

**Schools Budget 2015-16****1. Introduction**

The Dedicated Schools Grant (DSG) is a ring fenced grant of which the majority is used to fund individual school budgets. It also funds certain central services provided by the local authority such as Early Years (private and voluntary sector nurseries) and fees for out of borough pupils at independent special schools.

In March 2012 the DfE announced their intention to introduce a new school funding methodology with effect from April 2013.

In 2015-16 the DSG will continue to be split into the following three blocks:

- Schools Block
- High Needs Block
- Early Years Block

The DfE issued the “Schools Revenue Funding 2015 to 2016: Operational guide” in July 2014 to enable local authorities and their Schools Forums in setting the 2015-16 DSG budgets.

**2. DSG settlement 2015-16**

The 2015-16 DSG is based on the number of pupils on the October 2014 school census. The total DSG for 2015-16 is £187,224,915. The High Needs Block has been updated to include the outcome of the High Needs Exceptional Cases review carried out in December 2014.

Table 1 below shows the breakdown of the 2015-16 DSG across the three blocks. The sections following the table provide a detailed explanation for each funding block and the adjustments made by the DfE. As previously advised, the DSG is not ringfenced to the specific blocks.

**Table 1 – 2015-16 Dedicated Schools Grant allocation**

<b>Area</b>	<b>Per Pupil Funding (GUF) £</b>	<b>Pupil Numbers</b>	<b>Total £</b>
Schools Block	£4,919.97	30,090	£148,041,897
Early Years Block	£4,320.96	2,303	£9,951,171
High Needs Block			£26,145,492

<b>Sub Total</b>	<b>£179,439,647</b>
<b>Additional Amounts</b>	
Induction for NQT	£45,130
Early Years Pupil Premium Grant	£180,969
Cash Transfer for Avanti House	£2,860,255
<b>2015-16 DSG as at 17<sup>th</sup> December 2014</b>	<b>£187,224,915</b>

The 2015-16 schools budget was presented to Schools Forum on 20<sup>th</sup> January 2015. The anticipated 2015-16 funding for each block is detailed in Table 2.

**Table 2 – 2015-16 DSG Blocks**

<b>Category</b>	<b>2015-16 Budget</b>
Schools Block – delegated	£146,291,693
Schools Block - centrally retained	£2,373,866
Early Years Block	£10,611,400
High Needs Block	£27,947,956
<b>Total DSG</b>	<b>£187,224,915</b>

### **3. Schools Block – Allocated to Schools**

The 2015-16 school budgets are being prepared using the updated funding formula which has been consulted with Schools Forum in the autumn 2014 and approved by Cabinet in December 2014.

Schools are protected by the Minimum Funding Guarantee (MFG) which ensures that no school experiences a reduction in their school budget greater than 1.5% per pupil. In order to fund the MFG, a cap to schools whose budgets gain through the formula must be applied. This will be set at 0.8%.

The Schools Block currently includes the funding in respect of academies. Under the regulations the Council continues to calculate academy budgets. The DfE then recoup the DSG in respect of academy budgets and pass this funding on to the academies in their General Annual Grant.

#### **4. Schools Block - Centrally Retained**

Services currently funded from centrally retained DSG are included in either the High Needs block or Early Years block where appropriate, with the remaining falling into the Schools Block. All the funding in the schools block has to be passed to schools apart from the following named exceptions which can still be retained but are frozen at 2012-13 levels:

- Co-ordinated Admissions
- Servicing of Schools Forum

In addition, the following services will be delegated to schools:

- Behaviour Support Services
- Support to underperforming ethnic minority groups and bilingual learners
- Trade Union Facilities Time

Schools Forum has agreed to continue to de-delegate funding in respect of Trade Union Facilities Time.

At its meeting in November 2014 Schools Forum agreed to a ring fenced Growth Fund from the DSG in order to provide revenue funding for pupil growth including the planned expansion programme and temporary bulge classes running from September 2015. This provides for growth in both maintained and academy schools but not free schools. In addition, the growth fund will include pre- and post-opening grants in respect of schools extending the age range. In order to fund the overall cost of the formula and the growth fund for expansion approximately £1.5m will need to be funded from brought forward DSG balances.

#### **5. High Needs Block**

The high needs funding system has been designed to support a continuum of provision for pupils and students with special educational needs (SEN), learning difficulties and disabilities, from their early years to age 25.

In December 2014 the Local Authority submitted an Exceptional Case return to the EFA on the basis of an anticipated increase in the number of commissioned places for pre & post 16 from 2015-16.

The bid included a request for increase in places as follows:

- Special schools expansion
- New SEN ARM units
- Expansion of sixth form provision at Harrow College
- Increase in provision by Choices 4 All

On 19<sup>th</sup> December 2014 the EFA announced the outcome of this review. The EFA state that a large number of exceptional cases were received and applied the following principles

- Generally, elements of a case which were based on actual occupancy in the academic year 2014-15 **have been** supported
- Generally, elements of a case which were based on predictions of occupancy levels in the academic year 2015-16 **have not been** supported
- Where a case has been supported it has only been funded at the element of growth above the levels considered exceptional so as not to disadvantage those who have seen growth below those levels and decided not to make a case.

As a result of this review, Harrow have only been allocated approximately an increase of £225k as the majority of growth will start from September 2015 and therefore does not meet the EFA criteria for only funding existing growth. At the time of writing, the EFA has not published the detail behind the additional funding and therefore it is not clear which cases have been successful and which have not.

As a result, growth in budget required to meet the demand from September 2015 will need to be transferred from the Schools Block.

## **6. Early Years Block**

The 2015-16 Early Years Block allocation is a provisional figure based on January 2014 census data. These allocations will be updated and finally be based on 5/12ths of the January 2015 census and 7/12ths of the January 2016 census.

Until the Early Years DSG funding is confirmed in the summer, there remains uncertainty around the funding available for 2015-16.

The Early Years Single Funding Formula (EYSFF) has been revised and approved by Cabinet on 15<sup>th</sup> January 2015 for implementation from 1<sup>st</sup> April 2015. The anticipated total cost of the new formula is affordable within the existing Early Years Block allocations and assumes that growth in funding through growth in pupil numbers will be also allocated to Early Years.

Included in the Early Years Block is funding of £617k for centrally provided Early Years services. This budget has been frozen for 3 years from 2013-14. This provides the following:

- Funding for Early Year SEN places and full time places
- Support and training to PVI sector including externally commissioned support

In addition, £181k has been transferred to local authorities to fund the Early Years Pupil Premium Grant. The grant will be paid to providers at a rate of £0.53 per hour per child upon evidencing that children in their settings meet the eligibility criteria.

From 2013-14 Early Years funding for 2 year old nursery places has been based on an estimated number of participating 2 year olds. From 2015-16 the funding will be based on participation. As with 3 & 4 year old nursery funding, the calculation will be based on 5/12ths of the January 2015 census and 7/12ths of the January 2016 census. As this data has not yet been collected, the DfE has been unable to provide an indicative sum, except to confirm the current continuing hourly rate of £5.53. Therefore this has been excluded for this paper and assumed that whatever funding is received for 2 year olds will be ringfenced to Early Years.

## 7. Pupil Premium Grant 2015-16

Schools also receive the Pupil Premium in respect of pupils who have ever been eligible for Free School Meals (FSM) in the last 6 years plus Children Looked After continuously for more than 6 months. Table 3 shows the Pupil Premium rates for 2015-16 and the comparative rates for 2014-15.

**Table 3 - Pupil Premium rates agreed for 2015-16, per pupil**

<b>Area</b>	<b>2014-15</b>	<b>2015-16</b>
FSM - Primary School Pupils	£1,300	£1,320
FSM - Secondary School Pupils	£935	£935
Service children	£300	£300
Children Looked After	£1,900	£1,900
Adopted children	£1,900	£1,900

Allocations per school will be available once the data from the January 2015 census has been collated.