Nationalising' and transforming the public funding of early years education (and care) in England 1996–2017, *British Journal of Educational Studies*, 67, 2, 145-167.

West, A., Pennell, H., West, R. and Travers, T. (2000) Financing school-based education in England: Principles and problems, in M. Coleman and L. Anderson (Eds.) *Managing Finance and Resources in Education*, London: Paul Chapman.

West, A. and Wolfe, D. (2019) Academies, autonomy, equality, and democratic accountability: Reforming the fragmented publicly-funded school system in England, *London Review of Education*, 17, 1, 70–86.

West, A. and Wolfe, D. (2021) Reforming the school-based education system in England: A common framework, rule book and a new structure for schools, *Forum*, 63, 1, 20-28.