

Appendix K

Dedicated Schools Grant (DSG) and Schools Budget 2015/16

The Dedicated Schools budget (DSG) for 2015/16 is made up of three notional funding blocks:

- Schools Block
- Early Years Block and
- High Needs Block.

Each block is calculated on a different basis.

The Schools Block is calculated using pupil numbers taken from the October 2014 schools census, multiplied by a guaranteed unit of funding (GUF). Whilst the amount per pupil in this block has remained the same;

- £7.51 per pupil is being deducted to fund the carbon reduction commitment scheme. This has resulted in minimal impact to the draft budget as this was previously deducted from the overall DSG.
- The schools block pupil numbers are higher than estimated and;
- The Barnet school funding formula remains the same (except removal of the £23 per pupil distribution of the 2012-13 underspend which was included in the 2014-15 AWPU) and schools continue to be protected by a minimum funding guarantee which ensures they receive at least 98.5% of their 2014/15 per pupil funding in 2015/16 before the Pupil Premium and other grants are applied.

The amount per pupil in the Early Years block is the same as for 2014/15. The Early Years (EY's) Block is estimated using early years numbers taken from the Early Years and Schools census in January 2014. A further update to the 2015/16 DSG allocation will be made once the January 2015 EY's and Schools census numbers are finalised. This subsequent change will be made after the end of the financial year.

- ***Funding for 3 and 4 year olds***

The Early Years Pupil Premium for 3 & 4 year olds begins in April 2015 and Barnet has received an initial allocation of £342k. This will be adjusted as more information becomes available to the DfE.

- ***Funding for early education places for 2 year olds***

This funding has not been included in the December announcement and Barnet will expect to find out its initial allocation in June 2015. From 2015-16 the allocation will be based on the level of participation rather than target numbers as in 2014/15.

The High Needs Block is a cash amount and is largely based on the amounts that were funded in 2014/15, adjusted for the growth/deduction in pre/post 16 high needs places agreed for 2014 to 2015 academic year. An additional £47m of funding was distributed to all local authorities, of which Barnet received an additional £350k. The final allocation is expected to be confirmed after the end of the financial year.

Pressures on the DSG expenditure budget

There are a number of pressures on the DSG expenditure budget which are as follows:

- High needs placements, especially those in independent special schools and;
- Continuing growth in primary pupil numbers leading to new schools and expansions. Advance non-capital funding for setting up new classes is costing approximately £1m per year.
- The Education Funding Agency has confirmed funding for the growth costs of pupil numbers in non-recouped Academies and Free schools for 2015/16 – funding for future years has yet to be confirmed;

Balancing the budget

As agreed at the meeting of the Schools Forum, the approach to balancing the 2015/16 budget has involved:

- Agreement by the Forum to use the £1.3m of DSG underspend carried forward from 2013/14 to support the budget gap (by contributing to the growth fund and the nursery schools' transitional subsidy).
- Officers completing a zero-base-review of the number and costs of SEN placements in independent and non-maintained schools as well as maintained schools and Academies

The SEN budget review has resulted in a significant reduction in the budget pressures arising in relation to High Needs budget, mainly because of the management of demand for SEN placements in independent and out-of-Borough schools and post-16 providers.

As a result of the above there is now a balanced draft Schools Budget for 2015/16. However, the financial position remains very challenging. In reviewing the SEN budgets and in trying to balance the budget, officers have stripped out most contingency provisions. There is now no contingency provision for SEN to fund any unexpected commitments for SEN placements above those anticipated in preparing the 2015/16 estimates. There is also no provision for additional support for 1:1 packages for ARPs and mainstream schools.

The only general contingency provision is the carried forward contingency for the closure of St.Mary's High School (£150,000)

The provision for 2-year-olds places has been adjusted downwards by taking a more conservative view of the number of places that can be provided next year than the target figures the Early Years team are forecasting. In practice however, the council has a legal duty to provide places for priority groups and to try to reach the targets, so the actual spending required may be above the budgeted figure.

In order to cover these risks, the Schools Forum has agreed that contingency requirements will have the first call on the 2014-15 carried forward underspend.

The draft Schools Budget was presented to the Schools Forum on 4th December 2014. The Forum approved the budget and the continuation of the same school and early years funding formulae and rates as 2014-15 with the exception of the small amounts of per pupil distribution of the 2012-13 underspend which was included in the 2014-15 AWPU.

The final DSG has yet to be confirmed as the Early Years Block and the High Needs block will be adjusted in March and June 2015 following the January Census and the High Needs Place Return. In subsequent months this will be presented to the Schools Forum along with any proposed adjustments to the Schools Budget.

Maintaining the same funding formula rates and applying a cap on gains has enabled the authority to prepare a balanced draft Schools Budget for 2015/16.

Provisional Schools Budget 2015/16							
27 November 2014 15:02							
		2015/16	2015/16	126			
S251	S251Desc	Gross Budget	Budget net of recoupment	Budget from Schools Forum Oct 14	Change since Oct 14	2014/15 Budget	Note
Expenditure							
1.0.1	Individual Schools Budget before Academy recoupment	264,458,553	173,883,729	173,596,844	286,885	169,639,051	Revised pupil number estimates
1.1.1	Contingencies	154,284	154,284	600,000	- 445,716	599,611	Contingencies reduced to balance
1.1.2	Behaviour Support Services	75,988	75,988	76,326	- 338	76,326	
1.1.3	Support to UPEG and bilingual learners	88,221	88,221	86,191	2,030	86,191	Revised pupil number estimates
1.1.8	Staff costs - supply cover excluding cover for facility time	47,072	47,072	46,518	554	46,518	
1.1.9	Staff costs - supply cover for facility time	47,072	47,072	46,518	554	46,518	
1.2.1	Top-up funding - maintained schools	16,142,716	16,142,716	16,244,016	- 101,300	17,296,450	
1.2.2	Top-up funding - academies, free schools and colleges	6,854,903	6,954,903	6,263,335	691,568	6,236,399	Zero based review of SEN funding requirements
1.2.3	Top-up and other funding - non-maintained and independent providers	9,835,971	9,835,971	11,468,831	- 1,632,860	11,138,864	
1.2.5	SEN support services	3,198,188	3,098,188	3,077,562	20,626	3,073,893	Increased need at Early Years and for Therapies
1.2.6	Hospital education services	530,006	530,006	407,004	123,002	438,006	Additional hospital places
1.3.1	Central expenditure on children under 5	979,072	979,072	979,072	-	1,254,072	
1.4.1	Contribution to combined budgets	777,892	777,892	777,892	-	777,892	
1.4.10	Pupil growth / Infant class sizes	961,000	961,000	961,000	-	1,853,020	
1.4.11	SEN transport	400,000	400,000	400,000	-	400,000	
1.4.13	Other items	106,500	106,500	106,500	-	106,500	
1.4.2	School Admissions	361,200	361,200	361,200	-	361,200	
1.4.3	Servicing of schools forums	34,680	34,680	34,680	-	34,680	
		305,053,318	214,478,494	215,533,489	- 1,054,995	213,465,190	
Income							
1.7.1	Dedicated Schools Grant	(296,945,832)	(206,371,008)	(205,864,597)	(506,411)	(204,357,630)	Review of income estimates and recoupment
1.7.2	Balance b/fwd from 2013/14	(1,332,908)	(1,332,908)	-	(1,332,908)	(2,332,981)	Use of 13/14 underspend agreed with S/F Oct 14
1.7.4	Post 16 allocations from EFA	(6,774,578)	(6,774,578)	(6,774,578)	-	(6,774,579)	
		(305,053,318)	(214,478,494)	(212,639,175)	(1,839,319)	(213,465,190)	
	Balance	0	0	2,894,314		-	-