



SCHOOLS' FORUM MEETING

3RD MARCH 2022

SCHOOLS FUNDING UPDATE

1 INTRODUCTION

- 1.1 The purpose of Schools Forum is to advise local authorities on the operation of the local Schools Budget and its distribution among schools and other bodies. This paper updates the Forum on the Schools Funding Position.

2 SCHOOLS FUNDING 2021/22

- 2.1 The table below summarises the forecast position on the Dedicated Schools Grant for 2021/22 as at 31st January 2022.

	Schools £000	High Needs £000	Early Years £000	Central Schools £000	Total £000
Surplus/(Deficit) Carry Forwards from 2020/21	19	(576)	118	51	(388)
DSG Allocations prior to recoupment	27,579	4,579	1,729	174	34,062
Transfer between blocks	(132)	132			0
Academy Recoupment	(25,523)	(262)			(25,785)
Expenditure in Year					
Schools allocations	(1,943)				(1,943)
Nationally Agreed School Licences				(39)	(39)
Admissions Service- staffing costs				(69)	(69)
Statutory & Retained Duties				(65)	(65)
Education for under 5's			(91)		(91)
3 & 4 Year Old Funding			(1,496)		(1,496)
2 Year Old Funding			(111)		(111)
SEN Placements		(4,292)			(4,292)
Recovery Plan Expenditure		(264)			(264)
Education Otherwise		(212)			(212)
Special Needs Teaching		(83)			(83)
Early Years Inclusion		(50)			(50)
Forecast under/(Over) spends in 2021/22	(18)	(452)	31	1	(439)
Surplus/(Deficit) Carried Forward to 2022/23	1	(1,028)	149	52	(827)
Percentage of DSG	0.00%	3.02%	0.44%	0.15%	

2.2 The main uncertainty for the DSG is linked to two main areas:

- The High Needs Block – The main reason the High Needs budget is overspending is due to the level of demand for the service. The Council has seen an increase of 19 Education, Health and Care Plans (EHCP) since the start of April 2021.
- Early Years Funding – the current position is based on funding as at the October 2021 reporting period for number of children in settings. The final quarters funding will be based on the January 2022 Census data, but this will not be known until July 2022. It is expected that there will be an element of clawback from the DfE. It is expected that after the clawback the Early Years Funding will break even for 21/22

3 EARLY YEARS FUNDING RATES 22/23

3.1 The Council have agreed the following rates for payment in 2022/23 for the early years providers

Group	DfE Rate 22/23	DfE Rate 21/22	RCC Rate to Providers 22/23	RCC Rate to Providers 21/22
2 Year Olds	£5.57	£5.36	£5.57	£5.36
3 & 4 Year Olds	£4.61	£4.48	£4.38	£4.25

3.2 These rates include increases as announced by Government. The two year old funding rate will increase by 21p per hour which has been passed on in full to providers. The Government also announced that three and four year olds funding will increase by 17p per hour, however in cash terms the Council will only see an increase of 13p.

3.3 The reason the full 17p increase is not passed onto the Council is because, when the national funding formula (EYNFF) for early years was introduced (2017/18) the Government agreed that no authority would receive less than £4.48. This then became the minimum funding rate for the Council and has been that up to 21/22. The actual rate the Council would have received was £3.81 through the new EYNFF in 2017/18, which has risen to £3.95 as at 21/22.

3.4 The table below shows the movement in 2022/23 and as you can see the 17p has been allied to the Council actual rate, with the minimum funding rate being increased by 13p to £4.61.

Description	21/22	22/23
EYNFF Minimum Funding Rate	£4.48	£4.61*
Actual EYNFF Rate	£3.95	£4.12

3.5 The table overleaf shows the funding position for 2022/23, where you are able to see the Council is distributing all the funding that it has been allocated. The Council is able to do this due to currently estimating a surplus of c£149k (forecasted) at the end of 2021/22. This surplus is being held to act as a contingency for the current funding levels which did not allow for a contingency to be set from the core funding. The number of hours is based on January 2021 census data as the January 2022 Census data is not available until July.

Funding Type	Pupil Numbers	Total Hours	DfE Rate	Total Funding
3 & 4 Year Olds				
Initial 15 Hours	442.66	252,316.20	£4.61	£1,163,177.68
Additional 15 Hours	209.74	119,551.80	£4.61	551,133.80
2 Year Olds				
2 Year Olds	27.24	15,526.80	£5.57	£86,484.28
Total Funding				£1,800,795.76
Centrally Retained Funding (5%)				£85,715.57
Funding Available for Distribution to Providers				£1,715,080.18
Distribution				
3 & 4 Year Olds (252,316.20hrs + 119,551.80hrs @£4.38/hr)				£1,628,781.84
2 Year Olds (15,526.80 hrs @ £5.57/hr)				£86,484.20
Deprivation supplement (£0.11 per hour)*				£550.00
Total Distribution				£1,715,816.04
Deficit				£735.86

*Deprivation supplement for 3 and 4 year-olds. This is currently £0.11/hour as per para 10.1 of the provider agreement.

3.6 In addition to the funding in the above table from the core Early Years Block Funding. There are additional funding supplements available and accessed separately, details provided in links (subject to children's eligibility).

3.6.1 **Special educational needs inclusion fund** (top ups) is available for all 3 and 4 year-olds children with SEN who are taking up the free entitlements, regardless of the number of hours taken. This is to target children with lower level or emerging SEN.

<https://ris.rutland.gov.uk/kb5/rutland/directory/service.page?id=dXejgod6VEw>

3.6.2 **Early Years Pupil Premium** (£0.60 per child per hour) 3 and 4-year-olds will be eligible for EYPP if the child receives the universal 15 hours entitlement and they meet set criteria. Please follow this link for further information.

<https://www.rutland.gov.uk/my-services/schools-education-and-learning/early-education-and-childcare/funding/early-years-pupil-premium/early-education-and-childcare-providers/>

3.6.3 **Disability Access Fund**- Providers receive at least £800 per eligible child per year. The funds could be used, for example, to support providers in making reasonable adjustments to their settings and/or helping with building capacity. 3- and 4-year-olds will be eligible for the DAF if: the child is in receipt of Disability Living Allowance; the child receives the universal 15 hours entitlement.

https://ris.rutland.gov.uk/kb5/rutland/directory/service.page?id=ZHfIYG1vu8s&newlocalofferchannel=8_1

4 RECOMMENDATIONS

4.1 That Schools Forum Note the contents of the report