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#### CITY OF WESTMINSTER

#### SCHOOLS’ FORUM 16 JANUARY 2017

**REPORT BY THE HEAD OF RESOURCES**

**DSG 2017/18 AND LOCAL SCHOOLS FUNDING FORMULA**

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| --- |
| **Purpose of the report**  This report:   * updates the Schools Forum on the provisional Dedicated Schools Grant (DSG) allocation for 2017/18; and * presents the 2017/18 Authority Proforma Tool (APT) for approval, to then be submitted to the Department for Education (DfE).   **FOR INFORMATION AND APPROVAL** |

1. **Introduction**
   1. This report will update the Schools Forum on the provisional Dedicated Schools Grant (DSG) 2017/18, which was announced on the 20th December 2016. The report will also present the findings of the 2017/18 Authority Proforma Tool (APT) which has been updated with October 2016 census data.
   2. The DSG is split in to three funding blocks: the Schools Block, High Needs and Early Years.

1. **2017/18 DSG**
   1. The total provisional DSG has increased by £3.20m, from £148.17m to £151.38m, in 2017/18.
   2. A comparison of the 2016/17 and 2017/18 allocations by funding block is set out in Table 1. Detailed analysis of the causes of any variation are set out in 2.3 – 2.5.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 1** | |  | |  | |  | |  |
| **Funding Blocks** | **2016/17**  **(£m)** | | **2017/18 (£m)** | | **Variance (£m)** | | **% change** | **Comments** |
| Schools Block | 112.50 | | 112.05 | | -0.45 | | -0.40% | Schools block is before recoupment to facilitate like for like comparison |
| High Needs Block | 24.23 | | 24.76 | | +0.53 | | +2.19% | Includes transfer of 0.48m from Post 16 High Needs Block |
| Early Years Block | 11.44 | | 14.56 | | +3.12 | | +27.27% | New funding formula introduced in 2017/18. |
| **Total** | **148.17** | | **151.37** | | **+3.20** | | +2.16% |  |

* 1. **Schools block**
     1. The Schools Block allocation for 2017/18 decreased by £0.45m (-0.40%). This is attributable to a reduction in the pupil headcount (based on the October 2016 Census) of 74 pupils and a unit of funding reduction of £16.43 per pupil to from £6,003.47. This is a result of the 2016/17 baseline exercise conducted by The Department for Education (DfE) and the Local Authority which showed a reduction in funding. This is in line with other authorities change in schools block unit funding.
     2. The DfE have made a policy decision to move Education Services Grant (ESG) retained duties funding in to the Schools Block baseline. As a result, they will no longer allocate funding through the ESG general funding rate from 2017 to 2018 to the Local Authority and instead funding will be delegated directly to schools.
     3. The impact of this decision represents a budget of £0.30m which has been transferred to the Schools Block.
  2. **High Needs block**
     1. The High Needs Block allocation for 2017/18 has increased by £0.53m (+2.19%) as set out in Tables 1 and in further detail in Table 2. This is mainly attributable to a transfer of £0.48m from the EFA Post-16 budget.
     2. This is a transfer of place funding for High Needs places in Further Education (FE) colleges and post-16 charitable and commercial providers.
     3. From the financial year 2017/18, all High Needs post-16 places will be funded from the initial High Needs block allocations to local authorities. Deductions will then be made to fund institutions directly, from information collected from local authorities, before the High Needs block allocations are finalised in March 2017.
     4. Discounting this shows an actual growth on the High Needs Block of £0.05m.

**Table 2**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **2016-17 High Needs** | **2017-18 High Needs block** | **Uplift calculation** | | | | |  |
| **2016-17**  **High Needs block**  **total allocation (£million)** | **Final 2017-18 High Needs Block baseline  (£million)** | **Mid 2016 2-18 year old population projections** | **Mid 2017 2-18 year old population projections** | **Population based uplift (£million)** | **Population growth** | **Population growth uplift (£million)\*\*** | **Total High Needs Block (£million)** |
| 24.23 | 23.92 | 40,025 | 41,020 | 0.35 | 995 | 0.48 | 24.76 |

* 1. **Early Years block**
     1. The Early Years block allocation for 2017/18 has been increased by £3.12m (+27.27%). Whilst the increase in funding appears significant in comparison to 2016/17 funding levels, the increase is as a result of new DfE policy to increase funding for additional hours of Early Years provision for working parents.
     2. The Early Years Block allocation is typically revised in the following May after the January pupil census as more up to date data becomes available.
     3. A separate report on the impact of the new policy on will be tabled to Schools Forum.

3 **APT (Schools Funding Formula return to DfE)**

* 1. The total funding that WCC will receive in 2017/18 for the Schools Block is £112.05m. This is approximately £0.45m less than 2016/17 (taking in to consideration figures before recoupment for academies).
  2. **2016 Data Sets** The APT tool includes data from the 2016 October census (and where appropriate e.g. January 2016 for FSM6) and is the basis on which funding will be allocated. Table 3 sets out the movement in data across primary and secondary.
  3. **Analysis of data sets**
  4. **Numbers on roll** in 2017/18 have decreased by 265 pupils in comparison to data from 2016/17 (as set out in Table 3).
  5. This is made up of a decrease in the number on roll of: 291 in primary schools; and an increase of 26 in secondary.
  6. **Free School Meals Ever 6** data includes children who are eligible for Free School Meals (FSM), or have been eligible at any point in the last six years.
     1. In 2017/18 there will be a decrease of 583 eligible pupils across both primary and secondary schools.
     2. This creates a per pupil funding impact of £954.16 and £1220.32 for each primary and secondary school respectively.
     3. The largest reductions of primary Ever 6 Units in are detailed in Table 4.
  7. **EAL 3** sets out an allocation for schools with children with English as an Additional Language. In 2017/18 there will be a net reduction in primary pupils of 147 and 80 in secondary schools
     1. It should be noted that the formula for each primary and secondary aged EAL 3 pupil attracts funding of £600 and £3,209 respectively.
  8. **IDACI** is an indicator of deprivation which uses location (postcode) as the basis of assessing a pupils level of deprivation.
     1. The Income Deprivation Affecting Children Index (IDACI) dataset is updated every five years by the Department of Communities and Local Government.
     2. In 2016-17 budget setting for local authorities using IDACI was turbulent and less than expected. The IDACI factor in the Schools Block data has been updated to adjust the scores included in each band to give a more even distribution.
     3. The bands are now labelled A through to G, with A having the highest proportion of deprivation and G the lowest (compared to bands 6 through to 0 in 2016 to 2017). This has led to significant increases in the two most deprived bands (F &G) and reduction in the third lowest band (E).
     4. The APT tool for primary schools in Westminster City Council does not apply IDACI factors. The secondary IDACI factor has seen an increase.
  9. **Low attainment** factor has decreased by 238 for primary and 46 for secondary schools. The major reduction was identified at Paddington Academy at 45, with increases at Marylebone Boys’ and St Marylebone School at 20 and 13 respectively.
  10. **Pupil mobility** has also reduced overall from 267 to 243. The major reduction being at Churchill Gardens with 28. This is due to the total movement in and out of schools by pupils other than at the usual times of joining and leaving.

**Table 3: October 2016 Data sets from APT Table**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Primary** | | |  | **Secondary** | | |  | **Total** | | |
|  | **2016/17** | **2017/18** | **Movement** |  | **2016/17** | **2017/18** | **Movement** |  | **2016/17** | **2017/18** | **Movement** |
| **Primary (Years R-06)** | 10710 | 10419 | -291 |  |  |  | 0 |  | 10710 | 10419 | -291 |
| **Key Stage 3** |  |  | 0 |  | 5096 | 5182 | 86 |  | 5096 | 5182 | 86 |
| **Key Stage 4** |  |  | 0 |  | 3137 | 3077 | -60 |  | 3137 | 3077 | -60 |
| **Number on Roll** | 10710 | 10419 | -291 |  | 8233 | 8259 | 26 |  | 18943 | 18678 | -265 |
| **Reception Difference** | 39 | 53 | 15 |  |  |  | 0 |  | 39 | 53 | 15 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Primary FSM6 Units** | 4998 | 4590 | -409 |  |  |  | 0 |  | 4998 | 4509 | -409 |
| **Secondary FSM6 Units** |  |  | 0 |  | 4705 | 4533 | -172 |  | 4705 | 4533 | -172 |
| **IDACI Units Band 4/C** |  |  | 0 |  | 2537 | 1208 | -1329 |  | 2537 | 1208 | -1329 |
| **IDACI Units Band 5/B** |  |  | 0 |  | 719 | 2531 | 1812 |  | 719 | 2531 | 1812 |
| **IDACI Units Band 6/A** |  |  | 0 |  | 196 | 901 | 705 |  | 196 | 901 | 705 |
| **EAL3 Units** | 4116 | 3969 | -147 |  | 533 | 454 | -80 |  | 4649 | 4422 | -226 |
| **LAC X Units** |  |  | 0 |  |  |  | 0 |  |  |  | 0 |
| **Low Attainment Primary** | 3712 | 3474 | -238 |  |  |  | 0 |  | 3712 | 3474 | -238 |
| **Low Attainment Secondary** |  |  | 0 |  | 1485 | 1438 | -46 |  | 1485 | 1438 | -46 |
| **Mobility** | 268 | 224 | -44 |  | 0 | 0 | 0 |  | 268 | 224 | -44 |

**Table 4: Largest reductions in Primary Ever 6 Units**

|  |  |
| --- | --- |
| **School Name** | **Primary Ever 6 Units** |
| Minerva Academy | -60.30 |
| Hallfield Primary School | -53.35 |
| Ark Paddington Green Primary Academy | -51.45 |
| Wilberforce Primary School | -42.61 |
| GATEWAY ACADEMY | -35.42 |
| Christ Church Bentinck School | -28.61 |
| St. Edward's Catholic Primary School | -22.22 |
| BURDETT COUTTS & TOWNSHEND FOUNDATION CE VA SCH | -22.08 |
| George Eliot Primary School | -20.85 |
| Edward Wilson Primary School | -20.64 |
| ST. LUKE'S CE PRIMARY SCHOOL | -20.18 |
| Essendine Primary School | -19.50 |
| St Mary Magdalene School | -13.45 |
| St Mary of the Angels Catholic | -11.83 |

**Table 5: Largest reductions in EAL 3 Units.**

|  |  |
| --- | --- |
| **School Name** | **EAL 3 Units** |
| Paddington Green Primary School | -19.78 |
| Minerva Academy | -27.54 |
| BURDETT COUTTS & TOWNSHEND FOUNDATION CE VA SCH | -23.73 |
| Wilberforce Primary School | -23.43 |
| St Mary of the Angels Catholic | -20.16 |
| Hallfield Primary School | -19.40 |
| Christ Church Bentinck School | -18.03 |
| MILLBANK ACADEMY | -16.94 |
| St George's(Hanover Sq)School | -15.54 |
| St. VINCENT DE PAUL PRIMARY SC | -14.01 |
| St Mary's Bryanston Sq.School | -13.57 |
| Westminster Cathedral School | -13.04 |
| Churchill Gardens Primary Academy | -12.93 |
| ST. LUKE'S CE PRIMARY SCHOOL | -12.68 |
| Westminster Academy | -46.00 |
| Westminster City School | -16.36 |
| PIMLICO ACADEMY | -13.86 |
| St George's School Westminster | -10.98 |

1. **Funding Implication of 2016 data sets**
   1. Tables 6 & 7 show the application of funding using the new data sets and disapplication of funding and compares the position to 2016/17 APT (which used 2015 data sets).
   2. With the drop in pupil numbers this has impacted the basic entitled funding causing a reduction of £0.6m overall (Table 9), including the increase in Key Stage 3 pupils.
   3. The data in Table 8 and 9 shows large reductions in FSM Ever 6 primary funding of £390k and FSM Ever 6 secondary funding of £206k which is directly attributable to falls in pupil numbers.
   4. EAL shows a reduction in funding of £343k.
   5. Low Attainment funding has decreased overall by £258k for both secondary and primary funding.
   6. The Authority have assumed an uplift of 25% on National Non-Domestic Rates. This is based on the rates calculated for 2016/17, factoring in any schools that had a rebate due. We are awaiting further clarification on individual rates from within the Authority and will update the tool in accordance with the actual data.
   7. The Authority has made a request to disapply the School and Early Years Finance (England) regulations to the Education Funding Agency in relation to the Minimum Funding Guarantee (MFG). This has a total impact of £1.192m which was added to the tool with the output detailed in Table 9.
   8. A movement is noted from £77.1m to £79.1m in the basic entitlement showing the disapplication to the formula. This has also reduced the allocation to MFG by £0.79m as more schools achieve the tool allocated MFG level. This creates an increase to the total cost of the tool by £1.2m

**Table 6: Comparison of funding through Schools Block for 2016/17 to 2017/18 without disapplication**

|  |  |  |  |
| --- | --- | --- | --- |
| **Funding Received** | **2016/17** | **2017/18** | **Change** |
| SBUF | 6,019.90 | 6,003.47 | -16.43 |
| Pupil Numbers | 18,739 | 18,665 | -74 |
| NRA cash adj 16/17 (£m) | 0.05 | 0 | -0.05 |
| NQT (£m) | 0.03 | 0 | -0.03 |
| Total Schools Block (£m) | 112.50 | 112.05 | -0.45 |
|  |  |  |  |
| **Per DFE** (£m) | **112.50** | **112.05** | **-0.45** |
|  |  |  |  |
| **APT** (£m) | **111.3** | **109.2** | **-2.1** |
| Centrally managed (£m) |  | 1.3 |  |
| Maintained ESG (£m) |  | 0.3 |  |
| Balance (£m) |  | 1.2 |  |

**Table 7: Comparison of funding through Schools Block for 2016/17 to 2017/18 with disapplication**

|  |  |  |  |
| --- | --- | --- | --- |
| **Funding Received** | **2016/17**  **(£m)** | **2017/18**  **(£m)** | **Change**  **(£m)** |
| SBUF | 6,019.90 | 6,003.47 | -16.43 |
| Pupil Numbers | 18,739 | 18,665 | -74 |
| NRA cash adj 16/17 (£m) | 0.05 | 0 | -0.05 |
| NQT (£m) | 0.03 | 0 | -0.03 |
| Total Schools Block (£m) | 112.50 | 112.05 | -0.45 |
|  |  |  |  |
| **Per DFE** (£m) | **112.50** | **112.05** | **-0.45** |
|  |  |  |  |
| **APT** (£m) | **111.3** | **110.5** | **-1.8** |
| Centrally managed (£m) |  | 1.3 |  |
| Maintained ESG (£m) |  | 0.3 |  |
| Balance (£m) |  | 0 |  |

**Table 8: Apportionment of funding by factors without disapplication**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Values (£)** | | |
|  | **2016/17** | **2017/18** | **Movement** |
| **DSG Schools Block** | 112,499,077 | 112,054,820 | - 444,257 |
|  |  |  |  |
| **Primary (Years R-06)** | 36,621,667 | 35,342,394 | -1,279,273 |
| **Key Stage 3** | 24,748,112 | 25,024,448 | 276,336 |
| **Key Stage 4** | 17,114,970 | 16,703,710 | -411,260 |
| **Total Basic Entitlement** | 78,484,749 | 77,070,552 | -1,414,197 |
| **Reception Difference** |  |  | - |
|  |  |  | - |
| **Primary FSM6 Units** | 4,769,469 | 4,379,116 | -390,353 |
| **Secondary FSM6 Units** | 5,741,050 | 5,531,507 | -209,543 |
| **IDACI Units Band 4/C** | 35,546 | 16,922 | -18,624 |
| **IDACI Units Band 5/B** | 20,160 | 70,937 | 50,777 |
| **IDACI Units Band 6/A** | 8,231 | 37,871 | 29,640 |
| **EAL3 Units** | 4,177,990 | 3,834,832 | -343,158 |
| **LAC X Units** | 40,493 | 40,678 | 185 |
| **Low Attainment Primary** | 2,681,246 | 2,509,139 | -172,107 |
| **Low Attainment Secondary** | 2,748,478 | 2,662,584 | -85,894 |
| **Mobility** | 253,438 | 211,385 | -42,053 |
| **Lump Sums** | 9,100,000 | 9,100,000 | - |
| **Split Sites** | 221,200 | 212,700 | -8,500 |
| **NNDR** | 751,711 | 1,127,200 | 375,489 |
|  |  |  |  |
| **MFG** | 2,281,088 | 2,456,579 | 175,491 |
|  |  |  |  |
| **Total APT** | 111,314,850 | 109,262,002 | -2,052,848 |
|  |  |  |  |
| **Falling Rolls** |  | 450,000 | 450,000 |
| **Centrally retained** |  | 850,000 | 850,000 |
| **ESG Retained** |  | 300,000 | 300,000 |
| **Total Allocated** | 111,314,850 | 110,862,002 | -452,848 |
| **MFG Disapplication applied** | 1,191,907 |  |  |
| **Balance of Schools Block** | -7,681 | 1,192,818 |  |

**Table 9: Apportionment of funding by factors with disapplication**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Values** | | |
|  | **2016/17** | **2017/18** | **Movement** |
| **DSG Schools Block** | 112,499,077 | 112,054,820 | - 444,257 |
|  |  |  |  |
| **Primary (Years R-06)** | 36,621,667 | 36,454,831 | -166,836 |
| **Key Stage 3** | 24,748,112 | 25,570,994 | 822,882 |
| **Key Stage 4** | 17,114,970 | 17,028,241 | -86,729 |
| **Total Basic Entitlement** | 78,484,749 | 79,054,065 | 569,316 |
| **Reception Difference** |  |  | - |
|  |  |  | - |
| **Primary FSM6 Units** | 4,769,469 | 4,379,116 | -390,353 |
| **Secondary FSM6 Units** | 5,741,050 | 5,531,507 | -209,543 |
| **IDACI Units Band 4/C** | 35,546 | 16,922 | -18,624 |
| **IDACI Units Band 5/B** | 20,160 | 70,937 | 50,777 |
| **IDACI Units Band 6/A** | 8,231 | 37,871 | 29,640 |
| **EAL3 Units** | 4,177,990 | 3,834,832 | -343,158 |
| **LAC X Units** | 40,493 | 40,678 | 185 |
| **Low Attainment Primary** | 2,681,246 | 2,509,139 | -172,107 |
| **Low Secondary** | 2,748,478 | 2,662,584 | -85,894 |
| **Mobility** | 253,438 | 211,385 | -42,053 |
| **Lump Sums** | 9,100,000 | 9,100,000 | - |
| **Split Sites** | 221,200 | 212,700 | -8,500 |
| **NNDR** | 751,711 | 1,127,200 | 375,489 |
|  |  |  |  |
| **MFG** | 2,281,088 | 1,665,876 | -615,212 |
|  |  |  |  |
| **Total APT** | 111,314,850 | 110,454,812 | -860,038 |
|  |  |  |  |
| **Falling Rolls** |  | 450,000 | 450,000 |
| **Centrally retained** |  | 850,000 | 850,000 |
| **ESG Retained** |  | 300,000 | 300,000 |
| **Total Allocated** | 111,314,850 | 112,054,812 | 739,962 |
| **Disapplication** | 1,191,907 |  |  |
| **Balance of Schools Block** | * 7,681 | 8 |  |

1. **Falling Rolls 2016/17** 
   1. The falling rolls fund was introduced by the DfE to enable local authorities to target resources to schools with a good or outstanding Ofsted rating, which are facing a temporary/unplanned reduction in pupil numbers.
   2. The Local Authority proposes to work with the schools identified as eligible for falling rolls funding, to develop a business plan for the use of transitional funding while numbers on roll increase.
   3. Eligible schools are identified as those where the pupil number drop based on the previous census is greater than 5% and the school is Ofsted rated good or outstanding.
   4. Table 10 sets out schools that are eligible to apply for falling rolls funding. The Authority has used Age Weighted Pupil Unit (AWPU) to calculate any funding that could be allocated to these schools. Using this option, the total amount of funding allocated will be £542,326
   5. Available funding in falling rolls is £450k leaving a shortfall of £92k. The authority recommends uplifting the threshold for eligibility to 6% to lower the shortfall in funding.

**Table 10: Eligible schools with falling rolls above 5%.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **School Name** | **NOR Oct 15** | **NOR Oct 16 - Final APT 15/12/16** | **Difference Final** | **Variance** | **Funding based in AWPU per pupil** |
| Paddington Green Primary School | 312 | 255 | -57 | -18.3% | £199,436.16 |
| BURDETT COUTTS & TOWNSHEND FOUNDATION CE VA SCH | 288 | 257 | -31 | -10.8% | £108,465.28 |
| St. Edward's Catholic Primary School | 361 | 332 | -29 | -8.0% | £101,467.52 |
| St George's(Hanover Sq)School | 202 | 185 | -17 | -8.4% | £59,480.96 |
| ST STEPHENS CE PRIMARY SCHOOL | 178 | 169 | -9 | -5.1% | £31,489.92 |
| Churchill Gardens Primary Academy | 222 | 210 | -12 | -5.4% | £41,986.56 |
|  |  |  |  |  | **£542,326.40** |

1. **Conclusions**
   1. The conclusion from this report can be summarised as follows:
      1. 2017/18 DSG funding for Schools Block has been confirmed at £112.86m, a decrease of (-0.40%).
      2. The Schools Block has decreased by £0.45m (+2.19%) in comparison with 2016/17 funding levels.
      3. The High Needs Block is confirmed at £24.76m, a net increase of £0.53m (+2.19%).
      4. The APT tool has now been issued by the DfE and pre-populated with data from October 2016 census. Appendix A provides the Individual Budget Share calculations on a school by school basis.
      5. The 2016/17 total allocation to schools is £110,454,812 and includes £1,665,876 of Minimum Funding Guarantee (MFG). It should be noted that no capping and scaling has been applied.
      6. A sum of £0.45m has been set aside for falling rolls.
      7. Up to date National Non-Domestic Rates information is to be input into the APT tool when the information is available. An assumption has been made in the tool of an uplift by 25% to provide an indicative budget in this report.
2. **Recommendations** 
   1. To approve the submission of the APT tool for 2017/18 to the DfE.
   2. To approve the falling rolls distribution methodology for 2017/18.

**Andrew Tagg**

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**Clare Chamberlain**

**Tri-Borough Executive Director – Children’s Services**

**Appendices**

* Appendix A (i) – Proforma
* Appendix A (ii) – Proforma with £1.2m disapplication
* Appendix A (iii) – New ISB
* Appendix A (iv) - NOR October 15 to October 16
* Appendix A (v) – Comparison of funding
* Appendix A (vi) – Data
* Appendix A (vi) – Movement in data set 2016/17 – 2017/18