

West Berkshire Schools' Forum	
Title of Report:	Estimated Dedicated Schools Grant (DSG) Budget for 2016/17 - Overview
Date of Meeting:	7th December 2015
Contact Officer(s)	Claire White, Ian Pearson
For discussion	

1. School Funding Settlement 2016/17

- 1.1 The Department for Education (DfE) is due to announce the school funding (DSG) settlement for 2016/17 by mid December 2015. DSG funding is split into 3 funding blocks – schools, early years and high needs, each calculated in a different way. Following the Spending Review on 25th November 2015 it appears that, as expected, there will be no increases to the funding rate for the schools block and early years block, and the total sum for the high needs block is likely to remain the same.
- 1.2 It is therefore highly likely that there will be a significant shortfall in funding in 2016/17, due mainly to the following factors:
- A significant over spend in the current year high needs block which will need to be met from next year's DSG.
 - Carry forward of under spend from previous years in the high needs and early years blocks will have been used up in the current year.
 - Pupil numbers and needs in the high needs block continue to rise without any increase in funding.
- 1.3 Assuming there will be no increase to our DSG, and taking an early estimate of the budget requirements for next year, the following table summarises the funding position for 2016/17. A breakdown of the funding and budget, split between the three blocks is shown in Appendix A, with a more detailed breakdown of expenditure by cost centre shown in Appendix B.

2016/17 Estimate	DSG Funding £'000	Budget Estimate £'000	Headroom/ (Shortfall) £'000
Schools Block	96,093	96,228	-135
Early Years Block	6,997	7,764	-767
High Needs Block	19,109	21,126	-2,017
Total	122,199	125,118	-2,919

2. Next Steps

- 2.1 The scale of the funding shortfall can be confirmed, once the following has taken place:
- Actual funding settlement received from the DfE.
 - School census data received from the DfE and the school formula run.
 - Officers will continue to work on obtaining their best forecasts for the current year spend and next year's estimates for all other budgets.
- 2.2 The school formula is set for 2016/17 but a decision will need to be taken on the funding rates at the January meeting of the Schools' Forum. It is currently assumed that there will be enough funding in the schools block to maintain the current funding rates. If there is a "surplus" in this block, consideration needs to be given on whether this can be used towards the shortfall in the high needs block rather than increasing the funding rates. Consideration will also need to be given to *reducing* current funding rates in the school formula. For example, a reduction of £10,000 from the lump sum paid to every school would generate £760k funding for the high needs block, or for each £10 deducted from the per pupil rate funding would generate approximately £220k funding for the high needs block.
- 2.3 Officers will consult with The Early Years Steering Group in drawing up proposals for balancing this block. The latest indication is that it may be possible to balance this block without reducing funding rates as the increases in hours of provision predicted for the current year have not materialised and there may be an under spend in the current year. This will become clearer following the January 2016 census.
- 2.4 Detailed information on the High Needs block is set out in a separate report on this agenda which has been discussed in detail at the recent Heads Funding Group (HFG). Officers are to bring a range of proposals for balancing this block back to the January meeting of the HFG to determine a recommendation to bring back to the Schools' Forum.
- 2.5 The Spending Review also highlighted the Government's intention to introduce a national funding formula for schools, high needs and early years starting in 2017/18. As West Berkshire receives below average funding, this may indicate possible additional funding in the future, though there are no details yet on what a national funding formula actually means. A detailed consultation is expected early in 2016.

Appendices

Appendix A - Estimated DSG Funding 2016/17 as at November 2015

Appendix B – Draft DSG budget 2016/17 as at November 2015

Appendix A

1	Estimated DSG Funding 2016/17 as at NOVEMBER 2015		
2		Final 2015/16	Estimate 2016/17
3	SCHOOLS BLOCK	Oct 2014 census	Oct 2015 census
4	Pupil Numbers		
5	School Census - Mainstream	22,062.0	22,062.0
6	Add: Reception Uplift	49.0	49.0
7	Less: Pupils/Places in Resource Units	-119.0	-119.0
8	Total Pupil numbers	21,992.0	21,992.0
9			
10	DSG Guaranteed Unit of Funding	£4,367.93	£4,367.93
11	DSG based on pupil numbers	£96,059,517	£96,059,517
12			
13	Plus: Adjustment for NQT	£33,115	£33,115
14			
15	ADD Carry Forward from Previous Year	£148,491	£0
16			
17	Total Schools Block including Academies	96,241,123	96,092,632
18			
19	EARLY YEARS BLOCK (Provisional)	Jan 2015 census	Jan 2016 census
20	Pupil Numbers (FTE)		
21	School Census - Mainstream	422.0	422.0
22	Early Years Census	1,139.0	1,140.0
23	Adjustment for universal provision	0.0	0.0
24	Total Pupil numbers	1,561.0	1,562.0
25			
26	DSG Guaranteed Unit of Funding	£3,911.25	£3,911.00
27	DSG based on pupil numbers	£6,105,461	£6,108,982
28	add back assumed	£3,521	
29			
30	Difference in provision for DSG due in previous year:		
31	Provision for estimated DSG	-£61,000.00	
32	Actual DSG	£59,000.00	
33			
34	Two Year Old Funding		
35	DSG Guaranteed Unit of Funding 2 Year Olds 15/16 (FTE)	£5,092.00	£5,092.00
36	Estimated number of 2 year olds per counts (FTE)	114	162
37	DSG based on estimated number of 2 year olds	£580,488	£823,224
38	add back assumed	£242,736	
39			
40	Plus Indicative Early Years PPG	£74,590	£74,590
41	Transfer Funding to HNB		-£10,000
42	ADD Carry Forward from Previous Year	£667,092	£0
43			
44	Total Early Years Block	7,671,888	6,996,796
45			
46	HIGH NEEDS BLOCK		
47	Previous Year High Needs Budget	17,550,154	19,100,554
48	Adjustments:		694,600
49	Adjust from residency basis to location basis	1,389,400	
50	Funding Adjustment	17,000	0
51	Additional Funding	144,000	0
52	Transfer Funding from EYB		10,000
52	ADD Carry Forward from Previous Year	344,944	-695,780
53			
54	Total High Needs Block	19,445,498	19,109,374
55			
56	TOTAL DSG FUNDING AVAILABLE	123,358,509	122,198,801
57			
58	Expenditure Budgets (including academies, split into funding blocks)		
59	SCHOOLS BLOCK		
60	Primary & Secondary Delegated Budgets 4 - 16	95,445,260	95,284,970
61	Schools Contingency (Growth Fund/Falling Rolls Fund)	322,160	290,000
62	Centrally Retained Schools Budget	473,700	653,090
63		96,241,120	96,228,060
64	EARLY YEARS BLOCK		
65	Early Years single Funding Formula - Schools	1,888,830	1,888,830
66	Early Years single Funding Formula - PVI	4,673,650	4,726,470
67	2 year old Funding	810,000	810,000
68	Early Years PPG	209,590	209,590
69	Centrally Retained early years budgets	79,820	129,160
70		7,661,890	7,764,050
71	HIGH NEEDS BLOCK		
72	Special Schools	6,616,190	6,843,010
73	Resource Units / LALs	2,564,810	1,459,260
74	Mainstream Schools (Top Ups)	801,370	778,750
75	PRU's	2,018,000	2,218,000
76	Non Maintained/Independent Special Schools/FE	3,479,210	3,511,460
77	Recoupment for Academy, NMSS, and 6th form HN places	1,536,000	3,670,000
78	Centrally Retained High Needs Budgets	2,566,580	2,645,220
79		19,582,160	21,125,700
80			
81	Total Expenditure Budgets	123,485,170	125,117,810
82			
83	Headroom or (Shortfall)	-126,661	-2,919,009