

Bristol Schools Forum
Dedicated Schools Grant (DSG) 2022/23

Date of meeting:	13 January 2022
Time of meeting:	5.00 pm
Venue:	Virtual Meeting

1 Purpose of report

- 1.1 To give an overview on the DSG for 2022/23 and seek ratification of the Schools Forum on the block allocations which were agreed in principle at the last meeting.
- 1.2 To seek agreement on the EYNFF, following consultation with settings.
- 1.3 The Local Authority (LA) must seek Schools Forum approval for Central Services spend, except for the item relating to school licences which must be repaid to the DfE on behalf of all maintained schools and academies.

2 Recommendation

- 2.1 **Schools Forum is invited to:**
 - a) **note 2022/23 funding levels.**
 - b) **approve final transfers between blocks.**
 - c) **approve the EYNFF.**
 - d) **approve Central School Services Block allocations**
 - LA Core Functions £1.139m (as per Appendix 1);
 - School Admissions £0.557m;
 - Schools Forum £0.023m;
 - Combined Services £0.596m (as per Appendix 2).
 - e) **provide feedback, as appropriate, to Cabinet and Council, for their consideration in making final decisions on the Schools Budget for 2022/23.**

3 Background

- 3.1 Schools Forum considered the emerging position on the DSG for 2022/23 at its meetings in September and November 2021 and agreed 0.5% could be transferred to the High Needs Block from the Schools Block. This 0.5% fund will need to be ringfenced to support the continuation of the Education Transformation Programme with an emphasis of the sustainability of the

High Needs Block. These recommendations were made following consultation with schools.

- 3.2 The final data and allocations from the Education and Skills Funding Agency (ESFA) were released on 16 December 2021 and the results of both events have informed this report.

4 DSG 2022/23

- 4.1 The funding in the DSG is primarily generated by pupil numbers from the October 2021 census, which recorded 35,360 primary age pupils. Decrease of 507 from October 2020 (1.4%, 35,867), continuing the decline in primary age population (which fell by 283 (-0.78%) between October 2020 and October 2019).
- 4.2 Secondary age pupil numbers continue to increase, with October 2021 counting 20,759 – an increase of 641 (3.2%) on October 2020. This also continues the trend (October 2020 was an increase of 757 (3.95%) on October 2019).
- 4.3 Funding per pupil has increased (by 2.5% for primary and 2.8% for secondary) over the 2021-22 levels. The overall increase in the DSG, is £13.257m giving a total DSG of £418.846m.
- 4.4 Table 1 shows the funding allocations in each block for 2022/23 compared to the final allocations for 2021/22.

Table 1 – DSG Allocations

DSG blocks	Final 2021/22 DSG allocation	DSG 2022/23 allocation	Increase	Change
	£m	£m	£m	%
Schools Block	297.264	306.192	8.928	+3.0%
Central School Services Block	2.774	2.742	(0.031)	-1.1%
High Needs Block	68.366	75.523	7.157	+10.5%
Early Years Block	37.185	34.388	(2.797)	-7.5%
Total	405.589	418.846	13.257	3.3%

- 4.5 **Central Services Block.** This block is funded in two parts, for ongoing and historic responsibilities. The funding for historic commitments has been reduced again by 20% (£0.149m) from £0.745m to £0.596m. It remains an aim of ESFA to withdraw this funding over time. The historic responsibilities' part supported two areas: contribution to Combined Services and Prudential

Borrowing. The prudential borrowing element has not been required for some time, so the LA has maintained the contribution to combined services at £0.599m and then transferred the remainder of the historic responsibilities portion to support High Needs.

The 2022-23 allocation for historic responsibilities is £0.596m, so the LA needs to trim the contribution to combined services by £0.003m with no spare element to transfer to high needs or elsewhere.

- 4.6 **High Needs Block.** The High Needs Block has received another substantial increase in funding (of 10.5%) but this block continues to be under pressure. Current spending levels in 2021/22 indicate that the increased allocation will not cover spending at the same level as this year and does not provide any additional funding for growth, additional need or historic shortfalls.
- 4.7 Forecast in-year spend in 2021/22 is £17.101m over budget. Table 2 shows the forecast position for 2021/22 and 2022/23 highlighting the ongoing deficit position. In this table the spend for 2022/23 has been projected as per the latest mitigated DSG Management Plan (January 2022 updated version) but it is likely that this will change depending on the upward pressures of rising demand and rising costs against planned mitigations in this block.

Table 2 – High Needs Analysis

	2021/22	2022/23
	£m	£m
Latest Block Allocation	68.366	75.523
Transfer from CSSB	0.147	0
Transfer from Schools Block	1.400	1.531
Total Block Funding	69.913	77.054
Forecast Spend	85.614	88.848
Education Transformation spend	1.400	1.531
Total Spend	87.014	90.379
In year over/(under) spend	17.101	13.325
Opening Balance b/f	11.797	28.898
Closing Balance c/f	28.898	42.223

- 4.8 For the 2021/22 budget £1.4 was transferred from the Schools Block to the High Needs Block with agreement from forum, and this funding is being used to support the Education Transformation Programme. At the November meeting Forum agreed to the transfer of 0.5% of the schools' block into the High Needs Block. This funding will not be used to support general High Needs activities but as agreed will be used to support the continuing work and aims of the transformation programme as previously presented to forum.
- 4.9 **Schools Block** Details on this block are covered in a separate paper on this agenda.
- 4.10 **Early Years Block.** The allocation is still indicative at this stage as the majority of the funding in this block is based on census data throughout the year, so the actual amount will be updated by ESFA once these later participation census figures are known.
- 4.11 The release of the block allocations also included the first indication of the hourly rates for 2021/22. For 3 & 4 year old the rate will remain unchanged at £5.69, whereas the 2 year old rate will increase by 21p to £5.80. This will mean a real-term reduction in funding for 3 & 4 year old as costs are increasing with frozen funding levels per pupil. These are the rates used to calculate funding to the LA, the rates paid to providers are outlined in section 5 of this report.
- 4.12 The Maintained Nursery School supplementary funding has reduced from £0.716m in 2021/22 to £0.542m for 2022/23. This is a direct result of reduced participation numbers recorded at maintained nursery schools, part-time equivalents at January 2021. The reduction in participation is largely considered to be as a result of the pandemic.
- 4.13 **Overall position.** Table 3 shows the effect on the block funding position and outlines the 2022/23 Budget, it also shows the forecast carry forward amounts against each block.

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

DSG Blocks	Balance brought forward from 2021/22 (forecast) £m	2022/23 DSG allocation £m	Movement between blocks £m	Final DSG budget 2022/23 £m	Estimated spend 2022/23 £m	Carry forward balance at end of 2022/23 £m
Schools block	(1.714)	(306.192)	1.531	(304.661)	304.661	(1.714)
De-delegation	(0.553)			(0)	0.553	0
Central Services Block	0	(2.742)	0	(2.742)	2.742	0
High Needs Block	28.898	(75.523)	(1.531)	(77.054)	90.379	42.223
Early Years	0.147	(34.388)		(34.388)	34.707	0.466
Total	26.778	(418.846)	0.000	(418.846)	432.489	40.975

5 EYNFF

- 5.1 The rates outlined in section 4.10 are those which generate funding to the LA. There have been no significant changes in the guidance regarding how local authorities must distribute funding to providers but there is still a requirement to consult with providers prior to setting rates. Despite delays in releasing the data for early years meant that our consultation was also delayed, final consultation results is summarised in Table 4 below.
- 5.2 Providers were asked for their views on the base rate, supplements and the rates for SEN. Our proposal was to pass on any increase in the base rate to providers, to keep the same deprivation and quality supplements and to maintain the EY SEN rates. As at 4th January 2022 60 out of 377 providers had responded to the survey, with the following replies to the questions;

Table 4: EYNFF Consultation responses

Question	% Agree	% Disagree
Base rate - pass on all of any increase to provider	80	20
Supplement - keep deprivation supplement as current	88	12
Supplement – use System Leadership for the quality supplement	75	25
EY SEN - maintain the current rate	78	22

- 5.3 The 3 & 4 year old funding rate is unchanged at £5.69, therefore the base rate to providers will also remain unchanged at £4.88. We will also maintain

the same levels of supplements, SEN rates and the same proportion of central funding.

- 5.4 For 2 year olds the rate has increased by £0.21 to £5.80, it is intended that we will pass on this increase in full to providers meaning their rate increases from £5.56 to £5.77, with the same £0.03 retained for central administration.

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 2022/23 is £2.742m. This total is composed of two distinct components: on-going functions (£2.145m) and historic commitments (£0.596m). The on-going functions element has increased by 5.8% from 2021/22, up from £2.028m. Of the historic commitments, this funding is insufficient to support the contribution to combined services at the previous level, and as such leaves no element to transfer to high needs or elsewhere. Table 5 shows the funding and proposed 2022/23 budgets.

Table 5: Composition of Central School Service Block Allocations

Type of funding	Component	DSG Allocation 2021/22 £'000	2021/22 budget £'000	DSG Allocation 2022/23 £'000	Proposed 2022/23 budget £'000
Formulaic	LA Core functions	1,069	1,069	1,139	1,139
Formulaic	School Admissions	526	526	557	557
Formulaic	School Licences	301	301	312	312
Formulaic	Schools Forum	23	23	23	23
Formulaic	Pay & Pension – Centrally employed teachers	109	109	115	115
Historic	Combined Services	599	599	596	596

Historic	Prudential Borrowing	147	0	0	0
Total		2,774	2,627	2,742	2,742

- 6.4 **LA Core Functions £1.139m.** Appendix 1 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 2022/23 it is proposed to inflate each item by 2.5% to cover previous pay awards, with additional funding allocated to the Central planning budgets line to compensate for the Combined Budgets allocation (paragraph 6.9) not being uplifted.
- 6.5 **Admissions £0.557m.** The only change to this budget is that arising from the increase in CSSB generally, due to pupil number and rate increases.
- 6.6 **School Licences £0.312m.** 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 2022/23 has been advised as £0.312m. 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 2021/22 level.
- 6.8 **Pay and Pensions – Centrally Employed Teachers.** The 2021-22 allocation has been uplifted by the 5.8% growth in the on-going services element of the CSSB.
- 6.9 **Combined Budgets.** Appendix 2 details the analysis of the £0.596m for Combined Services, which Schools Forum has agreed in the past and it is proposed for agreement again for 2022/23. However, many of these costs are increasing and to reflect this the LA Core Functions line for education planning has been increased.

Appendix 1 – CSSB LA Core Functions

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement	BCC proposal	Amount 2022/23 £'000	Amount 2021/22 £'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.	104	59
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.	262	256
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.	27	26
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.	84	82
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.	64	62
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.	410	400
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.	178	174
TOTAL STATUTORY / REGULATORY FUNCTIONS OF LA			1,139	1,069

Appendix 2 – CSSB Combined Services Budget

Service	Total 2022/23 £'000	Total 2021/22 £'000
Director of Education and Skills	119	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	596	599