

## **Schools Forum**

**October 17<sup>th</sup> 2014**

### **Update and Forecasted Out-turn Position of the Dedicated Schools Grant 2014-15**

This report relates to both maintained and academy schools

For information only

#### **Recommendations**

- That the schools Forum notes the updated Dedicated Schools Grant funding and its allocation in 2014-15.
- That the schools Forum notes the forecasted out-turn position for centrally controlled DSG allocations.

#### **1.0 Introduction**

- 1.1 At the Schools Forum in March, a report was presented detailing the estimated Dedicated Schools Grant (DSG) and the services that would be funded from the grant. This report updates the members of the Forum on the updated DSG. As part of the Department for Education (DfE) governance regime the Local Authority is required to report this updated position to the Schools Forum.
- 1.2 Local Authority budget holders of centrally controlled DSG allocations have also reported their forecasted out-turn position.

#### **2.0 The Updated DSG**

- 2.1 When the DSG allocation was agreed in March it was acknowledged that this was an estimated position as there were still some adjustments around the High Needs Block that were to be made and that a final total DSG figure would be released, as in previous years, by the DfE. There would also be changes in year between the 3 elements of the DSG – LA maintained schools, Academy Schools and the centrally controlled allocation as more schools converted to Academy status. The table overleaf highlights the changes in the overall Warwickshire DSG position since March.

	Section 251	Position
	April 2014 £000	Oct 2014 £000
Warwickshire Academies	106,147	114,441
WCC maintained	190,232	181,951
Central Allocations	60,945	61,652
<b>Total Warwickshire DSG Grant</b>	<b>357,324</b>	<b>358,044</b>

2.2 The latest DfE notification of the DSG allocated to Warwickshire is a total of £358.044m. The majority of the changes to the DSG since March are concerned with the effects of Academy conversions. However there have been 2 significant changes that impact in the overall funding levels:

- a) The DfE issued extra one off payments of DSG for 2014/15 from surplus funds remaining nationally once all DSG had been allocated through the usual routes. LA Officers have allocated this to the Out of County budget which has the highest funding pressure. This additional sum was for £0.343m. It should be noted that that this is not committing any new expenditure.
- b) The DfE has paid some Early Years funding that should have been paid in 13/14 Had it have been paid in the correct year, this would have reduced the 13/14 over-spend and the DSG funding would be higher by this amount. LA officers are therefore holding this as a specific contingency without earmarking it for any spend so that the forecasted over-spend for 14/15 is similarly reduced. This amounts to £0.323m.

### 3.0 The Q2 Centrally Managed DSG Forecast

3.1 The updated DSG central allocation to LA managers is £61.652m. Managers have forecasted the anticipated spend against these budgets. This forecast is anticipating an overall central DSG over-spend of £4.487m. Summary details and explanations of the major variances are included in the table and text below.

Summary Allocations of Centrally Managed DSG	Budget	Forecast	Variance
Education Safeguarding	193,654	193,654	0
SEN - Commissioning	798,794	769,980	-28,814
SEN - Mainstream Schools & Academies	4,185,000	4,474,536	289,536
SEN - WCC Special Schools & Academies	8,641,269	8,877,563	236,294
SEN - Independent & OLA Special Schools	10,934,383	15,733,704	4,799,321
Warwickshire Ill Health Team	521,141	583,721	62,580
Post 16 Funding	4,000,000	4,000,000	0
Ethnic Minority & Traveller Achievement	292,814	291,410	-1,404
Area Behaviour Partnerships & support	2,515,170	2,514,752	-418
Admissions & Free School Meal & IYFA	639,625	635,995	-3,630
School Performance & Heads Meetings	261,001	265,450	4,449
IDS Teaching & Learning	3,744,290	3,721,674	-22,616
Early Years & Childcare	522,000	353,926	-168,074
3 & 4 Year old Nursery Provision	12,000,000	12,300,000	300,000
2 Year old Targetted Nursery Provision	5,673,302	4,754,383	-918,919
Early Intervention Service & Family Support	1,881,468	1,876,884	-4,584
Union Cover, Medical & CRB	337,224	365,164	27,940
Peoples Group Support	175,168	175,168	0
Resources Central Overheads	2,057,218	2,057,218	0
Other SF Agreed budgets	2,278,129	2,193,666	-84,463
<b>Total</b>	<b>61,651,650</b>	<b>66,138,848</b>	<b>4,487,198</b>

- 3.2 Table note a) this is the result of the numbers of cases (especially primary age) being presented to the High Needs Panel that have increased beyond expectation as well as the individual top up amounts agreed. There has also been a rise in the additional amounts requested and required above the band C. For example, complex cases in early years are increasing due to medical developments, e.g. greater survival of premature babies. It is forecasted that these (above band C amounts will total up to £500,000 this financial year). This area of spend is a priority for the DSG working group and work is continuing to analyse the cause of the total over-all top up as well as practices, and strategies to relieve this pressure which as well as reducing costs also meet the pupils needs.
- 3.3 b) the total numbers of children in WCC special Schools is 1,152 from September 2014 with the school budgets being set for 1,101 pupils. This is a 5% greater than expected numbers. Obviously some of this increase in numbers has a knock on effect on the demands and request for the Special pupils top up. This and some special cases have led to the forecasted overspend which is 2.7% above the budget set..
- 3.4 c) SEN Independent & OLA Special Schools is forecasting to over-spend by £4.799m. Quarter 2 forecast figures are based on 417 pupils in Independent Specialist Provision (ISP), other LA special schools, River House Individual Learning Programmes (21) and Flexible Learning Packages/IDS Autism Team funding & IDS packages equal to £14.6m. ISP's include 19 changes of

placements within the financial year and 57 placements that have now ceased. The forecast overspend of 4.8m includes an anticipated additional placements of £0.850m to the end of the financial year. This budget also expends £0.300m additional funding in excess to the top up funding these children receive in our special schools. This is to avoid these children being placed in costly Independent Specialist Placements. There is an ongoing increase in the number of pupils diagnosed with ASD. ISP placements continue to increase with approximately 50% of placements during this year for pupils with BESD. It should be noted that cases have been considered by the multi-agency High Needs Panel prior to placement. The priority and strategies to alleviate this over-spend have been presented to the School Forum and work continues to be done by the DSG working group to implement these and also develop new strategies.

- 3.5 d) the over-spend on 3&4 year old Nursery provision is due simply to the greater numbers accessing this free provision which is forecast to over-spend by £300,000. This figure is equivalent to just 148 places.
- 3.6 e) the under spend on 2 year old free education places is arising where take up and provision is lower (approx. 325 places) than the funding provided. The expected under-spend will be used to help balance the overall DSG central allocation. Although this aids the overall DSG position in the short term, future funding is dependent on achieving as high a participation rate as possible in future years.
- 3.7 Work is being progressed to address the areas of over-spend including work reported previously and to future School Forums, including the review of all areas of central DSG spend by the DSG Working Group.

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