

**Agenda Item
6**



Report Status

For information/note
For consultation & views
For decision

Report to Haringey Schools Forum – Thursday 17 January 2019

Report Title: Dedicated Schools Grant (DSG)

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Purpose:

This report covers the following areas:

- (a) An updated DSG forecast outturn for the current financial year (2018-19).**
- (b) The current DSG reserves position statement.**
- (c) An update on the final DSG allocation for Schools, Early Years, High Needs and Central Schools Services Blocks for 2019-20.**
- (d) A request to Schools Forum seeking agreement for 2019-20 schools budget based on the local funding formula.**
- (e) A request for de-delegated funding to maintained primary and secondary schools for Attendance and Welfare Service in 2019-20**

Recommendations for Decision:

Recommendation 1:

Schools Forum notes the forecast in-year closing position of £3.6m overspend on DSG.

Recommendation 2:

Schools forum notes the brought forward reserves position of £1.4m surplus, calculated in conjunction with the in-year deficit position, leaving the DSG in a forecast deficit of £2.2m carry forward into 2019-20.

Recommendation 3:

Schools Forum notes the changes to the local schools funding formula for 2019-20 in line with previously agreed proposals at 6th December forum.

(a) Set the 2019-20 Growth Fund at £921,620

(b) Transfer 0.25% in 2019-20 from Schools Block to High Needs Block

Recommendation 4:

Maintained primary school Schools Forum representatives agree to de-delegate funding for Attendance and Welfare Service after giving consideration to specific report on this topic.

Maintained secondary school Schools Forum representatives agree to de-delegate funding for Attendance and Welfare after giving consideration to specific report on this topic.

1. Introduction

- 1.1 This is the final report to Schools Forum on budget setting in relation to the Dedicated Schools Grant (DSG) for 2019-20 and primarily covers four key areas:
- 1.2
 - a) **An updated forecast outturn for the current financial year (2018-19)**
 - b) **The current reserves position statement.**
 - c) **An update on the final DSG allocation for Schools, Early Years, High Needs and Central Schools Services Blocks for 2019-20.**
 - d) **A request to Schools Forum seeking agreement for 2019-20 schools budget based on the local funding formula.**
 - e) **A request for de-delegated funding to maintained primary and secondary schools for Attendance and Welfare Service in 2019-20**
- 1.3 More detail on the financial position on High Need Block is provided as a separate report in relation to agenda item number 9.
- 1.4 The financial position on Growth fund and Early Years block will be reported in the February school forum in relation to agenda item number 8 and 10.

2. DSG Forecast 2018-19 Outturn and Reserves Position

- 2.1 In 2018-19 the DSG introduced four blocks: Schools Block, High Needs Block, Early Years Block and Central School Services Block. The DSG remains legally a single statutory grant from the Education Skills and Funding Agency (ESFA). By the close of the current financial year 2018-19, Haringey is required to balance DSG with a view to developing a strategy in relation to funding for 2019-20 and subsequently 2020-21.
- 2.2 The 2018-19 **in-year** forecast as at Period 8 is £3.6m. The forecast position for each block is as follows, Schools Block is reporting a underspend of £273k, Central Block is reporting £15k underspend, Early Years is reporting £5k overspend and High Needs reporting £3.9m.
- 2.3 **Brought forward** balances equated to a surplus of £1.4m. This was reported in each block after agreed transfers as follows; Schools Block £379k surplus, Central Block nil balance, Early Years £552k surplus and High Needs £488k surplus.
- 2.4 **Schools Block** opened with a brought forward surplus reserves of £379k and is forecast to close with £652k. This is based on:
 - (a) forecast underspend in Growth Fund (£272k)
- 2.5 **Early Years Block** opened with a brought forward surplus of £552k and is forecast to close with a surplus £556k.

- 2.6 **The High Needs Block** opened with a brought forward surplus of £488k is forecast to close with a deficit of £3.4m.
- 2.7 Pressures in this block have not yet slowed down with the number of pupils receiving EHCPs, which the Council is legally obliged to fund. Continue to growth and the inflationary increases applied by the providers continue to rise at a greater rate than the increase in funding received. It is anticipated that the high needs strategy in place will start to curb this growth and possibly start reducing spend.
- 2.8 There are no reserves in the High Needs Block and therefore this will need to be balanced through the remaining DSG reserves. At year end the DSG is forecasting a deficit of £4m.
- 2.9 At the recent joint Schools Funding, Early Years and High Needs Review Groups, it was agreed to recommend to Schools Forum that overspend in High Needs should be partially funded from the DSG Reserves in the other blocks.

Recommendation 1:

Schools Forum to note the forecast in-year position stated above.

Recommendation 2:

Schools Form to note the forecast carry forward position stated above.

3. Dedicated Schools Grant Allocation

Table A sets out Haringey's DSG allocations for 2018-19, the National Funding Formula DSG allocations for 2019-20 and the illustrative National Funding Formula for 2020-21.

TABLE A – Dedicated Schools Grant Allocation

Dedicated Schools Grant	2018-19 Funding allocation as at 19 Dec 2018	2019-20 Funding allocation as at 19 Dec 2018	2020-21 Illustrative NFF
	£M	£M	£M
Schools Block	195.30	196.97	196.97
Central School Services Block	3.09	3.03	2.95
Early Years Block	20.29	20.28	20.28
High Needs Block	35.47	36.05	36.05
Total DSG	254.15	256.33	256.25

In late December 2018 a further £625k was approved by the EFSA for 2 years 2018/19 and 2019/20, as additional funding for the High needs block. This is shown on the table above.

Schools Block Allocations 2019-20

- 3.1 The 2019-20 Schools Block is based on the schools block units of funding (SBUF) of £5,000.54 per Primary pupil and £6,858.83 per Secondary pupil. 21,370 Primary pupils and 12,501 Secondary pupils taken from the October 2018 census multiply this.
- 3.2 £6.14m is provided for growth and £3.05m for premises and mobility factors giving a Schools Block allocation of £196.97m.

Early Years Allocations 2019-20

- 3.3 The indicative 2019-20 Early Years Block allocation of £20.28m includes:
 - (a) funding of £12.56m for the universal 15-hour entitlement for all 3 and 4 year olds
 - (b) funding of £3.6m for the additional 15 hours for 3 and 4 year old children of eligible working parents
 - (c) funding of £2.7m for the 15-hour entitlement for disadvantaged 2 year olds
 - (d) funding of £0.13m for the year pupil premium (EYPP)
 - (e) funding of £0.06m for the disability access fund (DAF)
 - (f) supplementary funding of £1.24m for maintained nursery schools

High Needs Allocations 2019-20

- 3.4 The 2019-20 High Needs Block allocation of £36.05m is made up of:
 - (a) Actual high needs NFF allocations, excluding basic entitlement factor and import/export adjustments is £33.95m
 - (b) Actual ACA-weighted basic entitlement factor unit rate of £4,497.43
 - (c) 443 pupils in special schools/academies (based on October 2018 school census)
 - (d) Actual import/export adjustment unit rate of £6,000
 - (e) 84.5 exported pupils/students (based on January 2018 school census and February R06 2017/18 ILR)
- 3.5 Up to 0.5% of the Schools Block funding can be transferred to other blocks within the DSG, with the approval of Schools Forum. At the last meeting, however it was agreed that a 0.25% transferred to High Needs could be made which equates to £490k for 2019-20.

Central Block Allocations

- 3.6 The Central Block was separated out from the schools block in 2018/19 and is now funded on a rate £89.34 per pupil.
- 3.7 Additionally a fixed sum for historic commitments that will reduce over time is also added taking the total allocation to £3.03m.

4. Haringey Schools Funding Formula 2019-20

- 4.1 Following agreement from Schools Forum the Council is required to formally submit the schools local funding formula to the ESFA by 18th January 2019.
- 4.2 Following the results of the consultation in November with all maintained and academy schools, Schools Forum met on 6th December 2018 and agreed the following principles for the local funding formula in 2019-2020:
- (a) revise the Growth Fund to £922k
 - (b) transfer 0.25% out of the Schools Block into the High Needs Block
 - (c) set the MFG at +0.2% per pupil
 - (d) after which, if there was a surplus, to move any further amounts necessary to increase the amount to be transferred from the Schools Block into the High Needs Block up to the maximum of 0.5% permissible.
- 4.3 This has since required updating with the final figures from the ESFA and other financial adjustments. Key adjustments include:
- (a) pupil numbers have changed from 33,871 pupils in October 2017 to 33,946 pupils in October 2018 census used to calculate Haringey's 2019-20 Schools Block funding. This increase in pupil numbers is a consequence of growing schools
 - (b) The 5/12 total amount of £200k for St. Thomas More RC, Greig City Academy and Harris Academy Tottenham will be recouped by LA from ESFA in 2019/20. As academies get the funding from ESFA based on academic year (Sep-Aug) but to start the new class we pay full financial year (Apr-Mar) to academies and then we recoup 5/12 (Nov-Mar) from ESFA in following year's APT.

Financial Impact of Schools Forum Decisions

Current formula with the following changes: <ul style="list-style-type: none">- +0.25% MFG- +0.25% CAP 100% Scaling- 2019-20 Growth Fund set at £921,620- +0.25% transferred to High Needs Block	
2019-20 Schools Block Dedicated Schools Grant allocation	£196,969,420
Transfer 0.25% from Schools Block to High Needs Block	(£490,093)
Growth Fund for 2019-20	(£921,620)
Funding available for Schools Block Formula	£195,557,707

Recommendation 3:

Schools Forum notes the changes to the local schools funding formula for 2019-20 in line with previously agreed proposals at 6th December forum.

5. De-delegated funds

5.1 At Schools Forum on 6th December 2018, the following was agreed in relation to de-delegated funds:

- (a) £179k for Schools in Financial Difficulties
- (b) £117k for Trades Union facilities time

Attendance and welfare

5.2 At the previous Schools Forum it was agreed that the Education Welfare Service (EWS) would make a case for continuing the £122k de-delegated funding at Schools Forum in January 2019.

Recommendation 4:

Maintained primary school Schools Forum representatives agree to de-delegate funding for Attendance and Welfare after giving consideration to a separate report provided by the service.

Maintained secondary school Schools Forum representatives agree to de-delegate funding for Attendance and Welfare after giving consideration to a separate report provided by the service.