

Committee: **Lead Member for Learning and School Effectiveness**
 Date: **21 January 2013**
 Title of Report: **Dedicated Schools Grant – Inter block transfers**
 By: **Director of Children’s Services**
 Purpose of Report: **To seek approval for transfers between the blocks of the Dedicated Schools grant**

Recommendation:

The Lead Member is recommended to approve the inter block transfer of funds from the Dedicated Schools Grant, as outlined in paragraph 2 and Appendices A to D of this Report.

1. Financial Appraisal

1.1 From 2013-14 the Dedicated Schools Grant (DSG) has been divided into 3 blocks (Schools, Early Years and High Needs) by the Department for Education in consultation with local authorities. The authority can transfer grant funding between blocks in order to meet funding pressures provided that the requirements on Minimum Funding Guarantee and Central expenditure are complied with.

1.2 The High Needs Block funds pupils and learners with high needs in maintained schools, academies, alternative provision, FE colleges and independent providers.

1.3 Funding for post 16 learners with high needs has been transferred from the Education Funding Agency (EFA) to local authorities to fund the learners currently attending FE colleges. This includes a limited sum to cover increases in the number of learners for whom support will be required.

1.4 Due to changes in the overall level of DSG funding it will be necessary to transfer funding between blocks. The proposed funding transfers are set out below and further details are contained in Appendices A-D.

2. Supporting Information

2.1 Overall grant funding has been reduced for two reasons.

1. A top slice has been applied to DSG for all Local Authorities to fund hospital schools. East Sussex does not have a hospital school and has traditionally spent about £125,000 per annum to pay for pupils in hospitals in other areas. The total top slice applied is £536,236 across all three blocks, leaving a shortfall of £411,236.
2. Until 2012-13, the DSG has been topped up because take up of Early Years places is below 90% of the relevant population. From 2013-14, this uplift will be withdrawn resulting in a further reduction in overall grant of £737,014.

2.2 The High Needs Block and Early Years block identified in the agreed allocation of grant between blocks are both fully committed and the agreed total did not take account of these reductions. The shortfall in the High Needs Block (£37,000) and the Early Years block (£56,995) need to be met by transferring grant from the Schools block.

2.3 A number of other pressures have been identified in the High Needs Block for which there is no additional funding. In order to pay for these pressures it will be necessary to transfer funding from the Schools Block to the High Needs Block. The pressures are:

1. The full year effect of additional places in Special Schools from September 2012, including top up funding for pupils - £75,634
2. Additional places in Special Schools from September 2013 including top up funding - £163,873
3. Minimum funding guarantee (MFG) for special schools and special facilities in

mainstream schools net of capping gains at 3% - £186,691

4. Projected increase in the top up funding because of the increase in number of statements issued in 2012-13 - £181,387
5. Exceptional funding where schools cannot meet the costs for which they are responsible for funding High Needs Pupils e.g. Place funding for a special school which admits additional pupils over the funded places.
6. Additional funding required for post 16 learners in FE colleges with high needs - £275,000.

3. Conclusion and Reason for Recommendations

3.1 Further details of the inter block transfers required in 2013-14 to meet the pressures identified above are set out in Appendices A-D. During 2013-14 further work will be needed to identify pressures and potential savings in the Early Years and High Needs blocks and to develop principles in consultation with the Schools Forum for inter block transfers in future years.

3.2 It is recommended that the inter- block transfer of funds from DSG, as set out in Paragraph 2 and Appendices A to D, are approved for 2013-14.

MATT DUNKLEY
Director of Children's Services

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Tel:

Local Members: All

Background Documents: None

Appendix A

£

Dedicated Schools Grant - Inter block transfers**From Schools Block to Early Years Block**

DfE topslice - net cost

56,995**From Schools Block to High Needs block**

1 DfE topslice

37,000

2 Exceptional circumstances fund

200,000

Mainstream schools and Academies

3 Increase in top up funding - increased number of statements issued in 2012-13

181,387

Special Schools and Special facilities in mainstream schools and academies

4 Full year effect of new places September 2012

75,634

5 New places September 2013

163,873

6 Minimum Funding Guarantee

186,691

Post 16 High Needs Student numbers

7 Provision for additional high needs learners

275,000

From Schools Block to High Needs Block**1,119,585**

Appendix B

	£	£
Early years block total		14,431,050
Add		
New funding for 2 year olds		3,774,294
Add transfer from Schools block		56,995
Block total plus additional funding		18,262,339
Local authority central spending		
Funding to support 3 & 4 year olds with learning difficulties or disabilities	214,551	
Training for moderators of the Private and voluntary sector	72,983	
Grant funding to develop new childcare places and sustain places	17,164	
Statutory duty to ensure sufficient sustainable Childcare places	24,673	
Statutory duty to ensure sufficient sustainable Childminding capacity	31,202	
Inclusion Bursary fund for children in mainatream childcare	279	
Early years improvement team	794,016	
Childcare workforce Development	26,717	
Graduate Leader Funding	242,025	
Behaviour support services	18,335	
		1,441,945
Early Years Formula Funding		16,820,394
Total		18,262,339

Appendix C

	£	£
Schools Block		
Provisional Block total		266,934,666
less		
Transfers to		
Early years Block	56,995	
High Needs Block	1,119,585	
Growth Fund		
Key stage 1 top up	1,845,916	
Additional classes	420,000	
LA responsibilities		
Admissions	486,886	
Servicing Schools Forum	92,408	
Carbon reduction Commitments	288,580	
Historic Commitments		
Combined services	8,021,138	
Termination of employment costs	200,000	
Capital Expenditure from Revenue account	2,798,743	
		15,330,251
Allocated to Schools & Academies		251,604,415
Total		266,934,666

Appendix D

High Needs Block	£
Block total	40,692,205
Add transfer from Schools block	1,119,585
Adjusted block total	41,811,790

	£
Place and top up funding	
Special Schools and Academy places	9,043,873
Special facilities - place funding	1,650,000
College central - place funding	1,120,000
Outreach	1,477,828
Top up funding	12,462,705

LA responsibilities	
Fees for pupils at independent schools	9,119,464
Education out of School	1,211,918
Pupils with SEN (assigned resources)	369,411
SEN support services	4,098,025
Servicing Schools Forums	23,102
Carbon Reduction Commitments	18,420
Capital Expenditure from Revenue Account	554,458

LA spending for Special Schools and Academies	
Support for inclusion	612,042
Ethnic minority and bi-lingual	10,774
School meals & milk	-42,487
Special Schools contingency	33,614
Free meals eligibility	9,118
Insurance	31,085
Staff costs supply cover	8,440

Total	41,811,790
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