

West Berkshire Schools' Forum

Title of Report:	Estimate of Dedicated Schools Grant (DSG) Funding and Draft DSG Budget for 2014/15
Date of Meeting:	9th January 2014
Contact Officer(s)	Claire White, Shannon Coleman-Slaughter, and Ian Pearson
For Decision	

1. School Funding Settlement 2014/15

- 1.1 The Department for Education (DfE) announced the School Funding Settlement for 2014/15 on 18th December 2013. There has been no change to the funding rates compared to 2013/14 – the settlement is cash flat per pupil.
- 1.2 As in 2013/14, DSG funding is split into 3 funding blocks, each calculated in a different way. The blocks are not ring fenced, though provide a guideline on how the funding should be allocated, and where possible the aim should be to maintain this.
- 1.3 The breakdown of the funding for the 3 blocks is shown in Appendix A. Currently, only the Schools Block is confirmed, the other two blocks are still provisional
- 1.4 The **Schools' Block** contains funding delegated to mainstream primary and secondary schools (reception to year 11), and the few central services which can continue to be centrally retained. It excludes funding for resource unit pupils and top up funding for high needs pupils in mainstream schools. The Schools' Block Guaranteed Unit of Funding (GUF) for 2014/15 remains at £4,359. There were a total of 21,849 relevant pupils in the October 2013 census figures for primary and secondary schools after adjustments for resource unit places and reception uplift, and the Schools' Block DSG has been confirmed as £95.150m. This is after an additional lump sum of £33k has been added towards delegated Newly Qualified Teachers (NQT) statutory induction funding, and a reduction of £123k for the carbon reduction commitment energy efficiency scheme no longer required to be paid on behalf of schools.
- 1.5 The **Early Years Block** contains funding for 3 and 4 year olds funded via the Early Years Single Funding Formula, funding for the most deprived 2 year olds, plus centrally retained expenditure on children under 5. The actual 2014/15 GUF for 3 and 4 year olds remains at £3,911. Our initial DSG allocation is £5.703m based on the January 2013 census. This will be updated in the Summer based on the January 2014 census, with the final allocation for 2014/15 being confirmed in the Summer of 2015 based on 5/12 of the January 2014 census, and 7/12 of the January 2015 census. Funding for 2 year olds

has also been added to the DSG as a total amount, £1.317m based on the DfE estimate of number of 2 year olds eligible and reflecting the extension of the entitlement to 40% from September 2014. Transitional funding received in 2013/14 totalling £364k which represented 50% of the 90% funding floor for 3 year olds has now been removed.

1.6 The **High Needs Block** contains funding for Special Schools, Pupil Referral Units, Resource Units, top up funding for high needs pupils in mainstream schools, funding for high needs pupils in non maintained special schools, post 16 high needs top ups for students in all settings including Further Education Colleges, plus centrally retained budgets for SEN support services. The funding is fixed at the 2013/14 level plus an additional £448k for the full year adjustment of Academies/Further Education which commenced September 2013. There will be a further adjustment following the place number review, and the final allocation will be notified in March 2014.

2. Estimated DSG Funding and Budget Requirement 2014/15

2.1 The following table provides the current DSG allocation notified for 2014/15, compared to an estimate of the budget requirement. The breakdown of the budget, split between the three blocks is shown in Appendix B.

	GUF	Pupil No's	DSG Funding £'000	Budget Estimate £'000	Headroom/ (Shortfall) £'000
Schools Block	£4,359	21,849 (actual Oct 13)	£95,150	£94,970	£180
Early Years Block	£3,911	1,458 (actual Jan 13)	£7,019	£7,052	(£33)
High Needs Block	n/a	n/a	£17,036	£16,565	£471
Likely Carry Forward from 2013/14			£877		£877
Total			£120,082	£118,587	£1,495

2.2 The budget requirement in respect of the schools block is set at £94,970 providing headroom of £180k. The Early Years Block cannot realistically be determined until after the January census, but at this stage it is assumed there will be no significant shortfall. The provisional High Needs Block is currently estimated at £16,565 providing headroom of £471k. Total funding for 2014-15 inclusive of the forecast 2013-14 underspend is £120,082k with a budget requirement of £118,587k creating headroom of £1,495k.

2.3 The anticipated under spend for financial year 2013-14 is forecast at £877k. The period 9 forecasting for the DSG and the Council as a whole, at the time of this report has not been finalised, but it is not anticipated to be any significant variance on the position stated.

2.4 The DfE has also announced the pupil premium grant (PPG) rates for 2014/15. The rate for pupils eligible for free school meals (Ever6) will be £1,300 for primary pupils and £935 for secondary pupils. The Children looked

after rate will increase to £1,900, and the rate for Service Children (Ever3) will remain at £300. This is approximately £900k of additional funding for West Berkshire pupils. The final PPG funding allocations for 2014/15 will be based on the January 2014 census.

3. Next Steps

- 3.1 The Schools Block DSG is confirmed and the funding rates for school budgets are required to be approved by the Schools' Forum and submitted to the DfE by 21st January (next report on this agenda).
- 3.2 The Early Years budget is being considered by the Early Years Steering Group and will be set according to current year take up once the January census data is available. No change to the overall funding rates is being proposed but this will only be possible by carrying forward the current year underspend to meet the shortfall in the reduction in funding. The assumption is that any in year growth will be met by an equivalent increase in DSG.
- 3.3 The High Needs Budget including the SEN Support Service budgets are provisional and work on these budgets is not yet complete. Top Up funding for high needs pupils in schools and pupil referral units, funding for high needs pupils in non maintained special schools, and post 16 high needs top ups for students in all settings including Further Education Colleges will be finalised for March 2014.
- 3.4 The final proposals for the early years and high needs budgets will be brought to the March meeting of the Schools' Forum for final review and agreement.

Recommendation: To agree the next steps as outlined above

Appendices

Appendix A - Estimated DSG Funding 2014/15

Appendix B – Draft DSG Budget 2014/15