

West Berkshire Schools' Forum

Title of Report:	Dedicated Schools Grant (DSG) for 2015/16 and Draft Budget - Overview
Date of Meeting:	19th January 2015
Contact Officer(s)	Claire White
For Decision	

1. School Funding Settlement 2015/16

1.1 The Department for Education (DfE) announced the school funding (DSG) settlement for 2015/16 on 17th 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 **Schools Block.** West Berkshire has received a small increase to the schools block funding rate, from £4,359 per pupil to £4,368 per pupil, which results in an increase in grant of £198k when applying the pupil numbers recorded in the October 2014 census. This increase is due to the Government allocating an additional £390m to the least fairly funded local authorities. West Berkshire fell just below the minimum funding level so has benefitted from this small increase. The revised rate takes into account a deduction (per pupil) for the Carbon Reduction Commitment which will now be recovered on a per pupil basis rather than through a lump sum deduction based on how much this was previously costing the local authority (an increase of £42k due to this change in methodology). Although the allocations to schools in 2014/15 exceeded the actual school block funding allocation by £166k (mainly due to a carry forward of an overspend), it is assumed that underspends in the falling rolls fund and growth fund will offset this, and no deduction from the 2015/16 DSG allocation will be required. The total DSG allocation in the schools block has increased by £966k, as the overall number of pupils has increased by 143.

1.3 **Early Years Block.** 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. The initial DSG allocation is based on the January 2014 census (with no initial allocation for 2 year olds), so our initial 2015/16 budget is set based on forecast numbers and take up in 2014/15. 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 is requesting a carry forward of this sum as one-off funding in order to

maintain funding rates to providers in 2015/16 and to provide a contingency due to the uncertainties of funding and take up when setting the budget.

1.4 **High Needs Block.** The High Needs block funding has been fixed at the 2014/15 level, with a small increase of £144k from national headroom, and £17k for the full year effect of increases in the 2014/15 academic year places. Our bid for additional places in 2015/16 at our special schools and for the new resource unit was unsuccessful due to not meeting the minimal percentage increase of 10%. If successful this would have provided a minimum increase of £250k for these places. Provision for these places plus the top ups will need to come from the existing grant allocation. The large carry forward of £1m that was available in 2014/15 has now largely been used and it is currently assumed there will be a carry forward of £200k to 2015/16 as one-off funding, meaning an overall reduction in funding in this block.

1.5 A breakdown of the funding blocks is detailed in Appendix A.

2. Draft Budget Requirement for 2015/16

2.1 The following table summarises our final DSG allocation compared to the draft estimate of the budget requirement. Since the last meeting, the budget estimate has been reviewed and confirmed based on the latest pupil information and costs. There is headroom in the schools and early years block, but a significant shortfall in the high needs block. Proposals from the Heads Funding Group (HFG) are also shown, with the resultant net position. A detailed breakdown of the budget, split between the three blocks is shown in Appendix B.

	DSG Funding £'000	Budget Estimate £'000	Headroom/ (Shortfall) £'000	Proposals from HFG £'000	Net Position £'000
Schools Block	96,093	95,740	353	-353	0
Early Years Block	7,934	7,560	374		374
High Needs Block	17,911	18,961	(1,050)	843	(207)
Total	121,938	122,261	(323)	490	167

2.2 The detailed budget proposals for each block is set out in separate reports on this agenda, which include savings proposals for the high needs block.

2.3 A final decision is required at this meeting for the schools block. Decisions on the early years and high needs blocks can be taken at the next meeting in March.

2.4 The recommendations from the Heads Funding Group are as follows:

- 1) Delegate the schools block headroom out to schools – this will help mitigate some of the high needs savings proposals which will require schools to pay for some additional services.
- 2) Retain the early years headroom to offset any shortfall in both the early years and high needs blocks in 2015/16. Note that this figure will be revised following the receipt of data from the January 2015 census.

- 3) Support the savings proposals in the high needs block, but further consideration required between now and the next meeting when have more information on outcomes for each service and impacts of the proposed cuts.

Appendices

Appendix A - Estimated DSG Funding 2015/16

Appendix B – Estimated DSG Budget 2015/16

Appendix A

Estimated DSG Funding 2015/16 as at 5th JANUARY 2015			
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	22,062.0
6	Add: Reception Uplift	46.0	49.0
7	Less: Pupils/Places in Resource Units	-119.0	-119.0
8	Total Pupil numbers	21,849.0	21,992.0
9			
10	DSG Guaranteed Unit of Funding	£4,359.00	£4,367.93
11	DSG based on pupil numbers	£95,239,791	£96,059,517
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	£0
17			
18	Total Schools Block including Academies	95,126,716	96,092,632
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	1,140.0
24	Adjustment for universal provision	0.0	0.0
25	Total Pupil numbers	1,535.0	1,561.0
26			
27	DSG Guaranteed Unit of Funding	£3,911.00	£3,911.00
28	DSG based on pupil numbers	£6,003,385	£6,105,071
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 14/15	£1,316,928	
35	DSG Guaranteed Unit of Funding 2 Year Olds 15/16 (PTE)		£3,055.20
36	Estimated number of 2 year olds per counts		325
37	DSG based on estimated number of 2 year olds		£992,940
38			
39	Plus Indicative Early Years PPG		£74,591
40			
41	ADD Carry Forward from Previous Year	£530,114	£761,670
42			
43	Total Early Years Block	7,856,017	7,934,272
44			
45	HIGH NEEDS BLOCK		
46	Previous Year High Needs Budget	16,587,354	17,550,154
47	Adjustments:		
48	Less NMSS grant in previous year	-40,974	
49	Add NMSS grant in current year	43,254	
50	Funding Adjustment	446,218	17,000
51	Place number review adjustments	17,007	
52	Additional Funding	489,977	144,000
53	Additional PRU post 16 place	7,318	
54	ADD Carry Forward from Previous Year	999,890	200,000
55			
56	Total High Needs Block	18,550,044	17,911,154
57			
58	TOTAL DSG FUNDING AVAILABLE	121,532,777	121,938,058