

14 January 2016

Item 3**TITLE OF REPORT: DSG Funding Settlement**

Purpose of the Report

To bring to Schools Forum attention the information received from the DfE for the 2016/17 funding settlement and the work being carried out to provide schools and Early Years Providers with their budgets for 2016/17.

Background

The DfE issued the 2016/17 funding settlement on the 17th of December 2015. Gateshead will receive an estimated £134.101m Dedicated Schools Grant (DSG) for 2016/17.

The DfE announced the majority of the three main funding blocks for the Dedicated Schools Grant (DSG) and provided estimates for the remaining areas.

1. The early years block - for 2 and 3 & 4 year old funding, including Early Years Pupil Premium
2. Mainstream Schools block - which includes some centrally held funding
3. High Needs Block - which includes special schools, Pru and high needs top up funding

For 2016/17 DSG the Schools Block Unit of Funding (SBUF) and Early Years Block Unit of Funding (EYBUF) have remained the same as 2015/16 and are:-

- EYBUF is £3,882.71 per full time equivalent (FTE). An early year's pupil (3 & 4 year old) taking up all their entitlement (15 hours) is 0.6 FTE.
- 2 Year old funding is a block grant based on 345 FTE deprived 2 year olds, and annual funding rate of £4,607.50 has been announced. This is the same funding rate of £4.85 per hour as 2015/16.
- The estimated pupil numbers for 2, 3 & 4 year olds have been updated for 2016/17, and will be amended to take into account actual take up based on January 2016 and January 2017 census.
- The estimated pupil numbers for 3 & 4 year olds has been updated with an estimated increase of 68 FTE pupils. Funding will be updated later in the year to take into account any movements in pupil numbers.
- For the Mainstream Schools Block, the SBUF is £4,558.95 per mainstream school pupil. This funding excludes funding for historic ARMS places in mainstream schools. However for the actual calculation of the schools block, a SBUF of £4,551 has been used to calculate actual funding which takes into account the top slice of the DSG at the allocation stage for schools Carbon Reduction Commitment (CRC).

- High Needs Block is a block grant which has seen an increase of £282k to reflect the increase in post 16 special school places.

The DSG Blocks

Early Years Block

The 2, 3 and 4 year old funding has been estimated at £9.222m, an increase of £264k from £8.958m in 2015/16. 2 year old funding remains the same at £1.590m. 3 & 4 year old funding has increased to £7.428m and increase of £264k which relates to an estimated increase of 68 pupils.

The Early Years Block also includes an estimated allocation of £205k for Early Years Pupil Premium, which has remained the same as 2015/16.

Mainstream Schools Block

The mainstream block has been calculated at £105.579m, an increase from £104.554m in 2016/17 of approximately £1.026m due to 225 additional funded pupils.

Out of the mainstreams schools block the amount proposed to be available to fund Gateshead mainstream schools is £104.145m with the below proposed deductions:-

- Centrally Retained funding to fund allowable central services of £1.206m
- Deduction from the schools block to support the Growth Fund of £100K
- DfE top-slice for school licences which the DfE will purchase centrally on behalf of all schools of £128k

Therefore there is £104.145m available to distribute to mainstream schools for 2016/17.

High Needs Block

The high needs block is has been announced at £21.040m (£19.3m after the deduction of centrally funded high needs places) which is an increase of £282K from 2015/16 and is for an increase in post 16 numbers in special schools.

Other Funding Information

The DfE also announced that the Minimum Funding Guarantee would still exist for 2016/17 and again would be at minus 1.5% of per pupil funding.

All pupil premium for 2016/17 will remain the same as 2015/16 at £1,320 for ever 6 Free School Meal (FSM) primary children, £935 for secondary FSM children, £1,900 for LAC and post LAC children and £300 for service children.

Early Years Pupil Premium which is included in the DSG has also remained the same and is to be paid to providers on a participation basis of £0.53 per eligible child.

The meal rate for universal infant free school meals (UIFSM) stays at £2.30 for the 2016 to 2017 academic year.

The year 7 catch-up premium continues in 2016 to 2017. The DfE will confirm the per pupil rate early in 2016.

Summer schools funding will **not** continue in 2016.

The primary PE and sport premium continues in 2016 to 2017.

As part of the government's commitment to improving outcomes for vulnerable children, the special educational needs and disability (SEND) implementation grant will continue at an increased level in 2016 to 2017. This is to support English local authorities in the transition to the new SEND system.

The grant for extended rights to home to school transport grant will continue in 2016 to 2017. We will confirm allocations in early 2016.

Further details will be available in later in the year for some of these grants.

Proposal

That Schools Forum approves to the calculation method for the Schools Block DSG to determine the amount of funding available to calculate mainstream individual school budgets. This will enable the individual school budgets to be calculated using the DfE's Authority Proforma Tool, (subject to a later report), and notes the estimated amounts available for the Early Years Block, the High Needs Block allocation, and the other funding information provided.

Recommendations

That Schools Forum:-

- Approves the centrally retained funding increase to £1.335m to take into account the estimated amount for the central services and for the central purchase of school licences.
- Notes the top slice of £100K for the provision of a Growth Fund.
- Notes the estimated Early Years Block
- Notes the High Needs Block allocation
- Notes the other funding information

For the following reasons:-

- To enable individual school budgets to be set
- To provide additional funding information

CONTACT: Carole Smith