

Bristol Schools Forum
Dedicated Schools Grant (DSG) 2020/21

Date of meeting:	15 January 2020
Time of meeting:	5.00 pm
Venue:	Writing Room, City Hall

1 Purpose of report

- 1.1 To give an overview on the DSG for 2020/21 and seek the views of the Schools Forum on the block allocations, taking into account the results of the consultation.
- 1.2 The LA must seek Schools Forum approval for Central Services spend, with the exception of the item relating to school licences which must be repaid to the DfE on behalf of all maintained schools and academies. This report will also seek to obtain Schools Forum approval of the allocation of the Central School Services Block.

2 Recommendation

- 2.1 **Schools Forum is invited to:**
 - a) **note 2020/21 funding levels.**
 - b) **note consultation responses.**
 - c) **approve final transfers between blocks.**
 - d) **note the DSG net Deficit C/fwd from 2019/20**
 - e) **provide feedback, as appropriate, to Cabinet and Council, for their consideration in making final decisions on the Schools Budget for 2020/21.**
 - f) **Agree Central School Services Block allocations**
 - LA Core Functions £0.978m (as per Appendix 2);
 - School Admissions £0.494m;
 - Schools Forum £0.023m;
 - Combined Services £0.599m (as per Appendix 3).

3 Background

- 3.1 Schools Forum considered the emerging position on the DSG for 2020/21 at its meetings in September and November 2019. It agreed, £0.333m could be transferred to the High Needs Block from the Central Services Block and subject to wider support from Schools, 0.5% could be transferred to the High Needs Block from the Schools Block. This fund will need to be held in

abeyance subject to further information being presented to the Forum on how the money will actually be spent, and milestone / success measured.

- 3.2 Following the Forum meeting in November 2019, and in line with DfE Guidance, a consultation with schools was held to gather views on transfers between blocks and the operation of the Local Funding Formula in the Schools Block. The consultation closed at midday on 18 December 2019.
- 3.3 The final data and allocations from the Education and Skills Funding Agency (ESFA) were released on 19 December 2019 and the results of both of these events have informed this report.

4 DSG 2020/21

- 4.1 The funding in the DSG is primarily generated by pupil numbers from the October census. The October 2019 census had 36,150 primary pupils, a decrease of 67 (0.18%) from October 2018, with secondary pupil numbers increasing by 798 (4.34%) to 19,180. Funding per pupil has also increased (by 3.94%), resulting in an overall increase in the DSG funding of £19.039m to £374.190m.
- 4.2 Table 1 shows the funding allocations in each block for 2020/21 compared to 2019/20.

Table 1: Changes in the DSG sub-block totals between 2019/20 and 2020/21.

DSG Blocks	2019/20 DSG £m	Increase £m	Total DSG 2020/21 £m	Percentage increase	(Previously reported) Indicative DSG 2020/21 £m
Schools block	261.449	12.412	273.861	5%	269.696
Central Services Block	2.895	(0.176)	2.719	-6%	2.695
High Needs Block	53.931	6.743	60.674	13%	60.531
Early Years	36.876	0.060	36.936	0%	36.876
Total	355.152	19.039	374.190	5%	369.798

- 4.3 **Central Services Block.** This block is funded in two parts, for ongoing and historic responsibilities. The funding for historic commitments has been reduced by 20% (£0.233m) as it has been an aim of ESFA to withdraw this funding over time. Within the historic responsibilities part there is funding of £0.333m for Prudential Borrowing, this initiative ceased in 2017/18, therefore it is proposed to transfer this to the High Needs Block to assist with the level of demand. There are no restrictions on transfers from the Central Services Block to the High Needs Block, other than Schools Forum

must be consulted. Other parts of this block are covered in section 6 of this report.

- 4.4 **High Needs Block.** The High Needs Block has received a substantial increase in funding (13%) but this block continues to be under pressure. Current spend levels in 2019/20 indicate that the increased allocation will only just cover spending at the same level as this year and does provide any additional funding for historic shortfalls which have in many authorities resulted in deficits in the DSG.
- 4.5 When setting the budget for 2019/20 an additional £2.407m was added, to reflect the level of need estimated for 2019/20. This required the acceleration of funding from 2020/21. Table 2 shows the actual block funding position, indicating that this advanced funding is carried forward into 2020/21. The level of funding and forecast spend in 2020/21 mean that this advance funding will not be repaid in 2020/21 but will carry forward to future years and a longer term recovery plan will be required.
- 4.6 Forecast spend in 2019/20 is £1.377m over budget (which includes the £2.407m accelerated funding). Total overspend against actual block funding is £3.784m. In Table 2 the spend forecast for 2020/21 has been increased slightly to reflect potential increases in cost/demand.

Table 2: High Needs Block showing carry forward amounts

	2019/20 £m	2020/21 £m
Latest Block Allocation	53.931	60.674
Transfer from CSSB	0.566	0.333
Transfer from Schools Block	2.000	1.369
Total Block Funding	56.497	62.376
Forecast Spend	60.281	61.007
Education Transformation spend		1.369
Total Spend	60.281	62.376
In year over/(under) spend	3.784	(0.000)
Opening Balance b/f	(0.433)	3.351
Closing Balance c/f	3.351	3.351

- 4.7 Bristol's challenges with performance gaps, attendance and fixed-term exclusions are well known as is the system for supporting city-wide SEND. The pursuit of securing the best outcomes for the most vulnerable and

disadvantaged children and young people and the ability to respond to the key findings of the Local Area SEND inspection, needs to be at the forefront of the local authority's work. Bristol is required to produce and deliver a Written Statement of Action in order to address the main findings of the inspection. Integral to this will be the delivery of the Education and Skills improvement programme.

- 4.8 The programme will seek to respond to increasing demand and deliver efficient and effective SEND processes and systems, as well as increase support to schools and develop the skills that underpin effective accessibility and inclusion. A significant proportion of the programme is directly related to High Needs, we are looking to move the permitted amount into the High Needs Block from The Schools Block in order to progress the improvements.
- 4.9 The ESFA's Schools Revenue Funding Operational Guide authorises a transfer of up to 0.5% in 2020/21 from the Schools Block to other blocks with Schools Forum approval and this flexibility has been optimised.
- 4.10 The improvement plan will be Co developed with schools and consider the EQIA and also requirements under the Children and Families Act. The plan will be presented to Schools Forum for endorsement.
- 4.11 **Schools Block** Details on this block are covered in a separate paper on this agenda.
- 4.12 **Early Years Block.** The government funding announcement was delayed and as a result BCC were unable to carry out any meaningful consultation about the EYNFF in time for this to be ratified by the Schools Forum or Cabinet. Instead will be continuing all existing rate arrangements and supplements as agreed in the previous consultation (agreed by the [Schools Forum in January 2019, p.65](#)) into the financial year 2020/2021 with one exception; Bristol City Council will increase the hourly base rate for Eligible 2 Year Olds by £0.08 (increasing the rate from £5.40 to £5.48 from April 2020) after receiving an £0.08 increase from the Department for Education (i.e. BCC are passing through the full increased rate from the DfE).
- 4.13 Table 3 shows the effect on the block funding position and outlines the 2020/21 Budget, it also shows the carry forward amounts against each block.

Table 3: Block budgets after movements between blocks and carry forward amounts.

DSG Blocks	Balance brought forward from 2019/20 (forecast) £m	2020/21 DSG £m	Movement between blocks £m	Final DSG budget 2020/21 £m	Estimated spend 2020/21 £m	Carry forward balance at end of 2020/21 £m
Schools block		273.861	(1.369)	272.492	272.492	
De-delegation	(0.414)					(0.414)
Central Services Block		2.719	(0.333)	2.386	2.386	
High Needs Block	3.351	60.674	1.702	62.376	62.376	3.351
Early Years	(1.531)	36.936		36.936	36.936	(1.531)
Total	1.406	374.190	0.000	374.190	374.190	1.406

5 Consultation

5.1 In line with guidance all schools within Bristol were consulted on various aspect of the DSG for 2020/21. The consultation was issued on 4 December with a return deadline of 18 December. A total of 39 responses were received representing nearly 25% of the total possible. Table 4 shows which settings responses were received from. The questions with binary answers are summarised below and the free text answers are collected in Appendix 1 for information.

Table 4: Responses received

Phase	Total number	Responses received
All-through	3	2
Nursery	12	0
Primary	108	22
Pupil Referral Unit	5	2
Secondary	20	10
Special	10	3
Total	158	39

5.2 The first question asked if a 0.5% transfer from the Schools Block to the High Needs Block was supported. The majority (82%) of responses agreed with the proposal to transfer this funding. A breakdown of responses is shown in Table 5.

Table 5: Question 1 - Support up to 0.5% transfer?

Phase	Yes	No
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All-through	2	
Primary	17	5
Pupil Referral Unit	2	
Secondary	8	2
Special	3	
Total	32	7

- 5.3 Question 3 related to the method of distributing the Schools Block funding to schools. This asked for any preference on the calculations within the local funding formula, Forum discussed this at the November 2019 meeting and expressed a preference for using NFF values and the consultation responses echoed this view with 62% expressing a preference for this method. Table 6 shows the responses received.

Table 6: Question 3 - Preference for distributing the funding

Phase	AEN	NFF	Other (no preference or not answered)
All-through	1	1	
Primary	8	12	2
Pupil Referral Unit			2
Secondary		10	
Special		1	2
Total	9	24	6

- 5.4 The November forum meeting also discussed the level of MFG, following previous discussions at the Finance Sub-group. A level of 0.5%, which is the minimum allowed in 2020/21, was supported by forum as this means that more schools are funded according to up to date rather than historical pupil characteristics. Question 4 asked for views on this level of MFG and a majority (72%) of responders also agreed with a 0.5% MFG. Table 7 gives the breakdown of answers.

Table 7: Question 4 - Do you agree with 0.5% MFG?

Phase	Yes	No	Other (no opinion or not answered)
All-through	2		
Primary	16	6	
Pupil Referral Unit			2
Secondary	9		1
Special	1		2
Total	28	6	5

5.5 The responses for questions 3 and 4 relate to the Schools Block, which is the subject of a separate paper on the agenda.

6 Central School Services Block (CSSB)

6.1 The purpose of the CSSB is to provide funding for the statutory duties the LA hold for both maintained schools and academies. The CSSB brings together:

- funding previously allocated through the retained duties element of the Education Services Grant (ESG)
- funding for ongoing central functions, such as admissions, previously top-sliced from the schools block
- residual funding for historic commitments, previously top-sliced from the schools block

6.2 The LA must still seek Schools Forum approval for Central Services spend, apart from the item relating to school licences which must be repaid to the DfE on behalf of all maintained schools and academies.

6.3 **CSSB Budget proposals.** The CSSB allocation for 2020/21 is £2.719m. This total is composed of two distinct components: on-going functions (£1.787m) and historic commitments (£0.932m). Of the historic commitments £0.333m is not required and as per paragraph 4.3 this will be transferred to the High Needs Block. Table 8 shows the funding and proposed 2020/21 budgets.

Table 8: Composition of Central School Service Block Allocations

Type of funding	Component	DSG Allocation 2019/20 £'000	2019/20 budget £'000	DSG Allocation 2020/21 £'000	Proposed 2020/21 budget £'000
Formulaic	LA Core functions	947	947	978	978
Formulaic	School Admissions	479	479	494	494
Formulaic	School Licences	281	281	292	292
Formulaic	Schools Forum	23	23	23	23
Historic	Combined Services	599	599	599	599
Historic	Prudential Borrowing	566	0	333	0
Total		2,895	2,329	2,719	2386

- 6.4 **LA Core Functions £0.978m.** Appendix 2 sets out the functions and services that may be included in the LA Core functions budget. The relevant costs for Bristol have been included against these line items. For 2020/21 it is proposed keep all budgets as 2019/20, apart from Education Welfare where the £31k increase in funding is to be allocated (as this aligns to the Education Transformation Programme).
- 6.5 **Admissions £0.494m.** The only change to this budget is that arising from the increase in CSSB generally, due to pupil number increases.
- 6.6 **School Licences £0.292m.** The DfE requires the Authority to pay licences on behalf of all maintained schools, academies and free schools in Bristol, to avoid the administration of delegating funding to and recovering the money from each school. The amount for 2020/21 has been advised as £0.292m. There is no requirement for Schools Forum to specifically approve this line of the budget.
- 6.7 **Schools Forum £23k.** This funding is used to support the writing of papers, clerking and hosting the meetings. It is proposed that this allocation remain at the 2019/20 level.
- 6.8 **Combined Budgets. Appendix 3** re-confirms the analysis of the £0.599m for Combined Services, which Schools Forum has agreed in the past and it is proposed for agreement again for 2020/21.

Appendix 1: text responses to consultation

Phase	Academy	Question 2 Other comments on the movement to the High Needs Block
Primary	No	If possible, more than 0.5% to be moved. Ideally, at least 0.8% to keep in line with prior transfers in recent years.
Primary	No	Does the transfer of funding ensure Top-up funding continues? Will more specialist provision place be available? If more specialist provision places are being made available, how soon will this be able to happen? What are the funding opportunities being explored?
Primary	No	For the Forum to continue to receive accurate and up to date information regardgin the current processes in Bristol for schools to access Top Up funding and appropriately challenge the LA to ensure there is equity and transparency in all it does when allocating funding and /or proposing changes.
Primary	No	I would like to see funding remaining in the schools block for schools to use towards support high needs children. We support a number of children with high needs but as a result of the changes to top up, it is not worth our time applying for top-up funding unless a child requires Band 3. It would be preferable to have the funding available to schools.
Primary	No	There is absolutely no KS1 provision and a lack of spaces at specialist provision for KS1 pupils. Therefore I would rather we had the money than continue (13 years and counting) deal with the lack of provisionand poos school SEND funding.
Primary	No	1. Value for money is so important and as a school we are aiming to be better at value for money. The High needs block does need this money in order to sustain itself.
Primary	No	We would want to be sure that schools would be able to access additional funding and in a timely manner.
Primary	No	Look at top up values to ensure schools actually receive the funding they need to provide the level of support their pupils with high needs require.
Primary	Yes	I would support a small transfer as has been suggested but this should not be a bottomless pit. We realise the pressure son the High Needs Block but rather than continuously “bailing” out the High Needs budget we would like to see a real strategy by the High Needs team to improve efficiencies including things like reducing the number of placements out of county and into the private sector. And we would like to see the LA support the creation of new places in state schools.
Secondary	Yes	Schools need to be made aware as soon as possible on exactly how the 0.5% is going to be spent and need to be actively involved in the review of the implementation and impact of the project.

Secondary	Yes	<p>We are happy to support this on the basis that the NFF formulas as per the examples provided for each school are used and that schools are not disadvantaged. The government has advised that we would receive more per student to assist with our deficit in funding, funding that has been declining since 2015. In addition, the provision that the council provides to schools for special educational needs is improved as currently it is not good enough.</p> <p>Schools cannot currently gain access to Educational Psychologists for anything other than statutory assessment. Also, the assessment of Education Health Care Plans are not being undertaken in line with statutory timelines, leaving parents, carers and schools in very difficult situations waiting for these outcomes and leaving students with the highest needs without the support that they are entitled to.</p> <p>We recently have had to procure private services to undertake Educational Psychology work with our students who have the highest needs. If deficit budgets are supported by the use of the schools block then the services need to be provided to schools, so that schools are not paying twice and do not have to pay money for services that should already be provided. Otherwise schools would be best placed to not support this transfer, receive higher funding themselves and procure private services to receive a satisfactory service.</p>
Secondary	No	<p>This is a “short term” response to a long term failure to manage High Needs funding effectively. This will not be an option in the future at the point when a “Hard” formula is introduced. Therefore, we need a very clear strategy in place to bring the High Needs budget into balance in the long term without drawing from the Schools Block indefinitely. The Local Authority is expected to receive an additional £6.6m (indicative increase based on 2019-20 pupil numbers) funding for High Needs (Table 1). This represents an additional 12% increase in High Needs funding. ‘£2.4m was accelerated into the 2019/20 budget to recognise projected levels of spend, this will need to be repaid in future years’</p> <p>We understand the pressure the Local Authority is under following the legal case and the recent OFSTED, however, the strategy needs to be clear, sustainable and transparent. We note with interest, the aim of the SEND programme is to deliver efficient and effective processes and systems, as well as increase support to schools and develop the skills that underpin effective accessibility and inclusion (4.3). Unfortunately, the Local Authority has yet to explain in detail this strategy that is ultimately, self-sustaining and does not draw on funding that is earmarked for schools.</p> <p>The Local Authority needs to be aware of the possible implications of the funding unknowns hitting schools, such as unfunded pay increases and pension employer contributions. It is therefore important to maximise the impact of any potential funding increases to provide schools with long term security.</p>
Secondary	No	<p>‘Hard’ NFF will become a reality in the near future and a strategy should be developed to ensure that without transfer from Schools Block to the High Needs Block, children with High Needs can be properly provided for.</p> <p>If a transfer is made all schools ‘lose’ money irrespective of the number of high needs children they have on roll. If such a transfer exists monies should then be reallocated to schools through the development of a formula based on level of need.</p>

Phase	Academy	Question 5 Any other comments about the mainstream funding formula.
Primary	No	We are a school that was asked to increase to 2FE in 2012. We now have a falling roll due to there now not being the need for the additional places on primary across Bristol. In Sept 2019 we had an intake of only 37 but was unaware that this would be the case. Across the school we have 84 places which is taking a significant toll of the school's financial long term sustainability and as such are currently now consulting to reduce our PAN to 30 from September 2021. We would like decision makers to consider additional funding for schools such as ours in this position.
Primary	No	A gradual NFF adoption would be preferred.
Primary	No	The papers provided with the consultation were informative and provided insight into the Forum's strategic thinking and planning particularly around the 'hard' NFF and current position. Thank you.
Primary	No	No strong pref to Q3. Holymead would be slightly better off under NFF but if it puts small + schools with more nneed under pressure its not something I want to happen. I do think it needs to move towards NFF gradually so schools are ready when it actually happens.
Primary	No	As a school in North Bristol we have had to 'put up with' our geography dictating what funding we get – we are one of the lowest funded schools in the local authority. Please allow us some extra money to allow our school to function.
Primary	No	Whilst we have agreed to the transfer from School Block to High Needs Block we feel that the High Needs Block should be sufficiently funded so that this is not necessary.
Primary	No	We have experience significant in-year moves. The Sept/Oct census date is prejudicial to our funding. We would urge that January Census should be used. In addition, we need funding to follow pupils for in-year transfers.
Primary	No	<p>We found the consultation paper contents to be a little confusing with references made to out dated information, the minimum per pupil number for primary schools information used was incorrect as per the National funding formulae for schools version October 2019 which is £3750 not £3500 as used in this paper.</p> <p>It was difficult to determine how these options posed would affect the funding we will receive for our school. Therefore, it is felt that moving forward to a “Hard” National Funding formula would hopefully mean the funding system would be fairer and more transparent. We would hope the main changes as detailed on Page 4 of this paper would be implemented.</p> <p>This is a complex system and we would hope in the future consultations will be explained in the first instance verbally by holding a consultation meeting with a wider audience so questions can be asked once things are explained fully. At present with this information, we can only make assumptions.</p>
Primary	Yes	As we move towards the NFF I would support the funding allocations moving towards this now. We appreciate that there is not any option that favours every school and no matter what option is taken there will be some winners and some losers. But in a year when there is an increased level of funding I would support moving towards the NFF.

All-through	Yes	I appreciate the Forum's intent of reducing the impact of the eventual imposition of NFF upon schools but, in my opinion, safeguarding the funding for smaller primary schools should take greater precedence as these are the schools where children's development and outcomes are more at risk from the impact of more limited funding.
Secondary	Yes	It seems logical to move to the NFF at this stage bringing local funding into line with the outcome of DofE Research.
Secondary	Yes	Moving to this seems the best way to ensure all schools are prepared for the implementation of the NFF in the longer term.
Secondary	No	Greater transparency in Schools Forum papers as they were not made very accessible and had errors in the per pupil funding calculations which took considerable time to unpick, identify and communicate to the Local Authority
Secondary	No	All mainstream schools will benefit whether NFF is applied or not and whether transfer is made or not. However more BCC mainstream schools benefit from the immediate move to NFF and since this is the ESFA preferred model and the longer term objective we see no reason not to proceed this way immediately.

Appendix 2 – CSSB LA Core Functions

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement	BCC proposal?	Amount 2019/20 £'000	Amount 2020/21 £'000
Statutory & Regulatory	<ul style="list-style-type: none"> Director of children's services and personal staff for director (Sch 2, 15a) Planning for the education service as a whole (Sch 2, 15b) 	Central budgets for education planning that are not already charged to Combined Budgets or elsewhere in the DSG.	17	17
Statutory & Regulatory	<ul style="list-style-type: none"> Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c) Formulation and review of local authority schools funding formula (Sch 2, 15d) 	Accounting and finance staff directly supporting education budget setting and funding for all schools.	250	250
Statutory & Regulatory	<ul style="list-style-type: none"> Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e) 	Estimated cost of internal audit time.	25	25
Statutory & Regulatory	<ul style="list-style-type: none"> Consultation costs relating to non-staffing issues (Sch 2, 19) Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f) 	Estimated cost of public consultation on service development (eg High Needs) and collaborative working.	80	80
Statutory & Regulatory	<ul style="list-style-type: none"> Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17) 	Current budget for SACRE.	10	10
Statutory & Regulatory	<ul style="list-style-type: none"> Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) 	Legal Services staff support.	60	60
Education Welfare	<ul style="list-style-type: none"> Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20) School attendance (Sch 2, 16) Responsibilities regarding the employment of children (Sch 2, 18) 	Current budget for Education Welfare.	335	366
Asset Management	<ul style="list-style-type: none"> Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a) General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) 	Current budget for education property management and capital programme monitoring.	170	170
TOTAL STATUTORY / REGULATORY FUNCTIONS OF LA			947	978

Appendix 3 – CSSB Combined Services Budget

Service	Total 2018/19 £'000	Total 2019/20 £'000
Director of Education and Skills	122	122
Equalities	45	45
Governor Support	21	21
HR	25	25
Primary Services	178	178
Pupil Census	35	35
School Place Planning	90	90
Secondary Services	83	83
Grand Total	599	599