

DARLINGTON SCHOOLS FORUM

29th April 2014

ITEM NO 5

BUDGET UPDATE 2014/15

Purpose of Report

1. To update Forum regarding the 2014/15 Dedicated School Grant (DSG) position.

Background

2. School Forum was presented with and agreed the 2014/15 budget at their January 2014 meeting. The budget was based on a provisional DSG allocation of £74,083,000.
3. Forum also agreed to allocate £120,000 of carry forward DSG (from 13/14) to fund a School Forum commissioning post and the support of vulnerable pupils in primary schools (LAP Panels).

Updates

4. Since the January meeting the Education Funding Agency (EFA) has issued the final allocations for 2014/15 (although these are subject to change if any school converts to academy status and in line with the early years census). Darlington's allocation has increased to £74,316,000 a rise of £233,000 (pre recoupment).
5. The increase in budget of £233,000 resulted from the EFA "High Needs Place Review", mainly broken down as follows,
 - a. £76,000 using a flat rate to all authorities based on 2014 population estimates for the 2 to 19 age group.
 - b. £160,000 based on £5,000 per planned additional post school place in 2014/15.
6. The additional £233,000 has been allocated to the High Needs block as a contingency to cover the estimated increase in high needs payments in line with increased placements since the budget was set.
7. When DSG is allocated to Local Authority areas it includes the allocation for recoupment academies. Before the DSG is paid to the Local Authority, the EFA remove this budget through the recoupment process. Darlington will therefore receive £26,244,000 once the recoupment has taken place. The value of the DSG recouped by the EFA is £48,071,686, this compares with approximately £47,945,537 estimated recoupment.
8. The additional recoupment of £126,149 arises from a combination of recoupment for post school place funding at Beaumont Hill Academy and Marchbank free school. It is however expected that £104,994 of this recoupment will be returned, therefore there is a

£21,155 shortfall on the budget. It is proposed to take this shortfall from the high needs contingency.

9. As Forum members will be aware the EFA have procured a number of licenses centrally for all schools, which the EFA charges back to the DSG. When the budget was set in January the budget set for this was £23,195 based on the 2013/14 charge. However since the budget was set the EFA have increased the number of licenses procured centrally increasing Darlington's charge to £45,017.
10. As the licenses budget is £21,822 short, it is proposed that rather than reduce any other budget in 2014/15, that the shortfall is made up from the 2013/14 DSG carry forward.
11. The attached appendix 1 shows the effect of the above on the overall budget.
12. At this point in the financial year spend against budget is minimal, therefore no current spend position is attached. As in previous years, Forum will be presented with updates concerning the budget position at each meeting.

Recommendations

13. That Forum agrees
 - The allocation of additional DSG to a high needs contingency
 - The shortfall in recoupment of £21,155 be covered from the high needs contingency
 - The shortfall in the licenses budget is funded from 13/14 carry forward.
14. That Forum note the revised budget as detailed in appendix 1

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