



Haringey Council

**Agenda Item
8**

Report Status

For information/note
For consultation & views
For decision

The Children and Young People's Service

Report to Haringey Schools Forum – 8th July 2015

Report Title: Schools Budget Outturn 2014-15 and Update on the Dedicated Schools Grant for 2015-16.

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Purpose

- (i) To advise the Schools Forum of the latest Dedicated Schools Grant allocation for 2015-16.
- (ii) To advise the Schools Forum of the Schools Budget carry forward from the 2014-15 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) The final DSG for 2014-15 and the latest allocation for 2015-16 are noted.
- (b) The position on Schools' Balances at March 2015 is noted.
- (c) The carry forward for early years, Network Learning Communities, and Governor Support is agreed.
- (d) The net overspend on the Growth Fund, SEN Contingency and rate rebates is set against the balance of the 2015-16 Growth Fund.
- (e) That a panel of members is appointed to agree allocations from the Contingency for Schools in Financial Difficulty.

1. Dedicated Schools Grant (DSG).

2014-15

- 1.1. The final value of the Dedicated Schools Grant for 2014-15 was announced in May 2015. It was £0.085m higher than reported to Schools Forum in July 2014.

2015-16

- 1.2. The Dedicated Schools Grant for 2015-16 is adjusted for various changes during the course of the year. The DSG reported to Forum in January 2015 has been adjusted as set out in Table 1. Please note we have not yet been notified of the allocation for two year olds or the update for three and four year old numbers from the January census. The final DSG will not be confirmed until May 2016.

Table 1. Changes to DSG since January 2015.

Item	£000
DSG reported to Forum January 2014	236.477
Adjustment for Pupil Numbers in Non-Recoupment Academies and Free Schools	0.806
Two Year Old Funding	Not yet available
Adjustment for 3 and 4 Year Old Numbers	Not yet available
HNB Post 16 Reallocation	0.188
DSG as at 18 June 2014	237.471

Figures are rounded and before academy recoupment.

- 1.3. The DSG has been increased to reflect the growth in pupil numbers in free schools and former non-recoupment academies. These numbers were reflected in the budget shares issued in February.
- 1.4. The additional High Need Block (HNB) funding reflects the move from a residency to location based allocation for post 16 planned places. This is offset by an increase in recoupment.

2. Schools Budget Outturn 2014-15 and Balances Carried Forward.

- 2.1. The Schools and Early Years Finance Regulations require that under or overspends in the centrally retained element of the Schools Budget are carried forward.
- 2.2. The accumulated position on centrally retained funding as at 31 March 2015 was a surplus of £3.833m plus a post March early years addition of £0.085 giving a total of £3.918m. The individual components are set out in Table 2 and explained in the following paragraphs.

Table 2. Summary of DSG Carry Forwards 2014-15.

Item	£m
Contingency for HNB	0.003
Contribution to NLCs	0.150
Governor Support	0.039
Balance of Early Years Funding	3.842
NNDR Rebates	0.017
Growth Fund	(0.133)
Total Carry Forward	3.918

Early Years.

- 2.3. Schools Forum on 2 December 2013 endorsed a recommendation that the hourly rate for two year olds be increased to £6. This is £0.72 higher than the hourly rate of £5.28 included in the DSG. Funding for two year olds in 2013-14 and 2014-15 was based on DfE planned numbers and significantly exceeded the number of children in places. This surplus funding will remain with local authorities and Forum agreed that it would be rolled forward to fund the future shortfall in funding. In later years savings within the EYB will need to be identified.
- 2.4. The carry forward from 2013-14 was £2.350m to which the Forum added the balance of £0.262m from the 13-14 'clawback' for three and four year olds. In 2014-15 the net Early Years Block underspend was £1.230m giving an accumulated balance of £3.842m.

High Needs Block (HNB).

- 2.5. At its meeting on 3 July 2013, the Forum agreed to set aside the balance of £1.091m brought forward from previous years as a contingency for the high needs block and for John Loughborough school. An overspend in the 2013-14 HNB reported to the Forum in July 2014 reduced the contingency to £0.452m. This remaining balance was brought forward to 2014-15.
- 2.6. At its meeting on 25 February 2015 the Forum was informed of the projected overspend of £0.412m in this block, to be met from the contingency. The actual overspend was £0.449m, effectively extinguishing the contingency.

Growth Fund.

2.7. Forum received a report on 15th January 2015 on Growth Fund Allocations. Regrettably the following were excluded from the report:

- St Mary CE Primary Bulge Class £77,326
- South Harringay Junior £77,326
- Noel Park Academy £77,326.

2.8. This changes the reported underspend of £0.099m into an overspend of £0.133m.

2.9. Forum agreed a Growth Contingency of £1.1m for 2015-16 (which included provision for S. Harringay Junior paid in 2014-15). To date £0.927m has been allocated with no further bulge classes planned. If this remains the case we recommend that the 2014-15 overspend less the balance on the SEN contingency and Rate Rebates (see 2.10) is set against the 2015-16 Growth Fund. A report on the allocation of the Growth Fund will be presented to Forum later in the year.

Trade Union Facilitators Time.

2.10. As previously reported to Forum, following arbitration on the funding of facilitators time in 2014-15, agreement was reached that this would be centrally funded for this year only. Our original proposal was that the cost of £0.121m would be met from the expected underspend on the Growth Fund and the balance found from expected rate rebates. The overspend on the Growth Fund reported above meant that the cost was funded entirely from the rebate of £0.138m, leaving a rebate balance to be carried forward of £0.017m.

Governor Support.

2.11. Please see Appendix 1 for the background to this balance.

Network Learning Communities.

2.12. This was funding earmarked for distribution to the Network Learning Communities and is planned to be distributed in 2015-16.

3. School Balances

3.1. Balances for individual schools are set out in Appendix 2 and summarised in Tables 3, 4 and 5.

3.2. Table 3 sets out the change in Schools Balances over the course of 2014-15. Further detail on a school by school basis is shown in Appendix 2.

Table 3 – School Revenue Balance Analysis at March 2015

£000	March	March	Change	Change
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		%	4.9%		4.9%	9.9%	10%	
Primary	0	0	1		16	22	13	
Secondary	0	0	0		5	0	1	
Special				2				2
Nursery				1				2
Total	0	0	1	3	21	22	14	4

School balances as percentage of budget share, contingency allocations and Pupil Premium. Excludes Tuition Centre.

Table 6 – School Balance Movement from March 2014 to March 2015.

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

3.7. The capital balance represents unspent Devolved Formula Capital and revenue contributions to capital made by schools. There was a small fall in balances compared with March 2014.

4. Contingency for Schools in Financial Difficulty.

4.1. 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. GOVERNORS' SERVICES

Proposal to retain carry-forward from School's Forum Centrally Retained Budget

Context 2014/15:

The governors' role in the strategic leadership of schools has become increasingly important in the support and challenge offered to schools to contribute to positive outcomes for children. This has been highlighted with an explicit focus in successive versions of the Ofsted Framework in recent years. There is, therefore, also an increasing need for the Governors' Service to develop in such a way as to support all schools in meeting this challenge. Over the last two years we have been working hard to overcome some shortcomings in the service and to develop it further to meet these increasing needs. We have a 'core offer' for all schools including the information sent out through the school's bulletin, updates and training for all clerks, governors' briefings, a place at the Governor's conference and advice. In the year 14/15 we were able to achieve a carry forward, due to the way in which we have been growing the service and achieving efficiencies, where possible. We would like to invest part of this in further plans for development that we have for the service.

Achievements and Improvements to service overall since April 2015

- Further increased links with Schools and Learning Service, particularly around schools identified as at risk, to make support for these schools more effective.
- New database resulted in improved communications with Governors and a clear record of training.
- 10 clerks trained in the new NCTL qualification
- Improved system of quality assurance of clerks, fed back to schools in evaluations.
- New resources developed to support governors in the discharge of statutory duties and to enhance their effectiveness.
- All schools successfully supported to reconstitute
- 3 schools where governance had been identified as weak by Ofsted achieved an improved grading

Proposed expenditure for a carry forward of £39,086, subject to approval of the School's Forum

- National Governance Association membership for all schools included as part of the core offer (£5,000)
- Governance Support & Development Programme (£14,000): a programme of review and support for improvement initially for vulnerable schools or those approaching Ofsted. All schools would ultimately benefit on a rolling programme of development.

- Additional training for larger clerking pool (£5,000)
- Further investment in external trainers with wider perspective on governance issues (£5,000)

We are very grateful to the School's forum for their continuing support, without which we would not be able to run the service and maintain the core offer. As we grow the service, we hope to be in a position to achieve a carry forward in future years too. However, this is not a certainty and we are aware that it is extremely unlikely that we will achieve a fully self funded status. Therefore, we continue to rely on School's forum funding. We want to continually invest in improving the service, but we would also like to pay something back into the 'pot' for all schools, where possible. In this spirit we would like to return the remaining £10,000 of our current carry forward to School's Forum.