

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 4 November 2021**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **2022/23 DEDICATED SCHOOLS GRANT**

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Chief Officer: Executive Director of Children's Services

Ward: (All Wards);

1. Reason for report

This report provides an outline of the estimated DSG allocation for 2022/23 and an overview of how this will be spent,

2. **RECOMMENDATION(S)**

2.1 **The Schools Forum is asked to review the provisional DSG income and forecast expenditure for 2022/23 in preparation for the full budget setting process.**

3. COMMENTARY

3.1 The indicative Dedicated Schools Grant (DSG) funding for 2022/23 has now been provided to all LAs – this is currently based on October 2020 pupil numbers so will be uplifted in December to reflect the October 2021 census data. The DSG for 2022/23 is divided into four blocks – High Needs, Early Years, Schools and Schools Central. The expected income is detailed below

| 2021/22 Dedicated Schools Grant | | | | | |
|---------------------------------|------------------|-------------------|----------------------------|-----------------------|--------------|
| | High Needs Block | Early Years Block | Schools Block excl. Growth | Schools Central Block | Total |
| Gross Grant Funding | £64,421,932 | £23,343,423 | £241,755,117 | £2,080,260 | £331,600,732 |
| Recoupment adjustment | -£10,314,000 | | | | -£10,314,000 |
| Net Grant Allocation | £54,107,932 | £23,343,423 | £241,755,117 | £2,080,260 | £321,286,732 |

3.2 The LA has looked at each of these blocks and has forecast the related expenditure for 2022/23 based on information that is currently available at this time. Full details of the projected grant income and expenditure can be seen at Appendix 1 with detailed information regarding each block provided below.

3.3 Appendix 2 shows the allocation from DfE which excludes the Early Years Block.

3.4 Schools Central Block

| | |
|-----------------------------|------------|
| Grant 2022/23 | £2,080,260 |
| Expenditure 2022/23 | £2,540,260 |
| Council Statutory duties | -£460,000 |
| Expected (Over)/ Underspend | £0 |

3.5 The Schools Central Block shows a provisional overspend of £460k which is proposed will be met by a contribution of £460k from the Council to offset the statutory duties that sit within the service. Officers will continue to work towards bringing this expenditure in line with the grant.

3.6 Early Years Block

| | |
|-----------------------------|-------------|
| Grant 2022/23 | £23,343,423 |
| Expenditure 2022/23 | £23,343,423 |
| Expected (Over)/ Underspend | £0 |

3.7 The Early Years Block income has been estimated as part of the separate review carried out by the LA and the income has been estimated as the DfE has not yet released any funding information relating to 2022/23.

3.8 The funding calculation also allows for £500k to be transferred from the EY block to the HN Block to support EY pupils with SEND.

3.9 Schools Block

| | |
|-----------------------------|--------------|
| Grant 2022/23 | £241,755,117 |
| Growth funding (estimated) | £2,144,169 |
| Expenditure 2022/23 | £243,899,288 |
| Expected (Over)/ Underspend | £0 |

- 3.10 The Schools Block funding has been calculated using the October 2020 census pupil numbers and the per pupil units of funding which have been calculated for 2022/23. Based on the published figures the Primary unit of funding has increased from £4,595 to £4,678 which is an increase of around 3% and the Secondary unit of funding has increased from £5,863 to £6,048 which is an increase of around 3%.
- 3.11 For these calculation purposes the Schools Block has been increased by an estimated figure of £2.1m for growth funding – funding in 2021/22 was £1.84m. This funding has been offset against expenditure at the same level.
- 3.12 The main changes to the NFF for 2022/23 are as follows:-
- Sparsity funding is now based on road distance instead of on straight–line distance from pupils’ home to school. A sparsity distance taper has been introduced, in addition to the existing year group size taper.
 - Data on pupils who have been eligible for free school meals at any time in the last six year (FSM6) is now taken from the October 2020 school census instead of from the January census, to bring in line with pupil premium arrangements.
 - Calculation for prior attainment, data from 2019 early years and KS2 tests are used as proxy for 2020 assessments, which were cancelled due to the pandemic.
 - Pupils who jointed a school between January and May 2020 will attract funding for mobility on the basis of their entry date, as the May 2020 census was cancelled due to Covid-19.
 - Unit values have typically been increased by around 3%, with the exception of Free school meal funding which has only been increased in line with inflation
 - Minimum per pupil funding levels are now compulsory and have been set at £4,265 for primary schools and £5,525 for secondary schools
 - The MFG level is required to be between 0.5% and 2%
- 3.13 The funding formula has been run for all Bromley schools taking into account these changes.
- 3.14 Bromley has used the minimum funding levels as part of the formula calculation as compulsory requirement. There are a number of schools that become eligible for protection as follows:
- 23 Primary schools to receive around £1,723k collectively
 - Zero Secondary schools
- 3.15 The MFG protection across all schools has decreased to around £2.4m.

3.16 The MFG level that has been used by Bromley is 1.14% which sits at the middle of the DfE parameters.

3.17 High Needs Block

| | |
|-----------------------------|--------------|
| Grant 2022/23 | £64,421,932 |
| Recoupment | -£10,314,000 |
| LA Expenditure 2022/23 | £54,107,932 |
| Expected (Over)/ Underspend | £0 |

3.18 There continues to be significant pressures on the High Needs Block. Estimated expenditure is based on the pattern of new EHCPs (Education, Health and Care Plans) seen over recent years and on the average cost of a placement. The demand for placements of children and young people with SEN continues to increase. Increased numbers of children and young people have been placed at mainstream schools, special schools and resourced provisions. Nevertheless, the sustained increase in demand results in the continued reliance on independent settings.

3.19 These figures do not currently take into account the DSG deficit which is estimated to be around £4m by the end of the 2021/22 financial year. This will need to be recovered in due course and there is an expectation that the Council will produce a deficit recovery plan for submission to DfE. Officers are currently working on collating this and will bring this back to the Forum in due course.

3.20 Next Steps

3.21 The LA felt it was important to share this information with the Schools Forum at the earliest opportunity. Schools Forum members are asked to review this information in advance of the full budget setting process in December 2021. All of the figures are subject to change as further data is received and grant levels amended.