

Dedicated Schools Grant 2021/22

Schools' Forum Date	14 th January 2021
Type of Decision	For decision
Background Documents	30 th August 2019 Prime Minister announcement about £14billion extra funding Link Schools Forum report 17 th September 2020
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Purpose of Report	To report on the implications of the census data and Dedicated Schools Grant (DSG) updates for 2021/22 and to make recommendations on the final funding formula for mainstream schools
Key Recommendations	The Forum is asked to: <ol style="list-style-type: none"> 1. Note the Dedicated Schools Grant settlement for 2021/22. 2. Recommend the council agree the school funding formula for 2021/22, as set out in Annex A 3. Agree that the balance on the schools block can be used at year end as a one off contribution to support the continuation of the 1 in 40 High Needs model 4. Forum agrees to apply the 0.06p increase to the hourly rate for 3 and 4 years olds and the 0.08p to the formula for 2 year olds as set out in section 3. 5. The Forum agrees the allocation of the central schools services block as set in section 4.
Resource Implications	The 2021/22 DSG announced on 17 th December 2020 totals £524.114m. This represents an increase in funding of £22.898m (4.8%) from the current 2020/21 DSG a further £20.648m (4.3%) has also been included for the movement of the teachers pay and pension funding from separate grants into the DSG, bringing the total change up to £43.546m (9.1%). This allows the national funding formula factor rates for schools to be applied in full at their 100% level.

1 Introduction

This paper updates the Forum on the final Dedicated Schools Grant (DSG) for 2021/22. The Forum will now need to make recommendations on the funding formula for mainstream schools, early years providers and note the latest position on the central school services block and high needs block (see separate paper) of the DSG.

2 Dedicated Schools Grant

2.1 Summary

The Education Secretary Gavin Williamson announced the DSG for 2021/22 on the 17th December 2020.

The 2021/22 position for Gloucestershire is as follows, this includes funding for teachers' pay and pension costs that were previously funded through separate grants:

DSG Block Funding:	Schools	High Needs	Central School Services	Early Years	Total DSG
2020/21 DSG (as at Dec 20)	£376.745m	£66.376m	£2.579m	£34.868m	£480.568m
Change	£34.626m	£8.246m	£0.205m	£0.469m	£43.546m
2021/22 DSG	£411.371m	£74.622m	£2.784m	£35.337m	£524.114m
<i>Total percentage change to 2020/21</i>	9.2%	12.4%	7.9%	1.3%	9.1%
<i>Note:</i>					
<i>Teachers pay & pension previously paid as a separate grant but now included within the above 2021/22 DSG figures</i>	£18.285m	£2.255m	£0.108m	£0.000m	£20.648m
	4.9%	3.4%	4.2%	0.0%	4.3%

This represents an increase in funding of £22.898m (4.8%) from the current 2020/21 DSG, a further £20.648m (4.3%) has also been included for the movement of the teachers pay and pension funding from separate grants into the DSG, bringing the total change up to £43.546m (9.1%).

2.2 Schools Block and Delegated Schools Formula

After taking into account the previously agreed growth fund of £1.5m, the funds remaining in the schools block settlement are enough to allow each formula factor rate and the minimum funding levels to be implemented 100% at the NFF level and for the MFG to be set at the same +2% level as the funding floor within the NFF.

Further detail on key changes between 2020/21 and 2021/22

2.2.1 Sparsity Funding

This continues to be based on the same distance thresholds of 2 miles primary, 3 miles secondary and pupil number average year group thresholds of 21.4 primary and 120 secondary.

However the sparsity funding has increased significantly for 2021/22 with an increase of 73% in the maximum primary sparsity factor from £26,000 to £45,000 and an increase of 11% in the maximum secondary factor from £67,600 to £75,000. This has

resulted in an overall increase in the sparsity funding allocated of £0.419m (53%) as below:

Sparsity	2020/21	2021/22	Difference	
	£m	£m	£m	%
Primary	0.607	1.013	0.406	67%
Secondary	0.179	0.191	0.012	7%
Sparsity Total	0.786	1.204	0.418	53%

The number of schools qualifying are:

Qualifying Schools	2020/21	2021/22	Difference	
	£m	£m	£m	%
Primary	30	28	-2	-7%
Secondary	4	5	1	25%
Total Qualifying	34	33	-1	-3%

2.2.2 Minimum per pupil funding (MPPF) and minimum funding guarantee (MFG)

Excluding the increase relating to the teachers pay and pension funding, the MPPF rates have increased by £250 in primary and £150 in secondary and now stand at £4,180 primary and £5,415 secondary. The movement in the number of schools funded on the MPPF as a result of those changes is shown below:

	2020/21	2021/22	
Minimum Per Pupil Funding (MPPF)	Schools	Schools	Difference
Primary	31	64	33
Secondary	17	14	-3
MPPL Total	48	78	30

The MFG rate increased from 1.84% in 2020/21 to 2.0% in 2021/22. The movement in the number of schools funded on the MFG as a result of that change and other changes in their formula funding compared to 2020/21 is shown below:

Minimum Funding Guarantee (MFG) uplift	Schools	Schools	Difference
Primary	21	74	53
Secondary	2	4	2
MFG Total	23	78	55

It should be noted that the teachers pay and pension grant funding was also included by the DfE in schools baselines to ensure that funding was not lost through the MFG.

The table below also summarises how schools in each sector are now being funded in 2021/22.

Sector	No of schools on Formula	% of schools	No of schools on MPPF	% of schools	No of schools on MFG	% of schools
Primary	114	45%	64	25%	74	29%
Secondary	23	56%	14	34%	4	10%
Total	137	47%	78	27%	78	27%

2.2.3 National Funding Formula (NFF) Factor rates

Details of the key national funding formula factor rate changes for 2021/22 were presented at the September 2020 Forum meeting, a summary of each factor rate and the increase on 2020/21 is shown below. The second column represents the true increase in funding before the movement of the teachers pay and pension grant funding into the DSG:

NFF funding rate increase 20/21 to 21/22	As per DfE published tables. Excludes Area Cost Adjustment (ACA)					
	21/22			21/22		
	DfE NFF			DfE NFF		
	Rate			Rates including		
	20/21	Increase	TPG & TPECG	TPG & TPECG	Teachers Pay & pension	Overall
Pupil led Factors:	DfE NFF Rate	%	TPG & TPECG uplifts	Adjustment	Adjustment	Increase
	£		£	£	£	%
Basic Entitlement Primary (Age Weighted Pupil Unit)	2,857	3.01%	2,943	180	3,123	9.31%
Basic Entitlement KS3 (Age Weighted Pupil Unit)	4,018	3.01%	4,139	265	4,404	9.61%
Basic Entitlement KS4 (Age Weighted Pupil Unit)	4,561	3.00%	4,698	265	4,963	8.81%
Deprivation Primary (FSM ever 6)	560	2.68%	575	0	575	2.68%
Deprivation Secondary (FSM ever 6)	815	3.07%	840	0	840	3.07%
Deprivation Primary (FSM)	450	2.22%	460	0	460	2.22%
Deprivation Secondary (FSM)	450	2.22%	460	0	460	2.22%
IDACI F Primary	210	2.38%	215	0	215	2.38%
IDACI F Secondary	300	3.33%	310	0	310	3.33%
IDACI E Primary	250	4.00%	260	0	260	4.00%
IDACI E Secondary	405	2.47%	415	0	415	2.47%
IDACI D Primary	375	9.33%	410	0	410	9.33%
IDACI D Secondary	535	8.41%	580	0	580	8.41%
IDACI C Primary	405	9.88%	445	0	445	9.88%
IDACI C Secondary	580	8.62%	630	0	630	8.62%
IDACI B Primary	435	9.20%	475	0	475	9.20%
IDACI B Secondary	625	8.80%	680	0	680	8.80%
IDACI A Primary	600	3.33%	620	0	620	3.33%
IDACI A Secondary	840	2.98%	865	0	865	2.98%
Prior Attainment Primary	1,065	2.82%	1,095	0	1,095	2.82%
Prior Attainment Secondary	1,610	3.11%	1,660	0	1,660	3.11%
English as Additional Language (3 year EAL) Primary	535	2.80%	550	0	550	2.80%
English as Additional Language (3 year EAL) Secondary	1,440	3.13%	1,485	0	1,485	3.13%
Mobility Primary	875	2.86%	900	0	900	2.86%
Mobility Secondary	1,250	3.20%	1,290	0	1,290	3.20%
School Leds Factors:						
Lump Sum Primary	114,400	2.97%	117,800	0	117,800	2.97%
Lump Sum Secondary	114,400	2.97%	117,800	0	117,800	2.97%
Sparsity Maximum Primary	26,000	73.08%	45,000	0	45,000	73.08%
Sparsity Maximum Secondary	67,600	10.95%	75,000	0	75,000	10.95%
Minimum Per Pupil Funding Uplift						
Primary	3,750	6.67%	4,000	180	4,180	11.47%
Secondary	5,000	3.00%	5,150	265	5,415	8.30%

An Area Cost Adjustment (ACA) to reflect geographical variation in both the general labour market (GLM) and in teacher pay scales is also applied in the NFF. For Gloucestershire the ACA is 1.00629 which is applied to further increase the factor rates above where applicable.

These are the same 2021/22 factor rates that were reported at the indicative budget stage at the September Forum meeting, with the only change to the schools funding formula then being to use the updated census data numbers which produces the summary formula shown at **Annex A**.

This leaves a balance of **£0.643m** in the 2021/22 schools block and it is proposed that this balance is used at year end as a one off contribution to support the continued funding of the 1 in 40 High Needs model.

Recommendations

1. **The Forum notes the Dedicated Schools Grant settlement for 2021/22.**
2. **The Forum recommend the council agree the school funding formula for 2021/22, as set out in Annex A.**
3. **The Forum agrees that the balance on the schools block can be used at year end as a one off contribution to support the continuation of the 1 in 40 High Needs model.**

3 Early Years

The funding announcements on 17th December included an increase in the hourly funding rates by 6 pence for three and four year olds and 8 pence for two year olds resulting in an increase in the block of £476,895 (see table below). In addition to this increase there was a reduction of £7,995 to the disability access fund, giving an overall increase to the early years block of £468,900 for 2021/22. There will be further updates in the summer 2021 and summer 2022 for the January pupil counts.

Early Years Block	FTE	Increase in rates £	Total Increase £
2 year olds	1,009.03	0.08	46,013
3 & 4 Year olds - universal	8,999.16	0.06	307,772
3 & 4 Year olds - working parents	3,599.69	0.06	123,110
			476,895

Recommendation 4

Forum agrees to apply the 0.06p increase to the hourly rate for 3 and 4 years olds and the 0.08p to the formula for 2 year olds.

4 Central School Services Block (CSSB)

The CSSB includes funding for on-going responsibilities of Local Authorities for the statutory duties that they hold for both maintained schools and academies. It includes

funding for Admissions, School Forum coordination, copyright licences and centrally retained duties. The allocation is based on a formula using pupil numbers (90%), free school meals (Ever 6, 10%) with an area cost adjustment applied. The rate per pupil for 2021/22 is £34.19 and there has been an increase of £0.205m related to the net increase in pupil numbers and for teachers' pension employer contributions funding for centrally employed teachers.

These funds cover the following costs:-

Central School Services Block	£M
Copyright licences	0.505
Schools Forum	0.127
Admissions Coordination	0.750
Centrally Retained Duties	1.402
TOTAL	2.784

The cost of copyright licences reflects the 2021/22 charge, there is no change to Schools Forum and Admissions and the balance is adjusted against centrally retained duties.

Recommendation 5

Forum agrees the allocation of the central school's services block as set out above.

5. High Needs

The High Needs Block has been allocated an additional £8.246m, bringing the total funding for 2021/22 to £74.622m. Included within this figure is £2.255m of funding for teachers' pay and pension costs that were previously funded through separate grants. Details of the 2020/21 High Needs forecast and the draft budget for 2021/22 are contained within the High Needs report.

Annex A

Schools and academies budget allocations before de-delegation	Units	Rate £	Primary £	Secondary £	Total £	% of delegated budget
Pupil led Factors:						
Basic Entitlement Primary (Age Weighted Pupil Unit)	47,532	£3,143.00	149,392,814		149,392,814	36.5%
Basic Entitlement KS3 (Age Weighted Pupil Unit)	21,222	£4,432.00		94,055,904	94,055,904	23.0%
Basic Entitlement KS4 (Age Weighted Pupil Unit)	12,918	£4,994.00		64,512,492	64,512,492	15.8%
Total AWPU (October 2019 pupils)	81,672		149,392,814	158,568,396	307,961,210	75.3%
Deprivation Primary (FSM ever 6)	8,542	£579.00	4,945,787		10,091,121	2.5%
Deprivation Secondary (FSM ever 6)	6,089	£845.00		5,145,334	10,091,121	2.5%
Deprivation Primary (FSM)	7,289	£463.00	3,374,655		5,437,345	1.3%
Deprivation Secondary (FSM)	4,455	£463.00		2,062,690	5,437,345	1.3%
IDACI F Primary	4,523	£216.00	976,955		1,885,135	0.5%
IDACI F Secondary	2,911	£312.00		908,179	1,885,135	0.5%
IDACI E Primary	3,610	£262.00	945,782		1,975,917	0.5%
IDACI E Secondary	2,464	£418.00		1,030,135	1,975,917	0.5%
IDACI D Primary	1,360	£413.00	561,712		1,049,373	0.3%
IDACI D Secondary	835	£584.00		487,660	1,049,373	0.3%
IDACI C Primary	1,808	£448.00	810,117		1,502,590	0.4%
IDACI C Secondary	1,092	£634.00		692,472	1,502,590	0.4%
IDACI B Primary	1,833	£478.00	876,131		1,605,841	0.4%
IDACI B Secondary	1,067	£684.00		729,710	1,605,841	0.4%
IDACI A Primary	171	£624.00	106,854		193,125	0.0%
IDACI A Secondary	99	£870.00		86,270	193,125	0.0%
Prior Attainment (Y1-6 Early Years Foundation Stage Profile)	14,276	£1,102.00	15,732,058		27,292,590	6.7%
Prior Attainment (Y7 - Y11 LPA)	6,922	£1,670.00		11,560,531	27,292,590	6.7%
English as Additional Language (3 year EAL)	2,274	£553.00	1,257,786		1,792,174	0.4%
English as Additional Language (3 year EAL)	358	£1,494.00		534,388	1,792,174	0.4%
Mobility Primary	179	£906.00	162,328		182,319	0.0%
Mobility Secondary	15	£1,298.00		19,991	182,319	0.0%
Total Pupil Led delegations			179,142,982	181,825,757	360,968,738	88.2%
School Leds Factors:						
Lump Sum	246	£118,541.00	29,042,545		33,853,334	8.3%
Lump Sum	41	£118,541.00		4,810,789	33,853,334	0.0%
Sparsity	28	£45,283.00	1,013,577		1,204,144	0.3%
Sparsity	5	£75,472.00		190,567	1,204,144	0.0%
Total Other Formula factors			30,056,122	5,001,356	35,057,478	8.6%
Premises:						
Split Sites	<i>3 schools @ £45,794.00 + £61.00 / pupil</i>		164,344		164,344	0.0%
Rates	<i>Currently based on 21/22 estimates + 20/21 adjustments</i>		2,548,875	1,201,305	3,750,180	0.9%
Exceptional Premises Factor - Rents	<i>Based on 21/22 estimates</i>		140,726	0	140,726	0.0%
Total Premises			2,853,945	1,201,305	4,055,250	1.0%
Total budget allocations before MFG, minimum pupil funding uplift and de-delegation			212,053,049	188,028,417	400,081,466	97.8%

Minimum Per Pupil Funding Uplift				£	£	£	
Additional funding due to minimum per pupil funding (primary pupils)	64	£4,180	4,235,915		4,235,915	1.0%	
Additional funding due to minimum per pupil funding (Secondary schools with KS3 & KS4 pupils)	14	£5,415		3,784,678	3,784,678	0.9%	
Additional funding due to minimum per pupil funding (Secondary schools with KS3 pupils only)	0	£5,215		0			
Additional funding due to minimum per pupil funding (Secondary schools with KS4 pupils only)	0	£5,715		0	0	0.0%	
Total Minimum Pupil Funding Uplift			4,235,915	3,784,678	8,020,593	2.0%	
Total budget allocations before MFG and De-delegations				216,288,964	191,813,095	408,102,059	99.7%
Minimum Funding Guarantee				£	£	£	
MFG protections	2.00%		1,013,756	116,519	1,130,275	0.3%	
Total Minimum Funding Guarantee			1,013,756	116,519	1,130,275	0.3%	
Total budget allocations after MFG, Minimum Per Pupil Funding Uplift but before De-delegations				217,302,720	191,929,614	409,232,334	100.0%
Proposed de-delegation for maintained schools only (takes into account anticipated conversions by 4/1/21)							
	Maintained Pupils	Rate	Primary	Secondary	Total		
		£	£	£	£		
Targeted Intervention & Support Primary	35,027	£9.27	324,704		324,704	0.1%	
Targeted Intervention & Support Secondary	4,101	£0.00		0			
Union Facilities Primary	35,027	£3.05	106,834		106,834	0.0%	
October Pupil Increases (above threshold)	35,027	£6.32	221,373		221,373	0.1%	
Education Functions Primary (statutory duties previously covered by ESG general duties)	35,027	£5.00	175,137		175,137	0.0%	
Education Functions Secondary (statutory duties previously covered by ESG general duties)	4,101	£5.00		20,505	20,505	0.0%	
Total de-delegation funds available to maintained schools	39,128		828,048	20,505	848,553	0.2%	
Total budget allocations after MFG, Minimum Per Pupil Funding Uplift and De-delegations				216,474,672	191,909,109	408,383,781	99.8%