

5 November 2013		ITEM 6
Children's Services Overview & Scrutiny Committee		
School Funding Arrangements		
Report of: Councillor J Kent – Leader of the Council		
Wards and communities affected: All	Key Decision: Non-Key	
Accountable Head of Service: Sean Clark – Head of Corporate Finance		
Accountable Director: Carmel Littleton – Director of Children's Services		
This report is Public		
Purpose of Report: To inform on the structure and calculation of School Budgets		

EXECUTIVE SUMMARY

1. RECOMMENDATIONS:

1.1 That the contents of the report be noted.

2. INTRODUCTION AND BACKGROUND:

This report details the School Funding Arrangements for Thurrock Schools.

3. ISSUES

3.1 All Schools are funded through a Formula, decided on a local basis, using allowable factors set out by the Department for Education and administered by the Education Funding Agency. These Formula costs are met from the Dedicated Schools Grant.

3.2 The Dedicated Schools Grant (DSG) was introduced in 2006/07 as a 100% specific grant to fund the school related budget.

3.3 For 2013/14 the structure of the DSG was significantly changed, being split between three separate blocks. The three blocks are Schools Block, High Needs Block and Early Year Blocks. Whilst the DSG is ring fenced the

separate blocks are not ring fenced to each area, however any movement between the blocks would need to be agreed by the Schools Forum.

- 3.4 The separate blocks of DSG were calculated based on the 2012/13 spend, the Schools element has then been uplifted by the increase in pupil numbers. There will also be an increase in the Early Years allocation based on the number of pupils in the termly pupil count. Whilst there has been no specific decrease in the DSG, previously the whole of the grant would be uplifted by the population. As the High Needs block represents 16% of the DSG funding, over time there is a concern that as the population increases there will be a shortfall in the available funding for additional support for high needs pupils.
- 3.5 Within the Schools block, with the exception of prior central expenditure commitments, which are not permitted to increase, all funding is delegated to schools to manage locally. Several central services and contingencies were delegated to Schools to manage, and to choose how to buy back services going forward.
- 3.6 The basis of the pupil count for the grant was changed from being calculated using January pupil data, to now being based on October pupil data. This means that unlike in previous years, we are given a final DSG allocation in December for the Schools and high needs blocks, whereas in previous years this had not been confirmed till the following June, after budgets have been allocated to Schools.
- 3.7 Funding for Special Schools is no longer accounted for as part of the Individual Schools budget, but is included in the High Needs Block.
- 3.8 DSG is calculated for all Schools in Thurrock, including Academies (Excluding Gateway Academy) , the budgets are calculated using the Thurrock funding formula, the EFA then recoup funding to be distributed to Academies and a net Grant is paid to the Authority. This ensures that Academy and maintained Schools are funded on the same basis.
- 3.9 Two elements of additional duties were introduced to the DSG in 2013/14. These are the duty to provide free nursery provision for 400 of the most deprived two year olds, from September 2013 (rising to 800 from September 2014) this is funded through an additional DSG allocation, which will be attributable to the Early years block going forward. Authorities have also taken on the responsibility for funding post 16 high needs provision, which had previously been centrally administered by the EFA. Funding has been transferred into the LAs allocation in the High Needs Block based on 2013/14 costs plus growth capped at 24%.
- 3.10 For 2013/14 the per pupil rate of Schools block DSG paid to Thurrock was £4,431.35, the early years per fte pupil rate was £3,715.04. The total value of the DSG paid for 2013/14 is £125,096k, made up of:-

Schools Block	£97,210k
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High Needs Block £19,722k
 Early Years Block £6,041k
 Additional Allocation* £2,123K
 (*attributable to Early Years Block)

Nb: Gateway Academy is not part of the DSG Recoupment model, as Academies that were opened before September 2008, have been funded on a different model by the DfE.

4. CONSULTATION

We are currently consulting with Schools on the minor allowable changes for 2014/15. Results will be reported back to the Schools forum on the 24th October.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

The Dedicated Schools grant is a ring fenced grant, with conditions of spend detailed in School Finance (England) Regulations 2012.

6. IMPLICATIONS

6.1 Financial

The Financial implications are contained within the body of the report

Implications verified by: **Kay Goodacre**
 Telephone and email: **01375 652466**
 kgoodacre@thurrock.gov.uk

6.2 Legal

This report is for information only. The relevant legislation is described within the body of the report.

Implications verified by: **Lucinda Bell**
 Telephone and email: : lucinda.bell@BDTLegal.org.uk

6.3 Diversity and Equality

This report is for note as such there are no implications noted at this stage.

Implications verified by: **Samson DeAlyn**
 Telephone and email: **01375 652472**
 sdealyn@thurrock.gov.uk

Other implications

N/A

BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- N/A

APPENDICES TO THIS REPORT:

- None

Report Author Contact Details:

Name: Kay Goodacre

Telephone: 01375 652466

E-mail: kgoodacre@thurrock.gov.uk