

ACADEMIES AND THE DEDICATED SCHOOLS GRANT 2013-14: CALCULATION OF RECOUPABLE AMOUNTS

Guide

1. We will no longer be requiring DSG recoupment returns from LAs (as we have in previous years). We will use the information submitted on the LA proformas (on 22 January) to calculate the amount recoupable.
2. Recoupment applies to any Academy which opened from 2008 and had an LA maintained predecessor school (with the exception of two Academies, one in Bristol and one in Cheshire East). This note is intended to help LAs understand how we will calculate the recoupment adjustment to be made to 2013-14 DSG allocations. It also outlines how we will notify LAs of the proposed recoupment adjustments.
3. With the exception of special Academies (see paragraph 4), if recoupment applied to an Academy for 2012-13, we will calculate a recoupable amount for 2013-14.
4. From 2013-14, recoupment will no longer apply to Special Academies and alternative provision Academies. (The detail on how funding will be calculated for the High Needs Block can be found on the funding reform pages at the Department for Education website <http://www.education.gov.uk/aboutdfe/executiveagencies/efa/fundingallocations/a00215225/school-funding-reform>)
5. For the first time in 2013-14 we will be recouping for Basic Need Academies that open on the 1st September 2013. As these are new schools, the ISB amount (shown on the "New ISB" spreadsheet) will only be applicable for the seven months (Sept 2013 to March 2014). The full ISB for these academies will be recouped.
6. The recoupment process is based on calculating a budget for an Academy as if it was still a maintained school, using the same formula used by the LA for calculating 2013-14 school budgets. The information for calculating the recoupable amount will be taken from the LA pro-formas submitted in January 2013 as part of the funding reforms.
7. The amount recouped from DSG is not identical to that paid by the Education Funding Agency (EFA) to the Academy. This is because Academies are funded on an academic year basis and EFA generated MFG will be different to the LA calculations.
8. At the start of the financial year, the recoupment team will calculate an Individual School Budget (ISB) recoupment amount for each Academy. The details of this

calculation and underlying principles are shown below from paragraph 11.

9. Once recoupment amounts have been calculated for all pre-April 2013 openers, the recoupment team will issue LAs with a detailed report showing the calculations and the adjustment amounts. The DSG will then be adjusted accordingly.

10. Further adjustments will be calculated, notified and made in the same manner, throughout the year in relation to in-year openers. The final recoupment calculations must be completed by 5 March 2014.

Underlying principles of 2013-14 recoupment

11. The budget share (ISB), as shown on the January 2013 proforma, for each Academy has been calculated by assuming that the predecessor school(s) is continuing as an LA maintained school and applying the authority's funding formula, including MFG, using the relevant data, in line with the School Finance Regulations.

12. The budget share element is calculated for a whole year, the recoupable amount for FY2013-14 will be proportionate to the appropriate length of time the Academy has been open.

- For Academies that open on the first of a month during 2013-14 the budget will be allocated in 12ths. E.g for a 1st May 2013 opener this will be 11/12ths.
- For Academies that open mid-month the allocation will be made in days. E.g. for a 14th May 2013 opener this would be 322/365ths.
- For Academies that opened on or before 1st April 2013, the full year's calculation will be used.

Recoupment Calculation

13.

Academy Opening date	LA proforma Supplementary Sheet	Column	Further adjustments	Comments
Prior to April 2013*	New ISB	BG – Post MFG Budget	For Individually Assigned Resource (IAR) for the period April – Aug**	
1 April 2013*	New ISB	BG – Post MFG Budget		
2 April – 1 Sept*	New ISB	BI – Post De-delegation budget	7/12 th of BH De-delegation amount	Adjusted for the number of months that the Academy is open.
2 Sept – 31 March 2014*	New ISB	BI –Post De-delegation budget.		Adjusted for the number of months that the Academy is open.

Business Rates

*For Academies that opened prior to 1 Jan 2013 the rates shown with “AE” of the “New ISB” sheet will be included within the recoupment calculation. For Academies opened from 1 Jan 2013, 20% of the “Total Rates” shown within column “G” the “Local Factors” sheet will be used (this is because the school individual school’s budget will not generally show the tax relief for these Academies). In all instances the rates recouped will be adjusted within the year to mirror the amount that the academy has been invoiced for.

Individually Assigned Resource

**LAs will be required to continue providing IAR funding under the old system until the end of August 2013. Recoupment will be adjusted to enable LAs to continue with these payments and details of the adjustment calculation is shown in annex A. Further details will be provided when the Department writes to each LA in April.

Early Years Single Funding Formula

In a small number of cases a further transitional adjustment may be required for pre-September 2010 openers and the Department will contact relevant LAs to clarify the position.

Communications

14. From April 2013 the Department will write to each LA (on a monthly basis) providing a report showing the recoupment position at that point in time, i.e. to include new academies opening in-year.

Growth Fund for Academies (recoupment adjustment in 2014-15)

15. Where Authorities make growth fund payments to Academies for Academic year 2013/14 an appropriate recoupment adjustment will be made in financial year 2014-15 to provide LAs with the funding to meet the commitment for the period April-Aug 2014.

16. Any queries about this guide or questions on the recoupment amounts notified should be sent to academies.recoupment@education.gsi.gov.uk

High Needs Adjustment

The Department issued a document in October 2012 titled “Funding Reform info FAQs – Supplementary Issue – October 2012”. Section B of this document (“SEN & High Needs”), included details of the Authorities responsibilities regarding the funding of High Needs SEN to Academies for the period April-August. The document is available at

<http://media.education.gov.uk/assets/files/pdf/f/funding%20reform%20info%20faqs%20-%20supplementary%20issue%20-%20oct%202012.pdf>

The document states;

“The new high needs system will operate from 1 April 2013 for all settings, with the exception of mainstream Academies and post-16 institutions outside the schools sector, where the system will operate from August/September 2013. In the period between April and September 2013 mainstream Academies open before 1st April 2013 will receive their funding directly from the EFA on the basis of their confirmed 2012/13 grant level.

Funding for most pupils with high needs SEN in these Academies will therefore need to continue as now for that five month period. The local authority will need to set aside funds from its notional high needs block to pay for pupils in Academies on this basis: we will if necessary make a corresponding adjustment to the amount of DSG recouped for these Academies to allow for the fact that the cost of this may be different from what it would be under the new system.”

The calculation of DSG adjustment to provide LA with appropriate funding to meet the High Needs SEN commitment to Academies will be made using data from the LA proforma (and additional information that will be requested in April).

The calculation will be as follows;

Deduct from recoupment amount (to provide the LA with additional funding)

LA proforma Supplementary Sheet	Column	Further adjustments
12- 13 Baselines	I - IAR staying in the Schools Baseline for 2013-14.	5/12 th is deducted from the recoupment amount to provide sufficient funding to enable the LA to fund Academies (for the period April – Aug).
New Delegation Control and Factors	P – “Newly delegated SEN” multiplied by Academy pupil numbers taken from ‘factors’ spreadsheet for each corresponding pupil descriptor.	5/12 th is deducted from the recoupment amount to provide sufficient funding to enable the LA to fund Academies (for the period April – Aug).

Increase recoupment amount

LA proforma Supplementary Sheet	Column	Further adjustments
12-13 Baselines	P – Any other funding moved from Schoolsblock to High Needs block	5/12 th is added to the recoupment amount to increase the amounts recouped.
12-13 Baselines	O – Other funding (e.g. AWPU) associated with pupils in SEN Units to be wholly funded from High Needs Block in 2013-14	5/12 th is added to the recoupment amount to increase the amounts recouped.
12-13 Baselines	SEN Unit funding moving to the High Needs Block baseline for 2013-14.	5/12 th of the amount recouped in 2012-13 for Special Units attached to mainstream academies.*

*We recently asked you to provide the amount of DSG contained within your recoupment calculation in 2012-13 in respect of appropriate Special Units (attached to mainstream academies). As this funding was recouped in 2012-13 and then paid to Academies for academic year 2013/14 we will recoup 5/12 of the figure you provided.

We recognise that this is a complex area. The Department will write to each LA in April explaining in detail the calculation and LAs will then have the opportunity to raise any concerns.