

Agenda Item

Schools Forum Report: 21st March 2016

Introduction:

This report updates the forum on the final Dedicated Schools Grant (DSG) School Budget Allocations for 2016-17. This includes the Notional Schools Block, High Needs Block and Early Years block. The report also provides detailed analysis of the year on year changes in the individual schools blocks funding due to changes in pupils numbers and or changes in the Income deprivation affecting children index (IDACI).

The Education Funding Agency (EFA) stated that “until this year, IDACI was a source of stability in local funding formulas. However, between 2010 and 2015, the level of deprivation (as defined by the IDACI dataset) in many areas has changed significantly. This meant local authorities then saw big differences in their school- level IDACI when a new IDACI dataset was released in December 2015” The analysis has shown that while the change in IDACI has led to reduction in funding in a number of schools, other factors such as the Basic per pupil funding and the Ever 6 FSM factor also contributed to reduction in funding in a lot of cases.

This is an opportunity for the forum to have another look at its funding formula in advance of the proposed move to a school level (hard) national funding formula from 2019-20. The EFA is consulting on the use of the hard national funding formula to determine local authorities’ school block allocations in 2017-18 and 2018-19 which will still be set locally. The consultation is open until 17th April 2016 and is happening alongside another exercise where local authorities have been asked to re-baseline their DSG blocks to reflect current practices.

The EFA will ring-fence the schools block from 2017-18 onwards so that all schools block funding goes to schools. They will also introduce a new “central schools block” so the Dedicated Schools Grant will have four blocks in total (schools, central schools, high needs and early years). Alongside these changes, the pupil premium will remain a separate grant.

The report also looks at the provisional pupil premium funding which will be confirmed in June 2016

2016-17 DSG Allocation

The table below shows the breakdown of the £132.354m DSG allocation to Hammersmith and Fulham in 2016-17.

Table 1 - DSG Allocation 2016-17				
	Pupil Numbers	Rate		Allocation £m
Notional Schools Block	16.248	6350.96		103.190
High Needs Block				16.563
Early Years				
3 and 4 year olds	1805	6285.7	11.346	
2 year Olds	167	5766.5	0.963	
Early Years Pupil Premium			0.268	
				12.577
NQT				0.024
Total Allocation				132.354

Detailed analysis of the funding deployed to schools is set out in 2 appendices as stated below:

1. Appendix 1 sets out details of each Schools funding broken down into the 3 blocks (notional schools, early years and high needs and early years) The total funding deployed to schools in 2016-17 is currently set at £121.8m
2. Appendix 2 provides an analysis of the year on year change in each schools funding per block. This shows that the funding deployed to schools in 2016-17 is £1.1m more than the funding deployed in 2015-16.

Each block will be treated separately in this report.

Deployment of the Notional Schools Block

Table 2 sets out the deployment of the £103.19m Notional Schools Block funding.

DSG Income			-103,190,000
Individual Schools Funding	98,101,846		
Growth Funding	188,836		
			98,290,682
Amount Available for De-delegation and Other Central Services			-4,899,318
De-delegated Services			
PIF for Underperforming Minorities, Behaviour Support	223,800		
Contribution to SIMS Licences	44,769		
Trade Union Cost	149,000		
Contingency and support for Schools In Financial Difficulties	241,288		
Maternity	240,000		
			898,857
Available For Central Retained School Services			-4,000,461
Planned Maintenance For Schools	1,435,200		
PCT / NHS	180,000		
General Fund Services	2,750,900		
			4,366,100
Shortfall			365,639

£98.1m from this block is deployed directly to schools while £188k held centrally to fund 4 schools that have taken on bulge classes in 2016-17. As stated earlier on in the report detailed analysis has been done to determine the impact of the change in the IDACI dataset of December 2015. Appendices 3 to 8 shows details of these as stated below:

1. Appendix 3 shows the year on year change in the Basic Per Pupil Funding for each school
2. Appendix 4 shows the year on year change in Ever 6 FSM funding for each school
3. Appendix 5 shows the year on year change in IDACI funding for each school
4. Appendix 6 shows the year on year change in EAL3 funding for each school
5. Appendix 7 shows the year on year change in Low Prior Attainment funding for each school
6. Appendix 8 shows an analysis of the year on year change in the Notional schools block funding for each school.
7. Appendix 9 Compares the per pupil funding in 2016-17 to 2015-16 showing that almost all schools had an increase in pupil funding in 2016-17.

The analysis shows that although most of the change in the Notional schools block funding in 2016-17 was due to IDACI changes in pupil numbers, FSM and also EAL numbers were also contributory factors.

Apart from the changes in data mentioned above another issue which had an adverse impact on the overall Notional Schools block was the growth funding which had to be paid to Non Recoupment academies (NRA's). In 2015-16 £1.551m was added to the DSG to fund growth but there was no additional funds in 2016-17 earmarked for this. Queries made to the EFA confirmed that the APT would not be accepted without the inclusion of growth to the eligible NRA'S.

Table 3 shows the analysis the impact on the Schools Block Unit Funding with the addition of NRA funding, while Table A shows the implications on the 2016-17 Schools block funding which is an additional cost of £748k.

Table 3 - Impact of the addition of Non Recoupment Academies to the DSG			
	2015/16 Schools Block Unit Funding	2015/16 Schools Block Pupil Count	2015/16 Schools Block Funding
Schools Block	6240.96	13745	85,781,995
NRA including £1.551m growth funding added		2475	17,230,577
Total Schools block + NRA Funding		16220	103,012,572
New Schools Block Unit Funding for Schools Block plus NRA	6,350.96		
2016-17 Funding	6,350.96	16248	103,190,399

Table 4 - Funding to NRA's in 2016-17				
			Funding With Growth	
Ark Conway	149	798,146	166.5	874,493
West London Free Primary School	179	829,613	217	972,275
Earls Court Free School	60	347,903	77.5	414,249
West London Free School	592	4,009,639	592	4,009,639
The Fulham Boys School	216	1,529,248	286	1,992,430
Burlington Danes Academy	935	7,035,174	935	7,035,174
Hammersmith Academy	608	4,522,709	608	4,522,709
Total	2739	19,072,432	2,882	19,820,969
Growth in Pupil Numbers to NRA's			143	
Additional Funding to NRA's				748,537

The amount available for de-delegated services and centrally retained schools block services is £4.9m. De-delegation refers to services previously held centrally prior to 2013 where the regulations now stipulates that the funding should now be delegated to schools so they buy it back from the local authority or de-delegate the funds back to the local authority to provide the services to schools. The forum approved the de-delegation of the DSG for these services back to the local authority in 2013. There has been a significant reduction of these funds from £1.2m in 2013-14 to 898k in 2016-17 due to the conversion of schools (mostly secondary schools) to academy status. This has resulted in fewer funds available for central services and led to a shortfall of £365k in 2016-17. The assumption made by the government when this change was introduced in 2013-14 was that academies will be paid the funds and they will buy these services from the local authority, this has not happened at yet.

Tables 5 and 6 shows details of de-delegated services and the amount delegated per school.

Tables 5 De-delegated Rates Per Service 2016/17				
	Primary		Secondary	
	Rate	Numbers	Rate	Number
		7,998		660
Contingency	£28.94	231,462	£48.26	31,852
FSM Eligibility	£4.38	35,031	£7.30	4,818
Licences and Subscriptions	£4.92	39,350	£8.21	5,419
Staff Costs (Maternity and Trade Union)	£39.53	316,161	£65.92	43,507
Support for Underperforming Ethnic Minorities	£17.43	139,405	£29.07	19,186
Behaviour Support	£3.59	28,713	£5.99	3,953
Total	£98.79	790,122	£164.75	108,735

Table 6 - Amounts De-delegated per School

School	Pupil Numbers	Amount De-delegated
ADDISON PRIMARY SCHOOL	379	37,441
AVONMORE PRIMARY SCHOOL	198	19,560
BRACKENBURY PRIMARY SCHOOL	452	44,653
Miles Coverdale Primary School	216	21,339
Flora Gardens School	190	18,770
FULHAM PRIMARY SCHOOL	296	29,242
Kenmont Primary School	207	20,450
Melcombe Primary School	354	34,972
OLD OAK PRIMARY SCHOOL	327	32,304
QUEEN'S MANOR PRIMARY SCHOOL	199	19,659
Sir John Lillie	325	32,107
SULIVAN PRIMARY SCHOOL	257	25,389
WENDELL PARK PRIMARY SCHOOL	383	37,837
WORMHOLT PARK SCHOOL	411	40,603
ALL SAINTS C.E. PRIMARY SCHOOL	205	20,252
HOLY CROSS RC PRIMARY	456	45,048
John Betts Primary School	238	23,512
ST AUGUSTINE'S PRIMARY SCHOOL	210	20,746
S. Johns Walham Green CE	353	34,873
ST MARY'S PRIMARY SCHOOL	201	19,857
St Paul's CE Primary School	206	20,351
St Peters C .E. Primary School	205	20,252
St. Stephen's CE JMI	317	31,316
The Good Shepherd	229	22,623
St John XXIII Catholic Primary School	257	25,389
St Thomas of Canterbury Catholic Primary School	343	33,885
Larmenier and Sacred Heart	420	41,492
NORMAND CROFT COMMUNITY SCHOOL	164	16,202
Phoenix High School	660	108,735
Total De-delegation 2016/17	8,658	898,857

Deployment of the High Needs Block

The High Needs block of £19.03m is the single block for local authorities high needs pupils / students 0 – 25. This funding is of particular risk both now and going forward, where the volume of children with Special Needs continues to increase and additional stay on ages plus extension to 25 years has added significant financial challenges, where the necessary resources are not available. This block includes places for pre and post 16 pupils in maintained schools, maintained special schools, Pupil Referral Units (PRU's) academies, special academies, non-maintained special schools, alternative provision academies (AP) and AP free schools.

Table 7 below shows details of the deployment of the High Needs Block in 2016-17

Table 7 - High Needs Block		
DSG Funding		-19,033,000
Recoupment		2,469,000
Net HNB DSG Funding to LA		-16,564,000
Special Schools Delegated	4,530,000	
High Needs: Targeted Primary	1,050,000	
High Needs: Targeted Secondary	18,000	
Belongings Regulations	292,999	
Top-Up Funding – Maintained	5,333,650	
Top-Up Funding – Academies, Free Schools and colleges	561,014	
Top-Up Funding – Independent	1,393,932	
Top-Up Funding – Other Local Authority	883,074	
TBAP - Funding	2,524,200	
Hospital Education	300,000	
Special Central Management	1,401,000	
SEN Commissioning - SALT	114,000	
Total Expenditure		18,401,869
Projected Shortfall		1,837,869

This shows, as in the current year that the expenditure far exceeds the funding with a projected shortfall of £1.8m in 2016-17, even though there has not been any change in the rates used in 2015-16.

Appendix 10 shows details of the place and top up funding deployment to the specialist provisions while Appendix 11 shows details of the top up rates used for Learning and Individual Support Teachers.

Deployment of the Early Years Block

The Early Years block comprises funding for the free entitlement for three and four year olds in Nursery Schools, classes and the Private and Voluntary Sector, it includes funding for two year olds and an Early Years Pupil Premium. The rates used to determine each schools allocation is the same as the current year, and Tables 8 – 10 below shows details of these rates.

Table 8 - Summary Nursery School Funding 2016/17						
	Base Funding			Deprivation Funding		
	Full Time (£9.06 per hour)	Part Time (£7.00 per hour)	Management Supplement based on Historic Funding Approved by Forum	Full Time (£1.12 per hour)	Part Time (£1.12 per hour)	Total Funding
Number	255	55		255	55	
Annual Funding Rate	8,606	3,990	390,129	1,062	637	
Total Funding	2,194,530	219,450	390,129	270,810	35,035	3,109,954

Table 9 - Summary Nursery Classes Funding 2016/17				
	Full Time (£4.04 per hour)	Part Time (£4.80 per hour)	Management Supplement based on Historic Funding Approved by Forum	Total Funding
Number	930	139		
Annual Funding Rate	3,840	2,739	100,000	
Total Funding	3,569,319	380,721	100,000	4,050,040

Table 10- Private and Voluntary Sector 2016/17 Projected Numbers			
	Number	Annual Rate	Total
Base Funding (£3.57 per hour)	1,321	2,035	2,688,103
Deprivation Funding (£1.00 per hour)	1,303	570	742,873
Total			3,430,976

The two year old funding rate is £6.90 per hour.

Table 11 shows the deployment of the Early Years block in 2016-17 and this shows that the projected spend will be contained within the allocated funding.

Table 11- Early Years Block			
DSG Funding			-12,577,000
Nursery School Base Funding (3 and 4 year olds)	2,413,980		
Nursery School Management Supplement (3 and 4 year olds)	390,129		
Nursery School Deprivation Funding (3 and 4 year olds)	305,845		
Nursery Classes - Base Funding (3 and 4 year olds)	3,950,040		
Nursery Classes - Management Supplement (3 and 4 year olds)	100,000		
Private and Voluntary Settings (3 and 4 year olds)	3,430,977		
2 year old spend	963,000		
Early Years Pupil Premium	268,000		
Early Years Contingency for 3 and 4 year old funding gaps	304,629		
Contribution to General Fund	450,400		
Total Expenditure		12,577,000	
Balance			0

Included in the projected spend for 2016-17 is £304k contingency for any increases in 3 and 4 year old funding for all settings (Nursery schools, classes and the PVI) required as a result of increase in participation.

In summary it shows that the projected shortfall for the DSG is £2.2m in 2016-17.

Does the forum approve the 2016-17 School budget?

2016-17 Pupil Premium Grant Allocation

The Secretary of State for Education lays down the following terms and conditions on which assistance is given in relation to Pupil Premium Grant (PPG) payable to schools and local authorities for the financial year beginning 1 April 2016. PPG provides two funding policies:

1. Raising attainment of disadvantaged pupils of all abilities to reach their potential
2. Supporting children and young people with parents in regular armed forces.

Rates for eligible pupils

The PPG per pupil for 2016-17 is as follows:

Disadvantaged pupils	Pupil premium per pupil
Pupils in year groups reception to year 6 recorded as Ever 6 FSM	£1,320
Pupils in years 7 to 11 recorded as Ever 6 FSM	£935
Looked-after children (LAC) defined in the Children Act 1989 as one who is in the care of, or provided with accommodation by, an English local authority	£1,900
Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, a child arrangements order or a residence order	£1,900
Service children	Pupil premium per pupil
Pupils in year groups reception to year 11 recorded as Ever 6 Service Child or in receipt of a child pension from the Ministry of Defence	£300

Appendix 12 shows details of the provisional PPG allocation to maintained schools, the final allocation will be confirmed in June 2016.