

<b>West Berkshire Schools' Forum</b>	
<b>Title of Report:</b>	<b>Update on DSG Budget for 2014/15</b>
<b>Date of Meeting:</b>	<b>9<sup>th</sup> June 2014</b>
<b>Contact Officer(s)</b>	<b>Claire White, Ian Pearson</b>
<b>For Decision</b>	

## 1. Background

1.1 The School Funding Settlement for 2014/15 announced by the Department for Education (DfE) on 18<sup>th</sup> December 2013 was provisional, with only the Schools Block being confirmed. Since the last meeting of the Schools' Forum (3<sup>rd</sup> March), the Early Years Block for 2013/14 has been confirmed, the High Needs block has been confirmed, and we now know the level of under spend to be carried forward from 2013/14 to 2014/15.

1.2 The Schools Forum is required to agree any changes to the 2014/15 DSG budget as a result of any difference between the actual DSG allocations compared to the funding allocation that was assumed in the budget.

## 2. Current DSG Funding for 2014/15

2.1 The current breakdown in funding for each of the 3 blocks is detailed in Appendix A, together with a high level breakdown of the expenditure budget against each block. The following table summarises the position:

	<b>DSG Funding Budget Set £'000</b>	<b>DSG Funding Change in C/F £'000</b>	<b>DSG Funding Notification Change £'000</b>	<b>DSG Funding Overall Current £'000</b>	<b>DSG Expenditure Budget £'000</b>	<b>Variance £'000</b>
<b>Schools Block</b>	95,150	-23	0	95,127	-95,177	<b>(50)</b>
<b>Early Years Block</b>	7,952	-102	6	7,856	-7,952	<b>(96)</b>
<b>High Needs Block</b>	18,554	-518	433	18,469	-19,192	<b>(723)</b>
<b>Total</b>	<b>121,656</b>	<b>-643</b>	<b>439</b>	<b>121,452</b>	<b>-122,321</b>	<b>(869)</b>

2.2 The Schools' Block carry forward was an overspend of £23k, largely due to higher than anticipated payments from the growth fund offset by no take up on the contingency for primary schools in financial difficulty. It is proposed that

the under spend on the de-delegated contingency budget for primary schools in financial difficulty of £115,680 be added to the 2014/15 budget for this purpose (as this funding belongs only to maintained primary schools and should not offset overspends on other budgets). This will take the total overspend to £166k (the original budget was an over spend of £27k due to late notification of licence fees for 2014/15). The option is to either budget for an over spend on the DSG, or meet this from the High Needs contingency.

2.3 The Early Years Block funding is based on 5/12 of the January 2014 census and 7/12 of the January 2015 census, so remains provisional until May 2015. On 21<sup>st</sup> May 2014 we received confirmation of our 2013/14 funding, which is £5,590 higher than estimated. This is therefore added to our DSG funding for 2014/15. The under spend for this block is £102k lower than forecast. It is proposed that the overall difference of £96k is deducted from the early year's contingency budget, reducing this from £355k to £259k.

2.4 There were a number of adjustments made to the High Needs Block in March 2014, some of which were unexpected.

- The place funding review resulted in a reduction of £56k due to “ineligible” places, though this is currently being disputed with the EFA. Additional places costing £37k also need to be included in the budget.
- There has been an additional allocation of national headroom funding totalling £291k which is welcome, but the funding we are receiving for post 16 top up funding, in particular for the FE sector, still falls well short of the actual costs.
- A change has been made to the recoupment arrangement on place funding. In 2013/14 this funding did not impact on the DSG. For 2014/15 we have received an allocation in our funding for this, and then it is recouped and paid direct to the providers by the EFA. However the funding received falls short of the amount recouped.

The overall impact of all these adjustments is a reduction of £204k. In addition, the carry forward of under spend from 2013/14 was forecast to be £1,518k and the actual is £1,000k. The overall shortfall in DSG funding in the High Needs block is therefore £722k. It is proposed that this is deducted from the High Needs Contingency budget, reducing this from £1,501k to £779k.

**Recommendation: To agree the changes to the DSG Budget for 2014/15 as proposed in the report**

## **Appendices**

Appendix A - DSG Funding Allocation 2014/15 as at 21/5/14

## Appendix A

Estimated DSG Funding 2014/15 as at 21 MAY 2014				
1				
2				
3	<b>SCHOOLS BLOCK (Final)</b>	Estimate 2014/15	Current 2014/15	
4	Pupil Numbers	Oct 2013 census	Oct 2013 census	
5	School Census - Mainstream	21,922.0	21,922.0	
6	Add: Reception Uplift	46.0	46.0	
7	Less: Pupils/Places in Resource Units	-119.0	-119.0	
8	<b>Total Pupil numbers</b>	<b>21,849.0</b>	<b>21,849.0</b>	
9				
10	DSG Guaranteed Unit of Funding	£4,359.00	£4,359.00	
11	DSG based on pupil numbers	£95,239,791	£95,239,791	
12				
13	Plus: Adjustment for NQT	£33,115	£33,115	
14	Less: Reduction for Carbon Reduction Commitment	-£123,140	-£123,140	
15				
16	<b>ADD Carry Forward of OVERSPEND from Previous Year</b>		<b>-£23,050</b>	
17				
18	<b>Total Schools Block including Academies</b>	<b>95,149,766</b>	<b>95,126,716</b>	
19				
20	<b>EARLY YEARS BLOCK (Provisional)</b>	Jan 2014 census	Jan 2014 census	
21	Pupil Numbers			
22	School Census - Mainstream	421.0	421.0	
23	Early Years Census	1,114.0	1,114.0	
24	Adjustment for universal provision	0.0	0.0	
25	<b>Total Pupil numbers</b>	<b>1,535.0</b>	<b>1,535.0</b>	
26				
27	DSG Guaranteed Unit of Funding	£3,911.00	£3,911.00	
28	DSG based on pupil numbers	£6,003,385	£6,003,385	
29				
30	Two Year Old Funding	£1,316,928	£1,316,928	
31				
32	Difference in provision for DSG due in 2013/14:			
33	Provision for estimated DSG		-£170,090	
34	Actual DSG notified on 21/5/14		£175,680	
35				
36	<b>ADD Carry Forward of UNDERSPEND from Previous Year</b>	£632,030	<b>£530,114</b>	
37				
38	<b>Total Early Years Block</b>	<b>7,952,343</b>	<b>7,856,017</b>	
39				
40	<b>HIGH NEEDS BLOCK (Final)</b>			
41	High Needs Budget 2013/14	16,587,354	16,587,354	
42				
43	Remove NMSS grant for 13/14	-40,974	-40,974	
44	Add NMSS grant for 14/15	43,254	43,254	
45	Remove post 16 funding in DSG for 13/14	-551,229	-551,229	
46	Add place & top up funding post 16 for 14/15	487,754	487,754	
47	Add post school (FE/ISP) top ups for 14/15	509,693	509,693	
48				
49	March 2014 Adjustments:			
50	Place number review adjustment to funding for 14/15		-56,330	
51	Additional top up funding for FE/ISP (new money)		170,000	
52	Additional allocation from headroom (new money)		120,977	
53	Additional Places funding to come from DSG (based on 2013/14)		199,000	
54				
55	<b>ADD Carry Forward of UNDERSPEND from Previous Year</b>	1,518,000	<b>999,890</b>	
56				
57	<b>Total High Needs Block</b>	<b>18,553,852</b>	<b>18,469,389</b>	
58				
59	<b>TOTAL DSG FUNDING</b>	<b>121,655,961</b>	<b>121,452,122</b>	
60				
61	<b>Expenditure Budgets (including academies, split into funding blocks)</b>			
62	<b>SCHOOLS BLOCK</b>		Expenditure	Funding
63	Primary & Secondary Delegated Budgets 4 - 16	94,379,130	94,379,130	Variance
64	Schools Contingency (Growth Fund/Falling Rolls Fund)	370,000	370,000	
65	Centrally Retained Schools Budget	427,410	427,410	
66		<b>95,176,540</b>	<b>95,176,540</b>	<b>95,126,716</b>
67	<b>EARLY YEARS BLOCK</b>			
68	Early Years single Funding Formula - Schools	1,922,420	1,922,420	
69	Early Years single Funding Formula - PVI	4,308,760	4,308,760	
70	Early Years Contingency	354,540	354,540	
71	2 year old Funding	1,267,230	1,267,230	
72	Centrally Retained early years budgets	99,390	99,390	
73		<b>7,952,340</b>	<b>7,952,340</b>	<b>7,856,017</b>
74	<b>HIGH NEEDS BLOCK</b>			
75	Special Schools	6,094,670	6,119,670	
76	Resource Units / LALs	1,237,570	1,250,070	
77	Mainstream Schools (Top Ups)	785,470	785,470	
78	PRU's	2,074,500	2,074,500	
79	Non Maintained/Independent Special Schools/FE	3,711,110	3,711,110	
80	High Needs Contingency	1,500,776	1,500,776	
81	Centrally Retained High Needs Budgets	2,302,985	2,302,985	
82	Recoupment for non WBC maintained places	820,000	1,447,170	
83		<b>18,527,081</b>	<b>19,191,751</b>	<b>18,469,389</b>
84	<b>Total Budgets</b>	<b>121,655,961</b>	<b>122,320,631</b>	<b>121,452,122</b>
85				<b>-868,509</b>
86	<b>Headroom or (Shortfall)</b>	<b>0</b>	<b>-868,509</b>	