

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	SCHOOLS FORUM 18 September 2013	Agenda Item	4
Report Title	Update for the Dedicated Schools Grant for 2013-14 , the 2012-13 Outturn and use of DSG Balances		
Decision/ Discussion/ Information	For Decision		
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Appendices	Appendix A: DSG Balances and Recommended Uses Appendix B: Minutes of Task and Finish Group of 11 July 2013		

1. SUMMARY

- 1.1 This report updates School Forum on the final Outturn for 2012-13 and makes recommendations on the use of the DSG underspend. The report also gives an update on the Dedicated Schools Grant (DSG) notified by the DFE on 23 July 2013 for 2013-14.
- 1.2 School Forum members received a preliminary Outturn report in January 2013 reporting a forecast underspend of £514,000 and a further report in June 2013 reporting a further underspend of £1.4 million for SEN.
- 1.3 The final Outturn for 2012-13 was an underspend on the DSG of **£4.93 million** including £1.0 million from unexpected income from a late rates adjustment. Pooled services also underspent by **£0.282 million**. Appendix A set out the reasons for the underspend balances and their recommended use.
- 1.4 In keeping with the new arrangements for Schools Forum, a Task and Finish Group was appointed at Schools Forum in June 2013 to consider and make recommendations to Schools Forum on the use of the DSG underspend.
- 1.5 The latest notification of the 2013-14 DSG is **£186.2 million** after deductions for Academy recoupment and changes in the High Needs

Block. The DfE is to advise Waltham Forest of further adjustments to the High Needs post 16 allocations in November 2013.

2. RECOMMENDATIONS

Schools Forum is asked to note:

- 2.1** The latest DSG allocation of **£186.211** million for 2013-14, comprising: School Block £138.5 million; Early Years Block £18.3 million; and High Needs Block £29.4 million.
- 2.2** The final Outturn position for 2012-13 of **£4.9 million** underspend and the underspend on pooled budgets of **£0.282 million** see **Appendix A**.
- 2.3** These underspends from 2012-13, together with DSG balances brought forward of **£1.697 million** total **£6.912 million** available for allocation.

Schools Forum is asked to agree to the recommendations of the Task and Finish Group to carry forward the following underspent DSG balances for use in 2013-14 as follows:

- 2.4** **£1.603 million** to the High Needs Block as recommended by the High Needs Task and Finish Group.
- 2.5** **£0.393 million** to support Leadership and Management funding.

Schools Forum is asked to agree to the recommendations of the Task and Finish Group to carry forward the following underspent pooled budget balances for use in 2013-14 as follows:

- 2.6** **£0.150 million** to support strategic issues on Early Years.
- 2.7** **£0.064 million** to support the Strategic Offer for schools.
- 2.8** **£0.068 million** (the balance on pooled budgets) to be returned to schools.

Schools Forum is asked to agree to the recommendations of the Task and Finish Group to allocate the following underspent DSG balances for use in 2013-14 as follows:

- 2.9** **£0.010 million** to support Teachers' Pension queries in 2013-14.
- 2.10** Any unallocated balance to be held as an unallocated budget for in-year risks that may arise as result of changes in the funding arrangements on 2013-14. If all the recommendations in this report are agreed, the unallocated balance would be **£0.271 million**.

Schools Forum is asked to agree to the recommendations of the Task and Finish Group to allocate the underspent DSG balances for use in 2014-15 and 2015-16 as follows:

- 2.11 **£1.0 million** to be carried forward to 2014-15 to support significant growth in 5 to 16 pupil numbers in mainstream schools and academies
- 2.12 **£1.0 million** to be carried forward to 2015-16 to support significant growth in 5 to 16 pupil numbers in mainstream schools and academies.

Schools Forum is asked to agree to allocate the underspent DSG balances for use in 2013-14 as follows:

- 2.13 **£0.040 million** to the Education Psychology Service.
- 2.14 **£0.250 million** to be carried forward to support Schools In Financial Difficulty. This fund will be managed by Divisional Director for School Improvement.

3. REASON

- 3.1 September School Forum usually receives a report on the updated DSG for the current year and the Outturn position for the previous financial year so as to inform the budget setting process for the coming financial years.

4. PROPOSALS

- 4.1 **Appendix A** sets out the 2012-13 areas of underspend, brought forward balances of £1.69 million, commitments and proposed usage.
- 4.2 The Task and Finish group discussed use of balances totalling £4.567 million after accounting for all known commitments.
- 4.3 The proposal at 2.13 is an additional proposal from the local authority. This funding would enable the Education Psychology Service (EPS) to 'kick start' / underwrite a number of initiatives so that the EPS can continue to provide a quality and responsive service to schools, settings and others.
- 4.4 Initiatives include: to advertise, interview and hire more temporary staff to cover our commissions and grow services (e.g., Early Years, Autism, Challenging Behaviour, Youth Services) and to respond to the Government's New Code of Practice and the need to now work with 0 to 25 year olds rather than 0 to 19 year olds, which would otherwise have enormous implications on both resources, staffing and capacity.
- 4.5 The funding would also help the EPS to develop its infrastructure to further support traded services and develop business (e.g. specialist test equipment, investment in CPD for team members to keep their skills up to date, and investment in web based systems).
- 4.6 The proposal at 2.14 is an additional proposal from the local authority. £0.250 million was set aside in 2012-13 to support school in financial difficulty. Carrying forward this balance would provide funding for 2013-14.

5. CONSULTATION

- 5.1 The contents and recommendations of this report have been discussed in detail with members of School Forum in the Task and Finish Group to consider the use of the DSG underspends.

- 5.2** The group met on 11 July 2013 and have proposed the recommendations from 2.4 to 2.12. See **Appendix B** for Minutes of the meeting.