Meeting: **Schools Forum**

Date: **14 March 2016**

Subject: Dedicated School Grant Contingency Budgets

Report of: **Director of Children's Services**

Summary: To provide an update on the use of the School Contingency Budgets for 2015/16
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Contact Officer: Dawn Hill, Priory House, Shefford

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

1. **To note the Dedicated School Grant (DSG) Contingency spend to 29 February 2016.**

Background

1. The Dedicated School Grant is split into 3 notional blocks; Schools, High Needs and Early Years with each block holding its own contingency budget.

School Block

2. The Schools Specific Contingency Budget falls under Schedule 2 (Part 5) of The School and Early Years Finance (England) Regulations 2014; 'Classes or descriptions of planned expenditure prescribed for the purposes of the Schools budget of a Local Authority which may be deducted from it to determine the Individual Schools Budget (ISB)'.

3. Expenditure on the Schools Specific Contingency is central expenditure deducted for the purpose of ensuring that monies are available to enable an increase in a school's budget share after it has been allocated; and where it subsequently becomes apparent that a governing body have incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share which may include expenditure in relation to:
   - schools in financial difficulty
   - the writing off of deficits of schools which are discontinued, excluding any associated costs and overheads
   - new, amalgamating or closing schools, or
   - other expenditure where the circumstances were unforeseen when initially determining the school's budget share

High Needs Block

4. At the School Forum meeting in January 2015 it was agreed that as the High Needs Block settlement for 2015/2016 is not received from the DfE until March 2015, the balance would be held in contingency and applied where it is required in 2015/2016. The following issues will be taken into account

- The resource implications of changes in SEND provision through the implementation of the Children and Families Act in 2014 is determined.
- The development of the Hub and Spoke model for the Jigsaw Centre.
- The implications of the development of Central Bedfordshire's vision for Special Schooling and Specialist Provision, including capital costs.
- How the EFA plans to top slice Local Authorities and whether that will impact on the initial settlement.
- How the EFA plans to apply growth in 2015

Early Years Block

5. Early Years provision is funded based on predicted total number of hours' attendance of registered pupils. The LA must review the budget share when further information on actual hours of attendance is available, in accordance with Part 3 of The School and Early Years Finance (England) Regulations 2014. The Early Years Contingency budget has been set aside to fund the headcount adjustment that is allowable within the regulations.

Update

School Contingency

6. De-delegation from the Schools Block did not take place in 2015/16. However, the LA did apply to the Secretary of State to disapply the regulations to allow a £500k top-slice to DSG across all maintained schools and academies. This was to support schools in financial difficulty and would specifically apply to three closing middle schools which are at risk of closing with a deficit balance. The saving to DSG once the schools are closed would be applied to all schools.

7. The following table sets out the expenditure to 29 February 2016 :

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2014/15	208,413		
Budget Allocation 2015/16 (ring-fenced)	500,000		
Unallocated DSG (All Schools)	1,460		
Academy Recoupment Adjustment	25,985		
VAT Reimbursement CLA		40,269	
Total School Contingency	**735,858**	**40,269**	**776,127**

The balance of £776,127 is split between de-delegated ring fenced funding for Maintained schools only of £671,572 and £104,555 for all schools. The de-delegated funding will be applied to the closing schools deficits. The remaining balance will be redistributed to all schools in 2016/17 via the age weighted pupil unit.

High Needs Contingency

8. It was agreed at the School Forum meeting of the 26 January 2015 that unallocated 2014/15 High Needs Block funding would be redistributed to schools. £1M transferred to the Schools Block and distributed to maintained schools and academies on a one-off basis via the age weighted pupil unit (AWPU) for 2015/16 and the balance of £129k has been transferred to support capital development in specialist provisions.

   In addition, it was also agreed to support the capital project to provide funding at Ardley Hill Academy for its proposal to establish 8 new primary specialist provisions for Autistic Spectrum Condition in Dunstable from September 2016. The Secretary of State approved to utilise the sum of £500k for this project on 21 October 2015.

9. The following table sets out the expenditure to 29 February 2016:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2014/15	1,129,263		
Transfer to ISB		(1,000,000)	
Transfer to capital for development in specialist provisions		(129,263)	
Unallocated HN Block 2015/16	1,145,590		
HN Block adjustment for growth		290,230	
Transfer to ISB (top-up funding)		(5,517)	
Further transfer to capital		(500,000)	
In-year HN block overspend		(430,951)	
ACB rates adjustment		(14,500)	
Total SEN Contingency	**2,274,853**	**(1,790,001)**	**484,852**

Early Years Contingency

10. It was previously agreed that £500k would be transferred to the Schools Block and distributed to maintained schools and academies on a one-off basis via the age weighted pupil unit (AWPU) and the remainder used for the termly census adjustments.

11. The following table sets out the expenditure to 29 February 2016:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2014/15	1,154,191		
Transfer to ISB		(500,000)	
Budget Allocation 2015/16	156,510		
EY Block adjustment for growth in FTEs (Jan14 – Jan 15)		409,687	
January 2015 census adjustment		(92,263)	
May 2015 census adjustment		(473,934)	
October 2015 census adjustment		629,790	
Total Early Years Contingency	**1,310,701**	**(26,720)**	**1,283,981**

12. On 18 January 2016, Schools Forum agreed that a further £500k from unallocated 2014/15 DSG to be transferred to capital projects. The Secretary of State approved this transfer on 1 March 2016.

Appendices: None