

West Berkshire Schools' Forum

Title of Report:	Draft Dedicated Schools Grant (DSG) Budget for 2015/16 - Overview
Date of Meeting:	8th December 2014
Contact Officer(s)	Claire White, Shannon Coleman-Slaughter, and Ian Pearson
For Decision	

1. School Funding Settlement 2015/16

1.1 The Department for Education (DfE) is due to announce the school funding (DSG) settlement for 2015/16 by mid December 2014. DSG funding is split into 3 funding blocks – schools, early years and high needs, each calculated in a different way. Although the blocks are not ring fenced, they provide a guideline on how the total funding should be allocated, and where possible the aim should be to maintain this.

1.2 West Berkshire will receive a small increase to the schools block funding rate, from £4,359 per pupil to £4,367 per pupil. The revised rate takes into account a deduction (per pupil) for the Carbon Reduction Commitment which will now be recovered by this method rather than through a lump sum deduction based on how much this was previously costing the local authority. As the allocations to schools in 2014/15 exceeded the actual school block funding allocation (mainly due to a carry forward of an overspend), some of this increase is already committed. Once the details from the October 2014 census are available, the school formula can be run to determine whether there is any headroom to allocate to schools on a per pupil basis.

1.3 The funding rate for the early years block funding will remain the same in 2015/16. For the first time two year olds will also be funded based on a pupil count rather than on a fixed sum based on Government estimates of take up, so the allocation is likely to be significantly less. Both will be based 5/12 on the January 2015 and 7/12 on the January 2016 census. If the number of two year olds is significantly higher in the October 2015 census compared to January, then a bid can be made for additional funding. There is likely to be a significant under spend in the 2014/15 early years block due to lower take up of two year old places than funded for, and the Early Years Steering Group will be requesting a carry forward of this sum in order to maintain funding rates to providers and balance the budget.

1.4 The High Needs block funding is likely to be fixed at the 2014/15 level, although a bid has been made for additional places to be funded. If nationally there is any headroom, there *may* be an additional allocation.

1.5 A breakdown of the funding blocks is detailed in Appendix A. It is assumed at this stage that there will be no under spend in 2014/15 so no carry forward of funding to 2015/16.

2. First Draft of DSG Funding and Budget Requirement for 2015/16

2.1 The following table summarises the current estimate of our DSG allocation compared to a first draft estimate of the budget requirement. A detailed break down of the budget, split between the three blocks is shown in Appendix B.

	DSG Funding £'000	Budget Estimate £'000	Headroom/ (Shortfall) £'000
Schools Block	95,282	95,046	237
Early Years Block	7,320	7,578	(258)
High Needs Block	17,550	19,481	(1,931)
Total	120,152	122,105	(1,953)

2.2 There are no formula changes for 2015/16 and the Schools block is currently assuming the same pupil numbers as 2014/15. This will be updated for the next meeting when the pupil numbers from the October census will have been confirmed. It is expected that this block will balance.

2.3 The draft details for the Early Years block will come to the next meeting of the Schools' Forum. It currently assumes the same take up of hours at the same funding rates, and shows a shortfall of £258k. By utilising the expected under spend from the 2014/15 two year old funding, it is expected that the hourly funding rates can remain the same as in 2014/15 and that this block will balance.

2.4 The detailed proposals for the High Needs block are set out in separate reports on this agenda. The current forecast is that the demands on this block will continue to grow creating a significant over spend, as the previous years' under spends that have been carried forward are now all used up. The Heads Funding Group (HFG) has recommended the following actions:

- 1) Officers to continue to work on the 2015/16 budget forecasts for this block to ensure they are robust and realistic.
- 2) Officers to ensure that forecasts for the current year outturn are accurate to determine the estimated carry forward that can be utilised in 2015/16.
- 3) A list of non statutory services is to be provided at the next HFG to determine priorities in meeting pupil's needs.
- 4) HFG to review options and recommend to the next Schools' Forum a strategy for both the short term and the longer term. This will include an impact analysis.

Appendices

Appendix A - Estimated DSG Funding 2015/16

Appendix B – Estimated DSG Budget 2015/16

Appendix A

Estimated DSG Funding 2015/16 as at NOVEMBER 2014			
1		Final 2014/15	Estimate 2015/16
2		Oct 2013 census	Oct 2014 census
3	SCHOOLS BLOCK		
4	<u>Pupil Numbers</u>		
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	Total Pupil numbers	21,849.0	21,849.0
9			
10	DSG Guaranteed Unit of Funding	£4,359.00	£4,367.00
11	DSG based on pupil numbers	£95,239,791	£95,414,583
12			
13	Plus: Adjustment for NQT	£33,115	£33,115
14	Less: Reduction for Carbon Reduction Commitment	-£123,140	
15			
16	ADD Carry Forward from Previous Year	-£23,050	-£166,003
17			
18	Total Schools Block including Academies	95,126,716	95,281,695
19			
20	EARLY YEARS BLOCK (Provisional)	Jan 2014 census	Jan 2015 census
21	<u>Pupil Numbers</u>		
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	Total Pupil numbers	1,535.0	1,535.0
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	Difference in provision for DSG due in previous year:		
31	Provision for estimated DSG	-£170,090.00	
32	Actual DSG	£175,680.00	
33			
34	Two Year Old Funding	£1,316,928	£1,316,928
35			
36	ADD Carry Forward from Previous Year	£530,114	
37			
38	Total Early Years Block	7,856,017	7,320,313
39			
40	HIGH NEEDS BLOCK		
41	Previous Year High Needs Budget	16,587,354	17,550,154
42	Adjustments:		
43	Less NMSS grant in previous year	-40,974	
44	Add NMSS grant in current year	43,254	
45	Funding Adjustment	446,218	
46	Place number review adjustments	17,007	
47	Additional Funding	489,977	
48	Additional PRU post 16 place	7,318	
49	ADD Carry Forward from Previous Year	999,890	
50			
51	Total High Needs Block	18,550,044	17,550,154
52			
53	TOTAL DSG FUNDING AVAILABLE	121,532,777	120,152,162