

Schools Forum Agenda Report Pack – Item 5

Date: 13 January 2022	Item 5	Type of report: Information
Report title:	Dedicated Schools Grant 2022-23 Allocation	
Author name and contact details:	dave.richards@southwark.gov.uk	
Officer to present the report:	Dave Richards	

Contents

1. Executive Summary

This report sets out the Dedicated Schools Grant (DSG) income allocation for 2022-23 and provides details of the changes in comparison to the 2021-22 allocation. There is also a financial update on the 2021-22 Dedicated Schools Grant financial position.

2. Schools Forum Actions

The Schools Forum is asked to note:

- i. the provisional 2022-23 DSG allocation of £358.0m (£352.7m in 2021/22) before recoupment (funding that goes direct to academies & free schools, including growth, per place funding for high needs and the NNDR adjustment).
- ii. there will be a new additional schools supplementary grant for 2022 to 2023 to the schools block of £7.4m
- iii. there will be a new additional separate high needs supplementary grant for 2022 to 2023 to the high needs block of £2.4m

3. Background

This paper mainly considers the announcement on the 16 December 2021 by Education and Skills Funding Agency (ESFA) on the Funding Settlement for 2022-23.

4. Budget Position 2021-22

Since the last meeting the forecasts have not been updated. The allocations have not changed either and are confirmed in the table below

	DSG Allocation 2021-22 September £000	DSG Allocation 2021-22 December £000
Schools Block	120,144	120,144
Central services block	1,782	1,782
High Needs Block	52,921	52,891
Early Years Block	26,690	26,690
Total	201,537	201,507

The 2021/22 DSG allocations are after deductions for academies recoupment and direct funding of high needs places by ESFA but before the Schools Block transfer. These allocations will be revised by the ESFA during the year for changes in pupil numbers.

5. Financial position on de-delegated budgets and growth fund

The summary position is shown in the table below

2020-21	Budget £m	Forecast Outturn £m	Over/ (Underspend) £m
Schools in financial difficulty	0.5	0.5	0

2020-21	Budget £m	Forecast Outturn £m	Over/ (Underspend) £m
Behaviour Support services	1.4	1.4	0
Maternity	0.8	0.6	0.2
Trade Unions	0.1	0.1	0
Growth Funds	0.1	0.1	0
Falling Rolls	0.2	0.2	0

6. Dedicated Schools Grant Allocation 2022-23

6.1 The provisional DSG allocation for 2022-23, before deductions for academies recoupment (including growing free schools), is £358.0m, an increase of £5.3m from last year's figure of £352.7m. While the DSG has been set at this level, it will change for adjustments to pupil numbers.

6.2 The DSG is set out in four blocks; schools block, central block, early years block and the high needs block.

Table 3: DSG allocations for 2021/22 and 2020/21 comparison

	2022/23 £m	2021/22 £m	Change £m	%
Schools Block	270.1	268.7	1.4	0.52%
Central block	1.9	1.8	0.1	5.56%
High Needs block	61.7	55.5	6.2	11.17%
Early years block	24.4	26.7	-2.3	-8.61%
TOTAL	358.1	352.7	5.4	1.51%

6.3 The funding for the schools blocks is made up of 4 elements, an amount per pupil for primary pupils, an amount per pupil for secondary pupils, a premises amount and a growth fund. The changes from last year are shown in the table below.

Table 4: Analysis of changes to the Schools block within the DSG 2022/23 and 2021/22

Unit of Funding						
	2022/23	2021/22	Change	%		
	£	£	£			
Primary	6,095.56	5,970.45	125.11	2.1%	A	
Secondary	8,517.62	8,369.95	147.67	1.8%	B	
Pupil Numbers						
	2022/23	2021/22	Change	%		
Primary	21,366.0	22,044.5	- 678.50	-3.1%		C
Secondary	15,850.0	15,674.0	176.00	1.1%		D
Total (1)	37,216.0	37,718.5	- 502.5	-1.3%		
Overall funding						
	2022/23	2021/22	Change	%		
	£	£	£			
Primary	130,237,735	131,615,585	- 1,377,850	-1.0%		A * C
Secondary	135,004,277	131,190,596	3,813,681	2.9%		B * D
Total (2)	265,242,012	262,806,181	2,435,831	0.9%		
Premises	3,713,284	4,044,861	- 331,577	-8.2%		
Sub Total (3)	268,955,296	266,851,042	2,104,254	0.8%		
Growth Funds	1,096,308	1,813,670	- 717,362	-39.6%		
Overall total	270,051,604	268,664,712	1,386,892	0.5%		

The National Non Domestic Rates (NNDR) within the premises factor shown in the above table is a sum of £3.351m figure this will be recouped by the ESFA for each local authority and then paid by the ESFA directly to billing authorities on behalf of all maintained schools and academies from April 2022.

Table 4 considers the income we receive and not the allocations we give to our schools, the inter-relationship with the income and our allocations are detailed in the appendix to the schools funding report on this agenda. The appendix shows only the main differences for the coming year, rather than a full resume.

6.4 Table 4 above also represents the DSG income allocations and excludes the new the supplementary grants. There are two new grants

6.4.1 **DSG Schools Block supplementary grant**

The School-level allocations of the schools supplementary grant for the 2022 to 2023 financial year will be published by the ESFA in spring 2022, the total has been confirmed as £7.4m. There is no discretion on how this is paid to school as the allocation received will need to be paid to schools on the same basis.

It is intended for schools use the grant to prioritise their spending to best support the needs of their pupils and staff and address cost pressures, including those associated with the Health and Social Care Levy

The base funding rates for 5-16 schools will be:

- basic per-pupil rate of £97 for primary pupils
- basic per-pupil rate of £137 for key stage 3 pupils
- basic per-pupil rate of £155 for key stage 4 pupils
- lump sum of £3,680
- FSM6 per-pupil rate of £85 per eligible primary pupil
- FSM6 per-pupil rate of £124 per eligible secondary pupil

The base per-pupil funding rate for early year's provision in schools, and for maintained nursery schools, will be £24 per pupil.

The area cost adjustment will be applied to the above base rates.

6.4.2 **DSG High Needs supplementary grants**

There will be also a new supplementary on top of the DSG high needs block allocations

The extra funding recognises the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original high needs block allocations were calculated by the ESFA, including the Health and Social Care Levy, that will be applied initially through increased national insurance contributions from employers.

The additional funding also takes into account that colleges and other providers offering extra hours of study to students with high needs may require extra high needs top-up funding to support those students.

Southwark will receive a sum of £2.4m

7. Pupil Premium Rates

Funding rates for the pupil premium in the financial year 2022-23 will be inflated in line with the predicated level of inflation

Table 5: Pupil Premium rates 2022/23

Pupil Premium pupil rates				
	2022/23	2021/22	Change	%
	£	£	£	
Primary pupils	1385	1345	40	3.0%
Secondary pupils	985	955	30	3.1%
Looked-after-children	2410	2345	65	2.8%
Children who have ceased to be looked after	2410	2345	65	2.8%
Service children	320	310	10	3.2%

8. Free School Meals Supplementary Grant

It is assumed that the free schools meals supplementary grant will cease as expected. No confirmation has been provided yet. This was worth £0.471 to maintained schools.