

Bristol Schools Forum
Update on DSG 2021-22 with potential funding levels

Date of meeting:	22 September 2020
Time of meeting:	5.00 pm
Venue:	Virtual – via Zoom

1 Purpose of report

- 1.1 This report provides an outline of emerging DSG funding levels for 2021/22, and updates on any changes to regulations surrounding DSG. As details on allocations are yet to be confirmed any figures are indicative and should be treated with caution.

2 Recommendation

2.1 Schools Forum is invited to:

- a) **note the potential 2021/22 indicative funding levels.**
- b) **note the proposed restrictions relating to the DSG.**
- c) **Note that the LA will consult with schools on items in the local formula, particularly MFG, transfers between blocks, and formula factors.**
- d) **note that the LA will consult with schools on their views on de-delegation, and report the results of the consultation to Forum for their decision at the meeting in November.**

3 Background

- 3.1 The ESFA released some details of the Pre-16 schools revenue funding for 2021/2022 on Monday 20th July.
- 3.2 This information included provisional allocations for Schools Block (excluding Growth), High Needs Block and Central School Services Block for 2021-22, based on current pupil data. Actual allocations and the Growth allocations will be determined later in the Autumn, based on Autumn 2020 school census data. There was no information on Early Years funding in this release.

- 3.3 For 2021/22 the 2019 update to the Income Deprivation Affecting Children Index has been incorporated into the allocations, meaning deprivation data used for calculating the formula is the latest data.
- 3.4 Whilst funding in schools and high needs blocks is distributed to individual LAs using National Funding Formula (NFF), the LA retains discretion over the local formula in to distributing the schools block to individual schools.

4 Funding levels for 2021/22

- 4.1 The announcement has stated that national funding for schools will increase by 4% overall, as compared to 2020/21. The funding floor will allocate at least 2% more in pupil-led funding per pupil, and there is an increase in the NFF minimum per pupil funding. Primary age is increasing, from £3750 to £4180 and Secondary is increasing KS3 from £4800 to £5215, and KS4 from £5300 to £5715.
- 4.2 Included within these uplifts is the announcement that the key factors in the NFF are seeing the unit values raised by 3%, and that part of the increase in the minimum funding levels is due to the incorporation of the Teachers' Pay and Teachers' Pensions grants into the unit value. The NFF is incorporating these grants into the minimum funding at the rate of £180 for primary pupils and £265 for secondary pupils.
- 4.3 The provisional Schools Block allocation for Bristol has been published at £291.7m, with actual allocations expected to be published in December 2020.
- 4.4 The treatment of the teachers' pay grant and the teachers' pension grant is changing in 2021/22, with the announcement stating that the funding of these grants (including the supplementary fund) has been added to the Schools Block from 2021 to 2022. The value of the Teachers' Pay grant in 2020/21 is being paid at the rate of £19.59 for Primary pupils and £28.84 for Secondary pupils and the value of the Teachers' Pensions Grant is being paid at the rate of £55.36 for Primary pupils and £81.49 for Secondary pupils. These are the April to August rates and we are still awaiting the announcement of September to March rates.
- 4.5 Nationally high needs funding is to increase by £730m for 2021/22, with each LA receiving an increase of at least 8% per head of population, compared to 2020/21. The provisional High Needs Block allocation for Bristol has been published at £66.9m (a £6.1m increase from 2020/21), with actual allocations expected to be published in December 2020.
- 4.6 As with Schools Block mainstream funding the teachers' pay grant and the teachers' pension employer contribution grant amounts for High Needs have been incorporated within the block.
- 4.7 Nationally central schools services funding in 2021 to 2022 will increase by 4% for the ongoing responsibilities that local authorities continue to have for all schools, while funding for historic commitments within this block will decrease by a further 20%. The provisional Central School Services Block allocation for Bristol has been published at £2.6m, with actual allocations expected to be published in December 2020. This is an overall reduction of

£72k reflecting a £186k reduction in historical prudential borrowing, offset by an increase in funding for ongoing responsibilities.

- 4.8 These provisional allocations are based on 2020/21 data. Final allocations of the 2021/22 funding will use information from the Autumn census are expected to be issued in December 2020.
- 4.9 Table 1 shows the potential increases in DSG funding for Bristol for 2021/22.

Table 1: Indicative 2021/22 DSG funding

Comparative allocations	2020/21 DSG allocation	Pay and Pension Grants Apr-August 2020/21	Estimated Pay and Pension grant allocations Sept-March 2020/21	Total: 2020/21 DSG plus Estimated grants – to enable comparison.	Indicative 2021/22 DSG allocation	% increase
	£m				£m	
Schools Block excl growth	271.2	5.4	7.6	284.2	291.7	2.7%
Central School Services Block	2.7			2.7	2.6	-2.6%
High Needs Block	60.8	0.4	0.5	61.7	66.9	8.5%
Total	334.7	5.8	8.1	348.5	361.2	3.6%
Early Years	37.1				No data	-

*Ignoring any changes in pupil numbers/characteristics
Allocations before any movements between blocks
Sept-March Pay & Pension Grant figures not known at this stage*

5 Restrictions on use and allocations

- 5.1 For 2021/22 we will continue to set a local schools formula. The government has confirmed again its intention to move to a single 'hard' national funding formula to determine every school's budget but no timescale for this change has been announced.
- 5.2 Minimum funding levels per pupil are set as described above and remain a mandatory factor in the local formula.
- 5.3 MFG for 2021/22 must be set at between +0.5% and +2%. An MFG of 0.5% was applied for 2020/21. Forum will need to discuss and agree what MFG rate is set for 202/22 within this range.
- 5.4 Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the Dedicated Schools Grant (DSG), with schools forum approval with the caveat that the total schools block available for such transfers must exclude the additional funding local authorities have been allocated for the teachers' pay and pension grant, thereby guaranteeing that all of this funding remains with schools. A disapplication will be required for transfers above 0.5%, or for any amount without schools forum approval..
- 5.5 In 2020/21 we transferred £1.369m (0.5%) from the schools block to high needs block, this was matched by the LA and earmarked specifically to contribute towards the Education Transformation Programme.
- 5.6 Consultation will be carried out with schools, prior to the November forum meeting to seek their views of the following items;
 - Level of MFG to be applied.
 - Changes to formula factors
 - Transfers between blocks

6 De-delegation of services to Maintained Schools

- 6.1 In order that schools and academies can be funded on the same basis, the funding for a number of services have been identified by the DfE as services that must be delegated as part of the initial formula.
- 6.2 Maintained mainstream schools, by a majority vote of the Schools Forum in each sector, can opt to 'de-delegate' the funding for their sector i.e. the LA will hold the funding centrally for the agreed services with the funding spent on that sector only. The agreed retention will not be given to maintained schools in the formula.
- 6.3 The LA will consult with maintained mainstream schools to canvass opinion on the currently de-delegated services. The result of this consultation will be reported to the November meeting of Schools Forum where the maintained school representatives will vote on which services to de-delegate for 2021/22.
- 6.4 The current de-delegated services are:

Primary schools

- Premises & employee insurance
- FSM assessment
- Maternity Supply Cover
- Trade Union Facility time
- Education Psychology

Secondary schools

- Premises & employee insurance
- FSM assessment
- Maternity Supply Cover
- Trade Union Facility time
- Health & Safety Reps
- Education Psychology