

# Agenda Item 9

<b>TITLE</b>	<b>2021/22 DSG Budget Planning Update</b>
<b>FOR CONSIDERATION BY</b>	Schools Forum on 14 October 2020
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	Director, Children's Services - Carol Cammiss

## **OUTCOME / BENEFITS TO THE COMMUNITY**

This reports forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

## **RECOMMENDATION**

Schools Forum is asked to note the content of the report.

## **SUMMARY OF REPORT**

This report provides Schools Forum with an update on the budget setting timeline for the 2021/22 financial year, and indicative budgets and changes for the four blocks of the DSG.

An update from the Schools Block Task and Finish Group and the consultation process for the preparation of the 2021/22 Schools Block budget is also provided.

## 2021/22 DSG Budget Planning Update

### 01. Purpose of the Report

This report provides Schools Forum with an update on the budget setting timeline for the 2021/22 financial year, and indicative budgets and changes for the four blocks of the DSG.

An update from the Schools Block Task and Finish Group and the consultation process for the preparation of the 2021/22 Schools Block budget is also provided.

### 02. Recommendation

Schools Forum is asked to note the content of the report.

### 03. Background

The Operational Guidance for 2021/22 has now been published by the Education and Skills Funding Agency (ESFA), and is the first of several publications which set out the procedures to be followed in determining the budgets funded from the Dedicated Schools Grant.

Provisional funding allocations for 2021/22 through the schools, high needs and central school services national funding formulae (NFF) have been published.

### 04. Funding Guidance for 2021/22

In light of the need to focus efforts on meeting the challenges of Coronavirus (COVID-19), no change has been made to the role of local authorities in the distribution of school funding for the coming financial year.

The Government will, later this year, put forward its proposals to move to a 'hard' NFF in future, which will determine schools' budgets directly rather than through local formulae set independently by each local authority.

The funding factors used in the 2021/22 national formulae remain the same, with only small technical changes.

<b>Block</b>	<b>2020/21 Total</b>	<b>2021/22 Provisional Total</b>	<b>Change £</b>	<b>Change %</b>
Schools Block	£110,495,793	£114,421,745	£3,925,952	3.55%
High Needs Block	£20,521,741	£22,665,370	£2,143,629	10.45%
Central School Services Block	£936,754	£913,159	-£23,415	-2.5%

## 05. Schools Block

At national level, school funding is increasing by 4% overall, compared to this year, with the funding floor allocation at least 2% more in pupil-led funding per pupil, and higher minimum per pupil funding levels directing further increases to the lowest funded schools.

Total funding through the sparsity factor has also been increased from £26m to £42m, as a first step towards expanding the support the NFF provides for small and remote schools from 2022/23.

The Primary and Secondary Units of Funding (PUF and SUF) were issued alongside the Operational Guidance to Local Authorities for the 2021/22 Schools Block.

The DfE have made limited changes to the funding arrangements due to the pandemic. The key changes are:-

- IDACI updated to 2019
- Teachers Pay Grant (TPG) and Teachers Pension Grant (TPECG) added into baseline
- MFG can be set between +0.5% and +2%
- Can still transfer 0.5% of Schools Block funding (excluding TPG and TPECG) to other DSG blocks with Schools Forum approval
- Cancellation of summer 2020 assessments – 2019 data will be used for Reception and year 6 cohort
- Minimum per pupil level (MPPL) factor is mandatory

Below are the PUF and SUF rates for 2021/22.

	2020/21	2021/22	TPG/TPECG	Total
Primary	3,750	4,000	180	4,180
KS3	4,800	4,950	265	5,215
KS4	5,300	5,450	265	5,715

The Task and Finish Group met before the summer holidays and it was agreed to model the following:-

- Lump sum £120k, £135k, £150k
- Keep primary to secondary ratio at 1:1.29
- Increase rates of other factors by 3% (IDACI, EAL etc)
- MFG +1%

At the start of this term the group reviewed the models that had been prepared and it was decided that a lump sum of £120k be excluded from future modelling as it negatively impacted our smaller schools.

It was discussed that we should look at the rates for pupil led factors, such as deprivation, and move them closer to the National Funding Formula rates by a third.

In September, the initial consultation was sent out to schools on the principles to be applied to the 2021/22 school budget. The deadline for responses is Friday 2<sup>nd</sup> October.

#### 06. **High Needs Block**

Nationally, High Needs funding is increasing by a further £730m, or 10%, in 2021/22. The NFF will ensure that every local authority receives an increase of at least 8% per head of population compared to this year.

Provisional budget for Wokingham is £22.6m, an increase of £2.1m on 2020/21 levels. While this increase is welcome news, significant challenge remains to deliver a sustainable financial position for SEND in Wokingham.

#### 07. **Central Schools Services Block**

Central schools services funding for 2021/22 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% for those local authorities in receipt of this funding.

Provisional budget for Wokingham is £913k, a decrease of £23k on 2020/21 levels. Continued reductions on this block are disappointing. Given the CSSB provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies, and staffing costs are subject to annual increases, reductions in this block have a direct impact on Council budgets funded through local taxation.

#### 08. **Timeline for the 2021/22 consultation and budget setting process**

October/November - Task and Finish Group meeting(s) to review consultation responses, to confirm the principles to be used to determine school budgets and evaluate the options that have been modelled.

End of November – Update indicative budgets with the October 2020 census data.

Early December – further consultation with schools on the indicative allocations for 2021/22.

December/January – Final DSG allocations announced and indicative budgets updated with revised pupil data supplied by ESFA.

LA prepares provisional final allocations for approval by Schools Forum.

January - Schools Forum agree Schools Budget Allocations for 2021-22.

January - LA submits APT return to ESFA for validation and approval.

January – Indicative final budget allocations issued to schools.

## 09. Further Key Dates

### October 2020

- 2021/22 guidance on the place change notification process published and workbook issued to local authorities by DfE (HNB)
- 1<sup>st</sup> October = Schools Census Day
- 14<sup>th</sup> October = Schools Forum

### November 2020

- Deadline for local authority submission of 2021/22 high needs place number changes and requests for local authority hospital education funding changes to ESFA (HNB)
- 20<sup>th</sup> November = Deadline for submitting disapplication requests if the LA wishes to move more than 0.5% of the schools block, or if Schools Forum have turned down a proposal from the LA to move funding out of the Schools Block, but the LA wishes to proceed with the transfer (SB)

### December 2020

- Final APT issued to LAs containing October 2020 census based pupil data and factors (SB)
- Publication of 2021/22 DSG Schools Block, Central School Services Block, initial Early Years Block allocations and initial High Needs Block allocations for 2021/22
- 9<sup>th</sup> December = Schools Forum

### January 2021

- Schools Forum consultation and political approval required for 2021/22 funding formula (SB)
- 13<sup>th</sup> January = Schools Forum
- 21<sup>st</sup> January = Deadline for submitting final 2021/22 authority proforma tool (APT) to ESFA (SB)
- Check published outcomes of 2021/22 high needs place change notification (HNB)

### February 2021

- 28<sup>th</sup> February = Deadline for confirmation of schools budget shares to mainstream maintained schools
- Budgets issued to maintained mainstream schools, special schools and PRUs (SB and HNB)

### March 2021

- 17<sup>th</sup> March = Schools Forum

### June 2021

- DfE issue import/export adjustments at institution level and special free school adjustments to local authorities (HNB)

### Summer 2021

- Early Years Block updated for January 2021 early years pupil numbers

### Summer 2022

- Early Years Block updated for January 2022 early years pupil numbers

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