

SCHOOLS MANAGEMENT FORUM

Report of: Dianne Nielsen

Subject: Dedicated Schools Grant (DSG)

Date: 13 November 2019

1.0 Purpose of this paper

1.1 The purpose of this report is to provide information on the dedicated school grant and how funding is received.

2.0 Dedicated Schools Grant (DSG)

2.1 Dedicated Schools Grant is a ring fenced grant, which is split over four funding blocks. Schools Block, Central Schools Services Block (CSSB), High Needs and Early Years.

3.0 Schools Block

3.1 The schools block is funding for schools. The only other elements that are allowed to be funded from the schools block is the growth fund and any transfer of funds from the schools block to another block (High Needs, Early Years or CSSB). The growth fund and any transfer from the schools block has to be agreed by the Schools Forum.

3.2 The funding is determined by the October census that schools submit. Funding is time lagged ie 19-20 allocation is based on October 2018 census. It is important that schools complete the census with accurate information.

3.3 The schools block is calculated using the national funding formula (NFF), which allocates funding based upon 14 funding factors, which are:-

- Basic Entitlement (AWPU)
- Deprivation
- Minimum level of per pupil funding
- Prior attainment
- Looked after children (LAC)
- English as additional language (EAL)
- Pupil mobility
- Sparsity
- Lump sum
- London fringe (not applicable)
- Split sites
- Rates
- Private finance initiative (PFI) contracts
- Exceptional premises (with ESFA agreement)

- 3.4 The schools block is allocated to the Local Authority to calculate the schools budget share. Although the allocation is calculated using the National Funding Formula (NFF), ESFA allow some local flexibilities, over the factors used. In addition the Local Authority can chose the unit vales attached to each of the factors. The Local Authority has a statutory duty to set the school funding formula and cannot delegate the setting of the formula to the School Forum.

4.0 Central Schools Block

- 4.1 The central schools block is allocated to the Local Authority on a formula basis. The formula is simply a rate per child multiplied by the number of children on the October schools census. The central schools services block is paid to the Local Authority to cover the statutory duties the authority has for all schools, including Education Welfare, Asset Management and other ongoing duties, such as:-

- Licences negotiated centrally by the Secretary of State ie copyright licence (does not require school forum approval)
- Admissions
- Places in independent schools for non SEN pupils
- Remission of boarding fees at maintained schools and academies
- Servicing of schools forum
- Back-pay for equal pay claims

- 4.2 In addition, there is an additional allocation paid through “the historic commitments” which allocates funding for centrally procured services from 2013 or earlier. This funding is being wound down by ESFA, with a decrease of 20% announced for 2020/21. No new commitments or increases in funding can be allocated to this funding stream.

- 4.3 Services set out above will also include administrative costs and overheads to these functions.

5.0 High Needs Block

- 5.1 The high needs block is allocated to the Local Authority to provide funding for the provision of high needs support. This fund is in addition to funding schools receive within their school budget shares for SEN. The school budget share includes the first £6,000 of support in addition to the basis entitlement (AWPU).

- 5.2 The amount of funding the Local Authority receives is based on a national funding formula for high needs. Funding is provided based upon the following factors,

- Basic Entitlement for pupils in special schools
- Hospital Funding
- Number of Free School Meal pupils resident in LA factor

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- IDACI
- Bad health factor
- Disability factor
- KS2 & KS4 low attainment factor

6.0 Early Years Block

- 6.1 The early years block is provided to the Local Authority to fund universal free entitlement for 3 & 4 year olds, qualifying 30 hours entitlement for 3 & 4 year olds and 15 hours funding for qualifying 2 year old entitlement, early years pupil premium (for qualifying children) and Disabled Access Funding (for qualifying children). In addition, the early years block provides the Local Authority with funding for centrally provided early years support and an early year's inclusion fund.
- 6.2 The amount of funding received for the early years block is based upon a national funding formula. This formula provides funding at a unit value (differing for the 3&4, 2 year old, EYPP, DAF etc.) based upon the January census pre and during the financial year.

7.0 Recommendation

- 7.1 It is for the SMF to note the detail within this report.