

READING BOROUGH COUNCIL

REPORT BY FINANCIAL SERVICES

TO:	Reading Schools Forum		
DATE:	11 JANUARY 2018	AGENDA ITEM:	4
SUBJECT:	DSG 2018-19 ALLOCATION AND BLOCK UPDATE		
SERVICE:	EDUCATION, CHILDRENS'S & EARLY HELP SERVICES	WARDS:	All
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1. PURPOSE OF REPORT

- 1.1 This report is to inform Schools Forum of the allocation of DSG for the 2018/19 financial year. Updated allocations were supplied on the 21st December 2017.

2. RECOMMENDED ACTION:

- 2.1 To note: Updated DSG allocation 18/19
- 2.2 To note: Schools Block update
- 2.3 To note: Early Years Block update (18-19 rates)
- 2.4 To note: Central Block and De-delegation Information
- 2.5 To approve or remove the Equality Service de-delegation
- 2.6 To note: Other Grant information

3 NOTIFIED DSG ALLOCATION 18/19

- 3.1 On 21 December the Education Funding Agency announced the funding allocations for 18/19 for the Dedicated Schools Grant (DSG). Details of these are shown in the tables below. As stated in previous meetings, all four blocks are now funded with its own individual national formula. The Early Years block continues from the implementation in 17-18 and the other 3 blocks have now started.

3.2 DSG SETTLEMENT 2018-19 AND SCHOOLS BLOCK

18-19 DSG ALLOCATION	Pupil Numbers	GuF	Budget (£m)
Schools Block - Primary	13,320	£3,938	52.454
Schools Block - Secondary	6,057	£5,106	30.926
Schools Block - Growth Fund & Premises			3.444
Schools Block Total			86.824
High Needs Block Total			19.295
Central Block - On Going Functions	19,377	£32.27	0.625
Central Block - Historic Commitments			0.680
Central Block Total			1.305
Early Years 3/4 Year olds	3,074	£2,930	9.007
Early Years 2 year olds **	448	£3,272	1.467
Early Years Pupil Premium			0.138
Maintained Nursery Transition Grant			0.332
Disability Access Fund			0.033
Indicative 30 hrs allocation ***	471	£2,930	2.454
Early Years Total			13.431
Total Allocation (Before Recoupment)			120.855

- 3.3 In December 2017 Schools Forum the members agreed to set the growth fund budget at £1m for 18-19. This is an additional £100k from 17-18 due to the additional expansion of a secondary school and potential extra bulge classes needed in reception. The LA has also kept the £100k falling rolls fund for 18-19.
- 3.4 On the 15th December, the ESFA announced the 2018-2019 copy right license charge for each LA. In 2017-18, Reading contribution totalled £98k, for 2018-19 this has risen to £102k. Part of this increase is likely to do with the increase in Reading pupils. (Additional 400 pupils)
- 3.5 Reading LA requested and consulted on moving up to 0.5% of School Block funds (£434k) to the High Needs Block to increase the deficit payment budget from £1.8m to £2.2m. This was agreed at December 2017 Schools Forum.
- 3.6 These agreements total £1.536m and this leaves £85.287m towards the individual school budgets (ISB). Total ISB for 17-18 totalled £80.593m. This shows a £4.694m difference from 17-18 to 18-19. Summary calculations show this increase to be part pupil increase related (£2.5m) and the remainder being additional funds of £2.2m that will be well needed within schools budgets and to help make huge strides moving towards the national formula in 2020-2021.

3.7 Table below shows the detail of the Schools Block movement

Schools Block Allocation		86,823,517
<u>Centrally Retained Budgets as proposed @ Jan 17 schools Forum</u>		
Growth Fund	1,000,000	
0.5% movement from School Block to High Needs Block	434,000	
Copyright licenses - Statutory	102,300	
		1,536,300
Remaining for School Funding Formula 2018-2019		85,287,217

3.8 The Schools formula funding paper will go in to more detail on how the £85m has been split to assist the transition to the national formula.

4 CENTRAL BLOCK - UPDATE

4.1 The central schools services block (CSSB) will be introduced in April 2018, to fund LAs for statutory duties that they hold for both maintained schools and academies. The CSSB brings together

- Education Services Grant (retained duties element)
- Ongoing functions, such as admissions, previously top-sliced from the schools block
- Historic budgets, previously top-sliced from the schools block

4.2 In December 2017, Schools Forum agreed to the individual budgets within the table below.

Type	Service	£000
On-going Budgets	Servicing Schools Forum	20
	Admission	215
	Education Services Grant (for all schools)	356
	High Needs Support Post	34
Historic Budgets	Prudential borrowing	50
	Children's Social Care	275
	Children's Action Teams	224
	School Improvement	116
	Commissioning Support	15
TOTAL	CENTRAL BLOCK	1,305

4.3 The 18-19 allocation included additional funds within the Central Block due to the increase in pupil population. This adjustment has been added onto the Education Services Grant budget.

5 HIGH NEEDS BLOCK

- 5.1 High Needs Block budget paper will be produced and taken to the March 2018 Schools Forum meeting. This will show High Needs budget break down and changes that have been made from 17-18.

6 EARLY YEARS BLOCK

- 6.1 The Early Years National Funding Formula (EYNFF) was implemented in April 2017. This was the first block to change within the Dedicated Schools Grant (DSG) and this had a favour growth amount for Reading Early Year settings. The only early years settings that did not benefit and had funding reduced were the Maintained Nursery Schools (MNS). Not every LA has MNS, but Reading currently has 5 OfSTED rated outstanding Nurseries.
- 6.2 The DSG allocations have now been notified (para graph 3.2) and this has shown no inflation uplift from 17-18 to 18-19. The budget has gone up due to the 30 hour entitlement being for the whole year rather than 7 months in 17-18 (start in September 2017). The pupil numbers have also decreased from previous years and this has squeezed budgets in terms of the central retained budgets allowed.
- 6.3 The pass-through requirement in the EYNFF is intended to ensure that the maximum amount of funding allocated to LAs is passed to providers. The pass through requirement level is set at 93% for 2017/18 and will increase to 95% in 2018/19. RBC had a pass-through rate of 3.28% in 17-18. This will increase to 4.19% due to the agreement of Schools Forum and the LA on moving some early years special education services costs to the Early Years Block from the High Needs Block to help reduce the ongoing pressure. Due to the reduction in Early Years numbers, this 5% allowance has decreased and further work is required between the High Needs Block and Early Years Block on funding allocations.
- 6.4 The table below sets out the 2018-2019 rates for Reading Early Years Settings. There has been no change from 2017-2018 and all types of settings will receive the same rate.

2018-2019 Rates	3 & 4 Year olds				2 Year olds
	15 hrs Universal	15 hrs additional (30 hours)	Deprivation supplement	EYPP	15 hrs entitlement
Maintained Nursery Schools	£4.80	£4.80	£0.47	£0.53	£5.55
Maintained Primary Schools	£4.80	£4.80	£0.47	£0.53	£5.55
Academy Primary Schools	£4.80	£4.80	£0.47	£0.53	£5.55
PVIs	£4.80	£4.80	£0.47	£0.53	£5.55

- 6.5 **Maintained Nursery Schools Supplement** will continue for 2018-2019 and it's ring-fenced within the DSG. This grant has increased by £47k from 2017-2018 to £332k (from £285k). The LA will discuss with the MNS Head teachers on how the funding should be split for 2018-2019. This can be on the same basis as 2017-2018 where the funding was allocated on a per hour per child basis for children on their school roll. This funding is to enable MNS to manage the adjustment to a lower funding rate while they consider future options to enable them to remain sustainable.
- 6.6 The **EYPP** remains a separate funding stream. It continues to be paid into the DSG and there are no funding changes for 2018/19.
- 6.7 The **disability access fund (DAF)** will continue and it is to support providers to make reasonable adjustments to their settings and help with building capacity for the benefit of the children. The criteria for funding is relating to the child in receipt of free early education and in receipt of the Disability living allowance. The allocation of funding for 2018/19 for the DAF is £33k.
- 6.8 The **SEN Inclusion fund** is to support providers to address the needs of children with SEND LAs should target the fund at children with lower level and emerging SEN (pre-EHCP). This is managed by the MNS Heads within designated clusters and this will ensure there is one central place for referrals for all children in early years that require SEN support from emerging to high level needs. The budget has been set at £150k for 2018-2019
- 6.9 **Deprivation Supplement** criteria and funding rates will not change from 2017-2018. The current criterion for allocating this supplement follows the EYPP criteria. This change in 2017-2018 has helped the EYPP numbers to increase and the LA expect the EYPP and Deprivation funding to be used together. The current EYPP hourly rate is 53p. Deprivation rate is 47p per hour and together this will total £1.00 per hour.

7 DE-DELEGATION UPDATE

- 7.1 Schools Forum agreed to remove the Schools in financial difficulty de-delegations and this will mean that no fund will be available at Schools Forum for schools which need to reshape and request funds to support redundancies. The total redundancy charge will now need to be picked up by the individual school. This was a maintained school provision only.

7.2 The below table confirms the de-delegation agreements.

Service	(17-18) £000	(18-19) £000	(18-19) Rate	Phase
Support for EAL and Underachieving Groups	78	40	£19.69 per <u>EAL3</u> Pupil	Not decided
Behavior Support	178	178	£115.96 per <u>FSM</u> Pupil	Primary Only
Union Facilities Agreement	48	45	£4.31 per <u>AWPU</u> pupil	Primary Only
School Improvement	233	141	£12.58 per <u>AWPU</u> pupil	Primary and Secondary
Schools in Financial Difficulty	50	0	N/A	Removed
Education Services Grant	146	75	£7.18 per <u>AWPU</u> pupil	Primary Only
TOTAL	733	479		

7.3 Schools forum agreed to defer the decision on the de-delegation regarding “Support for EAL and Underachieving Groups”. This was due to the LA consulting on possible closure or reshaping/transferring of the service. The LA is still proposing to reduce the de-delegation to £40,000 in 2018/19. Given the LA’s formula, this will return most of the resource for EAL support - £19.69 per ‘EAL3’ pupil - to schools with the highest numbers of EAL pupils, while also maintaining a central financial resource to enable a smooth transition in 2019/20, when this de-delegation will cease.

7.4 Schools Forum will need to make a decision on the de-delegation element for Support for EAL and Underachieving Groups at the January meeting as the deadline for the schools budget submission is the 19th January. The LA has not changed its position in regards to the request. **Annex 1** shows de-delegation amounts for 17-18 and 18-19 for individual maintained schools.

8 OTHER GRANTS

8.1 Pupil Premium will continue at the same rates as 17-18

Primary	(R to Yr 6)	£1,320
Secondary	(Yr 7 to Y11)	£935
Service children	(R to Y11)	£300

Schools will also receive an extra £400 (totaling £2,300) for each pupil identified in the spring school Census as having left local-authority care because of 1 of the following:

- adoption
- a special guardianship order
- a child arrangements order

- a residence order

Funding for Pupil Premium Plus “current looked after children” will be managed through EPEPs and agreed via the Virtual School Head of the local authority that looks after the child.

- 8.2 Universal Infant Free School Meals (UIFSM) will continue for the academic year 18-19 on the rate of £2.30 (per pupil per day).
- 8.3 The primary PE and sport premium continues in academic year 2018 to 2019 at the current level of £320 million per year. This was doubled from £160 million per year in September 2017
- 8.4 Year 7 Catch-up Premium will continue in 18-19 and arrangements will be confirmed by the EFA in 2018.

Annex 1 - Support for EAL and Underachieving Groups (de-delegation breakdown)

Rate per EAL 3 pupil	£38.09	£19.69
Schools	17-18	18-19
Katesgrove Primary School	10,941	5,533
Alfred Sutton Primary School	6,976	3,594
E P Collier Primary School	4,994	2,778
English Martyrs' Catholic Primary School	3,737	1,931
Wilson Primary School	3,653	1,980
Coley Primary School	3,526	1,805
Southcote Primary School	3,415	1,759
Whitley Park Primary and Nursery School	3,261	1,965
Oxford Road Community School	3,109	1,743
St Mary and All Saints Primary School	3,076	1,806
Geoffrey Field Infant School	2,742	1,690
Redlands Primary School	2,487	1,624
The Ridgeway Primary School	2,431	1,276
Christ The King Catholic Primary School	2,430	1,073
Manor Primary School	2,245	1,030
Emmer Green Primary School	2,223	1,058
Thameside Primary School	2,154	1,127
St Michael's Primary School	1,787	862
New Christ Church (VA) Primary School	1,651	972
Moorlands Primary School	1,493	643
St Anne's Catholic Primary School	1,393	624
Geoffrey Field Junior School	1,371	413
Micklands Primary School	1,371	729
Park Lane Primary School	1,070	392
The Hill Primary School	1,056	431
Caversham Primary School	964	545
Caversham Park Primary School	490	201
St Martin's Catholic Primary School	410	292
All Saints Church of England Aided Infant School	286	118
Total	76,740	39,993

