

**Report to Hartlepool Schools' Forum 4th February 2015
From Dean Jackson Assistant Director – Education**

Agenda Item 3 – 2015/16 School Budget – Formula

1. Introduction

1.1 This report provides details of the 2015/16 Dedicated Schools Grant (DSG) allocation for Hartlepool and the final values of the previously agreed funding formula factors. This forms the basis of the Pro-Forma submission to the Education Funding Agency (EFA) which was used to calculate 2015/16 school budgets.

2. Background

2.1 Members will recall that the DSG will continue to remain a ring fenced grant but is split into 3 DSG Blocks:

- **Early Years** - All Nursery provision including school nurseries and PVI's; and also includes all funding relating to 2 year old nursery education.
- **Schools** - All mainstream schools, excluding nursery provision and special units, and related LA services
- **High Needs** - including Special Schools, Special Units, PRU, Independent School Fees and all funding for high needs pupils for students from 0 to 25

2.2 The 2015/16 formula was reviewed in detail by the Schools Forum. On 9th December the Forum proposals were approved at Children's Services Committee. The formula has now been submitted to the EFA for approval.

3. 2015/16 DSG Allocations

3.1 The DfE issued the 2015/16 provisional allocations in December 2014 as identified in **Table 1** below:

Block	2015/16 DSG £'000	Additions & Deductions* £'000	LA Central Services £'000	Individual Pupil Support £'000	2015/16 Allocations £'000
Early Years	4,386		(2)	0	4,384
Schools	60,721	19	100	550	61,390
High Needs	10,483		(98)	(550)	9,835
Total	75,590	19	0	0	75,609

3.2 The DfE allocations for the Early Years and Schools Block are based on a per pupil value (fixed at 2012/13 rates less £7.51 for the deletion of Carbon reduction commitment) multiplied by the relevant number of pupils:

Early Years Baseline per pupil 3&4Yr olds	-	£3,364.61
Schools Block Baseline per pupil	-	£4,695.39

3.3 The Schools Block allocation has been calculated based upon the October 2014 census data. The Early Years Block allocation will remain indicative; the DfE will adjust the allocation during the year to reflect actual pupil numbers in January 2015 and January 2016 (which will make up 5/12ths and 7/12ths of the annual funding respectively).

3.4 2 year old place funding will be allocated based upon participation levels and will not be confirmed by the EfA until June 2015. However Children's Services Committee agreed an increase in the hourly rates of 5p per hour to £4.90 for 2015/16.

3.5 The funding for NQT statutory induction has transferred into the DSG and has been delegated directly to all schools within the AWPU.

3.6 With the introduction of the three blocks, contributions from the Early Years and the High Needs blocks have been made to contribute to the Central Services budgets. This budget has been frozen at 2012/13 levels. There is also a contribution from High Needs block for Individual Pupil Support Budget (£0.550m) to contribute to towards the Notional SEN requirements.

4. 2015/16 School Budget Formula

4.1 The October 2014 census data has now been completed and verified. The DfE have provided LA's with the relevant and most recent, pupil data (October 2014) to use in the 2015/16 formula and the Schools Block element of DSG funding has been confirmed.

4.2 The final funding Pro-Forma was submitted to the DfE on 22nd January 2015. Until the submission has been verified it is possible that some changes may be necessary, although significant changes are not anticipated. At this stage the summary allocations contained in this report will remain indicative. For this reason, provisional school budgets have not yet been issued however it is hoped that this information will be shared with schools later this month.

Appendix A provides a summary of the values submitted in the pro-forma tool to the EFA. Below is a summary of the issues arising:

4.3 Pupil Numbers

The total number of relevant pupils is broadly the same between the two years. Although pupil numbers overall remained relatively stable there were significant differences between sectors. The Primary sector experienced an increase of 92 Pupils (146 increase in Oct 13), whereas the Secondary sector experienced a reduction of 94 Pupils (115 reduction in Oct 13).

4.4 Deprivation

Deprivation funding was approved at 15% of the overall funding formula (before delegation/de-delegation). The data from the DfE indicates that the eligible numbers of Free School Meals Ever 6 (FSM6) have increased by 2.3% resulting in a lower rate per pupil payable.

4.5 Prior Attainment

Forum agreed to maintain the quantum of funding for Prior Attainment. Using the DfE pupil number tool this has resulted in a decrease of 7% eligible pupils in Primary schools and an increase of 0.06% in Secondary's.

4.6 AWPU

The AWPU is calculated after all other formula factors have been derived and allocated to schools, the ratio of funding is adjusted accordingly in order to maintain the overall agreed level of funding at Primary to Secondary ratio of 1:1.26.

4.7 Capping and Minimum Funding Guarantee (MFG)

The Minimum Funding Guarantee was confirmed at a maximum reduction of -1.5% per pupil for 2015/16. Modelling has identified that 5 schools require MFG funding totalling £0.085m (£0.172m in 2014/15). In order to fund the costs of the MFG it was necessary to cap the gains made by schools. The capping rate was set at 3.14% a decrease of 0.12%. In total 6 Schools have been capped.

5. High Needs Block

5.1 The High Needs block allocates basic funding using the number of places provided. The institution is then supplemented by top up funding based on pupil numbers. Pre 16 place numbers within maintained schools total 96 a reduction of 10 compared to 2014/15.

6. Other Issues

6.1 Pupil Premium

Pupil Premium per pupil rates have been announced for 2015/16. Primary FSM6 pupils will attract £1,320 (£1,300 2014/15) of premium, Secondary FSM6 will attract £935 per pupil (£935 2013/14). Service children and Looked after Children premiums remains unchanged at £300 and £1,900 respectively.

6.3 For children recorded on the January census who are either; looked after, leave care under a special guardianship, have a residence order or are adopted, schools will receive £1,900 per pupil. The Virtual School Head role will be enhanced as the

“Corporate Parent” of looked after children and they will work closely with schools to ensure the funding is used to maximum effect.

6.4. Copyright Licences

The DfE agreed to purchase a single national licence for all state-funded schools in England (including Academies) for the following:

- Copyright Licensing Agency (CLA)
- Schools Printed Music License (SPML)
- Newspaper Licensing Authority (NLA)
- Education Recording Agency (ERA)
- Motion Picture Licensing Company (MPLC), and
- Filmbank Distributions Ltd. (for the PVSL)
- Christian Copyright Licensing International (CCLI)
- Mechanical Copyright Protection Society (MCPS)
- Performing Rights Society (PRS)
- Phonographic Performance Limited (PPL)

Schools will not need to purchase individual licences for the above list.

8. Recommendations

8.1 The Forum is asked to note the following:

- The 2015/16 DSG allocations for each of the Blocks and the per pupil values
- The transfers between Blocks as identified in Table 1
- That the Early Years Block is provisional only and will be adjusted by the DfE during the year to reflect actual pupil numbers
- The funding addition arising from the NQT and withdrawal from CRC Scheme
- The values which have been submitted to the DfE/EFA in Hartlepool’s Pro-Forma submission on 22 January 2015 (as detailed in Appendix A)
- Until the Pro-Forma submission has been verified, the formula may be subject to change.
- The change to the Pupil Premium rates.

2015/16 Schools Block Funding Formula

Appendix A

Factor	Pupil Numbers			Amount per Pupil (before delegation/de-delegation)		Funding to be Delegated & then De-Delegated		Funding to be included in Pro-Forma		% of Funding
	Primary	Secondary	Total	Primary (a)	Secondary (a)	Primary (d)	Secondary (d)	Primary (e = c + d)	Secondary (e = c + d)	
Basic Entitlement - AWPU	7,846	5,097	12,943	£2,717.65	£4,117.24	£17.48	£34.76	£2,735.13	£4,152.00	71.02%
Deprivation (FSM6)	3,263	1,987	5,250	£1,427.46	£2,141.19	£27.83	£74.05	£1,455.29	£2,215.24	15.25%
LAC	62	50	112	£777.00	£777.00	£0.00	£0.00	£777.00	£777.00	0.15%
Low Cost, High Incidence SEN	2,163	1,066	3,229	£453.83	£336.58	£0.00	£0.00	£453.83	£336.58	2.23%
EAL	171	36	207	£518.00	£518.00	£210.22	£210.22	£728.22	£728.22	0.25%
Mobility	27	0	27	£641.84	£641.84	£0.00	£0.00	£641.84	£641.84	0.03%
Lump-Sum	n/a	n/a	n/a	£175,000	£175,000	£0.00	£0.00	£175,000.00	£175,000.00	10.21%
Rates	n/a	n/a	n/a	n/a	n/a	£0.00	£0.00	£381,976.00	£133,056.00	0.86%
Total	13,532	8,236	21,768	n/a	n/a	n/a	n/a	n/a	n/a	100%

Primary: Secondary Funding Ratio

1.26

% Distributed through basic entitlement

71.03%

% Pupil Led funding (must be at least 80%)

88.93%