

### Dedicated Schools Grant (DSG) and Schools Budget 2017/18

The Dedicated Schools Grant for 2017/18 is made up of three notional funding blocks:

- Schools Block
- Early Years Block
- High Needs Block.

Each block is calculated on a different basis:

The **Schools Block** is calculated using pupil numbers taken from the October 2016 schools census, multiplied by a guaranteed unit of funding (SBUF).

The amount of funding to the local authority per 3 and 4 year old pupil in the **Early Years block** has been increased to £5.90 per child per hour by the introduction of the Early Years National Funding Formula. Extra funding has also been provided to cover the cost of extending free childcare to 30 hours a week for eligible working parents. The 'notional'\* rate to providers in 2017/18 (after allowing for central expenditure and the Inclusion Fund) will be £5.44 per hour compared to £4.30 in 2016/17.

The Early Years (EY's) Block is estimated using early years numbers taken from the Early Years and Schools census in January 2016.

A further update to the 2017/18 DSG allocation will be made once the January 2017 Early Years and Schools census numbers are finalised.

The early years pupil premium has been set at the same level as 2016/17 but may be subject to change.

Funding for two year olds is calculated in a similar way to that for 3 and 4 year olds. The funding rate remains £5.92 an hour to the local authority, whilst the LA funds providers at the slightly higher rate of £6 per hour.

The **High Needs Block** is a cash amount and is based on the amount that was allocated in 2016/17. In 2017/18, the DfE has increased the High Needs block funding slightly to account for population growth. Barnet will receive an additional £1.4m.

#### Pressures on the DSG expenditure budget

The main pressure on the DSG expenditure budget is due to the continuing growth in primary pupil numbers now feeding through into secondary schools. The non-capital cost of setting up new classes is estimated to be £3.8m for 2017/18.

#### Balancing the budget

The approach to balancing the 2017/18 budget has been similar to last year:

- Agreement by the Schools Forum to use the £1.6m of DSG underspend carried forward from 2014/15 to support the budget gap by contributing to the growth fund. The remaining underspends from 2014/15 and 2015/16, £0.6m and £1.2m respectively, are planned to be carried forward and earmarked for pupil growth at new and existing schools from 2018/19. The cost of growth will be high for the next 5 years as the growth in primary moves into secondary and regeneration attracts new families into Barnet.
- Officers are continuing to ensure the needs of children with SEN are met wherever possible in local provision rather than expensive independent placements. There is nevertheless pressure on the High Needs budget arising from the increased demand for specialist places for post 16 education
- The growth in 2-year-olds places also puts pressure on the budget due to lagged funding (funding for the growth in numbers coming to the Borough after the growth has taken place). However, 2-year-old places are not expected to increase significantly in 2017/18, as additional provider capacity is likely to be taken up by 3 and 4 year olds qualifying for the working parent 30 hour offer.
- The Education Services Grant (ESG) funding for retained local authority duties in respect of all schools (including Academies and Free Schools) has been added to the DSG by the DfE and authorities are allowed to retain that funding to pay for these continuing duties, subject to the agreement of the Schools Forum. The Schools Forum approved this at its December meeting. Please see paragraph 1.4.8 of the report for further detail of the ESG reduction.

## 2017/18 draft DSG budget

S251 line S251 Desc		Subgroup	SForum 9Feb2017		SForum 8Dec2016		Change since last Schools Forum	
			Gross 1718 before recoupment	Net 1718 after recoupment	Gross 1718 Draft as reported	Gross Budget 1617 before recoupment		Net Budget 1617 after recoupment
<b>Expenditure</b>								
1.0.1	Individual Schools Budget before Academy recoupment	2,3&4 year olds	26,640,556	26,640,556	26,278,515	19,050,560	19,050,560	362,041
		Budget Shares	245,560,573	144,465,555	246,995,209	240,578,335	144,769,295	- 1,434,636
		High Needs Pla	9,486,488	4,852,988	9,427,488	8,077,920	6,095,590	59,000
		<b>1.0.1 Total</b>	<b>281,687,617</b>	<b>175,959,099</b>	<b>282,701,212</b>	<b>267,706,815</b>	<b>169,915,445</b>	- 1,013,595
1.1.1	Contingencies	Contingency	400,000	400,000	400,000	147,130	147,130	-
1.1.2	Behaviour Support Services	Dedelegation	78,609	78,609	78,876	79,130	79,130	- 266
1.1.3	Support to UPEG and bilingual learners	Dedelegation	84,732	84,732	79,997	87,000	87,000	4,735
1.1.9	Staff costs - supply cover for facility time	Dedelegation	48,039	48,039	48,174	48,770	48,770	- 135
1.2.1	Top-up funding - maintained schools	High Needs	16,145,946	16,145,946	16,404,939	16,969,420	16,969,420	- 258,993
1.2.2	Top-up funding - academies, free schools and colleges	High Needs	7,693,776	7,693,776	7,745,279	7,434,150	7,434,150	- 51,503
1.2.3	Top-up and other funding - non-maintained and independent providers	High Needs	9,638,811	9,638,811	9,638,811	9,084,010	9,084,010	-
1.2.5	SEN support services	Services	3,666,943	3,666,943	3,566,943	3,581,850	3,581,850	100,000
1.2.6	Hospital education services	High Needs	541,146	405,860	541,146	530,010	530,010	-
1.2.1'	Direct payments (SEN & Disability)	High Needs	350,000	350,000	300,000	300,000	300,000	50,000
1.3.1	Central expenditure on children under 5	Services	1,561,167	1,561,167	1,171,390	1,131,390	1,131,390	389,777
1.4.1	Contribution to combined budgets	CAF Team	279,968	279,968	279,262	285,540	285,540	706
		Safer Families	183,720	183,720	183,720	183,720	183,720	-
		<b>1.4.1 Total</b>	<b>463,688</b>	<b>463,688</b>	<b>462,982</b>	<b>469,260</b>	<b>469,260</b>	706
1.4.2	School Admissions	Services	401,200	401,200	361,200	361,200	361,200	40,000
1.4.3	Servicing of schools forums	Services	34,680	34,680	34,680	34,680	34,680	-
1.4.1(	Pupil growth / Infant class sizes	Growth	1,300,000	1,300,000	1,400,000	1,456,322	1,456,322	- 100,000
1.4.1'	SEN transport	Services	400,000	400,000	400,000	400,000	400,000	-
1.4.1:	Other items	Fair Access	106,500	106,500	106,500	106,500	106,500	-
1.5.1	Education welfare service - Former ESG retained duties	Retained Duties	286,891	286,891	-	-	-	537,657
1.5.2	Asset management - Former ESG retained duties	Retained Duties	26,000	26,000	824,548	-	-	26,000
1.5.3	Statutory/ Regulatory duties - Former ESG retained duties	Retained Duties	485,000	485,000	-	-	-	485,000
		<b>Expenditure Total</b>	<b>325,400,746</b>	<b>219,536,941</b>	<b>326,266,677</b>	<b>309,927,637</b>	<b>212,136,267</b>	- 865,931
<b>Income</b>								
1.9.1	Dedicated Schools Grant	DSG	- 318,858,054	- 212,994,249	- 319,553,635	- 302,368,347	- 204,576,977	695,581
1.9.4	Post 16 allocations from EFA	Post 16	- 5,000,000	- 5,000,000	- 5,000,000	- 6,216,900	- 6,216,900	-
1.9.2	Balance b/fwd	Income	- 1,542,692	- 1,542,692	- 1,713,042	- 1,342,390	- 1,342,390	170,350
		<b>Income Total</b>	<b>- 325,400,746</b>	<b>- 219,536,941</b>	<b>- 326,266,677</b>	<b>- 309,927,637</b>	<b>- 212,136,267</b>	<b>865,931</b>