

# DARLINGTON SCHOOLS FORUM

19<sup>th</sup> November 2013

ITEM NO 6

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## BUDGET SETTING 2014/15

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### Purpose of Report

1. To begin the process of agreeing the use of the Dedicated Schools Grant (DSG) in 2014/15.

### 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 in the current year, DSG will be allocated in 2014/15 in three blocks i.e. The School, Early Years and High Needs blocks. Although DSG is ring-fenced overall to education purposes, the individual blocks are not ring-fenced, therefore funds can be moved between the blocks by agreement of School Forum.
4. At the time of writing no DSG allocations have been received from the Education Funding Agency (EFA) for 2014/15. Allocations will be based on the number of pupils appearing on the October 2013 census and in line with commissioned high needs placements.
5. The allocation for the Schools block is expected to be received on 18<sup>th</sup> December, along with a provisional high needs allocation. Final confirmation of the high needs budget however, will not be received until March 2014. At present no date has been given for the confirmation of the early years block allocation, however any allocation received is provisional as the early years block will continue to be updated for both the January 14 and January 15 censuses.
6. Although no budget allocations have been received as yet, it is important that Forum begin the process of agreeing the 2014/15 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.
7. 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 years DSG allocation, adjusting for any carried forward resources from 2012/13 and one off funding received from the EFA for 2013/14.
8. In 2014/15 the local authority is still responsible for calculating the budget share for all schools in Darlington (except St Aidan's), as a result the recoupment arrangements will still exist for academy schools. Therefore the estimated resources include any DSG recouped by the EFA for academy schools.

## **Budgets for 2014/15**

9. Attached at appendix 1 are the initial proposed budgets for 2014/15. 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. Forum should note that in addition to confirmation of DSG funding by the EFA, the following will affect the provisional budgets (included in appendix 1),
  - High Needs Block, the EFA are currently collecting data regarding commissioned places for 2014/15 (due 23<sup>rd</sup> December). This data will be used in the finalisation of high needs budgets.
  - High Needs Block, the estimated spend includes thirty commissioned places at Marchbank Free School. In the current financial year the place funding element was made direct by the EFA from within their resources and therefore was not included in Darlington's high needs block. It is however expected that 14/15 DSG allocations will be increased to reflect these commissioned places.
  - High Needs Block, in addition to the above, for post 16 places in 13/14 the Council only started making payments for colleges from the start of the 13/14 academic year (previously the Council only funded BHA post 16 places). It is expected therefore that additional costs will be incurred in 14/15 (i.e. the payment of three terms, rather than two), however it is expected that DSG allocations should be increased to offset this.
  - Schools Block, the budget for schools budget shares reflects the model agreed by Forum on 8<sup>th</sup> October, again the final budget will change following the receipt of the updated data from the EFA in December.
  - Early Years Block, as in 2013/14 the Government has set targets with regard to increasing the number of 2 year old children in nursery placements. No notification has as yet been received on how this will be funded.
11. As in previous years services that have been commissioned by the Forum, have been requested to complete a template outlining the achievements and value of the service provided. The returned templates are attached at appendix 2 to 10.

## **Summary**

12. Due to the having not received allocations for the DSG settlement in 2014/15, 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.

13. Although the initial draft budget position shows a deficit in funding of £218,000 it is expected that additional funds will be received through the funding allocations to offset this shortfall.
14. A revised budget position will be brought to Forum in January for approval.

### **Recommendations**

15. That Forum notes the content of the report.
16. That Forum agrees to the funding of each service with a **provisional** budget allocation.

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