
School Budget and School Formula 2016/17

Report being considered by: Schools Forum
On: 25/01/2016
Report Author: Claire White
Item for: Decision **By:** All School representatives

1. Purpose of the Report

1.1 This reports sets out the funding available in 2016/17 in the schools block DSG, summarises the centrally retained school budgets to be met from this block, and reviews the options for the setting of the school formula funding rates for 2016/17, in order for School Forum Members to agree the schools block budget for 2016/17. It is a statutory requirement to set the school funding formula rates in January.

2. Recommendation(s)

2.1 To agree

(a) The centrally retained school budget as set out in Table 2 of this report.

(b) The school formula funding rates for 2016/17 as set out in option (f) in paragraph 6.5 and Appendix C of this report.

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

3.1 The primary and secondary school formula for 2016/17 was agreed by Schools' Forum on 28th September 2015 and approved by the Council's Executive on 19th November 2015 without any change. It was submitted to the Education Funding Agency (EFA) by the deadline of 31st October.

3.2 The EFA accepted the submission as being compliant, and no changes are required to the formula. Now that the data from the October 2015 census is available, and the final Dedicated Schools Grant (DSG) allocation for the Schools Block for 2016/17 has been received, the final funding rates need to be set in accordance with funding available, and the final formula submitted to the EFA. Maintained schools are to be notified of their formula allocations by the end of February 2016.

4. Schools Block DSG Allocation 2016/17

4.1 The schools block DSG allocation for 2016/17 has now been confirmed as shown in Table 1 (shown alongside the 2015/16 allocation as a comparison).

TABLE 1

	2015/16	2016/17
Primary Pupils October census	12,811	13,060
Secondary Pupils October census	9,249	9,168
Adjustments (reception & Resource places)	-68	-93
Total Pupil Numbers	21,992	22,135
Guaranteed Unit of Funding	£4,367.93	£4,368.03
	£'000	£'000
Total School Block DSG	£96,060	£96,686
Add NQT Funding	£33	£32
Actual DSG to be Received for Year	£96,093	£96,718
Assumed Carry Forward from Prior Year	£148	0
TOTAL GRANT AVAILABLE IN YEAR	£96,241	£96,718

4.2 It is expected that the carry forward from 2015/16 will be nil.

4.3 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.

5. Centrally Retained School Budget

5.1 Under School Finance Regulations, funding for a few specified purposes can be deducted from the DSG (be centrally retained) before the balance is allocated out to schools via the formula. It is recommended that the Schools' Forum approve the amounts to be centrally retained as shown in Table 2.

TABLE 2

Purpose:	15/16 Budget	16/17 Budget	Notes
Growth Fund/Infant Class Size	250,000	250,000	As agreed at SF on 28/9/15.
Falling Rolls Fund	40,000	40,000	As agreed at SF on 28/9/15.
Licences	122,410	126,780	National copyright licenses agreement – 16/17 rate as notified
Servicing of Schools' Forum	42,220	42,220	No change
School Admissions	309,070	309,070	No change
Total Centrally Retained	763,700	768,070	

5.2 After deducting £768k from the total grant available of £96,718k, this leaves £95,950k for distribution.

6. Proposed Funding Rates for Schools' Formula

- 6.1 At the meeting of the Schools' Forum on 28th September 2015, it was agreed that funding rates would remain the same for each factor, and should additional funding be available then its distribution be considered at the January meeting.
- 6.2 After uploading the formula with the October 2015 census data, and running the formula using existing rates, the total funding required is £95,344k. This leaves £606k headroom available for distribution.
- 6.3 The headroom is as a result of growth in primary pupil numbers who are funded at less than the DSG rate, and a reduction in numbers of pupils meeting the prior attainment and deprivation criteria for funding.
- 6.4 Table 3 sets out the current formula rates. Appendix A shows the impact on each individual school on applying the same formula rates as 2015/16. Naturally, schools with a reduction in pupil numbers have a reduction in their overall funding.

TABLE 3

Factor	Rate - Primary	Rate - Secondary
1. Basic Entitlement per Pupil:		
Primary	£2,937	
Secondary KS3		£4,364
Secondary KS4		£4,364
2. Deprivation per eligible Pupil:		
Free School Meals Ever 6	£875	£670
Income Deprivation Affecting Children Index (IDACI):		
IDACI Band 1	£40	£60
IDACI Band 2	£120	£180
IDACI Band 3	£240	£360
IDACI Band 4	£240	£360
IDACI Band 5	£240	£360
IDACI Band 6	£240	£360
3. Prior Attainment per eligible Pupil	£284	£1,125
4. Looked After Children	Not used	Not used
5. English as an Additional Language	£345	£345
6. Pupil Mobility	Not used	Not used
7. Sparsity	Not used	£100,000
8. Lump Sum per School	£126,400	£126,400
9. Split Sites	Not used	Not used
10. Rates - actual cost to school	Actual cost	Actual cost
11. Private Finance Initiative	Not applicable	Not applicable
12. London Fringe	Not applicable	Not applicable
13. Post 16	Not used	Not used
14. Exceptional Premises	Actual cost	Actual cost

- 6.5 Bearing in mind that the funding received per block is not ring fenced, the options for the schools block headroom are as follows:
- (a) No increase to funding rates – all headroom (£607k) transferred to the high needs block.
 - (b) Allocate all the headroom through the AWPU. This would increase the per pupil rate by £32.
 - (c) Allocate all the headroom through the deprivation factor. This would increase the Free School Meal rate by £227 per eligible pupil.
 - (d) Allocate £200k through the AWPU, and/or £406k through the prior attainment and deprivation factors. This would increase the per pupil rate by £10, primary prior attainment rate by £25, Secondary prior attainment rate by £41 and Free School Meal rate by £100.
 - (e) Reduce the AWPU rate by £10 and allocate the resultant headroom (£773k) to the high needs block.
 - (f) Reduce the lump sum by £5,000 and allocate the resultant headroom (£848k) to the high needs block.

6.6 Appendix B shows the impact of each option on individual schools.

6.7 In order to help balance the high needs block budget, it is recommended that the lump sum to all schools be reduced by £5,000. This will contribute £848k to this block. This is not a permanent change and will be reviewed again for 2017/18, alongside any other changes following the Government's consultation on school funding for 2017/18. Appendix C details the proposed formula for this option.

6.8 It should be noted that where schools are already in receipt of minimum funding guarantee, for many this reduction will not impact on them (as shown in Appendix B). The main impact is schools who are gaining funding (through increases in pupil numbers) will not gain as much.

7. Appendices

Appendix A – School Formula – Base Formula Impact

Appendix B – School Formula - Impact of Each Option

Appendix C – Recommended Formula for 2016/17 (EFA Pro forma)

8. Heads Funding Group Recommendation

8.1 The group unanimously agreed the recommendation of reducing the lump sum to all schools by £5,000 in order to help meet the growing demands in the High Needs budget.