

 Brent	<p style="text-align: center;">Schools Forum 14 January 2015</p> <p style="text-align: center;">Report from the Strategic Director of Children and Young People</p>
For Consultation	
Schools Budget 2015-16	

1. DSG Update

- 1.1. On 17th December 2014 the Department for Education (DfE) announced the School Revenue Funding for 2015-16, which details the Dedicated Schools Grant (DSG) allocations for local authorities.
- 1.2. The 2015-16 provisional allocation for Brent is illustrated in the table below, with a comparison to the 2014-15 allocation:

Blocks	£'000		
	2015-16	2014-15	Change
Schools	220,009	190,707	29,302
High Needs	55,831	55,544	287
Early Years	20,238	19,854	384
Other *	58	6,544	-6,486
Total	296,136	272,649	23,487

* 2014-15 includes the 2 year old Early Years Funding, which is explained further in 1.5.4 below.

- 1.3. These allocations are prior to DSG deductions for academy recoupment. Therefore academies, including the two previously non-recoupment academies and one open free school, are included in these numbers. An element of this allocation will therefore be recouped for direct payment to these schools by the Education Funding Agency (EFA), and to any schools that convert to academy status for the remainder of this financial year or in the new financial year.

- 1.4. The total schools budget for 2015/16 is however calculated to be £221.6m after MFG, an increase of £30.79m on last year. This total is made up as follows:

	£'000
2014/15 Schools Budget Post MFG Total	190,811
2015/16 Cash Transfer for Non-Recoupment Academies	14,375
2015/16 Additional Funding Distribution	10,690
2015/16 Pupil Population Increase (Oct 2013 to Oct 2014)	4,237
	220,113
2015/16 Pupil Number Adjustment for Permanent Expansions	1,491
2015/16 Schools Budget Post MFG Total	221,604

The ISB is detailed by school in Appendix A, and explained further in Section 2 below.

- 1.5. The changes in funding illustrated in 1.2 above, are detailed below:

1.5.1. The Schools Block increase reflects:

- the implementation of minimum funding levels as previously reported, which has increased the schools block unit of funding by £283.97. This equates to £10.690m;
- an increase in the pupil population of 792 which equates to £4.237m;
- and, a cash transfer for those non-recoupment academies and free schools converting to recoupment academies, of £14.375m.

As this allocation is based on pupil numbers, the pupil number adjustments made (as explained in 2.4 below) will be reflected by increased funding in this block when the final allocation is released.

1.5.2. The High Needs Block increase demonstrates Brent's share of an additional £47m top-up that has been distributed to local authorities. This is distributed based on the 2-19 aged population in each local authority.

1.5.3. The Early Years Block:

- is provisional and currently reflects the January 2014 census. This will subsequently be updated based on January 2015 census. This therefore currently includes the same 3 & 4 year old funding as for 2014-15;
- does not yet include the 2 year old funding. This funding was previously included under "Other" rather than in the Early Years block, and was ring-fenced. However, with the change to participation funding in 2015-16 this will be included in the Early Years block and will be updated in the allocations based on the January 2016 census.

- includes the new Early Years Pupil Premium which is being introduced from April 2015 and is currently estimated as £384k based on the October 2014 census. Take up will be evaluated in Autumn 2015, with allocations subsequently adjusted in January 2016.

1.5.4. The remainder of the DSG allocations is made up as follows:

	£'000		
	2015-16	2014-15	Change
2 Year Olds – Early Years Funding		6,762	-6,762
Funding for Induction for Newly Qualified Teachers	58	57	1
Carbon Reduction Commitment Energy Efficiency Scheme		-275	275
Total	58	6,544	-6,486

- The 2 year old early years funding will be included in the Early Years block as explained in 1.4.3 above.
- The Carbon Reduction Commitment deduction was made in 2014-15 after the scheme ended, and will not be made from 2015-16 onwards.

2. Schools Block

- 2.1. The Schools Funding Formula has been calculated using the Authority Proforma Tool (APT) provided by the DfE. This is provided to each local authority with pre-populated data, and the appropriate adjustments are made to these based on decisions and recommendations of the Schools Forum.
- 2.2. An analysis of these budgets shows that the total funding for the primary sector continues to increase proportionately more than the secondary sector due to changes in the school population and continuing demand for primary places.
- 2.3. The Primary:Secondary ratio remains as 1:1.29, the current national average, as previously agreed by the Schools Forum.
- 2.4. Pupil Numbers
- 2.4.1. This year a different approach is being taken for the funding of permanent expansions and new schools. This has previously been paid through the Out of School Places contingency which has seen increasing strain over the past few years as pupil numbers increase in the Primary sector. There would also be an increased burden on this fund with the opening of free schools which are no longer non-recoupment and are filling up gradually.

2.4.2. The approach being taken this year and beyond is therefore to include a pupil number adjustment within the funding tool in order to fund these schools through their budget share. For example, where a school is permanently expanding, has not yet reached its full intake and therefore an additional class opens in September 2015, 7/12ths (September to March) of the expected intake (usually 30 pupils) has been added to their pupil numbers. This is inline with the DfE guidelines and recommendations, and the DSG allocations will be adjusted by the DfE to reflect this.

2.5. De-Delegations

2.5.1. A number of de-delegations have been approved by the Schools Forum in October and December, and will be deducted from the schools' budget.

2.5.2. As per DfE operational guidance, de-delegations can only be applied to maintained primary and secondary schools, which results in a total deduction to the schools' budget of £610k . This is demonstrated in Appendix A.

2.5.3. As was agreed last year, an amount for these services has been applied to the nursery and special school budgets, to enable these schools to buy into the relevant services if they choose. Academies continue to have access to these services through buy-back mechanisms.

2.5.4. The agreed and applied de-delegations are:

- | | |
|---|-------|
| • Free School Meals Eligibility | £28k |
| • Schools Causing Concern | £250k |
| • Maternity Grant | £220k |
| • Trade Union Facilities Funding | £86k |
| • Licences (excluding Blanket Licences) | £26k |

2.6. DfE Approvals

These calculations include the following approvals requested to and approved by the DfE.

2.6.1. Split Site – this factor was requested for two schools which now operate on a split site and would provide an additional lump sum to these schools to enable operations.

2.6.2. Lump Sum Variation – a lump sum variation request was made for the Crest Academies which merged in September 2014. Where schools merge, the new school will receive 85% of the two lumps in the first year, and thereafter revert to one lump sum.

2.6.3. MFG Exclusions:

- Split Site – this was requested for the two new schools that have been approved as split site to remove this additional funding from

the MFG calculation. However due to the injection of the additional funding, neither schools will received MFG in 2015/16.

- All-Through Schools – this was requested for both all-through schools in the borough so that MFG at these schools would be calculated separately for the secondary and primary phases.

3. Next Steps

- ⇒ The deadline for submission of the final budget (Schools Block) to the EFA is 20th January.
- ⇒ Provisional Early Years (including Nurseries) and High Needs Budgets (including Special Schools, ARP units and PRUs) will be submitted to the February Schools Forum.
- ⇒ Schools will be notified of their budget (Schools Block only) by 27th February, and of their full budget by 31st March.

4. Recommendations and Consultation points

- 4.1. The Schools Forum is being asked to note the 2015/16 Provisional DSG Allocations
- 4.2. The Schools Forum is being formally consulted on:
 - a. The 2015/16 Final Schools ISB (Schools Block only).

Appendix

A. ISB (Schools Block) Detail

Background Papers

1. DSG 2015-16 Allocations Table
2. DSG 2015-16 Conditions of Grant
3. DSG 2015-16 Technical Note
4. DSG 2015-16 Pupil Number Information
5. DSG 2015-16 Pupil Number Tool

All of the background papers can be found at:

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2015-to-2016>

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