

**2017/18 Planned Dedicated Schools Grant (DSG) Income and Expenditure Summary**

	Schools Block	High Needs Block	Early Years Block	Total
<b>A) ESTIMATED 2017/18 DSG ALLOCATION (before academy recoupment, including EFA Post 16 High Needs Funding)</b>	<b>414,122,389</b>	<b>59,283,777</b>	<b>42,041,169</b>	<b>515,447,335</b>
% of total DSG	80.3%	11.5%	8.2%	
<b>B) 2016/17 DSG ALLOCATION (Re-Baselined, as shown 21 September 2016 Document GG)</b>	408,662,150	56,929,300	38,992,713	504,584,163
<b>C) Difference in DSG (growth) A - B (positive = income increase)</b>	<b>5,460,239</b>	<b>2,354,477</b>	<b>3,048,456</b>	<b>10,863,172</b>
<b>D) PLANNED (FORECASTED) DSG EXPENDITURE 2017/18 (excluding one off items)</b>	<b>409,599,378</b>	<b>66,306,186</b>	<b>42,041,169</b>	<b>512,947,937</b>
<b>E) NET TOTAL PRESSURE IN 2017/18 A - D (positive = underspend)</b>	<b>4,523,012</b>	<b>-7,022,409</b>	<b>0</b>	<b>-2,499,397</b>
<b>F) NET PRESSURE IN 2016/17 RE-BASELINED PLANNED BUDGET (positive = underspend)</b>	0	0	0	0
<b>G) CHANGE IN PRESSURE BETWEEN 2016/17 AND 2017/18 (positive = underspend)</b>	<b>4,523,012</b>	<b>-7,022,409</b>	<b>0</b>	<b>-2,499,397</b>

**Further Explanation of the Planned 2017/18 DSG Position**

	Schools Block	High Needs Block	Early Years Block	Total
<b>H) Estimated 2017/18 DSG Income Allocation (ROW A) INCLUDES the Following Changes</b> (negative = reduction)				
Additional DSG from the increase in pupil numbers recorded in the October 2016 Census vs. October 2015 (+835)	4,059,096			4,059,096
Transfer of the Centrally Retained Duties Element of the Education Services Grant into the DSG	1,401,143			1,401,143
Transfer of the Places-Element for Further Education Providers into the DSG (this is a technical movement of funding)		1,092,000		1,092,000
Additional High Needs Block Funding from DfE (demographic growth)		1,262,477		1,262,477
Reduction in Early Years Pupil Premium (reduction to be based on actual eligibility)			-414,452	-414,452
Additional Disability Access Funding (new funding stream)			159,900	159,900
Estimated Additional Funding for the 30 Hours Early Years Entitlement from September 2017			3,851,759	3,851,759
Estimated Additional Funding from the increase in 2 Year Old Funding Rate			600,721	600,721
Estimated Reduction in Funding for 3 & 4 Year Olds resulting from the DfE's NFF reform			-1,447,392	-1,447,392
Addition of the DfE's new Nursery Schools Supplement in the Early Years Block			997,601	997,601
Estimated change in DSG income for 3 and 4 year old numbers to be recorded in January 2017 / 2018 Censuses (-154 FTE pupils)			-699,681	-699,681
<b>Total of DSG Income Changes</b>	<b>5,460,239</b>	<b>2,354,477</b>	<b>3,048,456</b>	<b>10,863,172</b>

**I) Planned (Forecasted) DSG Expenditure 2017/18 (ROW D) INCLUDES the following changes to be considered by the Schools Forum****i) Changes in Expenditure**

	Schools Block	High Needs Block	Early Years Block	Total
All Blocks - Increase in the Cost of the DfE Copyright Licences Charge (1.7%)	7,002	759	675	8,436
All Blocks - Estimated change in the cost of Business Rates (Primary, Secondary, Nursery and PRUs)	-208,837	30,210	-3,877	-182,504
SB - Passporting Spending on ESG services following the transfer of this grant into the DSG (value as shown above)	1,401,143			1,401,143
SB - Primary & Secondary Formula funding cost (Oct 2016 Census & estimated cost changes, including variable adjustments for data changes)	1,900,478			1,900,478
SB - Reduction in cost of Growth Fund in the Primary Phase (including estimated provision)	-336,475			-336,475
SB - Additional Growth Fund in the Secondary Phase (including estimated provision)	400,694			400,694
SB & HNB - Cost of inflation on the Building Schools for the Future DSG Affordability Gap (estimated at 3.5% RPIX)	120,295	24,089		144,384
EYB - Matched spending in EYPP and Disability Access Fund (matching income change in DSG shown above)			-254,552	-254,552
EYB - Change in cost of Early Years delegated budgets based on the latest estimates of termly numbers (incorporating the EYB ring-fencing principle)			-2,081,799	-2,081,799
EYB - Estimated Cost of Delivery of the 30 Hours Early Years Free Entitlement from September 2017 (incorporating the one off initial cost)			4,452,961	4,452,961
EYB - Estimated Additional Cost of Delivery in passporting the increase of the 2 Year Old Funding rate			635,048	635,048
HNB - Cost from the Technical Transfer of EFA Post 16 Places Funding (see the income coming into the DSG above)		1,092,000		1,092,000
HNB - Estimated growth in cost of allocated places in special schools and special academies		894,802		894,802
HNB - Estimated growth in cost of allocated PRU places		582,935		582,935
HNB - Estimated growth in cost placements in Independent, OLA and NMSS provisions		1,430,000		1,430,000
HNB - Estimated growth in cost of allocated DSP and ARC places, including the small setting factor		405,143		405,143
HNB - Estimated growth in cost of mainstream EHCPs and the SEN Funding Floor		1,415,721		1,415,721
HNB - Estimated growth in cost of Post 16 Further Education Places		231,594		231,594
HNB - Estimated growth in cost of Tracks and Education in Hospital provisions		61,332		61,332
HNB - Estimated growth in cost of Medical Home Tuition provision		350,178		350,178
HNB - Cost of increased provision for currently unallocated places:				
120 SEND places April 2017 - March 2018 (the 1st tranche agreed by the Schools Forum 21 September 2016)		2,400,000		2,400,000
A further 120 SEND places September 2017 - March 2018		1,260,000		1,260,000
In the range of 20 SEMH places April 2017 - March 2018		439,200		439,200
In the range of a further additional 20 SEMH places September 2017 - March 2018		255,800		255,800
Contingency provision for additional places already within the 2016/17 planned budget		-848,200		-848,200
HNB - Sum of smaller cost adjustments		-229,452		-229,452
<b>Total</b>	<b>3,284,300</b>	<b>9,796,111</b>	<b>2,748,455</b>	<b>15,828,867</b>
<b>ii) Potential Measures to Resolve the DSG Funding Gap Included in the Model</b>				
SB - Reduction of the values of Schools Block pupil-led formula factors to manage the overall DSG affordability gap (based on OPTION 3)	-2,347,073			-2,347,073
HNB - Reduction in the value of centrally managed HNB budgets by the DSG affordability adjustment (1.5%)		-120,000		-120,000
HNB - Reduction in the value of Place-Plus Top Up Rates		-299,226		-299,226
EYB - The Early Years Block to matched fund Early Years SEN Inclusion (£300,000 from EYB; £300,000 from the HNB)			300,000	300,000
<b>Total</b>	<b>-2,347,073</b>	<b>-419,226</b>	<b>300,000</b>	<b>-2,466,299</b>

**Notes to Table Above (referenced by row / section)****A) Estimated DSG 2017/18 allocation**

As announced by the DfE on 20 December 2016  
High Needs Block: An additional £1.26m has been allocated by the DfE for demographic growth (from a total national pot of £130m - 1%)  
The High Needs Block includes funding for Post 16 students that will be passported directly by the EFA (actual DSG will reduce for this once confirmed)  
The Schools and High Needs Block values are prior to recoupment for academies  
The Early Years Block includes 2 year old resources and EYPP / DAF and is estimated (to be confirmed from January 2017 and January 2018 Census)  
The High Needs Block includes an allocation for Education in Hospital provision of £1.06m (value retained at 2015/16)  
The confirmed value of Schools Block DSG allocation per pupil is £4,826  
This value includes the ESG Retained Duties allocation that has now been transferred into the Schools Block, which is (per pupil) £16.33  
The confirmed value of Early Years Block 3 / 4 year old allocation per pupil is £4,588  
The confirmed value of Early Years Block 2 year old allocation per pupil is £4,940  
The value of the Maintained Nursery School Supplement within the Early Years Block is still to be confirmed  
The Block values are 'notional' and it is still permitted in 2017/18 to move money between them

**B) 2016/17 DSG allocation**

The 2017/18 DSG is calculated using the revised Blocks Baselines submitted to the DfE in March 2017 (set in preparation for an April 2017 National Funding Formula implementation, which has been subsequently delayed).

**C) Difference in DSG (growth)**

This shows by how much the 2017/18 DSG allocation is estimated to increase or reduce by. A breakdown of the reasons for growth or reduction is given under Section H

**D) Forecasted DSG Expenditure 2017/18**

This shows the total planned expenditure by Block, which incorporates all items / adjustments listed under Section I of this report  
Any changes to these items / adjustments will affect the total position shown in Row E  
Costs have been calculated on the basis of the starting principles that were set out in Document GU presented to the 7 December Schools Forum meeting.  
The planned High Needs Block expenditure is calculated on the planned places to be commissioned as presented to the Schools Forum on 7 December 2016 (Document GX App 1), with a small adjustment for the behaviour centres

The Early Years Block is calculated on the basis that this Block is ringfenced other than for the contribution to SEN Inclusion, with pass through of the discrete 2 and 3 and 4 year old allocations. Costs in the High Needs and Early Years Blocks are calculated on the assumption that the Schools Forum will agree to the structural proposals that have been set out, the recommendations on which were deferred from 7 December). Please note that the cost of business rates in 2017/18 is still to be confirmed.

#### E) Net Total Pressure in 2017/18

This is the difference between planned expenditure and DSG income in 2017/18, in total and by Block  
This updates the position shown in outline on 7 December 2016 in Document GU.  
Starting proposals for the resolution of the DSG funding gap are shown in Section I ii, as outlined to the Schools Forum on 7 December  
A more detailed list of options and an options appraisal is included at Document HA Appendix 2.  
The resolution of this funding gap will be a key theme of discussion for the Schools Forum at this meeting.

#### F) Net Total Pressure in 2016/17

The 2016/17 DSG has been re-calculated using the revised Blocks Baselines submitted to the DfE in March 2017. Hence the position of each Block is 0

#### G) Change in Pressure Between 2016/17 and 2017/18

This shows how the DSG's position has changed in total and by Block in 2017/18 vs. the 0 re-baselined position  
The changes are the result of pressures or savings that have developed during 2016/17 and are predicted to continue and / or increase as well as new pressures in 2017/18

#### Additional Notes

##### i) Changes in Early Years and Schools Block Centrally Managed and De-Delegated Funds

Document HC sets out the position of centrally managed and de-delegated funds and this DSG summary is calculated on this basis.  
Changes from this point in these move funding around the DSG, between delegated and centrally managed budgets, but do not affect the DSG's overall spending / affordability position  
Funding released to delegated budgets is specifically excluded from the calculation of the Minimum Funding Guarantee for Primary and Secondary schools / academies  
The budget outlined above retains all existing High Needs Block centrally managed funds e.g. Specialist Teaching Support Services, reduced by the affordability %

##### ii) Use of One Off Monies in the DSG allocation in 2017/18

As outlined in Document HB Appendix 2, it is proposed to allocate one off monies into the 2017/18 DSG model as follows:

- £324,385 to complete the funding of the agreed diseconomies of scale monies to Bradford Forster Academy
- £500,000 (estimated) of the £1.94m allocated to Beckfoot Upper Heaton Academy for the 3rd (of 7) year's allocation under the agreed growth funding support model
- £650,000 to support meeting the cost of a secondary school deficit as this school converts to academy status
- £338,000 to provide additional provision (places) for secondary-aged behaviour support and to fund the protection of primary behaviour centres

Not using one off monies for these purposes will mean that the 2017/18 DSG allocation must meet these costs instead. This would increase the DSG funding gap  
As referred to on the 7 December, it is now proposed to hold a sum of £500,000 to support the Early Years Block in 2018/19 rather than in 2017/18.  
Whether any further one off monies are to be allocation into the 2017/18 DSG planned budget is to be further considered by the Schools Forum at this meeting.

##### iii) Adjustments to Primary & Secondary Formula Variable Values for Changes in Data Recorded in the October 2016 Census

Please see Document HD for a description.

##### iv) Measures to Resolve the DSG Funding Gap

The measures shown in Section I ii are those that have been previously presented to the Schools Forum. These are still under consideration.  
A more detailed list of options and an options appraisal is included at Document HA Appendix 2.  
Alongside a 1.5% reduction in the values of the pupil-led factors in the primary and secondary formulae (Schools Block) is the application of a 0% ceiling.  
How the 1.5% reduction has been applied in relation to variable change due to October 2016 census data is set out in Document HD.