

Schools Forum

18th October 2016

Update on Funding Announcements from Department for Education

Introduction

1. The purpose of this paper is to update on School Funding announcements and related information from the DfE since the last meeting.

Detail

2. Education Secretary Justine Greening made a statement on 21st July. The government has reiterated its commitment to introducing fairer funding for schools, high needs and early years. They say the reform will fairly and transparently allocate funding on the basis of schools' and children's actual needs, rather than simply on historic levels of funding tied to out of date local information. The pupil premium is to continue for pupils from disadvantaged backgrounds, in a fairer funding system they say will set a common foundation that will enable schools - no longer held back by a funding system that is arbitrary, out of date and unfair - to maximise the potential of every child. It will provide a crucial underpinning for the education system to act as a motor for social mobility and social justice.
3. Colleagues will recall that the first stage consultations on national funding formula for schools and high needs, were published in March. The government is to publish its full response to the first stage of the schools and high needs consultations and proposals for the second stage once Parliament returns in the autumn. They plan to run a full consultation, and make final decisions early in the new year. The new national system will therefore be delayed and is to apply from 2018/19.
4. In 2017/18 no local authority will see a reduction from their 2016/17 (rebased) funding on the schools block of the dedicated schools grant (per pupil funding) or the high needs block (cash amount). An uplift for high needs funding will be applied later in the year but they are not yet able to confirm how this uplift will be distributed. Local authorities should not therefore assume that it will be allocated on the basis of population as in previous years, or that all local authorities will receive this additional funding. Final allocations for schools and high needs blocks will follow in December on the basis of pupil numbers recorded in the October census.
5. Also for 2017/18, the Government will retain the current minimum funding guarantee for schools, so that no school will face a funding reduction of more than 1.5% per pupil next year in what it receives through the local authority funding formula.

6. The Government is not to proceed with proposals to create a new central schools block, allow local flexibility on the minimum funding guarantee or to ring-fence the schools block within the dedicated schools grant in 2017/18. Instead, these will be covered, for 2018/19 and beyond, in their response to the first stage consultation in the autumn.
7. The funding arrangements for 2017 to 2018 are broadly similar to last year. The main changes set out in the operation guide for 2017/18 include:
 - a. funding for Local Authority Education Services Grant (ESG) retained duties (£15 per pupil) will be transferred into the schools block for 2017/18
 - b. that local authorities will be able to retain funding from the Dedicated Schools Grant from maintained schools, including pupil referral units (PRUs), for statutory duties previously covered by the ESG.
 - c. using a national weighting for secondary low attainment figures. This is because the 2016 KS2 assessments were the first to be assessed against the new national curriculum. It was found for the funding arrangements that, at a national level, there was a higher number of the year 7 cohort identified as having low prior attainment. The national weighting has been applied to ensure that Year 7 cohort does not have a disproportionate influence within the overall total funding provided for this factor.
 - d. that local authorities will submit one authority proforma tool (APT) in January 2017
 - e. The DfE are consulting on changes to the arrangements for free school recoupmnt. Ie. on a proposal to make mainstream free schools 'recoupable' from the first year they open.
8. As far as High Needs is concerned the following are changes for 2017/18 are:-
 - a. £125 million will be transferred from the DfE's post-16 budget to the high needs block baseline. This is a transfer of place funding for high needs places in FE colleges and post-16 charitable and commercial providers (CCPs). These institutions currently receive £6,000 per place from the EFA as part of their post-16 allocation. From 2017/18 all of these places will be funded from the initial high needs block allocations to local authorities. Deductions will then be made to fund institutions directly, as a result of information collected from local authorities, before the high needs block allocations are finalised in March 2017. The EFA will continue to pay this place funding direct to the institution.
 - b. From 1 September 2016, learning difficulty assessments (LDAs) ceased to have legal effect. Young people aged 19 to 25 are only eligible for high needs funding (place funding and top up funding) or other EFA funding where the young person has an EHC plan in place.
9. The Appendix shows the indicative rebased DSG allocations received for 2017/18 from the EFA, these allocations will be updated in December following the October census.

10. The Government issued its proposals for a national funding formula for early years as part of a six week consultation in August and this is covered in a separate paper also on today's agenda.

Recommendations

11. That Schools Forum is asked to note the paper.

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Stockton Baselines 2016/17 and EFA proposed Baseline 2017/18

Block	2016/17 £m	2017/18 £m	Variance £m	Comment
Schools	114.51	114.95	0.44	ESG Retained Duties transfer
Growth	0.65	0.65	0	
Central	0.38	0.38	0	
High Needs	23.40	24.18	0.78	Post 16 transfer (130 places)
Early Years	7.32	7.32	0	
Total	146.27	147.49	1.22	

Notes

1. Figures exclude 2 year old funding and EYPP as no allocations have been provided within the draft DSG allocations for 2017/18

2 The above figures do not include proposed budgets given within the national early year's formula consultation.

3 Figures include high needs and school funding recouped at source by the EFA

4 Figures exclude any carry forward DSG from 2015/16 into 2016/17