Item 4 – DSG 2016-17 Position

Simon Pleace, Revenue Finance Manager
20 November 2015

Kent County Council
kent.gov.uk

DSG Pressures

- For 2016-17, school budgets face the following pressures:
  - 6th consecutive year of flat cash
  - FYE of increase in employers superannuation contribution from 14.1% to 16.48% from Sept 15
  - Employers national insurance increase
  - Annual increases to staff pay
  - Contractual and unavoidable price increases on some non-pay budgets

Kent County Council
kent.gov.uk

DSG Pressures

- In addition we also have continued growth in High Needs numbers with no additional funding (tbc)
- Numbers for 2016-17 now confirmed and return submitted to EFA
- We had the ability (for the first time in 2 years) to reduce places where it made sense to . . . but overall numbers continue to rise

DSG Pressures – High Needs

Appendix 1

High Needs Numbers - By Institution Type

	2013-14 Actual	2014-15 Actual	2015-16 Q2 forecast	2016-17 Places	Capacity	
Special Schools	3,272	3,349	3,462	3,642	180	5%
Resource Provision	804	810	871	937	66	7%
Mainsteam Schools	802	860	2,021	2,021		
Independent	545	562	599	621	0	
OLA Maintained	95	103	87	87		
FE Colleges	467	570	669	715		
TOTALS	5,985	6,254	7,709	8,023	246	
Sub Total (exc Mainstream)	5,183	5,394	5,688	6,002		
Year on year increase		211	294	314		
Year on year increase (%)		4.1%	5.5%	5.5%		
Kent Totals						
Primary roll	114,275	117,013	120,130	123,477		
Secondary roll	78,213	77,931	78,226	79,320		
6th Form roll	19,931	19,844	19,976	19,756		
Total roll	212,419	214,788	218,332	222,552		
Year on year increase		2,369	3,544	4,221		
Year on year increase (%)		1.1%	1.6%	1.9%		
% of High Needs (exc Mainstream) over Kent Roll	2.44%	2.51%	2.61%	2.70%		

Kent County Council
kent.gov.uk

DSG Pressures – High Needs

High Needs numbers (based on SEND strategy which was presented to the Forum in Dec 2013)					
		2013-14	2014-15	2015-16	2016-17
Special Schools	Original Estimate	3,324	3,491	3,578	3,700
	Numbers from App 1	3,272	3,349	3,462	3,642
		(52)	(142)	(116)	(58)
Resource Provision	Original Estimate	751	833	871	951
	Numbers from App 1	804	810	871	937
		53	(23)	**0**	(14)
Mainsteam Schools	Original Estimate	753	753	753	753
	Numbers from App 1	802	860	2,021	2,021
		49	**107**	**1,268**	**1,268**
Independent		572	572	572	572
planned reductions			-12	-65	-123
Independent (revised)	Original Estimate	572	560	507	449
	Numbers from App 1	545	562	599	621
		(27)	**2**	**92**	**172**
FE Colleges	Original Estimate	525	525	525	525
	Numbers from App 1	467	570	669	715
		(58)	**45**	**144**	**190**
TOTALS	**Original Estimate**	**5,925**	**6,162**	**6,234**	**6,378**
	Numbers from App 1	**5,890**	**6,151**	**7,622**	**7,936**
		(35)	(11)	**1,388**	**1,558**
TOTALS (exc Mainstream)	**Original Estimate**	**5,172**	**5,409**	**5,481**	**5,625**
	Numbers from App 1	**5,088**	**5,291**	**5,601**	**5,915**
		(84)	(118)	**120**	**290**

Kent County Council
kent.gov.uk

DSG Pressures – High Needs

Cost of High Needs (£'000) - By Institution Type				
	2013-14	2014-15	2015-16	2016-17
	£'000	£'000	£'000	£'000
	Actual	Actual	Q2 forecast	Forecast
Special Schools	67,048	68,543	68,033	69,690
Resource Provision	13,118	14,919	15,272	15,913
Mainsteam Schools	8,755	8,899	14,028	14,028
Independent - pre 16	17,581	19,840	22,484	23,514
Independent - post 16	6,000	5,359	4,860	4,471
Independent	23,581	25,199	27,344	27,985
OLA Maintained	2,295	2,531	2,651	2,789
FE Colleges	4,229	4,980	6,095	6,540
TOTALS	119,026	125,071	133,423	136,945
Increase from previous year		6,045	8,352	3,522
% increase from previous year		5.1%	6.7%	2.6%

Kent County Council
kent.gov.uk

DSG Pressures – High Needs

2016-17 Budget Pressures	
	£'000
High Needs	
Current year shortfall	3,411
Net increase in Places for 2016-17 (E2)	1,730
Associated E3 top up funding	1,040
Sub Total	6,182
Continued in year growth	4,124
TOTALS	10,306

Kent County Council
kent.gov.uk

DSG Headroom

- The LA is anticipating having some headroom arising from:
  - Continued growth in primary aged pupils
  - -1.5% MFG
  - Cessation of reception uplift
  - Underspend on new High Needs in mainstream schools
- Impossible to predict with accuracy but . . .

Kent County Council
kent.gov.uk

DSG Pressures – High Needs

Options for funding the pressures	
	£'000
Surplus DSG from rising primary pupil no's	1,400
Saving from negative MFG	2,000
Change to reception uplift (item 9 on the agenda)	700
Current underspend on High Needs (mainstream) (item 3 on the agenda)	2,500
TOTALS	6,600

Kent County Council
kent.gov.uk

DSG Headroom

- Other options to consider . . .
  - We may get some additional DSG for high needs (per capita allocation?) but no guarantees
  - We could use some one-off DSG – delays the issue for a year
  - We could cap some of the pots that grow year on year e.g. EALs, thereby reducing rates – but there will be MFG implications
  - We could reduce school funding rates – all schools feel the pain

Required

- The LA is looking for an *agreement in principle* from the Forum on what it should do with any headroom

Recommendation

- LA proposal (assuming no new cash)
  - Use the available headroom to meet the unavoidable £6.2m pressure on high needs
  - Use the balance of any headroom (£0.4m) towards meeting the in year growth in high needs
  - Fund any balance of continued in year growth from one-off contingency

Recommendation

- LA proposal (assuming we receive additional funding/headroom is higher)
  - Use the available headroom to meet the unavoidable £6.2m pressure on high needs
  - Fund any continued in year High Needs growth from the additional funding/headroom (up to the (£4.1m)
  - If we have anything over and above that - we look to distribute to all institutions (as we did last year)

Kent County Council
kent.gov.uk