
TITLE OF REPORT: School Funding Announcements

Purpose of the Report

The purpose of this report is to bring to Schools Forum attention school funding announcements made by the Department for Education (DfE) and a number of documents published on 21 and 22 July.

Background

Below is a summary of the main announcements:-

- The National Funding Formula will be delayed until 2018/19
- For 2017/18 no local authority will see a reduction from their 2016/17 funding (adjusted to reflect authorities' most recent spending patterns) on the schools block of the Dedicated Schools Grant (DSG) (per pupil funding) or the high needs block (cash amount).
- The post 16 factor has been removed from the Authority Proforma Tool, (APT).
- The Looked After Children and Mobility Factors have been retained for 2017/18
- There will be a new national weighting for secondary low attainment following the introduction of the new KS2 SATS
- New bandings have been created for the 2015 Index of Deprivation Affecting Children Indices (IDACI)
- Only one APT will be submitted in January 2017
- LA's will be able to retain funding from the DSG for maintained schools, relating to statutory duties previously covered by the Education Services Grant (ESG)
- From September 2017, the ESG retained duties will be included in the DSG baseline at £15 per child (3 to 19 year olds). This is a £77 per child reduction.
- The Minimum Funding Guarantee (MFG) will be set at negative 1.5% for 2017/18
- Final allocations for schools and high needs blocks will follow in December on the basis of pupil numbers recorded in the October census.
- The proposals to create a new central schools block, allow local flexibility on the MFG or to ring-fence the schools block within the DSG will not be implemented for 2017/18.
- For 2017/18 Post 16 high needs place funding for Further Education (FE) colleges and private providers will be transferred from the DfE's budget into LA's high needs block. For 2017/18 all of these places will be funded from the LA's high needs block. The DfE will deduct the funding for these institutions from the LAs high needs block and directly fund them before the DSG it is finalised in March 2017.

The announcements on the Early Years National Funding formula were the subject of an earlier report on this agenda.

Also, in the Department for Communities and Local Government (DCLG) consultation “Self-sufficient local government: 100% Business Rates Retention (which runs from Tuesday 5 July until Monday 26 September), Section 4 “Devolution of responsibilities should be made with consideration for the medium-term financial impact on local government” includes early years as one of the proposed areas to be funded from 100% business rates retention with the following narrative;

“The grant is provided to English local authorities to fulfil their duties under sections 6, 7, 7A, 9a, 12 and 13 of the Childcare Act 2006 and under regulations that will be made pursuant to section 2(1) of the Childcare Act 2016. It is currently part of the Dedicated Schools Grant. Consideration of this grant for devolution would take place after successful delivery and establishment of the Manifesto commitment to 30 hours free childcare from September 2017.”

On Wednesday 27 July to 1 August, the DfE released a test Authority Proforma Tool (APT) to some LA’s for testing. The test APT was based on the January 2016 submission but two areas were updated, the MFG calculation using January 2016 APT data as baselines and the updated Indices of Deprivation Affecting Children IDACI bandings.

To test the APT, the funding amounts used for January 2016 were input and compared to The APT submitted in January 2016. The updated IDACI bandings have caused probably as much turbulence as the updated data set from 2010 to 2015 did. But as a point of comparison for the test APT the same amount of funding was allocated to the new IDACI factor. With this allocation, (even with the turbulence) the test APT suggests a fall of £263,412 in MFG from £598,548 to £335,136.

Proposal

It is proposed that Schools Forum notes the contents of the report detailing announced funding arrangements for 2017/18.

Recommendations

It is recommended that School Forum notes the contents of the report detailing announced funding arrangements for 2017/18

For the following reasons:

- To keep Schools Forum informed of the current schools funding announcements.

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