

<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Dedicated Schools Grant 2019/20</b>		
<b>KEY DECISION</b>	<b>Yes</b>	<b>Item No.</b>	<b>9</b>
<b>WARD</b>	<b>N/A</b>		
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>4 October 2018</b>

## 1. Purpose of the Report

- 1.1 The purpose of this report is to provide Schools Forum with the latest information regarding the Dedicated Schools Grant for the 2019/20 financial year.

## 2. Recommendations

- 2.1 The Schools Forum is recommended to:

- 2.1.1 Note the provisional figures ahead of more detailed consideration of the 2019/20 budget at later meetings;
- 2.1.2 Agree the submission of a Minimum Funding Guarantee disapplication to the Department for Education (DfE) to ensure primary pupils in former secondary schools are protected at the correct level.

## 3. The 2019/20 Allocation

- 3.1 The DfE has announced provisional DSG allocations for the 2019/20 financial year which can be seen below. The latest 2018/19 allocations are provided for comparison.

**Table 1 – DSG Allocations**

	<b>Schools Block (£'000's)</b>	<b>Central School Services Block (£'000's)</b>	<b>High Needs Block (£'000's)</b>	<b>Early Years Block (£'000's)</b>	<b>Total DSG (£'000's)</b>
Provisional 2019/20 DSG Allocation	212,518	5,436	50,519	No Allocation Published	
Latest 2018/19 DSG Allocation	210,998	5,405	49,479	24,200	290,082
Movement	1,520	31	1,040		
Movement	0.7%	0.6%	2.1%		

#### **4. The Schools Block**

- 4.1 The Schools Block is used to fund the Individual Schools Budget (ISB) formula and the Growth Fund.
- 4.2 Table 1 shows a 0.7% increase in cash terms, but on a per pupil basis this works out to a 0.5% increase, as announced when the National Funding Formula (NFF) was first published.
- 4.3 All Lewisham primary and secondary schools are currently funded on the Minimum Funding Guarantee (MFG). The rate at which this can be set will principally vary from the 0.5% increase shown in the table above as a consequence of the amounts of the schools block which are required for the Growth Fund and for National Non-Domestic Rates (NNDR).
- 4.4 It should be noted that the provisional schools block allocations will be updated with pupil numbers and characteristics from the October 2018 school census.
- 4.5 From 2019/20, the following change will be implemented to the Schools Block National Funding Formula calculation.

<p><u>Growth will be funded on lagged numbers</u> An amount for increases in pupil numbers in middle super-output areas An amount for new schools Protection based on past historic figures No effect on how LA's operate their Growth Fund</p>
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- 4.6 Resolution of the following outstanding National Funding Formula has been deferred to 2020/21.

Allocations for premises costs
Allocations for mobility (casual joiners)

#### **5. Central School Services Block (CSSB)**

- 5.1 The Central School Services Block is used to fund Admissions, School Improvement, Licensing, Pensions, and Contributions to Combined Budgets, Schools Forum and Overheads.
- 5.2 Again the allocations excluding historic commitments will be updated with pupil numbers from the October 2018 school census.
- 5.3 From 2020/21 the DfE intends to implement the following change to the CSSB calculation.

<p><u>Phased reduction in historic commitments allocation</u> Allocation will be reduced by a set percentage per year that assumes an end to historic commitments Lewisham's allocation includes £3.7m for historic commitments.</p>
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## **6. High Needs Block**

- 6.1 The High Needs Block is used to fund Placements, Support in Mainstream Schools and Alternative Provision.
- 6.2 Whilst the potential £1m increase in the High Needs block is welcome, the pressures for 2019/20 have been estimated at £2m so the High Needs Sub Group will still need to be looking for ways to bring spend in line with the available funding.
- 6.3 The allocations will be updated using the pupil numbers from the October 2018 school census.
- 6.4 The DfE intends to implement the following changes to the calculation of the High Needs block.

Inclusion of special free school funding in the High Needs Block
Inclusion of post 16 funding in the high needs block
Moving Hospital Education funding to a formularised basis. A consultation is due this term

## **7. Early Years Block**

- 7.1 The Early Years Block is used to fund the schools and PVI providers (private, voluntary and independent) for 2,3 and 4 year olds provision, including Early Years Pupil Premium, Disability Access Fund and the Inclusion fund. Some 5% of the block is allowed for central expenditure on quality, sufficiency and other services to this age group.
- 7.2 The DfE has not released any information regarding the Early Years block for 2019/20 and nothing is expected before the budget. There have been indications that the budget will contain some information about the future funding of maintained nursery schools.

## **8. Minimum Funding Guarantee Disapplication**

- 8.1 The Minimum Funding Guarantee is a DfE mandated funding element that protects schools' funding at the per pupil level. In 2018/19, this meant that if a school's 2017/18 eligible funding equated to £5,000 per pupil, its 2018/19 per pupil funding could not be less than £5,014.
- 8.2 For former secondary schools that are still expanding into the primary phase, normal operation of the MFG would lead to new primary pupils being funded inappropriately at secondary funding levels. The DfE stipulates an adjustment to the operation of the MFG in such cases which protects the two age groups at the appropriate levels.
- 8.3 As the adjustment is a variation in the regulations, local authorities need to apply to the DfE to use their adjustment and Schools Forum's agreement to apply for the variation is sought.

**9. Further Information**

9.1 Should you require any additional information regarding the items contained in this report please contact:

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