

Discussion Paper for Joint Schools Forum Working Group meeting on 8th January 2018

A. Introduction

The Dedicated Schools Grant needs to close in balance for the current financial year (2017/18) and, related, to implement an agreed DSG Strategy in relation to future funding in 2018/19 and 2019/20.

In 2017/18, there is a projected overspend of up to £780k in the High Needs Block (though this could vary up or down by approximately £100k in either direction dependent on joint funding from adults and any unexpected out of borough placements that could still materialise in the spring term).

Since 2014/15, the DSG Reserves position has considerably diminished as set out in Appendix A, although there remain positive balances in each of the Schools and Early Years Blocks.

The purpose of this discussion paper is to agree an approach to delivering a balanced DSG for 2017/18.

B. DSG Closure 2017/18

1. In 2017/18 DSG remains legally a single statutory grant which has to balance overall. Longstanding practice in Haringey has been to treat the Early Years, Schools and High Needs Blocks as separate with their own reserves and commitments.
2. The Early Years Block is currently projecting to have £485k in reserves at year end, whilst the Schools Block is currently projecting to have £735k in reserves.
3. This means there is enough in reserves to cover the forecast overspend in the High Needs Block.
4. We need to agree the use of reserves to meet the projected High Needs Block overspend at the Joint Working Group meeting ahead of a decision by Schools' Forum at its meeting in January.

C. Issues for 2018/19:

1. Prima facie there is an additional £1.92M (**TABLE 1**) coming into Schools Block compared with previous modelled projections.

TABLE 1 – DSG ALLOCATIONS

Dedicated Schools Grant	2017-18 DSG allocations as at 10 Oct 2017	2018-19 Minimum DSG baseline allocations as at 4 August 2017	2018-19 Provisional NFF funding as at 14 Sep 2017	2018-19 Funding allocation as at 19 Dec 2017	2019-20 Illustrative NFF
	£M	£M	£M	£M	£M
Schools Block	195.29	192.53	193.38	195.30	194.24
Central School Services Block	0.00	3.14	3.07	3.09	2.99
Early Years Block	18.67	18.67	18.67	20.26	18.67
High Needs Block	35.85	35.47	35.82	35.80	35.93
Total DSG	249.81	249.81	250.94	254.46	251.82

2. It is worth noting that pupil numbers have changed from the 33,450 pupils identified in the October 2016 census, and used to model the various options, to the 33,742 pupils identified in the October 2017 census, which has been used to calculate Haringey's 2018-19 Schools Block funding by the ESFA, to the 33,883 pupils used to fund 2018-19 APT budgets. This increase in pupil numbers is a consequence of growing schools i.e. Harris Academy (Tottenham) which will have an increase in year group R and Year 7.
3. Whilst rates were reduced for most schools as they were overfunded in 2017-18 as a consequence of non application of transitional relief to the provisional rates figures provided for 2017-18 APT, there were 3 schools that required retrospective rates adjustment as they were underfunded in their previous years rates budgets. The schools affected are: Coleridge, Rokesly Infants and Stroud Green. These schools required an additional £274,636.18 in total.

TABLE 2 - 2018-19 APT SCHOOL BUDGET OPTIONS

Description	OPTION A 0.5 MFG 0.5% CAP 100% SCALING	OPTION B -1.5% MFG 2.5% CAP 40% SCALING	OPTION C 2.1% MFG 2.5% CAP 40% SCALING	OPTION D 2.1% MFG 2.5% CAP 40% SCALING
2018-19 Schools Block Dedicated Schools Grant allocation	£195,299,098.60	£195,299,098.60	£195,299,098.60	£195,299,098.60
Transfer 0.25% from Schools Block to High Needs Block	-£488,247.75	-£488,247.75	-£488,247.75	-£488,247.75
Growth Fund for 2018-19	-£382,335.62	-£547,889.24	-£600,000.00	-£1,100,000.00
Funding available for Schools Block Formula	£194,428,515.24	£194,262,961.62	£194,210,850.86	£193,710,850.86
APT Proforma requirement	£194,428,515.23	£194,262,961.62	£195,325,710.21	£195,325,710.21
Remainder	£0.00	-£0.00	-£1,114,859.35	-£1,614,859.35

Recommendation for School Budgets:

With the need to address the above issues and in order to allow us to provide schools with the maximum increase in funding at 0.5% MFG, Option A in the table above is the recommended option. This in effect results in a transfer of 0.25% from Schools Block to High Needs Block; sets MFG at 0.5%; caps schools at 0.5% with 100% scaling. The remainder will be set aside as Growth Fund which is £382,335.62.