

## School Forum 10<sup>th</sup> January 2013 Dedicated School Grant (DSG) 2013/14

In 2012/13 there were a number of areas of budget pressure that developed within the financial year. In 2012/13 these were largely offset by a significant NNDR rebate and by some smaller areas of underspend on some central DSG lines. A number of the pressures that developed in 2012/13 will continue into 2013/14 and therefore need to be funded in the DSG base allocations.

For budget setting purposes the assumption is that the DSG is 'cash flat' and that any increases in the DSG are simply a reflection of the changes in the calculation of the DSG to reflect additional responsibilities and cost pressures particularly with provision of 2 year old funding and Post 16 SEN funding. In effect this leaves the Schools Block and pre 16 High Needs block elements of the DSG having to absorb any additional funding demands from within existing resources.

### DSG 2013/14 Potential areas of Pressure

1. Joint Funded Special school placements. 3 increased placements in 12/13 led to £308k overspend. These pupils will continue in this provision in 2013/14 and 2 more placements at £80k each are likely in 2013/14. Therefore, there will be a total pressure in 2013/14 of £470k.
2. Independent Special School fees. £200k overspend in 12/13 to be replicated in 2013/14 as pupils placed in 2012/13 continue their education so the £200k pressure will continue into 2013/14. This is almost all due to increased places purchased at 'On Track' provision at £23k per place.
3. In 2013/14 there will be no more recoument between LAs. New funding arrangements will see pupils in a LAs area being funded via the home LAs formula. DSG allocations for 2013/14 have been adjusted to reflect the pupil numbers in Torbay schools. Torbay is a net importer of special pupils so gain an 'income' from recoument. £40k potential pressure as no income in 13/14 although this should be 'net neutral' as this is included in overall DSG allocation.
4. Increased costs of special school places due to audit of types of places. £40k
5. Increased numbers of statements in mainstream schools. In 2012/13 between April 2012 and December 2012 95 new statements were issued. 81 of these were for mainstream schools. 75 had allocations over £6k and 6 allocations less than £6k. The full year effect of these statements is £500k of resources below £6k and £165k for resources over £6k. In the 2013/14 formula it was proposed to delegated £1.6m of statementing funding to schools to resource statements below £6k and have a budget of £300k for resourcing the over £6k element. This pressure would increase the below £6k delegated funding to schools to £1.95m. The reason that this is not being increased by the full £500k is to take into account that some statements cease to be funded from this line when pupils are over 16 or if they are under 16 and their statement ceases. The balance of the £150k will be added to the £300k for resourcing statement funding allocations over £6k.

This gives an overall pressure £515k (£350k plus £165k). This does not take into account any statements issued between December 2012 and March 2013 which will add further commitment to this budget line.

6. Chestnut Provision - £622k. This is to fund the Chestnut provision with 35 primary aged BESD places and a primary outreach service. This is shown as a pressure although already elements of this are funded from other areas such as Pegasus and KS2 Enhanced provision.

Total £1,887k

7. The 2013/14 DSG is being increased to reflect the additional responsibility for funding 20% of 2 year old places in Early Years settings in 2013/14. The initial calculation is that because the take up is likely to be phased over the year that not all the 2013/14 allocation will be needed within that year. Therefore it is proposed that a 6% increase in PVI early years rates to increase PVI rates to £4 per hour = £163k. The PVI rates in Torbay are amongst the lowest in the South West. £20k increase in the PVI SEN inclusion element of the Early Years Funding Formula to reflect SEN needs in early years settings. Both of these to be funded from balance of additional 2 year old funding in the Early Years block. This will give a £183k potential pressure for 2014/15.

#### Areas of Saving

1. School Improvement . £296k was delegated to support the schools supporting schools networks in 2012/13. There was some residual funding on this line that mainly related to some of the matched elements of old standards funds in Learning and Standards. This was used to support individual schools. This will no longer be available in 2013/14 saving £175k.
2. Statemented pupils in other LAs. There will be a saving on this line as funding will no longer be recouped to support these pupils as their funding will be covered by delegated funding from within the other LAs formula. Some residual funding needed for the over £6k allocations. £100k saving
3. Chestnut premises funding. This is the residual school funding formula premises allocation at Chestnut which has maintained the building in 2012/13 and will now partly offset the funding at point 6 above in the pressure section. £65k
4. Pegasus funding will now go towards the Chestnut funding outlined at 6 above. £160k
5. Capital Repairs and Maintenance is an historic contribution to small scale projects such as schools access, security, repairs and maintenance. This will cease in 2013/14 giving a saving of £150k.
6. Academy recoupment. This line was put into the budget to allow for in year academy conversion recoupment to be accommodated without the DSG being put into deficit. Academy LACSEG recoupment arrangements for the DSG change in 2013/14 so this budget line will no longer be needed. Saving £500k
7. EOTAS saving as some staff transfer to the Chestnut provision and reduction in the provision of individual pupil packages. £200k

8. Saving on Enhanced provision when BESD pupils transferred from Kings Ash to Chestnut. To offset funding at point 6 above. £80k
9. Statementing Contingency. As the first £6k of a statement will be from delegated funding this budget will only have to fund the over £6k element of new in year statements. This should mean that the current £270k can be reduced to £130k . Saving £140k

The items below are budgets that were spent centrally in 2012/3 but will be subject to delegation to schools in 2013/14. In the school formula consultation documents indicative delegation amounts were given but with the warning that these were 2012/13 amounts and may change in 2013/14. The amounts for delegation in 2013/14 will offset increased pressures in the DSG.

10. 14-16 Practical Learning. Provisional £260k delegated. Saving £150k.
11. Extended Services. Provisional £70k delegated. Saving £150k.
12. School Improvement – Schools Supporting School networks. Provisional £196k delegated. Saving £100k.
13. Behaviour Support. Provisional £50k delegated .Saving £50k.

Available £2,020k

#### Minimum Funding Guarantee for 2013/14

There will be a MFG cost for protecting primary ,special and secondary school budgets to -1.5% which is likely to be in the region of £250k although won't be fully known until the schools formula funding is fully calculated.

#### Primary and Secondary school allocations

These have to be determined and sent to the DfE by January 22<sup>nd</sup> . This deadline is to enable the DfE to calculate academy budgets . No changes to these budget allocations are allowable after 22<sup>nd</sup> January.