

## Schools Budget 2014-15

### 1. Introduction

The Dedicated Schools Grant (DSG) is a ring fenced grant of which the majority is used to fund individual school budgets. It also funds certain central services provided by the local authority such as Early Years (private and voluntary sector nurseries) and fees for out of borough pupils at independent special schools.

In March 2012 the DfE announced their intention to introduce a new school funding methodology with effect from April 2013. Schools budgets have been set for 2013-14 based on this new methodology which was reported to Cabinet on 13<sup>th</sup> December 2012.

In 2014-15 the DSG will continue to be split into the following three blocks:

- Schools Block
- High Needs Block
- Early Years Block

The DfE issued the “2014-15 Revenue Funding Arrangements: Operational Information for Local Authorities” on 8<sup>th</sup> July 2013 to enable local authorities and their Schools Forums in planning the local implementation of the reformed funding system for 2014-15.

### 2. DSG settlement 2014-15

The 2014-15 DSG is based on the number of pupils on the October 2013 school census. The total DSG for 2014-15 is £182,818,791. The High Needs Block has been updated to include additional funding for post 16 for the full year effect of the transfer of responsibilities for funding FE colleges and Independent Specialist Provision for Post 16 to the Local Authority. In 2013-14 the responsibilities only transferred from the Education Funding Agency (EFA) for a part year, starting from August 2013.

Table 1 below shows the breakdown of the 2014/15 DSG across the three blocks. The DSG is not ringfenced to the specific blocks.

**Table 1 – 2014-15 Dedicated Schools Grant allocation**

Area	Per Pupil Funding (GUF) £	Pupil Numbers	Total £
Schools Block	£4,927.48	29,308	£144,414,584
Early Years Block	£4,320.96	2,217	£9,579,568
High Needs Block			£25,445,495
<b>Sub Total</b>			<b>£179,439,647</b>

<b>Additional Amounts</b>	
Funding for 2 year old nursery places	£3,516,498
Transfer of NQT funding	£44,421
Carbon Reduction Commitment	-£181,775
<b>2014-15 DSG as at 18<sup>th</sup> December 2013</b>	<b>£182,818,791</b>

The 2014-15 schools budget was agreed by Schools Forum on 21<sup>st</sup> January 2014. The final 2014-15 funding for each block is detailed in Table 2.

**Table 2 – Final 2014-15 DSG Blocks**

<b>Category</b>	<b>Final 2014-15</b>
Schools Block – allocated	£140,618,131
Schools Block - centrally retained	£2,067,870
Early Years Block	£13,833,136
High Needs Block	£26,299,654
<b>Total DSG 2014-15</b>	<b>£182,818,791</b>

### **3. Schools Block – Allocated to Schools**

The 2014-15 school budgets are being prepared using the updated funding formula which has been consulted with and agreed by Schools Forum in the autumn 2013 and approved by Cabinet in December 2013.

Schools are protected by the Minimum Funding Guarantee (MFG) which ensures that no school experiences a reduction in their school budget greater than 1.5% per pupil. In order to fund the MFG, a cap to schools whose budgets gain through the formula must be applied. This is set at 0.8%.

The Schools Block currently includes the funding in respect of academies. Under the regulations the Council continues to calculate academy budgets. The DfE then recoup the DSG in respect of academy budgets and pass this funding on to the academies in their General Annual Grant. Based on indicative 2014-15 school budgets the clawback of DSG anticipated in respect of academies is expected to be £48m.

### **4. Schools Block - Centrally Retained**

Services currently funded from centrally retained DSG are included in either the High Needs block or Early Years block where appropriate, with the remaining falling into the Schools Block. All the funding in the schools block has to be passed to schools apart from the following named exceptions which can still be retained but are frozen at 2012-13 levels:

- Co-ordinated Admissions
- Servicing of Schools Forum

In addition, the following services will be delegated to schools:

- Behaviour Support Services
- Support to underperforming ethnic minority groups and bilingual learners
- Trade Union Facilities Time

Schools Forum has agreed to continue to de-delegate funding in respect of Trade Union Facilities Time.

At its meeting in November 2013 Schools Forum agreed to a ring fenced Growth Fund from the DSG in order to provide revenue funding for pupil growth including the planned expansion programme and temporary bulge classes running from September 2014. This provides for growth in both maintained and academy schools but not free schools.

In order to fund the overall cost of the formula and the growth fund for expansion approx £1m will need to be funded from brought forward DSG balances.

## **5. High Needs Block**

The high needs funding system has been designed to support a continuum of provision for pupils and students with special educational needs (SEN), learning difficulties and disabilities, from their early years to age 25.

High needs pupils are funded on a mixture of places and pupils, the “place-plus” approach.

In December 2013 the Local Authority submitted a High Needs data return to the EFA outlining the LA’s estimated need for high needs places for 2014-15 across all sectors and including pre and post 16.

Once the place review has been completed by the EFA and adjustments have been made, the DfE will confirm the final DSG allocations for High Needs, in February 2014.

It should be noted that the LA data return indicates a growth of 17 places in the number of places required in 2014-15 in relation to post 16. The DfE have not confirmed how they will fund growth in the High Needs Block in future years. In guidance issued on 4<sup>th</sup> October 2013 the DfE state:

*“The total national high needs budget for the financial year 2014 to 2015 has yet to be agreed and we are working on the expectation that resources will continue to be tight and increases in some allocations will need to be balanced by reductions in others”.*

## **6. Early Years Block**

The 2014-15 Early Years Block allocation is a provisional figure based on January 2013 census data. These allocations will be updated and finally be

based on 5/12ths of the January 2014 census and 7/12ths of the January 2015 census.

From September 2013 early education has become a statutory entitlement for 20% of eligible 2 year olds. This entitlement increases to 40% from September 2014.

In 2014-15 the Early Years Block will increase by £1.2m to £3.5m to fund this entitlement.

The provisional Early Years Block budget is shown at Table 3

**Table 3 – Indicative 2014-15 Early Years Block**

<b>Category</b>	<b>2014-15 £</b>
PVI 3 & 4 year old entitlement budget	£6,066,350
Maintained school nurseries 3 & 4 year old entitlement	£3,720,377
2 year old offer	£3,516,498
Early Years – central	£529,910
<b>Revised Early Years Block 2014-15</b>	<b>£13,833,135</b>

## 7. Pupil Premium Grant 2014-15

Schools also receive the Pupil Premium in respect of pupils who have ever been eligible for Free School Meals (FSM) in the last 6 years plus Children Looked After continuously for more than 6 months. In 2014-15 this will be extended to those who have been looked after for one day or more. It will also be extended to include children who have been adopted from care or leave care under a special guardianship or residence order. This change recognises that the needs of those children who leave care do not change overnight. Table 4 shows the Pupil Premium rates for 2014-15 and the comparative rates for 2013-14.

**Table 4 - Pupil Premium rates agreed for 2014-15, per pupil**

<b>Area</b>	<b>2013-14</b>	<b>2014-15</b>
FSM - Primary School Pupils	£953	£1,300
FSM - Secondary School Pupils	£900	£935
Service children	£300	£300
Children Looked After	£900	£1,900
Adopted children		£1,900