

**FINAL DEDICATED SCHOOLS GRANT AND UPDATED SCHOOLS BUDGET
2014-15**

Report of the Director of Children's Services

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1. Purpose

- 1.1 To outline the level of Dedicated Schools Grant (DSG) available following the announcement of the final 2014-15 DSG.
- 1.2 To seek the support of the Forum to carry forward additional DSG resource to 2015-16.
- 1.3 To update the Forum on the finalisation of the 2014-15 Schools Budget.

2. Summary

- 2.1 This paper gives details of the final DSG for 2014-15 and how this compares to what was budgeted. It also outlines the final Schools Budget for 2014-15 and the proposed carry forward of DSG to 2015-16.

3. Recommendations

- 3.1 The Forum is asked to:
 - Note the changes in DSG and in the Schools Budget since January.
 - Support the carry forward of the additional DSG resources to 2015-16. The total carry forward to 2015-16 would therefore be £17.364m comprising £1.327m of 2014-15 DSG and £16.037m of carry forward DSG.

4. Background

- 4.1 The Schools block element of the 2014-15 DSG is based on pupil numbers from the October 2013 count and was therefore finalised last December (subject to the regular adjustments which are made in respect of academies' recoupment). The High Needs block was finalised in March and the details were reported to the April Forum. However, the Early Years block was only finalised in July, following the DfE's processing of the January 2014 pupil count. For the first time in 2014-15, the Early Years DSG incorporates a retrospective adjustment in respect of 2013-14. This is calculated as follows:

Early Years pupil numbers January 14 count – Early Years pupil number January 13 count x £4,596.16 x 7/12

5. Dedicated Schools Grant (DSG) 2014-15

- 5.1 The final pupil numbers and DSG, which have now been announced by the DfE for Hertfordshire are:

Pupil Numbers (FTE)	
Schools	155,165
Early Years	11,670
Dedicated Schools Grant	£m
Schools Block	670.331
Adjustment re NQTS	0.235
Deduction re carbon allowances	(1.237)
Early Years Block	53.637
Funding for 2 year olds	11.604
High Needs Block	94.748
Total DSG before academies' recoupment	829.319
Early Years – retrospective adjustment re 2013-14	1.327
Total DSG including retrospective adjustment	830.646
Academies recoupment and post 16 high needs places	
- primary and secondary budget shares (Schools block)	(259.883)
- high needs places (High Needs block)	(4.178)
DSG after recoupment deductions	566.585

In practice the DSG will continually reduce during 2014-15 as more schools convert to academy status. In addition, there will be a retrospective adjustment to the 2015-16 Early Years DSG (relating to 2014-15), when the January 2015 Early Years pupil numbers are known.

5.2 The 2014-15 Schools Budget reported in January assumed the following pupils numbers and DSG before academies recoupment:

Pupil numbers (FTE)	
Schools	155,165
Early Years	11,280
Dedicated Schools Grant	£m
Schools Block	670.331
Adjustments re NQT's	0.235
Adjustment re carbon allowances	(1.237)
Early Years Block	51.845
Funding for 2 year olds	11.604
High Need Block	94.010
Estimated DSG before recoupment	826.788

Thus, excluding deductions for academy recoupment, the final DSG is £3.858m more than originally budgeted. There are three reasons for this:

- a) High Needs £0.739m
As reported to the April Forum, the final high needs DSG was higher than budgeted, mainly due to the DfE increasing the high needs block nationally and Hertfordshire receiving a share of this. The £739K additional high needs DSG reduces the amount of carry forward DSG required to support the Schools Budget in 2014-15.
- b) Retrospective adjustment to Early Years DSG £1.327m
The funding provided by the retrospective adjustment to Early Years DSG of £1.327m is not expected to be required in 2014-15 and it is proposed to carry this forward to 2015-16.
- c) Early Years pupil numbers £1.792m
The January 2014 census total was 390 pupils above the estimate, with the increase being in the PVI sector as indicated in the table below.

Early Years Pupil Numbers – January 2014 (FTEs)			
	Estimate	Actual	Change
Maintained (inc. academies)	6240	6248	8
PVI	5040	5422	382
Total	11280	11670	390

It is proposed to add the £1.792m in additional DSG in respect of the early years pupils to the early years budget in order to fund the higher level of PVI pupil numbers during 2014-15. The quarter 1 monitor shows an estimated overspend of £1m in respect of this budget and the most recent estimate is that the overspend due to rising numbers will be significantly higher than this.

6. Carry Forward of DSG from 2013-14

- 6.1 Any under or over spend of DSG in one year has to be carried forward to support the Schools Budget in future years.
- 6.2 The Authority's accounts for 2013-14 are now finalised. The under-spend of central expenditure at 31/3/14 was £26.701m. The report to the June meeting of Forum gave the breakdown of the under spend. Some of this carry forward amount is being used during 2014-15.

Analysis of DSG carry forward from 2013-14	£m
Carry forward at 31/3/14	26.701
Use of carry forward during 2014-15	
General support for the Schools Budget	9.480
Transitional funding for Learning Support Units	0.773
Special Schools DSPL funding	0.300
Additional resource for Early Years full time places	0.150
Use of carry forward as per original budget	10.703
Additional high needs DSG in 2014-15	(0.739)
Exceptional Needs funding agreed at April Forum	0.700
Total use of carry forward	10.664
Remaining balance of 2013-14 carry forward	16.037

- 6.3 It is intended that the balance of the carry forward of £16.037m be carried forward to support the Schools Budget in 2015-16.

7. Schools Budget

- 7.1 The Authority's Schools Budget for 2014-15 (as reported on the 2014-15 Section 251 Budget Statement) was as follows:

	DSG Funded £m	Sixth form grant funded £m	Total £m
Original grant estimate	826.788	14.909	841.697
Post 16 high needs places in special schools	(1.419)	1.419	0
Schools Budget (excluding carry forwards)	825.369	16.328	841.697
Use of carry forward	10.703		10.703
Schools Budget (including carry forward)	836.072	16.328	852.400

It is proposed to amend this by the following amounts:

Exceptional Needs	0.700		0.700
Additional early years pupils	1.792		1.792
Revised Schools Budget	838.564	16.328	854.892

8. Conclusion

8.1 The Forum is asked to agree the recommendations in Section 3.