

Wiltshire Council

SCHOOLS FORUM

17 January 2019

Schools Revenue Funding 2019-20 - Funding Settlement & Budget Setting Process

Purpose of the Paper

1. To update Schools Forum on the schools revenue funding settlement and the budget setting process for 2019-2020.
2. The report will outline the funding settlement announced on 17th December 2018 and the impact on school budgets arising from the settlement. The report will also outline the decision making process for the 2019-20 budget.
3. Further detail on each of the funding blocks and the specific decisions required will be provided in separate papers on this agenda. A separate decision paper will also be provided so that decisions can be considered after all of the update reports have been discussed.

Main Considerations

School Revenue Funding Settlement 2019-2020

Dedicated Schools Grant 2019-20

4. DfE issued the revenue funding settlement for schools on 20 December 2018. The provisional Dedicated Schools Grant (DSG) allocation for Wiltshire Council is **£351.646m**. This is an increase of £9.148m compared with 2018-19. The increase reflects the impact of the increase to schools block funding for the national funding formula (NFF), the overall increase in the numbers of pupils to be funded from the schools block, and the full year effect of funding for the additional 15 hours entitlement to free child care for children of working parents and the application for the NFF for the High Needs Block.
5. The **Schools Block** has been calculated based on the NFF figures published in September 2018. The funding values published in September have been used to calculate a “primary unit of funding” (£3,849.15) and a “secondary unit of funding” (£4,885.94) for Wiltshire. These units of funding have been multiplied by the numbers of primary and secondary pupils from the October 2018 census to arrive at the schools block total for 2019-20.

6. The split of funding between the blocks is as follows:

	<u>2018-19</u>	<u>2019-20</u>	<u>Increase</u>
Schools Block	267,857,676	275,215,164	7,357,488
Central Services Block	2,514,851	2,570,343	55,492
High Needs Block	45,079,033	47,091,825*	2,012,792
Early Years Block	27,046,848	26,768,825	-278,023
TOTAL FUNDING	342,498,409	351,646,157	9,147,749

* - Includes the additional £1.128m announced in December 2018 to support children with SEN

7. Pupil numbers have increased in each phase, as per the table below:

	<u>2018-19</u>	<u>2019-20</u>	<u>Increase</u>
Primary	38,218	38,233	15
Secondary	24,471	24,883	412
TOTAL	62,689	63,116	427

8. The **Central Schools Services block** (CSSB) has been calculated according to the new national funding formula for the CSSB. October 2018 pupil numbers have been multiplied by a unit value of £31.63 and a headcount of 63,116. Funding for agreed historic commitments has then been added to that total.
9. The **High Needs block** has been allocated as per the baselines notified to local authorities in September 2018. These baselines are calculated according to the national funding formula for high needs, 50% of which is allocated according to historic spend. The basic entitlement amount reflects the numbers of pupils in special schools has been updated to reflect the October 2018 census and the import/export adjustment. The funding also includes the additional £1.128m awarded to Wiltshire as part of the **'new funding to support children with Special Educational Needs'** announced on the 16th December 2018.
10. The **Early Years block** reflects the hourly rates announced for 2019-20 and an estimate of the full year effect of the entitlement to an additional 15 hours of childcare for children of working parents which came in to effect in September 2017. Again, Wiltshire remains on the funding floor for the early years national funding formula. It should be noted that the early years block will be updated during the 2019-20 financial year to reflect the January 2019 and January 2020 early years census data. In the current year, this has had a negative impact on the value of the early years block as take up of places has been lower than estimated in the initial settlement.

11. The funding regulations do allow for a transfer of funding between the schools block and the high needs block within the DSG. As previously reported to schools forum, local authorities have the flexibility to move up to 0.5% from the schools block to the high needs block with the agreement of schools forum. A transfer of an amount above 0.5% would require the specific approval of the Secretary of State through the submission of a 'Disapplication Request'. A Disapplication request was made in December 2018, based upon Schools Forums request and this has been re-confirmed as still standing in January 2019.

School Improvement Monitoring and Brokering Grant

12. Following the removal of the Education Services Grant at the end of August 2017, the new School Improvement Monitoring and Brokering Grant was introduced. The purpose of the grant is to allow local authorities to continue to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. Funding has been set £50m nationally for the academic years 2017-18 and 2018-19.
13. Notification has been received that this grant will continue for the financial year 2019-20 although funding is allocated, based upon an academic year. Wiltshire's allocation for the 2017-18 academic year was £505,295 and is projected to be £515,995 for the 2018-19 academic year.

Budget Setting Process 2019-20

14. Local authorities are required to submit the proposed delegated budget for schools in their areas to the Education and Skills Funding Agency (ESFA) by 21st January 2019. The ESFA are required to confirm the formula is compliant with the regulations and will then confirm budgets to academies during February 2019. The LA will need to notify maintained schools of their budget shares by the end of February 2019.
15. In terms of setting the budgets for schools for 2019-20, the amount of funding available for distribution to schools will be calculated as follow:

DSG Schools Block Allocation	275,215,164
Less: Growth Funding	x,xxx,xxx
Less: Transfer to High Needs Block	x,xxx,xxx
Total available for School Funding	xxx,xxx,xxx

16. The update reports will show that many of the decisions in relation to individual funding blocks will impact on the affordability, or otherwise, of other proposals and this will be important to take in to account when considering the final decision paper.

De-Delegation

17. There are a number of budgets currently included in the local formula that maintained primary and/or secondary schools can agree to de-delegate so that they continue to be provided centrally. De-delegation cannot be applied to amounts delegated to academies or to special schools. Schools Forum has previously agreed they would take this decision on behalf of schools.
18. There are a number of outcomes that could flow from the proposals to delegate the budgets. These include:
 - a) Maintained schools agree that budgets should be de-delegated and retained centrally with services provided to all maintained schools;
 - b) Schools agree that budgets should be delegated and schools make/purchase their own provision / cluster provision as appropriate;
19. Under scenario (a) the LA would be able to retain a level of service to provide to maintained schools.
20. Under scenario b the LA would not be able to continue to deliver a service unless there is sufficient buy back on a fully traded basis from schools (maintained or academy) to enable retention of sufficient staff.
21. Delegation of budgets can only be through the formula factors, with the final methodology being determined using factors in the proposed formula for 2019-20.
22. For those services currently de-delegated schools forum is asked to consider whether that should continue for 2019-20. Decisions must be taken annually and no announcement regarding the future of de-delegation has been made, beyond 19-20.
 - HCSS Software Licence
 - Trade Union Facilities Costs
 - Maternity Costs
 - Ethnic Minority Achievement Service
 - Traveller Education Service
 - Behaviour Support Service
23. Approval for de-delegation is by the relevant phase members of Schools Forum

Proposal

24. Schools Forum is asked to note the report.
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