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Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP
Telephone 01572 722577 Facsimile 01572 758307 DX28340 Oakham

Ladies and Gentlemen,

A meeting of the **SCHOOLS' FORUM** will be held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on **Thursday, 22nd September, 2016** commencing at 4.00 pm when it is hoped you will be able to attend.

Yours faithfully

Helen Briggs
Chief Executive

Recording of Council Meetings: Any member of the public may film, audio-record, take photographs and use social media to report the proceedings of any meeting that is open to the public. A protocol on this facility is available at www.rutland.gov.uk/haveyoursay

A G E N D A

APOLOGIES FOR ABSENCE

1) MINUTES AND ACTIONS FROM THE PREVIOUS MEETING

To confirm the minutes of the meeting of the Schools' Forum held on 9 June 2016
(Pages 5 - 8)

2) DECLARATIONS OF INTEREST

In accordance with the Regulations, Members are invited to declare any personal or prejudicial interests they may have and the nature of those interests in respect of items on this Agenda and/or indicate if Section 106 of the Local Government Finance Act 1992 applies to them.

3) PETITIONS, DEPUTATIONS AND QUESTIONS

To receive any petitions, deputations and questions received from Members of the Public in accordance with the provisions of Procedure Rule 217.

The total time allowed for this item shall be 30 minutes. Petitions, declarations and questions shall be dealt with in the order in which they are received. Questions may also be submitted at short notice by giving a written copy to the Committee Administrator 15 minutes before the start of the meeting.

The total time allowed for questions at short notice is 15 minutes out of the total time of 30 minutes. Any petitions, deputations and questions that have been submitted with prior formal notice will take precedence over questions submitted at short notice. Any questions that are not considered within the time limit shall receive a written response after the meeting and be the subject of a report to the next meeting.

4) FUNDING UPDATE

To receive a report from Dawn Greaves, Finance Manager - Accounting
(Pages 9 - 12)

5) HIGH NEEDS BUDGET 2016-2017

To receive a report from Mark Fowler, Head of Learning and Skills
(Pages 13 - 16)

6) GOVERNMENT PROPOSALS AND CONSULTATION ON EARLY YEARS FUNDING 2017-18

To receive a report from Mark Fowler, Head of Learning and Skills
(Pages 17 - 20)

7) COLLABORATIVE SCHOOL IMPROVEMENT BUDGET UPDATE

To receive a verbal update from Mark Fowler, Head of Learning and Skills

8) ANY URGENT BUSINESS

9) DATE OF NEXT MEETING

Proposed 2017 meeting dates to be agreed:

- Thursday, 12 January 2017
- Thursday, 30 March 2017
- Thursday, 8 June 2017
- Thursday, 21 September 2017

All meetings to be held 4.00 – 5.00 p.m. in the Council Chamber, Catmose

Proposed Agenda Items:

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DISTRIBUTION

MEMBERS OF THE SCHOOLS' FORUM:

Mrs J Turner (Chairman)	
Mrs S Milner (Vice-Chair)	
Mrs A Rawlins	Mr B Gale
Mr B Shore	Mr C Smith
Mr J Woodhead	Mrs M Darlington
Mr R Gooding	Ms S Hearth
Mr S Cox	Mr S Williams
Mr D Wilby	

OFFICERS:

Dr T O'Neill	Mr M Fowler
Mrs H Fardell	Ms D Greaves

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Rutland County Council

Catmose Oakham Rutland LE15 6HP
Telephone 01572 722577 Facsimile 01572 75307 DX28340 Oakham

Minutes of the **MEETING of the SCHOOLS' FORUM** held in the Meeting Room, Unit 16a, Oakham Enterprise Park, Ashwell Road, Oakham LE15 7TU on Thursday, 9th June, 2016 at 4.00 pm

PRESENT:	Mrs S Milner (Vice Chair)	
	Mr B Gale	Mr B Shore
	Mrs D Powell	Mr J Woodhead
	Mrs M Darlington	Mr S Cox
	Mr S Williams	Mr C Smith
APOLOGIES:	Mrs A Rawlins	Mrs J Turner
	Dr T O'Neill	
OFFICERS PRESENT:	Mr M Fowler	Head of Service Learning & Skills
	Mr L Dabin-Williams	Services for People Accountant
	Mrs H Fardell (Clerk)	Corporate Support
IN ATTENDANCE:	Mr D Wilby	Portfolio Holder for Lifelong Learning

1 MINUTES AND ACTIONS FROM THE PREVIOUS MEETING

The minutes of the meeting of the Schools' Forum held on the 21 January 2016, copies of which had been previously circulated, were confirmed subject to the following amendment:

Item 5 – Additional Funding from Last Year's DSG Underspend
Schools' Forum **AGREED** that in future if there is an underspend it would be allocated to schools using the agreed funding formula and not be retained centrally.

Item 5 Point 1. Mr Fowler & Mr Williams confirmed that the form designed to collate information about MOD children had been drawn up and circulated to all schools for completion.

2 DECLARATIONS OF INTEREST

No declarations of interest were made.

3 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions were received from members of the public.

4 NEW FUNDING FORMULA

Mr Fowler presented the paper 'Report on the Consultation on Formula Funding for Schools'. This paper was for information and to prompt further consideration of the potential impact on funding within Rutland from the Government's planned changes to the national formula for funding. Following brief discussion Schools' Forum **NOTED** the contents.

5 FUNDING UPDATE

Mr Dabin-Williams presented the papers 'Schools Budget 2016/17 & Appendix A Draft Indicative School Budget 2016/17' and 'Schools Budget Draft Outturn 2015/16 & Appendix 1'. Schools' Forum **NOTED** the contents and discussed.

The DSG underspend for 2015/16 is £325k. £50k of this has been set aside for school improvement. It was **AGREED** that the remaining £275k be distributed to schools as per the agreed funding formula as soon as possible.

It was commented that the underspend was a significant amount, largely due to the difficulty in accurately predicting the funding requirements of the High Needs Block.

Schools' Forum **NOTED** the contents of papers 'Funding Formula Principles', and 'Allocation of the Carry Forward Underspend to Schools'.

6 UPDATE ON CHARGING FOR LA SERVICES

Mr Fowler reported that schools had in April 2016 received details about Local Authority charged services available to schools and asked for any comments or feedback on its operation to date.

Mr Williams commented that there was a lack of clarity in relation to what is charged for within Educational Psychology services (EPS) and SEN. Mr Fowler reported he had already received a similar comment from another Head Teacher and would be looking to clarify SEN responsibilities within the LA Charged Services information. Mr Fowler explained that no charge would be made for statutory work but that there would be a charge for all other EPS provision.

Mr Fowler informed Schools' Forum that SEN provision within the Local Authority is currently being reviewed in its entirety, and also reported the current position regarding recruitment for SEN Case Officer.

Mr Fowler advised that a one day SENCo training event is planned for later in June and asked that Head Teachers encourage their staff to attend. Mr Williams requested that given the heavy workload SENCo officers have, the agenda should indicate the benefit to them.

Following discussion of support for governors, Mr Fowler reported that he was meeting individually with a number of Chairs of Governors. He was seeking feedback

and suggestions on how to add value to services to Governors to improve attendance and engagement.

Councillor Wilby commented that schools are free to buy in services from external organisations if they so wish, and asked that schools notify and give feedback to the Local Authority if they do this.

7 COLLABORATIVE SCHOOL IMPROVEMENT BUDGET

Mr Fowler tabled a paper 'School Improvement Collaborative Budget' and briefly summarised actions to date. As previously agreed by Schools' Forum a group of three, comprising a primary head teacher, the coordinator of the Rutland Teaching Alliance and Council Head of Learning & Skills, had met to decide how the funds would be distributed and this was detailed in the paper. Following discussion it was confirmed that Schools' Forum will receive a report on the use of these funds twice during the year.

In answer to a question, Mr Williams provided for information a brief summary of the purpose and activities of the Rutland Teaching Alliance.

Mrs Milner thanked the group for their work on this project.

8 SERVICES CHILDREN - NEED FOR FORWARD PLANNING

Mr Fowler reported that the Council had received information that there was going to be significant change in personnel at both MOD camps over the next two years. This may involve gradual movement of troops over a longer period in St Georges. The changes at Cottessmore could be more abrupt and over a shorter period. It is likely all schools will be affected to some degree. If Head Teachers have any views, comments, suggestions on preparation for these changes they should send to Mr Fowler or Councillor Wilby.

9 ANY URGENT BUSINESS

None received.

On behalf of Schools' Forum, Mrs Milner thanked Mrs Powell, who was attending her last meeting, for her support and wished her well for the future.

10 DATE OF NEXT MEETING

The next meeting will be held on Thursday, 22nd September 2016 at 4.00 pm in the Council Chamber.

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The Chair declared the meeting closed at 5.15 pm.

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SCHOOLS' FORUM MEETING

22nd September 2016

Schools Budget 2016/17 Update

1. Introduction

The purpose of schools forums is to advise local authorities on the operation of the local Schools Budget and its distribution among schools and other bodies. This paper and its appendix updates the Forum on the projected outturn for the Schools Budget for 2016/17.

2. Attachments

The following items form the appendices to this paper.

- Appendix 1 – Forecast outturn for 2016/17

3. Points to Note in the Budget Forecast

3.1 The Grant income budget has been adjusted to reflect the increase in allocation as notified by the Department for Education (DfE) as follows:

- An allocation of £53.6k return of recoupment funding to cover payments to Edith Weston for the period April to August.

3.2 The forecast does include the under spend carry forward from 2015/16 of £325k, as Schools Forum has already approved the use of this funding for School Improvement (£50k) and allocation to schools (£275k).

3.3 The Schools Block:

The schools block is showing a slight underspend of £7k on the Admissions service. To date, no schools have converted to academy during this financial year.

3.4 The High Needs Block:

As can be seen from the attached appendix, the High Needs budget is showing a forecast overspend of £114.1k for the financial year. Since setting the budget, there have been 2 high cost placements that were unknown at the time. The forecast also includes estimated additional cost on post 16 of £66k which has not yet been finalised as the Council are still awaiting applications from the colleges. A separate paper outlining the issues and options for dealing with forecast overspend is to be considered.

3.5 The Early Years Block:

The Early Years Block is currently forecasting an underspend £11k for the financial year. This is due to a slight underspend on the staffing budget as a result of reduced costs.

4. Recommendations

4.1 Schools Forum is asked to note the forecast for 2016/17 Dedicated Schools Grant.

Dawn Greaves

Finance Manager – Accounting 8th September 2016

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Functional Quarterly Reporting							
Function	Schools - Dedicated Schools Grant (DSG)						
Lead Officer	Mark Fowler						
Description	The Dedicated Schools Grant (DSG) is split into 3 notional blocks: (a) Schools Block - allocations to individual schools based on funding formula approved by Schools Forum; Admissions service; and, nationally agreed school licences (b) High Needs Block - to fund additional support for pupils with high needs in schools, further education (FE) and alternative provision (AP) sector (c) Early Years Block - to fund early years settings for provision of places for 2,3 and 4 year olds.						
Staffing (FTE)	Budget	Actual					
Permanent	3.81	3.81					
Agency	0	0					
Cost Centre	Outturn 2015/16	Budget 2016/17	Revised Budget	Q1 Forecast	Q2 Forecast	Q2 Variance to budget	
School Allocations	5003	4,657,498	3,358,100	3,686,700	3,687,000	3,687,000	300
Nationally Agreed School Licences	5007	27,872	29,000	29,000	29,000	29,000	0
School Improvement	5008	0	0	50,000	50,000	50,000	0
School Recharges	5205	0	0	0	0	0	0
Pupil Premium	5245	0	0	0	0	0	0
Pupil Premium Plus	5246	0	0	0	0	0	0
Admissions Service	5379	57,341	65,000	65,000	59,400	57,700	(7,300)
Schools Block totals		4,742,712	3,452,100	3,830,700	3,825,400	3,823,700	(7,000)
SEN	5300 &	2,826,825	3,104,300	3,104,300	3,532,100	3,207,800	103,500
SEN Staff Recharge	5128	197,200	197,200	197,200	197,200	197,200	0
Education Otherwise	5314	110,954	90,000	90,000	90,600	95,000	5,000
Special Needs Teaching	5348	61,369	65,600	65,600	87,600	83,600	18,000
Early Years Inclusion	5399	30,104	48,900	48,900	48,900	36,500	(12,400)
High Needs Block totals		3,226,451	3,506,000	3,506,000	3,956,400	3,620,100	114,100
Education for under 5's	5301	65,826	74,400	74,400	65,300	65,000	(9,400)
3 & 4 Year Old Funding	5308	1,212,824	1,351,500	1,351,500	1,351,500	1,351,500	0
Early Years Foundation Stage	5368	27,573	30,100	30,100	30,700	28,300	(1,800)
2 Year Old Funding	5290	156,159	102,000	102,000	102,000	102,000	0
Early Years Block totals		1,462,383	1,558,000	1,558,000	1,549,500	1,546,800	(11,200)
Dedicated Schools Grant Income	5332	(9,205,000)	(8,516,100)	(8,569,700)	(8,569,700)	(8,569,700)	0
Use of carry forward DSG Grant (Earmarked)	n/a	0	0	(325,000)	(325,000)	(325,000)	0
Funding line		(9,205,000)	(8,516,100)	(8,894,700)	(8,894,700)	(8,894,700)	0
Total Function		226,546	0	0	436,600	95,900	95,900
Overall Functional Lead Comment							
The largest variances arise from the (demand-led) SEN cases in the Schools Block due to increases in the number of placements. The overall forecast has reduced as residential elements have been reviewed and reallocated outside this function. Options for addressing the overspend through DSG allocations will be presented to schools in September.							

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SCHOOLS' FORUM MEETING

22nd September 2016

High Needs Funding

1. Introduction

1.1 The High Needs budget for 2016/17 is currently forecast to be overspent and the Council no longer holds reserves to cover the overspend. This paper informs Schools Forum of some of the issues leading to an overspend and the options for funding it.

2. The Budget for High Needs

2.1 The budget is set between October and December and the number of pupils that might require additional SEN funding the following September has to be estimated. Whilst the numbers of existing pupils can be used to some extent, it is difficult to predict what will happen when pupils change schools, e.g., between primary and secondary.

2.2 Another area of uncertainty when setting the budget is around Post 16 placements as it is difficult to obtain information on which existing high needs pupils may go on to further education. At the same time, colleges are actively encouraging high needs pupils to attend without first seeking agreement for funding. Furthermore, more post 16 students now remain in education or training yet additional central funding does not appear to match this accurately.

3. Detailed breakdown of current forecast

3.1 The main area of spend is on the SEN budget of £3.104m and can be broken down as follows:

	Budget £'000	No. Of Pupils (FTE)	Forecast £'000	No. Of Pupils (FTE)	Comment
RCC Mainstream	310	62.67	316	64.63	Payment to RCC schools for pupils with statement / EHC in a main school setting
DSP Units	555	n/a	627	n/a	£10k place funding payable even if vacant ¹ .
Independent Special	1,599	26.33	1,510	26.83	Payments to special schools outside of local authority control – only one of which is in county
Non Maintained Special	186	4.00	87	2.33	Payments to out of county non maintained

¹ Views are sought on how appropriate this is as a means of funding DSPs and how we might increase take-up of places.

					special schools
Other LA's Special	294	28.00	394	31.69	Out of county
Other LA's Maintained	44	6.00	35	4.33	Out of County
Post 16 Students	76	10.00	229	27.28	Payments to colleges for post 16 placements – In and out of county
Direct Payment	0	0	10	0.67	Payment to Parent of child
Contingency	40	0	0	0	
	3,104	137.00	3,208	157.76	

3.2 As can be seen from the table, one of the main areas of increase in expenditure is on the Post 16 funding. £66k of this expenditure is still to be confirmed as it relates to pupils who are potentially just starting college and the level of support required for these students has not yet been agreed.

3.3 What Drives cost?

There are a number of factors that drive costs making this budget one that is difficult to set and predict. The main drivers are:

- The number of pupils requiring additional support
- The complexity of their requirements – the costs can range from £1k up to £300k depending on needs
- Whether mainstream schools can support the pupil or whether they need a specialist placement
- Parental choice
- The Settings – there is a wide variation between placement costs dependent on where a pupil ends up

3.4 The Overall Forecast:

As shown in the budget 2016/17 update paper, the High Needs budget is showing a forecast overspend of £114.1k for the financial year. With some slight underspends on other centrally retained budgets, the overall DSG overspend is forecast to be £96k.

3.5 The Options for Funding Overspend:

The DfE set out under the Fairer Funding for Schools documentation in 2012/13 that local authorities would have two choices if the DSG overspends:

- a) It can write off the overspend to the General Fund leaving the DSG in balance going forward; or,
- b) It can recoup the overspend from schools funding

3.6 The DSG has previously had reserves that could have been used to offset this overspend allowing the Council to recoup the cost without impacting on individual school budgets. However, these reserves (in agreement with Schools Forum) have been distributed to schools and are no longer available to the Council.

3.7 The funding could be recouped from schools in a number of ways, as follows:

- It could be recouped in 2016/17 by agreeing a charge per school
- It could be recouped by topslicing it from the 2017/18 schools block allocation prior to the funding being distributed to individual schools

- A method of recharging schools for the overspend could be agreed by Schools Forum to be charged to schools at the beginning of 2017/18 (April/May) when the actual overspend is known.

4. **Recommendations**

4.1 Schools Forum are asked to consider the options for recouping the forecast overspend.

Dawn Greaves
Finance Manager - Accounting
8th September 2016

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SCHOOLS' FORUM MEETING

22nd September 2016

Changes to Funding Formula for 2017/18

1. Introduction

- 1.1 During 2016/17, the Department for Education (DfE) has been consulting with organisations with regards to proposed changes to the Dedicated Schools Grant (DSG) including how it is allocated to local authorities and then distributed to schools and early years providers. This paper sets out the changes made by the DfE for 2017/18.
- 1.2 The DSG is currently allocated to local authorities in three blocks: Schools; High Needs; and, Early Years with local authorities being able to transfer funds between blocks as required. For example, in 2016/17 Rutland has transferred £168,000 from the schools block to the early years block to allow for an increase in hourly rate to £4.60 for early years providers.
- 1.3 Under the consultation process, the DfE have indicated that in future this will change to four blocks: Schools; Central Schools; High Needs; and, Early Years. These blocks will be ring fenced and local authorities will no longer be able to transfer funds between them. In order for the DfE to have a baseline for comparison purposes, local authorities were asked in April to submit their 2016/17 spending plans allocated across the 4 blocks. These baseline figures (rather than the original allocation figures from the DfE) have been used when reviewing funding to be given to local authorities in 2017/18.

2. Schools and Central Schools Block

- 2.1 To ensure that local authorities can start planning budgets for next year, proposals made in the first stage of the national funding formula consultation to create a new central schools block, allow local flexibility on the minimum funding guarantee (MFG) and to ring-fence the schools block will not be implemented for 2017/18. Any movement between blocks should comply with requirements on the MFG and have agreement of schools forum.
- 2.2 The schools block baseline for 2017/18 reflects the amounts local authorities put in their baselines for both schools block and central schools block as part of the baseline exercise. It also includes funding for Education Services Grant (ESG) retained duties (£15 per pupil) which has been transferred into the schools block.
- 2.3 The DfE have confirmed that no local authority will see a reduction from their 2016/17 per pupil funding (adjusted to reflect the baseline figures) on the schools block allocation. Final allocations figures will be available in December on the basis of pupil numbers recorded in the October census and local authorities will need to submit their completed proformas by no later than 20 January 2017.
- 2.4 The current MFG for schools will be retained so that no school can face a funding reduction of more than 1.5% per pupil.

2.5 The allowable factors within the 2017/18 funding formula remain the same as the previous year except for the post-16 factor (not used by Rutland) which has been removed. It should be noted that due to changes in pupil numbers and changes to data sets, there will be a requirement to change the unit costs of some of the factors to ensure that the overall formula remains affordable.

3. ESG and arrangements for schools block retention

3.1 In the 2015 Spending Review, the DfE announced a saving of £600m from the ESG general funding rate by 2019/20. The ESG is split into two elements: general funding rate (£77 per pupil) and retained duties rate (£15 per pupil). The DfE have announced that from September 2017 the general funding rate will be removed to meet the £600m savings target and the retained duties will be added to the 2017/18 schools block (as part of the new central schools block).

3.2 The LA may maintain the retained duties funding for all pupils, the DfE recognises that local authorities will need to use other sources of funding to pay for education services provided to maintained schools only once the general funding rate has been removed. Therefore local authorities will be allowed to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG.

3.3 The amount to be retained will need to be agreed by the maintained school members of the schools forum. Local authorities should set a single rate for child for all mainstream maintained schools. As with de-delegation, the amount to be held by the local authority will be determined after MFG has been applied.

4. High Needs

4.1 For 2017/18, no local authority will see a reduction from its 2016/17 funding for high needs, against the 2016/17 planned spending baseline. These baseline figures are the amounts of high needs funding that local authorities should use for planning purposes.

4.2 At this stage, there are no plans to change the way in which authorities are funded for High Needs for 2017/18. This is to ensure that the places funded reflect broadly local authorities' recent commissioning activity.

4.3 Flexibility is available at local level to make adjustments to individual institutions place funding in 2017/18. In autumn 2016 (September), the Education Funding Agency (EFA) will gather information from local authorities about the place numbers for the start of the 2017/18 academic year.

5. Early Years

5.1 On 11th August 2016, the DfE started consultation on an Early Years National Funding Formula. The closing date for responses is 22nd September 2016.

5.2 The consultation does not impact on the funding for 2 year olds or the Early Years Pupil Premium (EYPP) as these are already distributed via a national formula.

5.3 In 2016/17, the budget for 3&4 year old funding has been set at £1,340,500 (excluding EYPP of £11,000) and centrally retained budgets at £104,500 to provide support and

advice to providers. This has given Rutland a baseline of £1,445,000 as a benchmark for comparison with the proposed new funding formula. Rutland currently pays all their early years providers an hourly rate of £4.60 and retains centrally 7.23% of total funding.

- 5.4 The baseline assessment has been divided by the number of Part Time Equivalent (PTE) 3&4 year olds as recorded on the January 2016 census to give each authority a baseline hourly rate of funding. For Rutland this equates to £4.98 with the average nationally being £4.43.
- 5.5 The proposed new national funding formula features 2 funding factors (a universal base rate and an additional needs factor) that determine the funding per child that each authority will receive. An area cost adjustment (ACA), reflecting different costs of providing childcare in different areas of the country is then applied to both funding factors to give an overall funding rate for each authority. Out of this funding, local authorities will be limited to retaining centrally no more than 7% of funding in 2017/18 and no more than 5% thereafter.
- 5.6 The universal base rate will allocate the majority (89.5%) of the early years funding with the remainder flowing through the additional needs factor. The new proposed formula will see 75% of local authorities gain funding compared to the baselines submitted in April. The remaining authorities will be protected by a funding floor that proposes that no authority should face a reduction in hourly rate of more than 10% against its 2016/17 baseline. In addition it is proposed that local authorities will be protected so that the most they can lose in one year is 5%.
- 5.7 Under the new funding formula, without any protections being applied, Rutland would only receive £3.81 per hour compared to the £4.98 it currently spends. For Rutland, this means that as well as receiving the 10% funding floor of £4.48 per hour in 2017/18, the authority will also receive a protection to reduce the loss down to 5% giving a final hourly rate of £4.73 compared to the £4.98 currently being spent. For 2018/19, the authority will then only receive the 10% funding floor protection of £4.48 per hour
- 5.8 Based on the information supplied by the DfE the amount of funding that we will receive, the amount we can hold centrally and the amount we will be able to pay our early years settings is as follows

	Current 2016/17 Budgets	Proposed 2017/18 allocations	Proposed 2018/19 allocations
Hourly rate to LA	£4.98	£4.73	£4.48
3&4 year olds (PTE)	508.9	508.9	508.9
Total budget	£1,445,000	£1,371,955	1,299,442
Allocated to providers	£1,340,500	£1,275,918	£1,234,470
Maximum held centrally	£104,500	£96,037	£64,972
Hourly rate to providers	£4.60	£4.40	£4.25

Dawn Greaves
Finance Manager - Accounting
8th September 2016.

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