

REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Schools Forum
DATE OF MEETING:	7 October 2015
SUBJECT:	Schools revenue funding 2016/17
REPORT BY:	Tony Warnock (Operations and Financial Advice Manager)
NAME OF CONTACT OFFICER:	Tony Warnock
CONTACT OFFICER TEL NO:	01522 553250
CONTACT OFFICER EMAIL ADDRESS:	tony.warnock@lincolnshire.gov.uk
IS THE REPORT EXEMPT?	No
IS REPORT CONFIDENTIAL?	No

SUMMARY

The purpose of this report is to advise the Schools Forum of the government's plans for school revenue funding for 2016/17.

DISCUSSION

Background

On 16th July 2015, the Secretary of State made an announcement to Parliament on school funding arrangements for 2016/17. This was made earlier than usual to allow schools and local authorities (LA) more time to plan their budgets for 2016/17.

School funding announcements for 2016/17

The key points to note from that announcement are:

1. The Dedicated Schools Grant (DSG) will continue to operate as a ring-fenced grant for school funding.
2. The DSG will continue to comprise three blocks: an early years block; a schools block, and; a higher needs block.
3. The schools block will continue to be based primarily on the preceding October census.
4. The government remains committed to protecting the schools budget and to base-lining the minimum funding level increase from 2015-16 [note: an extra £390m was added to 69 LAs' DSG in 2015/16].
5. Each LA's DSG rate will be the same as in 2015-16.
6. Final funding allocations for each LA will be published in December 2015, and will be in line with the latest data on their pupil numbers.
7. The Spending Review will set out the Government's plans for the delivery and funding of public services for this Parliament. It will set out further detail on key delivery priorities for schools and LAs, and confirm funding levels for other grants and programmes.
8. The Government is committed to making schools and early education funding fairer. It remains the case that a school in one part of the country can receive over 50% more funding than an identical school in another part of the country. The Secretary of State will therefore put forward proposals for that in due course.
9. The government recognises the links between funding for early education, schools and pupils with high cost special educational needs. These are complex issues to consider and the government will consult extensively with the sector and the public on them.

Operational Guide

The EFA's operational guide for LAs was also published on the same day. It can be found at:

<https://www.gov.uk/government/publications/schools-funding-arrangements-2016-to-2017>

Key points within the document include:

1. The early years block per pupil unit of funding in 2016/17 will be confirmed after the spending review and will continue to be based on participation.
2. The high needs block funding will also be confirmed after the spending review. In the meantime, LAs should assume that it will remain at the same overall level as in 2015/16.
3. No significant changes are proposed in relation to the regulations underpinning the use of formula factors.
4. The 2016/17 rates for:
 - a. Pupil premium;
 - b. Universal Infant Free School Meals, and;
 - c. Education Service Grantwill be announced in due course.

5. The pre-16 minimum funding guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2016/17.
6. At this stage, LAs should assume that their 2016/17 allocations of high needs place funding and other high needs funding, will remain as they were in 2015/16.
7. Changes to place numbers should be planned on a cost-neutral basis, and on the assumption that the LA's overall 2016/17 high needs allocation will be calculated as indicated above.
8. It is assumed that the DfE will not be able to allocate any additional high needs funding and there will therefore be no process which allows LAs or institutions to apply to the EFA for additional high needs funding. Additional places at individual institutions will therefore have to be funded from within the total notionally allocated to LAs on the basis indicated above.
9. Key dates are:
 - a. 30 October 2015 - the deadline for submission of provisional 2016/17 LA proforma tool to the EFA;
 - b. 21 January 2016 - the deadline for submission of final 2016/17 LA proforma tool to the EFA;
 - c. 29 February 2016 - deadline for confirmation of schools budget shares to maintained schools.

The LA has no plans for any major changes to the local school funding formulae for 2016/17. However, a £1.3m reduction to the primary and secondary schools' age weighted pupil unit (awpu) funding may be necessary in 2016/17 to finance a behavioural outreach support service. This proposal received support from the Schools Forum at its meeting in April 2015.

Next Steps

Officers are currently reviewing the DfE's 42 page operational guide to ensure that the LA will be compliant with all aspects of the guide in 2016/17. Any significant changes will be reported to the Schools Forum in January 2016.

Work is underway to ensure that the provisional LA proforma tool can be submitted to the EFA by the 30th October 2015 deadline.

RECOMMENDATIONS

The Schools Forum is asked to note the content of the report.

BACKGROUND PAPERS

The following reports were relied upon in the writing of this report.

PAPER TYPE	TITLE	DATE	ACCESSIBILITY
DfE document	Schools Funding 2016 to 2017: operational guide	16 th July 2015	https://www.gov.uk/government/publications/schools-funding-arrangements-2016-to-2017

APPENDICES

None

This page is intentionally left blank