

Agenda Item

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Report Status

For information/note ☒
For consultation & views ☐
For decision ☐

Report to Haringey Schools Forum – Thursday 23rd February 2017

Report Title: 2017-18 Dedicated Schools Budget

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Purpose:

To update Schools Forum of the Dedicated Schools Budget for 2017-18

Recommendation:

Schools Forum is recommended:

1. To note that Cabinet agreed the figures agreed or presented to Schools Forum in January 2017
2. To note that the base funding rate for Early Years provision for 3 and 4 Year Olds will be £4.88 for 2017/8 with a deprivation factor based on the child's eligibility
3. To agree that the £60k provided through the DSG Early Years Block for the Disability Fund may be included in the centrally retained budget, as set out in Appendix 1.
4. To note the status and timetable for the release of budget information for schools by the local authority.

1. Dedicated Schools Grant (DSG)

- 1.1. The Department for Education announced the schools funding settlement for 2017/18 in December 2016 and Schools Forum considered the position at its meeting on 16th January 2017. The Dedicated Schools Budget is substantially funded from the Dedicated Schools Grant, a ring-fenced grant which must be spent only in accordance with the prevailing Schools and Early Years Funding Regulations.
- 1.2. Further information on the details of the strategic financial position for the Dedicated Schools Budget can be found in the papers to the December 2016 and January 2017 Schools Forum, which are publicly available.
- 1.3. Cabinet agreed the use of the DSG on 14th February 2017 as set out in sections 1-6 of this report, which generally conveys the information which was provided to Cabinet, with some updates on particular items.

2. Schools Funding for 2017/18 (Dedicated Schools Budget)

- 2.1. The settlement was a headline increase in the overall DSG of £7m from £242.6m to £249.6m. This increase is accounted for through additional pupil numbers, provision for the extension of early years provision to 30 hours for 3 and 4 year olds, some transfers of responsibilities from other funding streams and some additional funding for 2 year olds, high needs budgets and maintained nursery schools (who would otherwise have acute difficulties in managing the required changes to the early years funding formula). Table 1 below, sets out the details of those movements.

Table 1 Explanation of change in overall DSG from 2016/17

DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by EFA	2016/17 DSG	Rebasing (October 2016)	Pupil numbers and High Needs 2017/18	Early Years Block changes	2017/18 DSG
	£m	£m	£m	£m	£m
Schools Block	195.492	-2.585	2.381		195.288
Provisional Early Years Block	15.453			2.993	18.446
High Needs Block allocation	31.638	3.702	0.514		35.854
Total additions for non block funding	0.048	-0.048			0
Total DSG allocation	242.631	1.069	2.895	2.993	249.588

- 2.2. Schools Forum at the January 2017 meeting were asked to note the unspent DSG from previous years brought forward. There was £3.252m brought forward at the start of 2016/17. During 2016/17 the Early Years service has been funding 2 year old providers at £6 per hour, rather than the £5.28 being received through the DSG; this draws on £0.367m of the brought forward. In the High Needs budget, Schools Forum were advised in December 2016 that there was a £0.915m forecast overspend here. Overall, the expected carry forward at the end of the financial year is currently £1.970m. As set out in Table 2, Schools Forum operates on the basis that each block is responsible for its own surpluses and deficits. This approach can only work while there is sufficient funding overall and the deficit in the High Needs Block would need to be recovered before the full amount of underspends in other blocks was applied.

Table 2 Amount of unspent DSG brought forward and expected to be carried forward in 2016/17

Block (all figures in £'000)	Brought forward 2016/17	In-year budget 2016/17	Forecast spend 2016/17	Forecast carry- forward 2016/17
	£M	£M	£M	£M
Schools Block	255	141,300	141,300	-255
High Needs Block	-46	32,623	33,538	961
Early Years Block	3,043	15,454	15,821	-2,676
Total Schools Budget	3,252	189,377	190,659	-1,970

3. Schools Block

- 3.1. The Schools Block allocation for 2017/18 is £195.288m. Schools Forum agreed the centrally retained budgets and those elements of funding which could be de-delegated from maintained schools' budgets. **Appendix 1** sets out the figures arising from their decisions for all the blocks.
- 3.2. The formula for primary and secondary schools had to be submitted to the Education Funding Agency by 20th January 2017, using an Authority Proforma Tool (i.e. a spreadsheet). There was one change to the formula considered and made by Schools Forum regarding the weighting to be attached to the deprivation factor. So, officers have distributed the available funding in **Appendix 1** on the basis of the agreed formula, a summarised version of which is in **Table 3**. The submission was subject to agreement of Cabinet to this approach.
- 3.3. The formula allocates £190.014m to schools, after all agreed deductions. This represents a tight funding settlement for schools. While the DSG

settlement recognised growth in pupil numbers and individual schools will be funded for changes in pupil numbers, 28 out of 77 schools (one-third) will receive budgets that rely on the Minimum Funding Guarantee of their 206/17 budget per pupil less 1.5%.

Table 3 Comparative distribution of funding 2016/17 and 2017/18

	Actual APT 2016/17 £'000	Proposed 17/18 APT £'000	2017/18 v 2016/17 £'000
Age-Weighted pupil units	140,404	143,579	3,176
Deprivation factors	21,828	21,403	-425
Other formula funding	23,258	22,925	-332
Total before MFG	185,489	187,908	2,419
Prior Year Adjustments	-165		165
MFG capping	-2	-16	-14
MFG support	3,958	3,152	-805
Total after MFG	189,280	191,044	1,765
Less De-delegation	-908	-908	0
Less Central Services	0	-122	-122
Total distributed to schools	188,372	190,014	1,643
Number of schools needing MFG support	35	28	-7

3.4. Schools Forum did not agree to two proposals for centrally retained budgets.

- i. Supplementary Schools (£26k) where this activity may not now be charged to the DSG and will need to either find alternative funding sources or cease.
- ii. Redundancy costs in maintained schools (£177k). This leaves the Authority with a potential pressure, which will be a call on the General Fund budget. In law, it is normally the local authority's central budget which pays for school redundancy costs, unless there is an exceptional reason why that should not happen. The withdrawal of the Education Services Grant from September 2017 means that the current funding source will be removed. With school budgets being tight and expenditure pressures increasing, more school redundancies are likely and this is a risk to the General Fund.

- 3.5. **Schools will be issued with their submitted APT Schools Block budget allocation by end of February 2017.**

4. Early Years Block

- 4.1. There are significant changes in the Early Years Block with the introduction of a higher degree of prescription in how the funding may be used. There is a separate report on this agenda which deals with final decisions on the funding formula for early years settings and the overall strategy for early years provision.
- 4.2. At Schools Forum, the funding arrangements, set out in **Appendix 1** were agreed (Disability Fund of £60k was omitted and a revision to the agreed retained Early Years funding schedule is proposed in this report to regularise the position). This allocates all of the £18.442m from the 2017/18 Early Years Block element of the DSG and commits £0.888m from brought forward DSG; £0.188m to allow a continuation of the policy of funding settings for 2 year olds at a rate of £6 per hour and £0.700m to manage the phased withdrawal of Childcare Subsidy by September 2017.
- 4.3. All Early Years settings will be notified of their universal base rate of £4.88 per hour per child plus a deprivation rate based on the child's eligibility of the deprivation factor.
- 4.4. **Nursery Schools and Nursery Classes in Primary Schools will be issued with their Indicative 3 & 4 year old funding by the middle of March 2017.** This indicative allocation will be based on the data of Haringey's pupils collected in May 2016, October 2016 and January 2017 census. Please note that the March 2017 one is an indicative allocation and will be adjusted termly following the collection of the termly Early Years census at the school. Schools' termly adjustments for 3 & 4 year old funding will be brought in line with termly payments to PVI providers.

5. High Needs Block

- 5.1. It is for the Authority to set the High Needs budget and to manage it. The High Needs Block of £35.854m has included past transfers of funding from other blocks. So, there are no proposals to transfer further funding from other blocks. Schools Forum noted the proposed budget for 2017/18, set out in **Appendix 1**. More detail is included in the Schools Forum paper from 16th January 2017. While this allocated the in-year funding, it did not address the overspending of £0.915m reported for High Needs in 2016/17.

- 5.2. Schools Forum was advised that further consideration of the measures necessary to contain expenditure, including spending to save, is needed to reduce commitments in the medium-long term. Although a comprehensive plan of action has been drawn up to address this forecast overspend implementation has been slow and budget pressures continue to escalate on the High Needs Block.
- 5.3. **Special Schools and Resource Units in Mainstream Schools will be issued with their agreed Place Funding allocation by the end of February 2017.** This is the £10,000 per agreed place approved by the Education Funding Agency.
- 5.4. **Special Schools, Resource Units in Mainstream Schools and statements in Mainstream Schools will be issued with their Indicative Top up Funding allocation by the middle of March 2017.** This will be based on the indicative data of Haringey's pupils collected at the end of Autumn 2016 and October 2016 census. Please note that this is an indicative allocation and will be adjusted during 2017-18 based on number of Haringey's statements at the school.
6. **Overall DSG position**
- 6.1. The proposals in this paper would result in the following budgets for 2017/18.

Table 4 Forecast unspent DSG by the end of 2017/18

Block	Estimated brought forward DSG 2017/18	DSG funding 2017/18	Proposed budgets 2017/18	Estimated carry forward DSG 2017/18
Schools Block	255	195,288	195,288	-255
High Needs	-961	35,854	35,854	961
Early Years	2,676	18,446	19,278	-1,844
Total	1,970	249,588	250,420	-1,138

7. **Pupil Premium Grant**
- 7.1 The rates per eligible pupil for pupil premium in 2017 to 2018 will be maintained at their current rates. EFA will calculate the allocation using:
- the number of pupils recorded on the January 2017 school census who are Ever 6 FSM (not eligible for the LAC and post-LAC premium)
 - post-LAC pupils
 - Ever 6 service child FTE pupils aged 4 and over in year groups reception to year 11

7.2 The PPG per pupil for 2017 to 2018 is as follows:

Disadvantaged pupils	Pupil premium per pupil
Pupils in year groups reception to year 6 as recorded as Ever 6 FSM	£1,320
Pupils in years 7 to 11 recorded as Ever 6 FSM	£935
Looked after children (LAC) defined in Children Act 1989 as one who is in the care of, or provided with accommodation by, an English local authority	£1,900
Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, a child arrangements order or a residence order	£1,900
Service children	Pupil premium per pupil
Pupils in year groups reception to year 11 recorded as Ever 6 service child or in receipt of child pension from the Ministry of Defence	£300

7.3 The grant may be spent in the following ways:

- for the purposes of the school, that is for the educational benefit of pupils registered at that school
- for the benefit of pupils registered at other maintained schools or academies
- on community facilities eg services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated

7.4 The grant does not have to be completely spent by schools in the financial year, some or all of it may be carried forward to future financial years.

7.5 PPG allocations will be confirmed in June 2017 once pupil number data from the January 2017 census has been validated and agreed. PPG will be paid to LAs in quarterly instalments by:

- 30 June 2017
- 29 September 2017
- 29 December 2017
- 30 March 2018

Schools cashflow will be paid quarterly once the PPG is received.

8. Universal Infant Free School Meals (UIFSM)

- 8.1 The grant for universal infant free school meals (UIFSM) continues at a meal rate of £2.30 for the 2017 to 2018 academic year. Each meal taken by an eligible pupil attracts £2.30. An allocation assumes that pupils will take 190 school meals over an academic year, providing £437 per eligible pupil. The EFA will confirm the arrangements later in the year.
- 8.2 For the academic year 2016 to 2017, EFA will base a provisional allocation to schools on the final allocation for academic year 2015 to 2016. EFA will count dual registered pupils at the setting at which they took the meal on the census day, even if it is their subsidiary setting. EFA will calculate a **final allocation for academic year 2016 to 2017 in June 2017** using the number of pupils recorded as taking a meal in year 1 and year 2 in the October 2016 and January 2017 school censuses. EFA will then subtract those pupils known to be eligible for FSM in the same censuses who are taking a meal. This figure is then divided by 2 to give the average number of eligible UIFSM pupils in years 1 and 2.

The number of reception pupils used will be the greater of either :

- the number of pupils recorded as taking a meal in the October 2016 and January 2017 school censuses, minus those pupils taking a meal known to be eligible for FSM in the same censuses, divided by 2. This gives the average number of eligible UIFSM pupils in reception for academic year 2016 to 2017; or
- the number of pupils recorded as taking a meal in January 2017 school censuses, minus those pupils taking a meal known to be eligible for FSM in the same census

EFA will count dual registered pupils where they took their meal on the census days, even if it is their subsidiary setting.

- 8.3 Where a school does not record pupils in year groups, EFA will use those aged 4, 5 or 6 on the relevant school censuses to calculate the allocations. EFA will include pupils on the alternative provision census placed in independent schools in the provisional and final allocations to local authorities.

Terms on which UIFSM grant is allocated to schools

- 8.4 The grant supports schools in delivering the legal requirement to offer free school meals, meeting the school food standards, to all their reception, year 1 and year 2 pupils. Subject to meeting this legal duty, schools may spend the grant for the purposes of the school; that is to say for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools. They may also spend it on community facilities, for example services whose provision furthers any charitable

purpose for the benefit of pupils at the school or their families, or people who live or work in the school's locality.

8.5 Schools do not have to spend the entire grant in the financial year beginning 1 April 2018; they may carry forward some or all the grant.

8.6 The grant will be paid to schools and LAs as follows:

Month	Proportion of grant
July 2016	7/12ths of each school's provisional main allocation. Schools that were academies on 1 April 2016 will receive their UIFSM grant direct from EFA in July 2016.
July 2017	The final main allocation for each maintained school as at 1 April 2017 minus the amount of the main allocation paid in July 2016. Any school that converts to academy status after 1 April 2016, and by 1 April 2017, will receive the rest of its main allocation direct from EFA in July 2017.

8.7 The Secretary of State and the Comptroller and Auditor General may inspect the books, records and other documents that relate the recipient's accounts. Under Section 6 of the National Audit Act 1983, the Comptroller and Auditor General may examine whether the authority or school spent the premium in an efficient and cost-effective way. The recipient should provide any information the Secretary of State requires in order determine whether the authority or school has complied with the conditions in this document. The Secretary of State may require the repayment of the whole or any part of the grant if the authority or school fails to follow the conditions in this document.

9. Year 7 Catch-up Premium

9.1 The year 7 catch-up premium continues in 2017 to 2018. The EFA will confirm the arrangements in early 2017.

9.2 The literacy and numeracy catch-up premium gives schools additional funding to support year 7 pupils who did not achieve [the expected standard](#) in reading or maths at the end of key stage 2 (KS2).

All state-funded schools with year 7 pupils receive this funding, including:

- schools maintained by the local authority
- [academies](#)
- [free schools](#)

- special schools (schools for children with special educational needs or disabilities), including:
- special schools maintained by the local authority
- special [academies](#)
- special [free schools](#)
- alternative provision settings (places that provide education for children who can't go to a mainstream school), including:
- pupil referral units (PRUs)
- AP [academies](#)
- AP [free schools](#)

How schools should use the year 7 literacy and numeracy catch-up premium

9.3 Schools should identify pupils who need extra support from the year 7 catch-up premium, so it can decide the best way to use the funding. Schools should only select programmes and approaches that are effective. For example, schools could use the funding to pay for:

- individual tuition
- intensive small-group tuition
- external services and materials
- summer schools that help students catch up over a short period of time

9.4 Schools can find examples of effective approaches and programmes in our summary of [research into literacy and numeracy catch-up strategies](#).

Accountability

9.5 Schools must publish details of how it spends the year 7 catch-up premium funding on their website. Guidance on what [specific information you need to publish on their website](#) is available.

9.6 Ofsted inspectors will also consider how your school is using the premium.

10. Primary PE and Sport Premium

10.1 The primary PE and sport premium continues in 2017 to 2018. The EFA will confirm the arrangements later in the year.

10.2 The premium for the 2016 to 2017 academic year is paid in 2 instalments from the Secretary of State to the authority as follows:

Financial year	2016 to 2017 academic year	Payment date
2016 to 2017	September 2016 to March 2017	29 October 2016
2017 to 2018	April to August 2017	27 April 2017

- 10.3 The premium must be used to fund additional and sustainable improvements to the provision of PE and sport, for the benefit of primary-aged pupils, in the 2016 to 2017 academic year, to encourage the development of healthy, active lifestyles. Information on [how much PE and sport premium funding primary schools receive and advice on how to spend it](#) has been published.
- 10.4 Allocations for the academic year 2016 to 2017 are calculated using the number of pupils in years 1 to 6, as recorded in the January 2016 census, as follows:
- schools with 17 or more pupils receive £8,000 plus £5 per pupil
 - schools with 16 or fewer pupils receive £500 per pupil
- Where a schools' pupils are not recorded by year group, pupils aged 5 to 10 are deemed eligible.
- Terms on which the premium is allocated to schools**
- 10.5 Local authorities must pass the premium to maintained schools within one month of receipt, and must require that maintained schools comply with the conditions set out below.
- 10.6 The premium must be spent by schools on making additional and sustainable improvements to the provision of PE and sport for the benefit of all pupils to encourage the development of healthy, active lifestyles.
- 10.7 The Secretary of State **does not** consider the following expenditure as falling within the scope of additional or sustainable improvement:
- employing coaches or specialist teachers to cover [planning preparation and assessment \(PPA\) arrangements](#) - these should come out of schools' core staffing budgets
 - teaching the minimum requirements of the national curriculum PE programmes of study - including those specified for swimming
- 10.8 Maintained schools, including those that convert to academies, must publish information about their use of the premium on their website by 4 April 2017. Schools should publish the amount of premium received; a full breakdown of how it has been spent (or will be spent); what impact the school has seen on pupils' PE and sport participation and attainment and how the improvements will be sustainable in the future. Schools should also consider how their use of the premium is giving pupils the opportunity to develop a healthy, active lifestyle.

11. Summary of budget information to be released for schools

- 11.1. This report confirms decisions of Cabinet about schools budgets for 2017/18. Some elements of budgets are fixed and others are provided on a provisional basis and are adjusted during the year, once actual data becomes available. On the basis of the information in this report, schools

should set their 2017-18 draft and final budget plans using the following information.

- a. Agreed allocated budget share from:
 - Schools Block APT Proforma (based on October 2016 census)
 - High Needs Block Place Funding (approved by EFA in January 2017)
- b. Indicative budget share from:
 - Early Years Block for 3 & 4 Year Funding (based on May 2016, October 2016 and January 2017 census)
 - Early Years Block Maintained Nursery School Funding (notified by EFA)
 - High Needs Block Top up Funding from Haringey (base on October 2016 data)
 - High Needs Block Top up Funding from other local authorities
- c. Pupil Premium Grant (Financial Year based on eligible pupils on the January 2017 census)
- d. Universal Infant Free School Meals Grant (Academic Year based on eligible pupils on October 2016 and January 2017 census for Academic Year 2016-17 and Academic Year based on eligible pupils on October 2017 and January 2018 census for Academic Year 2017-18)
- e. 2017-18 Year 7 Catch-up Premium Grant (Financial Year based on October 2017 census)
- f. Primary PE and Sport Premium (Academic Year 2016-17 based on January 2016 census and Academic Year 2017-18 based on January 2017 census)

12. School Redundancy

- 12.1 At Schools Forum in January 2017 representatives from maintained primary and secondary schools decided against creating a de-delegated pool for redundancy costs in schools, with the ceasing of funding in the Education Services Grant. Officers have contacted the DfE to seek guidance on options for managing a situation where the ESG funding for school redundancies has been removed and there is no scope within the DSG to meet such costs. We await the DfE response on this matter.
- 12.2 Colleagues from Voluntary Aided schools, who are nonetheless maintained by the London Borough of Haringey, sought clarification on whether they would be eligible to be considered for support for school redundancies. All schools maintained by the local authority, including voluntary aided schools, would be eligible to be considered for support on an equal basis.

- 12.3 Once a response has been received from the DfE on the Authority's options for funding and managing school redundancies in the future, officers will contact all maintained schools about the process that will operate for schools who wish to seek support and how the Authority will make decisions.