

Report to: Schools Forum

Date of Meeting(s): 12th January 2017

Subject: School Funding Formula (SFF) 2017/18 – Schools Block

Report of: James Winterbottom - Director for Children and Families

Contact Officer: John McDonald Strategic Finance Manager
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Summary: To provide details of the DSG allocation for 2017/18 and agree the submission of the pro-forma. To provide an update on the National Funding Formula.

Recommendation(s): For Schools Forum to note the contents of the report and agree the submission of the pro-forma

Implications:

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

Risks: n/a

Please list any appendices:-

Appendix number or letter	Description
A	Pro-Forma
B	School Budget Allocations 17/18

1. Introduction

- 1.1 This report provides details of the Final Schools Block DSG Allocation for 2017/18 and an updated budget position for each school. The allocations are based on the agreed allocations from Forum in November 2016. This report now takes into account the actual October 2016 pupil census data.

2. Dedicated Schools Grant (DSG) Allocation 2017/18

- 2.1 Based on the revised census data taken in October 2016 the Department for Education (DfE) issued out the DSG allocations in December 2016.

Summary of Total Funding for Schools Block 2017/18	Total
Allocation for Schools block	197,598,541
ESG Retained Duties	- 231,332
Centrally Retained	
Licences*	- 206,033
Schools Forum	- 35,503
Admissions	- 137,500
Falling Rolls	- 100,000
Growth Fund	- 500,000
Total Funding for Schools Block	196,388,174

*The DfE have agreed to purchase and manage a single national licence for all state funded schools in England with the following Agencies:

- Copyright Licensing Agency
- Music Publishers Association
- Newspapers Licensing Authority
- Education Recording Agency
- Motion Picture Licensing Company
- Filmbank Distributors Limited
- Christian copyright Licensing International
- Mechanical Copyright Protection Society
- Performing Rights Society
- Phonographic Performance Limited

- 2.2 Further to the notice of the 2017/18 DSG allocations, the DfE also re-issued the schools funding pro-forma tool with revised pupil numbers for each individual school per factor. These figures are fixed in the pro-forma and cannot be amended.
- 2.3 The methodology referred to in paragraph 1.1 has been applied to the proforma containing the updated October 2016 pupil numbers (Appendix A) and will be submitted back to the DfE. The impact of this for each school is illustrated in (Appendix B) and compares the 2017/18 post MFG budget for each school with the equivalent 2016/17 post MFG budget. As such the budgets shown are after the Minimum Funding Guarantee (MFG) of 1.5% has been applied but before de-delegation. The MFG protects against any significant year on year turbulence from the application of the factors on an equivalent per pupil basis but does not protect against reduced pupil numbers.

- 2.4 The appendix also details the year on year change in pupil numbers for each school.
- 2.5 To reiterate the decisions made by Forum at the meeting on 20th November :
- The IDACI factor will be held at the same cash value as 2016/17 with the unit rate being amended to allow for large data fluctuations
 - Approval to be sought from DfE for the Split Site factor to be disappplied (i.e. removed) from the MFG calculation – this was granted
 - To allow the LA to passport the amount added to DSG which relates to its functions formerly funded by the ESG.

Some of the services referred to in the final bullet point refer to services provided which affect all the area's schools and have been topsliced as a central reduction. Some of the services are provided only to the LA maintained schools and have hence been treated in the same way as the de-delegated items.

- 2.6 Additionally, due to the changes in assessment at KS2 level, the data for the new Y7 intake into Secondaries is not consistent with previous years. Therefore, the DfE has applied a damping factor so that the proportion of pupils attracting the Prior Attainment factor remains similar to the existing pupils
- 2.7 For 2017/18 schools will need to submit applications to access the growth fund, disproportionate SEN, falling rolls and contingency fund. Details will be sent to all schools by the end of January.

3. High Needs Block 2017/18

- 3.1 At Forum in November we discussed the possibility of a top slice from the schools block to fund the pressures faced within High Needs. We have now received the final allocation and the block has been awarded an uplift of £0.600m. This extra funding alongside a review of services and charging policy will allow us to set a balanced budget for 2017/18. We will continue to monitor the position closely around Post 16 and Independent School Placements.

4. National Update

- 4.1 The government have published the response to stage 1 of the national funding formula alongside stage 2 for consultation. The deadline for response is the 22nd of March. We propose a meeting of the finance sub-group to discuss the consultation and provide an appropriate response. A more detailed report will be issued for that meeting. Further details will be circulated but all the documentation can be found on the gov.uk website. This includes indicative estimates based on 16/17 data of what it would mean for each Local Authority and this is also broken down to school level. The table below shows the impact for Wigan.

Block	Baselines	Illustrative NFF allocations if formulae were fully implemented in 2016-17	Value	%	Illustrative NFF year 1 schools block	Value	%
Schools	193,011,726	188,878,090	- 4,133,636	-2.1%	190,880,505	- 2,131,220	-1.1%
High Needs	26,627,727	28,717,263	2,089,536	7.8%	27,353,581	725,853	2.7%
*Central Services	870,404	1,391,224	520,820	59.8%	891,694	21,290	2.4%
	220,509,857	218,986,576	- 1,523,280	-0.7%	219,125,780	- 1,384,077	-0.6%

* This includes the retained element of ESG (Education Services Grant) which has been transferred into the DSG. This relates to statutory services provided by the local authority.

4.2 The transition year of 2018/19 will allow Local Authorities to continue to set a local formula with the hard formula being introduced from 2019/20.

5. Conclusions

5.1 Forum members to note the contents of the report

5.2 Forum members to agree the pro-forma submission