

DEPARTMENT FOR EDUCATION (DfE) DOCUMENTS
'SCHOOL FUNDING FOR 2017 TO 2018' - SUMMARY OF THE KEY ISSUES

1. Secretary of State for Education Announcement 21 July 2016

Overall Issues

- The Government is firmly committed to introducing fairer funding for Schools, High Needs and Early Years to fairly and transparently allocate funding on the basis of schools' and children's actual needs, rather than simply on historic levels of funding tied to out of date local information.
- Stage 1 of the consultations on national funding formula for Schools and High Needs were met with an overwhelmingly positive response from headteachers, teachers, governors and parents.
- Publication of the government's full response to the first stage of the Schools and High Needs needs consultations and proposals for the Stage 2 is programmed for when Parliament returns in the Autumn.
- The Government has confirmed there will be full consultation with final decisions early in 2017.
- The new system will apply from 2018-19.
- Full plans for a national funding formula for Early Years will follow shortly.

For 2017-18

- No Local Authority (LA) will see a reduction from their 2016-17 funding (adjusted to reflect LAs most recent spending patterns) on the Schools Block DSG (per pupil funding) or the High Needs Block DSG (cash amount).
- The DfE will apply an uplift for High Needs later in the year.
- Final allocations for Schools Block and High Needs blocks will follow in December 2016. For the Schools Block this will be on the basis of pupil numbers recorded in the October 2016 census multiplied by the Schools Block DSG Guaranteed Unit of Funding.
- The current Minimum Funding Guarantee (MFG) for schools of -1.5% per pupil will remain.
- Proposals to create a new Central Schools Block allow local flexibility on the MFG or to ring-fence the Schools Block within the DSG will not be implemented. These will be covered, for 2018-19 and beyond as part of Stage 2.

2. Schools Block Guaranteed Units of Funding 2017-18

The Schools Block DSG Guarantee Unit of Funding for the County Council for 2017-18 has been set by the DfE at **£4,318.80 per pupil**. This has been calculated by the DfE using the original baseline from 2016-17 updated with agreed adjustments. The details are in **Table 1**.

Table 1: Calculation of Schools Block Guaranteed Unit of Funding (GUF) 2017-18

Detail	Schools Block GUF £	Pupil Numbers	Schools Block DSG £'m	Note
2016-17				
Baseline	4,318.28	70310	303.62	
<u>Adjustments</u>				
Newly Qualified Teacher Funding			0.10	
Historic Commitments Time Expired Transferred to High Needs Block			-1.23	
TOTAL 2016-17			302.49	
2017-18				
Baseline 2016-17			302.49	1
<u>Adjustment</u>				
Retained Duties Education Services Grant (ESG) Transferred to DSG			+1.16	2
= Revised Baseline A			303.65	
Pupil Numbers B		70310		
GUF 2017-18 A/B	4,318.80			

Notes

1 – Comprises:

SERVICE	£'m
Local Schools Funding Formula (excluding one-off DSG Reserve £2.0m)	299.16
Combined Services – Early Intervention Family Support (EIFS) Service	1.50
School Admissions	0.69
Servicing of the Schools Forum	0.06
DfE National Licences and Subscriptions	0.38
Pupil Growth Fund	0.70
TOTAL	302.49

2 – This equates to the 2016-17 Retained Duties ESG 77634 pupils x £15 per pupil.

- The DfE have now set the final Guaranteed Unit of Funding 2017-18 for all LAs using this methodology and confirmed these will **not be amended** when the October 2016 pupil numbers are available.

- The DfE will issue revised Schools Block DSG allocations for 2017-18 **using the October 2016 pupil numbers**. This amount will not be confirmed until late December 2016.

3. Other Schools Block Aspects

- The current **capping restrictions** introduced in 2014-15 limiting this to the cash requirement needed to fund the MFG **will also remain**.
- In terms of the Local School Funding Formula for 2017-18 the DfE have confirmed there is no obligation on LAs to use all the 13 current formula factors permitted.
- There are only 2 mandatory factors which remain as the current ones – the basic per pupil amount Age Weighted Pupil Unit (AWPU) and the deprivation factor. The remaining ones remain optional.
- LAs have to use the DfE prescribed data sets in applying the Local School Funding Formula.
- It will remain for the LA to decide how best to apply its Local School Funding Formula to meet its local circumstances.
- The LA in conjunction with the Worcestershire Schools Forum will need to discuss and agree any consultation aspects for 2017-18. This will need to follow the normal consultation and approval process:
 - Consideration of issues for the Local School Funding Formula for 2017-18 (if any).
 - Consideration of de-delegated and centrally retained services.
 - School consultation on the issues.
 - Consideration of issues and outcome of consultation by the Worcestershire Schools Forum.
 - Final approvals by the County Council Cabinet.
- The detailed consultation requirements on LAs remain along with the timescales set for submissions to the Education Funding Agency. **These are confirmed in the timeline below.**
- LAs are also required to **consult again** with schools for 2017-18 on decisions made in 2016-17 **for DSG Schools Block Centrally Retained Services** for:
 - Delegation and de-delegation for maintained mainstream schools.
 - Central retention for maintained schools only.
 - Central retention for maintained schools and academies.
- LAs are required to seek approval from the DfE in specific circumstances to:
 - Vary the pupil numbers used for calculating funding for specific schools from the October 2016 census to used estimated numbers where there is school re-organisation or a school is going to change its age range.
 - Request further exceptional premises factors.
 - Vary the operation of the MFG.

4. Timeline

Following confirmation by the DfE of their agreed policy for 2017-18, the County Council will now commence the local consultation with its maintained schools and academies on the consideration of issues for the Local School Funding Formula, de-delegated and centrally retained items for 2017-18.

Please note the significant delay in the DfE announcement has severely restricted the ability of the LA to engage schools earlier in the process.

However the requirement for LAs to return its initial Local School Funding Formula to the Education Funding Agency by end October 2016 is no longer necessary.

The remaining timeline is **detailed in Table 2**

Table 2: Consultation Timeline

DETAIL	DATE
Meeting of the Worcestershire Schools Forum to: - <ul style="list-style-type: none"> Consider DfE current position Discuss issues for consultation 	7 July 2016
Education Secretary announcement and DfE/Education Funding Agency issue policy guidance and other funding information	21 July 2016
SCHOOLS SUMMER BREAK	22 July to 1 September 2016
Meeting of the Worcestershire Schools Forum to discuss and agree consultation issues	8 September 2016
Formal consultation for 2017-18 starts	12 September 2016
Formal consultation for 2017-18 ends	10 October 2016
Further Meeting of the Worcestershire Schools Forum to consider the results of the consultation and to formulate recommendations to Cabinet	19 October 2016
Report to Cabinet making recommendations for the Local School Funding Formula 2017-18, de-delegated and centrally retained budgets	17 November 2016
Confirmation by the DfE/Education Funding Agency of: - <ul style="list-style-type: none"> October 2016 census data Final Authority Proforma Tool (APT) for 2017-18 Schools Block DSG 2017-18) Late) December) 2016
LA to consider impact of the new October 2016 data sets for APT submission	Late December 2016/Early January 2017
Meeting of the Worcestershire Schools Forum to: - <ul style="list-style-type: none"> Consider impact of the new October 2016 data sets Agree submission for the final APT 2017-18 to the Education Funding Agency) 11 January) 2017
LA to submit final data for Schools Budget DSG APT for 2017-18	By 20 January 2017
LA to confirm school budget shares 2017-18 for their maintained schools	By 28 February 2017
Education Funding Agency to confirm General Annual Grant (GAG) to academies	By 31 March 2017

- **As in previous years, this consultation process has to take place prior to the receipt of the October 2016 data sets and the issue of the final Schools Block DSG for 2017-18. This is not anticipated until late December 2016.**
- **On this basis there will be changes between the consultation and the final budgets issued for individual schools for 2017-18 as in previous years. This will also take account of the effect of these changes on the statutory Minimum Funding Guarantee requirements and local capping arrangements.**