

REPORT TO: Schools Forum

DATE: 23 January 2017

REPORTING OFFICER: Senior Finance Officer, Financial Management Division

SUBJECT: Schools Block Budgets 2017-18

1.0 **PURPOSE OF REPORT**

1.1 To report to the School Forum on the final funding formula for Primary and Secondary schools for 2017-18.

2.0 **RECOMMENDATION: That**

- (1) **The report be noted;**
- (2) **That a decision be reached on the use of the EAL funding factor.**

3.0 **SUPPORTING INFORMATION**

3.1 **Background**

At the October School Forum decisions were taken on how the funding formula should be allocated to Halton Primary and Secondary maintained schools, academies and free school following a consultation. A question was raised at School Forum about the impact of using the EAL funding factor in place of the Service Level Agreement with St Chad's (see 3.8).

3.2 **Budget availability for Primary and Secondary schools**

The DSG notional allocation for Schools Block is £83,008,079. We have received permission from the Education Funding Agency for our application to use the Exceptional Premises Factor in relation to the joint use costs of Brookvale Recreation Centre by Ormiston Bolingbroke Academy which the EFA no longer fund.

The lateness of the grant allocation announcement means that we are still finalising the funding factor cash values and these, alongside indicative Schools Block budgets for primary and secondary schools will be tabled at the meeting.

3.3 **De-delegated Budgets**

Schools can choose to de-delegate budgets to fund Schools Contingency, Staff responsibility costs and Free School Meal eligibility costs. Budgets can only be de-delegated from maintained primary and secondary schools and each phase decided at the October meeting to continue with the same de-delegated budgets. We are setting the Primary de-delegated budgets at:

- £17.01 per pupil for Schools Contingency, the budget will be £169,488
- £1.47 per FSM pupil for FSM6 eligibility, the budget will be £5,569
- £2.18 per pupil for Staff responsibility, the budget will be £21,722

We are setting the Secondary de-delegated budgets at:

- £14.80 per pupil for Schools Contingency, the budget will be £39,990
- £1.47 per FSM6 pupil for FSM eligibility, the budget will be £1,818
- £1.89 per pupil for Staff responsibility, the budget will be £5,107

Below is the comparison to the de-delegated budgets for 2016-17:

	2017-18	2016-17
Schools Contingency	£208,478	£209,722
Staff Responsibility	£26,828	£26,859
Free School Meal Eligibility	£7,387	£7,288

3.4 **Income Deprivation Affecting Children Index (IDACI)**

The IDACI bandings had been updated by the Government in September 2015 and the new bandings had a significant, detrimental impact on the spread of pupils across the bandings. During 2016 the EFA re-worked the bandings and the new banding ranges give a pupil spread that is more in line with the original bandings. As such, we have had to reduce the cash values for this funding factor to keep within the overall budget total available.

3.5 **Minimum Funding Guarantee (MFG)**

The MFG protection is continuing at minus 1.5% for 2017-18. This protects schools from reductions in budget of more than 1.5% other than for reductions in pupil numbers. To keep the overall school budgets within the funding available we have had to reduce some funding factors. However, the impact of this reduction on some schools simply moves funding from the funding factor to the MFG and does not decrease the overall total. Therefore, we have adopted a cap on increases other than for increases in pupil numbers to ensure we keep within the overall funding available and minimise the reduction in cash values.

3.6 **Finalisation of Schools Block Budgets**

The deadline for submission of the APT is Friday 20th January 2017. At the time of writing it is uncertain if we will be in a position to submit a draft formula by this deadline. The EFA contacted us before the Christmas closedown to ask if we would have Schools Forum ratification of the funding formula by the deadline and they were informed this would not be possible.

3.7 **Indicative Schools Block budgets**

Indicative Schools Block budgets will be distributed to all Head Teachers on as soon as possible after this meeting, subject to approval being given. Once we have had confirmation from the EFA that our funding formula has been accepted, we will notify all Head Teachers of their confirmed Schools Block Budgets.

3.8 **English as an Additional Language**

For a number of years we have used a central DSG budget to fund a service level agreement with St Chad's to provide support to pupils with EAL. During 2016-17 we had a request for additional funding due to an increase in pupil numbers requiring such support and this number is expected to increase further.

Under the new regulations for the National Funding Formula we are unable to retain a central budget to fund this service. We have added the budget (£146,828) to the schools budget. We can devolve this to schools using any funding factor but we feel it should be targeted at schools who have pupils with EAL.

We issued a supplementary consultation on 6th January with a deadline of 18th January asking schools to comment on this. The responses will be collated and tabled at the meeting.

Two sets of indicative schools block budgets will be tabled, the first where the EAL funding is added to the overall school budgets and distributed via the Basic per pupil factor, the second where EAL funding is added to the overall school budgets and distributed using the EAL3 funding factor.

A decision is required on whether the EAL funding factor is used for the 2017-18 budgets.

3.9 **Other grants for primary and secondary schools**

We have been given information on a number of other grants as follows:

- Pupil Premium – will continue in 2017-18 at the same rates as 2016-17
- Universal Infant Free School Meals will continue at a meal rate of £2.30 for the 2017-18 academic year
- The Year 7 Catch up premium will continue and arrangements will be confirmed in early 2017.
- The Primary PE and Sports premium will continue in 2017-18 and further details will be announced in the new year.

4.0 **POLICY IMPLICATIONS**

4.1 None

5.0 **OTHER IMPLICATIONS**

5.1 None