

DARLINGTON SCHOOLS FORUM

4th October 2016

ITEM NO 7

BUDGET SETTING 2017/18

Purpose of Report

1. To begin the process of agreeing the use of the Dedicated Schools Grant (DSG) in 2017/18.

Background

2. Each year the School Forum is presented with the proposed budget for the use of the Dedicated Schools Grant for the coming year.
3. As outlined in agenda item 3, the proposed changes to the DSG funding blocks has been deferred until April 2018, therefore in 2017/18 the DSG will continue to be allocated in three blocks i.e. the school, early years and high needs blocks. Although DSG is ring-fenced overall for education purposes, the individual blocks are not ring-fenced; therefore funds can be moved between the blocks by agreement of School Forum.
4. As outlined in agenda item 4 the Government has been consulting upon changes to funding for early years with a view to implementing the changes from April 2017. The results of this consultation are due out in the autumn and potentially may affect the early years block arrangements.
5. At the time of writing the Education Funding Agency (EFA) have provided indicative allocations for the DSG funding blocks for 2017/18, based on the re-profiling of budgets (as noted in agenda item 3). These allocations are not final and will be updated following the outcome of the early years funding consultation and the October 2016 census.
6. The allocation for the schools block and the high needs block are expected to be received in mid December, along with a provisional early years allocation. As in the current year the early years allocation will not be finalised until June after the financial year end (i.e. June 2018) this is due to the funding being made on the actual number of children attending early years which are collected through the January 2017 and January 2018 census.
7. Although final budget allocations have not been received as yet, it is important that Forum begin the process of agreeing the 2017/18 budget. This will allow time for budget building, to inform providers of their allocations and allow arrangements to be put in place where services need to be decommissioned.

8. In order to start the budget planning process, an estimate of resources available has been used in the attached appendix1. This estimate is based on the current year's DSG allocation.

Budgets for 2017/18

9. Attached at appendix 1 are the initial proposed budgets for 2017/18. The budget estimates are based on the most up to date information available at the time of writing and therefore will be subject to change prior to being agreed at the January School Forum.
10. **All of the budgets included are provisional and subject to change** at this stage, the following notes are provided to Forum regarding those budgets which are most subject to change.
 - School Budget Shares, the calculated budget is based on the current funding formula and therefore assumes that Forum agree to use the same factors in 2017/18 (see agenda item 3). This budget will change dependent on the school census and changes to the unit rates in the final formula to be agreed in January.
 - The School SEN adjustment is based on the current system and therefore assumes no change in the funding system (see agenda item 3).
 - Funding for the Pupil Referral Unit, Beaumont Hill Academy, Marchbank and the Resource Base Units are all at the 2016/17 budget levels and are therefore based on the commissioned places and top up rates for 2016/17. These budgets will be updated for any changes in the number places expected to be commissioned in 2017/18 and any changes in top up funding rates.
 - All budgets that are demand led will be updated for estimated requirements in 2017/18. This will be based on the current years estimated spend and any known changes for 2017/18.
 - The budgets for 3 & 4 year old and 2 year old nursery placements are based on current year allocations after removing any brought forward funding from 2015/16. As noted in agenda item 3 the Government has consulted upon a new system for allocating funding for early years, with changes to the resources available. **All early years budgets are therefore subject to significant change based on the outcome of the current consultation process. Forum will be updated in January.**

Summary

11. Due to having not received final allocations for the DSG settlement in 2017/18, Forum will not be able to make any final funding decisions at this stage. It is appropriate however that Forum are presented with a draft budget now, in order that Forum can review the potential budget and make a decision regarding if there are any services they wish to no longer invest in, or request further information, prior to making a final decision in January.

12. A revised budget position will be brought to Forum in January for approval.

Recommendations

13. That Forum notes the content of the report.

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