

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	11 July 2013	AGENDA ITEM: 05	
Title:	2013-14 DSG Settlement - Update		
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1 SUMMARY AND PURPOSE

1.1 This paper summarises the main changes to the 2013-14 Dedicated Schools Grant (DSG) settlement since it was last discussed at Schools Forum on 5th March 2013. It presents the latest 2013-14 Schools Block Budget position as recorded in the Section 251 2013-14 Budget Statement and submitted to the Education Funding Agency (EFA) on 28 March, and also gives information to members of the Forum about further anticipated funding changes that will impact on the final 2013-14 DSG settlement in July.

1.2 **Schools Forum is asked to note the contents of this report.**

2 BACKGROUND

2.1 The last meeting of the Schools Forum on 5th March 2013 received a report setting out RBWM's DSG settlement for 2013-14 as announced by the EFA on 19th December 2012. The report reminded Forum about budget proposals, discussed and agreed at earlier meetings in December 2012 and anuary 2013, in relation to the Early Years, Schools Block and High Needs Block budgets that fall under the remit of the DSG. These budgets included the delegated funding for primary and secondary schools included in the final submission of the Individual Schools Budget to the EFA on 22nd January 2013. Since the March 2013 Schools Forum report there have been no further significant budget changes.

3 FUNDING

Final 2013-14 Dedicated Schools Grant settlement

3.1 RBWM's 2013-14 DSG settlement announced by the DfE on 19th December 2012 was an allocation of £99.324 million (table 1).

	Pupil Count	Unit Rate	Total Allocation £ 000
High Needs Block	cash limited - based on 12-13 spend		£14,671
Early Years Block	1,559	£4,247.85	£6,622
Schools Block	17,832	£4,324.81	£77,120
Additions to DSG for: 2 Yr Old Funding NQT Induction			£884 £27
TOTAL DSG			£99,324

3.2 The DSG settlement report discussed at the March meeting of the Schools Forum identified an expected reduction of £314k to this figure, resulting in a revised DSG

allocation of £99,010k. The adjustment related to an increase of £146k for growth in the number of high needs places, offset by a reduction of £460k relating to the transfer of place funding from RBWM to Non Maintained Special Schools. An updated settlement, was announced on the 25 March 2013, which identified a total DSG allocation of £99,221k (before recoupage for academies), £211k more than had been expected (table 2). The difference was due to:

- An overestimate of the baseline amount to be deducted for non maintained special schools
- An announcement late in March of a further funding transfer from non maintained special schools to local authorities, relating to former grant funding that these schools used to receive direct from the EFA.

Table 2: DSG Settlement 25 March 2013	DSG Settlement reported SF 05-03-13 £000	DSG Settlement announced 25-03-13 £000	Change in funding £000
DSG Settlement 19 th Dec 2012	99,324	99,324	0
Baseline transfer to NMSS for place funding	(460)	(323)	+137
Increase for growth in high needs places	146	146	0
Increase for grant funding previously allocated to NMSS		74	+74
Total DSG 2013-14	99,010	99,221	+211

DSG surplus

- 3.3 As reported in the separate agenda paper on 2012-13 Schools Budget Outturn, the final carried forward DSG surplus at the end of 2012-13 was £1,456k. Members of Forum will recall that the 2012-13 Schools Budget already included support from DSG surpluses of £316k. At its January meeting Schools Forum agreed to increase this level of funding by £184k, and allocate £500k of the surplus to supplement the Schools Block Budget in 2013-14.
- 3.4 Members of the Forum were reminded that the DSG surplus was a non-recurring funding source. The use of these funds in 2013-14 to support ongoing expenditure in delegated and central schools budgets helped to reduce the extent of the protection required from the Minimum Funding Guarantee, and consequently the level of the contribution required from gaining schools. The risk of using one-off funding is that it is only sustainable in the longer term if each year there is a DSG surplus to be carried forward. Once the surplus is depleted, this funding will need to be withdrawn from the Schools Block Budget and expenditure commitments reduced accordingly. In light of this, the proposal to allocate a further £500k to supplement the 2014-15 Schools Budget will be reviewed as part of the 2014-15 budget setting process.

Other Funding Streams

- 3.5 Other funding streams available to schools in 2013/14 include Pupil Premium grant and post 16 funding (non-High Needs). Schools have already received indicative Pupil Premium allocations based on October pupil numbers. Final allocations will be based on January pupil numbers. Post 16 funding allocations notified by the EFA are passed directly to the relevant schools. 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.

Summary of total funding

- 3.6 Table 3 summarises the funding streams notified to RBWM by the end of March 2013 (including funding for academies).

Table 3: Summary of Funding Sources at 31 March 2013	£000
DSG settlement announced 19 th December 2012	99,324
DSG adjustments up to 31 March 2013 (table 2)	(103)
DSG surplus from 2012-13 applied in 2013/14	500
EFA Post 16 Funding 2013-14 (based on 12-13 figures)	9,102
Total funding supporting 2013-14 Schools Budget	108,823
Pupil Premium	2,495
Total funding available 2013-14	111,318

4 EXPENDITURE

- 4.1 The allocation of the £108,823 funding supporting the 2013-14 Schools Budget is shown in the summary, attached at Annex A, of the Section 251 2013-14 Budget Statement which RBWM returned to the EFA on 28 March 2013. It is based on the funding information available at that time, and reflects the expenditure proposals for 2013-14 discussed and agreed with Schools Forum at its January and March meetings.
- 4.2 The additional DSG funding of £211k resulting from the 25 March settlement notification (shown in table 2), related to high needs funding transfers, and has therefore been used to increase the 'high needs top-up budget for independent and non maintained special schools' (budget line 1.2.3 in Annex A).
- 4.3 The Annex also shows how the DSG expenditure budgets break down into 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. The notional DSG blocks are not ringfenced.

5 FURTHER CHANGES TO RBWM'S DSG ALLOCATION

- 5.1 In May 2013, RBWM received an updated 2013-14 DSG settlement and other communications from the EFA with further funding adjustments that were notified too late to be included in the Section 251 Budget Statement. These are:
- A deduction of £5,833 per place (7/12th of £10,000) for the 28 resource unit places in RBWM's academy schools, £163,324 in total. This reduction reflects the transfer of funding necessary to enable the EFA to fund academy SEN resource unit places direct from September 2013. This adjustment will be reflected in the final 2013-14 DSG settlement in July 2013. For the period April 2013 to August 2013, academies already have the funding for resource units in the General Annual Grant for a/y 2012/13. The EFA will recoup the funding for this from RBWM through the academy recoupment process (see below).
 - An increase of £161,405 as a result of new data the EFA received in relation to 11/12 post 16 high needs learner numbers. The EFA used 11/12 learner numbers as the baseline to calculate funding transferring from the EFA to local authorities for post 16 high needs from 2013-14.
 - A further increase of £163,200 as a result of the moderation panels set up to consider RBWM's request in March for a post 16 High Needs Students budget review.

- 5.2 Table 4 summarises the impact of these adjustments on the total funding available to support the Schools Budget in 2013-14:

Table 4: Anticipated final DSG settlement 2013-14 (before academy recoupment)	£000
Funding for 2013-14 Schools Budget as at 31 March (table 3)	108,823
Baseline deduction for place funding in academies from Sep 2013	(163)
Additional Post 16 high needs funding for updated data	161
Additional Post 16 high needs funding - budget review request	163
Total anticipated funding supporting 2013-14 Schools Budget	108,984

- 5.3 Once confirmed in the final DSG settlement, the deduction for academy resource unit places will be taken from the high needs places budget in the Individual Schools Budget (line 1.0.1 of Annex A). The additional resource for post 16 High Needs will be allocated to the High Needs top-up budgets (line 1.2.1 to line 1.2.3 of Annex A).
- 5.4 Forum members are reminded that the current early years allocation of £6.622 million (see table 1) is based on January 2012 numbers, and will be updated for January 2013 pupil numbers in the final DSG settlement.

6 Recoupment of DSG for Academies

- 6.1 The Individual Schools Budget line of the Section 251 Statement (line 1.0.1 of Annex A) includes £22.537 million of delegated funding which academies would receive through the funding formula if they were maintained schools (see table 5). This 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 Local Authority Central Spend Equivalent Grant (LACSEG). The EFA, not RBWM, has responsibility for funding academies, and will 'recoup' this funding, and a proportional amount of any in-year converters, from RBWM's DSG allocation during 2013-14.

Table 5: Recoupment of DSG for academies' formula funding	
School Name	£000
Datchet St Marys	£869
Lowbrook	£845
White Waltham	£727
Altwood	£3,413
Charters	£5,588
Cox Green	£3,812
Desborough	£2,601
Furze Platt	£4,682
TOTAL	£22,537

- 6.2 The new funding arrangements for academies take effect from September 2013 with the start of their new academic year budgets. Baseline adjustments have been made to RBWM's DSG allocation to reflect this. For the period April to August 2013, academies continue to operate on the old funding system. Academies with resource units are funded for their high needs places through their current 2012/13 General Annual Grant until the end of August. The EFA will need to increase the amount of DSG recouped from RBWM for this period. The calculation is based on the amount of funding recouped from RBWM for academy resource units in 2012-13. The amount to be recouped for this purpose, confirmed by the EFA on 31 May, is £89,974.

SECTION 251 2013-14 BUDGET STATEMENT SUBMITTED 28 MARCH 2013

SCHOOLS BUDGET		2013-14 Schools Budget S251 28 Mar 2013	Early Years Block	High Needs Block	Schools Block
Delegated budget		£000	£000	£000	£000
1.0.1	Individual Schools Budget (before Academy recoupment) - Pri & Sec	85,285			85,285
1.0.1	Individual Schools Budget - Special / AP	2,236		2,236	
1.0.1	Individual Schools Budget - Early Years	6,673	6,673		
De-delegated budget					
1.1.1	Contingencies	39			39
1.1.2	Behaviour support services	96			96
1.1.7	Licences/subscriptions	54			54
1.1.8	Staff costs supply cover	243			243
High Needs Budget					
1.2.1	Top up funding - maintained providers	4,841		4,841	
1.2.2	Top up funding - academies and free schools	617		617	
1.2.3	Top up funding - independent providers	5,250		5,250	
1.2.5	SEN support services	913		913	
1.2.6	Support for inclusion	866		866	
1.2.8	Hospital education services	23		23	
Early Years central budgets					
1.3.1	Central expenditure on children under 5	486	486		
Central Provision within Schools Budget					
1.4.1	Contribution to combined budgets	299		299	
1.4.2	School admissions	318			318
1.4.3	Servicing of schools forums	49			49
1.4.5	Carbon reduction commitment allowances	100			100
1.4.6	Capital expenditure from revenue (CERA)	96			96
1.4.10	Pupil growth/ Infant class sizes new	302			302
1.4.12	Exceptions agreed by Sec of State	37			37
1.6.1	TOTAL SCHOOLS BUDGET (before Academy recoupment)	108,822	7,160	15,045	86,618
DSG @ 31 March 2013		99,220			
DSG surplus applied		500			
Post 16 funding		9,102			
Roundings etc.					
TOTAL FUNDING		108,822			