

REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Schools Forum
DATE OF MEETING:	5 October 2016
SUBJECT:	Schools revenue funding 2017/18
REPORT BY:	Mark Popplewell (Head of Finance – Children's Services)
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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 2017/18.

DISCUSSION

Background

On 21st July 2016, the Secretary of State made an announcement to Parliament on school funding arrangements for 2017/18. The timing of the announcement has been brought forward to allow Local Authorities (LA) to begin to plan their schools and high needs funding arrangements for 2017/18.

The Government is committed to introducing fairer funding for schools, high needs and early years, and will move away from historic levels of funding to a fairer funding system. The first stage of the

national funding formula consultation for schools and high needs was launched in March 2016 and met with an overwhelming response. The Department for Education (DfE) will launch the second stage of the consultation for schools and high needs in the autumn, to apply from 2018/19 (a year later than planned).

A Government consultation is taking place on early years funding arrangements, which is due to close on the 22nd September 2016. The Government intend to implement these changes from April 2017.

School funding announcements for 2017/18

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 DSG blocks have been re-baselined to reflect LA's current spending patterns (within their existing funding envelope).
4. That no LA will see a reduction from their 2016/17 funding (adjusted for the baseline exercise) on the schools block of the DSG (per pupil funding) or the high needs block (cash amount).
5. Final allocations for schools and high needs blocks will be released in December 2016 on the basis of pupil numbers recorded in the October census.
6. Funding for the Education Support Grant (ESG) retained duties (£15 per pupil) that funds LA education services to schools will be transferred to the schools block from 2017/18.
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.

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-2017-to-2018>

Key points within the document include:

1. The DSG blocks have been re-baselined to reflect LA's current spending patterns (within their existing funding envelope). LA's can start planning budgets for next year on this basis.
2. Early years funding will be confirmed following the conclusion of the Government's early year's national funding formula consultation. Funding will continue to be based on participation.
3. No significant changes are proposed in relation to the regulations underpinning the use of formula factors.
4. The following formula factors criteria's have changed for 2017/18:
 - a. Prior Attainment (Secondary): the 2016 KS2 assessments are the first year which assess the new more challenging national curriculum. A national weighting will be

- established to ensure that this cohort does not have a disproportionate influence within the overall total.
- b. Deprivation (IDACI): the IDACI datasets were updated nationally in 2015, but the DfE has redesigned the IDACI bands for 2017/18 to return them to a similar size cohort to previous years.
5. The 2017/18 rates for:
 - a. Pupil premium, and;
 - b. Universal Infant Free School Meals
 will be announced in due course.
 6. The pre-16 minimum funding guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2017/18.
 7. Flexibility is available at local level, to make adjustments to individual institutions place funding for 2017/18.
 8. Place funding for high needs places in further education colleges and other post-16 providers will transfer into the high needs block rather than being retained in a separate department budget.
 9. Funding for the ESG retained duties (£15 per pupil) that funds LA education services to schools will be transferred to the schools block.
 10. For 2017/18, LA's will only need to submit one LA proforma tool in January 2017, therefore LA's will no longer be required to submit a draft LA proforma in October. The Authority will need to submit the LA proforma tool by 20th January 2017.

The LA has no plans to change the local school funding formulae for 2017/18.

Next Steps

Officers will consider the DfE's operational guide and technical note to ensure that the LA will be compliant with all aspects of the guide in 2017/18. Any significant changes will be reported to the Schools Forum in January 2017.

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 2017 to 2018: operational guide Dedicated Schools Grant (DSG) 2016 to 2017 baselines and 2017 to 2018 funding: technical note	July 2016	https://www.gov.uk/government/publications/schools-funding-arrangements-2017-to-2018

APPENDICES

None

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