

**Item 3****TITLE OF REPORT: DSG Funding Settlement**

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**Purpose of the Report**

To bring to the Schools Forum's attention the information received from the Department for Education (DfE) for the 2019/20 Dedicated Schools Grant (DSG) funding settlement, and the work being carried out to provide schools and early years providers with their budgets for 2019/20.

**Background**

The DfE issued the 2019/20 funding settlement on 17 December 2018. Gateshead will receive an estimated £148.661m DSG for 2019/20 (before recoupment), which is an increase in funding of £3.452m from the £145.209m received for 2018/19.

The DfE announced allocations for the four main funding blocks of the DSG, which includes estimates for some areas. The four blocks are:

- The Early Years Block - for 2, 3 & 4 year old funding, including Early Years Pupil Premium
- Schools Block – for mainstream schools
- Central Schools Services Block – for retained duties and historic spend
- High Needs Block - which includes special schools, PRU and high needs top-up and place funding

**The Early Years Block (EYB)**

The way in which the Early Years block is calculated was changed in 2017/18 due to the implementation of the Early Years National Funding Formula (EYNFF). For 2017/18 there was a new hourly rate of £4.53 for Gateshead, which is an equivalent of £4,303.50 per FTE funding. The funding rate for 2019/20 has remained the same. The EYNFF also includes funding for the increase to 30 hours for eligible children (from September 2017), the Maintained Nursery Supplement (MNS) and Early Years Disability Access Funding (EY DAF).

2 year old funding also remains the same as 2017/18, at £5.20 per hour.

The estimated allocation is £13.8m, which is an increase of £1m from the £12.8m received for 2018/19 which is due to an increase in the number of hours children are accessing early education.

The actual funding allocations for 2, 3 and 4 year old funding will be updated in July 2019 following calculations using the January 2019 census.

However, the maintained nursery school supplementary funding which is part of the early years block has reduced from the initial estimate of £180,127 for 2018/19 to £152,972 for 2019/20 which is a reduction of £27,155 for our smallest school in Gateshead. This allocation will be subject to change following data returns to the DfE.

### **The Central Schools Services Block (CSSB)**

CSSB was new for 2018/19 and was created by taking elements that used to be top sliced from the schools block, and transferred them into this new block. The transferred items include contributions to combined budgets, school admissions, Servicing of Schools Forum, Termination of Employment Costs, School Licences and the retained element of what was the Education Services Grant (ESG). The CSSB for 2019/20 is £1.729m which is a reduction of £2,209 from 2018/19 level of £1.731m.

### **The Schools Block (SB)**

2018/19 was the first year of the National Funding Formula at a local authority level for mainstream schools. There are 3 elements used to calculate the overall funding of the Schools Block, the Primary Unit of Funding (PUF), the Secondary Unit of Funding (SUF) and the historical based elements for private finance initiative (PFI) funded schools, premises and mobility factors. New for 2019/20 is a formula for growth funding (report December 2018). The values of these elements are:

- PUF £4,073.76 per pupil, an increase of £37.37 from 2018/19
- SUF £5,066.09 per pupil, an increase of £42.83 from 2018/19
- Premises factors totalling £4,512,569 an increase of £62,980
- New for 2019/20 is growth funding totalling £397,495

The total allocation for 2019/20 is £110,251m (before recoupment), which is an increase of £1.342m from the £108.909m available to schools in 2018/19. The increase in funding is due to the increase in per pupil funding as actual pupil numbers have reduced (69 less primary pupils and 45 additional secondary pupils), totalling £0.881m, the increase in premises factor funding by £0.063m and the new growth funding of £0.397m.

### **High Needs Block (HNB)**

The 2019/20 HNB allocation (before recoupment) is £22.889m, which is an increase of £1.09m from the initial December 2018 settlement and £0.743 increase on the June 2018 updated settlement. On 17 December, Damian Hinds (Secretary of State for Education) announced additional high needs funding for both 2018/19 and 2019/20 of £0.420m for each year. It is understood that this funding is on top of the settlement and if this is correct it will take 2019/20 HNB allocation to £23.309m.

### **Other Funding Information**

The rates per pupil for the pupil premium and pupil premium plus for looked after children 2019/20 will be maintained at their current rates.

The grant for Universal Infant Free School Meals continues at a meal rate of £2.30 for the 2019/20 academic year. Further details will be available in later in the year.

The Primary PE and Sport Premium have not been announced for 2019/20 academic year. Further details will be available later in the year with regard to Gateshead Schools

grant allocations. The DfE will continue to advise schools on sustainable and effective ways to use the premium.

In late December the DfE published the methodology for two new grants.

The first was the Free School Meal Supplementary Grant (which is to provide in year funding for schools that may have to pay for additional FSM due to the introduction of Universal Credit). Allocations will be based on any increase in FSM numbers between October 2017 to October 2018. For each additional FSM child, schools will receive £440. Actual allocations will be paid in 2019 for 2018/19 and the funding will continue for 2019/20.

The second new grant is the Additional Capital Grant that was announced earlier in 2018. It is anticipated that this is a one off capital grant which is linked to Devolved Formula Capital. The DfE have produced a ready reckoner for schools to use as there are a number of different per pupil funding rates using January 2017 census data -:

- Nursery/Primary - £32.10
- Secondary - £48.15
- Post 16 - £64.20
- Special/PRU - £96.30

Allocations also include a lump sum of £3,000 per schools. From the guidance issued it is not clear if the Diocese will receive this funding for voluntary aided or voluntary controlled schools or if all schools will receive the funding directly.

## **Proposal**

That Schools Forum notes the funding available in the individual DSG Blocks before any movement between the blocks. This information enables the individual school budgets to be calculated using the DfE's Authority Proforma Tool (APT) (subject to a later report), and notes the estimated amounts available for the Early Years Block, the Central Schools Services Block, the High Needs Block allocation, and the other grant information provided.

## **Recommendations**

It is recommended that the Schools Forum notes:-

- The estimated Early Years Block
- The Central Schools Services Block
- The Schools Block
- The High Needs Block allocation
- The other grant information

For the following reasons:-

- To enable individual school budgets to be calculated
- To provide DSG and grant funding information

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