

MEETING:	SCHOOLS FORUM
DATE:	20 JANUARY 2012
TITLE OF REPORT:	UPDATE ON SCHOOLS FUNDING SETTLEMENT FOR 2012/13
OFFICER	SCHOOLS FINANCE MANAGER

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To inform Schools Forum of the details of the Secretary of State's announcement for Dedicated Schools Grant funding for 2012/13.

Key Decision

This is not a Key Decision.

Recommendation

THAT Schools Forum notes the 2012/13 Dedicated Schools Grant funding settlement

Key Points Summary

- Same flat cash per pupil as 2011/12
- Minimum Funding Guarantee remains at -1.5%
- Pupil premium increased to £600 (and £250 for service children). Eligibility widened to cover pupils who have ever been entitled to free school meals in a six year period

Alternative Options

- 1 No alternative options

Reasons for Recommendations

- 2 To inform Schools Forum of the Secretary of State's announcement of the school funding settlement for 2012/13.

Further information on the subject of this report is available from
Malcolm Green, Schools Finance Manager (01432) 260818

Introduction and Background

3. The schools financial settlement is as expected and as planned for in our budget consultation. The Written Ministerial Statement on Education Funding is attached as an appendix. The highlights are as follows;
- No increase in Dedicated School Grant – it is to be same flat cash per pupil as 2011/12, the rate therefore remains at £4723.65 per pupil. So no increase in pupil funding for any authority
 - The Minimum Funding Guarantee (MFG) remains the same at -1.5% - as expected. The MFG protects school funding and will ensure that the maximum loss faced by any school is capped at -1.5% on a per pupil basis. Note that the MFG does not protect schools from budget reductions due to falling pupil numbers.
 - the spend on the pupil premium will double to £1.25bn. This is as expected.
 - The pupil premium is increased to £600 (up from £488) per free school meals pupil and Looked After Children and £250 for service children (up £50 from £200). The basis for payment has been widened so that it will include all pupils who have ever had free school meals within the last 6 years (Ever 6 FSM). This will widen eligibility by approx 30%.
 - Ever 6 FSM means those pupils recorded on the January 2012 School Census who were recorded as known to be eligible for Free School Meals on any of the termly censuses since Summer 2006, including the January 2012 School Census. Each pupil will be counted only once.
 - Significant reductions in capital allocations for Herefordshire.
 - For individual schools, Devolved Formula Capital will remain at similar levels to 2011/12
 - Following consultation on recovering the cost of academies from the DSG, the Secretary of State is minded to
 - not change the academy top slice arrangements for 2011/12.
 - that recoupment for 2012/13 will be set individually for each local authority based on a per pupil basis but will be capped at the level previously announced.
 - There will be new arrangements for 2013/14 to reflect the number of academies and pupils in individual authorities. More details are expected in due course.
4. Further consultation has also been promised for the schools National Funding Formula based on the results of the DfE consultation in autumn 2011. This is likely to be in the summer term 2012 however no details have yet been made available.

Schools capital funding 2012/13

5. There is a significant reduction in Herefordshire's maintained schools' capital grant from Government for 2012/13. The reductions in Capital Maintenance Grant and Devolved Formula Capital Grant reflect the reduced number of maintained Herefordshire schools as the County no longer receives these grants for schools which have converted to academy

status. Academies receive funding direct from Government. The Locally Co-ordinated Voluntary Aided (schools) Programme grant is broadly consistent with last year's allocation.

- 6 The most significant reduction is in the Basic Need Grant. This is the grant available to provide additional school places, or to improve the suitability of existing provision. The 2012/13 allocation is £807k. Herefordshire's allocation for 2011/12 was £2.154m. The Government has revised its methodology for the distribution of Basic Need Grant nationally and now takes into account a local authority's capacity to accommodate additional pupil numbers. Some areas of the country, particularly the more metropolitan areas, are experiencing severe shortages of primary school places in particular and the Government is targeting the bulk of capital at those areas. Herefordshire has more than sufficient capacity overall to accommodate demand for school places in the County. Consequently, Herefordshire will receive a much smaller proportion of the national funding pot.

Community Impact

- 5 No direct impact

Financial Implications

- 6 Final DSG 2012/13 Budget proposals will be considered by Schools Forum on 24th February 2012. .

Legal Implications

- 7 These proposals comply with the Council's legal duties.

Risk Management

- 8 The Budget Working Group reviews all budget proposals in detail prior to making recommendations to Schools Forum. This two stage process helps to ensure greater scrutiny of budget proposals.

Appendices

Written Ministerial Statement on Education Funding

Background Papers

None