

# Agenda Item 10

DEF/16/10  
DEVON EDUCATION FORUM  
19 October 2016

## 2017/18 SCHOOLS REVENUE FUNDING FORMULA

### REPORT OF THE COUNTY TREASURER AND CHIEF OFFICER FOR CHILDREN'S SERVICES

#### Recommendations

It is recommended that DEF:

- a) Specifically approve the proposal for the 2017/18 schools revenue funding formula as set out in section 1 and make recommendation to Cabinet.  
**All to vote**
- b) Agree in principle the transfer of funding from Schools Block to High Needs Block  
**All to vote**
- c) Agree in principle to increase the top-slice from 2018/19 to meet growth demand  
**All to vote**
- d) Specifically agree the de-delegation proposals for maintained primary and maintained secondary schools as set out in section 2 and appendix A  
**Vote: Maintained primary representatives**  
**Vote: Maintained secondary representatives**
- e) Specifically agree the centrally retained services budget allocation as set out in section 3 and appendix A  
**All to vote**
- f) Note the local authority's disapplication requests that have been applied for and awaiting approved.  
**All to note**

## 1. 2017/18 Schools Revenue Funding Formula

- 1.1 Devon is set to receive a Schools Block Unit Funding rate of £4,349.62 per pupil. It is important to understand that this is a distribution methodology used by the DfE to fund Local Authorities (LA) and it is for Local Authorities, in consultation with their Schools Forum, to determine the local formula factors used in its schools formula along with the funding rates applied.
- 1.2 As part of this commitment the government have confirmed that due to the delay in implementation of the national funding formula, no local authority will see a reduction from their 2016/2017 funding (adjusted to reflect local authorities most recent spending patterns) on the schools of the dedicated schools grant (DSG) per pupil funding.
- 1.3 The formula factors allowed nationally remain in the large part unchanged from 2016/17.
- 1.4 The LA and Phase Associations consulted on the Devon proposals for the 2017/18 schools revenue funding formula. Modelling was based on the Schools Block and the October 2015 census data. Note that the final DSG settlement will be based on the October 2016 census data.

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1.5 In all, 66 schools responded to the consultation, 19% of all schools. This compares to 73 schools, 21% in 2015. A full analysis of participation is attached to this report at Appendix A

1.6 All documents relating to the consultation can be viewed on the schools finance webpage:

[Schools Funding Reform Webpage](#)

There have been no significant changes to the formula factors from 2016/17 to the 2017/18 revenue funding.

1.7 In Devon, as in many other authorities, the pressure on the High Needs budget continues to increase as the number of complex, high cost placements grows. There has not been any additional funding from central government to meet this growth with the additional costs having to be managed within existing resources. This will mean the need for funding to move across the notional Schools, High Needs and Early Years blocks.

1.8 The authority, along with school representatives from SFG, set up a task group to review the High Needs Service to try and identify strategies to help bring the overspend under control for both the current financial year and beyond. This work remains ongoing with the unfunded expenditure forecast as £2.16m in 2016/17 after £1.69m of management action. The growing demand of the budget continues in 2017/18 which is forecast currently to overspend by £5.04m (which is inclusive of the achievement of a further £1.8m management action along with the forecasted carry forward from 2016/17).

1.9 Within the proposed funding for 2017/18 the EFA have advised that they will be applying an uplift for High Needs later in the year, although it is uncertain what Devon will receive.

1.10 The authority has listened to the views of the schools community carefully. The LA carries the final responsibility and decision for setting a schools formula that best serves the whole education community.

1.11 In consulting with schools on High Needs Block funding pressures we asked if schools agree in principle to the transfer of funds up to £4.5m to the High Needs Block from the Schools Block.

Appendix A sets out the responses to the consultation with 16 of the 66 schools that responded (24%) agreeing to the proposal.

1.12 Schools were also asked if they agreed in principle to the increased top-slice in the 2018/19 financial year of £2.5m (£1.5m to £4.0m) per annum to meet the need for new schools and additional places in existing schools across the county. The top-slice for the 2017/18 financial year would remain unchanged at £1.5m.

Appendix A sets out the responses to the consultation with 22 of 65 schools that responded (33%) agreeing to the proposal.

1.13 **Recommendation:**

That the Forum recommends to Cabinet that:

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- i. The formula factors for distributing the funding to schools are accepted. Note that the final funding rates may change subject to affordability when the October 2016 pupil data and Schools Block DSG settlement are confirmed in late December 2016.
  - ii. Agree in principle to the transfer of funds up to £4.5m to the High Needs Block from the Schools Block
  - iii. Agree in principle to increase the top-slice from 2018/19 to meet growth demand
- All to vote**

## 2. Delegation and De-delegation

- 2.1 The following services were delegated in 2016/17 but were able to be de-delegated from the primary and/or secondary maintained schools subject to Schools Forum decision by the representatives in each sector. De-delegation is not an option for academies, special schools, nurseries or PRUs.

Where de-delegation has been agreed for maintained primary and secondary schools, it is the Department's presumption that the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation. In the case of special schools and PRUs, the funding for such services, will be included in the top-up. Academies will continue to receive a share of funding for these services in their delegated budget.

- 2.2 Decisions taken on de-delegation in 2016/17 were for one year only, so decisions for each service will be required in 2017/18. As follows:
- i. Contingencies (including schools in financial difficulties and exceptional events)
  - ii. Behaviour support services, Ethnic Minority Achievement and Gypsy Roma Traveller Achievement
  - iii. Support to under-performing ethnic groups and bilingual learners
  - iv. Free school meals eligibility
  - v. Maternity
  - vi. Trade unions
  - vii. Jury Service / Magistrates duties
  - viii. Licences and subscriptions (note: All licensing is covered by a national licence and the DfE charge the local authority except CLEAPPS (LEA Provision of Science Services))

The consultation responses can be found at Appendix A

- 2.3 **Recommendation:**  
Maintained schools representatives are asked to decide, phase by phase, the delegation or de-delegation of the services listed in Section 2.2 and Appendix A  
**Vote: Maintained Primary Schools**  
**Vote: Maintained Secondary Schools**

## 3 Centrally retained services

- 3.1 Only a limited number of services can be retained centrally and local authorities must seek approval from Schools Forums to retain central funding up to the value committed in 2016/17 for these services.

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- 3.2 The full list of services that can be retained centrally before allocating formula can be found in the Education Funding Agency (EFA) information document [Schools Revenue Funding 2017 to 2018 Operational Guide](#)

Locally, the relevant services are:

- Emotional, Psychological & Social Wellbeing
- Phase Associations
- Schools Admissions Service
- Termination of Employment Costs

Schools were asked to indicate whether they thought that for these relevant local services, funding should continue to be de-delegated to Devon County Council to commission services to the value committed for 2016/17 (Option 1) or whether monies should be delegated back to schools (Option 2).

The responses to the consultation are attached at Appendix A, that shows for each service a range between 57% to 92% of the schools that responded preferring Option 1.

### 3.3 **Emotional, Psychological & Social Wellbeing**

£60,000 to continue to be allocated to the Emotional, Psychological and Social Wellbeing Service, co-produced by Public Health Devon and schools.

Schools were asked to indicate whether they thought that they should continue to contribute £60,000 toward this service (Option 1) or whether monies to remain delegated to the schools budget (Option 2).

Appendix A sets out the responses to the consultation with 49 of the 64 schools that responded (77%) preferring Option 1.

### 3.4 **Phase Associations**

The role and partnership between the four Phase Associations and the LA are outlined within the Terms of Reference. These can be viewed via the following link: [Terms of Reference page](#)

Schools were asked to indicate whether they thought that they should maintain Phase Association funding (Option 1) or whether monies should be delegated back to school (Option 2).

Appendix A sets out the responses to the consultation with 51 of the 64 schools that responded (80%) preferring Option 1.

### 3.5 **Schools Admissions Service**

The service provides a comprehensive admissions service to all maintained schools and to academies on a buy back basis. More information can be found at: [Admission Webpages](#)

Schools were asked to indicate whether they thought that they should maintain the current level of service via a central Admissions Team through continuing to centrally retain funding (Option 1) or whether the Admissions Team's focus would be limited to statutory coordination only (Option 2).

Appendix A sets out the responses to the consultation with 55 of the 64 schools that responded (86%) preferring Option 1.

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## 3.6 Termination of Employment Costs

In line with the Education Act 2002, costs incurred by the local education authority in respect of any premature retirement of a member of staff of a maintained school shall be met from the school's budget share for one or more financial years except insofar as the authority agrees with the governing body in writing that they shall not be met by the school.

The local authority currently has historic commitments of circa £8.5m, of which the schools budget contributes £873,000. This contribution from the DSG cannot increase above the 2012-13 expenditure levels but is necessary to continue to meet the historic commitment.

This is for clarification only. No further action required.

**All to note**

## 3.7 Recommendation:

- i. That the Schools Forum agrees to continue £60,000 for the Emotional, Psychological and Social Wellbeing Service, co-produced by Public Health Devon and schools
- ii. The Schools Forum agrees to retain the funding centrally at the same level as 2016/17 for:
  - a. Phase Associations
  - b. The Schools Admissions Service

**All to vote**

## 4. Disapplications

### 4.1 Small Schools

Under funding arrangements from 2013-14 the Secretary of State agreed to allow some flexibility in the operation of the Minimum Funding Guarantee (MFG) for very small schools (fewer than 53 pupils at the time of the October 2012 census) that had previously been in receipt of additional local protection.

The local authority is applying to the EFA and awaiting approval for the same partial exclusion as in the past four years, where it applies the basic entitlement funding per pupil in the primary sector to the pupil number increase or reduction, rather than the school's individual per pupil value - which is significantly higher.

### 4.2 Recommendation:

The Forum notes the local authority's planned disapplication request.

**All to Note**

MARY DAVIS  
County Treasurer

JO OLSSON  
Chief Officer for Children's Services

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## APPENDIX A

### 2017/18 SCHOOLS REVENUE FUNDING FORMULA

#### Consultation response levels

	2016		
	Total School Base	Total School Response	% Response
<b>Maintained Primary</b>	233	38	<b>16%</b>
<b>Maintained Secondary</b>	14	12	<b>86%</b>
<b>Academy Primary</b>	73	2	<b>3%</b>
<b>Academy Secondary</b>	23	14	<b>61%</b>
<b>Free Primary</b>	3	0	<b>0%</b>
<b>Free Secondary</b>	4	0	<b>0%</b>
<b>Grand Total</b>	<b>350</b>	<b>66</b>	<b>19%</b>

	2016		
	Total School Base	Total School Response	% Response
<b>All Primary</b>	309	40	<b>13%</b>
<b>All Secondary</b>	41	26	<b>63%</b>
<b>Grand Total</b>	<b>350</b>	<b>66</b>	<b>19%</b>

## LIST OF RESPONDING SCHOOLS

[Alphabetic by School name within Phase within Status]

### **Maintained - Primary**

2201	Ashwater Primary School	Primary	Maintained
2210	Bishops Nympton Primary School	Primary	Maintained
2402	Bishopsteignton School	Primary	Maintained
3056	Black Torrington Church Of England Primary School	Primary	Maintained
2404	Bovey Tracey Primary School	Primary	Maintained
2212	Bradford Primary School	Primary	Maintained
2472	Bradley Barton Primary School & Nursery Unit	Primary	Maintained
3057	Bridgerule Church Of England Primary School	Primary	Maintained
3105	Chudleigh Church Of England Community Primary School	Primary	Maintained
2220	Clawton Primary School	Primary	Maintained
3777	Clyst Heath Nursery & Community Primary School	Primary	Maintained
2025	Countess Wear Community School	Primary	Maintained
2417	Doddiscombsleigh Community School	Primary	Maintained
2223	East Anstey Primary School	Primary	Maintained
3059	Georgeham C Of E (VC) Primary School	Primary	Maintained
2228	Halwill Community Primary School	Primary	Maintained
2048	Honiton Primary School	Primary	Maintained
2608	Horrabridge Community Primary School	Primary	Maintained
2231	Horwood & Newton Tracey	Primary	Maintained
2423	Ipplepen Primary School	Primary	Maintained
2235	Kings Nympton Community Primary School	Primary	Maintained
3607	Marldon Church Of England Primary School	Primary	Maintained
2238	Marwood School	Primary	Maintained
2028	Montgomery Primary School	Primary	Maintained
3015	Offwell Church Of England Primary School	Primary	Maintained
3772	Rackenford Church Of England Primary School	Primary	Maintained
2244	Shirwell Community Primary School	Primary	Maintained
3022	Silverton Church Of England Primary School	Primary	Maintained
3605	St Catherine's Church of England Primary and Nursery School	Primary	Maintained
3751	St Mary's Church of England Primary School, Brixton	Primary	Maintained
3128	St Michael's Church of England Primary School, Kingsteignton	Primary	Maintained
3304	St Peter's Church of England Primary School, Budleigh Salterton	Primary	Maintained

3323	St Sidwell's Church of England Primary School, Exeter	Primary	Maintained
2461	The Grove Primary School	Primary	Maintained
2075	Willand School	Primary	Maintained
3011	Withycombe Raleigh Church Of England Primary School, Exmouth	Primary	Maintained
3321	Woodbury Church Of England Primary School	Primary	Maintained
2254	Woolsery Primary School	Primary	Maintained
3375	Wynstream School	Primary	Maintained

### **Maintained - Secondary**

4010	Cullompton Community College	Secondary	Maintained
4101	Dawlish Community College	Secondary	Maintained
4056	Holsworthy Community College	Secondary	Maintained
4183	Okehampton College	Secondary	Maintained
4011	Sidmouth College	Secondary	Maintained
4057	South Molton Community College	Secondary	Maintained
4607	St Peter's Church of England Aided School	Secondary	Maintained
4182	Tavistock Community College	Secondary	Maintained
4000	The Axe Valley Community College	Secondary	Maintained
4059	The Park Community School, Barnstaple	Secondary	Maintained
4192	Tiverton High	Secondary	Maintained

### **Academy - Primary**

2072	Uffculme Primary	Primary	Academy
2463	Widecombe-in-the-Moor	Primary	Academy

### **Academy - Secondary**

4053	Braunton School And Community College	Secondary	Academy
4009	Clyst Vale Community College	Secondary	Academy
5400	Colyton Grammar School	Secondary	Academy
4012	Exmouth Community College	Secondary	Academy
4055	Great Torrington School	Secondary	Academy
4006	Isca	Secondary	Academy
4184	Ivybridge Community College	Secondary	Academy
5404	Newton Abbot College	Secondary	Academy
4003	Queen Elizabeth's Academy Trust	Secondary	Academy
4108	South Dartmoor Community College	Secondary	Academy
4005	The King's School	Secondary	Academy
5405	Uffculme School	Secondary	Academy
4013	Cranbrook Education Campus	Secondary	Academy
2474	Templer Academy Schools Trust	Secondary	Academy



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## QUESTIONS 1 - 2

<b>Agree Principle</b>	Q1				<b>Question 1</b>
School Type	NO	YES	Grand Total	Majority Percentage	Do you agree in principle to transfer funds of up to £4.5m to the High Needs Block from the Schools Block?
Academy Secondary	12	1	13		
Maintained Primary	24	15	39		
Maintained Secondary	12		12		
Academy Primary	2		2		
<b>Grand Total</b>	<b>50</b>	<b>16</b>	<b>66</b>	<b>76%</b>	

<b>Growth Fund</b>	Q2				<b>Question 2</b>
School Type	NO	YES	Grand Total	Majority Percentage	Do you agree with the principles for allocating funding for the growth fund as set out in paragraph 102 and Appendix A of the Devon consultation document?
Academy Secondary	11	2	13		
Maintained Primary	21	17	38		
Maintained Secondary	9	3	12		
Academy Primary	2		2		
<b>Grand Total</b>	<b>43</b>	<b>22</b>	<b>65</b>	<b>66%</b>	

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## QUESTIONS 3 – 10: DEDELEGATION RESPONSES

<b>Behaviour Support Services</b>					Q3					<b>Question 3:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage						
Maintained Primary	19	16	35		Please indicate whether you think services should be : Option 1: De-delegate monies to DCC to commission services Option 2: Monies remained delegated to school budget					
Maintained Secondary	9	5	14							
<b>Grand Total</b>	<b>28</b>	<b>21</b>	<b>49</b>	<b>57%</b>						

<b>Ethnic Minority Achievement</b>					Q4					<b>Question 4:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage						
Maintained Primary	21	15	36		Please indicate whether you think services should be : Option 1: De-delegate monies to DCC to commission services Option 2: Monies remained delegated to school budget					
Maintained Secondary	10	4	14							
<b>Grand Total</b>	<b>31</b>	<b>19</b>	<b>50</b>	<b>62%</b>						

<b>Gypsy, Roma &amp; Traveller Achievement</b>					Q5					<b>Question 5:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage						
Maintained Primary	21	15	36		Please indicate whether you think services should be : Option 1: De-delegate monies to DCC to commission services Option 2: Monies remained delegated to school budget					
Maintained Secondary	10	4	14							
<b>Grand Total</b>	<b>31</b>	<b>19</b>	<b>50</b>	<b>62%</b>						

<b>Copyrights, Licences &amp; Subscriptions</b>					Q6					<b>Question 6:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage						
Maintained Primary	32	4	36		Please indicate whether you think services should be : Option 1: Monied remained delegated to school budget and service bought back from DCC Option 2: Monies remained delegated to school budget					
Maintained Secondary	13	1	14							
<b>Grand Total</b>	<b>45</b>	<b>5</b>	<b>50</b>	<b>90%</b>						

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<b>Trade Union Facilitation</b>					Q7					<b>Question 7:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage	Please indicate whether you think services should be :					
Maintained Primary	31	5	36		Option 1: De-delegate monies to DCC to commission services					
Maintained Secondary	13	1	14		Option 2: Monies remained delegated to school budget					
<b>Grand Total</b>	<b>44</b>	<b>6</b>	<b>50</b>	<b>88%</b>						

<b>Jury / Magistrate</b>					Q8					<b>Question 8:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage	Please indicate whether you think services should be :					
Maintained Primary	27	9	36		Option 1: De-delegate monies to DCC to commission services					
Maintained Secondary	11	3	14		Option 2: Monies remained delegated to school budget					
<b>Grand Total</b>	<b>38</b>	<b>12</b>	<b>50</b>	<b>76%</b>						

<b>Maternity</b>					Q9					<b>Question 9:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage	Please indicate whether you think services should be :					
Maintained Primary	32	4	36		Option 1: De-delegate monies to DCC to commission services					
Maintained Secondary	14		14		Option 2: Monies remained delegated to school budget					
<b>Grand Total</b>	<b>46</b>	<b>4</b>	<b>50</b>	<b>92%</b>						

<b>Schools in financial difficulties</b>					Q10					<b>Question 10:</b>
School Type Academy or Maintained	Option 1	Option 2	Grand Total	Majority Percentage	Please indicate whether you think services should be :					
Maintained Primary	31	5	36		Option 1: De-delegate monies to DCC to commission services					
Maintained Secondary	13	1	14		Option 2: Monies remained delegated to school budget					
<b>Grand Total</b>	<b>44</b>	<b>6</b>	<b>50</b>	<b>88%</b>						

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## QUESTIONS 11 – 13: CENTRAL SERVICES

<b>Allocate £60,000 EPWS</b>				Q11		Majority Percentage	Question 11
School Type Academy or Maintained	Option 1	Option 2	Grand Total				Please indicate whether you think service should be: Option 1: £60,000 to continue to be allocated to the co-produced service by Public Health Devon and schools.
Maintained Primary	31	4	35				
Maintained Secondary	10	4	14				
Academy Secondary	8	6	14				
Academy Primary	0	1	1				
<b>Grand Total</b>	<b>49</b>	<b>15</b>	<b>64</b>			<b>77%</b>	

<b>Phase Associations</b>				Q12		Majority Percentage	Question 12
School Type Academy or Maintained	Option 1	Option 2	Grand Total				Please indicate whether you think service should be: Option 1: Maintain a central service Option 2: Monies delegated to school
Maintained Primary	32	3	35				
Maintained Secondary	12	2	14				
Academy Secondary	7	7	14				
Academy Primary		1	1				
<b>Grand Total</b>	<b>51</b>	<b>13</b>	<b>64</b>			<b>80%</b>	

<b>School Admissions</b>				Q13		Majority Percentage	Question 13
School Type Academy or Maintained	Option 1	Option 2	Grand Total				Please indicate whether you think services should be: Option 1: Maintain a central Admissions Team Option 2: Admissions Team focus on statutory only
Maintained Primary	31	4	35				
Maintained Secondary	12	2	14				
Academy Secondary	12	2	14				
Academy Primary		1	1				
<b>Grand Total</b>	<b>55</b>	<b>9</b>	<b>64</b>			<b>86%</b>	