

## **WIRRAL COUNCIL**

**Wirral Schools Forum 28<sup>th</sup> September 2016**

**Report of the Director of Children's Services**

**School Funding 2017-18**

### **1.0 EXECUTIVE SUMMARY**

This report summarises the arrangements for the 2017-18 Schools Budget. These were confirmed by the Education Funding Agency in July as part of their published Operational Guide.

### **2.0 FUNDING ARRANGEMENTS 2017-18**

2.1 The Education Secretary Justine Greening made a written statement to Parliament on 21<sup>st</sup> July 2016 setting out the government's position regarding the Schools National Funding Formula. Whilst restating the commitment to reform of funding, the expected detailed consultation on proposals the Schools and High Needs has been deferred to autumn, after which a final decision will be made in the New Year. The new system and formula for Schools and High Needs therefore will not now apply until 2018-19.

2.2 Elsewhere on the agenda are details describing the consultation and proposals for changes to Early Years funding to be introduced in 2017-18.

2.3 Following this statement the Education Funding Agency (EFA) published the funding arrangements for next year in the "Schools revenue funding 2017 to 2018 Operational Guide".

These arrangements are broadly similar to the current year. There are some changes that are described later, but the main principles are that:

- There is no reduction to the 2016-17 Dedicated Schools Grant pupil funding, or the High Needs cash amount
- The Minimum Funding Guarantee of minus 1.5% continues.
- The allowable funding factors used by Wirral in the School Funding Formula remain.
- National data sets will be updated in Autumn
- IDACI bandings, used in part for deprivation funding, have been altered following changes to the 2015 data last year. These national changes in 2016-17 caused an unplanned shift in funding between schools. On Wirral as elsewhere a greater proportion of funding was as a result allocated to lower funding bands, moving some resources. The EFA have now reworked the bands so that as far as possible it distributes funding in a similar way to 2015.
- Prior Attainment will use the new KS2 assessments
- De-delegation continues

## 2.4 Baseline budgets

All Local Authorities have been asked to submit Baseline Budgets based on their planned spend for 2016-17 to the EFA. These Baselines cover the budgets for Schools, High Needs, Central Schools and Early Years.

The purpose of this exercise is to split DSG spending blocks in a way that identifies central costs and also the plans for the current budget. These revised funding blocks, net of 2 year old funding, reserves or Council contributions become the baseline for any future changes in grant allocations.

The figures submitted for Wirral are as follows:

Schools	£187,936,900 (net of £380,000 reserves)
Central Schools	£4,909,000 (net of £586,500 council PFI contribution)
High Needs	£33,728,200 (net of £188,900 reserves)
Early Years	£11,716,900 (net of 2 year old funding)
<b>Total</b>	<b>£238,291,000</b>

## 2.5 Central Budgets

The EFA asked for detailed information on centrally held schools budgets earlier in the year. This was done with a view to determining if budgets comply with guidelines requiring commitments to be entered into before 2013 and to ensure they were also ongoing. The relevant budgets are:

- Combined Budgets - ongoing commitment £1,485k (School Intervention, LSCB, CLC (PFI), LACES, Governor Forum, PFI support)
- School Closure retirement costs £50k
- Planned Programmed Maintenance £249k
- PFI £3,037,000

The outcome from this review is not yet known, however guidance confirms that the DfE will not reduce funding in 2017-18 as a result of this. Any funding no longer required or allowed should be "allocated to other aspects of DSG".

## 2.6 Education Services Grant (ESG)

The Education Services Grant funds Local Authorities for services supporting maintained schools. These include:

- Education Welfare
- Strategic Management
- School Improvement
- Premature retirement costs
- Central services – Music and Outdoor Education

The National 2015 Spending Review reduced this grant significantly. The remaining funding that will be received (£15 per pupil, approximately £730k) to support the local authorities retained statutory duties for maintained schools will be transferred into DSG along with the costs of support.

## 2.7 Schools Forum approvals

The approval of the Forum continues to be needed for the following aspects of the central schools budget:

- Early Years
- ESG services
- Admissions
- Servicing the Schools forum

- PPM
- Contributions to combined budgets
- School Closure retirement costs

In addition the Forum will approve any changes to the School Funding Formula and advise on High Needs provision

### **2.8 High Needs**

There is no reduction to the baseline High Needs cash amount and an uplift to funding will be announced later in the year.

There is local flexibility to make adjustments to place funding. Any additional places at schools / institutions will be funded from the total high needs block allocated to Local Authorities. There is a separate report on place numbers on this agenda.

Whilst more detailed guidance is awaited, at this stage it does not appear that there are plans to recognise or provide additional funding for increased numbers.

### **3.0 BUDGET TIMETABLE**

December – confirmation of DSG funding

18<sup>th</sup> January – Budget report to Schools Forum

20<sup>th</sup> January - Confirm School Funding Formula with EFA (subject to cabinet)

End January – issue indicative school budgets

20<sup>th</sup> February – Schools Budget approved by Cabinet

28<sup>th</sup> February – confirm School Budgets with schools

Early March – issue Special School and Early Years Budgets

### **Recommendation**

That the Forum notes the report

Julia Hassall  
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