

Item 9: Dedicated Schools Grant 2019/20 Update

1. Introduction

- 1.1 The purpose of the report is to provide an update on final DSG budgets for 2019/20 to reflect the outcome of the Council's disapplication requests to Secretary of State.

2. Background

- 2.1 Revised 2019/20 DSG allocations were published on 17 December 2018 that included additional High Needs Block funding of £0.409m.
- 2.2 Forum members will recall that the Council submitted two disapplication requests affecting DSG 2019/20. These related to a planned £60 per pupil charge for former Education Services Grant activities (affecting maintained schools only), and a transfer of funding from the Schools Block to the High Needs Block in order to meet the anticipated funding shortfall against projected expenditure.
- 2.3 As reported to Schools' Forum on 17 January 2019, the Council reduced the value of its original disapplication request for a transfer of funding to the High Needs Block. The original request of £1.030m was reduced to £0.621m to reflect the additional funding by government published in December.

3. Disapplication Request Outcomes

- 3.1 The Secretary of State gave approval to both of the Council's disapplication requests during week commencing 18 February 2019.
- 3.2 Within the ESG disapplication response, the Secretary of State noted a positive engagement between the authority and Schools' Forum. The response is attached at Appendix A to this report for information.
- 3.3 The approval letter relating to the High Needs Block transfer disapplication commented on the strength of evidence and plans to support the transfer. The response is attached at Appendix B to this report for your information.
- 3.4 Following an approved motion set before Full Council, the Ceremonial Mayor wrote to the Secretary of State regarding the Council's grave concerns about schools' funding, including funding for the most vulnerable children. This letter and the Department for Education's response is attached at Appendix C for information.

4. Final DSG School Budget Shares 2019/20

- 4.1 Following Secretary of State approval to the disapplication requests, DSG Schools Block funding is now confirmed for 2019/20 as outlined in the table below.
- 4.2 The growth funding of £0.157m will not be allocated to eligible schools until Schools' Forum receive and approve a proposed process for disbursement. This is currently being considered by a task and finish group.

DSG Schools Block 2019/20		£m
DSG Schools Block		63.754
Plus transfer from Central School Services Block		0.369
Less transfer to High Needs Block		(0.621)
Less growth fund		(0.157)
Approved School Budget Shares 2019/20		63.345

- 4.3 School budget packs were revised and issued on 28 February 2019 once final validation was completed and authorised by ESFA.

5. Recommendations

- 5.1 Schools' Forum members are recommended to note the contents of the report.

Appendix A: ESG Disapplication Response



Education and Skills Funding Agency
Earlsdon Park
53-55 Butts Road
Coventry
CV1 3BH

Tel: 0370 000 2288
www.education.gov.uk/efa-enquiry-form

22 February 2019

By email: sandra.shears@hartlepool.gov.uk; jane.watt@hartlepool.gov.uk

Dear Colleagues,

Request to disapply the Finance Regulations

Thank you for your request to make a deduction of £60 per pupil from maintained schools budgets to support services previously funded under the education services grant (ESG).

The request has been considered by the Secretary of State and based on the information provided this request has been approved.

We assess that you have provided sufficient information to allow the schools forum decision to be reconsidered. You have provided a good level of detail, which is a continuation of the evidence you have provided for your 2017-18 and 2018-19 requests. You have complied with our expectations on what evidence should be supplied to the schools forum and have given the schools forum ample opportunity to review and challenge the level of service being provided.

If you, or other interested parties in your area, require further information or clarification on the decision made, please contact LA.DISAPPLICATIONS@education.gov.uk.

Yours sincerely,

Keith Howkins

Head of Funding Policy Implementation Unit

Appendix B: High Needs Block Transfer



Education & Skills
Funding Agency

Education and Skills Funding Agency
Earlsdon Park
53-55 Butts Road
Coventry
CV1 3BH

Tel: 0370 000 2288

www.education.gov.uk/efa-enquiry-form

21 February 2019

By email: sandra.shears@hartlepool.gov.uk; jane.watt@hartlepool.gov.uk

Dear Colleagues

Request to disapply the dedicated schools grant, conditions of grant

Thank you for your amended disapplication request to move 0.90% from your schools block to your high needs block.

After consideration of your application and supporting evidence, the Secretary of State has approved your request.

The supporting evidence and plans submitted are strong and clearly set out your intentions for the transfer. You have a detailed plan that sets out areas of high spending and a reasonable explanation and steps to bring this into line.

Please resubmit your authority proforma tool (APT) by Friday 22 February, to ensure there is no delay issuing school budgets. If you do not intend to amend your APT, please confirm this through the mailbox below.

If you, or other interested parties in your area, require further information or clarification on this decision, please contact us at

LA.Disapplications@education.gov.uk.

Yours sincerely

A handwritten signature in black ink that reads "Keith Howkins".

Keith Howkins
Head of the Funding Policy Implementation Unit

Appendix C: Mayoral Letter Re School Funding and DfE Response

Councillor Allan Barclay
CEREMONIAL MAYOR
Hartlepool Borough Council
Civic Centre
Hartlepool
TS24 8AY

Tel: 01429 523702/3704
www.hartlepool.gov.uk

Our Ref: AB/MP
Your Ref:

Contact Officer Email: Memsec@hartlepool.gov.uk



31 January 2019

Rt Hon Damian Hinds MP
Secretary of State for Education
Ministerial and Public Communications Division
Department for Education
Piccadilly Gate
Store Street
MANCHESTER
M1 2WD

Dear Secretary of State

School funding pressures in Hartlepool

I am writing to you on behalf of the elected members of Hartlepool Borough Council to express our continued frustration about the lack of adequate funding for our schools in Hartlepool

You will be aware that Hartlepool is a small unitary authority (38 schools) and is the 17th most deprived local authority in England according to government data. The proportion of children in our schools with special educational needs is above the national average; the proportion of families in Hartlepool open to social care intervention and support is above the national average. We understand fully that a vital way to break cycles of deprivation and worklessness, and to improve individual aspirations and the local economy, is through a high quality education delivered to our children. Working in effective partnership with our schools, we have improved the proportion of all schools graded 'good' or better by Ofsted to 87% (with 94% of our primary schools graded 'good' or 'outstanding'). However, the impact of continuing real-terms cuts to our schools has resulted in a decrease in the number of teachers in our schools, greater class sizes and a significant decrease in the numbers of non-teaching staff in our schools.

It is factually correct that central government is '...spending more on education than ever before'. However, this increase is not reflective of the growing school population in Hartlepool being funded at previous rates, nor is it reflective of the increasing proportion and breadth of social, emotional, health and learning needs of the children in our schools. The Department's own published data shows that Hartlepool's Dedicated Schools Grant has fallen incrementally from £69.04m in 2013/14 to £48.89m in 2017/18 – a reduction of almost one third when we have more children, and with greater needs! As a further illustrative example, you will be aware that Hartlepool submitted a disapplication requests to you for the current 2018/19 financial year, and has submitted another for the 2019/20 financial year, because of a shortfall in our High Needs Block (HNB) funding. Even allowing for the very recent increase to HNB funding in Hartlepool, the projected shortfall for 2019/20 is still £0.621m (it was £1.030m before the recent announcement of additional

one-off funding). We realise that this is a very tiny sum within the billions-pound budget of your Department, but for our 38 schools this is a very significant sum indeed.

The relatively recent increases in High Needs Block funding, special educational needs capital funding and the "little extras" for schools that you announced before Christmas are welcome of course; but they are not enough nor are they sustained in order to meet ongoing demand. What our children and schools need is a Dedicated Schools Grant that is reflective of local need on a *sustained* basis. Annual announcements of 'extras' do not allow system leaders in local authorities and schools to plan ahead effectively to ensure the highest quality of provision for our children.

We look forward to reading your response to our plight in the very near future.

Yours faithfully


Councillor Allan Barclay
CEREMONIAL MAYOR

cc. Mike Hill MP (Hartlepool)



Department
for Education

Councillor Allan Barclay
Ceremonial Mayor
Hartlepool Borough Council
Civic Centre
Hartlepool
TS24 8AY

Ministerial and Public Communications Division
Piccadilly Gate
Store Street
Manchester
M1 2WD

Tel: 0370 000 2200

www.gov.uk/dfes

Email enquiry form:
www.education.gov.uk/contactus/dfes

Our Ref: 2019 0006319

Your Ref: AB/MP

1 March 2019

Dear Councillor Barclay

Thank you for your letter of 31 January to the Rt Hon Damian Hinds MP about school funding pressures in Hartlepool. As I am sure you will appreciate, the Secretary of State receives a large amount of correspondence and is unable to respond to it all personally. Therefore on this occasion I have been asked to reply on his behalf.

While there is more money going into our schools than ever before, we recognise the budgeting challenges schools face and that we are asking them to do more. Because of this, and because children only get one chance of a great education, the government has prioritised and protected school spending, while having to take difficult public spending decisions in other areas.

The government is determined to create an education system that offers opportunity to everyone, no matter what their circumstances or where they live. The National Funding Formula is now directing money where it is most needed, based on schools' and pupils' needs and characteristics.

Despite prioritising spending on schools and making the distribution of that funding fairer across the country, we do recognise that budgets remain tight. That is why we are supporting schools and head teachers to make the most of their budgets and reduce costs on things like energy, water bills and materials.

We recognise some local authorities and schools have particular concerns about the costs of making provision for children and young people with complex special educational needs. We have increased overall funding allocations to local authorities for high needs year-on-year and, in recognition of the increasing costs, we have recently announced a further £250 million to be allocated over this and next year. High needs funding is now over £6 billion this year, having risen by £1 billion since 2013.

We have also announced additional capital funding of £100 million to ensure that children and young people with SEND can learn in the facilities most suitable for them, and that we will invest in more of the new special schools that are needed locally.

Of course, the response to pressures on local authorities' and schools' SEND budgets is not just about additional funding. We also need to use the funding we have in the most effective way possible. Drawing on good practice across local areas, the Local Government Association has published a report from the Isos Partnership that highlights how local authorities can work collaboratively with families, schools, colleges and others to make the best use of the available resources:

http://www.isospartnership.com/uploads/files/181108_LGA%20SEND_final%20report.pdf.

I hope this reply has helped to address your concerns in this matter.

Yours sincerely



Sara Bowry
Ministerial and Public Communications Division