



Education  
Funding  
Agency

# **Academies and the Dedicated Schools Grant 2014-15**

**Calculation of recoupable amounts**

**February 2014**

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## Guide note

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) and Basic Need academies. This note is intended to help LAs understand how we will calculate the recoupment adjustment to be made to 2014-15 DSG allocations in respect of those academies to which recoupment applies. It also outlines how we will notify LAs of the proposed recoupment adjustments.

The information provided by LAs on their Authority Proforma Tool (APT), submitted in January 2014, will be used to calculate DSG Schools Block recoupment. DSG Schools Block recoupment does not apply to special academies and alternative provision academies. This is because they will be funded from the High Needs Block and relevant funding is transferred to cover these costs.

At the start of the financial year, the recoupment team will use the data on the LAs' APTs to calculate an Individual School Budget (ISB) recoupment amount in respect of each recoupable academy. We will inform each LA by 31 March 2014 of the DSG recoupment totals in respect of recoupable academies open prior to the FY 2014-15.

Further adjustments will be calculated, notified and made in the same manner, throughout the year in relation to in-year recoupable academy openers. The final recoupment calculations must be completed by 6 March 2015.

## Underlying principles of 2014-15 recoupment

The budget share (ISB), as shown on the January 2014 APT, for each recoupable academy has been calculated by assuming that the predecessor school 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.

Once the budget share element is calculated as if for a whole year, the recoupable amount for FY 2014-15 will be calculated pro-rata for the number of months in the financial year that the academy is open.

- For academies that open from 1 May 2014 the budget will be allocated in 12ths. E.g for a 1st May 2014 opener this will be 11/12ths.
- For academies that opened on or before 1st April 2014, the full year's calculation will be used.

## Recoupment Calculation

The following describes the recoupment calculations

### Recoupable academies open prior to 1 April 2014

For academies that open up to 5 January 2014, we will recoup the figure shown in column BC from the "New ISB" tab (of the APT). Where the academy opens after 5 January, we have asked LAs to show the academy as a maintained school and therefore the rates will not include rates relief. In these circumstances, we will reduce the rates that we are recouping to include rates relief (this means that we will recoup 20% of column AG on the "New ISB" tab).

Where growth funding has been provided to an academy from September 2013, there is a requirement for the LA to continue this payment until August 2014. To provide the authority with appropriate funding to continue these payments we will make a recoupment adjustment using the data provided in Column H of the "Recoupment" tab of the APT.

A small number of authorities will also be making adjustments in FY 2014-15 to High Need funding so that schools have the required resources to meet the first £6,000 of additional High Need funding (most authorities made this adjustment in 2013-14). In these cases, academies within these areas (that were open prior to 1 April 2014) will not receive the new delegated funding until September 2014 and authorities will be required to continue the 2013-14 High Need funding arrangements for these academies for the period April to August 2014. A recoupment adjustment will be made to provide these authorities with the appropriate funding. The information provided in column AK from the

“Local factors” tab and column W from the “13-14 final baseline” tab will be used to calculate this recoupment adjustment. Further details will be provided to the authorities affected when the initial recoupment reports are issued in March.

### **Recoupable academies opening on 1<sup>st</sup> April 2014**

We will recoup the figure shown in column BC from the “New ISB” Tab. Academies opening on 1 April will be shown as maintained schools on the APT. We have therefore reduced the rates that we will recoup to include rates relief (this means that we will recoup 20% of column AG on the “New ISB” tab).

### **Recoupable academies opening from 2 April 2014 to 1 September 2014**

Where a recoupable academy opens during this period, the LA will be able to retain the de-delegated budget (as shown in column BF of the “New ISB” tab) for the period April – August, i.e. 5/12.

The recoupment of ISB will use the figure shown in the “New ISB” tab and will be pro-rated for the period that the academy is open in the FY. However, the rates calculation will not include rates relief. We will therefore reduce the rates that we will recoup to include rates relief (this means that we will recoup 20% of column AG on the “New ISB” tab). The rates recoupment is also pro-rated for the period the academy is open.

### **Recoupable academies opening from 2 September 2014 to 31 March 2015**

Where a recoupable academy opens during this period, the LA will be able to retain the full year’s de-delegated budget (as shown in column BF of the “New ISB” tab).

The recoupment of ISB will use the figure shown in the “New ISB” tab and will be pro-rated for the period that the academy is open in the FY. However, the rates calculation will not include rates relief. We will therefore reduce the rates that we will recoup to include rates relief (this means that we will recoup 20% of column AG on the “New ISB” tab). The rates recoupment is also pro-rated for the period the academy is open.

## Business Rates

In 2013-14 we made an additional recoupment adjustment using data provided by academies concerning the rates that they paid. The intention was to correct rates recoupment in-year so that we recouped DSG for rates at the value that academies had to pay rates. We have reviewed this process and the following changes will be made for 2014-15;

- We will not be making a rates recoupment adjustment in 2014-15.
- We will provide information to authorities in December 2014, showing the rates invoice values that the Department is aware of for recoupable academies in 2014-15.
- Authorities will be asked to make rates adjustments for recoupable academies for 2014-15 within their 2015-16 APT, which will correct the rates value for 2014-15.

From April 2014 the Department will write to each LA regularly providing a report showing the recoupment position at that point in time, i.e. to include new recoupable academies opening in-year.

Any queries about this guidance or questions on the recoupment amounts notified should be sent to [academies.recoupment@education.gsi.gov.uk](mailto:academies.recoupment@education.gsi.gov.uk)



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Reference: EFA-00067-2014