

2021/22 Dedicated Schools Grant Funding

Schools Forum - January 2021

Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the 2020/21 budget setting round:

1. National Funding Position
2. Local Budget Proposals
3. Early Years
4. Summary and Next Steps

National Funding Announcements

- On 17th December 2020 the Department for Education (DfE) published the DSG allocations for 2021-22. Full details can be found on the DfE website at the following link:
- <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2021-to-2022>

National Funding Announcements

- The initial 2021-22 DSG allocations for Cambridgeshire are set out in the following table, which also provides the 2020-21 figures for comparison:

DSG Block	2020-21 Allocation £m	2021-22 Initial Allocation £m	Increase v 2020-21 Allocation £m
Schools Block (incl. growth and baseline grants)	387.77	405.12	+17.35
High Needs Block (incl. baseline grants)	76.37	83.42	+7.05
Central Services Schools Block	7.03	6.48	-0.55
Early Years Block	37.66	38.13	+0.47
Total	508.83	533.14	+24.31

National Funding Announcements

- The 2020/21 figures on the previous slide include estimates of the Teachers Pension Grant (TPG) and Teachers Pensions Employers Contribution Grant (TPECG) to be received to allow an overall comparison between years. (Approximately £17.6m in the Schools Block and £0.9m in the High Needs Block)
- As a result actual published DfE figures may differ.
- Net of the baselined grants there is an increase in the Schools Block of approximately £17.3m / 4.5% over 2020/21 funding levels.

National Funding Announcements

- Approximately £13m is as a result of the uplift to Cambridgeshire's Schools Block allocation from the additional investment through the national funding formula;
- Approximately £4.3m of the increase results from the net increase in pupils between October 2019 and October 2020.

Final Budget Proposals



– Schools Block

- After allowing for the £2m centrally retained growth fund the total available Schools Block for distribution (prior to any block transfers) is £403.12m.
- This compares to the £368.20m distributed in 2020/21, plus the approximate £17.6m TPG/TPECG .
- Final distribution figures are still subject to receipt of a response to the disapplication request to the Secretary of State and subsequent decisions in respect of the potential block transfers from the Schools Block to the High Needs Block.

Final Budget Proposals

– Schools Block



NFF Factor		Cambridgeshire Unit Rates 2020-21 (£)	NFF Unit Rates to be applied in 2021-22 (£)
Basic per pupil entitlement (AWPU)	AWPU: Primary*	2,894	3,123
	AWPU: Secondary KS3*	4,070	4,404
	AWPU: Secondary KS4*	4,619	4,963
	Minimum per pupil funding Primary	3,750	4,180
	Minimum per pupil funding Secondary (KS3 and KS4 combined)	5,000	5,415
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	456	460
	FSM current – Secondary	456	460
	Ever6 FSM – Primary	567	575
	Ever6 FSM – Secondary	826	840
	IDACI Band F: Primary	213	215
	IDACI Band F: Secondary	304	310
	IDACI Band E: Primary	243	260
	IDACI Band E: Secondary	410	415
	IDACI Band D: Primary	380	410
	IDACI Band D: Secondary	542	580
	IDACI Band C: Primary	410	445
	IDACI Band C: Secondary	587	630
	IDACI Band B: Primary	441	475
	IDACI Band B: Secondary	633	680
	IDACI Band A: Primary	608	620
	IDACI Band A: Secondary	851	865

Final Budget Proposals

– Schools Block



NFF Factor		Cambridgeshire Unit Rates 2020-21 (£)	NFF Unit Rates to be applied in 2021-22 (£)
Low Prior Attainment	Primary	1,079	1,095
	Secondary	1,631	1,660
English as an Additional Language	Primary	542	550
	Secondary	1,458	1,485
Pupil Mobility	Primary	886	900
	Secondary	1,266	1,290
Lump Sum	Primary	115,867	117,800
	Secondary	115,867	117,800

- Notes to the Table:
 - a) Final Age Weighted Pupil Unit (AWPU or Basic Entitlement) unit rates for 2021-22 may be scaled up or down dependent on overall affordability.
 - c) The values for sparsity are not included in the table above as are variable up to a new maximum of £45,000 for primary schools and £70,000 for secondary schools.
 - d) The DfE recognises that some factors cannot easily be allocated on a formulaic basis and under the NFF continue to be funded at historical or actual funding levels. This covers the premises factors which includes PFI, split site and business rates for those schools affected.

Final Budget Proposals



– Schools Block

- There are currently 3 potential scenarios still being considered:
 - a) - 0% / £0 block transfer – 2.00% MFG – No CAP
 - b) - 0.5% /£1.9m block transfer – 1.5% MFG – CAP TBC
 - c) - 1.0% /£3.8m block transfer – 1.0% MFG – CAP TBC
- The **illustrative** impact of each of these scenarios can be seen in **Appendix B** – (to follow)
- Figures have been updated to reflect the October 2020 census data, and changes to IDACI. As such the impact at individual school level will also be dependent on changes in pupil numbers.

Final Budget Proposals

– Schools Block



- Please note:
 - These figures are still illustrative at this stage and are subject to change as final data validation is undertaken.
 - As previously discussed final block transfers are still subject to approval at the appropriate level.
 - Actual amounts to be received by academies will be notified directly by the ESFA for the 21/22 academic year and may differ due to pupil numbers, protections and business rates applied.

Final Budget Proposals

– High Needs Block

- Prior to any potential block transfers from the Schools Block to the High Needs Block the available HNB totals:

Source of Funding	£m
2021/22 HNB (Updated December 2020)	£83.42m
Agreed Transfer from CSSB	£1.08m
Total available HNB	£84.50m

- 20/21 HNB in-year forecast spend in excess of £89m.
- **Adjusted DSG Deficit b/fwd from 19/20 = £16.6m**
- **Forecast DSG Deficit to c/fwd to 21/22 = £27m+**

Final Budget Proposals



– High Needs Block

- No initial change being proposed to Special School Top-up rates (due to 0% MFG protection arrangements).
- TPG/TPECG to special schools will be allocated based on £660 per place. (£275 per place 5/12th April 21 – August 21 and £385 per place 7/12th September 21 – March 22)
- Increase in funding to Pilgrim PRU based on national uplift for Hospital provision and TPG/TPECG.
- Enhanced Resource Base (ERB) funding to be reviewed as part of ongoing ERB review.
- Consultation on proposed 10% reduction in top-up rates for mainstream schools to be delayed.

Final Budget Proposals

– Central Schools Services Block

Budget Line	2020/21	2021/22	Description
Contribution to combined budgets	£2,233k	£1,733k	Contribution to Children's Services, including £733k Early Intervention Family Worker (previously Parental Support Advisors) – Approved by Schools Forum
Capital expenditure from revenue (CERA)	£1,167k	£875k	Schools Broadband Contract – Approved by Schools Forum
Total Spend on Historic Commitments	£3,400k	£2,608k	
School Admissions	£508k	£508k	Approved by Schools Forum
Servicing of Schools Forum	£3k	£3k	Approved by Schools Forum
Other Items	£450k	£503k	National Copyright Licence arrangements – set by DfE – increased by £53k
Retained Duties Funding	£1,449k	£1,773k	As per DfE figures (pupil-led) – includes uplift for TPG/TPECG
Total Ongoing Responsibilities	£2,410k	£2,786k	
Total CSSB Budgeted Expenditure	£5,810k	£5,394k	
High Needs Block	£1,217k	£1,085k	Movement to High Needs Block as approved by Schools Forum
Total Allocation of CSSB	£7,027k	£6,479k	

Final Budget Proposals



– Central Schools Services Block

- Final CSSB allocation of £6.48m, reduced from £7.03m.
- Includes further 20% reduction in funding for Historic Commitments and increased allocation for retained duties, including centrally employed TPG/TPECG.
- Copyright License costs (excluding VAT) have increased from **£450k to £503k**.
- LA's and schools (including academies) do not need to negotiate individual licences. The DfE pays the cost, including VAT, to the agencies and provides this as a service to LA's as a charge to the DSG.
- The increase will be met from the CSSB rather than being a direct cost to schools.

Final Budget Proposals

– Central Schools Services Block

- The DfE has agreements with the following agencies to purchase a single national licence managed by DfE for all state funded schools in England:
 - Christian Copyright Licensing International (CCLI)
 - Copyright Licensing Agency (CLA)
 - Education Recording Agency (ERA)
 - Filmbank Distributors Ltd. (for the PVSL)
 - Mechanical Copyright Protection Society (MCPS)
 - Motion Picture Licensing Company (MPLC)
 - Newspaper Licensing Authority (NLA)
 - Performing Rights Society (PRS)
 - Phonographic Performance Limited (PPL)
 - Schools Printed Music Licence (SPML)

Final Budget Proposals



– Early Years Block

- National increase in 2021/22 of £44m:
 - 8p per hour increase for funded two-year-olds
 - 6p per hour increase for all three- and four-year-olds
- Maintained Nursery School supplement to continue for 21/22 academic year (amounts to be confirmed)
- Proposing a “minimal change” approach to the Cambridgeshire early years single funding formula:
 - Increase the rate for funded two-year-olds from £5.49 to £5.57
 - Increase the rate for three- and four-year-olds from £4.14 to £4.20

Final Budget Proposals

– Early Years Block



- The Early Years Funding guidelines restricts local authorities to retaining a maximum of 5% of funding centrally.
- The proposed funding retained centrally by the Local Authority will account for approximately 4.2%.
- It now includes an additional £250k for 2 year olds SENIF previously funded from in-year underspends.

Final Budget Proposals

– Early Years Block

- Proposed centrally retained amounts for 2021/22:

Centrally Retained Budget	2020/21 Budget (£)	2021/22 Proposed Budget (£)
Early years statutory duties linked to: <ul style="list-style-type: none"> • Child and Family Act 2014 • The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2012 • Childcare Act 2006 • SEND Code of Practice 2014 • Equalities Act 2010 And underpinned by, Early education and childcare -statutory guidance for local authorities March 2018 and Early Years entitlements: operational guidance July 2017. These activities include setting intervention, curriculum development, SEND advice, business and governance support, leadership development, place development and equalities and safeguarding advice and training.	633,187	633,187
Early Years and Childcare Qualifications	375,000	375,000
EY Accelerating the achievement of vulnerable groups	88,355	88,355
Early Years Pupil Premium Eligibility	11,000	11,000
SENIF coordination and administration	60,000	60,000
2 Year Olds SENIF	0	250,000
Total	1,167,542	1,417,542

Required Actions

- *Schools Forum are asked to:*
 - *Comment on the local budget proposals*
 - *Approve the Early Years Block centrally retained funding.*

DSG – In-year position

- **Appendix C** shows the latest in-year position on the DSG.
- Current in-year forecast for DSG = £11.286m overspend (£12.417m on High Needs)
- Original forecast at start of year = £12.744m overspend

Next Steps

- ***All budget timescales are now dependent on DfE confirmation of disapplication requests.***
- 19th January 2021 – Children and Young People Committee to approve final budget proposals
- 21st January 2021 – APT submission deadline to the ESFA
- Late January/early February – budgets to be issued to Primary and Secondary Schools (academy budgets will be illustrative only as final budgets will be confirmed by the ESFA).
- Late February – illustrative budgets to be published for Special Schools
- High Needs Consultation delayed.