



ISLINGTON SCHOOLS FORUM

Chair: Barrie O'Shea
c/o Governor Services
222 Upper Street
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SCHOOLS FORUM

MEETING DATE	Thursday 17 January 2019
AGENDA ITEM 4	2019-20 DSG Funding Allocations
RECOMMENDATIONS	That School Forum: a. note the report

1. Background

- 1.1. This report informs members of the initial Dedicated Schools Grant (DSG) allocations for 2019-20, announced 17th December 2018, and compares this with the latest funding allocations received in 2018-19. A full breakdown of the funding can be seen in Appendix A.
- 1.2. The DSG continues to consist of 4 funding blocks; Schools; Central School Services; High Needs and Early Years.
- 1.3. A summary of the changes is shown in the table below:

	2018-19	2019-20 Initial DSG	Change
	£m	£m	£m
Schools Block	131.175	129.851	-1.324
Central Block - Formula	1.007	0.981	-0.026
Central Block - Historical	0.824	0.824	0.000
Total Schools and Central Block	133.006	131.656	-1.350
High Needs Block	25.917	26.049	0.132
Early Years Block	20.067	20.032	-0.035
Total DSG	178.99	177.737	-1.253

2. Schools Block

- 2.1. Overall the funding in the Schools Block has seen a reduction of 1.324m. The explanations to demonstrate the loss in funding are shown in the points below.
- 2.2. The Primary (PUF) and Secondary (SUF) Units of Funding are adjusted annually to reflect national and local changes. Previous reports have been presented to Forum regarding the reduction in the Secondary Unit of Funding, providing the rationale for the reduction and the mitigating action that the DfE have undertaken to minimise the budget risks in Islington schools budgets.
- 2.3. The primary phase has seen a reduction of 193 pupils when comparing to 2018-19 and the impact on funding equates to a £799k loss.
- 2.4. Conversely in the secondary phase, pupil numbers have increased leading to £232k additional funding.

- 2.5. Unlike for 2018-19, which was funded on an historic basis, the growth funding allocation for 2019-20 has been based on a formulaic basis and will be based on growth in the Middle Super Output Areas (MSOA) and on a lagged basis. Previous reports to Forum have explained these changes and the reduction to funding; £399k, is in line with expectations.
- 2.6. As reported in 2.1 and in the November Forum report, the DfE have agreed to fully fund the loss in the SUF as a one-off cash payment, through the growth fund and is to support the Schools Block funding through a period of transition.
- 2.7. Premises funding has seen an anticipated reduction in funding; £358k. Of which, £252k relates to Mount Carmel / Highgate Hill which are no longer a part of the BSF programme and £107k in NNDR rates reduction. The latter is funded on a lagged basis which means, for 2019-20 where there is an expected rise in the rates, Islington will not receive increased funding until the following year, 2020-21. Therefore, for 2019-20 increased NNDR Rates present a funding pressure in the Schools Block.

3. Central School Services Block

- 3.1. The funding in this block is pupil number based. The reduction in pupil numbers from 2018-19 to 2019-20 is 160 and in funding terms, equates to an overall reduction of funding in this block of £26.5k.

4. High Needs Block

- 4.1. An announcement on 17th December 2018 saw additional monies; £250m nationally, be allocated across all LAs to deal with the increased pressure in both the numbers of pupils with SEND and the complexity of need, and subsequently the pressure on LAs to manage their budgets. The funding is to be split across both 2018-19 and 2019-20 and for Islington, the increased funding is £433k.
- 4.2. This funding is on top of the previously agreed 0.5% cash increase when comparing to 2017-18 baseline budgets.
- 4.3. A change in the methodology of funding for Special Free Schools, announced in October, has meant that funding, in the first instance, will be allocated to the LA for the agreed number of places in these provisions. The DfE will then recoup this funding and allocate directly to the provider. The funding allocations received in December show the full recoupment cost of these places (at £10k / place) but the income received is for Element 1 only (£4k / place), leaving a shortfall of Element 2 (£6k / place), equating to circa £780k. We are seeking guidance to ensure that funding adjustments in March 2019 will address this shortfall.
- 4.4. The import / export adjustment has not yet been updated which adjusts funding for high needs pupils from other local authority areas in Islington special schools (import), and Islington resident pupils with high needs in special schools in other local authority areas (export). This is also expected in March.
- 4.5. The net increase as at the December 2018 allocations, and before the expected additional income outlined in 4.3, is £132k.

5. Early Years

- 5.1. The Early Years Block (EYB) settlement is based on the January 2018 census and will be updated for the January 2019 data when that becomes available. Until then, pupil numbers will remain the same.
- 5.2. For 2019-20 however, the hourly rate for 3 and 4 year olds has reduced as we have reached the end of the transition period of protection. This has been reflected in the calculations and

shows a net reduction in funding of £44k across the Universal and Extended hours' entitlement.

- 5.3. The Maintained Nursery Supplementary funding has seen a small increase; £11.8k and will be split equally across the three nursery schools.
- 5.4. The Disability Access Funding is based on the January 2019 census but current allocations show a small decrease in funding; £3.7k
- 5.5. The net position in the Early Years block indicates a reduction in funding; £35k. Final allocations in the EYB will be announced in July 19.

6. Recommendations

- 6.1 That Schools Forum note the report.

Contact

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