

Date of Meeting: 1 March 2010

Subject: Exceptional Circumstances Grant (2009/10)

Report of: Head of Finance Children's Services

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Confidential: Not applicable

Introduction

The purpose of the paper is to inform Forum of the additional grant received relating to the 2009/10 financial year and its intended use.

Summary

On the 29th January Manchester City Council was advised by the DCSF of an award of Exceptional Circumstances Grant. This is effectively additional DSG which will be used to meet the cost pressures experienced from the current year demand for additional primary places.

Recommendations

a) note the additional grant allocation received and its intended use

Reference to Key Documents/Previous Papers

DCSF notification to LA's 29.1.10

Implementation Date (if appropriate):

March 2010

Exceptional Circumstances Grant 1 March 2010

1. Purpose of the Paper

- 1.1 The purpose of the paper is to inform Forum of the Exceptional Circumstances Grant received relating to the 2009/10 financial year and its intended use.

2. Background

- 2.1 The Exceptional Circumstances Grant (ECG) was introduced to reflect changes in the circumstances of authorities which occur after the final DSG allocations have been announced each year. It is an initiative the Department consulted on in the schools funding consultation in spring 2007: its aim is to help those authorities who experience significant pressures on their Schools Budgets from increases in overall pupil numbers and/or new arrivals from abroad after their DSG allocations have been set.

- 2.2 There are three elements to the Grant

- a) For each authority which experiences an increase in overall pupil numbers above 2.5% between the January and autumn censuses, an amount equal to 7/12 of their Guaranteed Unit of Funding per pupil for each pupil above the 2.5% threshold.
 - b) For each authority which experiences more than a 2.5 percentage point increase in the proportion of children with English as an Additional Language recorded in the autumn census over and above the proportion recorded in the January 2008 census, an amount per pupil of £1,600 per full year for each pupil above the threshold. This amount will be adjusted for area costs. 7/12 will be paid in the current year and 5/12 in the following year; however, arrangements for 2010-11 may be different because a new formula for the DSG may be implemented from April 2011.
 - c) For each authority whose January 2008 proportion of children with EAL is below 10%, but which increases by more than 2.5 percentage points during the CSR period, a one off lump sum payment of £200,000 to allow them to build capacity to deal with the language needs of children with EAL.
- 2.3 No authorities received any allocation in respects of points (a) and (c), but Manchester has been successful under the second point (b). Nationally a total of £10.796million was awarded to twenty-two authorities; with Manchester's share being £639,000 payable in two tranches: £373,000 in 2009/10 with a further £266,000 payable in 2010/11.

- 2.4 The timing of the grant payment reflects a 7/12ths 5/12ths split and will be paid to the City Council as part of future DSG instalments. This grant is to be treated as part of Manchester's DSG allocation.

3. The demand for additional resources

- 3.1 The demand for additional primary places has been well documented and Forum has been receiving updates of the LA's response to this demand. The School Specific Contingency has been meeting the costs of temporary additional accommodation and the last report (25.1.010: Item 5) presented to the Forum showing spend against the Schools Specific Contingency indicated full year costs slightly in excess of £1million (£1.070m) in the current financial year.
- 3.2 The Authority has bid for and received an additional capital allocation for 2010/11 of £6.8million to help turn the additional temporary places into permanent ones and plans are underway to deliver permanent facilities across some schools.
- 3.3 The funding to meet the costs associated with the provision of these additional places in 2010/11 should flow through the Manchester funding formula; for as long as the additional places were taken up at the time of the January census then AWPU funding will follow the additional pupil numbers, plus the increased floor areas will also attract additional funding for site factors.
- 3.4 There is though potential for additional revenue costs arising in the current (2009/10) financial year as schools have geared up for the additional demand in the current year through the purchase of additional resources and/or the engagement of additional staffing to accommodate the increased pupil numbers already experienced.
- 3.5 The demand for additional funding in respect of 2009/10 increased revenue costs is high with currently 5 schools seeking additional support totalling some £187k, with the potential for another 10 schools to be making a claim.

4. Intended use of the 2009/10 Exceptional Circumstances Grant

- 4.1 The LA has considered the source of this additional grant allocation and is of the view that the link between the grant allocation criteria and the additional demand for primary places is high and therefore is planning to utilise this additional DSG allocation to provide funding for the revenue costs associated with the creation of the additional primary places in the current year.
- 4.2 The additional 2009/10 grant funding (£373k) will be added to the Schools Specific Contingency within the Retained Schools Budget and those schools that have experienced cost increases will be able to apply for funding from this pot. The results of these applications will be reported to Forum as part of the existing reporting of spend against the Schools Specific Contingency.

- 4.3 The 2010/11 tranche (£266k) will be added to the 2010/11 Individual Schools Budget to go towards funding the additional cost drivers associated with increased floor areas and pupil numbers

5. Recommendations

- 5.1 Forum is asked to:

a) note the additional grant allocation received and its intended use