

Decision Maker: **Schools' Forum**

Date: **20 September 2012**

TITLE: CONSULTATION ON THE SCHOOL FINANCE REGULATIONS 2013 AND ADDITIONAL GRANT CONDITIONS FOR THE DEDICATED SCHOOLS GRANT

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Ward: Boroughwide

1. Reason for report

- 1.1 This report provides information on the DfE consultation regarding the draft School and Early Years Finance (England) Regulations 2013 , together with additional grant conditions for the Dedicated Schools Grant (DSG).
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2. **RECOMMENDATION(S)**

- 2.1 **The Schools' Forum are asked to note the details within the consultation and to comment on the proposed responses to the specific questions on funding for disadvantaged two year olds.**

3. **COMMENTARY**

- 3.1 At the end of July DfE launched a consultation on the draft School and Early Years regulations for 2013. Attached at **Appendix 1** is a copy of the consultation, including a summary of the new features in the revised regulations, details of the conditions of grant and a full copy of the draft regulations.
- 3.2 The LA does not plan to make any response relating to the overall regulations or the conditions of grant, but there are a number of points in there which we would want to bring to the attention of the Schools Forum. There are two specific questions relating to Early Education funding to which the LA has provided a draft response, subject to any comments from the Schools Forum.

3.3 The Schools Forum are asked to take particular note the following changes to the regulations:

- Regulation 6 extends the definition of the schools budget to include expenditure on young people aged 19 to 25 with learning difficulties. This will include pupils previously funded through post 16 funding which has been outside of the remit of the Schools Forum.
- Regulation 8(4) specifies that the Schools Forum must approve the criteria on which any funding for pupil growth is to be allocated. This will relate to funding to be held centrally for bulge classes and additional infant class funding.
- Regulation 11 requires budgets to be determined by 15 March for maintained schools and pupil referral units, and by 31 March for budgets issued under the early years formula.
- Regulation 12 sets out the powers of the Schools Forum and the Secretary of State to authorise central schools and early years block expenditure and de-delegation.
- Regulation 18 (4-6) allow local authorities to cap or scale back gains under the new formula using the same comparisons between years as in the MFG calculation and applied consistently to all schools in the authority. This would be necessary to offset the cost of protecting any losses to schools. Full details of the impact of this can be seen in the separate report regarding the modelling of the new funding formula.
- Regulation 25 allows for authorities to apply to the Secretary of State to include exceptional premises factors in their formula, to exclude factors from the MFG and to vary the basis of the pupil number count. Bromley has made an application to the SoS for permission to exclude payments for bulge classes made in 2012/13 to prevent any duplication of funding to schools. A copy of the application and the DfE response are included at **Appendices 2 and 3 (Appendix 3 to follow)**.

3.4 Early Years Funding – DfE are proposing a number of adjustments as to how the Early Years Single Funding Formula (EYSFF) will operate for two year olds as follows:

- To relax the requirement to have a mandatory deprivation supplement, but to allow local authorities to use a deprivation supplement if they wish.
- To relax the rules on place based funding to support capacity building – this would allow local authorities to fund on places as opposed to actual participation for a limited time whilst working towards building capacity to meet the required targets.
- To seek views on whether there should be a mandatory quality supplement in the EYSFF for two year olds.

The proposed draft responses are attached at **Appendix 4** for review and comment. However as the closing date for this consultation is 21 September it may not be possible to make any significant changes to the LA response.

3.5 Additional Grant Conditions Under Section 14-16 of the Education Act 2002. This section outlines the basis on which the DSG is calculated ie based on all pupils including pupils at academies. Funding for Academies actual budget shares will continue to be recouped from local authorities in 2013/14. Regulations a-c reflect this principle by requiring all schools and academies to be treated on an equivalent basis.

- 3.6 Local Authorities will also be responsible from 2013-14 for funding the top up element for all high needs pupils and students
- Regulation d requires that within this all schools and academies should again be treated on a equivalent basis.
 - Regulation e outlines the requirement for top up funding to be calculated in line with the MFG for mainstream schools.
 - Regulations f and g require for contact agreements to be put in place for top-up funding and for all top-up payments to be made on a monthly basis unless otherwise agreed with each provider.
- 3.7 The Schools Forum is asked to note the changes to the regulations and to the grant conditions as outlined in this report.

Non-Applicable Sections:	Policy, Financial, Legal, Personnel Implications
Background Documents: (Access via Contact Officer)	