



Dorset
Council



Audit & Governance Committee Dedicated Schools Grant (DSG)

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Paul Ackrill

(Service Manager, Finance, Children's Services)

Audit & Governance Committee Dedicated Schools Grant (DSG)

What is it?

Who controls it?

What can we do?

What's the current position?

Q&A

DSG – what is it?

The grant is paid by the Department for Education in support of the local authority's schools budget.

It is the main source of income for the schools budget.

It is a ring-fenced specific grant and it must be used in support of the schools budget as defined in the School and Early Years Finance (England) Regulations [2018]. It can be used for no other purpose.

DSG – what is it?

The DSG grant is distributed to the Local Authority in four Blocks

Schools Block

Early Years Block

Central Services Schools Block (CSSB)

High Needs Block (HNB)

The structure of the grant has changed over recent years, as we moved towards the National Funding Formula (NFF) which came into effect from 2018-19.

The NFF – what is it?

Aim : a system that means schools and local authorities will be funded on an up-to-date assessment of need that reflects the characteristics of their pupils wherever they are in the country.

The NFF – how does it work?

Schools Block and Early Years – funding rate per pupil.

CSSB - to fund local authorities for the statutory duties that they hold for both maintained schools and academies.

High Needs Block – based on historic spend and partially formula.

The NFF – how does it work?

Currently a “soft formula” – overall DSG budget is allocated out in consultation with schools, via Schools Forum.

Moving towards a “hard formula” – a single national formula of funding set by central government.

What's a Schools Forum?

- Statutory body
- Partly consultative, partly decision making
 - Schools, academies, nurseries, other education providers
 - In Dorset, meets 7 times per year
 - Decisions on de-delegation
 - Budget monitoring and overview

DSG

Councils have some limited ability to move funds between blocks, usually with the approval of Schools Forum.

DSG - schools block

Made up of 15 funding factors as set by DfE including:

- Basic entitlement
- Prior attainment
- Deprivation factors
- English as an additional language
 - Sparsity

DSG – schools block

Minimum funding levels 2019-20:

£3,500 per primary school pupil

£4,800 per secondary school pupil

DSG – High Needs Block

- Top-Up funding for high needs pupils and students up to age 25
 - Pays for pupils where cost is >£10k

DSG – High Needs Block

Expenditure includes:

- Specialist placements
 - Top ups
 - Specialist services
- Bespoke packages and support

DSG – Early Years Block

- Funding for nurseries etc for provision of free hours
- Grant income is hourly rate (£4.30) per child.

DSG – who controls it?

Allocation of funds:

Local authorities must engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula including the method, principles and rules adopted.

The local authority is responsible for making the final decisions on the formula, and each authority's process must ensure that there is sufficient time to gain political approval before the APT deadline in January 2019.

DSG – who controls it?

Expenditure:

- Schools are responsible for budgeting and controlling the expenditure, primarily.
- Deficit balances are responsibility of the schools.

DSG – who controls it?

Expenditure:

- Deficit appears on Council balance sheet.
- Deficit becomes council liability if forced academisation takes place.

DSG – What's the current position?

- DSG 2019/20 was built with a 'savings to be identified' gap of £4.5m
 - Together with other issues, total DSG forecast for this year is around **£5.5m**
- DSG deficit carried forward from prior years is **£15.3m**

DSG – what do we do?

- Dorset Schools Scheme of Financial Management
 - Schools financial advisors
 - Reinforce governor responsibilities
- Commission additional specialist places

DSG – what needs to be done?

From the DfE Operational Guidance:

With effect from 2019 to 2020 the department intends to tighten up the rules under which local authorities have to explain to us their plans for bringing the DSG account back into balance.

DSG – what needs to be done?

- * DSG deficit recovery plan submitted to DFE in August 2019.

- * Focus is on EHCPs through reviews, improved processes, and capital investment in new, expanded or adapted special schools.

DSG – announcements for 2020/21

Spring statement (September 2019) announced:

- School spending will increase over three years by £7.1bn.
- The government will provide an additional £700m to support children with special educational needs next year.
- Teachers' starting salaries will rise to £30,000 a year by 2022-23.

Questions?

