

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

Dedicated Schools Grant 2021/22

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 On 17th December 2020 the EFA published the 2021-22 Dedicated Schools Grant (DSG) Allocations. These are based on October 2020 School Census data.
- 1.2 The allocation for North Lincolnshire is £152,810m after deductions for the direct funding of high needs places by the ESFA.
- 1.3 This report provides information on the planned use of the DSG for 2021/22.

2. BACKGROUND INFORMATION

- 2.1 The DSG allocations are presented in four blocks. Each block is determined by a separate national funding formula:

	2020/21 £m	2021/22 £m	Variance £m
Schools Block	112.670	121.080	+8.410
Central Services Schools Block (CSSB)	1.052	1.128	+0.076
Early Years Block (provisional)	9.573	9.434	-0.139
High Needs Block (provisional)	18.940	21.168	+2.228
Total DSG	142.236	152.810	+10.574

- 2.2 The **Schools Block** has been set at cash rate per pupil of £4,528.62 for primary schools and a cash rate per pupil of £5801.36 for secondary schools, plus block amounts of £1.663m for premises, £0.517m for growth and £5.172m protected schools block funding for pay and pensions grants.

- 2.3 Schools Block funding is ring fenced. However, Local Authorities have flexibility to transfer up to 0.5% of their schools block funding to another DSG block, with the approval of the schools forum.
- 2.4 The **CSSB Block** enables LA's to carry out its statutory functions for all schools and comprises two distinct elements: ongoing responsibilities and historic commitments.
- Ongoing Responsibilities – Funds LA's for their ongoing responsibilities they have a statutory duty to deliver for all pupils in maintained schools and academies. Funding for ongoing responsibilities has increased by 3.8% nationally compared to 2020/21 to keep up with inflation and pupil numbers. This element of the CSSB is calculated using a simple per-pupil formula.
 - Historic Commitments – From 2020/21 the DfE began to reduce the element of funding within the CSSB that LAs receive for historic commitments. For 2021/22 allocations have reduced by 20% on 2020/21 allocations. The DfE intend to provide further detail in due course on how they will continue to reduce this funding in future years.
- 2.7 The **Early Years Block**, introduced in 2017 sets hourly funding rates that each local authority is paid to deliver the universal and additional entitlements for 3 and 4-year-olds. There is a separate formula that sets the hourly funding rate for 2-year-olds.
- 2.8 The local authority must pass through the early years formula 95% of its 3 and 4-year-old funding. 5% can be retained for central services or for movement out of the early years block to another block. Schools forum approval is required for central early years block provision.
- 2.9 There is no regulatory requirement to pass through a set amount of the governments funding to providers for the delivery of the 2-year-old entitlements.
- 2.10 All early years allocations are provisional and will be updated in July 2021 based on the January 2021 census numbers and again in July 2022 based on 5/12ths of the January 2021 census numbers (to cover April 2021 to August 2021) and 7/12ths of the January 2022 census numbers (to cover the September 2021 to March 2022 period). Therefore final allocations will be based on 5/12ths of the January 2021 census numbers plus 7/12ths of the January 2022 census numbers.
- 2.11 The **High Needs Block** supports provision for pupils and students with special educational needs and disabilities, from age 0 to 25 and alternative provision for pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream schools.
- 2.12 National increases to high needs funding means that local authorities see a further increase in funding for 2021/22. Using 2020/21 allocations as a

baseline this equates to a minimum per head increase of 8% distributed through the high needs national formula.

- 2.11 Local authorities decide how much to set aside in their high needs budget for place and top-up funding given to institutions, central high needs services (which may be devolved to schools or other institutions and funded through a service level agreement) and other aspects of provision related to SEND and AP as permitted by the School and Early Years Finance (England) Regulations.
- 2.12 The 2021 to 2022 import/export adjustment data published in July 2020 has been used for the provisional 2021 to 2022 allocations data, and this will be updated in June 2021 with the January 2021 Census data and the February 2021 ILR data.
- 2.13 Under the School and Early Years Finance (England) Regulations local authorities must make their initial determination of their 2021-22 schools budget by 28th February 2021. The DSG has been set in accordance with the School Funding Arrangements 2021-22.

3. OPTIONS FOR CONSIDERATION

- 3.1 The following options are the responsibility of the schools forum:
 - Central spend on Early Years Provision
 - Spend on Admissions.
 - Spend for Servicing of the Schools Forum.
 - Contributions to responsibilities that local authorities hold for all schools (retained duties)
 - Contribution to combined budgets

4. ANALYSIS OF OPTIONS

- 4.1 Central spend on Early Years Provision. The maximum central spend allocation for early years is 5% of the universal plus extended hours 3- and 4-year-old allocation. The proposed central spend budget amounts to 4.35%.
- 4.2 It is proposed to increase budgets for ongoing responsibilities, including admissions, servicing of schools forum and retained duties in line with the national increase.
- 4.3 The contribution to combined budgets is discussed further in a separate report to the schools forum.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 The schools forum must be consulted on the school funding formula, arrangements for early year's provision, arrangements for pupils with special needs, arrangements for use of pupil referral units and the education of

children otherwise than at school. Further information on the school funding formula, early years and high needs funding proposals in separate reports to this meeting.

- 5.2 No approval is required for the high needs block provision or central copyright licences negotiated nationally by the Secretary of State.
- 5.3 It is the responsibility of the Local Authorities Chief Financial Officer to ensure that DSG grant monies are spent on the purpose for which they are intended.

6. **RECOMMENDATIONS**

- 8.1 That schools forum approve the centrally retained schools budget as detailed in appendix 1:
- Central spend on the early years block provision.
 - School Admissions
 - Servicing of Schools Forum
 - Contribution to the responsibilities that local authorities hold for all schools.

STRATEGIC LEAD FINANCE SERVICE DESK

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Background Papers used in the preparation of this report –
Schools Revenue Funding 2021 to 2022 Operational Guide
The National Funding Formulae for Schools and High Needs 2021-2022