



Summary

- Charities are a small part of the education sector. Donors may wish to consider funding schools.
- Most schools receive a very small amount of voluntary income. There are no reliable figures quantifying this income.
- Donors should think carefully when making a donation to a school. They should meet the head teacher and chair of governors and read the School Improvement Plan.
- How a donation is used should be agreed between the school and the donor. The more support from within a school, the more likely a project will succeed.

Introduction

NPC regularly meets donors who want to help children do well at school. Our research has identified excellent charities helping children in all areas, from improving behaviour to increasing reading ability. But the activities—and income—of charities is relatively small compared to the role of schools in educating and supporting children. A sample of the largest 10,000 charities in the UK shows that approximately £940m is spent on schoolchildren. This is equivalent to around 2% of total government spending on schools and colleges.¹

This paper explores whether donors interested in helping children should consider giving directly to state schools and asks: how difficult would this be, and what would the money be spent on?

Donations to schools

State schools in the UK receive £41.6bn from the government each year.² Schools also receive some other donations and gifts. This extra funding is likely to be a lot less than 1% of the total schools budget, though there is little data to inform us about what the typical level is, or how it varies between areas. Sources of funding include:

Voluntary contributions from families. Voluntary contributions are typically small sums of money requested from parents or carers at the beginning of the school year. They vary from school to school. Some schools will ask for and raise very little this way, whereas others—particularly religious schools—will be able to generate significant extra funds by requesting contributions. Early in 2008, some schools were criticised when it emerged that they asked parents to commit to paying 'voluntary' contributions on their admissions form, with one school asking for £895.³ A more typical request is for £50 per family, even if there are several siblings at the school.

Funds raised by Parent Teacher Associations (PTAs).

The PTA umbrella body, the National Confederation of Parent Teacher Associations, believes that PTAs in England raised £65m in 2007.⁴ This is typically through local events, such as school fairs.

Grants from trusts and foundations. Some schools receive income from charitable trusts, usually specific to their area. For example, the Jack Petchey Foundation distributes small grants to schools in London and Essex to run after-school clubs. Schools can also apply to the Lottery's Awards for All scheme, which gives small grants to organisations working with people in local communities.

Local companies and businesses. Businesses may support their local community by making donations to local schools. There are no overall figures for corporate giving to schools.

Funding schools versus funding charities

Most charities helping school-age children work at the margins of the education system. They typically go into schools in deprived areas and offer extra help to disadvantaged pupils—such as supplementary tuition, counselling, or pastoral support. Many of these charities are excellent and provide a much-needed service. However, donors may wish to help a broader group of young people, contribute more widely in their local area, or see the impact of their funding first-hand. This is part of the attraction of giving directly to schools.

What do you need to decide before choosing a school?

Before deciding what school to support, donors need to ask themselves a number of questions. For example, how many schools do you want to support? Supporting one school could allow a donor to have a more definable impact, perhaps on a particularly disadvantaged school, or one with a new and ambitious head teacher. But funding a number of schools gives you the opportunity to be more experimental—for example, funding a joint intervention across a group of schools (such as a scheme to improve pupils' maths skills) and evaluate its impact.

Another decision is whether to focus on primary or secondary schools. When children are younger, it is easier to deal with problems such as poor literacy or behaviour. Also, primary schools may be smaller and easier to work with. But it is often at secondary schools when problems in a young person's education become most acute and donors may see more immediate evidence of their impact on young people, such as better than predicted GCSE results.

Would your donation be large enough to make a difference? Schools cost a lot of money to run. The annual budget of a typical school in an outer London Borough serving 800 pupils between the ages of 11 and 16 is typically around £6m. Any donation will be dwarfed by its income from the government.

How do you choose a school?

Thinking about how to choose a school to support raises the same questions as choosing a charities—how can you tell if it is effective and efficient? Most donors are not experts in education and are unlikely to know immediately what makes a good school. It is hard to choose between schools based on their 'mission' or the quality of 'activities' because they are necessarily very similar.

The following points suggest how a donor might go about choosing a school to donate to:

- **Meet the head teacher and chair of governors.** Donors need to respect and trust the school's leaders, and believe in their ambition and management skills. Excellent head teachers are fundamental to good schools.
- **Read the School Improvement Plan.** All schools are required to produce a strategy to outline their future direction and aims, much like a business plan. This provides a good base for understanding the schools challenges and future plans.
- **Read the Ofsted report.** All schools in England are regularly inspected and independently assessed. Ofsted judges the quality of leadership, teaching and the school's ability to provide children with a good education.
- **Examine other public information,** including exam results. However, judging whether a school is effective is difficult from simply looking at raw data on results in exams. The strongest predictor of exam grades is intake and the schools that do best are often those that have the most affluent and brightest pupils. The government also publishes 'contextual value-added' information but this too should be treated with caution.

How might a donation be used?

How a donation is used should be agreed between the school and the donor. However, it is important that the school fully supports the use of the donation and is not just 'going along with it' to secure some extra income. The more support from within the school, the more likely that the project will succeed.

From our work with schools, NPC has found that head teachers usually use extra funding for capital works or 'added extras', such as music and sports equipment. NPC carried out some research for a donor interested in giving to two schools in Scotland. The head teachers of the schools used the funding to refurbish existing facilities and buy extra resources, including computer equipment and a new suite for children with autism. This was because funding for these projects is scarce, and they were unsure about accepting funding for a salaried post because of the problem of sustaining the position once the donation runs out.

Specialist schools and academies

Over the last decade, the government has encouraged private donors to become involved with schools in England through two initiatives: **specialist schools** and **academies**.

To become specialist, schools must choose an area of focus, such as language or mathematics, and attract at least

£50,000 of sponsorship from the private sector. Schools must then produce a written plan to develop its specialism. Upon approval of this plan by the Department of Children, Schools and Families, the school is designated specialist and is eligible for extra government funding. Almost all schools are now specialist.

Donors seeking a higher level of involvement with schools could sponsor an academy. Academies are state-funded, mixed-ability schools in areas of disadvantage, which are run independently of the local authority. They are created through a mix of public money and private funding from sponsors.

Establishing an academy requires an initial £2m from sponsors, which is then topped up by the government. Sponsors help to shape the school—from assisting in choosing the head teacher, to creating the school's ethos and identity. Sponsoring an academy offers an opportunity for a donor to improve the education of a whole generation of children. There are now 134 academies in England.⁵

The academies programme only began in 2000, so there is still only limited evidence of their success. During this time they have been heavily criticised, including for their perceived undemocratic governance. However, the most recent evaluation concludes that overall they have improved their exam results more than similar schools, though the improvement varies and is sometimes due to other factors—such a focus on vocational rather than academic courses.⁶

Conclusion

While funding an education charity allows donors to help a wide range of young people, funding schools directly offers an opportunity to have a targeted impact in a local area. As with funding charities, donors need to think carefully before choosing a school.

References

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- 3 Curtis, P., *Schools named and shamed as crackdown launched to stop abuse of admissions law*, in Guardian 3 April 2008.
- 4 National Confederation of Parent Teacher Associations website, [accessed on 2 September 2008]
- 5 Department for Children Schools and Families website, [accessed on 5 January 2009]
- 6 PricewaterhouseCoopers (2008) *Academies Evaluation Fifth Annual Report*. Department for Children, Schools and Families.

New Philanthropy Capital (NPC) is a charity that maximises the impact of donors and charities. It does this through independent research, tools for charities and advice for donors.

Donors interested in tailored advice on giving to education projects in the UK should contact NPC on 020 7785 6300, or email jcopps@philanthropycapital.org
