

# Central Bedfordshire Council

Schools Forum

14 January 2019

## Report: Dedicated School Grant (DSG) Budgets

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**This report relates to a decision that is Non-Key**

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### Purpose of this report

To note and comment on the update to the 2018/19 DSG and funding arrangements for 2019/20.

### RECOMMENDATIONS

The Committee is asked to:

1. **To note and comment on the update to the 2018/19 Dedicated School Grant (DSG).**
2. **To request Schools forum approval to retain the following - Admissions £313,004, School forum servicing £3,000 and a contribution to the responsibilities that the LA holds for all schools £612,216 of the Central School Services Block for 2019/20.**

### Background

- 1 Local authorities receive allocations of Dedicated Schools Grant (DSG) to finance the Schools Budget in each authority. The full DSG received must be applied to the Schools Budget in each authority; although authorities may provide additional resources in support of the Schools Budget should they decide to do so.

The School and Early Years Finance (England) Regulations 2018 define the local authority education budgets (the non-schools education budget, the schools budget, the central expenditure and the Individual Schools Budget (ISB)). The regulations set out how local authorities are to allocate funding from the ISB to maintained schools and private, voluntary and independent providers of free early years provision (relevant early years providers) through a locally determined formula.

### **Local Authority Assurance Statement**

- 2 LAs are required to submit an annual outturn statement, confirming that the DSG received by the authority was fully deployed in support of the schools budgets in accordance with the conditions of the grant and The School and Early Years Finance (England) Regulations 2018. The statement also includes a Non Maintained Special School (NMSS) statement and Fraud cases reported in schools statement.

The NMSS statement requires confirmation that based on the LAs work in reviewing Individual Placement Agreements for high needs pupils/students within NMSS, nothing has come to the local authorities attention that causes them to believe that the learners reviewed were not correctly defined as high needs students.

The Fraud cases statement requires the confirmation of the number and value of fraud cases reported in schools and the number of those that have been investigated and, where appropriate, action taken.

### **3 DSG Budget Allocations 2018/19**

The DSG is split into four blocks (Schools, High Needs, Early Years and Central Services). The new Central School Services Block (CSSB) includes funding for services previously part of the School Block (School Forum, Admissions, Central Licenses) and also includes funds for which local authorities fund ongoing responsibilities for both Academies and maintained schools. School Forum approval is required each year to confirm the individual amounts for the services covered (not required for central licenses).

The minimum funding guarantee (MFG) for schools is retained so that no school can face a funding reduction of more than % per pupil in what it receives through the local authority funding formula, providing continued protection from excessive year-on-year changes. The MFG set for 2018/19 is 0%.

- 4 The table below illustrates the updated DSG revenue allocation for 2018/19. The Early Years Block has been updated based on January 18 census data.

<b>Block</b>		<b>Updated Allocation (£'000)</b>	<b>Total Allocation (£'000)</b>
Schools	NFF allocation	167,133	<b>167,133</b>
Central Schools	NFF allocation	1,236	<b>1,236</b>
Early Years	3 & 4 year olds universal funding	10,586	
	3 & 4 year olds additional 15hrs	3,352	
	Final 17/18 allocation (Jan18)	(208)	
	EYPP	104	
	Two Year Olds funding	1,435	
	MNS Supplementary funding	152	
	DAF funding	60	<b>15,481</b>
High Needs	NFF allocation	24,843	
	Special school	2,547	
	Import / export adjustment	165	<b>27,555</b>
<b>Total Indicative Allocation DSG</b>		<b>211,405</b>	<b>211,405</b>

- 5 The following table represents the distribution of the 2018/19 DSG and latest recoupment costs based on the Academy conversions as at December 2018 (51 including the Free School).

	DSG	ISB Academies	Revised DSG	ISB Schools	Central Spend	
					LA	Academies
	£'000	£'000	£'000	£'000	£'000	£'000
School	167,133	(103,313)	63,820	60,431	3,389	0
Central Schools	1,236	0	1,236	0	1,236	0
EY	15,481	0	15,481	10,972	2,365	2,144
High Needs	27,555	(5,149)	22,406	9,444	8,372	4,587
<b>Total</b>	<b>211,405</b>	<b>(108,462)</b>	<b>102,943</b>	<b>80,847</b>	<b>15,362</b>	<b>6,731</b>

6 The table below details the DSG brought forward from 2017/18 to 2018/19

Reserves	£'000
School Specific Contingency	250.227
Early Years Contingency	341.117
School Forum	6.852
Facilities Time	39.151
Growth Fund	420.504
Two Year Old Funding	390.541
<b>Total</b>	<b>1,448.392</b>

## DSG Funding Arrangements 2019/20

- 7 On the 17 December 2018, The Minister of State for School Standards confirmed the school and early years funding allocations for 2019 to 2020. The announcement covered the DSG, the Education Services Grant (ESG) protections for academies and the Pupil Premium.

The DSG will continue to have four blocks

- the schools block is allocated on the basis of the schools block units of funding and actual costs for premises, growth and mobility announced in July 2018
- the central school services block is allocated on the per-pupil rates and historic commitments announced in July 2018
- the high needs block is based on the national funding formula announced in July 2018, with an additional £125 million allocated on the basis of the ONS projections for the 2 to 18 year old population in each local authority
- the early years block is allocated using the funding rates and calculations announced in November 2018

- 8 **The schools block** for Central Bedfordshire Council (CBC) primary unit of funding being £3,858 and secondary £5,006. The unit of funding is multiplied by the October 2018 school census (primary – reception to year group 6 and secondary – year group 7 to 11). Those pupils not assigned to a year group are allocated to primary and secondary based on the age of the pupil (age 4 to 10 or age 11 to 15).

Pupils in special units and resource provisions are included in the pupil counts.

Recoupment for academies will be based on data provided on the authority proforma tool (APT) submitted in January 2019.

- 9 **The central school services block** which funds local authorities for their ongoing responsibilities for both academies and maintained schools has also been allocated on the basis of the latest pupil numbers, in line with December's announcement (£32.59 unit of funding multiplied by the number of pupils recorded in the October 2018 school census in reception to year group 11, and those aged 4 to 15, not assigned to a year group).

A number of the services that are covered by funding that is held centrally are subject to a limitation of no new commitments or increases in expenditure from previous years. This limit does not now apply to admissions or the servicing of schools forums. Schools forum approval is required each year to confirm the amounts on each line. When using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

- 10 **The early years block** comprises funding for: the free early education entitlements for 3 and 4 year olds and disadvantaged 2 year olds, the early years Pupil Premium. The early years national funding formula rates for 3 and 4 year olds for 2019/20 were published on 17 November (£4.30 per hourly rate).

The ESFA will update these allocations in July 2019, based on January 2019 census numbers and July 2019, based on five twelfths of the January 2019 census numbers (to cover the April to August 2019 period), and seven twelfths of the January 2020 census numbers (to cover the September 2019 to March 2020 period).

Additionally, the early years block includes an initial allocation for the early years disability access fund and the supplementary funding for maintained nursery schools.

- 11 **The high needs block** has been updated with the latest pupil numbers, following the publication of provisional allocations in September. The high needs funding block is a single block for local authorities' pupils and students aged 0 to 24, with high needs. The block includes funding for pre 16 and post 16 places.

There is additional funding for 2 years across 2018/19 & 2019/2020.

- This is based on the ONS projections for the 2 to 18 year old population in each local authority.
- £125 million for 2018/19 & 2019/20.

The import and export adjustment will be updated in May 2019 to reflect the latest data from the January 2019 school census and the R06 of the 2018 to 2019 ILR.

The high needs place funding deduction has been based on the academic year 2018/19 for places directly paid for by the ESFA to institutions, or through the sixth form grant. In March 2019 the deduction will be updated to take account of further academy conversions and the outcome of the 2019/20 place change notification process.

Special units and resourced provision are funded on the places reported and agreed through the place change notification process, not on the number of pupils reported on the 2019/20 APT. The pupil data from the APT is only used to identify whether places are occupied by pupils on the school roll funded at £6,000 or funded at £10,000.

Deductions will be made from DSG for pre 16 places in AP free schools opened before or during the 2015/16 academic year. Deductions are from the pupil's home local authority, based on school census data. Local authorities will be notified of these deductions in March 2019. No deductions will be made from local authorities' 2019/20 DSG for post 16 high needs places in AP free schools; these will be funded directly by the ESFA.

## The indicative 2019/20 DSG allocation

12 The table below reflects the indicative allocation as at December 2018:

<b>Schools block</b>	
Primary unit of funding	£3,857.62
Headcount	24,778
Secondary unit of funding	£5,006.52
Headcount	14,316
Growth, premises and mobility factors	£5,182,438
<b>Total School block</b>	<b>£172,437,383</b>
<b>Central School Services block</b>	
CSSB unit of funding	£32.59
Headcount	39,094
<b>Total CSS block</b>	<b>£1,274,057</b>
<b>Early Years block</b>	
2019/20 EYNFF LA hourly rate for 3 and 4 year olds	£4.30
PTE 3 and 4 year old child numbers for universal entitlement funding	4,319.11
Initial funding allocation for universal entitlement for 3 and 4 year olds	£10,586,147
Estimated PTE 3 and 4 year old child numbers for additional 15 hours entitlement for eligible working parents	1,367.48
Initial funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds	£3,351,682
LA hourly rate for 2-year-old entitlement	£5.39
PTE child numbers for 2-year-old entitlement funding	467.03
Initial funding allocation for 2-year-old entitlement	£1,434,865
Initial funding allocation for EYPP	£104,257
Initial funding allocation Disability Access Fund	£62,115
Initial funding for MNSS	£201,865
<b>Total EY block</b>	<b>£15,740,932</b>
<b>High Needs block</b>	
High needs NFF allocation, excluding basic entitlement factor and import/export adjustments	£25,449,743
ACA weighted Basic entitlement unit rate	£4,094.28
Pupils in Special schools/academies (Headcount)	647
Import/Export unit rate	£6,000
Headcount	38
Provisional import/export adjustment	£165,000
Additional HN Funding	£658,153
<b>Total HN block</b>	<b>£28,921,896</b>
<b>Total DSG Allocation</b>	<b>£218,374,268</b>

13 The table below describes the level of approval required for centrally retained services:

Approval required	Services covered (and funding block)
Schools forum approval is not required (although they should be consulted)	<ul style="list-style-type: none"> <li>• high needs block provision</li> <li>• central licenses negotiated by the Secretary of State</li> </ul>
Schools forum approval is required on a line-by-line basis	<ul style="list-style-type: none"> <li>• funding to enable all schools to meet the infant class size requirement</li> <li>• back-pay for equal pay claims</li> <li>• remission of boarding fees at maintained schools and academies</li> <li>• places in independent schools for non-SEN pupils</li> <li>• admissions</li> <li>• servicing of schools forum</li> <li>• contribution to responsibilities that local authorities hold for all schools</li> <li>• contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only)</li> <li>• de-delegated services from the schools block (voted on by the relevant maintained school members of the forum only)</li> </ul>
Schools forum approval is required	<ul style="list-style-type: none"> <li>• central early years block provision</li> <li>• any movement of funding out of the schools block</li> <li>• any deficit from the previous funding period that reduces the amount of the schools budget</li> <li>• any brought forward deficit on de-delegated services which is to be met by the overall schools budget</li> </ul>
Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into.	<ul style="list-style-type: none"> <li>• capital expenditure funded from revenue – projects must have been planned and decided on prior to April 2013 so no new projects can be charged. Details of the remaining costs should be presented</li> <li>• contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the</li> </ul>



	<p>schools budget to services which would otherwise be funded from other sources</p> <ul style="list-style-type: none"> <li>• existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged)</li> <li>• prudential borrowing costs – the commitment must have been approved prior to April 2013. Details of the remaining costs should be presented</li> </ul>
Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools	<ul style="list-style-type: none"> <li>• funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy</li> <li>• funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years</li> </ul>

14 School forum approval is required for the following:

Admissions (£313,004), the servicing of the schools forum (£3,000), and the contribution to responsibilities that local authorities hold for all schools (£612,216). The allocation for the CSSB for 2019/20 is £1,274,073.

15 **The pupil premium** per pupil amounts will be protected at the current rates. The amounts for 2019/20 will be:

<b>Pupils</b>	<b>Per pupil rate</b>
Disadvantaged pupils: Primary	£1,320
Disadvantaged pupils: Secondary	£935
Pupil Premium Plus: Looked After Children (LAC) and those adopted from care or who leave care under a Special Guardianship Order or Child Arrangements Order (formally known as a residence order).	£2,300
Service children	£300

A looked after child is defined in the Children Act 1989 as one who is in the care of, or provided with accommodation by, an English or Welsh local authority. Pupil Premium allocations for financial year 2019/20 will be published in June 2019 following the receipt of pupil number data from the spring 2019 schools and alternative provision censuses.

### **The Teachers Pay Grant**

16 This came into effect on 1st September 2018 and will continue in 2019/20 to represent the ongoing costs for the 2018 pay award. This has been calculated by the EFA on the following basis:

- The funding is divided between primary (excluding early years), secondary (including sixth forms) and special schools.
- It is based on the size of the teacher wage bill for each sector.
- Area Cost Adjustment (ACA) is applied to take into account the higher teachers wages in London.
- The assumption is that all maintained schools have at least 100 pupils and all high needs institutes have at least 40 places.
- A per pupil rate is generated.

The breakdown per school is provided by the Department to enable the LA to passport the grant to individual schools.

17 A single national copyright license has been agreed as in previous years, managed by the DfE for all state funded schools in England.

- Christian Copyright Licensing International (CCLI)
- Copyright Licensing Agency (CLA)
- Education Recording Agency (ERA)
- Filmbank Distributors Ltd. (for the PVSL)
- Mechanical Copyright Protection Society (MCPS)
- Motion Picture Licensing Company (MPLC)
- Newspaper Licensing Authority (NLA)
- Performing Rights Society (PRS)
- Phonographic Performance Limited (PPL)
- Schools Printed Music License (SPML)

The ESFA will deduct the charge from the DSG.

## **Appendices**

None

## **Background Papers**

None