



SCHOOLS' FORUM MEETING

12th January 2017

School Funding 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 For 2017/18, the funding for the Early Years Block has been ringfenced and cannot be altered. The transfer of funding between High Needs and Schools blocks can still occur for 2017/18. However, this is likely to be the last year that funding can be transferred between these two blocks. The second stage consultation has commenced and within this documentation, it is indicated that a further baselining exercise will take place once the 2017/18 budgets have been set and these new baselines will be used when considering the long term funding available for both High Needs and Schools. Therefore, any decision taken to transfer funds will impact on funding in future years.

2. Schools and High Needs Funding

- 2.1 The funding allocation for the High Needs block for 2017/18 is £3.8211m. However, the below table indicates the amount of funding anticipated to be required to fund existing High Needs placements:

	Budget £'000	No. Of Pupils (FTE)	Comment
Mainstream settings	323.0	62.97	Payment to RCC and out of county schools for pupils with statement / EHC in a main school setting
DSP Units	833.7	29.00	£10k place funding payable even if vacant on 52.5 places.
Independent Special	1,813.1	32.33	Payments to special schools outside of local authority control – only one of which is in county
Non Maintained Special	72.3	2.00	Payments to out of county non maintained special schools
Other LA's Special	389.6	33.33	Out of county
Post 16 Students	235.8	24.37	Payments to colleges for post 16 placements – In and out of county

Direct Payment	19.5	1.00	Payment to Parent of child
DSG Recharge	197.2		Contribution towards staff costs in supporting schools with SEN pupils
Education Otherwise	110.0		To support pupils permanently excluded from schools
Early Years Inclusion	45.0		To support early years settings with pupils with learning difficulties
Special Needs Teaching	85.0		To support pupils with specialist support eg hearing, visually impaired etc
Contingency	96.9		For new pupils not yet identified as requiring support
	4,221.1	185.00	

2.2 The above table indicates that there is a shortfall in funding of £400k which will need to come from the schools block unless changes can be implemented to reduce costs. For example, the High Needs currently funds 52.5 places at £10k per place in 3 settings. However currently it is anticipated that only 29 of those places will actually be filled during 2017/18. In essence, £235k is being committed with no pupils actually receiving any benefit of that additional funding.

2.3 The Council therefore has two options, either the number of places at these units needs to be decreased thereby reducing the overall need for funding from the schools block or the take up of places at these units needs to be increased by reducing the number of external placements thereby reducing the overall budget requirement.

2.4 The funding available for allocation to schools is dependent on the decisions taken around High Needs funding. However, 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 Transferred to the DSG

3.1 The schools block allocation includes the retained duties element of the Education Services Grant (ESG) at the rate of £15 per pupil. The total number of pupils as recorded on the October census is 5,273 giving a total available fund of £79k. It is proposed that £75k is retained centrally to fund the statutory and regulatory duties that the authority has for all pupils.

4. Early Years

4.1 Based on the information supplied by the DfE the amount of funding that the council 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
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