DEDICATED SCHOOLS GRANT (DSG) UPDATE 2018-19 AND 2019-20 BUDGET

Additional resources due to a change to the Early Years Block funding for 2017-18 of £751,000 is to be put initially into the Growth Fund, but if not needed will be used to reduce the DSG deficit for 2018/19. An additional £1,200,907 has been received for 2018-19 which was an increase of £219,849 to what was previously assumed in the 2018/19 budget. The individual schools’ budgets have increased by £832,000 due to increased growth and the change in funding of Business Rates. The high needs funding requirement has increased by £987,000. There has been an increase in the number of pupils attending Special Schools, of which 49% have come from mainstream schools and 12% are new pupils going into the Nursery class in Special Schools. The forecast in-year deficit for the Dedicated Schools Grant (DSG) for 2018/19 was £395,000, but this has increased to £1.580m. This has increased the overall estimated DSG deficit for 2018/19 to £4.611m.

There are a number of additional pressures for 2018-19 and 2019-20 relating to the High Needs Block spending, including costs at the Pupil Referral Unit. The Department for Education (DfE) are now allowing Local Authorities to transfer an additional 0.5% from the Schools Block to the High Needs Block without a new consent from the Secretary of State where there is continuing Schools Forum agreement. However, Local Authorities with a deficit of more than 1% as at March 2019 of the DSG will be required to provide a report to the DfE of their financial recovery plan. Based on the current DSG position Oldham will be required to do this.

In the 2019-20 budget, the resources are estimated to increase by £3.3m, but the budget requirement has also increased by £1.7m. A minimum funding guarantee of 0% and capping at 1.27% and the minimum funding levels for primary and secondary pupils have been incorporated into the figures. The Growth Fund has been allocated based on the same basis as 2018/19. £1.9m was received last year. In 2019-20 growth will be allocated on a formula allocation which cannot reduce by more than 0.5%, or £1.0m from the Growth Fund for 2018/19. The October 2017 and October 2018 census will be used in the actual allocation of the Growth Fund. The report assumed a movement of 1% from the mainstream schools’ budget to the High Needs Block.

Information on the allocation of the Growth Fund to individual schools was provided to members. In addition to this explicit growth there is an allocation to Oasis Leesbrook and Northmoor Academies for implicit growth. Officers are considering if there should be a change in the criteria for Growth Funding allocation. At the moment funding is allocated on a basic pupil amount.

NEW SCHOOL FUNDING ARRANGEMENTS 2019 TO 2020

The 2019-20 schools’ National Funding Formula will be broadly the same as for 2018-19. The minimum per pupil funding levels are £3,500 for primary and £4,800 for secondary. The schools block will incorporate a 1% per pupil gain compared with 2017-18 baselines. The block allows underfunded schools to gain a further 3% per pupil in addition to the 3% gain in 2018-19. The soft formula will continue in 2020-21 which will allow movement between blocks. The Free School Meals (FSM) supplementary grant will be allocated for 2018/19 and 2019/20 based on the difference from October 2017 to October 2018. Oldham’s 2018-19 Schools Block formula factor values were compared to those chosen by other Local Authorities with reference to the National Funding Formula (NFF).

FORWARD PLAN

Future meetings of the Schools Forum are on Wednesday 28 November 2018 and 17 January 2019.