

## 2012/13 Dedicated Schools Grant

### Calculating the 2012/13 DSG for Torbay

1. 2012/13 DSG is calculated using the Guaranteed Unit of Funding (GUF) multiplied by the number of pupils in the January 2012 census. The GUF for Torbay in 2012/13 is £4,841.97 per pupil. The GUF for 2012/13 is a like for like cash allocation compared with 2011/12 with no inflationary increase.

Using the September 2011 Schools census as an indication we are working on pupil numbers of

Primary Schools ( excluding nursery)	8,777
Secondary Schools (excluding Post 16)	7,168
Special Schools	317
PRU/EOTAS/Others	96
Nursery	967
Total ( including academies)	17,325

This gives an indicative 2012/13 DSG of £83,887,000. This will be wrong as pupil numbers in January 2012 census will be different but is a reasonable indication of the DSG. The DSG allocation for 2011/12 was £ 84,187,000

2. For 2012/13 DSG the Secretary of State stated;

#### *School funding*

*2. As set out in the “Consultation on School Funding Reform”, issued in July, we will continue with the current methodology for funding schools in 2012-13 through the Dedicated Schools Grant (DSG). The underlying school budget will be kept at flat cash per pupil for 2012-13.*

*3. To protect local authorities with falling pupil numbers we will continue with arrangements to ensure that no authority loses more than 2 per cent of its budget in cash terms.*

*4. Although the overall schools budget will stay at the same level on a per pupil basis before the addition of the Pupil Premium, the actual level of each school’s individual budget will vary. It will depend on local decisions about how best to meet needs and priorities. This does mean that some schools will see budget reductions, either because they have fewer pupils or local changes to funding distribution. To protect schools from significant budget reductions, we will continue with a Minimum Funding Guarantee that ensures no school sees more than a 1.5 per cent per pupil reduction in 2012-13 budgets (excluding sixth form funding) compared to 2011-12 and before the Pupil Premium is added.*

*5. Details of these arrangements, including per pupil funding for each local authority, are being sent to local authorities today and have been published on the Department for Education’s website.*

*6. The “Consultation on School Funding Reform” set out proposals for the funding system from 2013-14. I am grateful to all those who have responded to these important issues. I am publishing today a report on the consultation responses: there was a good deal of consensus around some proposals, such as the factors to include in both any national and local formulae, and the need for careful transitional arrangements. However, the responses also reflect a variety of views over some of the key aspects of the system. We are now working on developing further proposals in light of the responses.*

## *Funding for 16-19 provision*

*7. The Young People's Learning Agency (YPLA) is today publishing a statement setting out the funding to be made available for 16-19 education and training for 2012-13. The Funding Statement shows that the Government plans to fund an increased number of places as we approach the raising of the participation age. We plan to fund 1,577,000 places in the 2012/13 academic year compared with the 1,543,000 learners we expect providers to have recruited in 2011/12.*

*8. Transitional protection was introduced in 2011/12 in order to help schools and colleges to manage unit cost savings that need to be made. We will continue to provide transitional protection for these policy changes for 2012/13 and will continue to make this available until 2015/16.*

## Calculations within the 2012/13 Torbay DSG

**3.** The predicted pupil numbers mean that Torbay should not need the 2% safety net outlined in the Secretary of States paragraph 3.

In 2011/12 a significant number of previously separate grants were incorporated into the GUF and distributed via the Torbay schools funding formula. This will remain the position in 2012/13.

There have been two national consultations by the DfE in 2011 on moving towards a more consistent national funding distribution. The likelihood is that significant moves towards this national funding regime will be made from 2013/14 onwards. Therefore it would be sensible and prudent to avoid any significant local formula changes in 2012/13 ahead of potentially significant change in 2013/14. This does not mean that school budgets will remain the same as individual schools circumstances will have changed from year to year such as NOR, levels of transience and numbers of SEN pupils. There have been no consulted changes for the Torbay Funding Formula for primary and secondary schools. There has been consultation on only one change for the Torbay Special schools funding formula for 2012/13. There is one change for the Post LIG funding for secondary schools which is the second phase of implementation of the two year decision made in 2011/12.

It should be noted that by setting MFG at -1.5% this provides a safety net for all schools who are affected by changes to year on year in circumstances such as different levels of transience.

Extended Services - Sustainability. In 2011/12 £255k to be used to provide centrally accessed services such as family support, parenting support workers and targeted youth support workers. This is in line with School Forum agreement in November 2010. The remainder of this grant was delegated to schools. This funding is subject to a separate report.

Economic circumstances and the introduction of pupil premium funding has led to a significant increase in pupils registered for fsm, Jan 2011 – 2,870 and Jan 2012 (estimated at 9/12/11) 3,175. A large number of elements of the Torbay schools funding formula are linked to numbers of registered fsm pupils. Across the Torbay Schools Funding formula approximately £3,902,300 is distributed via registered fsm numbers, this is less than the DfE think we should distribute via this measure but has been rising steadily over the years. Crudely if we divide £3,902,300 by the number of registered fsm pupil numbers in January 2011 2,870 this gives an equivalent of £1,360 per pupil in the 2011/12 school formula allocations.

We are forecasting an increase in registered fsm pupil numbers for January 2012 of approximately 305. If the unit values in the 2011/12 formula were maintained for 2012/13 this would require an additional £415k. This is unaffordable in a 'cash flat' budget allocation for 2012/13. Therefore in 2012/13 the budget lines distributed by fsm pupil numbers will remain the same so the same amounts of funding will be

allocated to schools but they will be divided by a greater number of fsm pupil numbers so the actual amount per pupil will be lower.

For example in the Inclusion sub formula £1.2m is distributed according to registered FSM numbers. In 2011/12 this meant that each fsm pupil within this element of the formula generated £346 for Primary and £572 for Secondary. In 2012/13 the overall pot size of £1.2m will remain the same but will be divided by a larger number of eligible fsm pupils. This will give a smaller per pupil allocation although the overall amount allocated, £1.2m will remain the same.

The two areas that will increase in direct correlation to increased eligible fsm numbers are the allocation for the provision of free school meals within the formula and the pupil premium. The division of funding such as the Inclusion sub formula are using fsm as a proxy and therefore keeping the pot size the same is legitimate. However, this is not the case in the allocation for the provision of fsm. This is a real and direct pressure to schools as a result of the increase in registrations for eligible fsm and so this allocation should increase in line with the rise of registered pupil numbers. Increasing this allocation will give an estimated pressure of £170k (out of the £415k previously outlined)

The Pupil premium is allocated by the DfE outside the DSG and so is not part of the Torbay school funding formula. This means that this will be 'new money' for schools and is real growth in 2012/13. Indicative 2012/13 allocations for pupil premium are included at appendix 1.

#### Areas of Pressure within the 2012/13 Torbay DSG

**4.** The 2012/13 GUF is a like for like cash allocation within the DSG from 2011/12. However, there are potential areas of pressure within the DSG. These are;

1. Proposed BESD band 2 changes to the Torbay Special schools funding formula £80k.
2. Primary and secondary FSM meal service costs related to increased fsm numbers due to pupil premium £170k
3. NNDR re -evaluation costs during 2011/12 - £300k
4. Carbon Reduction Payment for Schools £90k
5. SEN Inclusion payments to PVI providers £30k
6. MFG 'protection' for schools with changed circumstances - mainly levels of transience within the Inclusion sub formula. -cost unknown

**Total £670k**

The proposals for budget reductions in the DSG are:

1. Diploma funding £231k
2. Practical Learning £80k
3. Travellers Education £20k
4. Union activities £5k
5. Secondary Behaviour Collaborative £100k
6. Specific Lump Sum – Chestnut £60k
7. School Meals client function - £20k
8. Reduction in contribution to redundancies in schools - £100k

**Total £616k**

## **Other areas of funding**

**5.** The arrangements for pupils with SEN remain the same. The methodology for the allocation of a statement is the same as 2011/12 as is the calculation for determining the financial support appropriate for each statement.

The funding for the PRU is largely based upon the special schools formula funding methodology with the same per pupil place values.

EOTAS will continue to be provided to those pupils who cannot be educated at a school at a range of venues including pupil's homes, Halswell House and Lupton House.

Schools arrangements for fsm within the central Eden contract will remain during 2012/13.

The Early Years Single Funding Formula was reviewed but no changes have been proposed to the Formula introduced two years ago.

Arrangements for the provision and procurement of central insurance cover for participating schools remains the same as in 2011/12.

Whilst the arrangements for these services remain the same the funding allocations may vary due to differing demand upon these services, for example the number and need of statemented pupils and the number of children who qualify for EOTAS, for example permanently excluded pupils.

School Forum is requested to;

1. Comment on the likely areas of growth/pressure in the DSG for 2012/13
2. Comment on the areas of proposed reduction to fund areas of pressure
3. Comment upon arrangements for SEN, the PRU , EOTAS, free school meals , early years education and insurance in 2012/13.

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