

department for

education and skills

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To Directors of Children's Services / Education
in local authorities in England

15 November 2005

Dear Colleague

Distribution Of Funding Earmarked For Personalised Learning

I am writing to give you some additional information about the funding announced for personalised learning in the recent White Paper, *Higher Standards, Better Schools For All*. The White Paper set out our intention, within the overall Dedicated Schools Grant increase, to earmark by 2007-08 £335 million, over and above existing (2005-06) baselines, for personalised learning at Key Stage 3. It also announced that we would allocate an additional £60 million in each of 2006-07 and 2007-08 through the targeted grants for the National Strategies in the Standards Fund in support of children across all Key Stages who have fallen behind. This letter provides information on how Ministers expect this funding to be targeted, which authorities will want to consider as they take forward preparatory work for 2006-07 during the autumn, particularly in relation to their fair funding formulae. Full details of individual authorities' allocations will be available soon.

In relation to the Dedicated Schools Grant (DSG) funding our priorities are, at Key Stage 3:

- first, to provide additional support for pupils who have fallen behind age-related expectations, especially in English and maths;
- second, to fund provision for gifted and talented children; and
- third, to help children from deprived families to access after school and year round activities through the development of extended schools.

The DSG funding will be earmarked within the headroom available in 2006-07 and 2007-08 after delivering the minimum 5% per pupil increase for each local authority which was announced in July. The announcement on the DSG allocations later this year will confirm the phasing of the £335 million between the two years and the details of the methodology for distributing the total sum between authorities. All authorities will receive some of this funding in addition to the minimum 5% per pupil increase.

These funds will be distributed between authorities according to objective factors relevant to the objectives behind personalised learning. These are likely to include prior attainment at Key Stage 2, deprivation and pupil numbers. Whatever overall method Ministers decide to use for distributing the DSG, following our consultation over the summer, we will ensure that these funds reach each authority in addition to the minimum 5% per pupil increase already announced. However, since the resource will be targeted in particular to support children who have fallen behind, the largest increases will go to authorities with low prior attainment and deprivation.

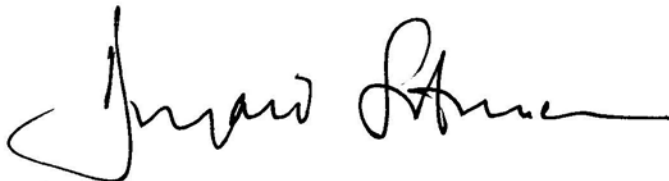


Local authorities should distribute these funds to schools in accordance with the school finance regulations and related guidance. The guidance issued with the final DSG settlement will make clear that, although this funding will not be ring-fenced, Ministers expect authorities to use their local distribution formulae to reflect the government's priorities for personalised learning, and particularly the priority they give to support for those who have fallen behind, as well as other local needs. We will expect all authorities to consider they can best allocate the increase in their DSG to target resources to those schools which will face the greatest challenges to deliver personalised learning at Key Stage 3, taking account in particular of pupils' prior attainment and relative levels of deprivation, but also the need to ensure that all secondary schools receive some additional funds with which to boost their personalised learning offer. It will be important that the methodology for distributing this funding is transparent, so that schools are able to see the amount available to them for this particular purpose.

We will also be distributing a further £60 million through the targeted grants for the National Strategies in the Standards Fund in each of 2006-07 and 2007-08. This is being distributed as a specific grant to enable it to be allocated by local authority strategy managers to target those schools, both primary and secondary, which have the greatest number of pupils who have fallen behind and face the greatest challenges in improving their performance. The split between funding for the primary and secondary sectors will be set nationally, and further guidance provided, in the Standards Fund circular which will be published soon.

I am copying this letter to Chief Executives, Chief Finance Officers, education finance contacts and school improvement contacts in local authorities, and Chairs of Schools Forums. Enquiries about this letter should be addressed to Philip Moss on 020 7925 3756 or Philip.Moss@dfes.gsi.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Hillier', with a stylized flourish at the end.

Stephen Hillier
Acting Director, School Resources Group