

Meeting: Schools Forum
Date: 6 March 2017
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 2016/17.

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 28 February 2017.**

Background

1. From 2013/14 the Dedicated School Grant is split into three 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 2015; '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)'. Part 5 relates to items that may be removed from Maintained Schools' Budget Shares by way of de-delegation. De-delegation is not an option for Academies, special schools, nurseries or PRUs.
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. Contingencies are held centrally to fund unforeseen circumstances and any potential overspends in the centrally retained High Needs Budgets. The following issues remain unresolved:
- The resource implications of changes in SEND provision through the implementation of the Children and Families Act in 2014.
 - The implications of the development of Central Bedfordshire's vision for Special Schooling and Specialist Provision, including capital costs.

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 2015. The Early Years Contingency budget has been set aside to fund the headcount adjustment that is allowable within the regulations.

Update

School Contingency

6. The following table sets out the expenditure to 28 February 2017:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2015/16	776,127		
Unallocated DSG (All Schools)	4,390		
School Split Site Funding		(20,000)	
Transfer to ISB		(104,555)	
VAT Reimbursement CLA		40,823	
Total School Contingency	780,517	(83,732)	696,785

7. The C/F 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 balance of the de-delegated funding will be applied to the closing schools deficits; a current total of £547,289. The balance for all schools has been redistributed (to all schools) in 2016/17 via the Age-Weighted Pupil Unit (AWPU).

High Needs Contingency

8. At the meeting of the 14 March 2016 School Forum agreed in principle an application to the Secretary of State (SoS) to transfer unspent 2015/16 HN Block DSG to capital. On 16 June 2016 the SoS granted the transfer. The

funding has supported the increasing demand for places in specialist SEND provisions; with a contribution towards the expansion of primary and secondary provision at Ivel Valley Special School and the expansion of the Alternative Provision at the Academy of Central Bedfordshire.

9. The following table sets out the expenditure to 28 February 2017:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2015/16	783,877		
Transfer to capital development in specialist provisions		(783,877)	
Unallocated HN Block 2016/17	606,980		
Academy of Central Bedfordshire Rates Funding		(5,131)	
Post 16 HN places (Manshead Upper)		(20,000)	
3% Increase to Top Up Funding Bands for Specialist Provisions		(55,279)	
Academy of Central Bedfordshire Funding Uplift		(70,000)	
Centrally Retained High Needs Overspend		(629,143)	
Total SEN Contingency	1,390,857	(1,563,430)	(172,573)

Any overspend at the end of the financial year will be met by unspent Early Years Contingency, as agreed at Schools Forum in November 2016.

Early Years Contingency

10. The following table sets out the expenditure to 28 February 2017:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2015/16	819,823		
Unallocated Early Years Block 2016/17	395,740		
EY Block adjustment for growth in FTEs (Jan15 – Jan 16)		(185,374)	
January 2016 census adjustment		(208,789)	
Biggleswade Academy Split Site		(110,000)	
May 2016 census adjustment		(37,433)	
October 2016 census adjustment		(182,734)	
Total Early Years Contingency	1,215,563	(724,330)	491,233

Appendices:

None