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Report title:	Provisional 2015-16 Dedicated Schools Grant Funding Allocation	
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Executive Summary

This report provides details of the updated provisional Dedicated Schools Grant (DSG) allocation for 2015-16.

Schools Forum Actions

The Schools Forum is asked to note this report.

1.0 Background

1.1 On 17 December 2014, the Education Funding Agency (EFA) announced the 2015-16 Dedicated Schools Grant (DSG) settlement. This was a provisional allocation, with a number of further adjustments expected during the year. This report provides the Schools Forum with details of adjustments to the DSG settlement that have now been finalised.

2.0 2015-16 Dedicated Schools Grant Allocation – March 2015

2.1 The updated DSG allocation announced on the 26 March 2015 is £290.340m, an increase of £1.639m prior to deductions for academies recoupment and high needs places. A summary of the changes are outlined in Appendix A.

2.2 The main change is the increase in the non-recoupment academies cash transfer. As reported at the January 2015 meeting, a further adjustment was expected to reflect the estimated numbers for those academies which are new or still adding year groups to maintain the principle of cash neutrality for these changes in 2015-16. The LA set the original DSG budget in line with this principle of cash neutrality, with the final cash transfer estimated based on the updated pro-forma calculation. This increase has therefore been accounted for as part of the original DSG budget setting process.

2.4 The Schools Forum is asked to note that this is not the final DSG allocation, with a number of further adjustments expected during the year. As reported previously, the risk of differences between estimated and actual funding will be managed using the current contingency held in reserves. An updated summary of the in-year changes expected is outlined in Appendix B.

3.0 2014-15 Final early years block adjustment

3.1 On the 22 May 2015, the EFA confirmed the final 2014-15 DSG allocation, updated to reflect pupil numbers from the January 2015 school and early years census returns.

4.0 Action for the Schools Forum

4.1 The Schools Forum is asked to note the report.

Appendix A
DSG funding comparison

	2015-16 (£m) Mar-15	2015-16 (£m) Dec-14	Change (£m)	Details
Schools Block (maintained schools and original recoupment academies)	£175.48	£175.48	£0.00	Allocation based on 2014-15 rate*; £6,116.28 per pupil.
Non-recoupment academies cash transfer	£52.90	£51.22	£1.68	Cash transfer for non-recoupment academies, updated to reflect: <ul style="list-style-type: none"> • Estimated pupil numbers from the January 2015 schools budget pro-forma; • Updated NNDR (rates) costs; • Additional costs of national licences.
Estimated Early years block (3 & 4 year old funding)	£22.99	£22.99	£0.00	Based on 2014-15 rate; £8,212 per pupil. Estimate based on January 2014 data.
Indicative early years pupil premium	£0.35	£0.35	£0.00	Estimated based on estimated take-up.
Two year old funding (Still to be confirmed)	£0.00	£0.00	£0.00	Funding will be based on 2014-15 rate; £6.07 per hour. Initial allocations will be announced in June 2015, based on January 2015 data.
High needs block	£38.61	£38.65	-£0.04	Based on 2014-15 cash high needs block plus share of additional funding allocation. Updated to reflect the deductions for places on a location basis.
Total prior to deductions	£290.34	£288.70	£1.64	
Recoupment Adjustment – Schools	£102.13			Based on the January 2015 pro-forma, for all mainstream academies and free schools
Recoupment Adjustment – High Needs	£1.74			Adjustments for places in special and AP academies and NMSS and post 16 places in maintained schools funded directly by the EFA.
2015-16 DSG allocation after deductions	£186.47			
Additional Early Years Funding	£0.328			2014-15 Final EY block cash adjustment
Total	£186.798			

**Adjusted for a top-slice for the carbon reduction commitment of £7.51 per pupil*

Appendix B
2015-16 DSG funding adjustments expected

Funding block	Adjustment	Based on	Expected timing	2015-16 DSG budget assumptions/ update
<i>Schools Block</i>	<i>Deduction for academy recoupment</i>	<i>Final school budget pro-forma and academy conversions</i>	<i>End of April 2015</i>	<i>Updated allocation included in March 2015 allocation</i>
	<i>Cash transfer for non-recoupment academies</i>	<i>Updated for estimated September 2015 numbers</i>	<i>March 2015</i>	<i>Updated allocation included in March 2015 allocation</i>
<i>High needs</i>	<i>Deduction for high needs places</i>	<i>Pre and post 16 high needs places funded by EFA</i>	<i>TBC</i>	<i>Updated allocation included in March 2015 allocation</i>
	<i>Post 16 changes</i>	<i>Places planning change from resident to a location basis</i>	<i>TBC</i>	<i>Updated allocation included in March 2015 allocation</i>
Early years	Funding for three and four year olds	Funding updated for: <ul style="list-style-type: none"> • January 2015 census numbers; • January 2016 census numbers. 	July 2015 July 2016	Estimated funding based on the provisional DSG allocation (January 2014 census numbers)
	Funding for disadvantaged two year olds	Estimated funding expected to be confirmed in June 2015 based on January 2015 census numbers. Funding updated for: <ul style="list-style-type: none"> • January 2016 census numbers 	June 2015 June 2016	Assumed net nil impact with matching funding in and out
	Funding for early years pupil premium (EYPP)	Estimated funding based on estimate of take-up. Survey will be conducted in the autumn 2015 to check take up of the EYPP.	January 2016	Assumed net nil impact with matching funding in and out
<i>Other adjustments</i>	<i>Deduction for national copyright licences</i>	<i>Updated cost including additional licences.</i>	<i>January 2015</i>	<i>Updated allocation included in March 2015 allocation</i>
School sixth form funding	2015/16 academic year high needs place funding allocation	Lagged pupil numbers.	July 2015	Estimated funding based on 2014/15 allocation.