

Meeting:	Schools Forum
Meeting date:	13 January 2017
Title of report:	Dedicated schools grant 2017/18 – UPDATE
Report by:	School finance manager

Background

This document sets out the final recommendations to the Schools Forum in light of the comments and recommendations of the Budget Working Group of 6 January 2017. These recommendations replace those set out in the report to agenda item 6.

It also provides updated tables to reflect the latest information available. These tables replace those in the indicated paragraphs of the report to agenda item 6.

Recommendation(s)

THAT:

The local application of the National Funding Formula for 2017/18, as set out in the consultation document and as below, be recommended to the Cabinet member for young people and children's wellbeing as follows:

- (i) the final school funding values be agreed as follows, unless amended in (ii) below:
- | | |
|---|----------|
| 1. Basic entitlement per primary pupil | £2,875 |
| 2. Basic entitlement per secondary key stage 3 pupil | £3,843 |
| 3. Basic entitlement per secondary key stage 4 pupil | £4,436 |
| 4. Deprivation per primary ever 6 free school meals pupils | £2,192 |
| 5. Deprivation per secondary ever-6 free school meals pupil | £1,419 |
| 6. Low prior attainment per primary pupil | £615 |
| 7. Low prior attainment per secondary pupil | £1,121 |
| 8. Primary lump sum | £87,000 |
| 9. Secondary lump sum | £143,000 |
| 10. Looked after children, primary and secondary | £1,300 |
| 11. Primary sparsity, on a taper basis, over two miles and less than 105 pupils | £42,000 |

12. English as additional language per primary pupil	£505
13. English as additional language per secondary pupil	£1,216
14. Private finance initiative (PFI) contract	£267,500
15. Business rates	At cost
16. Exceptional premises factore for Eastnor school	£8,460

(NB only representatives of LA maintained schools, academies and early years providers may vote on this recommendation)

- (ii) that the savings from the national business rates revaluation exercise and the Minimum Funding Guarantee be used to support the implementation of the national school funding formula by increasing the deprivation and low prior attainment values in (i) above as follows;**

1. Deprivation per primary ever 6 free school meals pupil +£40 to	£2,232
2. Deprivation per secondary ever 6 free school meals pupil +£41 to	£1,460
3. Low prior attainment per primary pupil +£95 to	£710
4. Low prior attainment per secondary pupil +£110 to	£1,231

(NB only representatives of LA maintained schools, academies and early years providers may vote on this recommendation)

- (iii) local council maintained school members of the schools forum, be asked to approve the de-delegation in 2017/18 of funding for trade union facilities (primary schools only), ethnic minority support, free school meal administration and software licence costs for the financial planning software**

(NB only representatives of LA maintained schools may vote on this recommendation)

- (iv) that the £1.1m Education Services Grant savings be achieved by:**

- 1. a £600,000 reduction in the council's corporate services and in education and commissioning services, for example:**

a. Reduction in corporate overheads	£500k
b. Reduction in education and commissioning central school improvement funds	£47k
c. Efficiency savings in council service and full cost recovery	£53k

(NB only representatives of LA maintained schools, academies and early years providers may vote on this recommendation)

2. £200,000 of school redundancies, including the early release of pension costs, for maintained schools to be:

- a. charged directly to the maintained schools that incur them; and
- b. loans from the local council be offered to help spread the redundancy cost over a five year period.

(NB only representatives of LA maintained schools may vote on this recommendation).

3. a £170,000 budget top-slice of £13.50 per pupil for maintained schools only to support effective school management and cover statutory duties carried out by the local council

<u>Service for local council maintained schools</u>	<u>£'000</u>
Governor services- support for schools	24
Monitoring national curriculum assessment	20
Internal audit	30
Strategic HR	30
Strategic finance	30
Standing Advisory Council on Religious Education (SACRE)	6
Property landlord duties	30
Exceptional redundancy costs – now ESG transitional grant	0
Total	170

(NB only representatives of LA maintained schools may vote on this recommendation).

4. a £200,000 service level agreement is introduced for all schools to cover safeguarding and pupil wellbeing at a cost of £8 per pupil

(NB only representatives of LA maintained schools, academies and early years providers may vote on this recommendation).

5. use of the one off transitional grant of £372k to:

- a. create an exceptional redundancies reserve of £210k
- b. provide school improvement funding of £50k for the summer term 2017
- c. allocate £110k to projects to be determined following further consultation with the Budget Working Group, to include option to support LA maintained schools in paying the apprenticeship levy for 2017/18. Recommendations to be brought to the Schools Forum in March 2017.

(NB only representatives of LA maintained schools, academies and early years providers may vote on this recommendation).

(v) that the retained services Education Services Grant of £360,000 be used to provide statutory services to all maintained and academy schools

(NB only representatives of LA maintained schools, academies and early years providers may vote on this recommendation).

- (vi) that the central school services block of £300,000 be used to meet the costs of national licences for schools, admissions and schools forum in accordance with Department for Education (DfE) guidance.

(NB only representatives of LA maintained schools, academies and early years providers may vote on this recommendation).

Updated paragraph 6

6. Dedicated Schools Grant 2017/18 was announced on 20 December 2016. The recommendations in this report are based on the final DSG settlement of:

a. Schools block		£'000
21,760 pupils at £4,463.11		97,120
less central schools block		300
National licences	127	
Schools forum	12	
Admissions	142	
Unallocated*	19	
less retained education services grant		360
Available for distribution to schools		96,460

*To fund overspend on schools block reference £8,460 property lease cost

b. High needs block		
Protected at 2016/17 level 1		13,970
Additional allocation for 2017/18		0,360
Less deducted at source by Education Funding Agency (EFA) for places		-2,050
High needs block available to spend		12,280
c. Provisional early years block		
Three and four year olds funding at £4.30 per hour		6,225
Part year funding (7/12 th) for the 30 hour extension		1,109
Two year old funding at £5.20 per hour		1,046
Early years pupil premium		120
Expected total DSG 2017/18		117,923

4) £200,000 SLA proposals for all schools that cover safeguarding and pupil wellbeing, including data analysis

This includes the consolidation of some existing charges e.g. the current cost of two education advisors within the Multi-Agency Safeguarding Hub (MASH) was approved by the secretary of state for education from central DSG for 2016/17 only.

The cost of the existing staff (£75,000) will be funded through an SLA with schools for 2017/18 and will incorporate MASH operational costs that previously have not been part of the costs. The work of a school improvement advisor, which is predominantly pupil wellbeing and safeguarding in all schools, will be included in the new SLA.

The MASH SLA will be approximately £10 per pupil and further details will be circulated in due course. The alternative to the SLA will be to purchase MASH services at a consultancy rate of £75 per hour, however this could undermine the collective Herefordshire schools approach to the MASH.