

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 9 November 2019**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **2020/21 DEDICATED SCHOOLS GRANT**

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Chief Officer: Executive Director of Education, Care and Health Services

Ward: (All Wards);

1. Reason for report

This report provides an outline of the estimated DSG allocation for 2020/21 and an overview of how this will be spent,

2. **RECOMMENDATION(S)**

i. **The Schools Forum is asked to review the estimated DSG income and forecast expenditure for 2020/21 in preparation for the full budget setting process.**

a) COMMENTARY

1.1 The indicative Dedicated Schools Grant (DSG) funding for 2020/21 has now been provided to all LAs – this is currently based on October 2018 pupil numbers so will be uplifted in December to reflect the October 2019 census data. The DSG for 2020/21 is divided into four blocks – High Needs, Early Years, Schools and Schools Central. The expected income is detailed below

2020/21 Dedicated Schools Grant					
	High Needs Block	Early Years Block	Schools Block	Schools Central Block	Total
Gross Grant Funding	£53,335,526	£23,032,667	£212,694,788	£1,889,999	£290,952,980
Recoupment adjustment	-£8,786,000				-£8,786,000
Net Grant Allocation	£44,549,526	£23,032,667	£212,694,788	£1,889,999	£282,166,980

1.2 The LA has looked at each of these blocks and has forecast the related expenditure for 2020/21 based on information that is currently available at this time. Full details of the projected grant income and expenditure can be seen at Appendix 1 with detailed information regarding each block provided below.

1.3 Appendix 2 shows the allocation from DfE which excludes the Early Years Block.

1.4 Schools Central Block

Grant 2020/21	£1,889,999
Expenditure 2020/21	£2,249,999
Contribution from Council	£360,000
Expected (Over)/ Underspend	(£0)

The Schools Central Block is showing an overspend of £360k which is proposed will be met by a contribution of £360k from the Council to offset the deficit. Officers will continue to work towards bringing this expenditure in line

1.5 Early Years Block

Grant 2020/21	£23,032,667
Expenditure 2020/21	£23,185,125
Accrual for 2020/21 (expected in July 2021)	£285,334

adjustment to income	
Expected (Over)/ Underspend	£132,876

The Early Years Block income has been estimated as part of the separate review carried out by the LA and the income has been estimated as the DfE has not yet released any funding information relating to 2020/21. The projected expenditure has been estimated using the figures detailed in a separate report. Although this block is showing a small overspend this will be accounted for as an accrual at the end of the financial year based on the estimated retrospective adjustment expected in July 2021.

1.6 The funding calculation also allows for £500k to be transferred from the EY block to the HN Block to support EY pupils with SEND.

1.7 Schools Block

Grant 2020/21	£212,694,788
Growth funding (estimated)	£1,500,000
Adjustment for free school pupils in Sept 2019	£2,381,822
Expenditure 2020/21	£216,576,493
Expected (Over)/ Underspend	£117

1.8 The Schools Block funding has been calculated using the October 2018 census pupil numbers and the per pupil units of funding which have been calculated for 2020/21. Based on the published figures the Primary unit of funding has increased from £4,200 to £4,282 which is an increase of around 1.95% and the Secondary unit of funding has increased from £5,183 to £5,408 which is an increase of around 4.34%.

1.9 The funding that the LA is allocated for the schools block is calculated by running the NFF for every school to give a total figure, which is then divided by the number of pupils in each sector to give a per pupil figure. For these calculation purposes the Schools Block has been increased as follows;

- a) An estimated figure of £1.5m for growth funding has been included – funding in 2019/20 was £1.9m. This funding has been offset against expenditure at the same level.
- b) An estimated amount of £2.3m has been included for the pupils expected to start at the free schools in September 2019 which will be included in the final funding.

1.10 The main changes to the NFF for 2020/21 are as follows

- a) The baseline for floor funding is the 2019/20 notional NFF allocations and the funding floor is calculated at 1.84% above the baseline

- b) Unit values have typically been increased by around 4%, with the exception of Free school meal funding which has only been increased in line with inflation
- c) Minimum per pupil funding levels are now compulsory and have been set at £3,750 for primary schools and £5,000 for secondary schools (nb the primary level is set to increase to £4,000 in 2021/22)
- d) The MFG level is required to be between 0.5% and 1.84%

1.11 The funding formula has been run for all Bromley schools taking into account these changes.

1.12 In previous years Bromley has not used the minimum funding levels as part of the formula calculation – now that this has become compulsory there are a number of schools that become eligible for protection as follows:

- a) 11 Primary schools to receive around £521k collectively
- b) 2 Secondary schools to receive around £46k collectively

1.13 In the primary sector the schools that now fall into this category are mainly the larger primary, infant and junior schools where the per pupil funding will always be the lowest. In the secondary sector it is directed to the two schools which receive lower levels of additional funding through the additional factors such as deprivation and low prior attainment.

1.14 The MFG protection across all schools has reduced to around £3.6m.

1.15 The MFG level that has been used by Bromley is 0.84% which sits part way between the government's parameters. Bromley is not able to calculate the funding at or around the highest level of 1.84% due to the impact of the number of free schools and the issues around lagged funding, which continues to direct funding away from all other schools.

1.16 The LA is very much aware of the concerns that schools have raised around this issue, and Bromley Chief Officers and Members have in turn escalated these concerns to the government. However this issue has not yet been addressed and continues to be a significant problem for Bromley.

1.17 High Needs Block

Grant 2019/20	£53,335,526
Recoupment	£8,786,000
LA Expenditure 2019/20	£43,810,702
Expected (Over)/ Underspend	£738,824

There continues to be significant pressures on the High Needs Block. Estimated expenditure is based on the pattern of new EHCPs (Education, Health and Care Plans) seen over recent years and on the average cost of a placement. The demand for placements of children and young people with SEN continues to increase. Increased numbers of children and young people have been placed at mainstream schools, special schools and resourced provisions. Nevertheless the sustained increase in demand results in the continued reliance on independent settings.

1.18 Due to the overall position for the DSG the LA felt it was important to share this information with the Schools Forum at the earliest opportunity. Schools Forum members are asked to review this information in advance of the full budget setting process in December. All of the figures are subject to change as further data is received and grant levels amended.