

Oxfordshire County Council
Schools Forum – 13 January 2016
Dedicated Schools Grant (DSG) and Pressures 2016-17

Settings		Sector		Voting Entitlement (for decision papers only)	
Academies		Foundation Stage	✓	PVI Representative	
Maintained Schools	✓	Primary	✓	16-19 Representative	
PVI Nurseries	✓	Secondary	✓	COTO Representative	
Special Schools	✓	Special	✓	Maintained Primary School Representatives	
Local Authority	✓	16+		Academy Primary School Representatives	
Schools Forum	✓	High Needs	✓	Maintained Secondary School Representatives	
				Academy Secondary School Representatives	
				Pupil Referral Unit Representative	
				Special School Representatives	
				Nursery Representative	

1. Item for Comment/Information

2. Purpose of Report

- 2.1 On 2 December 2015, Schools Forum received an initial paper outlining the calculation of the Local Authority's Dedicated Schools Grant (DSG) allocation for 2016-17 and identifying budget pressures on DSG funding.
- 2.2 The Department for Education (DfE) had subsequently issued DSG funding allocation figures for 2016-17 to local authorities.
- 2.3 To provide updated background information and to advise Schools Forum of the latest funding allocations, summarise previous decisions on use of DSG and quantify DSG budget pressures when considering final allocations of DSG for 2016-17.

3. Recommendations/Actions/Decisions for Schools Forum

Schools Forum is asked to note the report.

4. DSG Funding 2016-17

- 4.1 In early December 2015, the DfE announced the School Funding Settlement for 2016-17. The Oxfordshire figures for 2016-17 are summarised below.

	£m
Early Years Block	32.927
Schools Block	352.068
High Needs Block	44.524
Additional allocations to DSG 2016-17	0.118
Total	429.636

4.2 The Schools Block and Early Years Block funding continues to be set with a flat cash values per pupil. These per pupil values for Oxfordshire are confirmed as:

- Schools Block - £4,319.32
- Early Years 2 year olds - £4,892.50
- Early Years 3 and 4 year olds - £4,538.24

The rates vary compared to the last financial year and the small changes were summarised in Paper 5 that was discussed at the Schools Forum meeting on 2 December 2015.

4.3 The High Needs Block consists of all funding for education provision for high needs pupils and students from birth to 25 and is primarily a fixed cash pot where generally demographic movement is not reflected in this allocation.

4.4 Several significant adjustments have been made by the DfE to the DSG Block allocations for 2016-17.

4.4.1 Early Years Block Funding

- Early Years funding for 3 and 4 year olds is based on the latest available count data used to adjust the final 2015-16 DSG allocation, 6,387 fte (allocation £28.986m) and for 2 year olds, 723 fte (allocation £3.537m). See also section 5.1 below.
- Pupil Premium provisional allocations for Early Years pupils were announced in October 2014 and have (unlike other Pupil Premium allocations) continued to be added to DSG (allocation £0.404m). See also section 5.2 below.

4.4.2 Schools Block Funding

- Schools Block has been increased to reflect a net increase in pupil numbers. Total initial pupil numbers 81,510 fte (as at October 2015). Total £352.068m.
- No other adjustment.

4.4.3 High Needs Block Funding

For 2016-17, the Local Authority's High Needs Block is made up of its total High Needs Block allocation for 2014-15 (£49.924m) plus:

- Residency adjustment 2015-16 (£0.3m).
- Summer places exceptions (£0.055m).
- Change from residency to location basis (£0.15m).
- EFA directly funded places reduction (£0.65m).
- Share of High Needs top-up funding (£1.156m) to meet increasing cost and demand.

Also for 2016-17, the DfE has introduced a change in the High Needs Block funding presentation by reducing the overall allocation for all known academy special place funding, previously adjusted for separately. Details in foot note¹. (£6.412m).

Total High Needs Block allocation is £44.524m.

4.5 The additional allocation to the DSG shown in the table above represents the following and will be allocated to appropriate Blocks.

- £118k NQT induction. £116k allocated across all mainstream schools in the Schools Block, while the remaining £2k for NQT induction will be passed to special schools through the High Needs Block.

4.6 Whilst the DSG remains a ring-fenced grant to meet expenditure prescribed in the School and Early Years Finance Regulations 2015², individual Blocks are not ring-fenced. This means that funding can be moved between Blocks if agreed.

4.7 Schools Forum decisions already taken relating to DSG for 2016-17 have not been included in the above figures, but are summarised in section 6 below.

5. Other Issues Relating to DfE Notified DSG Allocations for 2016-17

5.1 As in previous years, funding in respect of Early Years 3 and 4 year olds allocations will remain provisional with final numbers dependent

¹ Academies SEN/Resources bases recoupment pre-16 (67 places) £0.67m and post 16 (16 places) £0.096m: Academies places recoupment pre-16 (349 places) £3.49m and post-16 £0.49m: Alternative provision recoupment (106 places) £1.06m and maintained school unit places (61 places) £0.606m. Total £6.412m

² Regulations come into force in mid-January 2016

on pupil counts in both January 2016 and 2017, being weighted 5/12 of January 2016 pupil numbers and 7/12 of January 2017. Final funding allocations will not be confirmed until July 2017. Funding for disadvantaged 2 year olds will be adjusted using the same approach as used for 3 and 4 year olds allocations and, again, final allocations will not be confirmed until July 2017.

- 5.2 Pupil Premium allocations for Early Years pupils will be adjusted to actual take-up.
- 5.3 Confirmation of, or change to, some High Needs places has yet to be received from the DfE.
- 5.4 Unlike the special planned places adjustment to the High Needs Block referred to in paragraph 4.4.3, the above DSG Schools Block figures will also be reduced for academy recoupment, currently estimated at £186.028m (inclusive of all academies funded through DSG).

6. DSG Allocations 2016-17

- 6.1 Over the last few meetings, particularly 2 December 2015, Schools Forum has taken decisions concerning, or agreed principles to be used, when determining how the Local Authority's DSG allocation for 2016-17 is to be deployed. Taking the current year's 2015-16 DSG allocation plans as the starting point, the DfE changes to Oxfordshire's DSG allocation for 2016-17 outlined above and Schools Forum decisions, the DSG allocations for 2016-17 are summarised below and in the table at Appendix 1.
- 6.2 Changes to DSG allocations can be summarised as follows:
 - 6.2.1 Several allocations involving movement of funding between DSG Block - premises contribution to nursery schools (£432k), Growth Fund (£660k), transfer of secondary special needs (£1,590.3k) and allocation of Newly Qualified Teachers funding (£118k) are agreed annually. These will appear in the Appendix as realignment adjustments from the previous year's DSG allocation (and then subsequently reallocated following agreement by Schools Forum).
 - 6.2.2 The 2016-17 funding adjustments identified in paragraph 4.4 above have been included within the relevant Blocks, where the allocation has been allocated for a specific purpose these monies have been included, otherwise shown initially as "Unallocated" within the appropriate Block. For the additional funding allocated to High Needs, to address increasing demand for services and costs, this has been allotted in two parts, to meet increasing demand £555.1k (based on increased pupil numbers) and the balance, at this stage to "Unallocated". Total

DSG funding allocated is £429.636m (as shown in table at paragraph 4.1 above).

- 6.2.3 Following the receipt of the new schools' formula funding model for 2016-17, adjusted for data and pupil number changes, the Local Authority calculations show that increased pupil numbers and other changes requires a further £3.4m to be allocated to schools, along with £1.3m to provide revenue funding for the five new schools expected to open during 2016-17. This additional funding maintains the current 2015-16 unit of resources for schools into 2016-17, including the constraints imposed by the Minimum Funding Guarantee and meets these requirements agreed with Schools Forum. The cost is to be met from the "Unallocated" balance identified within the Schools Block and £200k from earlier years ISB Contingency, previously agreed by Schools Forum to mitigate the impact of the capping factor in relation to the Minimum Funding Guarantee (capping threshold higher than would otherwise be required).
- 6.2.4 Review of latest take-up of Early Years provision indicates that the current funding provision is sufficient to maintain the 2015-16 hourly rates into 2016-17.
- 6.2.5 The savings previously identified within the Early Years centrally held budgets, £757.9k³, is held as "Unallocated" pending agreement of the overall DSG allocations. As agreed by Schools Forum at their meeting on 2 December 2015.
- 6.2.6 The previously allocated budget for combined services, £414k, is held as "Unallocated" pending agreement of the overall DSG allocations, while the CERA⁴ allocation previously held centrally for primary schools is included in the formula allocations to those schools (£1.4m), with corresponding reductions in the centrally held funding for 2016-17. As agreed by Schools Forum at 2 December 2015 meeting.
- 6.2.7 The allocations identified in paragraph 6.2.1 above involving movement of funding between DSG Block - premises contribution to nursery schools (£432k), Growth Fund (£660k), transfer of secondary special needs (£1,590.3k) and allocation of Newly Qualified Teachers funding (£118k) have been agreed by Schools Forum for 2016-17 and allocated to appropriate DSG Blocks.
- 6.2.8 In the previous Schools Forum paper discussed on 2 December 2015, it was stated that Local Authority would continue to refine the scale of High Needs budget pressures that is to be met from

³ Figure includes £15k identified as CERA contribution which will be delegated to nursery schools

⁴ CERA Capital Expenditure from Revenue Account

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the overall DSG allocation for 2016-17. Unfortunately this refinement is now identifying a probable budget pressure of £1.8m, the increase being mainly due to out-county placement costs. This pressure is initially shown against the “Unallocated” funding in the High Needs Block and is, therefore, partially offset against the balance of the additional funding allocated by the DfE to the Local Authority’s High Needs Block in 2016-17 (£600.9k of the £1.156m).

6.3 After meeting the requirements set by Schools Forum of maintaining Early Years hourly rates, funding all pupils and maintaining units of funding within the schools’ funding model, the following unallocated balances remain on the Local Authority’s DSG Blocks.

Unallocated DSG	£000s
Early Years Block	742.9 ⁵
Schools Block	1,428.7
High Needs Block	-1,199.1
Total	972.5

7. Documents

- Schools Forum Paper 5 - 2 December 2015
- Dedicated Schools Grant: Technical note for 2016 to 2017 - December 2015
- Schools Revenue Funding 2016 to 2017 Operational Guidance version 2 - December 2015
- Schools Block Units of Funding 2016 to 2017, Technical Note (July 2015)

8. **Future Review by Forum in:** as further information is made available by the Department for Education (DfE) and Education Funding Agency (EFA).

9. Contact Details of Lead Officer/Author

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact:

Name: Nick Baggett, Education Finance Manager
 Telephone Number: 07584174692
 Email Address: nick.baggett@oxfordshire.gov.uk

⁵ See note 3 £15k not included here

Appendix 1

Dedicated Schools Grant (DSG) Provisional Allocation 2016-17 (including of Academies)														
Updated October 2015, January 2016														
	Early Years Block			Schools Block					High Needs Block				Non-Block Funding	TOTAL DSG
	PVI/Nursery						2016-17 Contingency			PVI/Primary	Special and Hospital			
	£000s	Unallocated £000s	Central £000s	Primary £000s	Secondary £000s	Unallocated £000s	£000s	Central £000s	£000s	£000s	£000s	Unallocated £000s	Central £000s	£000s
2016-17 initial DSG Allocations (initial Allocations)														
Updated DSG Spending Blocks (July 2015)	28,506.8	0.0	4,852.0	191,178.0	145,752.8	0.0	660.0	6,870.5	2,883.3	18,660.8	0.0	30,321.1	0.0	429,685.3
Funding Block Totals 2015-16 (July revision)		33,358.8				344,461.3				51,865.2			0.0	429,685.3
Reversal of Previous Year's Schools Forum Decisions														
Forum Agreed Changes (December 2014)	-432.0			432.0			-660.0	660.0						0.0
Transfer of secondary schools Special Needs to High Needs 2015-16					1,590.3								-1,590.3	0.0
Non Block Allocations				-71.6	-44.7						-1.7			118.0
Initial DSG Spending Blocks	28,074.8	0.0	4,852.0	191,538.4	147,298.4	0.0	0.0	7,530.5	2,883.3	18,659.1	0.0	28,730.8	118.0	429,685.3
Funding Block Totals 2015-16		32,926.8				346,367.3				50,273.2			118.0	429,685.3
DSG 2016-17 Changes notified by DfE (December 2015)														
Change form residency to location basis													150.0	150.0
SFA direct places													-650.0	-650.0
Direct funded places by EFA											-3,980.0		-2,432.0	-6,412.0
Increase/decrease exceptions process													55.0	55.0
Additional High Needs Top-up												600.9	555.1	1,156.0
Increase pupil numbers							5,702.4							5,702.4
3/4 years old Pupil Premium (realignment)	-404.0		404.0											0.0
DSG Spending Blocks Updated	27,670.8	0.0	5,256.0	191,538.4	147,298.4	5,702.4	0.0	7,530.5	2,883.3	14,679.1	600.9	26,359.0	118.0	429,636.8
Funding Block Totals 2016-17		32,926.8				352,069.7				44,522.3			118.0	429,636.8
Formula Adjustments														
- pupil numbers, basic entitlement and other APT factors				3,965.7	-579.0	-3,386.7								0.0
- new schools opening in 2016-17				360.6	940.8	-1,301.4								0.0
Early Years Schools Forum Savings		757.9	-757.9											0.0
Schools Forum Decisions (December 2015)														
- Combined Services Contribution removed						414.4		-414.4						0.0
- CERA to Primary and Nursery Schools	15.0	-15.0		1,418.4				-1,418.4						0.0
- Additional Classes funding							660.0	-660.0						0.0
- Transfer of secondary schools Special Needs to High Needs 2016-17					-1,590.3								1,590.3	0.0
- Nursery schools premises allocation to Early Years	432.0			-432.0										0.0
- Additional/floor allocations - NQT Induction				71.6	44.7					1.7			-118.0	0.0
Unfunded Budget Pressures														
												-1,800.0	1,800.0	0.0
Updated DSG Spending Blocks (December 2015)	28,117.8	742.9	4,498.1	196,922.7	146,114.6	1,428.7	660.0	5,037.7	2,883.3	14,680.8	-1,199.1	29,749.3	0.0	429,636.8
Funding Block Totals 2016-17 (December 2015)		33,358.8				350,163.7				46,114.3			0.0	429,636.8