

9 January 2020

Item 4

TITLE OF REPORT: DSG Funding Settlement

Purpose of the Report

To bring to Schools Forum attention the information received from the Department for Education (DfE) for the 2020/21 Dedicated Schools Grant (DSG) funding settlement, and the work being carried out to provide schools and early years providers with their budgets for 2020/21.

Background

The DfE issued the 2020/21 funding settlement on the 19 December 2019. Gateshead will receive an estimated £153.633m DSG for 2020/21 (before recoupment), which is an increase in funding of £4.972m from the £148.661m received for 2019/20.

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 and 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 2020/21 has increased by £0.08 per hour giving an hourly rate of £4.61 per hour or £5,255.40 per FTE funding. 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). There has been a reduction in the estimated universal hours for 3 & 4 year olds, but an increase in 30 hour provision for eligible children. There have also been increases in DAF, MNS and Early Years pupil premium.

2 year old funding also Increased by £0.08 per hour from £5.20 to £5.28 per hour.

The estimated allocation is £14.284 an increase of £13.8m, which is an increase of £0.492 m from the £13.8m received for 2019/20.

The actual funding allocations for 2, 3 and 4 year old funding will be updated in July 2020 following calculations using the January 2019 census.

The MNS funding which is part of the early years block has increased from £152,972 for 2019/20 to £183,295 an increase of £30,322.96. However 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 2020/20 £1.543m which is a reduction of £0.185m from 2019/20 level of £1.729m. The funding rate has reduced by £0.02 to £32.68 per pupil, and pupil numbers have increased by 171. The main reduction in funding has been in the historic commitments element which has been reduced by 20% from £0.953 for 2019/20 to £0.762 a reduction in funding of £0.191m which will have a direct impact on the local authorities (LA) none DSG budget.

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. In 2019/20 a formula for growth funding was introduced. The values of these elements are:

- PUF £4,264 per pupil, an increase of £190.24 from 2019/20
- SUF £5,230.3 per pupil, an increase of £164.21 from 2019/20
- Premises factors totalling £4.254m an decrease of £0.259m (rates, PFI and mobility)
- Growth funding totalling £0.975m an increase of £0.232m from 2019/20.

The total allocation for 2020/21 is £115,718m (before recoupment), which is an increase of £5.467m from the £110,251m available to schools in 2019/20. The increase in funding is due to the increase in per pupil funding, the increase in pupil numbers and the increase in growth funding.

High Needs Block (HNB)

The 2019/20 HNB allocation (before recoupment) is £25.196m, which is an increase of £2.306m from the initial December 2019 settlement. There is an overall increase in the formula allocation of £2.403m, and increase in funding for pupils in special schools due to the increase in the number of pupils in special schools a negative import/export adjustment of -£0.114m which for the 2019/20 settlement will be updated in the summer and is therefore subject to change.

Other Funding Information

The below grants will continue for 2020/21 but the rates per pupil for the following grants have not yet been published:-

- All the different types of pupil premium
- Universal Infant Free School Meals
- 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 pay and pensions grant will continue for the academic year 2019/20, there have been no announcements beyond this other than it is expected that they will be mainstreamed into the DSG in the near future.

It is not known if the Free School Meal Supplementary Grant will continue

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

That Schools Forum:-

- Notes the estimated Early Years Block
- Notes the Central Schools Services Block
- Notes the Schools Block
- Notes the High Needs Block allocation
- Notes 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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