

<b>School Forum 19 January 2022</b>	
<b>Report from Executive Director of People - Children Service</b>	
<b>Dedicated Schools Grant Schools Budget 2022/23</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>No. of Appendices:</b>	Appendix A - Funding Factor Rates Appendix B - School Funding Options 2022/23 Appendix C – Scholl Level Funding analysis & Pupil Number Analysis
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## 1 Purpose of the Report

- 1.1 This report sets out the proposed DSG Schools Budget for consultation and decision by Schools Forum ahead of the Council budget being set and approved by full Council.

## 2 Recommendations

- 2.1.1 To comply with regulation and to furnish Schools Forum with the relevant information regarding schools funding.
- 2.2 Schools Forum is asked to approve the transfer of £0.676m (0.44%) from the Schools Block to support the High Needs Block and £0.1m (0.06%) to CSSB block to fund the admission team. DfE regulations permit up to 0.5% of the Schools Block to be transferred with Forum approval.
- 2.3 Schools Forum is asked to recommend the budget for the DSG blocks, including the mainstream funding formula, to the Council

## 3 Summary- 2022/23 DSG Funding Announcements

- 3.1. In December 2021, Schools Forum were presented with the provisional DSG allocations, which were published in July 2021. The final DSG block funding allocations were announced on 16 December 2021. This report gives an update of the final Schools Block allocations to include the growth funding allocation.

DSG Block	2021/22 Funding	2022/23 Funding	Change	Change
	£'000	£'000	£'000	%
School Block	149,703	155,285	5,583	3.73%
High Needs Block	28,271	30,610	2,339	8.27%
Central Services Block	708	743	35	5.00%
Early Year Block	15,230	14,461	-769	-5.05%
	193,911	201,100	7,188	3.71%

\*School Block includes £1.476m funding for NNDR for 2022/23

- 3.2. For 2022/23, the growth funding allocation increased from £0.750m in 2021/22 to £0.950m in 2022/23. The allocation is based on the difference between the number on roll in each school between the October 2021 and October 2022 school censuses.
- 3.3. The final High Needs Block allocation has been announced at £28.271m, no change from the provisional allocation announced in July 2021. This is £2.3m more than the allocation for 2021/22 and represents a funding increase of 8%. The number of children with Education, Health and Care plans (EHCPs) is continuing to increase, therefore in addition to a number of measures outlined in the DSG deficit recovery plan, it is recommended that there is a transfer of 0.5% from the schools block to the high needs block to mitigate the growing demand. This equates to a transfer of £0.7m, which would bring the high needs block budget to £31.3m. A detailed breakdown of the high needs block budget will be presented to Schools Forum in February/March 2022.
- 3.4. The Early Years Block allocations were also published in December 2021, which included an increase in the NEG 2 rate from £6.04 to £6.25, and an increase in the NEG 3 & 4 rate from £5.93 to £6.10. The detailed early years block budgets will be presented in a separate paper to this Schools Forum.
- 3.5. The Central School Services Block income was confirmed at £0.743m, an increase of £35k compared to 2021/22. This includes a small reduction of funding for historic commitments, and an increase in funding for ongoing commitments.

#### 4 Schools Block Expenditure – Mainstream Funding Formula

- 4.1. The mainstream funding formula for 2022/23 excluding the growth fund totals £153.03m. This includes £1.54m NNDR funds which will be retained by the ESFA due to centralising the payments of NNDR leaving £152.968m to be transferred to schools.

## 5 Funding Formula Rates

- 5.1. Appendix A provides information on the funding factor rates used in the proposed funding formula, with a minimum funding guarantee set at 0.5%. In order to balance to the available funding, the per pupil funding factor rates have been increased by 2.5% in Option 1 and 3% in option 2.
- 5.2. Appendix B provides information for two options for Schools budget. Option 1 illustrates the transfer of 0.44% budget from school block to High needs block to fund pressure on Council's High Need Block and Option 2 without transferring the funds to HN block.
- 5.3. Appendix C contains an analysis of the funding formula by individual school, giving both the total formula funding and per pupil funding against the previous year. It should be noted that changes in individual school funding are also caused by changes to the pupil cohort data for that school, e.g. the number of pupils attracting the low prior attainment funding factor will change from year to year, so changes in funding are not solely driven by changes to pupil numbers and to the funding factor rates in appendix A.
- 5.4. The funding formula is subject to a positive Minimum Funding Guarantee of 0.5% which ensures that per pupil funding increase by this proportion. Under these proposals 6 of the 43 schools require MFG allocation totals £0.345 in Option 1 and 4 schools require MFG allocation totals £0.268m in Option 2.

### 5.5 Proposed local funding formula for 2022-23:

- A summary of the financial impact of the overall final position is set out in appendix B.
- School forum to approve the LA recommendation to implement **option 1** as to transfer

## 6 Growth Fund

- 6.1. The Growth budget funds increases in pupil numbers. The growth budget in 2022-23 is £0.950 and is expected to spend to budget in order to continue to fund the projected growth in the secondary phase. The detailed Growth fund will be presented in a separate paper to this Schools Forum

## 7 Financial Implications

- 7.1 The financial implications have been detailed in the body of this paper. And additional funding received would go towards mitigating inflationary costs pressures faced by schools.

## 8 ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

## **9 SUPPORTING INFORMATION**

Not applicable

## **10 Legal Implications**

There are no legal implications for this report.

## **11 Equality Implications**

Not applicable