

REPORT TO SCHOOLS FORUM

SCHOOLS PROVISIONAL DSG FUNDING FOR 2020/21

1. Purpose

- 1.1. To provide an update to Schools Forum on the provisional Dedicated Schools Grant allocated to Blackburn with Darwen Borough Council for the 2020/21 financial year.

2. Recommendations

- 2.1. Schools Forum members are asked to note and comment on this report.**

3. Summary of funding allocated in 2020/21

- 3.1. The provisional DSG allocation for the 2020/21 financial year was announced in mid-October 2019, with the final allocation expected towards the end of the week commencing 16th December 2019. The allocation uses 2019/20 figures as a baseline and guidance reports percentage increases with reference to that year.

Schools Block

- 3.2. The Schools Block is allocated through formula factors known as the National Funding Formula (NFF). The pupil-led factors include a basic entitlement per pupil, deprivation funding, and funding for low prior attainment and English as an additional language. The school-led factors include a lump sum for every school and pupil mobility and sparsity factors. The formula also includes an area cost adjustment and a minimum funding guarantee (MFG) adjustment.

At this stage the ESFA has confirmed the following key elements of the NFF for 2020/21:

- 3.3. The minimum per-pupil funding levels will be set at £3,750 for primary schools and £5,000 for secondary schools (compared to £3,500 and £4,800 respectively in 2019/20). The primary level will rise to £4,000 in 2021/22.
- 3.4. The funding floor will be set at 1.84%, compared to 0.5% for 2019/20. This minimum increase in 2020/21 allocations will be based on the individual school's NFF allocation in 2019/20. Local authorities will have the freedom to set the MFG in local formulae between +0.5% and +1.84% per pupil.
- 3.5. NFF formula factors will increase by 4%, with the exception of premises funding (Rates, Private Finance Initiative, Split Site and Exceptional Premises) which will continue to be allocated at local authority level on an historic basis, based on actual spend in the 2019/20 local formula.

- 3.6. There will be no NFF gains cap applied to local authority level allocations, compared to 3% applied at school level in 2019/20. Local authorities will still be able to use a cap in their local formulae.
- 3.7. There will be a new formulaic approach to the mobility factor so that it allocates this funding fairly to all authorities, rather than on the basis of historic spend. The new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census.
- 3.8. The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020/21. Rates that determine the 2020/21 allocations will be published in due course.
- 3.9. In 2020/21, as in previous years, each local authority will continue to set a local schools formula, in consultation with local schools. The government has confirmed its intention to move to a single 'hard' national funding formula to determine every school's budget, although timescales have yet to be set.
- 3.10. Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the dedicated schools grant, with Schools Forum approval. A disapplication will be required for transfers above 0.5%, or any amount without Schools Forum approval.

High Needs Block

- 3.11. The provisional High Needs block has also been calculated using the 2019/20 baseline as a starting point.
- 3.12. A minimum increase of 8% in high needs funding was guaranteed for local authorities in 2020/21. The provisional increase for Blackburn with Darwen is 13%.

Early Years Block

- 3.13. At this stage, the Government has announced an additional £66m to increase the hourly rate paid to childcare providers through the government's free hours offers. This will increase the rates for 2 year-old as well as 3 and 4 year-olds by an inflationary uplift of 1.84%. Further details are awaited.

Overall provisional allocations

3.14. The provisional allocation is £150,517,562. This comprises £125,676,913 Schools Block, £22,528,017 High Needs Block and £2,312,632 Central Schools Services Block. Early years funding is not yet available. The tables below summarise the allocation by block.

SCHOOLS BLOCK FUNDING	2019/20 baseline	2020/21 provisional	Increase from 2019/20 baseline
	£	£	
Schools Block allocated through formula	120,402,156	123,690,571	2.7%
Funding for growth in pupil numbers	489,984	TBA	
Funding for premises factors	1,941,412	1,986,342	2.3%
Total Schools Block	122,833,552	125,676,913	2.3%
Number of pupils	25,230	25,230	
Amount per pupil	£4,869	£4,981	

HIGH NEEDS BLOCK FUNDING	2019/20 baseline	2020/21 provisional	Increase from 2019/20 baseline
	£	£	
Baseline elements in funding floor and gains calculations	18,019,625	20,612,893	14.4%
Number of pupils for £4,000 re place allocation	302	302	
Elements excluded from funding floor and gains calculations	1,516,000	1,516,000	0.0%
Hospital Education	364,004	393,124	8.0%
Import/Export adjustments	6,000	6,000	0.0%
Total High Needs Block	19,905,629	22,528,017	13.2%

CENTRAL SCHOOLS SERVICES BLOCK FUNDING	2019/20	2020/21	Decrease
	£	£	
Unit rate per pupil for ongoing functions	47.15	45.97	-2.5%
Number of pupils	25,230	25,230	
Ongoing functions	1,189,571	1,159,832	-2.5%
Historic functions	1,441,000	1,152,800	-20.0%
Total	2,630,571	2,312,632	-12.1%
Illustrative amount NFF would allocate to LA for ongoing functions		479,370	20.1%

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