

READING BOROUGH COUNCIL

REPORT BY FINANCIAL SERVICES

TO:	Reading Schools Forum		
DATE:	12 JANUARY 2017	AGENDA ITEM:	6
SUBJECT:	SCHOOL FUNDING 17-18		
SERVICE:	Education & Children's Services	WARDS:	All
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1. PURPOSE OF REPORT

- 1.1 This report is to inform Schools Forum of the allocation of DSG for the 2017/18 financial year.

2. RECOMMENDED ACTION:

- 2.1 **NOTING:** The contents of the report and the DSG allocation 17/18.
- 2.2 **DECISION FOR ALL SCHOOLS FORUM:** To give views on the proposal to use any residual 17/18 headroom to fund the DSG deficit that will be carried forward from 16/17 into 17/18.
- 2.3 **NOTING:** Other Grant information
- 2.4 **NOTING:** The timetable for communicating indicative budgets (funding rates identified at Annex 1) to schools and also budget decisions to be taken at the March 2017 meeting, namely DSG deficit carry forward, Apprentice Levy and High Needs Block Update.
- 2.5 **NOTING:** Action on the High Needs Block to be followed up with detail on action in the March Schools forum.

4 NOTIFIED DSG ALLOCATION 17/18

4.1 On 20 December the Education Funding Agency announced the funding allocations for 17/18 for the Dedicated Schools Grant (DSG). Details of these are shown in the tables below:

Table 1: DSG settlement 2017-18

17-18 DSG ALLOCATION	Pupil Numbers	GuF *	Budget (£m)
Schools Block	18,731	£4,458.74	83.52
Schools Block - ESG Transfer	18,731	£16.81	0.31
High Needs			18.19
Early Years 3/4 Year olds **	3,118	£2,929.80	9.13
Early Years 2 year olds **	466	£3,271.80	1.53
Early Years Pupil Premium			0.11
Maintained Nursery Transition Grant			0.29
Disability Access Fund			0.03
Indicative 30 hrs allocation ***	471	£2,929.80	1.38
Total Allocation (Before Recoupment)			114.49

Schools Block Unit Rate for 16-17 £ 4,502.87

Difference in GuF (16-17 to 17-18) £ (44.13)

Reduction in GuF of 0.98% per pupil between the years equates to £826,599 loss for Reading Schools

* GuF - Guaranteed Unit of Funding

** Pupil numbers will be updated in July 17 by EFA

*** Pupil numbers will be updated in July 18 by EFA

4.2 The Education Funding Agency has re-calculated the DSG blocks (called adjusted baselines) for 17-18. This basically means that the High Needs Contribution from the Schools Block in 16-17 has automatically transferred into the High Needs Block. This would mean the Guaranteed Unit of Funding would decrease but we have not lost the funding.

4.3 This report also provides (Annex 2) the 16-17 school formula budgets next to the draft 17-18 school formula allocations. The table shows the possible variance per school and information on the movement of numbers on roll that would explain some of the variances.

4.4 Decreasing factors by 1.5% does not mean the individual budget per school reduces by 1.5%. Numbers on roll and the detailed data changes with FSM, LPA and EAL formula factors would have a positive or negative impact.

4.5 School forum need to note which schools have been affected the most as this information can be used for any future requests to schools forum

5 COMMITMENTS AGAINST DSG 17-18 & HEADROOM

5.1 We have populated the formula following the agreed revisions using the data provided by the EFA and applying the 1.5% reduction in formula factors as previously discussed at Schools Forum. The figures contained within this report on headroom are subject to agreement from Schools Forum within the Central Retention paper.

Table 2: Impact of central retention decisions & impact on headroom

Funds after Schools Formula including 1.5% reduction in factors	3,931,808
<u>Centrally Retained Budgets as proposed @ Jan 17 schools Forum</u>	
Growth Fund	900,000
Prudential Borrowing	50,000
Admissions	159,000
Servicing of Schools Forum	20,000
Contribution to Commissioning	15,000
Contribution to School Improvement	116,000
Contribution to Early Help Services	224,000
Contribution to Social Care	275,000
Education Services Grant Statutory Retained	314,843
Copyright licenses - Statutory	98,000
	2,171,843
<u>De-Delegations DSG Schools Block as per 2017-18</u>	
Behaviour Support	200,000
Support for Under-achieving EAL groups	80,000
Staff Supply cover Union duties	48,000
School Improvement	233,000
Schools With Weaknesses	50,000
Education Services Grant	164,000
	775,000
Remaining Headroom 17-18	984,965

All figures can change based on previous schools forum discussions and approvals.

- 5.2 The Authority needs to use this remaining headroom to fund the DSG deficit (flowing from the pressure on the high needs block) that we will be carrying forward from 2016/17 to 2017/18. Whilst it is the Authority's intention to use this money in this way, and it is the authority's decision, we are required to consult Schools Forum before implementing the proposal. Therefore, Schools Forum is asked for its views on this proposal.

The table shows a possible scenario that clearly explains the continuing impact of the high needs pressure.

	C/Fwd	HNB	EYB	SB	Budget	Total
Year	£m	£m	£m	£m	£m	£m
14-15	(0.400)	1.300	(0.800)	(0.100)	0	0
15-16	0	2.100	0	(0.100)	0	2.000
16-17	2.000	2.400	0	0	(0.800)	3.600
17-18	3.600	2.400	0	0	(1.700)	4.300
18-19	4.300	2.400	0	0	(1.700)	5.000

- 5.3 Initial view of the High Needs Formula Consultation show that Reading will lose out on any increase in the High Needs Block. Estimated figures from the EFA have been produced and it shows a reduction for Reading of £1m that will be protected by the EFA under 0% minimum funding guarantee for a few years.
- 5.4 The SEN budget has been under pressure for over a decade now as a result of the increasing number of pupils in the system. The original pressure arose from the inter-authority Recoupment, and since 2013 when the recoupment was replaced by the High Needs Funding block the pressure has continued, despite implementing strategies and system changes. The LA Finance team will be updating the finance impact to support the table above and to assist officers in producing a draft plan to reduce spend within the High Need Blocks without causing huge impact on schools or other SEN Service's. The pressure cannot be sustained in future years and needs a strategy/plan to address this developing immediately. This is why it is necessary to focus on this at the next Schools Forum in March, where decisions will need to be made on the actions to be taken. This is essential to reduce the DSG deficit and have a more efficient and effective control of the High Need funding.

6 OTHER GRANTS

6.1 Pupil Premium will continue at the same rates as 16-17

Primary	(R to Yr 6)	£1,320
Secondary	(Yr 7 to Y11)	£935
Service children	(R to Y11)	£300

Schools will also receive £1,900 for each pupil identified in the spring school Census as having left local-authority care because of 1 of the following:

- adoption
- a special guardianship order
- a child arrangements order
- a residence order

Funding for Pupil Premium Plus “current looked after children” will be managed through EPEPs and agreed via the Virtual School Head of the local authority that looks after the child.

6.2 Universal Infant Free School Meals (UIFSM) will continue for the academic year 17-18 on the rate of £2.30 (per pupil per day).

6.3 Primary PE and Sports Premium will continue in 17-18 and further funding details will be issued by the EFA within the spring term 17.

6.4 Year 7 Catch-up Premium will continue in 17-18 and arrangements will be confirmed by the EFA in Spring 17.

7 FINALISATION OF BUDGETS

7.1 The EFA will require a final submission on the formula by 20 January 2017 following this meeting.

7.2 It is anticipated that following the final submission to the EFA, finalised budgets for 2017-18 can be sent to schools in early February 2017. Academies and Free Schools operate on an academic year basis and are on a separate timetable as notified by the EFA.

7.3 The format for Notification of Indicative budgets will be the same as last year.

8 BUDGET ISSUES FOR NEXT MEETING

8.1 The key issues for discussion at the next meeting on 16 March:

- DSG deficit carry forward agreement
- High Needs Block 16-17 Outturn Update
- Apprenticeship Levy 17-18 (Community Schools where RBC is the employer will (along with other RBC staff) be liable; most other schools may not be)
- National Schools Formula Consultation part 2
<https://www.gov.uk/government/consultations/schools-national-funding-formula>
- High Needs Funding Consultation part 2
<https://www.gov.uk/government/consultations/high-needs-funding-reform>

Annex 1

Proposed 17-18 Factor unit values

Area	Factors	17-18 Unit Value
Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£3,131
	Key Stage 3 (Years 7-9)	£3,833
	Key Stage 4 (Years 10-11)	£4,370
Deprivation	FSM % Primary	£1,356
	FSM % Secondary	£2,791
English as an Additional Language (EAL)	EAL 3 Primary	£679
	EAL 3 Secondary	£1367
Mobility	Pupils starting school outside of normal entry dates	£745
Prior attainment	Low Attainment % old FSP 73	£649
	Secondary pupils not achieving (KS2 level 4 English or Maths)	£912
Lump Sum	For all schools	£48,480
Split Sites	Schools with more than two sites	£17,149

All factors except lump sum has been reduced by 1.5% from the 16-17 unit rate and then rounded

Further Information on each factor

- **Age Weighted Pupil Unit (AWPU) - known as Basic Entitlement** is a compulsory factor which assigns funding according to the age-weighted pupil unit multiplied by a unit per pupil cost to each individual school or academy based on October Census.
- **Deprivation** is a compulsory factor which assigns funding to pupils from deprived areas. LA's can either use the free school meals indicator and/or the income deprivation affecting children index (IDACI). Reading use free school meals only.
- **English as Additional Language (EAL)** is an optional factor where EAL pupils attract funding for up to 3 years after they enter the school system.
- **Pupil Mobility** is an optional factor which measures the pupils who entered a school during the last 2 years who did not start in August, September or January in a reception class. There is a national 10% threshold therefore if a school/academy has 12% mobility factor then 2% would attract mobility funding.
- **Prior Attainment** is an optional factor which acts as a proxy indicator for low level, high incidence special educational needs. Funding is applied for primary pupils not achieving the expected level of development with early years foundation stage and for secondary pupils not reaching L4 at KS2 in English or Maths
- **Lump Sum** is an optional factor where each school will receive £48,480 for 17-18.
- **Split Sites** is an optional factor which supports schools with multiple sites. (Not multiple buildings). Schools having facilities, federated schools and schools with remote sixth forms are NOT eligible for the funding.

Annex 2 – Schools Budgets 16-17 and Draft 17-18

School	16-17 Approved Budget	17-18 Draft Budget	+/- Difference	+/- Difference %	+/- NOR
All Saints Infant (Reading)	288,799	293,531	4,732	1.64%	2
All Saints Junior School Reading	385,986	371,559	-14,427	-3.74%	-3
Battle Primary Academy	1,646,626	1,628,127	-18,499	-1.12%	1
Blessed Hugh Faringdon Catholic School	3,676,084	3,654,831	-21,254	-0.58%	6
Caversham County Primary	1,561,665	1,570,035	8,369	0.54%	7
Caversham Park Primary School	742,364	766,943	24,578	3.31%	8
Christ the King Primary School	1,308,293	1,293,115	-15,178	-1.16%	-1
Churchend Primary School	1,165,411	1,227,173	61,762	5.30%	18
Coley Primary School	963,607	946,271	-17,335	-1.80%	-2
Emmer Green Primary School	1,695,449	1,684,083	-11,365	-0.67%	-4
English Martyrs Cath.School	1,560,226	1,551,847	-8,379	-0.54%	-2
GEOFFREY FIELD INFANT SCHOOL	1,126,102	1,097,740	-28,362	-2.52%	-6
Geoffrey Field Junior	1,392,057	1,431,428	39,371	2.83%	11
HIGHDOWN SCHOOL AND SIXTH FORM CENTRE	4,841,169	4,791,680	-49,489	-1.02%	-2
John Madejski Academy	3,862,850	3,189,050	-673,800	-17.44%	-119
KENDRICK SCHOOL	2,194,835	2,168,650	-26,185	-1.19%	1
Manor Primary School	1,263,674	1,273,613	9,939	0.79%	4
Meadow Park Academy	1,319,394	1,303,751	-15,643	-1.19%	0
MICKLANDS PRIMARY	1,423,741	1,488,664	64,924	4.56%	21
Moorlands Primary School	1,737,044	1,709,633	-27,411	-1.58%	-4
New Christ Church Primary Schl	841,329	811,226	-30,103	-3.58%	-5
Oxford Road Community School	1,001,578	1,005,070	3,492	0.35%	4
Park Lane Primary School	1,537,954	1,527,347	-10,608	-0.69%	-2
Prospect School	6,111,250	5,777,312	-333,938	-5.46%	-46
Ranikhet Academy	1,057,145	1,063,842	6,698	0.63%	4
Reading Girls School	3,030,896	2,470,801	-560,094	-18.48%	-101
Reading School	2,615,421	2,732,763	117,342	4.49%	36
Redlands Primary School	940,044	927,566	-12,478	-1.33%	-2
St Mary and All Saints CE	1,475,183	1,392,936	-82,247	-5.58%	-21
St.Anne's Catholic Primary	706,597	754,296	47,699	6.75%	16
Thameside Primary School	1,527,107	1,544,439	17,332	1.13%	7
The Hill Primary School	1,644,108	1,646,955	2,847	0.17%	1
The Palmer Academy	1,679,486	1,632,438	-47,048	-2.80%	-6
UTC Reading	633,339	785,826	152,487	24.08%	30
Whitley Park Primary and Nursery	2,443,283	2,539,134	95,850	3.92%	26
Wilson Primary School	1,534,739	1,608,761	74,022	4.82%	24
No planned growth	62,934,835	61,662,436	- 1,272,399		- 99

Annex 2 - Continued

School	16-17 Approved Budget	17-18 Draft Budget	+/- Difference	+/- Difference %	+/- NOR
Alfred Sutton Primary School	2,072,959	2,174,813	101,853	4.91%	21
E P Collier Primary School	1,063,193	1,171,553	108,360	10.19%	29
KATESGROVE PRIMARY SCHOOL	2,455,760	2,518,515	62,755	2.56%	29
New Town Primary School	1,128,346	1,114,315	-14,031	-1.24%	3
Southcote Primary School	1,860,003	1,941,418	81,415	4.38%	17
St Martin's Catholic Primary Sch	654,349	658,095	3,746	0.57%	3
St Michael's Primary School	1,270,953	1,420,786	149,833	11.79%	38
St. John's C.E. Primary School	1,453,843	1,492,716	38,873	2.67%	16
The Ridgeway Primary School	1,390,670	1,568,817	178,146	12.81%	31
Planned Expansions	13,350,076	14,061,028	710,952		187

School	16-17 Approved Budget	17-18 Draft Budget	+/- Difference	+/- Difference %	+/- NOR
Civitas Academy	325,208	503,365	178,157	54.78%	38
The Heights Primary School	556,660	712,121	155,462	27.93%	49
Maiden Erlegh in Reading	1,349,579	2,182,386	832,807	61.71%	184
WREN School	807,213	1,557,768	750,554	92.98%	166
Growing Free Schools	3,038,659	4,955,639	1,916,980		437

TOTAL	79,323,570	80,679,103	1,355,533	-	525
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Notes

Includes 1.5% reduction in all 17-18 factors.

All figures are before de-delegation

Does not include any other grants