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Guidance

DSG: technical note 2020 to 2021

Updated 30 January 2020

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1. Introduction

This technical note sets out details of the calculation of dedicated schools grant (DSG) allocations for 2020 to 2021.

The DSG allocations for 2020 to 2021 are made up of:

- the schools block; based on the primary units of funding (PUF), secondary units
 of funding (SUF), and premises funding announced in October 2019 plus
 allocations and growth funding
- the central school services block (CSSB); based on the units of funding and total historic commitments funding announced in October 2019
- the high needs block; based on the allocations announced in October 2019 with the basic entitlement element updated for the number of pupils in the October 2019 school census
- the early years block; based on the early years funding rates published in October 2019 and comprising:
 - funding for the universal 15 hour entitlement for all 3 and 4-year-olds
 - funding for the additional 15 hours for 3 and 4-year-old children of eligible working parents

2020 to 2021 financial year

- funding for the 15 hour entitlement for disadvantaged 2-year-olds
- funding for the early years pupil premium (EYPP)
- funding for the disability access fund (DAF)
- supplementary funding for maintained nursery schools (MNS)

You can view the October 2019 announcements for the schools block, CCSB and high needs block on the <u>National funding formula tables for schools and high needs: 2020 to 2021 page</u>; and for the early years block on the <u>Early years funding 2020 to 2021 page</u>.

We have published the <u>2020 to 2021 DSG funding allocations</u> for each local authority. This shows the DSG prior to academies' recoupment from the schools block.

2. Calculating the 2020 to 2021 dedicated schools grant

Information on the pupil numbers used for the schools block, CSSB, high needs basic entitlement, and early years block can be found in section 11. We will publish a pupil number tool in January 2020.

Each unit of funding is rounded to the nearest penny.

Final DSG allocations are rounded up to the nearest £1.

3. Payment arrangements

We will pay the grant to local authorities in 25 instalments on the dates set out in section 13. Payments are based on the total DSG allocation notified in December 2019 minus recoupment for academies and deductions for high needs places.

4. Schools block

4.1 Schools block allocations

The PUFs for each local authority are multiplied by:

the number of pupils in reception to year group 6 from the October 2019 school

census, plus

 pupils aged 4 to 10 not assigned to a year group from the October 2019 school census

The SUFs for each local authority are multiplied by:

- the number of pupils in year groups 7 to 11 from the October 2019 school census, plus
- pupils aged 11 to 15 not assigned to a year group from the October 2019 school census

Pupils in special units and resource provision are included in the pupil counts above. We count reception pupils as one full-time equivalent (FTE) irrespective of the hours they attend. We will not apply a reception uplift to the pupil numbers.

We then add:

- the actual 2020 to 2021 funding for the premises factor (as this is based on historic spend), as published in the <u>NFF summary table</u> in October 2019, and
- growth funding using the differences between the primary and secondary numbers on roll in the local authority in the October 2018 and October 2019 school censuses as described in <u>annex C of the schools block national funding</u> <u>formula (NFF) technical note published in October 2019</u>

4.2 Local authority per pupil protection

Each local authority receives at least a 1.84% per pupil increase on their 2019 to 2020 schools block (prior to recoupment), excluding growth funding. For any local authority where the schools block allocation, excluding growth funding, is below a 1.84% per pupil increase we add:

the 2019 to 2020 schools block allocation, excluding growth funding

divided by

(2019 to 2020 PUF and SUF pupil numbers) x (2020 to 2021 PUF and SUF pupil numbers) x 101.84%

minus

the 2020 to 2021 schools block allocation as calculated in section 4.1 above, excluding growth funding

4.3 Arrangements for academies recoupment 2020 to 2021

We will calculate amounts for recoupment based on the individual schools budget (ISB) share shown in the authority proforma tool (APT) submitted in January 2020. We will provide local authorities with details of the proposed recoupment amount, and relevant calculations, by the end of April 2020. We will publish detailed recoupment guidance in February 2020.

5. Central school services block (CSSB)

For each local authority, we multiply the CSSB units of funding by the number of pupils:

- recorded in the October 2019 school census in reception to year group 11, and
- aged 4 to 15 not assigned to a year group

We have added the resulting allocation to the actual funding for historic commitments published in the NFF summary table.

We have made a small number of manual adjustments to the actual funding for historic commitments, based on specific evidence submitted by local authorities of ongoing costs which they would not have been able to unwind since 2013 to 2014. This protects allocations from a reduction below the value of these costs.

6. High needs block

The high needs funding block is a single block for local authority pupils and students aged 0 to 24, with high needs. Before any deductions are made, the block includes funding for pre-16 and post-16 places in:

- maintained mainstream schools (pre-16 places in special units and resourced provision and post-16 high needs places)
- maintained special schools (pre-16 and post-16 places)
- pupil referral units (PRUs)
- mainstream academies and free schools (pre-16 places in special units and resourced provision and post-16 high needs places)
- special academies (pre-16 and post-16 places)
- special free schools (pre-16 and post-16 places) information on how this is calculated is available in <u>Special free school adjustments</u>: A <u>guide for local</u> authorities
- alternative provision (AP) academies

- further education (FE) institutions and independent learning providers (ILP) (post-16 places only)
- AP free schools (pre-16 places, excluding those at schools opened during the 2019 to 2020, or 2020 to 2021 academic years)

In addition to the funding for places described above, the high needs block also includes top-up funding for pupils and students occupying the places in institution types listed above.

It also includes:

- top-up funding for pupils and students in special post-16 institutions (SPIs), and non-maintained special schools (NMSS)
- all funding for children and young people placed in independent schools, independent AP (unless the places are commissioned directly by schools) and hospital education (including hospital education for individual young people being educated in independent providers)
- · funding for central high needs services and budgets

6.1 High needs block allocations

We have updated the allocations for the basic entitlement element of the high needs national funding formula to use pupil number data from the October 2019 school census. Otherwise, the allocations are the same as those announced in October 2019.

6.2 Import and export adjustments

The allocations announced in October 2019 included import and export adjustments to reflect where high needs pupils and students are educated, as explained in the <u>high needs technical note</u>.

As part of the import and export adjustment, we treat pupils attending non-maintained special schools (NMSSs) and SPIs as exports to ESFA, to reflect that funding for these institutions is allocated directly by ESFA. We will continue to directly fund NMSS and SPI places in line with the principles outlined in the 2020 to 2021 high needs operational guide.

In Spring 2020, we will update the import and export adjustments to reflect the latest data from the January 2020 school census and the R06 of the 2019 to 2020 individualised learner record (ILR), which will include the exports to ESFA for NMSSs and SPIs.

6.3 High needs place funding deductions

The high needs deductions section of the DSG allocations table shows the place funding deductions for the final 5 months of academic year 2019 to 2020 for places directly paid for by ESFA to institutions (the final 4 months for places in post-16 institutions). These numbers have also been used to give provisional deductions for the first 7 months of academic year 2020 to 2021 (the first 8 months for places in post-16 institutions). In April 2020, we will update both sets of deductions to reflect further academy conversions. We will also update the deductions for academic year 2020 to 2021 to reflect the outcome of the 2020 to 2021 place change notifications process.

Special units and resourced provision are funded on the places reported and determined through the place change notification process, not on the number of pupils reported on the 2020 to 2021 APT. The pupil data from the APT is only used to identify whether places are occupied by pupils on the school roll funded at £6,000 or funded at £10,000 otherwise.

6.4 College mergers

We are aware that some institutions in different local authorities are merging on an ongoing basis. Where institutions have merged before the start of the financial year and before February 2020, we will normally account for this when we make place funding deductions from local authorities from 1 April 2020. In instances where local authorities see an increase in place funding deductions as a result of a merger, the import and export adjustment will account for the merger and will normally compensate that local authority for the extra deductions.

There may be cases where there is a significant mismatch between the data driving the import and export adjustments and the required deductions, caused by the structural merger rather than a planned change in the number of places, or where the timing of the merger and data collection creates difficulties. ESFA will consider such issues and difficulties on a case by case basis.

Where an institution merger occurs after February 2020, place funding deductions will normally continue to be made from local authorities on the basis that the institutions remain unmerged for financial year 2020 to 2021. This is because the merger may not be reflected in the data used to calculate the import and export adjustment.

6.5 Alternative provision free schools with high needs places

ESFA directly funds places in AP free schools opened during the 2019 to 2020

or 2020 to 2021 academic years, with no deduction from DSG. We will make deductions from DSG for pre-16 places in AP free schools opened before or during the 2018 to 2019 academic year. Deductions are from the pupil's home local authority, based on school census data. We will notify local authorities of these deductions in April 2020. No deductions will be made from local authorities' 2020 to 2021 DSG for post-16 high needs places in AP free schools; these will be funded directly by ESFA.

6.6 Hospital education

We may make some minor adjustments to the hospital education funding amounts included in the national funding formula allocations based on information submitted by local authorities in the place change notification process in November 2019.

7. Early years block

7.1 Funding for the free early years childcare entitlements

The hourly rates for the early years free entitlements for 2-year-olds and 3- and 4-year-olds were announced on 31 October as set out in the 2020 to 2021 early years technical note.

Funding for the early years free entitlements includes:

- universal 15 hour entitlement for 3- and 4-year-olds
- additional 15 hour entitlement for 3- and 4-year-old children of eligible working parents
- 15 hours entitlement for disadvantaged 2-year-olds

The initial allocation for each local authority for the above funding streams is calculated as follows:

- the number of part-time equivalents (PTEs) taking up the entitlements as recorded on the January 2019 schools, early years and AP censuses
- multiplied by 15 hours × 38 weeks × local authority's hourly funding rate

ESFA will update these initial allocations in:

July 2020, based on January 2020 PTE census numbers

 July 2021, based on five-twelfths of the January 2020 PTE census numbers (to cover the April 2020 to August 2020 period), and seven-twelfths of the January 2021 PTE census numbers (to cover the September 2020 to March 2021 period)

This means that the final allocations for each of these 3 funding streams will be based on (five-twelfths of the January 2020 PTE census numbers) + (seventwelfths of the January 2021 PTE census numbers).

7.2 Early Years Pupil Premium (EYPP)

The national rate for EYPP is 53 pence per hour per eligible child, up to a maximum 570 hours per year, as set out in the 2020 to 2021 early years technical note.

The initial allocation for each local authority is calculated as follows:

- the number of PTEs taking up the EYPP as recorded on the January 2019 schools, early years and AP censuses
- multiplied by 15 hours × 38 weeks × £0.53

ESFA will update this initial allocation in:

- July 2020, based on January 2020 EYPP PTE census numbers
- July 2021, based on five-twelfths of the January 2020 EYPP PTE census numbers (to cover the April 2020 to August 2020 period), and seven-twelfths of the January 2021 EYPP census numbers (to cover the September 2020 to March 2021 period)

This means that the final EYPP allocation will be based on (five-twelfths of the January 2020 EYPP PTE census numbers) + (seven-twelfths of the January 2021 EYPP census numbers).

7.3 Early years disability access fund (DAF)

The national rate for DAF is £615 per eligible child per year, as set out in the 2020 to 2021 early years technical note.

Allocations have been calculated based on Disability Living Allowance (DLA) data from February 2019. These allocations will not change and should be considered as final for 2020 to 2021.

For each local authority, the total February 2019 DLA claimant count of 3- and 4-year-old children, using data from the Department for Work and Pensions (DWP), is adjusted to remove an estimated number of children in reception. This gives an

estimate of the number of 3- and 4-year-olds eligible to take up DAF in the local authority. This is then multiplied by £615 to arrive at the final allocation.

7.4 Early years supplementary funding for maintained nursery schools

Supplementary funding for MNS is allocated to local authorities in 2020 to 2021 to protect their MNS funding level in 2016 to 2017 prior to the introduction of the EYNFF.

The supplementary funding allocation to local authorities in 2020 to 2021 will be at the local authority's 2019 to 2020 supplementary funding rate. The supplementary funding rate is the difference between the 'provider equivalent rate' and the 2016 to 2017 MNS baseline.

Please see the EYNFF technical note for 2019 to 2020 for details on the calculation of the 2019 to 2020 'provider equivalent' funding rate. The local authority's supplementary funding rate is described as 'element F' in the EYNFF technical note.

The initial allocation for each local authority qualifying for the supplementary funding is calculated as follows:

- the number of PTEs taking up the universal 15 hours in MNS as recorded on the January 2019 schools and AP censuses
- multiplied by 15 hours × 38 weeks × local authority's 2019 to 2020 supplementary funding rate

ESFA will update this initial allocation, for the number of PTEs taking up the universal 15 hours in MNS in the schools and AP census, in:

- July 2020, based on January 2020 MNS PTE census numbers
- July 2021, based on five-twelfths of the January 2021 MNS PTE census numbers (to cover the April 2020 to August 2020 period), and seven-twelfths of the January 2021 PTE census numbers in MNS (to cover the September 2020 to March 2021 period)

This means that the final MNS supplementary funding allocation will be based on (five-twelfths of the January 2020 census numbers) + (seven-twelfths of the January 2021 MNS PTE census numbers).

8. Deductions for national copyright licences

DfE has agreements with the following agencies to purchase a single national licence managed by DfE for all state funded schools in England:

- Christian Copyright Licensing International (CCLI)
- Copyright Licensing Agency (CLA)
- Education Recording Agency (ERA)
- Filmbank Distributors Ltd. (for the PVSL)
- Mechanical Copyright Protection Society (MCPS)
- Motion Picture Licensing Company (MPLC)
- Newspaper Licensing Authority (NLA)
- Performing Rights Society (PRS)
- Phonographic Performance Limited (PPL)
- Schools Printed Music Licence (SPML)

Local authorities and schools do not need to negotiate individual licences. DfE pays the cost, including VAT, to the agencies and provides this as a service to local authorities at a charge. Local authorities can reclaim VAT on the licences. These arrangements cover academies as well as maintained schools. Local authorities can hold this money centrally rather than include it in school budgets.

We have sent local authorities details of the charges for 2020 to 2021 separately (because the figures are commercial in confidence). In April 2020, ESFA will deduct the charge from the DSG and issue each local authority with a VAT invoice.

9. Independent school transfers

Where independent schools transfer into the maintained sector, in or after April 2019, we will adjust the actual pupil count used in the schools block allocations to add the relevant pupil numbers, depending on when the school transfers and the portion of the year for which it is a maintained school. For example, if a school transfers in September 2020, we will increase the schools block by the number of pupils attending the school as recorded on the October 2020 school census multiplied by seven-twelfths multiplied by the local authority's PUF or SUF depending on the year groups of the pupils transferred.

10. Funding for the Isles of Scilly and City of London

We will continue to fund the Isles of Scilly and the City of London each through a single grant, since their low pupil populations and other unique characteristics

make it impracticable to fund through national funding formulas. In addition, they will receive the pupil premium grant.

11. Pupil number information

11.1 Introduction

This note provides detail of the pupil number counts which have been used in the calculation of the 2020 to 2021 financial year DSG allocations.

The schools block and CSSB pupil counts are derived primarily from the October 2019 school census. This underpinning dataset is collected in a similar way to the January school census (from which detailed analysis is published as official statistics each summer).

Early years block pupil counts are derived primarily from the January 2019 school census and early years census.

High needs block basic entitlement allocations are derived from pupil counts data from the October 2019 school census.

11.2 Schools block and central school services block

The pupil numbers used in the DSG calculation are those recorded as present in maintained schools and academies in the schools census, from reception (R) to year 11. This also includes pupils in special educational needs (SEN) units or resourced provision as these pupils now receive their core element funding through the schools block. Any pupils recorded as year R but who are less than 4 years old are not counted, because funding for these pupils is provided through the early years block.

11.3 Pupil counts

The pupil numbers used to determine the 2020 to 2021 schools block allocations are from the October 2019 school census, and comprise:

• all pupils in maintained primary and secondary schools, and academies, which are going through recoupment at census date, in national curriculum year

groups R to 11, aged 4 or above at 31 August 2019

 all pupils in maintained primary and secondary schools, and academies, which are going through recoupment at census date, whose national curriculum year group is missing or 'X', aged 4 to 15 at 31 August 2019

The number of pupils in SEN units or resourced provision in maintained primary schools, secondary schools, and academies, is now included in the pupil numbers as they receive their core element funding through the schools block.

All pupils in the schools block are counted as 1.0 FTE regardless of their parttime or full-time status. Every relevant pupil with a sole or dual (main) registration is counted.

If a duplicate remains unresolved, the 1.0 FTE of that pupil is apportioned for the schools block. We do not fund duplicate unique pupil numbers (UPNs) in the school census. We identify potential duplicate UPN cases and ask local authorities to resolve them. If a duplicate remains unresolved, the 1.0 FTE of that pupil is equally divided between the local authorities involved. For example, one pupil between 2 local authorities will result in both authorities receiving a headcount of 0.5.

For the growth element of the school block, pupil numbers from the October 2018 census are compared to the October 2019 figures at middle super output area (MSOA) on the same basis. Any positive growth at MSOA level is used to determine the 2020 to 2021 growth allocations as outlined in the methodology.

11.4 Early years block

The early years block covers the pupils eligible under the early years national funding formula (EYNFF), covering:

- universal 3- and 4-year-old entitlement
- additional 3- and 4-year-old entitlement for working parents
- EYPP for eligible 3- and 4-year-olds
- any pupils recorded as year R, but who are less than 4 years old

11.5 Pupil counts for 3- and 4-year-old universal entitlement

The EYNFF allocations are calculated using PTE pupil numbers. 1.0 PTE is defined as a child taking up 15 hours per week over 38 weeks. Therefore, a child taking up 30 hours per week is counted as 2.0 PTE.

PTE pupil counts from the January 2019 schools, early years and AP censuses

are used to calculate universal entitlement funding allocations as follows.

From the January 2019 schools census:

- all PTE pupils in maintained nurseries, maintained schools, and all academies, in national curriculum year groups N1 and N2 aged 3 or 4 at 31 August 2018, including any 3 years olds recorded as national curriculum year group R
- all PTE pupils in maintained nurseries, maintained schools, and all academies, whose national curriculum year group is missing or 'X' aged 3 at 31 August 2018

From the January 2019 early years census:

• all 3- and 4-year-old PTEs as at 31 December 2018

From the January 2019 AP census:

- all pupils in independent schools without a statement of SEN or an education, health and care (EHC) plan aged 3 at 31 December 2018
- all pupils in independent schools without a statement of SEN or EHC plan aged 3 at 31 August 2018 but 4 by 31st December 2018

11.6 Pupil counts for 3- and 4-year-old additional hours funding

Data on how many 3- and 4-year-old children are taking up their additional hours entitlement is taken from the schools and early years censuses using the eligibility code and the same pupil counts as used for the universal entitlement, and ensuring that no pupil's hours across both the universal and additional hours exceeds 30.

11.7 Disability access fund allocations

The funding allocation for 2020 to 2021 will be an illustrative allocation based on an estimate of the number of 3- and 4-year-olds, who are not in reception that are claiming the disability living allowance (DLA).

For each local authority, their total February 2019 DLA claimant count of 3- and 4-year-old children, using data from the DWP, will be adjusted to remove an estimated number of children in reception. This will give an estimate of the number of 3- and 4-year-olds eligible to take up DAF in the local authority.

11.8 Early years pupil premium funding allocations

The funding methodology for EYPP remains the same as in 2019 to 2020. The funding allocations for 2020 to 2021 have been calculated based on January 2019 census data on EYPP take-up by eligible 3- and 4-year-olds.

11.9 Maintained nursery school supplementary funding allocations

The 2020 to 2021 allocations use the PTE pupil counts from the January 2019 school census for maintained nursery schools.

11.10 Two-year-old funding allocations

The pupil numbers that are used to determine the allocations for 2-year-old funding are as follows.

From the January 2019 school census:

- all PTE pupils in maintained nurseries, maintained schools, and all academies, in national curriculum year groups N1 and N2, aged 2 at 31 August 2018
- all PTE pupils in maintained nurseries, maintained schools, and all academies, whose national curriculum year group is missing or 'X', aged 2 at 31 August 2018

From the January 2019 early years census:

• all eligible 2-year-old PTEs at 31 December 2018

From the January 2019 AP census:

 all eligible pupils in independent schools without a statement of SEN or EHC plan, aged 2 at 31 December 2018

11.11 High needs block

The pupil numbers used to determine the basic entitlement of the 2020 to 2021 high needs block allocations are as follows.

From the October 2019 school census:

 all pupils in maintained special schools, special academies, and special free schools, in national curriculum year groups N1 to 14, aged 2 to 18 at 31 August all pupils in maintained special schools, and special academies, and special free schools, whose national curriculum year group is missing or 'X', aged 2 to 18 at 31 August 2018

From the January 2019 AP census:

 all pupils in independent schools with a SEN, EHC plan, or SEN support, aged 2 to 18 at 31 August 2018

All pupils in the high needs block are counted as 1.0 FTE regardless of their parttime or full-time status. Every relevant pupil with a sole or dual (main) registration is counted.

We do not fund duplicate UPNs in the high needs block. We identify potential duplicate UPN cases and ask local authorities to resolve them. If a duplicate remains unresolved, the 1.0 FTE of that pupil is equally divided between the local authorities involved; that is, one pupil between 2 local authorities will result in both authorities receiving a headcount of 0.5.

12. Next steps timetable

Date	Action	
December 2019	ESFA announce 2020 to 2021: schools block, early years block, high needs block and details of the charges for national copyright licences issued to local authorities.	
21 January 2020	Local authorities submit final APT for 2020 to 2021.	
End February 2020	ESFA issues details of high needs places in AP free schools. ESFA issues detailed recoupment guidance.	
March / April 2020	Update DSG allocations for recoupment and high needs deductions for academies as at 1 March 2020.	
April 2020	Deductions made for national copyright licences from first DSG payment for 2020 to 2021.	
May / June 2020	Update import and export adjustment for cross border high need places in high needs national funding formula using January 2020 census and R06 ILR 2019 to 2020 data.	
July 2020	Update for in-year recoupment and high needs deductions and early years block updated for data from January 2020 census.	
November 2020	Update for in-year recoupment and high needs deductions.	
March	Final update for in-year recoupment and high needs deductions.	

13. Dedicated schools grant payment dates for the 2020 to 2021 financial year

Instalment	Payment date
1	03 April 2020
2	16 April 2020
3	30 April 2020
4	12 May 2020
5	22 May 2020
6	03 June 2020
7	22 June 2020
8	03 July 2020
9	22 July 2020
10	05 August 2020
11	21 August 2020
12	03 September 2020
13	22 September 2020
14	05 October 2020
15	22 October 2020
16	04 November 2020
17	20 November 2020
18	03 December 2020
19	22 December 2020
20	06 January 2021
21	22 January 2021
22	03 February 2021

23	22 February 2021
24	03 March 2021
25	22 March 2021

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