

Committee: Lead Member for Education and Inclusion, Special Educational Needs and Disability

Date: 28 February 2017

Title of report: Dedicated Schools Grant 2017/18

By: Director of Children's Services

Purpose of report: To seek approval of the Dedicated Schools Grant (DSG) for 2017/18

RECOMMENDATION:

The Lead Member is recommended to approve the allocation of the DSG budget for 2017/18 which includes the inter block transfers as detailed in this report.

1. Background

1.1 The DSG for 2017/18 is allocated by the Department for Education (DfE) into three notional blocks with each block calculated on a different basis. Each block is subject to separate regulations as to eligible expenditure. The use of the three blocks is outlined below:

- **The Schools Block** comprises the individual schools budget which must be delegated to schools and academies through a funding formula. Maintained schools can agree to de-delegate budgets and these are spent on their behalf by the authority. There are a limited number of exceptions which enable local authorities to hold funding centrally.
- **The High Needs Block** funds provision in maintained by schools, academies, alternative provision, FE colleges and independent providers for pupils with high needs and central spending on pupils with high needs.
- **The Early Years Block** funds payments to early years' providers in settings and schools and supports central spending on early years pupils.

1.2 In addition to these three blocks the Local Authority (LA) also receives funding for 2 year olds as an additional funding block allocation.

1.3 The LA is able to realign the notional allocation of the 3 blocks using inter-block transfers. In recent years there have been transfers from the Schools Block to support pressures in the High Needs and Early Years blocks. Under the current guidance, the inter-block transfers do not require Schools Forum approval, but this is likely to change under the proposed National Funding Formula (NFF).

2. Supporting Information

2.1 Schools Block Funding

2.1.1 The Schools block for 2017/18, based on the October 2016 pupil census data, is £276.1m.

2.1.2 The DfE have again negotiated a national agreement with the Copyright Licensing Association in respect of copyright licences for written material and music for all schools and academies.

2.1.3 Growth and Falling Rolls Funds totalling £1.6m have been agreed by Schools Forum to support maintained schools and academies for key stage 1 top up, additional classes, pre-opening costs and dis-economies of scale schools costs for new schools and falling rolls.

2.1.4 Funds that were in previous years referred to as Retained ESG have now been incorporated into the Schools Block DSG (£1.01m).

2.1.5 A further £750k has been provided from County Council funds for one year to support schools funding, recognising the High Needs block pressures (see paragraph 2.2.4 below for more details).

2.2 High Needs Block (HNB)

2.2.1 The total High Needs Block funding received from DfE for 2017/18 is £46.2m.

2.2.2 The £700k inter block transfer that occurred in 2016/17 has been permanently included in this HNB allocation for 2017/18 as part of the national baselining exercise carried out by the DfE in preparation for moving towards the NFF. The DfE have also increased the allocation by £980k to reflect the expected pupil population growth in Early Years and the Primary Phase.

2.2.3 The funding for FE Colleges (£984k) has also been transferred from the DfE into this Block. This funding will then be deducted by the DfE and will therefore be a net nil effect to the budget.

2.2.4 It should be noted that despite the increased £46.2 million High Needs block allocation from the DfE compared to 2016/17, a £4.3m inter block transfer is also requested for approval by Lead Member in order to support the High Needs pressures. The pressures in this block are significant and this additional funding is required to support the following areas:

- £600k to support school top up funding where there has been an increase in demand on top of increases in the band funding for children with EHCP's.
- £1.3m to support the increase in requests for new and on-going placements with Post 16 providers.
- £2.4m to support the increase in demand for on-going placements post-19 within high cost independent special schools.

2.3 Early Years (EY) Block

2.3.1 The 2017/18 EY block funding (excluding funding for two year olds) is £21.2m and has been based on the January 2016 census data. This allocation includes £246k indicative pupil premium funding and the indicative Disability Access Fund allocation of £98k.

2.3.2 The entitlement for 3 and 4 year olds will be revised in July 2017 to reflect the January 2017 census data, as will the allocation for the Early Years Pupil Premium (EYPP).

2.4 2 Year Old Funding

2.4.1 The provisional allocation is £4.08m and will be updated in July 2017 based on the January 2017 census numbers.

2.4.2 ESCC will receive £5.20 per hour for eligible two year olds, of which 100% has to be passed through to early years providers.

2.4.3 The current hourly rate paid by East Sussex County Council is £6.00 per hour for Band A children (Band A children are those on a Safeguarding Plan or Social Care Child in Need or Health designated Child in Need) or £5.00 per hour for all other children.

2.4.4 To maintain the Council's commitment to the most vulnerable two year olds, an inter block transfer of £22,800 is requested for approval by Lead Member. This is to enable continued support to Band A children with an additional £0.80 per hour.

3 Conclusion and reasons for recommendation

3.1 The Lead Member for Education and Inclusion, Special Educational Needs and Disability is requested to approve the allocation of the DSG budget for 2017/18 which includes the inter block transfers as detailed in this report.

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Local Members: All

Background document: None

Appendices: None