

Schools Forum 12 February 2013

Report of the Director of Children's Services

Dedicated Schools Grant Planning Process 2013/14 - Update

Purpose of Report

1. To provide Schools Forum with a further update in respect of the Dedicated Schools Grant budget planning process and to agree the Central Expenditure budgets for 2013/14.

Discussed at HTCF – BWG

2. Yes – 6 February 2013.

Schools Forum Role and Responsibilities

3. From 1 April 2006, the Schools Budget has been funded by a direct Department for Education (DfE) grant: the Dedicated School Grant (DSG).
4. The Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process
5. Schools Forum Regulations 2012 state that Forum must decide on the Central Expenditure met from the Dedicated Schools Grant from 2013/14.

Actions for Schools Forum

6. For Schools Forum to note the updated information in respect of the DSG and to approve the Central Expenditure budgets proposed for 2013/14 financial year.

Attachments to Report

7. None

Karen Cocker
Children's Services Finance Manager
28 January 2013

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Dedicated Schools Grant Planning Process 2013/14 - Update

Purpose of Report

1. To provide Schools Forum with a further update in respect of the Dedicated Schools Grant (DSG) budget planning process and to agree the Central Expenditure budgets for 2013/14.

Background Consultation

2. At the January Schools Form meeting the report outlined that the DSG can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance Regulations. The Schools Budget consists of delegated budgets allocated to individual schools, Pupil Referral Units (PRUs) and Early Years Provision in Private, Voluntary and Independent (PVIs) providers, a budget for other provision for pupils which local authorities fund centrally, which now includes the bulk of high needs provision, including post-school provision up to age 25, together with centrally retained expenditure in respect of special education needs and early years services.
3. The presentation of the DSG for 2013/14 will now show three, un-ring fenced funding blocks for the local authority:
 1. Schools Block;
 2. Early Years Block; and
 3. High Needs Block
4. The Central Expenditure Limit (CEL) calculation is no longer a requirement for Schools Forum approval, but for 2013/14 there will be a series of central expenditure limits rather than a single one. Authorities are free to move funding between the blocks provided that they comply with requirements of the Minimum Funding Guarantee (MFG) and central expenditure.
5. This report provides Forum with an update in respect of the DSG allocation for 2013/14 and seeks approval in respect of the proposed central expenditure budgets for 2013/14.

DSG Budget Update for 2013/14

6. Since the January report to Forum, the DfE has confirmed the £155,000 funding adjustment in respect of (iii) below with the other adjustments still to be confirmed. Table 1 has been updated to reflect this additional funding.

- i. Early Years Block will be amended in the Summer of 2013 and Spring 2014 for updated pupil count data.
- ii. Post 16 SEN and 19-24 LDD budget of £1.272m is still under discussion with EFA; the new responsibility is effective from August 2013.
- iii. Growth for planned places in the High Needs Block.

Table 1 -Dudley Provisional Dedicated Schools Grant 2013/14 at January 2013

	Pupil Data	Unit of Funding	Schools Block £m	Early Years Block £m	High Needs Block £m
Total Funding Pupil Led	43,014	£4,459.29	191.812		
Total Funding Pupil Led	2,782	£3,650.97		10.157	
Newly Qualified Teachers			0.066		
2 Year Olds Early Education				2.843	
Baseline Funding					27.748
April – July Post 16 SEN Funding					0.239
Aug – March 2014 Post 16 SEN and 19 -25 LDD					1.272
Growth for planned places in the High Needs Block					0.155
Provisional 2013/14 DSG Budget			£191.878	£13.000	£29.414
Provisional Total			£234.292m		

7. A further update will be provided at the March meeting in preparation for the commencement of the 2013/14 financial year.

Central Expenditure Budgets 2013/14

8. The Schools Forum Regulations state that Forum must approve items of central expenditure, as defined in Table 2 and 3 of this report.
9. For Table 2, Forum must approve each item of expenditure, however there is no restriction placed by the Regulations on the value of the budget.

Table 2 – 2013/14 Central Expenditure Budgets For Schools Forum Approval – No Restrictions on Value

Central spend on	Value for 2013/14	Comments
Funding for significant pre-16 pupil growth	none	Expenditure incurred due to a significant growth in pupil numbers as a result of the local authority's duty under section 13(1) of the 1996 Act to secure that efficient primary education and secondary education are available to meet the needs of the population in their area, and expenditure incurred in order to make provision for extra classes in order to comply with the School Admissions (Infant Class Sizes (England) Regulations 2012.
Equal pay back-pay	£2,000,000	Centrally retained provision for meeting the cost of equal pay settlements in schools. <i>One off funding from the prior years DSG reserve to be allocated in 2013/14.</i>
Places in independent schools for non-SEN pupils (RBPI)	£95,700	In making any grant or other payment in respect of fees or expenses (of whatever nature) which are payable in connection with the attendance of pupils at a school which is not maintained by any local authority. <i>Relates to 5 pupils boarding: 3 at Wolverhampton Royal School; 1 at Bloomfield; and 1 at Old Swinford Hospital School. These placements relate to either looked after children (LAC) or children on the edge of care.</i>
Early years expenditure	1,030,834	Early years centrally retained spending: from the early years proforma on children under 5. <i>Early Years Contingency £253k; Early Years Budgets in respect of delegated service items £78k; Early Years Foundation Advice and co-ordination £534k; £165k Family support for two year olds (to be confirmed).</i>
Carbon reduction commitment (RBTO)	£444,799	Cost of the purchase of Carbon Reduction Commitment allowances in relation to schools and Academies in the local authority's area where centrally retained.

10. For Table 3, Forum must approve each item of expenditure detailed, there is a restriction placed up to the value committed in 2012/13 and where expenditure has already been committed.

Table 3 – 2013/14 Central Expenditure Budgets For Schools Forum Approval – Restricted to Cash Limit of 2012/13 Expenditure

Central spend on	Value for 2012/13	Value for 2013/14	Comments
Admissions (RBRY)	331,459	331,400	Expenditure incurred in connection with the Authority's functions under section 85A of the 1998 Act (as inserted by s46 2002 Act) . This includes the administration of the system of admissions of pupils to schools.
Servicing of schools forum (RBWF)	13,100	13,100	Expenditure incurred in connection with the authority's functions of running the forum as defined under section 47A of the 1998 Act (addition under Section 43 of Education Act 2002) (establishment and maintenance of, and consultation with, schools forums).
Capital expenditure funded from revenue (RYBA)	66,000	66,000	Expenditure commonly known as CERA (capital expenditure which an authority expects to charge to a revenue account of the authority within the meaning of section 22 of the Local Government Act 2003). <i>Relates to heavy duty kitchen replacement programme of equipment.</i>
Contribution to combined budgets (RACM)	350,700	350,700	Expenditure under this heading should only reflect the contribution to a combined service approved by the schools forum (paragraph 4 (c) of Schedule 2 to the School and Early Years Finance (England) Regulations 2012). <i>Astley Burf £10k; School Visits £31k; CRC reduction £100k; DART £39k; Anti bullying £50k; Place planning £33k; Safeguarding £36k; Information Governance £20k; Statistical work £31k.</i>
Schools budget centrally funded termination of employment costs (RAEB)	71,200	71,200	Expenditure in respect of premature retirement costs, or for the purposes of securing the resignation of any person employed in a maintained school where there are consequential savings to the schools budget and such cost have been approved by the Schools Forum. <i>Expenditure in respect of Dudley school closures.</i>
Schools budget funded prudential borrowing costs	none	none	Expenditure incurred in repayment of loans under paragraph 4(a) of Schedule 2 to the School and Early Years Finance (England) Regulations 2012 .

De- Delegations 2013/14

11. Schools Forum approved the de-delegations for 2013/14 at the October 2012 meeting. These are now summarised in Table 4, for information. An outturn report will be provided to Schools Forum in respect of the 2013/14 financial year.

Table 4 – De-delegations Approved By Schools Forum in October 2012 – Relating to Maintained Primary and Secondary Schools

De-delegation for mainstream schools for:	Value for 2013/14	Comments
Contingencies (RACG & RAHG)	245,963	This “expenditure on the schools specific contingency” is central expenditure deducted for the purpose of ensuring that monies are available to enable increases in a school’s budget share after it has been allocated where it subsequently becomes apparent that a governing body have incurred expenditure which it would be unreasonable to expect them to meet from the school’s budget share
Licences/subscriptions (RAHA)	74,898	Copyright Licensing Agency & Music Publishers Association. New December 2012 DfE . Expenditure on licence fees or subscriptions paid on behalf of schools.
Staff costs - supply cover –Union Facilities time (RACJ)	226,457	Expenditure in making payments to, or in providing a temporary replacement - taking part in trade union activities
Staff costs - supply cover – NQT (RAFG)	305,927	Expenditure in making payments to, or in providing a temporary replacement
Support for minority ethnic pupils/underachieving groups (RBNN)	256,485	Expenditure for the purposes of improving the performance of under-performing pupils from ethnic minority groups; and meeting the specific needs of bilingual pupils
Behaviour support services- LACES (RBPW)	28,095	Cost of providing or purchasing specialist behaviour support services, both advisory and teaching
Library and museum services (RAGD)	219,483	Expenditure on services to schools provided by museums and galleries.

Copy Right Licensing

12. The DfE has agreed with the Copyright Licensing Agency (CLA), and the Music Publishers Association (MPA), to purchase a single national licence managed by the DfE for all state-funded schools in England. This means that local authorities and schools will no longer need to negotiate individual licences. The Department will pay the cost, including VAT, to the CLA and will provide this as a service to local authorities at a charge. These arrangements will cover recoupment

Academies as well as maintained schools, and we will allow local authorities to hold this money centrally rather than include it in school budgets.

13. For Dudley the charge has been set at £76,116 for 2013/14. The administration arrangements are yet to be determined by the DfE but authorities should take into account that schools will no longer have to pay for these licences when calculating school budgets. It is proposed therefore that the value of £76,116 is top sliced from the funding to be allocated to mainstream (£74,898) and special schools (£1,218) for this to be retained and paid centrally from 2013/14.

Annual Consultation Process

14. The Regulations also state that the Local Authority must consult with the Schools Forum annually in respect of the following in order that Schools Forum can give a view.
- Arrangements for pupils with special educational needs;
 - Arrangements for use of pupil referral units and the education of children otherwise than at school;
 - Arrangements for early years provision;
 - Administration arrangements for the allocation of central govt grants

15. Further detailed information will be provided at the March 2013 meeting.

Finance

16. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2012 which are effective from 1 January 2013 and relate to the 2013/14 financial year.
17. Schools Forums are regulated by the regulated by the Schools Forums (England) Regulations 2012.
18. From 1st April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG).

Law

19. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

20. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

21. Schools Forum to :

- Note the updated 2013/14 Dedicated Schools Grant budget as detailed in Table 1;
- To approve the central expenditure budgets for 2013/14, as detailed in Table 2;
- To approve the central expenditure budgets for 2013/14, as detailed in Table 3;
- To note the De-delegations budgets detailed in Table 4;
- To approve the top slice of £74,898 from the Mainstream schools budget in respect of the copy right licenses to be funded centrally from 2013/14, in line with DfE guidance issued in December;
- To approve the top slice of £1,218 from the special schools budget in respect of the copy right licenses to be funded centrally from 2013/14, in line with DfE guidance issued in December.



Jane Porter

Director of Children's Services

Contact Officer: Karen Cocker, Children's Services Finance Manager

Karen.cocker@dudley.gov.uk Tel: 01384 815382