

7.1 2021/22 DEDICATED SCHOOLS GRANT

Budget Setting Report



2021/22 DSG has been notified to all Local Authorities, the allocation to Plymouth is detailed below:

2021/22 DSG Budget

	£m
DSG Allocation – December 2020 Notification	236.239
Made up of:	
Schools Block	178.650
Central Services Block	2.898
High Needs Block	37.984
Early Years Block	16.708

	£m
DSG Allocation	236.239
Deductions and additional income:	
High Needs deductions	(6.043)
Retained ESG (allocation to LA)	(0.707)
Retained ESG shortfall (allocation to LA)	(0.012)
Allocated 2021/22	229.477

A draft budget for 2021/22 has been costed and totals £229.477m; this is a balanced budget.

A detailed breakdown of the DSG Budget is shown in Papers A2 and B2

- The Central Services allocation of £2.898m includes £0.428m for the ceased historical commitment for the Excellence Cluster. Forum had agreed that this should be allocated to schools, with the exception of £0.012m to fund the ESG retained duties shortfall. The remaining £0.416m will be distributed to schools through the High Needs Block, in the same manner as in 2020/21, as previously notified to Forum.
- The Central Services allocation also includes £0.707m funding for retained ESG duties, which forum has approved to allocate to the LA, along with the £0.012m mentioned above. The statutory retained duties are:
 - Leadership function and support within Local Authority
 - Finance
 - Education Welfare Service
 - Asset Management

The breakdown which was provided as part of the School Consultation is included at Appendix 7.3

- The forecast figure for deductions from the high needs block is £6.043m based on updated place funding data submitted to the ESFA.
- Plymouth has received an increase of approximately £3.957m through the High Needs Block in the 2021/22 allocation (before forecast deductions). Part of this increase is rolled in funding for Special School and Alternative Provision Teachers Pay and Pensions Grants. The LA is required to fund these schools based on 2020-21 allocations, totalling £0.639m
- BMG recommends Forum approves a 3% increase to top-up funding banding rates for individual pupils in Mainstream, Support Centre, Special School and Alternative Provision. This has been reflected in the budget figures, but is subject to Forum approval. The cost of this estimated at approximately £0.474m – but the actual cost will be different due to new pupils/bandings through the year.
- BMG also recommends that the residual contingency budget of £2.178m is held pending decisions around funding for the following:
 - Special School Places for September 2021
 - Inclusion Transformation Proposals
 - Trauma Informed School Training
 - Transition Support for Electively Home Educated Pupils

BMG recommends that decisions are made by May Half Term and after this point consideration will be made about whether residual funding should be allocated out as additional banding uplift.

- The High Needs Block calculation includes an import/export adjustment, which provides additional funding for LA's who have a high number of pupils from other areas. This will be updated in March 2021, and could result in a change to the total High Needs Formula
- In 2021-22 Exceptional Cohort funding will be automatically issued, based on the longstanding formula used in all previous years. Forum has previously approved an uplift of 10% to £3,300 for each pupil over the expected level per the calculation and this has been included in the budget.

DSG BALANCE

The table below shows the year end 20-21 forecast DSG balance.

DSG Balance Reconciliation (£m)	
Balance b/f from 2019/20 - deficit	0.202
Forecast underspend 2020/21	(1.318)
Ringfenced for Alternative Provision proposals	0.600
Forecast year end DSG (surplus) balance	(0.516)

Recommendations for Schools Forum

1. To approve the 2021/22 budget, as per appendix '7.2 Paper B2 - Extended DSG budget report 2021/21'. Forum should recognise that future adjustments may change the total DSG allocated.
2. To approve the current forecast 2020/21 DSG surplus balance of £0.516m is carried forward to 2021/22. There may be some changes to the final brought forward balance by the end of the financial year.
3. To approve an initial 3% increase to top-up banded funding for Mainstream, Support Centre, Special School and Alternative Provision pupils.
4. To hold a £2.178m contingency budget pending decisions around funding proposals including Special School places increases. If there is funding unspent then consideration should be made to distributing this as a top up funding.