

## ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

<b>DATE:</b>	<b>5<sup>th</sup> March 2013</b>	<b>AGENDA ITEM:</b>	<b>05</b>
<b>TITLE:</b>	<b>2013-14 DSG SETTLEMENT AND FINAL SCHOOLS BUDGET</b>		
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### 1 SUMMARY AND PURPOSE

1.1 This paper presents the final budget position for the Dedicated Schools Grant (DSG) for 2013/14. Whilst relatively little has changed from the budget proposals presented and agreed at the last Schools Forum meeting on 28<sup>th</sup> January, this paper pulls together and restates the key points. In summary it discusses the following issues.

- Final 2013/14 DSG Settlement, including surplus DSG funding from 2012/13 applied in 2013/14.
- Final position on expenditure budgets as approved by Schools Forum at its meeting on 28<sup>th</sup> January 2013, including proposals for Growth and Savings and the Final Individual Schools Budget as reported to the Education Funding Agency on 22<sup>nd</sup> January 2013.
- Any adjustments to budgets since the last meeting of Schools Forum.
- A provisional Section 251 Schools Budget Statement

### 2 RECOMMENDATIONS

2.1 Schools Forum is now asked to note the contents of this report

### 3 BACKGROUND

3.1 The last meeting of the Schools Forum on 28<sup>th</sup> January 201 received a report setting out the expectations of the Local Authority (LA) with regards to the Dedicated Schools Grant (DSG) settlement for 2013/14 as announced by the EFA on 19<sup>th</sup> December 2012. The report also set out the LA's proposals in relation to the various budgets that fall under the remit of the DSG. These budgets included the funding for Primary and Secondary schools included in the final submission of the Individual Schools Budget (ISB) to the Education Funding Agency (EFA) on 22<sup>nd</sup> January 2013. The EFA has now carried out its checks confirmed that RBWM's funding formula as submitted to the Department is compliant with the Schools Finance Regulations.

3.2 The Expenditure proposals also included a number of central budgets for which the Schools Forum has the statutory power to agree. Schools Forum agreed these budgets at the meeting of the 28<sup>th</sup> January. They included;

- **Centrally Held budgets:** Admissions; Schools Forum; Carbon Reduction Commitment; Capital Expenditure from Revenue and Contribution to combined budgets
- **Early Years:** 3 & 4 Year Old Free Entitlement funding through the Early Years Single Funding Formula; Funding for 2 Year Olds; Centrally Held budgets for Early Years Staffing costs;

- 3.3 January 2013 Schools Forum agreed to receive further information in relation to the budgets to be set for Early Years 2 Year Old Free Entitlement and for Pre and Post 16 High Needs. Further reports on these issues are included with this agenda.
- 3.4 Since the January 2013 Schools Forum report there are no further changes to report in relation to the agreed funding or expenditure proposals.

## FUNDING

### 4 Final 2012-13 DSG settlement

- 4.1 At the December meeting of the Schools Forum members will recall reviewing a provisional DSG allocation for 2013/14 of £99.123m. The final settlement announced on 19<sup>th</sup> December 2012 identified a DSG for 2013/14 of £99.324m, built as follows;

<b>Table 1: 2013/14 DSG Settlement announced 19<sup>th</sup> December 2012</b>			
<b>Block</b>	<b>Pupil Count</b>	<b>Unit Rate</b>	<b>Total Allocation</b>
High Needs Block	Cash Limited	Cash Limited	£14.671m
Early Years Block	1,559.0	£4,247.85	£6.622m
Schools Block	17,548	£4,324.81	£77.120m
Other Adjustments			
- 2 Yr Old Funding			0.884m
- NQT Induction			0.027m
<b>TOTAL DSG</b>			<b>£99.324m</b>

- 4.2 The following table identifies some further expected adjustments to the Dedicated Schools Grant, some of which were incorporated into the January report, and others which are still awaited.

<b>Table 2: DSG Further Adjustments</b>	<b>Further anticipated DSG adjustments</b>
<b>TOTAL DSG ANNOUNCEMENT 19<sup>TH</sup> DEC 2012</b>	<b>99.324</b>
<b>Further DSG adjustments as yet unannounced</b>	
Growth for Elements 1 and 2 to reflect overall increase in High Needs Places	0.146
Baseline adjustment for Non Maintained Special Schools – place funding to be deducted from RBWM's DSG allocation and allocated directly to NMSS providers by the EFA.	-0.460
<b>Final DSG settlement Used in January Schools Forum report</b>	<b>99.010</b>
<b>Further DSG Adjustments not yet quantified</b>	
Post 16 SEN High Needs Pupils, change to the number of commissioned places.	TBC
Non Maintained Special Schools Standards Grant and Schools Standards Fund	TBC

### 5 DSG Projected Outturn for 2012/13 DSG

- 5.1 At its January meeting Schools Forum agreed to allocate DSG surpluses from 2012/13 as follows;

<b>Table 3: Proposal to allocate DSG Surpluses as agreed at January 2013 Schools Forum meeting.</b>					
	2011/12	2012/13	2013/14	2014/15	2015/16
Opening Balance		£1.025m	£1.000m	£0.500m	£0
Base		-£0.317m	-£0.500m	-£0.500m	
One Off Allocation to schools (January 2013)		-£0.500m			
Further One Off Allocation to schools (31 March 2013)		-£0.271m			
In Year DSG Surplus / Deficit		£1.063m			
Closing Balance	£1.025m	£1.000m	£0.500m	£0	

- 5.2 Members will recall agreeing to allocate a further amount of one off in year funding to schools in 2013/14 based on the level of the final underspend. As reported in the separate agenda paper on 2012-13 Schools Budget Projected Outturn, the final underspend is currently projected to be £1.063 million.
- 5.3 Members of Forum will recall that the 2012/13 Schools Budget already includes support from DSG surpluses of £316k. Increasing support in 2013/14 from DSG Surpluses to £500,000 will mean a further one-off in year increase in spending power of £184,000.
- 5.4 Members will also recall that the use of carried forward DSG surplus to support delegated and central Schools Budgets is a one-off / non-recurring funding source. Using these funds in schools budgets will reduce the extent of the protection required from the Minimum Funding Guarantee, and also the level of the topslice required from gaining schools. Once the balances have been depleted (in 2015/16), then this funding will need to be withdrawn from the Schools Budget and expenditure commitments in the Individual Schools Budget or in central budgets will need to be reduced accordingly. This in turn will increase the required protection from the Minimum Funding Guarantee and also the consequent topslice required from gaining schools. Officers do not know at this time about the operation of National Funding Formula in 2015/16 nor the rate at which the DfE will set MFG.

## **6 Other Funding Streams**

- 6.1 At the January 2013 meeting Members of the Schools Forum were informed of the other funding streams available to schools in 2013/14. These were
- Pupil Premium
  - Post 16 funding (non-High Needs)

Further information on these funding streams will be made available to schools as and when the final announcements of funding are received by the Local Authority. Schools have already received indicative Pupil Premium allocations based on October pupil numbers. Final allocations will be based on January pupil numbers.

## **7 Summary of total funding**

- 7.1 The following table summarises the various funding streams notified to Schools Forum in January 2013 (including funding for academies);

<b>Table 4: Summary of Funding Sources 2013/14</b>	
	<b>£m</b>
DSG settlement announced 19 <sup>th</sup> December 2012	99.324
Unannounced DSG Adjustments	-0.314

DSG surplus from 2012/13 applied in 2013/14	0.500
Pupil Premium	2.495
EFA Post 16 Funding 2013/14 (based on 12-13 figures)	8.999
<b>TOTAL FUNDING AVAILABLE 2013/14</b>	<b>111.004</b>

## EXPENDITURE

### 8 Expenditure

8.1 January 2013 Schools Forum was also informed about the proposals relating to expenditure for 2013/14. The report outlined the following key points;

- Changes arising from DSG Baseline Adjustments
- Individual Schools Budgets – Changes arising from the new national funding proposals
- Other changes to the delegated ISB arising from national changes on Copyright Licenses and NQT Induction
- Impact of Pupil Number Growth on the ISB
- De-Delegation of funds from ISB
- Creation of High Needs ISB for Special Schools, Resourced Units and PRU
- Creation of High Needs Top-Up Funding Budgets
- Other SEN Budgets (Independent Special Schools, Post 16 and SEN support services and services supporting Inclusion)
- Other centrally held Schools Block budgets (Historic Commitments and Statutory functions)
- Early Years block budget
- Expenditure Summary
- Proposals for Growth and Savings
- Proposals for the distribution of Headroom to schools

8.2 Schools Forum agreed to accept all of the recommendations contained in the report. **Annex A** provides a detailed breakdown of the DSG budget proposal before and after the Growth and Savings proposals agreed by the forum.

### 9 Draft Section 251 Schools Budget Statement 2013/14 and Modelling to Early Years, High Needs and Schools Blocks.

9.1 The DfE has issued a draft template for the Section 251 Schools Budget Statement for 2013/14. Officers have modelled the changes described in this report into this template (**Annex B**). This Annex also shows how the DSG expenditure budgets break down in to the three main funding blocks; High Needs, Early Years and Schools Block, and how this expenditure aligns with the notional apportionment of the blocks by the DfE. Members of Forum will be aware the notional DSG blocks are NOT ringfenced.

### 10 Impact of Academy Schools

10.1 The January Paper identified a DSG reduction of £22.401m for Academy Schools as shown in the following table. This relates to the delegated funding which academies would receive through the funding formula if they were maintained schools and which now includes all central schools funding, such as contingency funding, funding for behaviour support, and funding for licenses, which previously academies received through their Schools Block LACSEG grant. A separate MFG applies to academies that takes account of the change year on year in their total funding, including their

delegated and Schools block LACSEG funding. The EFA will use the RBWM funding formula, as submitted on 22 January 2013, to calculate academy budgets, and the EFA remains responsible for both calculating academy budgets and notifying them of their final allocations.

<b>Table 6: Estimated reduction in DSG arising from Academy status</b>	
<b>School Name</b>	<b>DSG Reduction = ISB Total Allocation before De-delegation</b>
Datchet St Marys	£869,705
Lowbrook	£845,031
White Waltham	£727,618
Altwood	£3,412,664
Charters	£5,519,980
Cox Green	£3,811,973
Desborough	£2,532,259
Furze Platt	£4,682,049
<b>TOTAL</b>	<b>£22,401,259</b>

## Annex A

Table 5: Summary of DSG Budgets	Budgets before Growth and Savings	Savings (table 18 in Jan School Forum Papers)	Growth (table 19 Growth in Jan School Forum Paper)	Budgets after Growth and Savings	Notes on budget movements
<b>EXPENDITURE</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<u>Baseline Adjustment</u>					
Hospital Recoupment Budget retained	0.023			<b>0.023</b>	
Hospital DSG Baseline Adjustment	<b>-0.161</b>		0.161	<b>0.000</b>	Additional budget needed to write out the DfE's DSG topslice for hospital education
<u>Individual Schools Budgets</u>					
Individual Schools Block Budget at October 12 Pupil Numbers with DfE Dataset	75.675		0.454	<b>76.129</b>	Delegated funding determined by new funding formula. Headroom allocated to ISB through uplift to BPPE rates
ISB De-Delegation	<b>-0.431</b>			<b>-0.431</b>	Budgets for school contingency, licenses, maternity and trade union duties, and behaviour support, which maintained schools have agreed to give back and be managed centrally.
Create Central De-Delegation Budgets	0.431			<b>0.431</b>	As above
Copyright Licenses centrally retained	0.038			<b>0.038</b>	Central budget for copyright (CLA) and Music Publications licenses (MPA) to be managed centrally and funded through a reduction of the BPPE rates.
<u>High Needs Pupils - Place Funding</u>					
Special School Place Funding	1.996			<b>1.966</b>	199 places at £10,000 per place
Resourced Unit Place funding	0.587			<b>0.587</b>	58 places at £10,000 per place
PRU Place Funding	0.240			<b>0.240</b>	30 places at £8,000 per place
<u>High Needs Pupils - Top Up Funding</u>					
Top Ups funding for High Needs Pupils in Mainstream, Special Schools, Resourced Units, PRU, Mainstream schools in Other Local Authorities	4.907	<b>-0.200</b> <b>-0.140</b>	0.150 0.100 0.175 0.250	<b>5.242</b>	Savings from structural underspends in SEN central budgets and PRU restructure. Growth in High Needs top-up allocations for increase in special school places and needs profile, increases in primary pupils, and contingency for schools where the cost of delegated SEN provision exceeds the delegated

					funding provided.
Post 16 SEN Funding for FE and ISP	0.154			<b>0.154</b>	As notified in DSG settlement in December. This figure will change depending on final number of post 16 commissioned places.
Top Up Funding – Independent Special and Non-Maintained Special Schools	5.366	-0.326		<b>5.040</b>	Saving from structural underspend based on estimated placement numbers and budget requirement
SEN Services and Services Supporting Inclusion	0.575		0.310 0.032 0.060 0.070 0.010	<b>1.057</b>	Expenditure budgets required for Speech and Language provision, special needs equipment, management and provision of inclusion services, and advocacy in statementing process for LAC.
Services Supporting Inclusion	0.725	-0.062		<b>0.663</b>	Funding released from cessation of Behaviour Support Partnership
<u>Early Years</u>					
Early Years Single Funding Formula	6.401			<b>6.401</b>	Determined by EYSFF and take-up of free entitlement
Early Years – 2 Year Old Funding	0.696			<b>0.696</b>	Including £80k for central staff support
Early Years Other Centrally Held Budgets	0.022		0.040	<b>0.062</b>	Supporting EY inclusion and SEN.
<u>Local Authority</u>					
Historic Commitments	0.581	-0.146 -0.040		<b>0.395</b>	Savings from reduced central DSG contribution to Respite provision and to IT staff and capital costs.
Statutory Services	0.457			<b>0.457</b>	Admissions, carbon reduction etc.
Pupil Growth	0.239		0.063	<b>0.302</b>	Central budget required to allocate additional funding to schools with expanding schools in line with protocol.
Miscellaneous Other Budgets (	0.103	-0.035 -0.040		<b>0.028</b>	Miscellaneous
Unallocated Funding / Headroom	0.702	-0.702			Allocation of headroom
<b>SUBTOTAL EXPENDITURE</b>	<b>99.327</b>	<b>-1.691</b>	<b>1.874</b>	<b>99,510</b>	
<b>SUPPORTING INCOME</b>					
Dedicated Schools Grant Settlement 2013/14	-99.010			<b>-99.010</b>	From Table 2
Dedicated Schools Grant Surplus 2012/13	-0.317	-0.183		<b>-0.500</b>	From Table 3
<b>SUBTOTAL INCOME</b>	<b>-99.327</b>	<b>-0.183</b>	<b>0</b>	<b>-99.510</b>	From Table 4 excluding Pupil Premium and post 16
<b>NET</b>	<b>0</b>	<b>-1.874</b>	<b>1.874</b>	<b>0</b>	

# ANNEX B

## PROVISIONAL SECTION 251 STATEMENT ANALYSED BY FUNDING BLOCKS

	Description	Budget post Growth and Savings		Early Years Block	High Needs Block	Schools Block
<b>1</b>	<b>SCHOOLS BUDGET</b>					
1.0.1	Individual Schools Budget (before Academy recoupment)	£78,522,481			£2,823,667	£75,698,814
	<b>De-Delegated Items</b>					
1.1.1	Contingencies	£49,873				£49,873
1.1.2	Behaviour support services	£103,323				£103,323
1.1.7	Licences/subscriptions	£105,168				£105,168
1.1.8	Staff costs supply cover	£242,908				£242,908
	<b>HIGH NEEDS BUDGET</b>					
1.2.1	Top up funding - maintained providers	£5,390,329			£5,390,329	
1.2.3	Top up funding - independent providers	£5,039,570			£5,039,570	
1.2.5	SEN support services	£915,767			£915,767	
1.2.6	Support for inclusion	£802,638			£802,638	
1.2.8	Hospital education services	£23,300			£23,300	
	<b>EARLY YEARS BUDGET new header</b>					
1.3.1	Free education on 3 & 4 year olds	£6,401,147		£6,401,147		
1.3.2	Spending on 2 year olds <b>new</b>	£696,380		£696,380		
1.3.3	Central expenditure on children under 5	£62,000		£62,000		
	<b>CENTRAL PROVISION WITHIN SCHOOLS BUDGET</b>					
1.4.1	Contribution to combined budgets	£298,730			£298,730	
1.4.2	School admissions	£306,020				£306,020
1.4.3	Servicing of schools forums	£51,230				£51,230
1.4.5	Carbon reduction commitment allowances	£100,000				£100,000
1.4.6	Capital expenditure from revenue (CERA)	£96,000				£96,000
1.4.10	Pupil growth/ Infant class sizes <b>new</b>	£301,941				£301,941
<b>1.6.1</b>	<b>TOTAL SCHOOLS BUDGET (before Academy recoupment)</b>	<b>£99,508,805</b>		<b>£7,159,527</b>	<b>£15,294,001</b>	<b>£77,055,277</b>
	<b>DSG</b>	<b>£99,009,673</b>				
	<b>DSG SURPLUS</b>	<b>£500,000</b>				
	<b>ROUNDINGS ETC</b>	<b>£(868)</b>				
	<b>TOTAL FUNDING</b>	<b>£99,508,805</b>				