

## Schools Budget 2016/17

Report of Cllr Mark Versallion, Executive Member for Education and Skills,  
([mark.versallion@centralbedfordshire.gov.uk](mailto:mark.versallion@centralbedfordshire.gov.uk))

Advising Officers: Sue Harrison, Director of Children's Services,  
([sue.harrison@centralbedfordshire.gov.uk](mailto:sue.harrison@centralbedfordshire.gov.uk)) and Helen Redding, Assistant  
Director School Improvement, [helen.redding@centralbedfordshire.gov.uk](mailto:helen.redding@centralbedfordshire.gov.uk), Tel:  
0300 300 6057

### This report relates to a non Key Decision

---

#### Purpose of this report

1. This report sets out the proposed distribution of the Dedicated Schools Grant (DSG) Schools Block for 2016/2017. Executive ratification is required by the 29 February with regard to the submission of the Authority Proforma Tool (APT) to the Education Funding Agency on 21 January 2016.

#### RECOMMENDATIONS

The Executive is asked to:

1. **Note the distribution of the DSG (Schools Block) for 2016/17.**
2. **Ratify the final proforma submitted to the Education Funding Agency (EFA).**
3. **Approve delegated responsibility for ratification of the final proforma in future years to the Director of Children's Services and the Chief Finance Officer in consultation with the Executive Member for Education and Skills and the Executive Member for Resources.**

#### Overview and Scrutiny Comments/Recommendations

1. This report is due to be considered at Overview and Scrutiny on 28 January.

#### Background

2. Since the beginning of the financial year 2006/07 local authorities have received allocations of Dedicated Schools Grant (DSG) to finance the Schools Budget in each authority. The DSG is a specific ring-fenced grant based on historical spending levels. This does not include Post 16 Education which is calculated separately by the EFA and passported to schools.

3. Department for Education (DfE) consultations have taken place since 2013/14 to address the inconsistencies in the allocation of DSG to local authorities.
4. This led to Central Bedfordshire receiving a **one off** additional allocation of £5.3m in 2015/2016, which is now in the base budget.
5. The DfE has made it clear that local authorities would not be obliged to use all Minimum Funding Levels (MFL) used to calculate the additional base funding in their local formula. It remains for the local authority, working with its Schools Forum, to decide how best to design its local formula. There have been no changes proposed for 2016/17 and so there was no further requirement for consultation in 2015.
6. Local Authorities have the same freedom to set a local formula for their schools in 2016/2017 as they did in 2015/2016. Individual schools should not expect that their funding will necessarily be at or above the MFL.
7. The timetable for issuing budgets to schools has been brought forward from previous years and may continue to be brought forward in future years. The timetable is therefore getting tighter each year.

### **Funding Arrangements for 2016/17**

8. The DSG for 2016/17 continues to be split into 3 notional blocks: Schools Block; Early Years Block; and High Needs Block. Authorities continue to be free to move funding between the blocks provided that they comply with the requirements of the Minimum Funding Guarantee (MFG) and central expenditure. The entire Schools Block must be delegated to Schools with a few exceptions.
9. The Schools Block is calculated based on a per pupil unit of funding multiplied by the number of pupils as reported on the Schools October 2015 census. This is in line with what was agreed by Schools Forum in 2014 for 2015/16 following consultation with schools.
10. The DfE have updated the 2016/17 dataset to use the October 2015 census data. The most significant change is the use of the recently published 2015 Income Deprivation Affecting Children Index (IDACI) values. As it is 5 years since the dataset was last updated, there will be a significant degree of movement of pupils between bands at an individual school level. Using the updated IDACI data indicates that there will be winners and losers resulting in a reduction of total Social Deprivation allocated to all schools by £303k. The £303k will be redistributed partly to fund any increase on MFG and the remaining balance will be allocated through an increase in the Age Weighted Pupil Unit (AWPU).

11. The final settlement of DSG from the Department for Education was received on 17 December 2015.
12. The Schools Block is calculated based on the schools block unit of funding (SBUF) as published in July 2015. The 2016/17 SBUF have been adjusted to incorporate the funding added for the former Non-Recoupment Academies (NRAs). It means that in 2016/17 the LAs will receive funding for NRAs within their schools block allocation on the same basis as other mainstreamed maintained schools and academies, i.e. by multiplying their SBUF by the schools block pupil count.
13. For Central Bedfordshire the 2016/17 SBUF is £4,294.39, an increase of £5.30 for the former NRA (UTC). Central Bedfordshire's pupil numbers based on October 2015 census data has increased by 777 pupils to 36,643.
14. The table below provides a summary of the implementation timetable for the 2016/17 Funding Arrangements.

When	Activity
30 September 2015	Deadline for applications exclusion/variations to pupil numbers
30 October 2015	Councils submit provisional pro-forma to Education Funding Agency.
17 December 2015	DfE confirms DSG Schools Block for 2016/17
31 December 2015	Deadline for submitting final applications for exclusion/variations to pupil numbers
21 January 2016	Deadline for submitting final pro-forma to Education Funding Agency (Appendix A)
9 February 2016	Seek approval from Executive for the 2016/17 funding distribution (required by 29 February 2016)
29 February 2016	Regulation deadline for confirmation of schools budget share to maintained schools
February 2016	LA issues Individual School Budgets in line with regulations.

### **Protections and limits to gains**

15. The pre-16 Minimum Funding Guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2016/17. This applies to pupils in age ranges 5-16 and therefore excludes funding for early years children and pupils over 16.
16. The only factors which are automatically excluded from the MFG are:
  - Post 16 funding (sixth form factor)
  - The lump sum

- Sparsity factor
- Rates

17. As there could be significant amounts of protection required as a continuing result of the formula simplification, the Education Funding Agency (EFA) will again allow overall gains for individual schools to be capped as well as scaled back to make it affordable to run the formula. Capping must be applied on the same basis to all schools, so cannot be differentiated by phase. It is applied by the EFA to academy budgets on the same basis as for maintained schools.

**Reason for decision:**

18. To enable schools budgets to be issued by the required date of 29 February 2016

**Reason for urgency**

19. The Authority Pro-forma Tool is being completed following receipt of final DSG settlement on 17 December 2015, and must be submitted by 21 January 2016, with political ratification by 29 February 2016.

**Council Priorities**

20. This report supports the Council Priority of 'Improving Education and Skills' by ensuring that schools receive appropriate distribution of budget to support improving educational outcomes.

**Corporate Implications**

21. None.

**Legal Implications**

22. As an authority we want to ensure compliance with all timescales laid down in this area. A delegation would assist with this.

23. The Council may however be at greater risk of challenge due to the perception of reduced transparency. This can be mitigated by ensuring that all the checks and balances within the constitution for exercising such a delegation are adhered to, including those relating to key decisions if relevant.

**Financial and Risk Implications**

24. This paper relates to the distribution of the Dedicated Schools Grant – Schools’ Block, which is a ring-fenced grant, and the Council’s distribution of this to schools.

### **Equalities Implications**

25. Public Authorities must ensure that decisions are made in a way which minimises unfairness, and without a disproportionately negative effect on people in relation to 9 protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
26. It is important that Councillors are aware of this duty before they take a decision.
27. The Schools Funding Formula takes account of deprivation indices to ensure that support is targeted at the most vulnerable groups. The High Needs Block supports those pupils who have identified additional special educational needs (SEN). Schools additionally receive Pupil Premium funding which enables them to support pupils in receipt of Free School Meals, children who are ‘Looked After’ and children from Service Families.

### **Conclusion and next Steps**

28. There are no significant changes from the distribution of schools budgets in 2015/16. Subject to Executive approval, schools’ budgets will be calculated accordingly and budgets issued by the deadline of 29 February 2016.
29. Given that the DSG Allocation is not received by the Local Authority until late in December, it is recommended that in future years ratification of the final proforma is agreed by the Executive to be delegated to the Director of Children’s Services and the Chief Finance Officer in consultation with the Executive Member for Education and Skills and the Executive Member for Resources. A report can be provided to the Executive for noting if required in future years.

### **Appendices**

30. The following Appendix is attached:

Appendix A: Draft Authority Proforma Tool (APT)