

Decision Maker: **Schools Forum**

Date: **13 December 2012**

**TITLE: ESTIMATED DEDICATED SCHOOLS GRANT FOR 2013/14
BASED ON FUNDING BLOCKS**

Contact Officer: Mandy Russell, Head of Schools Finance Team
Tel: 020 8313 4806 E-mail: amanda.russell@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director of Education and Care Services

Ward: Boroughwide

1. Reason for report

- 1.1 This report provides details of the estimated Dedicated Schools Grants for 2013/14 based on the three funding blocks.
-

2. **RECOMMENDATION(S)**

- 2.1 **The Schools Forum is asked to discuss the estimated allocation and to consider any potential movement of funds across the three individual blocks.**

3. **COMMENTARY**

- 3.1 As part of the funding review for 2013/14, the Dedicated Schools Grant (DSG) will be allocated across three notional, un-ringfenced blocks for High Needs, Early Years and Schools Block. The initial allocations are based on 2012-13 Section 251 budget allocations and local authorities are free to move funding between the blocks based on strategic decisions provided they comply with requirements on the Minimum Funding Guarantee (MFG) and central expenditure limits.
- 3.2 The LA has received details of how the DSG will be allocated across the three blocks and has had the opportunity to check the underlying data and to have some input into the initial calculations. We have now received final details of the notional spending block baselines based on 2012/13 DSG.
- 3.3 The DfE have recently announced that 2013/14 allocations will not be announced until the week commencing 10 December. As that is too late for any meaningful data to be brought to the Schools Forum meeting on the 13 December, most the information in this report is based on 2012/13 data.

3.4 The table at **Appendix 1** shows full details of the initial allocations and estimated expenditure under each of the blocks. The Schools Forum are asked to consider the following issues/assumptions on which this data is based:

- **YPLA Post 16 Teachers Pay Grant.**
In previous years the LA has received funding from the YPLA as a contribution towards the cost of Teachers Pay Grant funding within the formula. No information has been provided as to whether this funding will continue. If it is not forthcoming in 2013/14, secondary school budget allocations will need to be adjusted accordingly.
- **Hospital Top Slice.**
This has been calculated by the DfE on the basis of £8.50 per pupil and has been deducted proportionately across all three blocks. Expenditure of £185k (based on 2012/13 budget) has been removed from expenditure in the High Needs Block to offset this.
- **Top Up Funding for 3 Year Olds.**
In the initial consultation it was stated that the 90% protection for 3 year olds would be reduced to 85%. Initial allocations from DfE show all protection being removed at this stage which has resulted in a reduction of £806,025 in the Early Years Block. It is estimated that if this reduces to 85% in the final allocations, the reduction will be around £630k.
- **Funding for Two Years Olds.**
As this funding has only just been announced and will be subject to a separate decision making process, neither the income nor the expenditure has been included at this stage.
- **Schools Block Income.**
The LA has used October pupil data from maintained schools to estimate the funding for 2013/14 based on the DfE baseline per pupil figure. This has generated additional funding of just over £3million.
- **Schools Block Expenditure.**
The estimated MFG has been calculated using October pupil numbers where available and is based on all schools being funded at the floor level of -1.5%. No ceiling for increase has been included as this will be subject to the availability of funding and recommendations of the Schools Forum.
- **Movement Between Blocks.**
A sum of just over £5million has been moved from the High Needs Block to the Schools Block to reflect the funding of £6,000 and below for all statemented pupils to reflect the fact that this funding is included in the funding formula calculations.
- **Potential Headroom.**
The funding sheet indicates that there may be headroom of around £3.6m. In addition to this there may be some further savings in areas for example around capital borrowing and contingency funding. However, this should be viewed with some caution as there may be some calls on this already in respect of the full year effect of any growth that was put in place for 2012/13.

3.5 The Schools Forum is asked to review the funding sheet and to consider any areas for consideration should any headroom be available. Some suggested areas for discussion are as follows:

- (1) Use of headroom to offset reduction to Early Years funding.
- (2) Use of headroom to support MFG. This could be done either by reducing the floor of 1.5% or by introducing a ceiling. The outcome of this would be either that some schools would not lose any funding or that some schools would receive a small increase. It is proposed that funding scenarios based on this would be produced for the next Schools Forum meeting.
- (3) An estimated figure has been included for bulge classes. This may have to be considered as a priority for allocation of additional funding.

4. FINANCIAL IMPLICATIONS

4.1 This expenditure is Dedicated Schools Grant (DSG) and will need to be contained within the overall funding envelope. The financial implications are contained within the main body of the report.

Non-Applicable Sections:	Policy, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	

APPENDIX 1

	2012/13 Funding			Total
	£			
DSG		220,809,000		220,809,000
plus YPLA Post 16 SEN Grant		1,605,720		
plus YPLA Post 16 Teachers Pay Grant		387,240	(no info on this yet)	
		222,801,960		222,801,960
	High Needs Block	Early Years Block	Schools Block	
	43,934,053	12,177,338	164,697,609	220,809,000
less Hospital Top-slice	-73,645	-20,193	-274,972	-368,810
less EY baseline		-806,025		-806,025
	43,860,408	11,351,120	164,422,637	
interauthority recoupment YPLA SEN	478,590		-478,590 1,605,720	
High Needs Baseline	44,338,998			
Cross border funding minus funding out to other LAs plus funding in from other LAs	-517,126 844,297			
Provisional Baseline	44,666,169	11,351,120	165,549,767	221,567,056
	Pupil nos 12/13	2912	40552	
	Baseline £ per pupil	3898.05	4082.41	
	Pupil nos 13/14	2912	41327	
Estimated Funding 2013/14	44,666,169	11,351,120	168,713,632	3,163,865
LA adjustment for Matrix	-5,180,895		5,180,895	
	39,485,274	11,351,120	173,894,527	
Expenditure				
Core funding - units - resourced provision	2,470,000 760,000	1,182,656	Estimated MFG 167,631,578	
Core funding - PRU	960,000	PVI 9,906,899	Bulge classes 970,000	
Core Funding - Maint Special Schools	5,120,000	Central 520,507	Central Admissions 58,000	
Special Schools/PRU top up	7,023,730	Contingency 551,091	Carbon Reduction 500,000	
Units top up	800,000	Schools Forum 15,185	Schools Forum 41,751	
Delegated Matrix	873,106		Contribution to capital 167,020	
Central Darrick Wood HIU	575,000			
Nurture Unit	77,000			
Provision for pupils with SEN	2,045,389			
SEN Support Services	3,660,759			
Support for Inclusion	1,124,023			
SEN Independent Schools	11,645,800			
SEN Transport	320,000			
Education Out of School	580,355			
Insurance	16,170			
Carbon Reduction	85,000			
Prudential borrowing costs	570,000			
CERA	800,000			
Schools Forum	1575			
Total Expenditure	39,507,907	12,176,338	169,368,349	
Estimated Surplus/ Shortfall	-22,633	-825,218	4,526,178	3,678,327