

# DARLINGTON SCHOOLS FORUM

14<sup>th</sup> January 2014

ITEM NO 6

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## BUDGET SETTING 2014/15

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### Purpose of Report

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

### Background

2. School Forum was presented with an initial budget at their November meeting where the provisional budget allocations for 2014/15 were agreed.
3. At that point a series of assumptions had to be made, as no funding allocations or the funding formula template for 2014/15 had been received.
4. The funding formula modelling tool was received on the 13<sup>th</sup> December which has allowed a funding formula for 2014/15 to be calculated (see agenda item 4).
5. Darlington received a provisional DSG allocation on the 18<sup>th</sup> December as follows,

Block	Amount £'000's	Note
School	£59,748	This is the final allocation based on pupil numbers at the October census
Early Years	£3,916	This is a provisional allocation based on the October census. This allocation will be updated for the January 14 & 15 census
High Needs	£8,771	This is a provisional allocation based on 13/14 funding. Final allocations will be provided by the EFA in March 14
2 year Old funding	£1,648	This is a final allocation based on the number of places required.
<b>TOTAL</b>	<b>£74,083</b>	

6. As in previous years there is still the ability to move funding between the blocks, with the agreement of School Forum.

### Budgets for 2014/15

7. Attached at appendix 1 are the proposed budgets for 2014/15. The following paragraphs highlight the main changes to the budgets that were agreed in November.
8. School Budget shares, have increased by £724,000. This has resulted due to the changes (i.e. increases) in pupil numbers and the additional investment in schools budgets from

savings in the PFI top slice and unallocated budgets. (See agenda item 3 & 4 for further details).

9. School Nurseries. Although there is no change in the estimated budget requirement, Forum should note that this allocation is based on the current unit rates with a contingency of £15,000 for fluctuations within the budget. The actual payment from this budget is dependent on children in nursery provision at the census date and although the DSG allocation is updated for these pupil number changes it is prudent to have a contingency for the fluctuations within this budget.
10. Voluntary/Trust admissions. £15,000 less is required within this budget in line with the revised access criteria for this contingency. The reduction within this budget has been invested within the school budget share within the AWPU.
11. Carbon Reduction Commitment (CRC). Following the announcement in December 2012 by the Department of Energy & Climate Change, all state funded schools have been removed from the CRC scheme from April 2014 therefore this budget is no longer required. The saving from this however does not provide any savings in the budget as the DfE have reduced the DSG allocation by a corresponding amount.
12. Post 16 placements. The budget required here has reduced by £97,000 in line with the latest estimated cost of supporting the learners. Post 16 places are funded based on their actual cost and through contracting arrangements savings have been made in the current year which continue into future years. It should be noted that the estimated cost here is based on the learners currently known, if additional learners come into the system or placements change, then the budget will be subject to fluctuation.
13. SEN out of Borough placements. As in the current year these placements are still outside of the “place plus” system in 2014/15. The increase in budget requirement is based on the current placements. Again this will be subject to fluctuation if placements change between now and the end on March 2015.
14. Nursery funding (3&4 year old). This budget has been increased by £15,000 to include a contingency of £15,000 as with the school nursery budget. Forum should note that this budget is set based on the current unit values and therefore would be subject to review pending the outcome of agenda item 5.
15. 2 Year old funding. This budget has increased by £538,000 in line with the allocation provided within the DSG. As in 13/14 it is proposed that the full allocation for 2 year old nursery funding be allocated for 2 year old purposes again in 14/15, even though the allocation is not ring fenced. The increase in funding from the EFA reflects the increase in places required in Darlington stretching to 634 places from the autumn term of 2014. As in the current year within the funding allocation there is trajectory funding of approximately £180,000.
16. Private Finance Initiative. As detailed in agenda item 3, a £100,000 reduction in this budget line can be achieved by using 13/14 underspend. The saving from this budget line has been invested within the school budget share within the AWPU.
17. Individually Assigned Resources. This budget is for additional top ups for children assessed with additional needs over the banding levels included within the schools

notional budget. As 14/15 is a transitional year this budget will continue to operate as it does in the current year and therefore will fund children assessed over a band 6 (£13,506) in primary schools. Secondary schools will not access this funding as they have the budget fully delegated. (As noted previously, in 14/15 as a transitional year all of the funding for children assessed with additional needs between the EFA set £6,000 and the Darlington delegated funding i.e. £13,506 primary and all secondary has been removed from school budget shares. This will be repaid as one lump sum figure at the same value as that extracted from the school budget share, irrespective of the number of children falling in each school within bands 3 to 6). The budget set here is based on the children already assessed with additional needs for the financial year 14/15.

### Place Plus Funded High Needs Places

18. As required by the EFA, Darlington submitted by the 23<sup>rd</sup> December the number of places that are to be commissioned for high needs within the 2014/15 financial year. The budgets that have been set for places therefore reflect the numbers of places commissioned. As a result of this, a number of budgets have been revised.
19. It is proposed that in 2014/15, the top up rates remain at the same level as in the current year. The rates for place funding are set by the EFA and remain at the 2013/14 values. The following table details these rates.

Establishment	Top Up	Full Cost (i.e. Including place funding)
Rise Carr College	£15,013.93	£23,013.93
Beaumont Hill Academy – Band A	£3,209.91	£13,209.91
Beaumont Hill Academy – Band B	£7,967.89	£17,967.89
Beaumont Hill Academy – Band C	£12,128.92	£22,128.92
Beaumont Hill Academy – Band D	£15,453.68	£25,453.68
Marchbank Free School	£12,000.00	£22,000.00
Speech & Language – Northwood Resource Base	£1,905.49	£11,905.49
Complex learning Disability – Heathfield Resource Base	£1,401.49	£11,401.49
Social & Communications Difficulties – Mount Pleasant Resource Base	£4,767.93	£14,767.93
Social & Communications Difficulties – Hurworth School Resource Base	£6,992.10	£16,992.10

20. The budgets for top ups are based on the rates in the table above multiplied by the number of commissioned places. Where some of the places will be occupied by non Darlington children, the top ups are payable by the host Local Authority, therefore a number of budgets have tops up levels lower than commissioned places to reflect this. The budgets assume that the places will be occupied for the full financial year. Again if there are movements in places, changes in bandings, if places are unoccupied, or places filled by non Darlington children become occupied by Darlington children, there will be fluctuation within the budget.

21. There are no proposed changes to the payment system for 2014/15. Local Authority maintained establishments will continue to receive place funding for the full financial year up front, at the start of the summer term. All top ups will be paid termly in advance based on an estimate of places, with any adjustments for actual placements being made in the next terms payment.

### **Resources for 2014/15**

22. As noted in the table above a number of the allocations provided by the EFA are not the final budgets for the 2014/15 financial year. All the budgets included in appendix assume that the provisional budget is the final budget as this is the most prudent method of setting the budget.
23. With regard to high needs the final allocation will be received in March once the EFA have reviewed all of the submissions of commissioned places. In Darlington's submission we have increased the number of places commissioned in 14/15 from that submitted in 13/14. As a result of this it could be expected that additional funding will be allocated, however the EFA have stated that the national budget for High Needs remains at the 13/14 level, therefore there is no additional cash in the system. The result of this is that it is likely that there will be no additional funding allocated unless a number of other areas have reduced the number of places they have commissioned.
24. The budget set reflects the number of places commissioned, however no contingencies have been built into the budget as a result. There is therefore no surplus in the budget should the high needs places in 2014/15 be more than estimated. In the event that additional funding is received in the high needs allocation, this will initially be allocated as a contingency for high needs pending reporting to the next Forum.
25. Early years, as in the current year the DSG allocation will be amended throughout the year, following the January census. In the event that funding is reduced, this should be offset by a corresponding reduction in funded places, therefore there should be no pressure on the budget. The budget will however need to be monitored throughout the year to ensure this is the case.
26. The budgets as set in appendix 1 require a movement of resources between the funding blocks. £1,671,117 is to be moved in to the high needs block (this includes approx. £652,000 for the change in the school notional SEN to the £6,000 EFA requirement) and £154,727 into the early years block. These movements will come from the school block (£1,825,844)
27. As the budget has been set earlier in the year (to tie in with the EFA budget share deadline) there are more estimates and assumptions within the figures. It may therefore be the case that as in previous years, the budget will need revising as further information becomes available. Any changes will be reported to the next and following School Forums.

## **Recommendations**

28. That Forum agrees to maintain the top up unit rates at the same value as in 2013/14 as detailed in the table in paragraph 19.
29. That Forum agrees to budget allocation for DSG in 2014/15 as per appendix 1.

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