

Overview of DSG Funding and Draft Budget 2016/17

Report being considered by: Schools Forum
 On: 25/01/2016
 Report Author: Claire White
 Item for: Discussion By: All Forum Members

1. Purpose of the Report

1.1 Following the Government’s announcement on school funding in December 2015, this report provides an overview of the total current budget position. Other reports on this agenda go into further detail on individual funding blocks.

2. Recommendation(s)

2.1 To take note of the overall position as outlined in this report when considering options presented in the more detailed reports.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

1.1 The Department for Education (DfE) announced the school funding Dedicated Schools Grant (DSG) settlement for 2016/17 on 17th December 2015. DSG funding is split into 3 funding blocks – schools, early years and high needs, each calculated in a different way. As expected, there are no increases to the funding rates for the schools block and early years block, but there has been a small increase to the high needs block allocation.

1.2 Table 1 summarises the overall funding and budget position for 2016/17. A breakdown of the funding calculation split between the three blocks is shown in Appendix A and a reconciliation to the actual allocation as notified by the DfE on 17th December is shown in Appendix B. A detailed breakdown of expenditure by service cost centre shown in Appendix C.

TABLE 1

2016/17 Estimate	DSG Funding £'000	Budget Estimate £'000	Headroom/ (Shortfall) £'000
Schools Block	96,718	96,112	606
Early Years Block	6,708	6,824	-116
High Needs Block	19,464	21,379	-1,915
Total	122,890	124,315	-1,425

4. Schools Block

- 4.1 Although the DSG funding rate for the schools block has not increased, the overall number of pupils has gone up, with a corresponding grant increase of £626k. The increase in pupil numbers is in the primary sector, with numbers in the secondary sector showing a decrease. This has resulted in headroom of approximately £213k in per pupil funding, due to the fact that the primary funding allocation (AWPU) is lower than secondary – so less of the funding received (at £4,368 per pupil) is required in the primary allocation of the funding (at £2,937 per pupil).
- 4.2 The remaining headroom of £393k has arisen due to a reduction in the number of pupils meeting the prior attainment and deprivation criteria. If the funding rates for these factors are to remain the same, less funding is required, though this results in many schools receiving less funding than they currently do for these factors.
- 4.3 Later items on this agenda will consider the options for the use of the headroom in this funding block.
- 4.4 The figures assume there will be no carry forward of funding in this block from 2015/16.

5. Early Years Block

- 5.1 Early years funding for 2016/17 will be based 5/12 on the January 2016 census and 7/12 on the January 2017 census.
- 5.2 The figures in Table 1 are as presented in the early years report at the last meeting of the Schools' Forum, and based on assumptions on the current trends in take up of provision. At this stage there is no better information. This will become available once the January 2016 census data is released in February, and will be reported in the next cycle of meetings.
- 5.3 The figures assume there will be a net carry forward from 2015/16 of £450k.

6. High Needs Block

- 6.1 The significant shortfall in funding in the high needs block for 2016/17 (£1.9m), is 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 block have been used up in the current year.
 - Pupil numbers and needs in the high needs block continue to rise without a corresponding increase in funding.
 - Only a minor increase to our funding allocation to go towards increasing numbers and demands.
- 6.2 The Government has allocated a small increase to this block of funding of £284k. Since the last report, current year and next year forecasts have been revised using the latest information on placements, but even with the additional funding the position has not significantly moved.
- 6.3 Another report on this agenda considers options for balancing the high needs block.

7. Conclusion

- 7.1 Whatever options are pursued in order to balance the DSG budget for 2016/17, it will have a significant impact on all schools. This is alongside funding allocations that have not increased now for several years, making it harder for schools to balance their own individual budgets.

8. Appendices

Appendix A – Estimated DSG Funding 2016/17

Appendix B – DSG Reconciliation between DfE notification and WBC Budget

Appendix C - Draft DSG Budget 2016/17

9. Heads Funding Group Recommendation

- 9.1 That the information contained within this report be noted.

Estimated DSG Funding 2016/17 as at 4th JANUARY 2016		
	Final 2015/16	Estimate 2016/17
	Oct 2014 census	Oct 2015 census
3 SCHOOLS BLOCK (final)		
4 <u>Pupil Numbers</u>		
5 School Census - Mainstream	22,062.0	22,226.0
6 AP census January 2015		2.0
7 Add: Reception Uplift	49.0	26.0
8 Less: Pupils/Places in Resource Units	-119.0	-119.0
9 Total Pupil numbers	21,992.0	22,135.0
10		
11 DSG Guaranteed Unit of Funding	£4,367.93	£4,368.03
12 DSG based on pupil numbers	£96,059,517	£96,686,344
13		
14 Plus: Adjustment for NQT	£33,115	£32,000
15		
16 ADD Carry Forward from Previous Year	£148,491	£0
17		
18 Total Schools Block including Academies	96,241,123	96,718,344
19		
20 EARLY YEARS BLOCK (Provisional)	Jan 2015 census	Jan 2015 census
21 <u>Three & Four Year Old Funding</u>		
22 School Census - Mainstream	422.0	422.0
23 Early Years Census	1,139.0	1,139.0
24 Total Pupil numbers	1,561.0	1,561.0
25		
26 DSG Guaranteed Unit of Funding	£3,911.25	£3,911.25
27 DSG based on census pupil numbers	£6,105,461	£6,105,461
28 adjustment for assumed pupil numbers	£3,521	-£426,326
29		
30 <u>Two Year Old Funding</u>		
31 School Census - Mainstream	8.5	8.4
32 Early Years Census	105.5	105.4
33 Total Pupil numbers	114.0	113.8
34		
35 DSG Guaranteed Unit of Funding 2 Year Olds 15/16 (FTE)	£5,092.00	£5,092.00
36 DSG based on census pupil numbers	£580,488	£579,470
37 adjustment for assumed pupil numbers	£242,736	-£65,178
38		
39 Difference in provision for DSG due in previous year:		
40 Provision for estimated DSG	-£61,000.00	
41 Actual DSG	£59,000.00	
42		
43 Plus Indicative Early Years PPG	£74,590	£74,590
44 Transfer Funding to HNB	-£10,000	-£10,000
45 ADD Carry Forward from Previous Year	£667,092	£450,000
46		
47 Total Early Years Block	7,661,888	6,708,017
48		
49 HIGH NEEDS BLOCK (final)		
50 Previous Year High Needs Budget	17,550,154	19,100,554
51 Adjustments:		694,600
52 Adjust from residency basis to location basis	1,389,400	
53 Funding Adjustment	17,000	0
54 Additional Funding	144,000	284,000
55 Transfer Funding from EYB	10,000	10,000
55 ADD Carry Forward from Previous Year	344,944	-624,890
56		
57 Total High Needs Block	19,455,498	19,464,264
58		
59 TOTAL DSG FUNDING AVAILABLE	123,358,509	122,890,625

APPENDIX B

DSG Reconciliation - DfE Allocation Sheet to WBC Budget					
	Schools Block	Early Years Block	High Needs Block	TOTAL	
Gross Allocation	96,718	6,760	20,079	123,557	
High Needs Deductions for NMSS places			-1,960	-1,960	
Sub Total	96,718	6,760	18,119	121,597	
less Deduction for HN Places Academies & 6th Form			-1,660	-1,660	
Net Allocation as per DfE 17/12/15	96,718	6,760	16,459	119,937	
less EY adjustments used for own estimate		-492		-492	
Adjust for Expected Carry Forwards		450	-625	-175	
Transfer funding between blocks		-10	10	0	
Add back HN deductions			3,620	3,620	
WBC Gross DSG Budget	96,718	6,708	19,464	122,890	
Academy Recoupment & HN Deductions	-30,063		-3,620	-33,683	
WBC Net DSG Budget	66,655	6,708	15,844	89,207	
Place Funding Adjustments	April to July 2016		July 2016 - March 2017		Annual
	places	Rate	places	rate	Deduction
Post 16 - NMSS	48	£3,333	48	£6,667	£480,000
Pre 16 - NMSS	148	£3,333	148	£6,667	£1,480,000
Sub total NMSS					£1,960,000
Pre 16 - Academy RU	69	£4,167	69	£5,833	£690,000
Post 16 - Maintained Special Schools	79	£3,333	79	£6,667	£790,000
Post 16 - Maintained Mainstream Schools	8	£2,000	8	£4,000	£48,000
Post 16 - Academies Mainstream Schools	22	£2,000	22	£4,000	£132,000
Sub total Academies/ Post 16					£1,660,000
Total All					£3,620,000