



Haringey Council

**Agenda Item
9**

Report Status

For information/note
For consultation & views
For decision

The Children and Young People's Service

Report to Haringey Schools Forum – 3rd July 2013

Report Title: Dedicated Schools Grant Allocation 2013-14 and Schools Budget Outturn and Balances 2012-13

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Purpose

- (i) To advise the Schools Forum of the latest Dedicated Schools Grant allocation for 2013-14.
- (ii) To advise the Schools Forum of the Schools Budget carry forward from the 2012-13 financial year and the balances carried forward by individual schools.
- (iii) To request the appointment of a panel of the Forum to allocate the contingency for schools in financial difficulty.

Recommendations

- (a) That members agree to increase the High Needs Block to incorporate the DSG adjustments.
- (b) That members agree to hold the carry forward for central budgets from 2012-13 in reserve pending the outcome of the review of high needs budgets and of the adjudication on the proposed closure of John Loughborough.
- (c) The position on Schools' Balances at March 2013 is noted.
- (d) That the clawback of surplus balances is added to the Contingency for Schools in Financial Difficulty for maintained schools and delegated to academies.

(e) That a panel of members is appointed to agree allocations from the contingency.

1. Dedicated Schools Grant (DSG) 2013-14.

- 1.1. In previous years the Department for Education (DfE) confirmed DSG allocations in June/July following a data checking exercise. The changes introduced for 2013-14 moved the census date from the January to the October proceeding the financial year and removed the need for this exercise and in-year adjustments to the DSG. Therefore, the only changes to the DSG figure reported to Forum on 17 January 2013 are in respect of late adjustments to align the DSG to the changes in responsibilities introduced in April 2013. These are shown in Table 1.

Table 1. Changes to DSG since 17 January 2013.

Item	£000
DSG reported to Forum 17 January 2013	226,834
Adjustment for SEN Hospital Provision	222
Adjustment for Non-Maintained Special Schools Grant	23
DSG as at 20 June 2013	227,079

Figures are rounded

- 1.2. The changes both relate to the High Needs Block and are specific to new responsibilities. **We recommend that these be added to the High Needs Block and included in the High Needs Block Working Party's review of budgets.**
- 1.3. Please note that there will be further in-year DSG adjustments for the Early Years Block following the January 2014 census.

2. Schools Budget Outturn 2012-13 and Balances Carried Forward.

- 2.1. Under or overspends in the Schools Budget are carried forward. Those for individual schools remain available to those schools to use strategically in future years unless subject to claw-back, see Section 4. Balances for individual schools are set out in the Appendix and summarised in Tables 2, 3 and 4.
- 2.2. An accumulated under spend of £1.1m on centrally retained budgets is also being carried forward. This represents balances carried forward from previous years and savings in overheads in 2012-13. It will be added to the Dedicated Schools Budget for 2013-14. **We recommend that the carry forward is held in reserve at present until the High Needs Block Working Party has completed its review of budgets and the position on the closure of John Loughborough is known.**

3. School Balances

- 3.1. Table 2 sets out the position on Schools Balances over the course of 2012-13. Further detail on a school by school basis is shown in the

Appendix. Please note that the figures exclude closing schools and academies that transferred during the year.

Table 2 – School Balance analysis at March 2013

£000	March 2012	March 2013	Change	Change %
Primary	3,475.3	3,875.6	400.3	12
Secondary	1,737.0	2,695.5	958.5	55
Special	248.9	192.7	(56.2)	(23)
Nursery	178.4	165.9	(12.5)	(7)
Total	5,639.6	6,929.7	1,290.1	23

Figures are rounded and exclude academies and closing schools.

- 3.2. It should be noted that in some cases school balances include funds held on behalf of Network Learning Communities or the Nursery School Training Consortium.
- 3.3. The outturn shows an increase in the level of school balances in 2012-13; this follows on from a substantial increase in balances in 2011-12. Within this overall picture there remain a number of schools in deficit and a number with 'high' balances. Table 3 shows the distribution of schools balances across bandings and Table 4 the movement in the distribution compared with last year.

Table 3 – School Balance distribution at March 2013

	Deficit			Surplus		
	>10	5-9.9 %	0 – 4.9%	0 – 4.9%	5 % - 9.9%	> 10%
Primary	1	3	4	19	18	7
Secondary	0	0	2	4	1	1
Special	0	1	0	1	2	0
Nursery	0	0	0	1	1	1
Total	1	4	6	25	22	9

School balances as percentage of budget share.

Table 4 – School Balance Movement from March 2012

	Deficit			Surplus		
	>10	5-9.9 %	0 – 4.9%	0 – 4.9%	5 % - 9.9%	> 10%
Primary	-1	+3	0	-5	0	+3
Secondary	0	0	-1	0	+1	0
Special	0	+1	-1	0	+2	-2
Nursery	0	0	0	-1	+1	0
Total	-1	+4	-2	-6	+4	+1

3.4. **We recommend that the position on schools' balances at March 2012 is noted.**

4. Balance Claw-back

4.1. In previous years we have reported on uncommitted surplus balances that exceeded the limit allowed in Haringey's Scheme for Financing Schools. The provision in the Scheme that allowed for the claw-back of balances was a national requirement that has now been removed leaving it as a local decision whether to retain such a mechanism. Schools Forum in July 2012 voted to retain a budget claw-back mechanism.

4.2. At the end of 2012-13 1 school was liable for a claw-back of £15,200. **We recommend that the claw-back is added to the Contingency for Schools in Financial Difficulty for maintained schools with the relevant proportion delegated to academies.**

5. Contingency for Schools in Financial Difficulty.

5.1. In previous years the Forum has appointed a panel of members to agree the allocation of the contingency. **We ask the Forum to nominate a panel of members to agree allocations from the contingency.**

Appendix 1.

Notes of Guidance for Schools Applying for Assistance from the Contingency for Schools in Financial Difficulty.

A. Criteria for assistance from the Contingency for Schools in Financial Difficulties; consideration will be given to the specific circumstances of each school applying in determining whether or not assistance will be given.

1. Admission of Primary and Secondary Pupils in excess of Funded Numbers

Schools are funded for the number of pupils recorded in the Pupil Level Annual School Census in the January prior to the start of the financial year. In cases where schools experience a significant rise in pupil numbers at the beginning of the following academic year (September), they may apply for additional funding to cover the remainder of the financial year (September to March). The school will need to demonstrate the necessity for additional staffing costs that cannot be met from balances.

2. Admission of Special School Pupils in Excess of Planned Places

Additional resources may be allocated to special schools where the number of pupils in a special school exceeds the number of planned places at the school.

3. Fluctuating Rolls

Schools that experience a substantial and unexpected year on year drop in pupil numbers and funding may seek assistance. The school will need to demonstrate that the fall in rolls and funding creates financial difficulties that cannot be met from balances.

4. Falling Rolls

Schools experiencing a long-term reduction in pupil numbers may seek assistance to manage the contraction of the school. The school will need to demonstrate that the contraction cannot be managed through the use of balances and without causing undue turbulence within the school.

5. Emergencies and Exceptional Circumstances

Schools may submit claims for additional funding to cover costs resulting directly from emergencies and exceptional circumstances. Exceptional circumstances may include the cost of suspended staff or compromise agreements. In such cases, a school's financial position, including the level of any unspent balances held, will be taken into account when claims are considered.

6. Financial Difficulties

A school with severe long-term financial difficulties may apply to have part of its historically accumulated deficit written off. The school will need to demonstrate that effective action is being taken to bring its budget back into

balance. The presence of a new management team that has inherited a difficult financial position will be viewed positively.

B. Assistance will not generally be given for the following.

1. Expenditure of a type faced by all schools or classes of school; this will include:
 - costs for incremental drift,
 - the additional costs of the teachers' upper pay scales,
 - costs associated with Planning, Preparation and Assessment time in primary schools,
 - the cost of meeting the requirements of statements of special educational needs,
2. Costs that could have reasonably been covered by insurance arrangements.
3. Capital costs. These are generally met from Devolved Formula Capital and arrangements exist to draw forward future allocation where appropriate.

C. Guidance on Applications. In previous years, some applications have been rejected because of poorly presented cases. To avoid this, applications should clearly set out:

1. The reasons for the application, taking account of the guidance given in sections A and B, and the associated additional costs, if necessary broken down into component parts.
2. What action has been taken to contain the costs and why this is not sufficient to balance the budget. It may be necessary to differentiate between action in the shorter and longer term if costs are continuing.
3. How much is being applied for and how this will improve the school's position.