

## **Dedicated Schools Grant Budget Report 2015/16**

### **1. Purpose of this Report**

The purpose of this report is for Forum members to agree the Dedicated Schools Grant budget for 2015/16.

### **2. Recommendations**

The Forum

- a) Note the current position on the DSG
- b) Agree to set next year's funding rates on the ISB at the same level as last year (2014/15)
- c) If the settlement is different from expected, then
  - i) any surplus should be added to the individual schools budget either through the  
Basic Entitlement or  
Free Meals or  
IDACI indicators  
OR
  - ii) any surplus should be added to the protection on the matrix.  
OR
  - iii) The Forum meeting on the 5 February will consider the budget
- d) Agree with the continuation of each of the following projects that are funded through a top-slice from the DSG at the current level of funding
  - Management Support To PFI/New Schools With Major Capital Projects
  - New Woodlands Outreach
  - Tutors For Looked After Children - Year 6
  - Social Workers At New Woodlands / Abbey Manor College
  - Partnership Development
  - Additional Tutors For Looked After Children – Key Stage 3
  - Social Workers In Special Schools
- e) Agree a payment holiday on the contingency and not de-allocate the contingency fund for 2015/16 only.

**Schools Forum**  
**11<sup>th</sup> December 2014**  
**Item 6**  
**DSG Budget Report**

- f) That the Collaborative SEN funding continues to be passed to banker schools.
- g) That the former Standards Funds Collaborative funding which is currently delegated to schools in the ISB formula and de-delegated under the heading "Contingency" is not de-delegated from the 2015/16 financial year, with the effect of leaving the funding within individual schools.
- h) By voting phase, agree the following budget for 2015/16 that will be de-delegated

Ref	Heading	Primary £'000	Secondary £'000
A	De-delegation for mainstream schools for Contingencies	0	0
B	Extended schools collaborative (contingency) allocation	0	0
B	Administration of free school meals	46	20
C	Staff costs – Supply Cover	594	206
D	Support for minority ethnic pupils/underachieving groups	112	48

- i) The forum agree to the follow budgets for central spend

Ref	Heading	Budget 2015/16 £'000	Budget 2014/15 £'000
A	Growth fund (to meet requirements for basic need and infant class size regulations)	1,800	1,793
B	Falling rolls fund for surplus places in good or outstanding schools where a population bulge is expected in 2-3 years	200	0
C	Admissions	604	604
D	Serving of Schools Forum	78	78
E	Capital Expenditure from Revenue	4,086	4,086
F	Contribution from combined budgets	903	903
G	Termination of employment costs	176	176

### **3. Budget Strategy**

- 3.1 The longer term funding position remains uncertain, particularly with the general election being next May. Both of the main political parties are like minded in that they wish to see the national deficit eliminated. The only current difference between the parties is in the timescales by which this should be achieved.
- 3.2 The most likely scenario is that we will not see any growth in the DSG in Lewisham. Current funding for the schools block has been cash frozen although it has risen in line with pupil numbers. The high needs block has been cash frozen but there has been only a partial increase in funding for the growth in numbers. This trend is expected to continue for the foreseeable future. Although the DFE call for evidence on funding may help (see 4.9.3).
- 3.3 The national funding for the schools block will grow in 2015/16 but Lewisham will not receive any benefit from this as it is not defined by the Department for Education (DFE) as one of the lower funding authorities on a per pupil basis, which remains their priority. The DFE are starting to review the high needs of DSG. It is anticipated that again Lewisham will be regarded as a better funded Authority and unlikely to receive any extra funding.
- 3.4 As we have seen earlier on in the agenda the current financial forecasts show the high needs budget is overspending. The budget strategy has been focused on ensuring that special educational needs spending balances to the funds available while protecting the schools budgets as much as possible.
- 3.5 The medium term outlook from 2016 to 2020 discussed in section 5 of this report shows significant costs that are likely in the future, with the distinct possibility that there will be no extra funding. These costs will need to be managed but the focus of this paper will consider the savings needed to balance the DSG in 2015/16.
- 3.6 Financial overview

The DFE are likely to announce the provisional financial settlement for the Dedicated Schools Grant (DSG) around the 18<sup>th</sup> December 2014. This will cover the Schools block and Early Years block elements of the DSG. Usually the High Needs block is notified to Local Authorities in March. It is hoped for the coming year this will also be announced in December.

- 3.7 Current indications are that the Schools block is likely to be set at the same level as last year but adjusted for pupil number increases. It is thus assumed that the funding rate per pupil will stay at £5,950. The DFE have previously announced a national funding investment of £350m into the DSG which will be applied to those Local Authorities calculated by the DFE to have the lowest per pupil funding. Lewisham will not receive any of this funding.
- 3.8 The minimum funding guarantee is expected to stay at minus 1.5%. Early indications are that the pupil premium in Primary will rise by £20 to £1,320. The funding rates for the secondary and looked after children is not expected to change.
- 3.9 Participation Funding for two-year-olds
- 3.9.1 In 2015-16 initial funding for the two-year-old programme will be allocated to local authorities in June 2015 using the January 2015 census data. There will be a mid-year count in the autumn term to adjust funding in-year to reflect any significant increases in take-up of the entitlement. The additional data collection is not intended to fund on actual numbers, but allow an in-year adjustment to reflect major increases in participation rates in the first year the new funding mechanism.
- 3.9.2 Local authorities are expected to submit the additional data on a voluntary basis to avoid unnecessary burden. The initial 2015-16 funding allocation will remain the same if local authorities choose not to submit an autumn count.
- 3.9.3 In 2016-17 funding will be allocated on the same basis as for the three- and four-year-old entitlement, based on the January 2016 census.
- 3.9.4 As the DFE cannot confirm initial allocations for 2015-16 until June, they have published local authorities 2015-16 per child hourly rates for two-year-olds. The English average rate per hour is £5.09 and Lewisham's is £6.07 which is in line with other inner London borough's
- 3.9.5 With the funding moving to a participation basis and being based on the January 2015 census there is uncertainty of the exact level of funding until the count is complete.

Scenario	Children	Funding £'000
Worst case	1300	4,446
Most Likely	1650	5,643

This compares with funding of £6,928k in the current year

4. Post 16 funding

There will be no additional changes to the funding factors within the national funding formula for 2015/16. The EFA hope to provide stability in funding rates for 2015/16. They plan to confirm the national funding rate in January 2015, informed by final data on academic year 2013 to 2014 student numbers and early data on 2014 to 2015 academic year student numbers.

4.1 High Needs

4.1.2 The Department for Education are simplifying the process for allocating numbers of places to institutions for high needs students (students aged 16 to 19 and students aged 19 to 24 with an Education, Health and Care plan or Learning Difficulty Assessment) for 2015/16. They are using the place numbers allocated to institutions in 2014/15 as the basis for allocating place numbers in 2015/16. They plan to make final allocations of Dedicated Schools Grant (DSG) High Needs Block funding for financial year 2015 to 2016 to local authorities this December rather than, as last year, in March. The DFE believe this will give earlier certainty to institutions and local authorities on place funding and the amount of top-up funding available. This should enable earlier decisions on placing students and take account of their new rights to name a preferred post-16 institution as introduced by the Children and Families Act 2014.

4.1.3 For 2016/17, the DFE are considering whether they can move to a lagged system for allocating high needs place funding which the DFE believe will provide simplicity and certainty for institutions. However it would not reflect any year on year growth and it would be 2 years before we received the funding for such growth.

4.1.4 High needs formula review

The allocation of high needs funding to local authorities through the DSG is based largely on historical levels of expenditure in each area. The DFE want to move to a formulaic basis for distributing this funding in the future and have commissioned the Isos Partnership to carry out some research on the reasons for historical differences in the level of expenditure between local authorities. Following this the Isos partnership will consider formulaic approaches to the funding.

4.1.5 In order to help the process the Department for Education have made a call for evidence. This was issued on 13 November 2014. The closing date for the return is 27 February 2015. It is proposed that it initially the details of the return will be considered by the High Needs Sub Group before coming to the full Forum in February.

4.2 3 and 4 year old pupil premium

4.2.1 This will be implemented from April 2015 with a national hourly rate for the EYPP which local authorities must pay to providers. The initial allocation for Lewisham is £390k based on a Proxy FSM Numbers (PTE) of 1,294, which is £300 per pupil.

4.2.3 There will be a mandatory mid-year survey in the autumn to check take-up of the EYPP, and make adjustments to allocations in light of that.

4.2.4 There is a mandatory deprivation supplement in the Early Years Single Funding Formula. The DFE are trying to encourage local authorities to consider using their deprivation supplement to increase the local rate of Early Years Pupil Premium. This would result in other funding being reduced elsewhere in the DSG. Currently there has been insufficient time to give proper consideration to the impact of other reductions and the setting of priorities. If the Forum wish to consider this, officers could bring a report to a future meeting.

4.2.5 The DFE will extend the current Study of Early Education and Development (SEED) research to include an assessment of the impact of EYPP on the quality of early years settings included in the study. An interim report will be available in summer 2016. The DFE plan to conduct a survey of providers part way through the financial year to see how providers are spending their EYPP and to identify early evidence of impact.

4.3 Collaborative Funding

4.3.1 On the 19 June the Schools Forum discussed a proposal to pass Collaborative funding directly to schools rather than to Banker schools.

4.3.2 This was to simplify the current process. Under the current funding regulations there are a number of steps that are undertaken.

Step 1 – The funding is part of the ISB, so it forms part of the ISB Share calculations prior to the start of the year and is journalled to schools as part of the year's funding.

Step 2 – As a de-delegated item, schools are informed of the charges to bring this funding back to the centre prior to the start of the year with the journal being actioned once the year has started.

Step 3 – The Collaborative allocations for each school are calculated using the same data as the ISB. These individual allocations are aggregated to create allocations per Collaborative which schools are

notified of at the same time as their ISB share. These amounts are journalled to the banker schools early in the year.

Step 4 – The banker schools submit requests to the Schools Finance Team to transfer amounts from them to Collaborative members in line with decisions made by the members. The majority of schools receive the amount of funding that was their individual Collaborative allocation.

In short, for most schools we give the funding to the schools, take it away, give it to the bankers, take it away and give it to the schools.

- 4.3.3 The intention of the proposal was not to stop collaborative working as it allowed for funding still to be pooled if required.
- 4.3.4 The Forum asked that the matter be referred to Primary Strategic. There were mixed views over the proposals and the debate was similar to that at the forum. Some schools valued the funding and felt that it contributed to some good practice. Other collaboratives did not use the funding in this way but passed it back to schools. The main benefit was seen with the SEN collaborative funding and in particular the employment of staff in specialist areas such as speech and language therapists that allowed the resource to be shared amongst schools in the collaborative, that individually schools could afford.
- 4.3.5 There was no compelling evidence brought forward regarding the use of the former standards funds grants.
- 4.3.6 Some schools felt that the funding was the mechanism by which the collaborative working was being held together. There was a general view the collaborative working was part of good practice and that examples of good practice should be provided to help the collaboratives to continue to develop.
- 4.3.7 Lewisham currently has the largest contingency of all the Local Authorities across the country. This is partly due to the former standards funds collaboratives funding being held in the contingency. If this was not the case our current average contingency per pupil would fall from £76 to £38 per pupil. The average across the country for the contingency is £5 per pupil.
- 4.3.8 It is proposed that the SEN Collaboratives funding still continues to operate in its current form and that the Collaborative funding held for the former standard funds be left within individual school budgets.

## 5.0 Medium Term Financial Issues

The position of next year's funding will become clearer after the announcements on the DSG settlement in December. The longer term

**Schools Forum**  
**11<sup>th</sup> December 2014**  
**Item 6**  
**DSG Budget Report**

funding position remains uncertain particularly with the general election next May. Both of the main political parties are like minded that they wish to see the national deficit eliminated. The only current difference between the parties is the timescales by which this should be achieved. The most likely scenario is we will not see any growth in the DSG.

**5.1 Rates bill**

The next general revaluation of the school estate will take place in 2017. With the expansion of schools places it is likely that there will be increases in the funding requirement. Any extra funding will need to be found within the DSG. It is estimated this will be an extra £600k.

**5.2 New schools – Secondary places**

As the pupil bulge in Primary works its way through to secondary, it is expected that Lewisham will need additional secondary places which would equate to an extra 10 FE by the end of the decade, with further demand forecast into the early part of the next decade. The local authority is in discussion with a number of schools concerning the potential for expansions. Initial planning is also underway for a new secondary school. The revenue impact of this new provision will need to be factored into the DSG budget

The current projected school numbers are as follows

<b>Forecast Year</b>	<b>R</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>Total</b>
<b>Primary</b>								
<b>2015/16</b>	3,946	4,017	3,751	3,753	3,565	3,426	3,227	25,685
<b>2016/17</b>	3,891	3,985	4,020	3,715	3,742	3,565	3,430	26,348
<b>2017/18</b>	3,923	3,937	3,995	3,987	3,708	3,749	3,577	26,876
<b>2018/19</b>	4,001	3,977	3,955	3,971	3,991	3,724	3,764	27,383
<b>Forecast Year</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>Total</b>
<b>Secondary</b>								
<b>2015/16</b>	2,548	2,455	2,285	2,345	2,415	997	748	13,793
<b>2016/17</b>	2,731	2,583	2,486	2,323	2,287	1,128	751	14,289
<b>2017/18</b>	2,910	2,776	2,624	2,536	2,274	1,078	856	15,054
<b>2018/19</b>	3,041	2,970	2,832	2,688	2,493	1,085	832	15,941
<b>2019/20</b>	3,184	3,075	3,000	2,871	2,614	1,160	811	16,715
<b>2020/21</b>	3,148	3,220	3,107	3,042	2,793	1,216	867	17,393



The amount needed to be set aside will depend will depend on the provision that is set up. As schools' funding is based on previous years pupil numbers the schools income is much lower than the running costs. In order for the school to operate extra funding is provided from a contingency.

It is estimated for a new school £250k per annum will be needed

**5.3 SEN numbers pressures with little likelihood of additional funding**

Current pupil numbers are growing in the primary age group by 3.3%, in the secondary age groups the numbers are growing but by 1.2%. The current system of funding high needs pupils is such that funding does not grow in line with the growth in numbers. There is a bidding process that Local Authorities are expected to participate in to see if any extra funding should be provided.

With the growth in numbers, if the cost is not managed this equates to £1.2m a year which with the current funding arrangements, would have to be funded from DSG funds for schools

**5.4 New responsibilities to age 25**

Local authorities must set out in their Local Offer the support and provision that 19- to 25-year-olds with SEN can access regardless of whether they have an EHC plan (see Chapter 4, The Local Offer). Further education colleges must continue to use their best endeavours to secure the special educational provision needed by all young people aged 19 to 25 with SEN attending their institution.

19- to 25-year-olds with EHC plans should have free access to further education in the same way as 16- to 18-year-olds. Colleges or training providers must not charge young people tuition fees for such places as the funding will be provided by the local authority and the Education Funding Agency (EFA).

**5.5 Medium term financial issues – financial impact**

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
<b>Business Rates</b>		600		
<b>New Secondary Places</b>		150	250	400
<b>High Need pupil growth</b>	1200	1200	1200	1200
<b>Extending the age of SEN children to 25</b>	200			
<b>Total</b>	1400	1950	1450	1600

## 6 Funding Blocks

6.1 The estimated level of DSG for 2015/16 and its three constituent blocks are shown below.

### 6.2 School Block

6.2.1 The total increase in pupil numbers are as follows

	Oct-13	Oct-14 (est)	Change	
Primary	22,155.50	22,893.00	737.50	3%
Primary Academy	1,145.50	1,158.00	12.50	1%
Secondary	8,672.50	8,783.00	110.50	1%
Secondary Academy	2,011.00	1,962.00	-49.00	-2%
Jan Uplift*1	57.00	45.00	-12.00	-21%
SEN Units	- 184.00	- 186.00	-2.00	-1%
Total*2	33,857.50	34,655.00	797.50	2%
Newly Transferred Academies	-	1,313.00	1,313.00	
Total*3	33,857.50	35,968.00	2,110.50	6%

6.2.2 This table now includes pupils at St Matthew Academy. This will ensure that all academies are funded through the DSG. In the 2014/15 settlement this was not the case. The DFE have yet to confirm the exact funding arrangements as academies brought into the DSG this year are funded on estimated numbers. There are also issues regarding the growth funding and SEN for these schools that still have to be confirmed. The table also includes the pupil numbers at Haberdashers' Aske's Hatcham Temple Grove Free School, which also moves into the DSG calculation.

- 6.2.3 If the pupils at St Matthew Academy and Haberdashers' Aske's Hatcham Temple Grove Free School are discounted then the underlying increase in pupil numbers for next year is expected to be 797.5 or a 2% increase.
- 6.2.4 Including the pupils at St Matthew's Academy the increase in pupil numbers will equate to extra resources of £12.5m, it is estimated that the overall level will be £281.1m. If the academy adjustment is excluded the underlying increase is estimated to be £5.0m.
- 6.2.5 The schools funding formula has now been re-worked with the latest available data. The data for the 2014/15 allocation will be provided by the DFE and is expected to be available on the 9 December. Which is of course after these papers are published. In order to calculate the likely impact on school budgets, the October 2013 census roll numbers have been used. This is of course still subject to checks by the EFA and possible alterations, but gives the best guide to the likely impact on individual schools funding.
- 6.2.7 In summary this would result in the following changes to school budgets between 2014/15 and 2015/16.

Change in funding as a percentage of budget (ISB Formula Plus MFG)			Number of schools	
			Gaining	Losing
over	8%	9	0	
6% to	7.99%	2	0	
4% to	5.99%	4	4	
2% to	3.99%	10	5	
0% to	1.99%	22	22	

The funding per school will be tabled at the meeting.

- 7.0 Reserve date
- 7.1 The dates by which school budgets must be notified to schools is February 28th for mainstream schools and March 31st for Special Schools and PRU's. 6th form funding is excluded from this requirement; the EFA normally notify schools and LAs of this at the very end of March.
- 7.2 The new funding system has a greater degree of uncertainty for the Forum as the budget needs to be set before the funding announcements. In the past the Forum have always considered the budget in late January or early February. It is proposed that if necessary the meeting of the Forum on the 5 February be reserved in case there is a significant difference in the settlement figures and the

**Schools Forum**  
**11<sup>th</sup> December 2014**  
**Item 6**  
**DSG Budget Report**

Forum needs to discuss the budget. This is despite the fact this is after the return date the DFE have set.

7.3 There is the potential that when the final settlement is provided by the DFE it will not be in line with the forecasts. This could mean that there additional resources or a shortfall in funding. If there are additional resources there are generally two choices; either to add the funding to the basic entitlement or add the funding to the free meals / IDACI indicators.

7.4.1 For example, if the settlement is £500k higher than expected this would mean the funding rates would have to change by –

	Primary Rates		Secondary Rates	
Basic Entitlement	0.33%	£12.33	0.33%	£17.05
FSM Ever 6	2.74%	£30.27	2.74%	£40.70
IDACI	11.12%	£13.57	11.12%	£23.93

7.4.2 The impact on individual schools of applying a £500k increase to the Basic Entitlement is shown below.

Distributing £500k Via Basic Entitlement				
Primary School		Secondary School		
210 Pupils	400 Pupils	850 pupils	1200 pupils	
£	£	£	£	
Funding Increase	2,589	4,932	14,492	20,460

7.4.3 If the £500k were to be allocated via the FSM Ever 6 or IDACI allocations, the results would be as follows.

Distributing £500k Via				
FSM Ever 6		IDACI		
Primary	Secondary	Primary	Secondary	
£	£	£	£	
Mid-Point Allocation	3,306	17,079	3,611	17,705
50% Of Schools	2,185 and	13,095 and	2,539 and	16,707 and
Between	5,662	18,900	5,223	19,009
Minimum Allocation	219	8,064	1,161	9,614
Maximum Allocation	11,232	24,008	8,883	21,988

- 7.4.4 The Forum have a number of choices if this scenario happens, they could either decide today to
- Allocate it in a set way (i.e. basic entitlement / free meals / IDACI)
  - Add the funding to the collaborative SEN funds to offset the proposed reduction of £300k.
  - The Forum reconsider the budget at the next scheduled meeting on the 5 February
- 7.4.5 This date would of course be after the deadline for submitting the return on the final school budgets to the DFE (20 January 2015), but an earlier date would not allow officers to calculate the impact and to meet the requirement to publish the reports a week before the meeting.
- 7.5 If the settlement is lower than expected then two choices would exist, the funding could be withdrawn from schools or taken from the high needs block. If it is taken from schools the minimum funding guarantee would act in a way whereby some schools could see large reductions and other schools none at all. The High Needs block is also under severe budgetary pressure and any decision would need careful modelling and consideration.
- 7.6 If a reduction does occur it would seem necessary to use the meeting on the 5 February to consider the exact position rather than consider all the permutations in this paper.

## **8 Early Years Block**

- 8.1 The Early Years Block allocations published in December 2014 are expected to be based on January 2015 census counts. They will be adjusted in summer 2015 based on counts from the January 2015 School Census, Early Years Census and Alternative Provision Census.
- 8.2 These allocations will then be adjusted a further time in 2016. Pupil counts taken from the January 2016 censuses will be weighted with the counts taken from the January 2016 censuses in a 7:5 ratio.
- 8.3 The result will give the final Early Years Block allocations for financial year 2015-16. There will be element of judgement in making the forecast for this income but provisionally the figure has been calculated at £15.8m. Which compares with £16.9m in 2014/15. This funding will be used to fund allocations to providers of the 3 & 4 year old free entitlement.

## **9 High Needs block**

- 9.1 This is being discussed in a separate item on the agenda. The forecast of the funding available has been set at this year's level. This assumes

the Forum agrees the recommendations from the High Needs Sub Group on the High Needs Funding considered under Item 3 of this meeting.

## 10 Overall change in the DSG

In summary the following assumptions have been made.

Funding block	Change
Schools	+£ 5.0m
Early years	-£ 1.1m
High needs	£ 0

## 11 Headroom Projects

11.1 Over the last three years the Forum have considered requests to use the Dedicated Schools Grant to fund specific high profile projects. It was always intended that they should be reviewed regularly. These projects now need the agreement of the Forum to continue for next year. In summary the headroom projects are as follows. More details of these projects can be found in Appendix C.

<b>Approvals from 2007/08</b>	<b>£k</b>	<b>Appendix Ref</b>
Management support for capital builds	410	A
New Woodlands Outreach	160	B
<b>Total</b>	<b>570</b>	

<b>Approvals from 2008/09</b>	<b>£k</b>	
Tutors for Primary LAC	100	F
Social Workers at New Woodlands / Abbey Manor College	90	D
Partnership Development	115	C
<b>Total 2008/09</b>	<b>305</b>	

<b>Approvals from 2009/10</b>	<b>£k</b>	
Tutors and Support for Key Stage 3 LAC	100	E
Social Workers - Support Services in schools	100	
<b>Total</b>	<b>200</b>	

## **12 Budgets Requiring Schools Forum Approval**

- 12.1 Members will recall that as part of the introduction of the national funding reforms there were changes to the rules governing the voting procedures. These particularly concerned the voting on the budget report.
- 12.2 The main change related to de-delegation of budgets where the voting was split between the primary and secondary phases of schools' members (these being Headteachers and Governors). Academy and Special School representatives are not part of this vote as de-delegation is not permitted for these school types.
- 12.3 The powers of the Forum also changed and it is now the role of the Forum to decide some budget levels rather than advise the Local Authority. Some of these budgets have to be decided individually. The budgets where the Forum decides are shown in Appendix B. The remaining budgets have to be agreed by the Mayor and Cabinet.
- 12.4 It is proposed to keep the budgets as the same as last year apart from two. Firstly the contingency, which is discussed below and secondly the administration of free school meals. This was discussed at the last meeting of the Forum where proposals were put forward and agreed to increase the charge by £40k.
- 12.5 In considering the Collaboratives Funding under item 4.11 of this report it was highlighted that Lewisham has the highest contingency per pupil in the country. This is partly due to the former standards funds given to schools being held in the contingency before it is passed the collaboratives bank schools. If this excluded Lewisham's contingency per pupil is £38, this compares with the national average of £5. If we were to lower our contingency to this level it would stand at £200k.
- 12.6 We have seen in the budget monitoring paper that the call on the contingency for rate re-valuations is about £500k. A contingency set at the national average of £200k would seem low.
- 12.7 Last year (2013/14) the contingency was not fully used and £1.3m was set aside. It was agreed that this would be used to offset the rate revaluations cost. This year another contingency provision of £1.3m has been set aside which currently has not been used.
- 12.8 The contingency is termed a delegated item. It is given to schools within their delegated budget and then the Forum approve whether it is managed by the Forum as a mutual fund. If this practice continues next year the charge to schools would again be £1.3m.

- 12.9 With the level of the mutual fund currently stand at £2.1m. (£0.8m from 2013/14 and £1.3m from 2014/15) it would seem unnecessary to ask schools to de-delegate a further £1.3m in 2015/16, especially as little of the contingency has been used. It is recommended that a payment holiday for schools is given for 2015/16 only and no charge is made. This will be reviewed for the 2016/17 budget when further work will have been undertaken on the budgetary pressures between 2016 to 2020 and the funding reviews on New Woodlands and Abbey Manor College are complete.

### **13 Conclusion**

- 13.1 With the timetable as it is, there are many assumptions that have been built into the report. The true picture will only be known once ministers have finalised the settlement. This is expected a few days before Christmas and leaves little time for reports to be prepared, the papers to be published, the Schools Forum to meet and the political process to be undertaken within the 20 January deadline.
- 13.2 The position being such and with the nature of public finances, some of the assumptions maybe prove incorrect. It is thought appropriate to set aside some reserve dates to reconvene the Forum.