

Schools Forum

17th March 2022

Dedicated Schools Grant Budget 2022/23

This report relates to all education sectors where approval is required and is for approval by all schools forum members.

Recommendation(s)

The Schools Forum is recommended to:

1. Note the DSG budget for 2022/23 for the Schools, High Needs and Early Years blocks.
2. Approve the DSG budget for 2022/23 for the Central School Services block, as presented in Table 6.

1. Introduction

- 1.1. The 2022/23 ESFA allocations published in December 2021 have now been updated for High Needs recoupment. Table 1 below shows the latest allocations:

Table 1: 2022/23 DSG Allocations	2022/23		2021/22	Change	% Increase
	£m	£m	£m	£m	
Schools Block	397.752		381.551	16.201	4.2%
Less: National Non-Domestic Rates ¹	(3.624)				
		394.128			
High Needs Block	82.482				
Less: recoupment	(14.564)				
		67.918	61.831	6.087	9.8%
Early Years Block		34.396	33.679	0.717	2.1%
Central School Services Block		4.129	4.188	(0.059)	-1.4%
Total DSG Allocation		500.570	481.249	22.945	4.8%

- 1.2. Schools Block DSG has been allocated as per the National Funding Formula factors used in allocating funding through the National Funding Formula.

¹ From 2022-23 the National Non-Domestic Rates bills for all schools will be paid directly to district/borough councils by the ESFA and will therefore be top-sliced from the DSG allocation in the same way as academy recoupment.

2. Schools Block

2.1. Schools Forum has already agreed to continue to apply the hard National Funding Formula in the allocation of Schools Block funding, and to continue to de-delegate funding for the following services:

Table 2: De-delegation 2022/23	
Primary Schools	Secondary Schools
Free school meals	Free school meals
Trade Union facility time	Trade union facility time
English as an Additional Language	English as an Additional Language
Gypsy and Romany Travellers	
School improvement	
Behaviour support services	
Medical Referrals for Employees	

2.2. Application of the National Schools Funding Formula to allocate the Schools Block budget, as approved by Schools Forum, has resulted in £0.838m of the 2022/23 Schools Block remaining unallocated.

2.3. Based on these decisions, the allocation of the Schools Block is as follows:

Table 3: Schools Block	Budget 2022/23 £m	Budget 2021/22 £m	Change £m
Individual School Budgets	390.171	378.579	11.592
National Non-Domestic Rates	3.624	0.000	3.624
Growth Fund (exceptional pupil numbers)	2.328	2.770	(0.442)
Education Functions - Maintained Schools			
DBS checks	0.168	0.175	(0.007)
De-delegated budgets			
School Performance	0.195	0.190	0.005
STS SEND Support (Previously "EIS")	0.032	0.030	0.002
Ethnic Minority & Traveller Achievement Service	0.242	0.236	0.006
Free School Meals	0.019	0.019	0.000
Teaching Union Cover	0.066	0.064	0.002
Non-Teaching Union Cover	0.016	0.016	0.000
Occupational Health	0.014	0.013	0.001
Central Establishment Charges	0.039	0.039	0.000
Agreed Movements between blocks			
Contribution to the High Needs Block	1.908	1.824	
Total Available Schools Budget	398.822	383.955	14.783
Funded by:			
Total Schools Allocations	397.752	381.551	
Schools Block (Use of Reserves)	1.070	2.404	

2.4. The £0.838m surplus within the Schools Block has been allocated to part fund the 0.5% contribution to the High Needs Block as approved by Schools Forum in November 2021. £1.070m of Schools Block reserves that were underspent from the 2021/22 growth fund were also used to part fund the 0.5% contribution to the High Needs Block. The total of these contributions was not quite enough to fund the full 0.5%, therefore £1.908m will be transferred to the High Needs Block and equates to 0.48% of the Schools Block DSG.

2.5. The 2022/23 Schools Block DSG (£397.752 million) has increased by 4.2% above the 2021/22 Schools Block DSG (£381.551 million). This is represented by:

- An increase in the total Number on Roll for 2022-23 by 814 pupils (1.06%) above 2021-22 pupil numbers.
- An increase of 2.03% in the minimum pupil funding above the 2021-22 levels
- Pupil led funding formula factors were increased by between 2.17% and 3.85% above 2021-22 funding levels.
- The Minimum Funding Guarantee has been set at +2.00% again.

3. High Needs Block

- 3.1. High Needs block funding in Table 4 has been set based on the existing obligations in terms of top-ups, placements and staffing costs etc.
- 3.2. It is acknowledged however, that there are still considerable ongoing pressures in this area. The SEND and Inclusion Change Programme will continue to review these pressures and address the ongoing deficit on the High Needs Block.

Table 4: High Needs Block	Budget 2022/23 £m	Budget² 2021/22 £m	Change £m
SEN – Place Funding for All Settings	7.584	6.170	1.414
SEN Top up - Mainstream Schools & Academies	12.343	10.941	1.402
SEN Top up - WCC Special Schools & Academies	19.202	18.650	0.937
SEN Top up - Independent Schools	14.502	12.650	1.852
SEN Top up - OLA Special Schools	0.877	0.821	0.056
Tier 4 Hospital Education	0.180	0.180	0.000
Resourced Provision - SEN Support	1.765	1.239	0.526
SEND Speech & Language	0.000	0.000	0.000
Post 16 Funding	8.671	7.903	0.768
SEND Commissions	0.258	0.258	0.000
SEND Integrated Services (CPD & Curriculum)	0.237	0.195	0.042
SEND Integrated Services (Low incidence SEND)	1.064	1.049	0.015
SEND Integrated Services (Flexible Learning)	0.706	0.841	(0.135)
Area Behaviour Partnerships (Primary and Secondary Exclusions)	2.786	2.201	0.585
Alternative Provision	0.922	0.973	(0.051)
Contribution to Early Intervention Behaviour Panels	0.064	0.064	0.000
SEND Integrated Services (Specialist Teaching Service)	1.055	1.163	(0.108)
Integrated Disability Service (SEN Inclusion Grant)	0.385	0.385	0.000
Central Establishment Charges	1.428	1.428	0.000
High Needs Allocations	74.029	66.726	7.303
High Needs Block Funding	67.918	61.831	6.087
High Needs Supplementary funding	2.995	0.000	2.995
Forecast High Needs Block Funding Shortfall	(3.116)	(4.895)	1.779
High Needs Deficit from 2019/20	(5.789)	(5.789)	
High Needs Deficit from 2020/21	(8.061)	(8.061)	
High Needs Deficit from 2021/22 (based on the P10 forecast)	(4.124)		
Net Surplus / (Deficit)	(21.090)	(18.745)	1.779

² The 2021/22 Budget shown within this table has been adjusted to remove the future years savings and funding that are shown on the WCC Agresso finance system. This is so that the in-year effect of the budget can be shown to reflect the true shortfall that is expected after the agreed interventions within the SEND and Inclusion change programme.

3.3. There are increases and decreases to the budgets between the two financial years, as shown in the table above. These are reflective of the savings and interventions within the approved SEND and Inclusion Change Programme.

3.4. The £3.116m deficit from the table above will be reduced by the £1.908m transfer from Schools Block that will be actioned at the beginning of the year.

4. Early Years Block

4.1. The Early Years Block allocation for 2021/22 was provisionally set in December 2020. However, the Early Years Block allocation for 2021/22 is subject to change once the January 2022 census data is confirmed (which happens after 31 March 2022). This is the only one of the four DSG blocks that changes retrospectively for this reason.

4.2. The Early Years Block allocation for 2022/23 is therefore based on census data from January 2021. As 2021/22, this will be adjusted once the January 2023 census data is published. Based on the provisional DSG settlement for 2022/23, the hourly rates have increased for 2 year olds by £0.21/hr and 3 & 4 year olds by £0.17/hr, as reported and approved at the January 2022 Schools Forum meeting.

Table 5: Early Years Block	Budget 2022/23 £m	Budget 2021/22 £m	Change £m
Nursery schools (Universal Hours)	1.662	1.662	(0.000)
Nursery Funding 3&4 year olds (Universal funding - Independent Providers & Nursery Classes)	18.644	18.230	0.414
Nursery Funding 3&4 year olds (Additional 15 hours)	8.555	8.297	0.258
Maintained Nursery Supplement	0.658	0.626	0.032
DSG Pupil Premium	0.210	0.207	0.003
Funded 2 year olds	2.982	3.078	(0.096)
Disability Access Fund	0.165	0.145	0.020
IDS TL Early Years	0.866	0.866	(0.000)
Early Years - Sufficiency & Business Support	0.251	0.351	(0.100)
Early Years - Quality & Development	0.089	0.000	0.089
EYB Central Establishment Charges	0.314	0.314	0.000
Early Years Allocations	34.396	33.776	0.620
Funded by:			
Total EYB Allocations	34.396	33.679	
Early Years Block Carry Forward	0.000	0.097	

5. Central School Services Block (CSSB)

5.1. Schools Forum is required to approve the budget allocations for the CSSB. The proposed allocations are set out in Table 6 below:

Table 6: Central Schools Services Block	Historic or Ongoing	Budget 2022/23 £m	Budget 2021/22 £m	Change £m
Children's Mental health	Historic	0.150	0.150	0.000
Admissions	Ongoing	0.673	0.718	(0.045)
Heads Termly / SACRE	Ongoing	0.018	0.018	0.000
DSG SF Allocation - Historic Pension Contribution	Historic	0.737	0.737	0.000
DSG SF Allocation - North Leamington School Borrowing	Historic	0.266	0.266	0.000
DSG SF Allocation - Copyright Licences	Historic	0.559	0.445	0.114
Employers Liability Insurance	Ongoing	0.045	0.045	0.000
Teachers Pensions Employer Contribution Grant (TPECG)	Ongoing	0.484	0.484	0.000
Planning for the education service as a whole (Sch 2, 15b)	Ongoing	0.378	0.378	0.000
Formulation and review of local authority schools funding formula (Sch 2, 15d)	Ongoing	0.047	0.047	0.000
School attendance (Sch 2, 16)	Ongoing	0.377	0.377	0.000
Responsibilities regarding the employment of children (Sch 2, 18)	Ongoing	0.069	0.069	0.000
Admissions (Sch 2, 9)	Ongoing	0.086	0.086	0.000
Cost of support services for Education Functions	Ongoing/ Historic	0.560	0.560	0.000
Central Schools Services Allocations		4.449	4.380	0.069
Funded by:				
Total CSSB Allocations		4.129	4.188	(0.059)
Central Schools Services - use of reserves		0.320	0.192	

5.2. The CSSB funding has seen a decrease in both the historic funding and on-going elements, the impact of this is a £0.059m decrease in CSSB. To alleviate the pressure of this, £0.320m of CSSB reserves is proposed to be used, leaving a forecasted £0.527m in the reserve.

5.3. Please note that the reduction to the historic spent element of the CSSB allocation was contested by the Local Authority, by providing DfE with evidence of the long-term fixed nature of these costs. A reply was received on the 25th of February to say

that our case has been agreed and we would be receiving an additional £185,000 for the historic commitments element of the CSSB. This has been included in all the tables above.

- 5.4. Please note that if the Government continue with their planned approach to reduce the CSSB further in future years, this will have an impact on these budgets, which Schools Forum will later be required to make decisions on (as part of budget setting 2023/24 onwards). This is expected to be 20% reduction on the prior year's historic factors.

Brian Smith

Finance Portfolio Lead for Education, Children & Families

Author Contact Details

Email: briansmith@warwickshire.gov.uk

Tel: 01926 742462