

Dedicated Schools Grant (DSG) and the Schools Budget

- 1 The DSG is ring-fenced for funding the provision of education for pupils in schools (maintained, PRUs, PVI nurseries or externally purchased places). As such it covers funding delegated to individual LA maintained schools, academies and PVI providers through the LMS & Early Years Funding Formula, plus funding for other pupil provision which is retained centrally by the LA (e.g. SEN, PRUs, Behaviour Support, Home & Hospital Tuition, School Contingencies etc.). It is distributed according to a formula that guarantees a minimum per pupil increase for each LA (0% in 2014/15).
- 2 The council itself cannot use the DSG for any purpose other than schools block funding, although with the permission of the York Education Partnership Board limited contributions are being made to the following areas:
 - Combined budgets supporting Every Child Matters objectives where there is a clear educational benefit.
 - Prudential Borrowing, where overall net savings to the Schools Budget have been demonstrated.
 - Some SEN transport costs, again only where there is a net Schools Budget saving.
- 3 There are also strict limits (Central Expenditure Limits) on the amount of the DSG that the council can retain centrally to either fund pupil costs outside of mainstream schools, or use to provide targeted allocations during the financial year to maintained schools. The funding reform changes for 2014/15 have further tightened these regulations, significantly reducing flexibility.
- 4 To some degree the government has attempted to protect schools from the full effect of their spending reductions when compared to other parts of the public sector, and the remainder of local government services in particular. The key features of the Schools Settlement for 2014/15 are:
 - Another one-year only settlement for 2014/15.
 - Further changes to the system of allocating funding to schools and other providers for both mainstream and high needs pupils.
 - A continued flat cash per pupil allocation for all of the LA's core school

funding.

- Increased funding through the pupil premium for disadvantage.
- Increased funding for 2 year old nursery provision for disadvantaged pupils.

Schools Budget Projection for 2014/15

- 5 A summary of the overall schools budget position is shown in Table 1 below. A full report on the schools budget and funding for schools has been prepared for the York Education Partnership Board (YEPB) on 04 February (the YEPB undertakes the statutory responsibilities of the Schools Forum in York in relation to school finances). The YEPB report can be provided to any Member on request and provides further explanations of the figures set out in Table 1.

Table 1: Schools Budget Projection for 2014/15

| | £000 |
|---|----------------|
| 2013/14 Approved Budget | 119,008 |
| Provision for Pay Increases | + 46 |
| LA Centrally Retained Budget Efficiencies | - 50 |
| LMS Funding Formula Requirements | + 40 |
| 2 Year Old Nursery Provision | + 457 |
| High Needs SEN & Alternative Provision | + 986 |
| Carbon Reduction Commitment | - 125 |
| Pupil Premium for Disadvantage | + 1,176 |
| 2014/15 Budget Projection | 121,538 |
| Funding Available: | |
| Dedicated Schools Grant | 111,530 |
| EFA Post 16 Grants | 5,174 |
| Pupil Premium | 4,884 |
| DSG Deficit b/f from 2013/14 | - 50 |
| Total Estimated Available Funding | 121,538 |

Funding Available within the DSG

- 6 The funding available includes the estimated 2014/15 DSG allocation of £111,530k, the existing allocation of funding for post 16 pupils from the EFA of £5,174k, the estimated level of the pupil premium for York schools of £4,884k and reduced by an estimated £50k deficit balance carry forward of DSG from 2013/14. Table 2 sets out the latest estimate of the DSG for 2014/15.

Table 2 – DSG Funding 2014/15

| | 2014/15 |
|--|------------------|
| Early Years Pupil Numbers | 1,651 |
| DSG Per Early Years Pupil | £3,443.79 |
| Early Years Allocation | £5.686m |
| 5-16 Year Old Pupil Numbers | 21,409 |
| DSG Per 5-16 Pupil | £4,209.24 |
| 5-16 Year Old Allocation | £90.116m |
| High Needs Allocation | £14.250m |
| 2 Year Old Childcare Allocation | £1.593m |
| NQT Induction Transfer | £0.032m |
| Carbon Reduction Commitment | (£0.146m) |
| DSG Total for 2014/15 | £111.530m |