



Education
Funding
Agency

Dedicated schools grant (DSG) 2016 to 2017 baselines and 2017 to 2018 funding: technical note

July 2016

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Introduction

This note accompanies the [dedicated schools grant \(DSG\) 2016 to 2017 baselines and 2017 to 2018 funding tables](#) published as part of the announcement on 2017 to 2018 schools revenue funding.

The tables:

- set out each local authority's 2016 to 2017 DSG funding baseline. These were confirmed by local authorities as part of the 2016 to 2017 [baselines exercise](#) run by the Education Funding Agency (EFA)
- explain the adjustments we have made to the 2016 to 2017 baselines that will feed through into the 2017 to 2018 allocations:
 - a. bringing in £125 million from the department's post-16 budget to the DSG high needs block
 - b. bringing in £117 million from the department's budget in respect of the education services grant (ESG) retained duties funding to the DSG schools block
- set out the funding local authorities will receive in 2017 to 2018:
 - a. on a per-pupil basis for the schools block
 - b. in cash terms for the high needs block¹

Final allocations will be set on the basis of pupil numbers recorded in the October census.

The City of London and the Isles of Scilly are not included in these tables.

¹ The high needs block allocations may be adjusted in future to take account of significant infrastructure change, for example as a result of FE college mergers. This will ensure that impact of any infrastructure change is cost neutral for any local authorities affected by such change.

2016 to 2017 baselines as confirmed by local authorities

The EFA carried out a baselines exercise earlier this year. Local authorities were asked to set out their planned spend through the DSG in 2016 to 2017, split between four blocks:

1. Schools block – funding local authorities passed on to schools as they specified on their 2016 to 2017 authority proforma tool (APT) plus funding set aside at local authority level for growth. This excludes funding for post-16 only institutions
2. Central schools block - this covers funding local authorities retain centrally for functions they carry out for both local authority maintained schools and academies
3. High needs block
4. Early years block

Adjustments to 2016 to 2017 baselines

The baselines specified by local authorities for 2016 to 2017 have been adjusted to reflect changes to the scope of some of the DSG blocks in 2017 to 2018. These adjustments are shown in the “2016 to 2017 DSG baselines” page of the accompanying spreadsheet.

High needs block

We have transferred £125 million from the department’s post-16 budget to the high needs block baseline. This is a transfer of place funding for high needs places in further education (FE) colleges and post-16 charitable and commercial providers. These institutions currently receive £6,000 per place from the EFA as part of their post-16 allocations. This place funding has been paid out of a separate departmental budget, although any increases in 2016 to 2017 are being funded from the local authority DSG high needs block allocations. From 2017 to 2018 all of these places will be funded from the initial high needs block allocations to local authorities. Deductions will then be made to fund institutions directly, as a result of information collected from local authorities, before the high needs block allocations are finalised in March 2017. The EFA will continue to pay this place funding directly to institutions. The places are identified on an academic year (AY) which runs from the 1st August to the 31st July. To calculate the 2016 to 2017 financial year (FY) baseline funding we use the place numbers for both the [AY 2015 to 2016](#) and [AY 2016 to 2017](#). This works out to be 4/12ths and 8/12ths of the place numbers respectively, hence we multiple the relevant AY 2015 to 2016 places by £2,000 and AY 2016 to 2017 by £4,000 to calculate an FY total for the number of places at £6,000 per place. This transfer calculation is shown on the “Post-16 Transfer” page of the accompanying spreadsheet.

The place funding for specialist post-16 institutions and non-maintained special schools is not included in the DSG high needs block baseline or above adjustments, as the EFA will allocate this funding directly to providers based on the number of children and young people attending, without reference to information from local authorities.

Schools block

The schools block adjusted baseline is a combination of the schools block and central schools block baselines specified by local authorities through the 2016 to 2017 baselines exercise.

We have also moved ESG retained duties funding in to the schools block baseline and we will no longer allocate funding through the ESG general funding rate from 2017 to 2018. We will transfer the total funding each local authority received in 2016 to 2017 through ESG retained duties to the schools block baseline. This will increase the schools block baseline by £117 million.

Funding in 2017 to 2018

We are guaranteeing that no local authority will see a reduction from 2016 to 2017 baselines on the updated schools block (per pupil funding) or the high needs block (cash amount). We have calculated the 2016 to 2017 adjusted per pupil baseline for each local authority's schools block by dividing their 2016 to 2017 adjusted baseline by the DSG 2016 to 2017 schools block pupil numbers, as published in the [Dedicated schools grant allocations: 2016 to 2017 financial year](#).

These figures are shown in the columns labelled [f] and [g] on the "2017-18 funding" page of the accompanying spreadsheet.

Final allocations for schools and high needs blocks will follow in December on the basis of pupil numbers recorded in the October census.

Distributing one-off schools block funding between school and local authority level

As part of the baselines exercise local authorities identified any one-off funding and funding from outside the DSG that should not be included in their 2016 to 2017 schools block funding baselines. EFA used the information provided by local authorities to split their 2016 to 2017 schools block baseline funding into three parts:

1. **School-level funding through the APT** – Using data on the total 2016 to 2017 funding for each school in the local authority, taken from the “New ISB” sheet of the APT, but excluding any post-16 only institutions. This includes funding through premises factors.
2. **School-level funding adjustment** – The adjustment amount to the local authority’s schools block funding baseline for one-off funding and funding from outside the DSG, calculated using the information provided by local authorities.
3. **Local authority-level growth funding** – This is funding that the local authority has kept back to support pupil growth or schools with falling rolls. This is calculated as the balancing item, and makes up the difference between the total 2016 to 2017 schools block baseline and items 1 and 2 above.

The total 2016 to 2017 schools block funding baseline for each local authority shown in the accompanying spreadsheet should match the baseline figures they returned to EFA. However, some local authorities may notice small differences in how the schools block baseline is split into three parts compared to the figures they returned to EFA. These differences are due to updates made to the APT data since the 2016 to 2017 baselines exercise started. It is possible that local authorities would like to clarify their schools block baseline split based on the information they submitted as part of the exercise; the EFA will review this where relevant.

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