

Dedicated Schools Grant 2022/23

Schools' Forum Date	13 th January 2022
Type of Decision	For decision
Background Documents	16 th December 2021 DfE announcement - School funding boosted by £4bn to level up education for young people - GOV.UK (www.gov.uk) Schools Forum report 16 th September 2021
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Purpose of Report	To report on the implications of the census data and Dedicated Schools Grant (DSG) updates for 2022/23 and to make recommendations on the final funding formula for mainstream schools
Key Recommendations	The Forum is asked to: <ol style="list-style-type: none"> 1. Note the Dedicated Schools Grant settlement for 2022/23. 2. Recommend the council agree the school funding formula for 2022/23, as set out in Annex A 3. Agree that the balance on the schools block can be used at year end as a one off contribution to support the continuation of the 1 in 40 High Needs model 4. Note the information on the additional funding that will be received through the separate Schools Supplementary Grant. 5. Forum agrees to <ol style="list-style-type: none"> a. apply the 0.17p increase to the hourly rate for 3 and 4 year olds and to consult with the early years forum on the formula distribution b. apply the 0.21p to the base rate for 2 year olds as set out in section 4. 6. The Forum agrees the allocation of the central schools services block as set in section 5.
Resource Implications	The 2022/23 DSG announced on 16 th December 2021 totals £547.222m. An additional Supplementary Grant of £15.284m has also been announced giving total funding of £562.506m. This represents an increase in funding of £38.662m (7.4%) from the current 2021/22 DSG.

1 Introduction

This paper updates the Forum on the final Dedicated Schools Grant (DSG) for 2022/23. The Forum will now need to make recommendations on the funding formula for mainstream schools, early years providers and note the latest position on the central school services block and high needs block (see separate paper) of the DSG. An update on the additional Supplementary Grant is also included.

2 Dedicated Schools Grant and Supplementary Grant

2.1 Summary

The final DSG for 2022/23, updated based on the October 2021 census, was announced on the 16th of December 2021. A Supplementary Grant for 2022/23 was also announced at the same time to provide extra funding for schools and high needs.

The Supplementary Grant is in addition to the schools and high needs block DSG funding calculated under the National Funding Formula (NFF). The increase in funding is to recognise 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. This includes the Health and Social Care Levy, that will be applied initially through increased national insurance contributions from employers.

The 2022/23 position for Gloucestershire is as follows:

	Central School				
	Schools	Services	High Needs	Early Years	Total DSG
2021/22 Current DSG	£411.371 M	£2.784 M	£74.352 M	£35.337 M	£523.844 M
Change in DSG from 2021/22	£16.670 M	£0.180 M	£6.968 M	-£0.440 M	£23.378 M
Additional Supplementary Grant for 2022/23	£12.295 M		£2.989 M		£15.284 M
2022/23 DSG and Supplementary Grant	£440.336 M	£2.964 M	£84.310 M	£34.897 M	£562.506 M
Overall change from 2021/22	£28.965 M	£0.180 M	£9.957 M	-£0.440 M	£38.662 M
Percentage change from 2021/22	7.0%	6.5%	13.4%	-1.2%	7.4%

These figures include changes for census date movements in pupil numbers.

This represents an overall increase in funding of £38.662m (7.4%) from the 2021/22 DSG

2.2 Schools Block and Delegated Schools Formula

After taking into account the previously agreed growth fund of £1.3m, the funds allocated in the DSG schools block settlement are enough to allow each formula factor rate and the minimum funding levels to be implemented 100% at the NFF level and for the MFG to be set at the same +2% level as the funding floor within the NFF.

Details of the Key changes in the NFF between 2021/22 and 2022/23 were presented at the 17th September 2021 Schools Forum meeting along with details of the NFF rates for each individual factor. Those NFF factors and rates will still

be used in the 2022/23 DSG allocations that will be notified to individual mainstream schools at the end of February 2022, however, additional funding will now also be received by those schools via the newly announced 2022/23 Schools Supplementary Grant as detailed below:

Schools Supplementary Grant

£1.2 billion of additional funding nationally is to be allocated to schools through this separate grant which is in addition to the schools block DSG funding. Gloucestershire's share of this is £12.295m.

The schools supplementary grant funding for early years and post-16 provision in schools is provided in respect of the Health and Social Care Levy and will be allocated on a simple per-pupil basis

The additional funding for mainstream school provision for pupils aged 5 to 16 is provided in respect of both the Health and Social Care Levy and wider cost pressures.

Funding for 5 to 16 mainstream schools makes up the bulk of the additional £1.2 billion to be allocated through the schools supplementary grant. The 5 to 16 funding rates consist of the following three elements, which are based on factors already in the schools national funding formula:

- a basic per-pupil rate (with different rates for primary, key stage 3 and key stage 4)
- a lump sum paid to all schools, regardless of pupil numbers
- a per-pupil rate for pupils who are recorded as having been eligible for free school meals at any point in the last six years (FSM6), with different rates for primary and secondary pupils.

The base per-pupil funding rates are:

For early years provision in schools £24 per pupil

For 5-16 schools:

- 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

For 16-19 provision in schools and academies £35 per student.

Individual school-level allocations for the Schools Supplementary Grant (SSG) will be published in Spring 2022.

Changes in funding rates between 2021/22 and 2022/23

For ease of reference, the table from the September Forum meeting that showed the change in NFF rates between 2021/22 and 2022/23 is shown below with the additional SSG rates shown alongside.

NFF and Schools Supplementary Grant increase from 2021/22 to 2022/23	As per DfE Published tables Excludes Area Cost Adjustment (ACA)					
	2021/22	2022/23	Via Schools	DSG and		Overall
	DfE	DfE Rate	Supplementary	SSG	Overall	percent
	Rate	Via DSG	Grant (SSG)	overall	Increase	Increase
<u>Pupil Led Factors</u>	£	£	£	£	£	£
Basic per-pupil rate of £97 for primary pupils	3,123	3,217	97	3,314	191	6.1%
Basic per-pupil rate of £137 for key stage 3 pupils	4,404	4,536	137	4,673	269	6.1%
Basic per-pupil rate of £155 for key stage 4 pupils	4,963	5,112	155	5,267	304	6.1%
Deprivation Primary (FSM ever 6)	575	590	85	675	100	17.4%
Deprivation Secondary (FSM ever 6)	840	865	124	989	149	17.7%
Deprivation Primary (FSM)	460	470		470	10	2.2%
Deprivation Secondary (FSM)	460	470		470	10	2.2%
IDACI F Primary	215	220		220	5	2.3%
IDACI F Secondary	310	320		320	10	3.2%
IDACI E Primary	260	270		270	10	3.8%
IDACI E Secondary	415	425		425	10	2.4%
IDACI D Primary	410	420		420	10	2.4%
IDACI D Secondary	580	595		595	15	2.6%
IDACI C Primary	445	460		460	15	3.4%
IDACI C Secondary	630	650		650	20	3.2%
IDACI B Primary	475	490		490	15	3.2%
IDACI B Secondary	680	700		700	20	2.9%
IDACI A Primary	620	640		640	20	3.2%
IDACI A Secondary	865	890		890	25	2.9%
Prior Attainment (Y1-6 Early Years Foundation Sta	1,095	1,130		1,130	35	3.2%
Prior Attainment (Y7 - Y11 LPA)	1,660	1,710		1,710	50	3.0%
English as Additional Language (3 year EAL)	550	565		565	15	2.7%
English as Additional Language (3 year EAL)	1,485	1,530		1,530	45	3.0%
Mobility Primary	900	925		925	25	2.8%
Mobility Secondary	1,290	1,330		1,330	40	3.1%
<u>School Led Factors</u>						
Lump Sum Primary	117,800	121,300	3,680	124,980	7,180	6.1%
Lump Sum Secondary	117,800	121,300	3,680	124,980	7,180	6.1%
Sparsity Primary Maximum	45,000	55,000		55,000	10,000	22.2%
Sparsity Secondary Maximum	75,000	80,000		80,000	5,000	6.7%
<u>Minimum Per Pupil Funding Uplift</u>						
Primary	4,180	4,265	See the note below			
Secondary	5,415	5,525	See the note below			

Note: The Minimum Per Pupil Funding Uplift will only apply to the DSG funding allocated. The Schools Supplementary Grant will then be allocated in addition to the DSG funding received.
e.g. If a primary school is uplifted to a minimum per pupil funding level of £4,265 in their budget they will still receive the additional school supplementary grant funding as well.

An Area Cost Adjustment (ACA) to reflect geographical variation in both the general labour market (GLM) and in teacher pay scales is also applied in the NFF and the SSG. For Gloucestershire the ACA is 1.00629 which will be applied as usual to further increase the factor rates above where applicable.

These are the same NFF 2022/23 factor rates that were reported at the indicative budget stage at the September Forum meeting, with the only change to the schools funding formula then being to use the updated census data numbers which produces the summary formula shown at **Annex A**. Please note those allocations are before the additional Schools Supplementary Grant.

This leaves a balance of £0.307m in the 2022/23 schools block and it is proposed that this balance is used at year end as a one-off contribution to support the continued funding of the 1 in 40 High Needs model.

The remaining factor that could affect school funding is the School Improvement Grant consultation response and the next steps proposed by the LA. This follows the government's consultation about the removal of this grant and the suggestion that core activity can be funded by de-delegation deduction from maintained schools budget shares. As the feedback and next steps from the DfE regarding the consultation will not be received until after the deadline for submitting the schools funding formula via the Authority Pro Forma Tool (APT), no actions relating to the consultation proposals have been built into Annex A. Notes from an initial meeting with the maintained schools and chairs of the associations are included in the forum papers. Forum members will also be aware that we have planned an additional, single item forum meeting in March to address the outcome of the consultation and agree a way forward.

Recommendations

- 1. The Forum notes the Dedicated Schools Grant settlement for 2022/23.**
- 2. The Forum recommend the council agree the school funding formula for 2022/23, as set out in Annex A.**
- 3. The Forum agrees that the balance on the schools block can be used at year end as a one off contribution to support the continuation of the 1 in 40 High Needs model.**
- 4. The Forum notes the information on the additional funding that will be received through the separate Schools Supplementary Grant.**

3 Pupil Premium Grants

The Pupil premium grants for 2022/23 have also been announced and have been increased in-line with inflation to the following:

- Primary FSM6 pupils: £1,385
- Secondary FSM6 pupils: £985
- Looked-after children: £2,410
- Children who have ceased to be looked-after £2,410
- Service children: £320

Allocations for schools will be published in Spring 2022

The DfE will be issuing Information about other grants for 2022/23 during 2022.

4 Early Years

The funding announcements on 16th December included an increase in the hourly funding rates by 17 pence for three and four year olds and 21 pence for two year olds (see table below). In addition to this increase there was an increase of £27,205 to the disability access fund and an increase of £60,544 for pupil premium, giving an overall decrease to the early years block of £440,268 for 2022/23. There will be further updates in the summer 2022 and summer 2023 for the January pupil counts which will reflect more accurately the picture than the January 2021 census which these figures are based on.

Early Years block 2022/23	Hourly Price increase £	Activity change PTE	Price increase £	Activity Impact £	Total £
2 yr olds	0.21	-39.39	120,781	-126,856	-6,075
3 & 4 yr olds universal	0.17	-532.60	872,018	-1,399,513	-527,495
3 & 4 yr olds working parents	0.17	-130.63	348,810	-343,257	5,553
Pupil premium					60,544
Disability Access Fund					27,205
			<u>-702.62</u>	<u>1,341,609</u>	<u>-1,869,626</u>
					<u>-440,268</u>

Activity based on January 2021 census

Recommendation 5

Forum agrees to apply the 0.17p increase to the hourly rate for 3 and 4 years olds and to consult with the early years forum on the formula distribution and to apply the 0.21p to the base rate for 2 year olds.

Early years use of balances

At the end of 2020/21 the carry forward of Early Years DSG in Gloucestershire was £989k caused by payments for three and four year olds being much lower than budget and the slippage on project plans due to the pandemic. The final adjustments for 2020/21 were notified in November and include the lagged effect of the May census on the spring term, giving a final early years balance of £1.464 million. The 2021/22 budget will be based on the May 2021, October 2021 and January 2022 census and the summer and autumn terms budget will be notified by the DFE in January 2022 and to date in-year forecasts have been reported as breakeven. The recent census data reported locally (October 21) indicates that numbers are below the 2019 levels for three and four years olds therefore a decision on the use of a significant part of the balances for last year will need to wait until this information is analysed in January.

5 Central School Services Block (CSSB)

The CSSB includes funding for on-going responsibilities of Local Authorities for the statutory duties that they hold for both maintained schools and academies. It includes funding for Admissions, School Forum coordination, copyright licences and centrally retained duties. The allocation is based on a formula using pupil numbers (90%), free school meals (Ever 6, 10%) with an area cost adjustment applied. The rate per pupil for 2022/23 has increased by £1.90 to £36.09 and there has been an increase of 713 pupils resulting in a 6.5% increase of £0.180m.

These funds cover the following costs:-

Central School Services Block	£M
Copyright licences	0.522
Schools Forum	0.127
Admissions Coordination	0.750
Centrally Retained Duties	1.565
TOTAL	2.964

The cost of copyright licences reflects the 2022/23 charge, there is no change to Schools Forum and Admissions and the balance is adjusted against centrally retained duties.

Recommendation 6

Forum agrees the allocation of the central school's services block as set out above.

6. High Needs

The High Needs Block of the DSG has been allocated an additional £6.968m. On top of this a further £2.989m has been allocated through a Supplementary Grant, bringing the total high needs funding for 2022/23 up to £84.310m, an increase of 13.4%.

Details of the 2021/22 High Needs forecast and further details about high needs for 2022/23 are contained within the High Needs report.

<u>Schools and academies budget allocations before de-delegation</u>	<u>Units</u>	<u>Rate</u> £	<u>Primary</u> £	<u>Secondary</u> £	<u>Total</u> £	<u>% of delegated budget</u>
<u>Pupil led Factors:</u>						
Basic Entitlement Primary (Age Weighted Pupil Unit)	47,382	£3,237.23	153,384,813		153,384,813	36.0%
Basic Entitlement KS3 (Age Weighted Pupil Unit)	21,690	£4,564.53		99,004,656	99,004,656	23.2%
Basic Entitlement KS4 (Age Weighted Pupil Unit)	13,341	£5,144.15		68,628,105	68,628,105	16.1%
Total AWPU (October 2021 pupils)	82,413		153,384,813	167,632,761	321,017,574	75.3%
Deprivation Primary (FSM ever 6)	8,921	£593.71	5,296,383		10,952,865	2.6%
Deprivation Secondary (FSM ever 6)	6,498	£870.44		5,656,482		
Deprivation Primary (FSM)	8,258	£472.96	3,905,770		6,367,921	1.5%
Deprivation Secondary (FSM)	5,206	£472.96		2,462,151		
IDACI F Primary	4,529	£221.38	1,002,528		1,967,098	0.5%
IDACI F Secondary	2,995	£322.01		964,570		
IDACI E Primary	3,564	£271.70	968,398		2,063,173	0.5%
IDACI E Secondary	2,560	£427.67		1,094,776		
IDACI D Primary	1,313	£422.64	554,945		1,078,072	0.3%
IDACI D Secondary	874	£598.74		523,127		
IDACI C Primary	1,809	£462.89	837,564		1,576,070	0.4%
IDACI C Secondary	1,129	£654.09		738,506		
IDACI B Primary	1,773	£493.08	874,082		1,638,393	0.4%
IDACI B Secondary	1,085	£704.40		764,311		
IDACI A Primary	164	£644.03	105,752		195,517	0.0%
IDACI A Secondary	100	£895.60		89,765		
Prior Attainment (Y1-6 Early Years Foundation Stage Profile)	13,550	£1,137.11	15,407,660		27,532,298	6.5%
Prior Attainment (Y7 - Y11 LPA)	7,046	£1,720.76		12,124,639		
English as Additional Language (3 year EAL)	2,320	£568.55	1,319,298		1,903,894	0.4%
English as Additional Language (3 year EAL)	380	£1,539.62		584,596		
Mobility Primary	415	£930.82	386,750		460,677	0.1%
Mobility Secondary	55	£1,338.37		73,928		
Total Pupil Led delegations			184,043,942	192,709,611	376,753,552	88.3%
<u>School Leds Factors:</u>						
		£	£	£	£	
Lump Sum	244	£122,062.98	29,783,367		34,787,949	8.2%
Lump Sum	41	£122,062.98		5,004,582		0.0%
Sparsity	74	£55,345.95	3,015,658		3,211,952	0.8%
Sparsity	5	£80,503.20		196,294		0.0%
Total Other Formula factors			32,799,026	5,200,876	37,999,901	8.9%
<u>Premises:</u>						
			£	£	£	
Split Sites	3 schools @ £46,859.91 + £62.53 / pupil		168,218		168,218	0.0%
Rates	Currently based on 22/23 NFF + 21/22 adjustments		2,529,617	1,195,518	3,725,135	0.9%
Exceptional Premises Factor - Rents	Based on 22/23 estimates		149,118	0	149,118	0.0%
Total Premises			2,846,953	1,195,518	4,042,471	0.9%
Total budget allocations before MFG, minimum pupil funding uplift and de-delegation			219,689,921	199,106,004	418,795,925	98.2%

Minimum Per Pupil Funding Uplift			£	£	£	
Additional funding due to minimum per pupil funding (primary pupils)	52	£4,265	3,581,459		3,581,459	0.8%
Additional funding due to minimum per pupil funding (Secondary schools with KS3 & KS4 pupils)	12	£5,525		3,228,429	3,228,429	0.8%
Additional funding due to minimum per pupil funding (Secondary schools with KS3 pupils only)	0	£5,321		0		
Additional funding due to minimum per pupil funding (Secondary schools with KS4 pupils only)	0	£5,831		0	0	0.0%
Total Minimum Pupil Funding Uplift			3,581,459	3,228,429	6,809,888	1.6%
Total budget allocations before MFG and De-delegations			223,271,379	202,334,433	425,605,813	99.8%
Minimum Funding Guarantee			£	£	£	
MFG protections	2.00%		676,804	156,982	833,785	0.2%
Total Minimum Funding Guarantee			676,804	156,982	833,785	0.2%
Total budget allocations after MFG, Minimum Per Pupil Funding Uplift but before De-delegations			223,948,183	202,491,415	426,439,598	100.0%
Proposed de-delegation for maintained schools only (takes into account anticipated conversions by 4/1/22)						
	Maintained Pupils	Rate	Primary	Secondary	Total	
		£	£	£	£	
Targeted Intervention & Support Primary	34,252	£9.27	317,516		317,516	0.1%
Targeted Intervention & Support Secondary	4,297	£0.00		0		
Union Facilities Primary	34,252	£3.05	104,469		104,469	0.0%
October Pupil Increases (above threshold)	34,252	£6.32	216,473		216,473	0.1%
Education Functions Primary (statutory duties previously covered by ESG general duties)	34,252	£5.00	171,260		171,260	0.0%
Education Functions Secondary (statutory duties previously covered by ESG general duties)	4,297	£5.00		21,485	21,485	0.0%
Total de-delegation funds available to maintained schools	38,549		809,717	21,485	831,202	0.2%
Total budget allocations after MFG, Minimum Per Pupil Funding Uplift and De-delegations			223,138,465	202,469,930	425,608,396	99.8%