

Dedicated Schools Grant Budget Update 2015/16

1. Purpose of this Report

The Schools Forum met on the 11 December to consider the 2015/16 budget position. This was prior to the funding settlement being received from the Department of Education. The Forum agreed to review the details of the settlement at this meeting to consider whether any of the original decisions they made may need revision. This paper looks at the settlement and considers the impact.

2. Recommendations

The Forum agree

to confirm the decision to set next year's funding rates on the ISB at the same level as last year (2014/15)

3. DSG Settlement

The settlement was received on the 18 December and broadly it was in line with expectations.

- 3.1 The overall settlement is £275.8m; this compares with the 2014/15 original figure of £268.6m. The figure quoted at the last Forum meeting was higher than this but the funding for the 2 years olds has been excluded from this indicative settlement. The 2 year olds figure will be announced in June.
- 3.2 The funding rate for Lewisham will be £5,963. This is slightly higher than last year's figure. The change is due to two accounting adjustments:
 - a) A reduction for the carbon reduction commitment which will be managed nationally
 - b) An increase for cash transfer for part-recoupment academies becoming fully recoupable.
- 3.3 Otherwise nationally the schools block per pupil funding rates are in principle cash frozen, apart from the share of the £390m given to 69 local authorities regarded as the lowest funding authorities, on a per pupil basis.

- 3.4 The early years pupil premium is included within the DSG settlement, unlike the current main pupil premium. The early years pupil premium is £0.39m
- 3.5 The Early Years block is based on the 2014/15 numbers and this will be updated in July 2015 for the January 2015 census.
- 3.6 As anticipated the former non-recoupment academies are included within the funding settlement for the first time. For Lewisham this is St Matthew and the Haberdashers' Aske's Free school. The total funding adjustment is £8.1m.
- 3.7 The high needs block has been adjusted for the full year impact of growth in numbers during this current year at £0.2m.

The table below shows the changes in funding from last year

	£m	£m
Initial 2015/16 DSG Settlement		275.8
Previously Announced DSG for 2014/15	268.6	
Adjusted for part recoupment academies	0.7	269.3
Change in funding DSG funding from 2014/15 to 2015/16		6.5
Extra Pupil numbers (763 pupils)		4.6
Non recoupment academies transferred to DSG		8.1
Funding for 2 years excluded from settlement		-6.7
Early Years pupil premium		0.3
High Needs block growth in pupils		0.2
		6.5

- 3.8 As the settlement is in line with the expected settlement it is not proposed to recommend any changes to the funding rates provisionally agreed at the meeting of the Forum on 11 December 2014. The recommendations agreed at the last meeting are shown in Appendix A.

4 Settlement Details

- 4.1 The final pupils numbers agreed by the DFE are as follows

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	Oct-13	Oct-14	Change	
Primary	22,155.5	23,179.5	1,024.0	4.6%
Primary Academy	1,145.5	1,157.5	12.0	1%
Secondary	8,672.5	8,486.5	-186.0	-2.1%
Secondary Academy	2,011.0	1,962.0	-49.0	-2.4%
Jan Uplift*1	57.0	45.0	-12.0	-21%
SEN Units	- 184.0	- 210.0	-26.0	14.1%
Total*2	33,857.5	34,620.5	763.0	2.3%
Newly Transferred Academies	-	1,350.0	1,350.0	
Total*3	33,857.5	35,970.5	2,113.0	6.2%

- 4.2 The schools funding formula has now been re-worked with the latest available data. 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%	10	0	
6% to	7.99%	4	0	
4% to	5.99%	1	3	
2% to	3.99%	7	8	
0% to	1.99%	19	26	

The funding per school will be tabled at the meeting.

5 Conclusion

The settlement was expected but that does not mean it is a good settlement for Lewisham Schools. The freeze in funding rates will mean the extra costs of the pay award, increase pension costs and inflation will have to be met from existing resources. To mitigate this there is the reduced request for contingency, additional pupils numbers in primary and increase in the pupil premium.

With the changes to the high needs funding, 2015/16 will be a difficult.

The expectation is that these type of difficulties will continue for some time as the politicians try to reduce the national deficit.

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