

## **Joint Report of Strategic Director, People Group and the Strategic Director, Resources Group**

### **Dedicated Schools Grant 2012/13 – Indicative Budget Proposal**

#### ***Recommendation***

##### **The Schools Forum is recommended to:**

- Agree the allocation of the Dedicated Schools Grants as detailed within the report
- Note that a further report will be brought to the Forum following validation of the pupil data and final DSG funding by the Department for Education

#### **1.0 Introduction**

1.1 The purpose of this report is give indicative figures for the allocation of the Dedicated Schools Grant in 2012/13.

1.2 The funding data and the Individual Schools Budgets included are based on the October pupil census numbers as the January pupil census have still to be validated. Discussions are also still on going in terms of centrally managed budgets to determine the effect of the changing role of the Local Authority and the impact that this is likely to have on the resources requirements in 2012/13.

#### **2.0 Estimated Funding 2012/13**

2.1 As announced recently by the Department for Education (DfE), the guaranteed unit of funding per pupil in 2012/13 and will be retained at the same level as in 2011/12 at £4,662.81 in Warwickshire.

2.2 Taking into account the October pupil census data, it is not anticipated that there will be a significant movement in pupil numbers albeit that there are likely to be increases in primary numbers and a reduction in secondary numbers

2.3 At this stage then, the assumption is that the total DSG funding in 2012/13 will be £344.777m

### 3.0 Expenditure Budgets

3.1 A summary of the core budgets that are prepared and considered as part of this report include:

Budget Description	DSG 2011/12 £m	DSG 2012/13* £m	Movement £m
Individual Schools Budgets	305.212	305.030	(0.182)
Early Years	11.210	11.671	+0.461
Centrally Managed Services	26.323	28.041	+1.718
Overheads and Management Costs	2.350	2.350	0.000
YPLA funding for SEN	(2.071)	(2.000)	+0.071
Contingency (balancing figure)	1.000	0	-0.100
<b>Total DSG</b>	<b>344.024</b>	<b>345.092</b>	<b>1.068</b>
Reserve Levels (contingency)	(0.036)	0.315	

\* indicative figures for 2012/13

3.2 A more detailed make up of the estimated position is shown in Appendix A.

### 4.0 Individual Schools Budget (ISB)

4.1 The ISB included in the table above is an indicative position. It is based on the October pupil census data and will be updated with the January pupil data once these have been verified to form the final schools budgets.

4.2 Each schools budget is based on the new local schools funding formula, as recommended by the Schools Forum in October and agreed by Cabinet in December.

4.3 This has then been compared to the funding position of each school based on the old formula and if the impact is that a school will lose more than 1% funding, then transitional protection has been added. However, if the effect is an increase of more than 3.5% or £80,000 then the new budget is capped. This arrangement has been agreed for 2012/13 only.

4.4 This section includes early years funding for maintained nursery settings.

### 5.0 Early Years

5.1 This funding relates to the funding of the 15 hours a week entitlement within the private, voluntary and independent nursery providers.

5.2 This consists of a per pupil funding rate which has remained the same as in 2011/12 and applied to the pupil numbers of each setting based on the last 3 terms census data. There is also a deprivation factor included in the funding that takes each child's postcode and matches it against deprivation data called Income and Deprivation Affecting Children Index (IDACI). The Forum should note that this national data has been updated in 2010 (previously stable since 2007) which has resulted in some schools seeing reduced deprivation funding and others seeing an increase, depending on the postcode of their children and the changes in the IDACI deprivation areas.

## 6.0 Pupil Numbers

6.1 The October census shows the following pupil numbers

	Jan 2011	Oct 2011
Maintained Nursery	282	275
Maintained Primary	39,652	39,934
Maintained Secondary	27,991	12,441
Maintained Special	889	861
Academy Secondary	1,338	16,587
Alternative Provision	134	150
Pupil Referral Unit	118	80
Private and Voluntary and Independent Nursery	3,358	**3,358
Guaranteed 3 year old	26	256
<b>TOTAL</b>	<b>73,788</b>	<b>73,942</b>

\*\* The breakdown of PVI pupils have not been confirmed yet so last years numbers have been included

6.2 This position will be updated once the January pupil census data has been validated by Warwickshire's CSS Team and the final DSG allocations will be based on this funding. However, the Department for Education does not validate the pupil numbers until the summer. It is only at this point that the overall budgetary position can be confirmed. This will be reported to the first Schools Forum after this verification has been received.

## 7.0 Centrally Managed Services

7.1 Included in Appendix A is a list of services that are currently funded through the budgets held by the Local Authority for Centrally Managed Services and those services that have been agreed through the School Forum during 2011/12. While it is recognised that a review of these services is underway, or indeed required, in many instances it is not proposed to change the level of budget for 2012/13. Some exceptions to this include:

7.2 **Nurture Groups** – an existing budget of £0.160m had been previously allowed that targeted support to 8 Primary schools across the County. Given

the work that is on going around the Inclusion Support Groups as part of the Excluded Children Strategy this service has been reviewed. As such, it has been agreed that it is no longer appropriate to allocate resources this way. However, because of the late notice of this decision it is suggested that it would be pragmatic to continue this funding to the end of the summer term.

**7.3 PRU Budgets** – a full report on the financial strategy of the budgets for excluded pupils is included elsewhere on the agenda, including the reallocation of the EIS Behaviour Panel Funding of £0.126m.

**7.4 EMTAS** – a full report on the financial proposal for these services is included elsewhere on the agenda.

**7.5 Special Education Needs (SEN)** – during 2011/12 the SEN is set to overspend by £1.3m although a review of this service is on-going that will look to reduce the long term costs associated with this area, including the consideration of additional in-house provision for a B.E.S.D. school to reduce Out of County costs. With this in mind, and the historic overspend against budget; it is proposed to increase the SEN budget by £1.000m to mitigate this. This will be reviewed annually in line with the wider SEN Review and the implementation of any recommendations arising from the recent Green Paper.

**7.6 Primary Expansion** – with the increasing need for primary school places, there is a capital programme in place to accommodate these additional pupils. Often these become operational in the summer ready for an increase in pupils in September. However, the ISB for the school will have been set based on the January pupil data. These schools often need additional revenue support to fund additional teacher costs in the latter 7 months of the financial year.

**7.7 Contingency** – given the other budget pressures against the DSG and based on the current funding assumptions, there is no capacity to retain a contingency budget. However, some of the costs that may have been taken from the contingency, such as Primary Expansion, have been allocated specific budget headings in this proposal. Once the final pupil numbers are confirmed, it may be possible to reinstate this.

**7.8** While it is proposed to retain many of the budgets at their 2011/12 levels, it is suggested that a full review of these services and the budget levels be carried out during 2012/13 ahead of the 2013/14 budget setting process.

## **8.0 New Services**

**8.1** There are two new budget areas where it is suggested that additional funding is allocated to support. These are:

**8.2 Kooth Contract** – this is a confidential counselling scheme for 11 to 25 years old that has been developed for PCTs, local authorities and GPs. It supports vulnerable young people with emotional and mental health problems with both face to face and on line support.

**8.3 Smart Meters** – The Schools Forum agreed, in 2010/11 that due to the need to have automated meter readings installed in schools to assist in the Carbon Reduction Commitment, that the annual installation costs would be met from the DSG. In 2011/12, this has been funded from the contingency.

## **9.0 Conclusion**

- The current pupil number forecast, along with the guaranteed unit of funding being maintained at £4,662 per pupil, suggests that there will be only a small increase in DSG funding in 2012/13, with total funding expected at £344.777m
- The revised Local School Funding Formula has been used to allocate new budgets to schools and early years settings have resulted in an increase in allocation of £0.257m.
- A review of some of the services has resulted in budget reductions although we are proposing that SEN is allocated an additional £1.000m while the SEN review is being carried out.
- Because of wider budget requirements, based on the estimated pupil numbers, there will be insufficient funds to retain a contingency and in fact, there is expected to be a slight over spend. However, reserves may be used to mitigate any in year fluctuations and adjustments.
- Upon receipt of the final DSG allocation from the DfE, a further report will be brought to the Forum.

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