
Dedicated Schools Grant (DSG) Budget 20/21 - Overview

Report being considered by: Schools Forum

On: 20th January 2020

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Item for: Discussion **By:** All Forum Members

1. Purpose of the Report

- 1.1 To set out the overall amount of the Dedicated Schools Grant (DSG) and the funding settlement 2020/21.

2. Recommendation

- 2.1 To note the funding allocation for the 2020/21 budgets.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

- 3.1 The National Funding Formula (NFF) is used by the Department for Education (DfE) to calculate the blocks within the Dedicated Schools Grant (DSG) that was allocated to local authorities in December 2019.

- 3.2 The DSG consists of four blocks:

- (1) Schools
- (2) High needs
- (3) Central school services
- (4) Early years

- 3.3 2020/21 is the third year of the NFF for schools, high needs and central school services. The early years block of the DSG will be determined by the separate national formula for early years.

4. Overall position

- 4.1 The following table shows the 2020/21 DSG allocation based on the October 2019 census pupil numbers. The total allocation is £137.6m compared to £130.6m in 2019/20.

Dedicated schools grant (DSG): 2020 to 2021 allocations local authority summary	2020 to 2021 DSG allocations, before recoupment and deductions for direct funding of high needs places by Education and Skills Funding Agency (ESFA)				
	Schools block (£s)	Central school services block (£s)	High needs block (£s)	Early years block (£s)	Total DSG allocation (£s)
	[A]	[B]	[C]	[D]	[E]
					= [A] + [B] + [C] + [D]
869 West Berkshire	105,311,181	958,726	21,667,304	9,651,877	137,589,088

5. Schools Block

5.1 The DfE final allocation for 2020/21 is shown below compared to (2019/20):

- Primary Unit of Funding £4088.08 x 13,190 pupils = £53.922m (£51.83m)
- Secondary Unit of Funding £5108.48 x 9,620 pupils = £49.146m (£46.16m)
- Allowance for business rates = £1.487m (£1.46m)
- Total schools block (pre block transfer) = £104.555m (£99.45m)
- Growth Fund allocation = £0.756m (£0.56m)
- Total schools block (pre block transfer) = £105.311m (£100.01m)

5.2 The proposed block transfer of 0.25% would reduce the schools block allocation excluding growth fund from £104.555m to £104.292m.

6. Central Schools Services Block (CSSB)

6.1 Responsibilities held by local authorities for all schools are funded from the CSSB, with the agreement of schools forums. This covers Statutory and Regulatory duties, Education Welfare, asset management and other duties such as licences, admissions and servicing of Schools' Forum.

6.2 The CSSB DSG funding for 2020/21 is £959k (2019/20 £976k). The CSSB block has been reviewed in the light of the reduced funding, and costs charged to this block have been reduced from £1.108m in 2019/20 to £1.007m in 2020/21. It is proposed that the remaining shortfall of £49k is funded from unspent ESG grant.

7. Early Years Block

7.1 The new Early Years formula was introduced in 2017/18 with new funding rates to local authorities, and a revised simplified formula for allocating funding to providers was also brought in. All providers are now on the same rates.

7.2 Funding for 2020/21 has been announced as £9.652m (2019/20 £9.491m)

8. High Needs Block (HNB)

8.1 As part of the education funding announcement the Government has pledged an extra £700 million for children with Special Educational Needs and Disabilities (SEND) in 2020/21.

8.2 The 2020/21 allocation for West Berkshire has been announced as £21.667m (2019/20 £20.1m). A 0.25% schools block transfer would increase this to £21.404m.

9. DSG balances

9.1 The DfE will require a report from any local authority that has a cumulative DSG deficit of more than 1% at the end of the financial year – in this case as at 31 March 2020. It is highly likely that West Berkshire will exceed this threshold due to the current forecast overspend on the High Needs Block.

9.2 Recovery plans need to be discussed with the schools forum and should set out the authority’s plans for bringing the DSG account back in balance within a timely period (three years).

10. Timetable for Setting the Budget

10.1 A draft timetable has been put together but due to the delay in the funding announcements, there are only two Heads Funding Group and Schools Forum meetings to review the formula and consultation. The proposed timetable for setting all the elements of the DSG budget is set out below:

Date	Deadline	Who	Item
8.1.20	2.1.20	HFG	Review funding formula consultation responses and final formula calculations and make a recommendation. Review budget proposals for central schools, high needs, and early years in light of funding announcement.
16.1.20	7.1.20	Executive	Approval of School Formula
20.1.20	14.1.20	SF	Review HFG recommendations, final calculations and final formula. Review budget proposals for central schools, high needs, and early years. Agree budget strategy and determine any further work.
21.1.20	21.1.20	LA	Deadline for submission of final APT to ESFA
21.1.20 to 18.2.20	18.2.20	LA	Finalisation by officers of central schools, high needs, and early year’s budget proposals.
25.2.20	18.2.20	HFG	Review final proposals and make recommendation to Schools’ Forum.
29.2.20	29.2.20	LA	Statutory deadline for providing primary and secondary maintained schools with funding allocation
9.3.20	3.3.20	SF	Agree final budgets.