



North Tyneside Council

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# Briefing note

**To:** Schools Forum

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**Title of Briefing:** Budget Monitoring 2015/16 and DSG 2016/17 Block allocations

## Purpose

This report will update Schools Forum the latest monitoring positions for 2015/16 and DSG block budgets 2016/17. It will cover:-

1. DSG Monitoring 2015/16
  2. Schools Revenue Monitoring 2015/16
  3. DSG Blocks 2016/17
  4. School Block allocation 2016/17
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## Background

At the December 2015 meeting several papers were discussed at Schools Forum to advise the group of the forecast 2015/16 DSG Block outturn positions. This included the current and future High Need budget pressures.

The final decisions to agree the budgets for 2016/17 were made at the January 2016 meeting. Forum approved the various block transfers prior to setting the Schools Block budgets.

### 1. DSG Monitoring 2015/16

It was agreed with Schools Forum that the High Needs overspend pressures for 2014/15 (- £1.102m) are to be addressed with a transfer from the 2014/15 underspend in the Early Years and Schools Blocks. When both block transfers have been applied this leaves £0.337m to assist with the estimated 2015/16 pressures, which is estimated to be -£1.086m. (See Table 1 below)

Table 1

Projected outturn 2015-16	<b>2015-16</b>
	<b>£M</b>
B/fd balance from 2014/15	-1.102
Estimate transfer from EY Block	1.223
Estimate transfer from School Block	0.217
Balance after transfers applied	0.337
Projected in year outturn 15/16	-1.086
<b>Total Projected Outturn</b>	<b>-0.749</b>

The forecast for overspend for 2015/16 is still in the region of -£1.086m. The final position with regards to Top Up allocations will not be available until the end of March.

Early Years projected outturn remains as reported at the January meeting. We are awaiting the January census data to determine the spring term allocations. See table 2 below with the projected DSG outturn.

Table 2

	<b>Projected Outturn 2015/16 £m</b>	
DSG		
Schools Block	0.0	Balanced
High Need SEN	-0.749	Overspend
Early Years	0.038	Underspend
<b>Total Projected Outturn</b>	<b>-0.711</b>	<b>Overspend</b>

## 2. Schools Revenue Monitoring 2015/16

At the beginning of the financial year when schools set their budgets the projected total outturn for schools was expected to be around £1.505m. Monitoring is just about complete and the projected outturn schools are reporting is £3.141m net surplus.

The projected outturn for the six schools who have deficit approval has improved by £0.129m, the total projected outturn is -£2.331m. This is before any Falling Rolls or Headroom allocations, which will be applied (if applicable), at the end of the financial year once the final outturn position is known. There are a further four schools who are indicating a projected deficit and who do not have deficit approval. Two of these schools are projecting less than £5k so are within acceptable levels at this stage. Of the remaining two schools, we have met with one of the schools and plan to meet with the other over the coming week to discuss their forecast position for this year and its impact for next year.

### **3. DSG Blocks 2016/17**

The final decisions to determine the DSG block were agreed at the January 2016 Schools Forum meeting.

The North Tyneside Authority Proforma Tool (APT) was submitted to the EFA by the required deadline date, 21st January 2016. All agreed changes to the funding blocks had to be applied before submitting the APT as this determined mainstream schools funding for 2016/17.

#### **High Needs Block**

At the December meeting the SEND Working Group had prepared a detailed note explaining the High Needs budget pressures. Schools Forum were asked to consider and approve the recommendations of the SEND Working Group in the transfer of additional funds to the High Needs Block.

The High Needs Block has experienced significant financial pressures over the last two years, which has seen this block overspending by over a million pounds each year. Schools Forum agreed a transfer from the Schools Block the High Needs Block to reflect the significant increase in expenditure, mainly in the area of Top Up and High Needs places for pupils.

Initially at the December 2015 meeting Schools Forum had agreed to transferring the full amount of this request in 2016/17, however it was decided to spread this over two financial years to reduce the impact on schools budgets in 2016/17. The final amount transferred from the School Block to High Needs Block in 2016/17 was not as high as anticipated in the December 2015 report. This was due to receiving an additional £0.320m allocation in the 2016/17 High Needs Block DSG. The amount transferred in 2016/17 to the High Needs Block was £1.184m. There will be a residual High Needs overspend in 2016/17 which is estimated to be -£0.527m.

#### **Centrally retained items**

The movement from the Centrally Retained Budget to Schools Block is £1.033m. The budgets which have now moved to the Schools Block are the budget for Improving Quality and Variety in School Meals (£307,723) and Early Years provision (£725,000). The centrally retained budget for 2016/17 is £2.652m compared to £3.684m in 2015/16.

#### **Schools Block**

Until all decisions had been made on the other blocks the schools final budgets could not be determined. This included the movement from the Centrally Retained budget to Schools budgets and the School Block transfer to High Needs Block.

We can now confirm the amount allocated to schools via the Schools Block allocation, as we have now received confirmation from the EFA. This was following a minor technical adjustment we were asked to make, with regard to the High Needs movement

in our submitted formula. As a result of this change the amount delegated to schools is £111.805m, which has increased from £110.585m in 2015/16.

### **Individual School Budgets**

All schools have been advised of their budgets and were sent a budget letter explaining the changes in 2016/17, including the transfers to the High Needs Block and from the Centrally Retained budgets.

Schools were informed there are no changes in the factors used in calculating Schools Budget allocations this year and the rates for each factor had remained the same as 2015/16 with the exception of Basic Entitlement, which increased by £39.24 per pupil for each phase.

We also advised schools the Department for Education (DfE) had updated the Income Deprivation Affecting Children Index (IDACI) dataset this year, and this has resulted in a significant degree of movement of pupils between IDACI bands.

All schools were invited to attend the Budget planning workshops held by the Finance team over the past three weeks and are in the process of firming up their plans

#### **4. School Block allocation 2016/17**

A copy of the North Tyneside Proforma used in calculating the schools budgets is shown in Appendix A.

Appendix A:2016/17 Final APT

Local Authority Funding Reform Proforma													
LA Name:		North Tyneside											
LA Number:		392											
<b>Pupil Led Factors</b>													
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)		Reception uplift	No	Pupil Units		0.00							
		Description	Amount per pupil	Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)				
		Primary (Years R-6)	£2,729.49	16,059.00		£43,832,880	£86,782,919	39.50%	5.40%				
		Key Stage 3 (Years 7-9)	£4,054.12	5,799.00		£23,509,842		21.18%	5.40%				
		Key Stage 4 (Years 10-11)	£5,063.87	3,839.00		£19,440,197		17.52%	5.40%				
		Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)		
2) Deprivation		FSM6 % Primary	£562.08		4,362.85		£2,452,269	£8,753,805	7.89%	15.00%			
		FSM6 % Secondary		£866.10		2,634.38				£2,281,636			15.00%
		IDACI Band 1	£0.00	£0.00	1,491.94	862.39				£0		15.00%	15.00%
		IDACI Band 2	£220.75	£327.03	1,335.42	833.12				£567,249		15.00%	15.00%
		IDACI Band 3	£331.13	£490.55	3,493.61	1,975.20				£2,125,776		15.00%	15.00%
		IDACI Band 4	£441.50	£654.07	936.05	455.65				£711,292		15.00%	15.00%
		IDACI Band 5	£551.88	£817.58	627.08	307.31				£597,326		15.00%	15.00%
		IDACI Band 6	£883.00	£1,308.13	6.00	9.91				£18,257		15.00%	15.00%
3) Looked After Children (LAC)		LAC X March 14			176.00		£0		0.00%	0.00%			
4) English as an Additional Language (EAL)		EAL 2 Primary	£1,212.00		299.50		£362,999	£425,611	0.37%	0.00%			
		EAL 2 Secondary		£1,212.00	39.41		£47,767					0.00%	
5) Mobility		Pupils starting school outside of normal entry dates	£250.00	£250.00	55.48	3.90	£14,845		0.01%	0.00%	0.00%		
		Description	Weighting	Amount per pupil	Percentage of eligible Y1-3 and Y4-6 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)		
6) Prior attainment		Low Attainment % new EFSP	30.17%		12.62%		£1,489,523	£2,681,332	2.42%	100.00%			
		Low Attainment % old FSP 73		£732.37	12.62%	2,033.84							
		Secondary pupils not achieving (KS2 level 4 English or Maths)		£647.34		1,841.09					£1,191,809		
<b>Other Factors</b>													
Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)					
7) Lump Sum		£150,000.00	£150,000.00			£10,650,000	9.60%	0.00%	0.00%				
8) Sparsity factor						£0	0.00%	0.00%	0.00%				
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.													
Primary distance threshold (miles)		Primary pupil number average year group threshold			Fixed or tapered sparsity primary lump sum?	Fixed							
Secondary distance threshold (miles)		Secondary pupil number average year group threshold			Fixed or tapered sparsity secondary lump sum?	Fixed							
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold			Fixed or tapered sparsity middle school lump sum?	Fixed							
All-through schools distance threshold (miles)		All-through pupil number average year group threshold			Fixed or tapered sparsity all-through lump sum?	Fixed							
9) Fringe Payments						£0	0.00%						
10) Split Sites						£0	0.00%		0.00%				
11) Rates						£911,069	0.82%		0.00%				
12) PFI funding						£774,606	0.70%		0.00%				
13) Sixth Form						£0	0.00%		0.00%				
14) Exceptional circumstances (can only be used with prior agreement of EFA)													
Circumstance						Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)					
Additional lump sum for schools amalgamated during FY15-16						£0	0.00%	0.00%	0.00%				
Additional sparsity lump sum for small schools						£0	0.00%		0.00%				
Exceptional Circumstance3						£0	0.00%		0.00%				
Exceptional Circumstance4						£0	0.00%		0.00%				
Exceptional Circumstance5						£0	0.00%		0.00%				
Exceptional Circumstance6						£0	0.00%		0.00%				
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>						<b>£110,979,342</b>	<b>100.00%</b>	<b>£8,680,680</b>					
15) Minimum Funding Guarantee (MFG is set at -1.5%)						£703,637							
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)						Yes							
Capping Factor (%)	4.60%	Scaling Factor (%)	100.00%										
Total deduction if capping and scaling factors are applied						£0							
						Total (£)	Proportion of Total funding(%)						
MFG Net Total Funding (MFG + deduction from capping and scaling)						£703,637	0.63%						
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)													
Additional funding from the high needs budget						£0.00							
Growth fund (if applicable)						£0.00							
Falling rolls fund (if applicable)						£250,000.00							
<b>Total Funding For Schools Block Formula</b>						<b>£111,805,246</b>							
<b>% Distributed through Basic Entitlement</b>						<b>78.20%</b>							
<b>% Pupil Led Funding</b>						<b>88.88%</b>							
<b>Primary: Secondary Ratio</b>						<b>1 :</b>	<b>1.42</b>						