

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	19 January 2016		
Title:	Indicative 2016-17 Dedicated Schools Grant Settlement		
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1 SUMMARY

- 1.1 This paper provides information about RBWM's 2016-17 indicative Dedicated Schools Grant (DSG) settlement announced on 17th December 2015.
- 1.2 It confirms that RBWM's indicative DSG allocation for 2016-17 (including funding for academies) is £104.842m, an increase of £1.234m compared with the 2015-16 final settlement of £103.608 (see table 1). This relates to:
 - £909k for the additional grant generated by a net increase of 201 mainly primary pupils aged 4-16.
 - £316k for adjustments to the high needs block allocation, including RBWM's £0.266m share of £92.5m additional high needs funding distributed between all LAs.
 - £9k for minor adjustments in the early years block (EY) allocation.
- 1.3 Plans for allocating funding across expenditure budgets will be shared with Schools Forum in March 2016.

2 RECOMMENDATIONS

- 2.1 Schools Forum is asked to note and to comment on the contents of the paper.

3 BACKGROUND

- 3.1 On 17th December 2015, the EFA published the indicative 2016-17 settlement giving details of each Local Authority's (LA) 2016-17 DSG allocation. This paper describes RBWM's 2016-17 block allocations providing comparison with the 2015-16. RBWM's DSG comprises:
 - **Schools block** – figures based on October 2015 pupils aged 4-16 multiplied by the school block unit of funding (SBUF) of £4,468 per pupil announced in July 2015.
 - **Early Years Block** – covering the three and four year old free entitlement based on the same per pupil rate as 2015-16 (£4,248), two year old funding based on the same per pupil rate as 2015-16 (£5,215), and a provisional allocation of the early years pupil premium. The EY allocation in the December 2015 settlement is based on January 2015 pupils, but the final allocation will be updated for January 2016 pupils (x 5/12) and January 2017 pupils (x7/12).
 - **High Needs Block** - based on the same funding allocation, number and distribution of high needs places as for 2015-16, plus RBWM's £266k share of the £92.5m additional funding for 2016-17 allocated proportionately across all LAs. Whilst the EFA have allocated a relatively small amount of additional high needs funding to some LAs in the each of the last two years, high needs funding allocations to LAs

remains linked to pre-reform spending levels. Unlike schools and early years funding, it is not pupil-driven.

- 3.2 LAs can move funding between the three blocks provided that they comply with requirements on the Minimum Funding Guarantee (MFG) and have the agreement of Schools Forum on relevant central expenditure levels. Detailed plans for distributing funding between the blocks and allocating funding across expenditure budgets will be shared at Schools Forum in March 2016.
- 3.3 The EFA have issued the October 2015 datasets which have been used to populate the 2016-17 school funding formula. The final version of RBWM's 2016-17 formula will be submitted to the EFA on 20th January 2016.

4 SUMMARY OF DSG FUNDING 2016-17

- 4.1 RBWM's indicative DSG allocation for 2016-17 including funding for academies is £104.842m, an increase of £1.234m compared with the 2015-16 final settlement of £103.608m (see table 1). The breakdown of the £104.842m (and £65.656m after academy recoupment) is summarised in table 1.

Table 1: DSG Provisional Settlement 2016-17 (including academies)

	2016-17 £m	Schools Block £m	Early Years Block £m	High Needs Block £m	2015-16 £m	Change £m
Schools Block	82.231	82.231			81.322	+0.909
Additions for NQT Induction	0.027	0.027			0.027	0
Early Years Block 3&4 year olds	6.707		6.707		6.707	0
Early Years Block 2 year olds	0.519		0.519		0.474	+0.045
Early Years Pupil Premium	0.036		0.036		0.072	(0.036)
High Needs Block (before deductions)	15.993			15.993	16.016	(0.023)
High Needs Block deductions	(0.672)			(0.672)	(1.011)	+0.339
Total indicative 2016-17 DSG settlement (17 Dec 2015)	104.842	82.258	7.263	15.321	103.608	+1.234
2016-17 academy recoupment	(39.186)	(39.186)	0	0	(33.890)	(5.296)
TOTAL after recoupment	65.656	43.072	7.263	15.321	69.719	(4.063)

5 SCHOOLS BLOCK

- 5.1 The December 2015 announcement confirmed that the number of October 2015 4-16 pupils used in the calculation of RBWM's 2016-17 Schools Block allocation was 18,403, a net increase of 201 (1.1%) compared with October 2014 (see table 2). The increase is among primary aged pupils.

Table 2: Pupil numbers (including academies and free schools)

	Schools Block		
	2016-17	2015-16	Change
Primary aged pupils	10,920	10,708	+212
Secondary aged pupils	7,511	7,528	(17)
Reception Uplift ¹	28	22	+6
SubTotal	18,459	18,258	+201
Less places in Resource units	56	56	0
Total	18,403	18,202	+201

- 5.2 RBWM's Schools Block Unit of Funding (SBUF) of £4,468 was announced in July 2015. This was an increase of £12 per pupil on the 2015-16 SBUF (£4,456) and reflects the adjustment made to align the funding for new free schools with that of other schools. The effect of this adjustment meant that LAs received no more or less funding than last year based on similar pupil numbers.
- 5.3 The new SBUF has been multiplied by the 18,403 pupil numbers from the October 2015 census to give an initial Schools Block allocation for 2016-17 of £82.231m, an increase of £0.909m (1.1%) compared with 2015-16.
- 5.4 The additional grant will be needed to fund the impact of the increase on individual school budget shares as determined by the funding formula and estimated pupil growth in the two new free schools to reflect the additional year groups joining the schools in September 2016. This growth is not funded in RBWM's Schools Block allocation as DSG only reflects pupils on roll in October 2015. The extra formula funding needed for the two free schools, based on an estimated 58 extra pupils in September 2016, is around £250k.

6 EARLY YEARS BLOCK

- 6.1 RBWM's initial allocation for the early years block is estimated at £7.263m. This will be updated in the summer of 2016, and finally in the summer of 2017 to take account of actual uptake. The Early Years Block comprises:

	Indicative 2016-17 £m
EY entitlement for the three and four year olds	6.707
Participation funding for disadvantaged two year olds	0.519
Early Years Pupil Premium	0.037
Total Early Years Block	7.263

Three and four year olds

- 6.2 The amount per pupil for the early years free entitlement will be the same in 2016-17 as for 2015-16, £4,247.85. Initially, this has been multiplied by the 1,579 pupil numbers from the January 2015 early years census and school census to produce a provisional allocation of £6.707m. But the final allocation for three and four year olds for 2016-17 will be further updated and based on 5/12 x January 2016 pupil numbers plus 7/12 x January 2017 pupil numbers. The finalised allocation for 3 and 4 year olds will not be known until July 2017.
- 6.3 The distribution of three and four year olds by setting is shown in table 3.

¹ To reflect deferred entry to reception and based on the increase in Year R pupils between October 2014 and January 2015. This adjustment is made so that no local authority loses out because of deferred entry to reception.

Table 3: 3 and 4 year olds	Jan 2015 FTEs	Jan 2014 FTEs	Change
Maintained schools and academies	442	444	(2)
Private, voluntary and independent	1,137	1,187	(50)
Total	1,579	1,631	(52)

6.4 Autumn 3&4 year old numbers are typically an unreliable indicator of future spring term uptake. For the purposes of budget planning, therefore, the same January 2015 numbers will be used as used in the 2016-17 DSG settlement announced in December 2105.

Funding for disadvantaged two year olds

6.5 The amount per child for disadvantaged two-year-olds will be the same in 2016-7 as for 2015-16, £5,215.50 per FTE (equivalent to £5.49 per hour). Initially, this has been multiplied by participation numbers from the January 2015 early years census and school census (91 FTEs) which we have subsequently uplifted by a factor of 10% to 100 FTEs to reflect further growth in the number of disadvantaged two year olds taking up the free entitlement, to produce a provisional allocation of £0.520m. As with 3&4 year old funding, the EFA will announce funding allocations for two year olds in July 2016. These will be based on the number of eligible children participating in early education as recorded in the January 2016 census. The allocations will be further updated in July 2017, based on 5/12ths of the January 2016 participation numbers and 7/12ths of the January 2017 numbers.

6.6 The £5.49 hourly rate is £0.19 more than £5.30 RBWM currently pays providers for eligible pupils. This provides a small cushion for funding central services for two year olds.

Early Years Pupil Premium (EYPP)

6.7 The amount per pupil for the early years pupil premium will be the same as for 2015-16, £307 per FTE (£0.51 per hour). The December settlement includes a provisional allocation for the EYPP of £0.072m based on the current 2015-16 allocation, which has been adjusted to £0.037m to reflect the autumn term count of eligible pupils.

6.8 Initial 2016-17 allocations for EYPP will be announced in summer 2016 based on the January 2016 census. The allocations will be further updated in July 2017, based on 5/12ths of the January 2016 participation numbers and 7/12ths of the January 2017 numbers. Funding allocated for the EYPP is passed on in full to relevant EY providers.

7 HIGH NEEDS BLOCK

7.1 The high needs block provides funding for high needs pupils and students aged 0-24. It includes:

- Places for pre and post 16 pupils in maintained and academy mainstream schools, special schools, and alternative provision settings. High needs places in special free schools (i.e. Forest Bridge) are not included in the DSG allocations and are paid directly by the EFA.
- Top-up funding for pupils and students occupying the above places as well as top-up funding for pupils in FE colleges, specialist post 16 institutions, commercial and charitable providers (CCP), non-maintained special schools (NMSS), independent schools, independent AP providers and hospital education (including independent providers).

7.2 2016-17 sees a technical change in the place funding for NMSS to bring NMSS into line with FE and specialist post 16 institutions. Although NMSS places will continue to be funded directly by the EFA, place funding in NMSS will no longer be included in the high needs block baseline for 2016-17, nor are these places included among the high needs

deductions. This change has been implemented by an adjustment to each LA's high needs baseline on the basis of the 2015-16 academic year place numbers in NMSS. This change does not affect the final DSG paid to local authorities.

7.3 The starting point for the 2016-17 High Needs Block allocation is not pupil numbers, but the total high needs block from 2015-16. The 2015-16 base itself reflects the historical position going back several years with relatively small adjustments for additional funding made by the EFA in the last few years. The 2015-16 base has then been further adjusted to arrive at the 2016-17 allocation to:

- Reflect the full financial year funding resulting from the outcome of the high needs exceptions process for the academic year 2015 to 2016 (not relevant in RBWM).
- Reflect the full financial year impact of the change from a residency to location funding basis for the 2015 to 2016 academic year post-16 places and NMSS places
- Exclude NMSS place funding from the high needs block baseline (see para 6.2 above)
- Show each LA's share of the additional £92.5m top-up funding which the DfE have made available for 2016-17. Allocations are based on each LA's proportion of the 2-19 population projections for 2016.

7.4 Deductions are then made to the HNB allocation for pre and post 16 places which are directly funded by the EFA - academies with resourced provision and post 16 places that are funded through the sixth form grant to local authorities. Note that NMSS places are included in the deductions in 2015-16, but not in 2016-17 (see para 7.2 above).

7.5 Table 4 confirms that the high needs block allocation for 2016-17, taking account of the adjustments set out in paras 7.2 to 7.4, is £15.321m, a net increase of £0.316m (2.1%) compared with 2015-16. This increase is mainly due RBWM's share of the additional £92.5m HNB funding distributed nationally (table 4), but it does not fully cover the actual increased cost of either historical or anticipated future growth in high needs pupils placed either in RBWM's high needs institutions or out of borough. The cost of a single pupil with very high needs may be as much as £30k to £50k. Some redistribution of existing budgets is likely therefore to be needed.

Table 4 Indicative High Needs Block for 2016-17 (17 Dec 2015)	2016-17 £m	2015-16 £m	Change £m
Final 2015-16 HNB baseline before deductions	16.016	16.016	0
FYE of change from residency to location funding for post 16	(0.019)		(0.019)
Adjustment to remove NMSS from baseline	(0.270)		(0.270)
RBWM's share of additional HNB allocation	+0.266		+0.266
2016-17 indicative HNB allocation before deductions	15.993	16.016	(0.023)
HNB deductions for places directly funded by EFA ²	(0.672)	(1.011)	+0.339
HNB allocation after deductions	15.321	15.005	+0.316

8 OTHER ADDITIONS TO DSG

NQT induction

8.1 In September 2012, the induction regulations changed so that teaching schools can act as the appropriate body to monitor and quality assure NQT induction. In order to allow schools to pay for the services of their preferred appropriate body, the funding for statutory induction of NQTs was moved into the DSG in 2013 to 2014, to allow funding to be delegated to all schools through local funding formulae. RBWM's allocation for this of £27k remains the same as in 2015-16.

² The reduction in deductions for high needs places directly funded by the EFA is partly to do with the part year effect of academic year place numbers but mainly reflects the change to the way NMSS are treated in the new funding arrangements. They are now removed both from the baseline and the deductions (see para 6.2).

9 RECOUPMENT FOR ACADEMIES

- 9.1 The figures in the DSG December settlement include funding for academies. In practice, a deduction is made from LAs' DSG allocations for academies and is adjusted in-year as schools convert. The deduction relates to the delegated formula funding which academies and free schools would receive if they were maintained schools. This is currently calculated to be £39.186m (table 5). The EFA will use the RBWM funding formula, as submitted on 20 January 2016, to calculate academy budgets. The EFA remains responsible for calculating academy budgets and notifying academies of their final allocations.

Table 5: DSG Deduction for Academy recoupment

Primary	£
Braywick Court	369,593
Burchetts Green CE Infant School	379,566
Datchet St. Mary's School	968,042
Knowl Hill C of E Academy	476,994
Lowbrook Academy	1,038,638
St Luke's CE Primary School	1,161,467
St Mary's Catholic Primary School	1,147,545
St Peter's Church of England School	1,002,691
St. Francis Catholic Primary	767,247
White Waltham C of E Academy	768,031
Secondary	£
ALTWOOD CE SCHOOL	2,929,677
CHARTERS SCHOOL	5,666,894
Cox Green School	3,664,553
Desborough College	2,421,235
Furze Platt Senior School	4,569,706
Holyport College	1,586,666
Newlands Girls School	4,272,719
The Windsor Boys' School	3,274,601
Windsor Girls' School	2,720,544
Total	39,186,409

10 OTHER SOURCES OF FUNDING

Post 16 funding from the Education Funding Agency (EFA)

- 10.1 The EFA will continue to fund schools directly for sixth form pupils using the national post 16 funding formula. The DSG settlement relates to pre 16 pupils, and the EFA will notify schools of their Post 16 allocations in March 2016. In 2015-16 schools received around £9.25m in post 16 grant from the EFA. In 2016-17 all post 16 pupils, with the exception of those in Manor Green School, are in academy schools. The EFA will notify those schools of their grant allocation directly.

Pupil premium

- 10.2 Pupil premium funding is outside of the DSG (except for early years pupil premium which is included as part of the DSG allocation) and is in addition to individual school budget shares determined by the funding formula. Confirmed pupil premium rates for 2016-17 remain the same as for 2015-16 (see table 6). Schools are expected to receive around £3.375m through pupil premium in addition to their formula allocations. Final allocations will be updated based on January 2016 pupil numbers.

Table 6 – Pupil Premium (excluding early years)

All schools including academies	2015-16 per pupil	2016-17 per pupil	2016-17 pupil count (Jan 15)	2016-17 indicative £m
Pupil premium – deprivation (primary)	£1,320	£1,320	1,375	£1.815
Pupil premium – deprivation (secondary)	£935	£935	1,255	£1.173
Pupil premium – children in care	£1,900	£1,900	82	£0.156
Pupil premium – Post LAC	£1,900	£1,900	72	£0.137
Pupil premium – service children	£300	£300	313	£0.094
				£3.375

11 NATIONAL COPYRIGHT LICENSES

- 11.1 As in 2015-16, the DfE has agreed with the following agencies to purchase a single national licence for all state-funded schools in England. The list of licences managed in this way remains the same as in 2015-16.

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

- 11.2 The DfE will pay the cost of the licences, including VAT, to the agencies and will provide this as a service to LAs at a charge. LAs are allowed to hold a central budget for this, funded from the Schools Block allocation. The cost to RBWM in 2016-17 will be £102k, an increase of around £4k on the current year. This arrangement means that schools do not need to negotiate individual licences nor pay separately for them.