

| 2018/19 Planned Dedicated Schools Grant (DSG) Income and Expenditure Summary | | | | | |
|---|---------------|------------------|-------------------|-----------------------|-------------|
| | Schools Block | High Needs Block | Early Years Block | Central Schools Block | Total DSG |
| A) ESTIMATED 2018/19 DSG ALLOCATION (before academy recoupment and other EFA direct funding adjustments) | 415,335,748 | 65,793,075 | 43,997,498 | 2,852,696 | 527,979,017 |
| % of total DSG by Block | 78.7% | 12.5% | 8.3% | 0.5% | |
| B) 2017/18 DSG ALLOCATION (Re-baselined and adjusted for DfE National Funding Formula movements) | 406,793,610 | 63,840,110 | 42,710,076 | 2,772,446 | 516,116,242 |
| C) Difference in DSG (growth) A - B (positive = income increase) | 8,542,138 | 1,952,965 | 1,287,422 | 80,250 | 11,862,775 |
| D) PLANNED DSG EXPENDITURE 2018/19 (excluding items funded by reserve / one off monies) | 415,335,747 | 67,767,339 | 44,603,083 | 2,852,697 | 530,558,866 |
| E) TOTAL PRESSURE IN 2018/19 A - D (negative = overspend) | 0 | -1,974,264 | -605,585 | 0 | -2,579,849 |
| F) PRESSURE CARRIED FORWARD FROM 2017/18 PLANNED BUDGET | 0 | -520,788 | 0 | 0 | -520,788 |
| G) NEW / CHANGE IN PRESSURE BETWEEN 2018/19 AND 2017/18 (negative = overspend) | 0 | -1,453,476 | -605,585 | 0 | -2,059,061 |
| H) PROPOSED ALLOCATION OF DSG RESERVE (ONE OFF MONIES) IN 2018/19 | 0 | 520,788 | 605,584 | 0 | 1,126,372 |
| I) FINAL POSITION OF THE DSG BY BLOCK IN 2018/19 AFTER RESERVE G - H (negative = overspend) | 0 | -1,453,476 | 0 | 0 | -1,453,476 |

Further Explanation of the Planned 2018/19 DSG Position (explanation of change figure shown in row G)

| | Schools Block | High Needs Block | Early Years Block | Central Schools Block | Total DSG |
|---|------------------|------------------|-------------------|-----------------------|-------------------|
| J) Estimated 2018/19 DSG Income Allocation (ROW A) INCLUDES the Following Changes (negative = reduction) | | | | | |
| Additional Schools Block following the DfE's allocation of a minimum 0.5% per pupil in respect of every school as per NFF | 1,870,000 | | | | 1,870,000 |
| Additional Schools / Central Schools Block following the DfE's implementation of National Funding Formula (gain above 0.5%) | 2,461,227 | | | 58,971 | 2,520,198 |
| Additional DSG from the increase in pupil numbers recorded in the October 2017 Census vs. October 2016 | 3,986,888 | 336,082 | | 21,279 | 4,344,249 |
| Specific RPIX allocation for BSF (PFI) factor within the Schools Block | 224,024 | | | | 224,024 |
| Additional High Needs Block as a result of DfE National Funding Formula | | 1,616,883 | | | 1,616,883 |
| Change in Disability Access Fund allocation (EYB) | | | 13,510 | | 13,510 |
| Change in the DfE's Nursery Schools Supplement (EYB) | | | -4,412 | | -4,412 |
| Estimated Additional Funding for the 30 Hours Early Years Entitlement (Full Year Basis) (EYB) | | | 2,659,677 | | 2,659,677 |
| Estimated Reduction in Funding for Universal 3 & 4 Year Olds resulting from the DfE's National Funding Formula reform (EYB) | | | -1,381,291 | | -1,381,291 |
| Estimated change in EYB income for 3 and 4 year old numbers to be recorded in January 2018 / 2019 Censuses | | | -60 | | -60 |
| Total of DSG Income Changes | 8,542,138 | 1,952,965 | 1,287,422 | 80,250 | 11,862,775 |

K) Planned (Forecasted) DSG Expenditure 2018/19 (ROW D) INCLUDES the following changes

i) Changes in Expenditure Included in the Model

| | Schools Block | High Needs Block | Early Years Block | Central Schools Block | Total DSG |
|--|------------------|------------------|-------------------|-----------------------|-------------------|
| High Needs, Early Years and Central Schools Block - Increase in the cost of the DfE Copyright Licences Charge | | -6,268 | -5,572 | -57,805 | -69,645 |
| CSB - Adjustment for the transfer of the EYB contribution to the Schools Forum budget | | | -405 | 405 | 0 |
| CSB - Release of the Historic Commitments Budget (available in 2018/19 only) | | | | -439,729 | -439,729 |
| CSB - Adjustment for the transfer of current High Needs Block activities to the new Central Schools Block as per report | | -574,880 | | 574,880 | 0 |
| CSB - Adjustment to the Admissions budget to allocate the specific new year 9 abnormal admissions funding stream | | | | 2,500 | 2,500 |
| SB - Primary & Secondary Formula Funding additional cost (NFF as proposed; Oct 2017 Census) including de-delegated funds | 5,830,310 | | | | 5,830,310 |
| SB - Additional Formula Funding cost as a result of directed place-led change (transfer of DSP / ARC element 1 to Schools Block) | 1,172,668 | | | | 1,172,668 |
| SB - Additional cost of an enhanced Minimum Funding Guarantee (at 0.4%) funded by headroom | 880,468 | | | | 880,468 |
| SB - Estimated increase in the cost of Business Rates Primary & Secondary schools and academies | 313,088 | | | | 313,088 |
| SB - Change in the cost of the Split Sites Factor (using existing Bradford formula) | 24,131 | | | | 24,131 |
| SB - Change in the cost of the Mobility Factor (using existing Bradford formula) | 175,492 | | | | 175,492 |
| SB - Change in the cost of Implicit Growth (pupil number adjustment for establishing academies) | -188,804 | | | | -188,804 |
| SB & HNB - Inflation on the Building Schools for the Future DSG Affordability Gap (at 3.8% RPIX) plus academy re-profiling | 334,784 | 27,070 | | | 361,854 |
| EYB - Matched change in spending in EYPP and Disability Access Fund | | | 13,510 | | 13,510 |
| EYB - Estimated additional cost (full year) of the extended 30 hours entitlement 3 & 4 year olds | | | 2,659,677 | | 2,659,677 |
| EYB - Estimated change in the cost of funding the delivery of the universal 3&4 year old entitlement | | | -1,092,644 | | -1,092,644 |
| EYB - Removal / reduction of central contingencies & funds | | | -181,559 | | -181,559 |
| EYB - Allocation of DSG reserve to protect setting base rates | | | -605,584 | | -605,584 |
| EYB & HNB - Amendment and Increase to Early Years Inclusion Funds (EYIP) | | -300,000 | 500,000 | | 200,000 |
| HNB - Estimated growth in cost of allocated places in special schools and academies (place-plus) | | 3,173,740 | | | 3,173,740 |
| HNB - Estimated growth in cost of allocated places in Early Years DSPs plus full implementation of place-plus <u>subject to consultation</u> | | 601,972 | | | 601,972 |
| HNB - Estimated reduction in HNB direct spending as a result of SEND Review (implemented 1 Sept 2018) <u>subject to consultation</u> | | -802,859 | | | -802,859 |
| HNB - Estimated change / growth in cost of allocated places in Primary & Secondary DSP provision | | 1,576,807 | | | 1,576,807 |
| HNB - Estimated change in cost of allocated places in Primary & Secondary ARC provision | | 5,420 | | | 5,420 |
| HNB - Estimated change in cost of allocated places in Primary Behaviour Centres, including the cessation of top up funding 1/9/18 | | -18,770 | | | -18,770 |
| HNB - Estimated growth in cost of allocated places in PRUs, including the cessation of top up funding 1/9/18 | | 746,342 | | | 746,342 |
| HNB - Estimated change / growth in cost of allocated places in Further Education (Post 16) | | 320,000 | | | 320,000 |
| HNB - Estimated growth in cost of mainstream EHCPs including SEN Funding Floor (pre 16) | | 1,852,374 | | | 1,852,374 |
| HNB - Estimated growth in cost of mainstream EHCPs (post 16) | | 40,000 | | | 40,000 |
| HNB - Removal of provision for place growth unallocated as at planned budget stage in 2017/18 (now allocated) | | -4,300,000 | | | -4,300,000 |
| HNB - Estimated growth in cost of places in OLA, NMSS and Independent provisions | | 420,000 | | | 420,000 |
| HNB - Estimated growth in cost of Education in Hospital and Tracks provisions | | 89,122 | | | 89,122 |
| HNB - Budget for potential cost currently held 'in contingency' | | 850,000 | | | 850,000 |
| Total of DSG Expenditure Changes | 8,542,138 | 3,700,068 | 1,287,422 | 80,251 | 13,609,879 |
| ii) Initial Measures to Resolve the DSG Funding Gap Included in the Model | | | | | |
| HNB - Reduction in the value of Place-Plus Top Up Rates (minus 1.5%) | | -293,628 | | | -293,628 |
| HNB - Allocation of DSG Reserve / One Off Monies (initial allocation only). Further measures to be considered | | -520,788 | | | -520,788 |
| Total of Funding Gap Balancing Measures | 0 | -814,416 | 0 | 0 | -814,416 |

L) Schools Block 2018/19 - Phases Breakdown (Headroom Ring-Fencing)

| | |
|---|----------------|
| Primary - value of specific phase-led funding (£GUF of £4,167 per pupil) within the Schools Block | 229,429,112 |
| Primary - value of specific phase-led core formula funding spending within the Schools Block | 228,874,305 |
| Primary - change in share of combined Schools Block funds (rates, mobility, BSF, growth) | 471,579 |
| Primary - Difference (negative = under spend) | -83,228 |
| Primary - Additional cost of the enhanced Minimum Funding Guarantee at 0.4% (value of headroom) | 591,424 |
| Secondary - value of specific phase-led funding (£GUF of £5,394 per pupil) within the Schools Block | 170,846,359 |
| Secondary - value of specific phase-led core formula funding spending within the Schools Block | 170,938,556 |
| Secondary - change in share of combined Schools Block funds (rates, mobility, BSF, growth) | -8,969 |
| Secondary - Difference (negative = under spend) | 83,228 |
| Secondary - Additional cost of the enhanced Minimum Funding Guarantee at 0.4% (value of headroom) | 289,044 |

A) Estimated DSG 2018/19 allocation

As announced by the DfE on 19 December 2017. DSG allocation methodology at local authority level now follows the National Funding Formula across the 4 Blocks. Local authorities are permitted in 2018/19 to transfer monies between the Early Years, Central Schools and High Needs Blocks provided that, for the EYB, the central spending restriction is not breached. Local authorities are permitted to transfer monies into the Schools Block from other Blocks. However, for all other purposes the Schools Block is 'ring-fenced', except that a maximum of 0.5% of the Schools Block (£2m) can be transferred to the High Needs Block with the approval of the Schools Forum following consultation with schools. Transfers of a value greater than 0.5% require Secretary of State approval. In our 2017/18 decision making, we established the principle of ring-fencing for the Early Years Block. The Schools and High Needs Block values are prior to recoupment for academies. The ESFA funds academies directly. The Central Schools Block is newly established. A no. of items previously funded in the Schools Block are transferred. This ends Schools Block 'toplicing' for all but de-delegation and Growth funds. The Central Schools Block contains within it a sum of £439,729 relating to historic commitments, the funding of which we do not expect to receive beyond 2018/19. The bulk of the Central Schools Block is funded on the formula £27.82 per pupil x October 2017 census numbers (primary & secondary only). The High Needs Block includes funding for Post 16 students that will be passported directly by the ESFA (actual DSG will reduce for this once confirmed). There are elements of the HNB that are still to be confirmed. The High Needs Block includes a specific allocation for Education in Hospital provision of £1.65m. This allocation matches our 2017/18 planned spend. The High Needs Block DSG methodology has been set out in previous reports to the Forum. Within the formula is an allocation of £4,001 for all places in special schools occupied in October 2017. As we have 84 more pupils in our special schools we have received £336k more HNB funding through this factor in 2018/19. The Early Years Block includes 2 year old entitlement funding, the universal and extended 3 & 4 year entitlements funding and EYPP / DAF. These are estimated and will be confirmed from Jan 2018 and Jan 2019 Censuses. The confirmed value of Early Years Block 3 / 4 year old allocation per FTE pupil / per hour in 2018/19 is

| | | |
|--------|-------|----------|
| £4,361 | £4.59 | per hour |
|--------|-------|----------|

 This 2018/19 3 & 4 year old funding value is reduced by £0.24 per hour on 2017/18 and effectively completes the £3m loss in our EYB as a result of the DfE's early years national funding reform (set out in autumn 2016) The confirmed value of Early Years Block 2 year old allocation per FTE pupil / per hour in 2018/19 is

| | | |
|--------|-------|----------|
| £4,940 | £5.20 | per hour |
|--------|-------|----------|

 The Early Years Block includes an estimated Maintained Nursery School Supplement value of

| |
|------------|
| £1,114,749 |
|------------|

 This supplement is specifically allocated to enable the retention of funding rates for nursery schools at their pre-national reform (2016/17) levels. Under National Funding Formula, the Schools Block is now funded on phase-specific primary and secondary £apps plus specific additional cash allocations. The phase-specific £app allocations for core formula funding are detailed in section L. The additional Schools Block cash allocations in 2018/19 are as follows:

| | | |
|---|-------------------|---|
| Business Rates | 4,722,846 | allocated on 2017/18 planned spend |
| Split Sites | 378,758 | allocated on 2017/18 planned spend |
| PFI (Building Schools for the Future) | 6,119,384 | allocated on 2017/18 planned spend + RPIX |
| Pupil Mobility | 554,832 | allocated on 2017/18 planned spend |
| In year Growth (explicit and implicit) | 3,284,457 | allocated on 2017/18 planned spend |
| Total Schools Block Cash Allocations | 15,060,277 | |

B) 2017/18 DSG allocation

The 2017/18 DSG figures for the Schools, High Needs and Central Schools Blocks match the revised Blocks Baselines published by the DfE in August 2017, based on (and matching) our March 2017 submission. A transfer of £1.17m has been made by the DfE from the High Needs Block to the Schools Block to take account of the change in the way resourced provisions are funded from April 2018. The 2017/18 Early Years Block figure is taken from the 19 December 2017 DSG publication, which still estimates EYB funding. The final allocation will be confirmed in July 2018 following the collection of the Jan 18 Census.

C) Difference in DSG (growth)

This shows by how much the 2018/19 DSG allocation is estimated to increase or reduce by. A breakdown of the reasons for growth or reduction is given in Section J.

D) Planned DSG Expenditure 2018/19

This shows the total planned expenditure by Block, which incorporates all items / adjustments listed under Section K of this report. Any changes to these items / adjustments will affect the total Block position shown in Row E. The main recommendations document (Document IM) lists the key decisions behind the calculations. Costs in the Schools, High Needs and Early Years Blocks are calculated on the assumption that the Schools Forum will agree to the structural formula funding proposals that have already been set out and consulted on. Planned High Needs Block expenditure is calculated on the planned places to be commissioned presented to the Schools Forum on 6 December 2017 (re-presented in Document IM App 3). Planned Central Schools Block expenditure is calculated using the approach that was set out on 6 December 2017 and the basis that this block is ring-fenced (re-presented Document IK App 1). Planned Early Years Block expenditure is calculated on the basis that this Block is ring-fenced, with pass through of the discrete 2 and 3 and 4 year old allocations, and use of reserve to protected 3&4 year old base rates. Please note that the cost of business rates in 2018/19 (Schools Block) is still to be confirmed.

E) Total Pressure in 2018/19

This is the difference between total planned expenditure and total income in 2018/19 by Block. This updates the position shown in outline on 6 December 2017. Starting proposals for the resolution of the DSG funding gap are shown in Section K ii. The resolution of the funding gap in the High Needs Blocks will be the key theme of discussion for the Schools Forum at this meeting. This position of DSG reserves will be brought into these discussions.

F) Pressure Carried Forward from 2017/18 Planned Budget

The 2017/18 DSG has been re-calculated using the revised Blocks Baselines submitted to the DfE in March 2018. 2017/18 baselines are based on our planned spend. Hence the position of 3 of the Blocks is 0. Under option 4 agreed with the Schools Forum in January 2017 a sum of £0.52m of DSG reserve was used to balance the 2017/18 High Needs Block. This pressure carries forward.

G) New / Change in Pressure Between 2018/19 and 2017/18

This shows how the DSG's position has changed in total and by Block in 2018/19 vs. the re-baselined position. The changes are the result of pressures or savings that have developed during 2017/18 and are predicted to continue and / or increase as well as new pressures in 2018/19.

H) Proposed Allocation of DSG Reserve (One Off Monies) in 2018/19

This shows the proposed use of DSG reserve within the 2018/19 general position by Block. Additional reports to this meeting set out the forecasted position of reserves. The figures in this report do not include any specific allocation to individual schools e.g. Growth Fund allocations based on reserves. The allocation of reserves into the Early Years Block follows the proposal to support the 3&4 year old base rates. This position of DSG reserves will be brought into the discussions about the High Needs Block position.

I) Final Position of the DSG by Block in 2018/19 After the Use of Reserve

This shows the final 'balancing' position of the DSG by block and in total after reserves (at the starting point of discussion) are allocated into the 2018/19 position.