**FINANCIAL HANDOUT**

**Dedicated Schools Grant 2020-21 (DSG)**

**A Quick Guide**

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|  | **Schools Block (SB)** | **Central School Services Block (CSSB)** | **Early Years Block (EYB)** | **High Needs Block (HNB)** |
| **2020-21 DSG****(published 16.07.20)****£359.794m** | **£264.819m** | **£4.199m** | **£31.100m** | **£59.676m** |
| **Academy Funding and Recoupment****(£70.175m)** | Equivalent amount recouped from TH’s DSG and paid directly to academies by the Education and Skills Funding Agency (ESFA)**(£65.213m)** | **(£0)** | **(£0)** | ESFA funds places at academies directly and recoups this from TH’s DSG. Top Ups are always payable by the LA responsible for the pupil **(£4.962m)** |
| **2020-21 DSG** **net of recoupment****£289.619m** | **£199.606m** | **£4.199m** | **£31.100m** | **£54.714m** |
| **Transfers****between****Blocks** | Schools Forum can agree to transfer up to 0.5% from the SB to another block. Disapplication if above or approval not met**(£1.031m)** | Forum must be consulted on any transfer (no limit)**(£0)** | Forum must be consulted on any transfer but any transfer from the EYB counts against the 5% limit (see Central Budgets below)**(£0)** | Forum must be consulted on any transfer (no limit)**£1.031m** |
| **DSG Funding Methodology** | Based on:* Primary Pupils x Primary Unit of Funding
* Secondary Pupils x Secondary Unit of Funding
* Lump sum for premises and mobility
* Lump sum for growth
 | Services funded by this Block must be available to both maintained schools and academies. * Ongoing responsibilities (£52.32 per pupil)
* Historic commitments (Lump sum but phased withdrawal)
 | Headcounts in January of each year determine fundingEYB is updated several times finally reflecting 5/12ths of numbers in January preceding the financial year and 7/12th the January in the year.Estimated hourly rate x PTE pupils (570 hours)* Universal 3&4yo entitlement
* Extended 3&4yo entitlement (eligible working parents)
* 2yo entitlement

In addition, sums for:* Early Years Pupil Premium
* Disability Access Fund
* Maintained nursery supplements
 | The formula allocates funding for: * TH’s share of the national population for 8 characteristics
* a basic allocation for pupils in specials schools
* an allocation for hospital units
* an allocation of 50% of TH’s historic HNB baseline
* an adjustment to reflect the number of Out-Borough (OB) pupils in TH schools

In 2020-21 additional funding transferred from SB |

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|  | **Schools Block (SB)** | **Central School Services Block (CSSB)** | **Early Years Block (EYB)** | **High Needs Block (HNB)** |
| **Delegated Budgets****Pay for:** | * The provision of education for pupils in Reception to Year 11.
* Funding is based on the October census prior to the start of the financial year and is only adjusted in specific circumstances.
* The budget is delegated to governing bodies who decide how it is to be used. The governing body also has scope to use the budget for some community purposes.
 | N/A | * All 3&4yo’s in mainstream primary and nursery schools and in Private Voluntary and Independent (PVI) provision are eligible for 15 hours per week (570 hours per year) of free entitlement.
* In addition, those children whose parents meet the working parent criteria are entitled to a further 15 hours per week.
* 2yo children whose parents meet the eligibility (deprivation) criteria are entitled to 15 hours per week of free provision.
 | The initial costs (Elements 1 and 2, see footnotes) of educating pupils in special schools, and Pupil Referral Units (PRUs) |
| **Delegated Budgets****Formula factors:**  | LAs can determine which indicators to use from a national list; only mandatory items are pupil numbers and deprivation.All SB is now delegated or retained for the Growth or Falling Rolls Funds. Factors used in TH are:* Basic Entitlement (different rates for primary, KS3, KS4),
* Deprivation (FSM/IDACI),
* Additional needs factors - EAL, Low Attainment,
* Premises factors - Lump Sum,

Split Site, Rates, PFI.* Financing adjustments – Minimum Funding Guarantee (MFG), Scaling and Capping limits.

Relevant factors not used include – LAC and High Mobility.The MFG guarantees a minimum uplift or imposes a maximum fall per pupil compared with the previous year. | N/A | Factors used in TH are:* 3&4yo base rate for all settings.
* Deprivation for universal provision and for SEN inclusion. Eligibility for deprivation is determined by school ‘Ever 6’ proportions in nursery classes and IDACI in PVIs.
* Nursery schools receive base rate plus deprivation based on 90% of roll.
* 2yo base rate
 | Place values set nationally at £10,000 (see footnote) on numbers agreed between the LA and the governing body. This is supplemented by top ups based on individual profiles/setting needs. The top-up follows the child whilst place funding is for the year regardless of whether the place is filled or not.  |
| **Central Budgets:** | SB budgets are delegated to schools, either directly through the funding formula, or during the year from the Growth or Falling Rolls Funds, including funding to meet the infant class size requirement). Forum can decide on behalf of maintained schools to de-delegate budgets for TH to use centrally. | Forum has the power to agree or reject the centrally retained budgets proposed by TH (other than nationally agreed licences). | National regulations restrict the amount that can be centrally retained to 5% of the 3&4yo funding. TH will propose how the centrally retained funding is used but it is for the Forum to decide.LAs can appeal annually to the Secretary of State for Education to relax the 5% rule for specific purposes, such as the provision of extended hours to children whose parents do not meet the working parent criteria.  | The use of the HNB is a decision for the Council but it is good practice to consult with the Forum. |
| **Central Budgets,****Pay for:** | The Growth Fund is initially retained and is allocated to schools that meet the criteria set by the Forum for growing schools (not for general fluctuations in pupil numbers).The Falling Rolls Fund is allocated during the year in accordance with the formula agreed by the Forum. | Ongoing Services: * admissions cost of non-SEN pupils in independent settings,
* servicing the Schools Forum
* former ESG Retained Duties
* nationally negotiated licences

Historical commitments (agreed before April13): * contribution to Combined Budgets
* existing termination of employment costs
 | * Early Years Improvement and quality assurance
* early help and inclusion
* business support, sufficiency and workforce development
 | * Various SEN support services
* Top-up (Element 3, see footnotes) for SEN pupils in TH schools and academies including special schools and Alternative Provision settings
* Top-up funding for TH pupils in other boroughs, non-maintained and private and independent settings.
* Top-up for Post 16 SEN students in schools and colleges.
* Hospital education services.
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| **De-Delegated Budgets (Maintained Schools Only):** | Forum can agree to de-delegate two groups of budgets:1. **Services delegated only to mainstream schools**
* Contingencies.
* Trade union facilities and other staff costs.
* Additional School Improvement services.
* Behaviour Support Services.
* Support to underperforming ethnic groups.
* Licences and subscriptions.
* Free school meal eligibility checking.
* Insurance.
* Museum and Library Services.

The rate and the funding factor from which it is deducted should be agreed with the Forum. Each phase (maintained only) votes separately.1. **Services formerly funded through the General Duties element of the Education Services Grant (ESG).**

All maintained settings except nursery schools can vote on this. For mainstream schools it is expressed as a sum to be deducted from AWPU. For special schools and PRUs it is deducted from the £10k place funding.  |  |  | Where Forum has decided to de-delegate funding for former general ESG services this is deducted from the place led element for special schools and maintained AP settings. |
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| **Footnote re high needs**:Pupil’s needs are classed in terms of 3 elements:**Element 1:** Typically around £4,000 and funded via AWPU/pupil led elements of formulae. Intended to fund basic educational needs of pupils**Element 2:** Schools/other providers are expected to meet the first £6k of additional cost over and above the pupil led Element 1**Element 3:** Costs in excess of Elements 1 and 2 are regarded as high needs and funded from High Needs Block for all institutions.For settings funded via the Place + Top Up methodology, the national rates for place funding are:* Special schools, PRUs: £10,000 (equates to Elements 1 and 2)
* Post 16 SEN in schools, colleges, etc.: £6,000 (Element 1 continues to be funded via the national Post 16 formula)

The Basic Entitlement is also called the Age Weighted Pupil Unit (AWPU) |

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| **Glossary:** | AWPU Age Weighted Pupil UnitCSSB Central School Services Block.DfE Department for EducationDSG Dedicated Schools Grant.EAL English as an Additional Language.ESG Education Services Grant.ESFA Education and Skills Funding Agency.EYB Early Years Block.FSM Free School Meal.KS Key Stage.HND High Needs Block. | IDACI Income Deprivation Affecting Children Index. An area based measure of deprivation.LA Local AuthorityLAC Looked After Child(ren).MFG Minimum Funding Guarantee.NFF National Funding Formula.OB Out Borough.PFI Private Finance Initiative.PRU Pupil Referral Unit.PVI Private, Voluntary and Independent provider.SB Schools BlockSEN Special Educational Needs. |