

Agenda Item 4

Schools Forum Report: 16th March 2015

Introduction:

This report updates the Forum on the final DSG School Budget Allocations for 2015/16. This includes the Notional Schools Block, High Needs and Early Year Budgets. This report identifies the deviations from the submitted LBHF's School Block Calculation that was approved by the forum on 19th January 2015. It also confirms the financial pressure placed on the High Needs Block as advised in the January forum paper. The final allocations for each block are treated separately in this report.

Final Schools Block Funding - This is still currently approved by EFA at £101.557m as set out in Table 1 and is based on a per pupil amount of £6,240.96 multiplied by the numbers of pupils in the October 2014 census. The funding is made up of two elements:

1. £85.78m for LBHF Schools and Recoupment academies and
2. £15.78m for Non Recoupment academies.

Table 1 Notional Schools Block Funding Final

	DSG Funding currently approved by EFA	Funding to Schools expected following additional allocations for planned growth	Additional DSG Funding Pending final approval by EFA in March 2015
Schools and Recoupment Academies Budgets		80,496,829	
De-delegation		965,090	
Other Centrally Retained Budgets and General Fung	85,781,995	4,320,076	0
Non Recoupment Academies	15,775,000	17,326,223	-1,551,223
Total Funding to Schools	101,556,995	103,108,218	-1,551,223

The forum were informed in the January meeting of the challenges and likely financial implications of the growing numbers in the non-recoupment academies (NRA), when the advice that was in play from the EFA, was that this funding risk was not being addressed. At the time we identified potential risks of £834k in 2015/16 for these growing schools and Forum members also identified additional pressures linked to this approach.

Following representations, the EFA have now come back and asked that the model be resubmitted with planned growth in the affected NRA's as they will accept the risk of the additional funding for the NRA's as long as they are based on 7/12th of the expected growth for the 2015/16 academic year. Table 1 below shows that an additional £1.55m is expected in the LBHF DSG to fund this and ensure it is cost neutral to the local authority.

Table 2 shows a breakdown of the changes to the NRA funding submitted to the EFA for planned growth and includes the additional funding requested for growth in Non Recoupment Academies and Free Schools.

Table 2 - Final NRA Funding Adjusted Numbers as Requested by the EFA to ensure Compliance to Funding Regulations					
		Original Funded Numbers	Funding Approved at the January Forum	Final Funded Numbers as Requested by the EFA based on 7/12th of the 2015/16 planned pupil growth numbers	Funding Approved by the EFA After Submission of the Final Funding Model
Ark Conway		122	668,194	157	830,948
West London Free Primary School		120	601,721	155	741,409
Earls Court Free Primary School		30	221,773	48	291,808
West London Free School		85	3,230,236	545	3,691,534
The Fulham Boys School		75	549,277	145	968,601
Burlington Danes Academy		875	6,688,973	875	6,688,973
Hammersmith Academy		481	3,603,138	551	4,112,950
Unallocated funding to NRA			211,688		
		1,788	15,775,000	2,476	17,326,223
Difference					-1,551,223

There are no other changes to the Notional Schools Block funding for 2015/16. The final funding pro-forma is shown on Appendix 1.

Deployment of the 2015/16 High Needs Block:- The forum approved maintaining the top up rates at the 2014/15 levels to enable much clearer comparisons to be made and to reflect that there are minimum funding levels that the Special Schools / AP can work with to continue to provide the high quality support that needed. The forum agreed this and all the rates for the Specialist provisions were maintained at 2014/15 rates with the exception of Woodlane Special School where it has been increased from £7,796 to £9,500 to reflect and ensure the cost of the Medical Needs Unit is affordable.

The provisional funding for the High Needs Block is £18.622m and as stated in the January papers, this area is of particular risk both now and going forward, because the volumes of

children with Special Needs continues to increase and the additional stay on ages plus the extension to 24 years adding significant financial challenges. As there is no expectation that there will be any more funding received by the EFA, the expectation is that £1m needs to be transferred from the DSG balances to meet all the commitments in 2015/16.

1. Appendix 2 shows details of the 2015/16 funding to Specialist provisions in 2015/16. This shows a total of £14.821m of which £12.72m will be paid from the LBHF DSG while £2.09m will be paid by the home local authorities of non-resident pupils.
2. Table 3 below shows the breakdown of the deployment of the High Needs Block.

Table 3 - Deployment of the High Needs Block 2015/16		
HNB 201415 - Schools Forum		
High Needs Block - Pre 16		-18,622,000
Expenditure		
Base Funding in Specialist Provisions maintained by LBHF		6,194,000
Top Up funding for in borough residents in LBHF Specialist Provisions		6,528,215
SEN pre 16 in LBHF mainstream settings and academies		2,093,441
Top Up for Post 16		422,891
Cost of LBHF residents attending specialist and mainstream provisions outside the borough		935,376
Projected costs of Independent High Needs		1,657,495
DSG GF to the HNB		1,401,000
Top Up Academies and Free Schools		305,581
Total Expenditure		19,537,999
Drawdown from Reserves		-1,000,000
Unallocated Balance		84,001
Balance		-0

Deployment of the 2015/16 Early Years Block:- Table 4 shows the deployment of the Early Years block, there has not been any change to the funding rates for this block as stated in the January forum report. It is worth mentioning again that the Hammersmith and Fulham Early Years funding to schools is based on the January 2015 census and not adjusted termly, however a small contingency is held centrally for any significant differences in funding to any schools affected by this methodology.

Table 4 - Deployment of the 2015/16 Early Year's Block				
Provisional Funding				- 11,576,006
Nursery Schools			3,121,278	
Nursery Classes			4,122,193	
General Fund Recharges			450,400	
3/4 Year Olds PVI			3,430,977	
Contingency			183,158	
EY Pupil Premium			268,000	
				11,576,006
Balance				0

Appendices 1 – 4 show details of the School Block Funding for 2015/16.

Can Forum confirm approval for the Schools Budget for 2015/16?

Pupil Premium 2015/16

In the 2015/16 financial year, schools will receive the following funding for each child registered as eligible for free school meals at any point in the last 6 years:

1. £1,320 for pupils in reception to year 6
2. £935 for pupils in year 7 to year 11.

Schools will also receive £1900 for each pupil who has left the local authority care because of one of the following:

- Adoption
- A special guardianship order
- A child arrangement order
- A residence order.

If a pupil has been registered as eligible for free school meals and has also left local authority care for any reason above, they will attract the £1,900 rate.

The final allocations will not be available until June/ July 2015 and so provisional allocations have been calculated using 2014 final numbers with the 2015 rates. The provisional allocations will be used to calculate the first quarter's payment and adjustments will be made in quarter 2 to reflect the final allocations. Appendix 5 shows details of the Provisional PPG for 2015/16.

Early Years Pupil Premium

This is additional funding for early years settings to improve the education they provide to disadvantaged 3 and 4 year olds. 3 and 4 year olds in state-funded education will attract EYPP funding if they meet at least 1 of the following criteria:

- Their family gets 1 of the following:
 - Income support
 - Income based job seeker's allowance
 - Income related employment and support allowance
 - Support under part V1 of the immigration and asylum act 1999
 - The guaranteed element of state pension credit
 - Child tax credit provided they are not entitled to working tax credit and have an annual gross income of more than £16,190
 - Universal credit
- Have been in local authority care for 1 day or more in England or Wales
- Have been adopted from care in England or Wales
- They have left care under a special guardianship order residence order in England or Wales.

In 2015/16, the initial funding for each local authority will be based on an estimate of how many children will take up their entitlement. The estimate is based on the number of 3/ 4 year olds and older children taking up their entitlement in your area.

In Hammersmith and Fulham the allocations are:

1. 886 pupils using the FSM Proxy (PTE)
2. 929 (headcount) EYPP eligible pupils and
3. £267,707 allocations

The breakdown in the allocations should be available very soon and will be confirmed at the next forum.

Future Developments

Currently many schools are approaching the Local Authority for financial support for roll turbulence, given the financial pressures on both the DSG and the High Needs funding blocks that this is being supported via contingency. Forum may wish to consider applying to EFA for the 2016/17 funding stream for a roll contingency trigger to be re-instated into the funding formula.

The High Needs review will be ongoing through 2015/16 and the ultimate changes that are applied nationally will have a local impact.

There is also the ongoing development of the local offer for High Needs and the implementation of both a contingency to ensure that the most disadvantaged schools and pupils are protected and the strategy to allocate future funding given the increased thresholds of the Education Health Careplan.

