

Dedicated Schools Grant 2015/16

Paper for Schools Forum 8th January 2015

1. Introduction and Background

The Education Funding Agency (EFA) announced the 2014/15 DSG funding on 17th December 2014.

The Dedicated Schools Grant is paid as a ring-fenced specific grant and must be used in support of the schools budget as defined in the School and Early Years Finance (England) Regulations 2014. It can be used for no other purpose;

At the end of the 2015 to 2016 financial year the Chief Finance Officer (CFO) of the local authority is required to append an additional note to the statement of accounts confirming the deployment of the DSG in support of the schools budget as required by the Accounts and Audit (England) Regulations 2011. The CFO is also required to confirm final deployment of the DSG in support of the schools budget in connection with the section 251 outturn statement; and

Where there is evidence that a local authority has used the grant for any purpose other than to support the schools budget or has failed to comply with any other condition of grant, the Secretary of State reserves the right to recover the grant.

2. Purpose of the grant

The grant is paid in support of the local authority's schools budget. It is the main source of income for the schools budget. Local authorities are responsible for determining the split of the grant between central expenditure and the Individual Schools Budget (ISB) in conjunction with local schools forums. Local authorities are responsible for allocating the ISB to individual schools in accordance with the local schools' funding formula. They can add to the schools budget from local sources of income.

3. 2015/16 DSG Allocation

The key issue for the 2015/16 allocation is that the estimated increase in funding for the Schools Block element has materialised. Having analysed the make up of the allocation, Torbay have been given a provisional DSG allocation of £89.8. This includes a net increase of £1.449m in funding for the schools block after the removal of the **new** funding of £690k for Devon Studio School. Therefore the proposals put forward at previous Schools Forum for the allocation of this growth can go ahead.

New for 2015/16 is the early years pupil premium, which the EFA have included in the overall DSG funding totals. This differs from the approach taken for other pupil premium allocations which sit outside DSG.

The main elements of the DSG are laid out below:-

Analysis of DSG for 2014/15 and 2015/16

Description	2014/15 £m	2015/16 £m	Increase/Decrease () £m
Schools Block	69.762	71.902	2.140
Schools Block after DSS removed	69.762	71.211	1.449 2%
Early Years **	3.473	3.632	0.159 4.6%
High Needs	14.039	14.250	0.211 1.5%
Additions (changes to floor and EFA changes)	1.902	0.024	(1.878)
Total DSG	89.176	89.808	0.632
Pupil Numbers	16,204	16,215	11
Unit of Funding £	£4,305.25	£4,391.70	£86.45 2%
3 & 4 yr unit of funding	£3,292.29	£3,292.29	£0
3 & 4 yr old numbers	1,055	1,068	13
** Early Years Indicative Pupil Premium	n/a	0.115	0.115
Total DSG	88.815	89.808	0.993 1%

4. Pupil Numbers

From the table above, pupil numbers have increased by 11 from 16,204 to 16,215. The main reduction is in the Secondary Phase. This is shown school by school in Appendix 2 and in the table below by phase;

School Phase	October 2013 Census	October 2014 Census	Net Change
Primary	9,239	9,397	158
Secondary	6,934	6,791	(143)
Total	16,173	16,188	11

Census Figures exclude Devon Studio School

5. Minimum Funding Guarantee (MFG)

The MFG will continue at minus 1.5% per pupil. The School and Early Years Finance Regulations set out the formula factors which are automatically excluded from the calculation.

6. Induction for Newly Qualified Teachers (NQTs)

In September 2012, the induction regulations changed so that teaching schools can act as the appropriate body to monitor and quality assure NQT induction. In order to allow schools to pay for the services of their preferred appropriate body, the funding for NQT statutory induction of NQTs, currently included in local government revenue funding, will move into the DSG so that it can be delegated directly to all schools through local funding formulae. The total allocation of £10.2m has been based on average costs, and the number of NQTs entering the system each year. This has been allocated to each local authority on a per pupil basis (using the pupil numbers used for the Schools Block).

7. Funding for early education places for 2-year-olds from lower income households (£m)

Initial allocations for 2015/16 will be announced in June 2015. These will be based upon the number of eligible children participating in early education as recorded in the January 2015 early years census.

8. Early Years Pupil Premium

Provisional allocations for the early years pupil premium (EYPP) were announced in October 2014. The EFA will conduct a survey in the autumn 2015 to check take-up of the EYPP. Any adjustments required to allocations following the survey will be made in January 2016.

9. High needs block

The high needs block is a single block for local authorities high needs pupils/students aged 0-24. The block includes place funding for pre 16 and post 16 pupils in:

- Maintained schools
- Maintained special schools
- Pupil referral units (PRU)
- Academies
- Special academies
- Non-maintained special schools
- Alternative provision (AP) academies
- AP free school opened before September 2014

The high needs block includes top-up funding for pupils and students occupying the above places and places in further education colleges, specialist post 16 institutions, and commercial and charitable providers (CCP); and funding for high needs pupils and students in independent schools, independent AP providers, hospital education (including independent providers).

10. National copyright licences

The EFA has agreed with the following agencies to purchase a single national licence managed by the EFA for all state-funded schools in England:

Christian Copyright Licensing International (CCLI) **(new for 2015 to 2016)**;

Copyright Licensing Agency (CLA);

Education Recording Agency (ERA);

Filmbank Distributors Ltd. (for the PVSL);

Mechanical Copyright Protection Society (MCPS) **(new for 2015 to 2016)**;

Motion Picture Licensing Company (MPLC);

Newspaper Licensing Authority (NLA);

Performing Rights Society (PRS) **(new for 2015 to 2016)**;

Phonographic Performance Limited (PPL) **(new for 2015 to 2016)**; and

Schools Printed Music Licence (SPML).

This means that Torbay and all the schools will no longer need to negotiate individual licences. There will be savings both in administration and in the overall cost of the licence. The EFA will pay the cost, including VAT, to the agencies and will provide this as a service to local authorities at a charge. This means that local authorities can continue to reclaim VAT on the licences as they do now. These arrangements will cover academies as well as maintained schools, and local authorities are allowed to hold this money centrally rather than include it in school budgets.

Lisa Finn
Finance Manager
2nd January 2015