

CITY OF WESTMINSTER**SCHOOLS' FORUM – 20TH JANUARY 2022****REPORT BY THE LEAD STRATEGIC FINANCE MANAGER – CHILDREN'S SERVICES****2022/23 DEDICATED SCHOOLS GRANT (DSG) AND SCHOOL BUDGETS**

This report informs Schools' Forum of the 2022/23 DSG funding settlement including the schools block funding, and the Schools Supplementary Grant (SSG) funding. There are decisions to be made regarding falling rolls funding, and de-delegation for maintained schools (including restructuring costs).

FOR DECISION

1. INTRODUCTION

- 1.1 The ESFA provides pre-16 funding for schools to local authorities via the DSG. Funding is distributed to schools in the City of Westminster through a locally agreed funding formula.
- 1.2 On 19th July 2021 the Department for Education (DfE) set out the key aspects of the 2022/23 schools, high needs and central schools services blocks of the DSG with provisional funding levels and the requirements regarding local funding. The DSG settlement, allocation tables, technical notes and Authority Proforma Tools (APT) were issued to all Local Authorities (LAs) with their individual schools data sets on 16th December 2021. The Local Authority is required to complete all school funding allocations via the ESFA's APT by 21st January 2022 and this will be submitted on the basis of information within this report and to take account of decisions being made at this Schools' Forum and political ratification.
- 1.3 In addition to the DSG, mainstream schools will receive a supplementary grant in 2022/23 worth £1.2 billion. For early years and post-16 provision, the grant is being provided in respect of the Health and Social Care Levy. For primary and secondary provision, the grant is being provided in respect of both the Health and Social Care Levy and other cost pressures, giving schools additional resources to raise attainment, increase teacher pay and continue to rise to the challenges of Covid response and recovery.
- 1.4 Schools' Forum (1st November 2021) considered three options regarding the review of the schools block funding formula which is used to allocate funds to

all schools. The option which moved a further 25% towards the National Formula Funding (NFF) factor values for all factors, with +1% per pupil Minimum Funding Guarantee (MFG) with the AWPU as the balancing figure was agreed.

2. DSG FUNDING ALLOCATIONS 2022/23

2.1 The DSG allocations for 2022/23 are comprised of the following four blocks:

DSG Block	Funding Basis
schools block	primary units of funding (PUF), and secondary units of funding (SUF) and premises funding announced in July 2021 and growth funding.
central school services block (CSSB);	units of funding and historic commitments updated in July 2021.
high needs	Provisional allocations announced in July 2021, with the basic entitlement element updated for the number of pupils in the October 2021 school census with further adjustments in Feb 2022. The allocation is before the deduction for agreed high needs places in academies
early years	based on the funding rates published in November 2021, and made up of funding for: <ul style="list-style-type: none"> • universal 15 hour entitlement for all three- and four-year-olds • additional 15 hours for three- and four-year old children of eligible working parents • 15 hours entitlement for disadvantaged two-year-old • early years pupil premium (EYPP) • disability access fund (DAF) • supplementary funding for maintained nursery schools.

2.2 Table 1 shows the published 2022/23 funding allocations of Schools block, High Needs block, Central Schools Services block, and Early Years block for WCC, which were published on 16th December 2021. The provisional 2022/23 DSG (before the deductions for payments to academies) has increased by £3.749m (2.2%) since 2021/22 to £174.461m.

Table 1 – Comparison of 2022/23 and 2021/22 DSG block allocations

Block	2022/23	2021/22	Change	% Change
Schools *	£123.538m	£122.028m	+\$1.510m	-1.2%
High Needs **	£35.987m	£32.982m	+\$3.005m	+13.2%
High Needs supplementary funding	£1.358m	£0.000m	+\$1.358m	
Central School Services	£0.997m	£1.055m	-\$0.058m	-5.5%
Early Years ***	£12.581m	£14.647m	-\$2.066m	-14.1%
Total	£174.461m	£170.712m	+\$3.749m	+2.2%
*/ **Allocations are before deduction for academies including for High Needs Places. The provisional High Needs allocation will be updated by March 2022. ***Early Years allocation is provisional at this time.				

- 2.3 The high needs block includes supplementary funding of £1.358m in 2022/23, this extra resource will be used to help LAs manage their cost pressures in this area, while the government remains focused on completing the cross-departmental review of the SEND system to ensure that it supports children and young people with SEND as efficiently and effectively as possible.
- 2.4 The high needs funding will be updated in Spring 2022 following the agreement of numbers on January 2022 census and agreements between providers, the ESFA and the LA that is responsible for the individual pupil (February Individual Learner records for 6th form). Deductions will then be made to fund academies, free school and college places directly before the high needs block allocations are finalised. High needs budgets are detailed in the separate high needs paper to this Forum. Whilst there is a significant increase in the high needs block this does not eliminate the high needs budget deficit and therefore, as discussed at the November 2021 Schools Forum, a transfer from the schools block to the high needs block, will be required.
- 2.5 The Central Schools Services Block (CSSB) provides funding for central services ongoing responsibilities, including a cash sum for historic commitments. The total amount is £0.997m which is a reduction of £0.058m since 2021/22.
- 2.6 The early years initial funding allocation is based on the January 2021 census, and will be updated for the January 2022 and 2022 census in July 2022 and 2023. The amount in the Early Years Single Funding Formula (EYSFF) is subject to passporting at 95% and adjustments for deprivation and SEN inclusion fund payments. Other early years funding is dependent on uptake of services and there is a separate report on early years funding to this Forum.

3. SCHOOLS BLOCK

- 3.1 Local Authorities will continue to set local funding formula in 2022/23. The Government proposals regarding the move to a 'hard' NFF, which will determine schools' budgets on the basis of a single national formula rather than through local formulae set independently by each local authority, were covered in Paper A2 at the November 2021 Schools Forum meeting.
- 3.2 As the first step towards hardening the National Funding Formula (NFF), the government continues the use of the national minimum per pupil funding levels, at the values in the school NFF (£4,265 for primary pupils and £5,525 for secondary pupils), compulsory for local authorities to use in their own funding formulae. All Westminster schools are funded above the minimum per pupil funding levels in 2022/23.
- 3.3 LAs continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2022/23 must be between +0.5% and +2.00% per pupil compared to per pupil funding in 2021/22.
- 3.4 Schools' Forum can agree to transfer out of the schools block to a maximum of 0.5%.
- 3.5 The total funds to be delegated and allocated through the schools block funding formula is calculated as follows.

	2022/23	2021/22	
Schools Block Funding	£123.538m	£122.028m	
Funds for schools with falling rolls	-£ 0.215m	-£ 0.235m	To be agreed by Schools Forum
Transfer to High Needs Block	-£0.618m	0	Required in order fund HN increases. To be agreed by Schools Forum
Total for distribution in formula	£122.705m	£121.793m	0.75% increase
Pupil Numbers	17877.5 October 21	18,118.5 October 20	
Average per pupil funding	£6,864	£6,722	2.1% increase

- 3.6 The amount to be distributed to schools is £122.705m. The comparable distribution for 2021/22 was £121.793m, an increase of 0.75% and a per pupil increase of 2.1%.

4 **UPDATED 2022/23 PROVISIONAL SCHOOL BUDGETS**

- 4.1 Schools' Forum (1st November 2021) considered three options regarding the review of the schools block funding formula which is used to allocate funds to all schools. The option agreed moved a further 25% towards the NFF factor values for all factors, with the MFG at an increase of at least 1% per pupil and the AWPU as the balancing figure. The figures have been updated and are now based on information provided by the ESFA in December 2021 re October 2021 roll numbers and pupil characteristics for free school meals, low prior attainment etc.
- 4.2 Appendix A shows the provisional allocations for each school with comparisons to the 2021/22 final budgets. An additional £0.915m is allocated compared to 2021/22. These figures are before the de-delegation adjustments referred to below.
- 4.3 The pupil numbers on roll are taken account of in the per pupil MFG, which exclude high needs places and include the planned growth for Ark King Solomon Academy (30 year 7) in accordance with operational guidance requiring the schools block to meet agreed recoupment academy and free school growth based upon a 7/12th's estimate of October 2022 school's census.
- 4.4 Appendix B shows the provisional formula factors values. The Notional SEN funding percentages have been set at last year's agreed percentages (AWPU 5%; Low Prior Attainment 100%).
- 4.5 Appendix C shows the roll for each school and overall there is a decrease of 241 pupils made up of reductions in secondary of 12 pupils and reductions in primary of 229 pupils. The amount attributable to the growth in pupils funded in Ark King Solomon is included in these numbers. Appendix C also highlights the schools with growth and falling falls of more than 5%.
- 4.6 Growth funding is for growing recoupment academies and is available for schools where agreed growth supported by a capital scheme or a need to create a new bulge class of 30 pupils. This is funded on the basis of estimates.
- 4.7 In accordance with previously agree criteria, falling rolls funding would be provided where schools NOR has fallen by more than 5% since 2021/22, have not been previously supported via falling rolls and are not requiring improvement. Any remaining reductions above 5% would be supported and the funding provided will be on the basis of 80% of AWPU. Schools requiring falling rolls funding are required to produce a business case and quantify structural changes to be made. School's forum will make decisions on

individual allocations at the March 2022 meeting. It is estimated that the falling rolls criteria would result in an allocation of £215,000 and this is the amount held for the falling rolls fund.

- 4.8 In accordance with the statutory funding regulations in order to fund cover for trade union duties, maintained schools on the schools forum have to agree to have funding deducted (de-delegated) from their budgets. The proposed de-delegation is for £73,000 to Essendine Primary School and is £9.47 per primary pupil and £14.08 per secondary pupil.
- 4.9 In addition, £400,000 has been de-delegated to cover the estimated cost of restructurings, as there is no DSG reserve available to fund these costs. This would be deducted from maintained school budgets. Any overspend or underspend will be adjusted as part of the following year's school budget setting. This amounts to £51.90 per primary pupil and £77.15 per secondary pupil. Due to the trend in falling rolls the number and cost of restructurings will be kept under review and regularly reported to Schools Forum.
- 4.10 The DfE have consulted on removing the School Intervention and Brokering Grant, which is used to fund statutory school improvement support and intervention in LA maintained schools. The proposals include reducing the grant by 50% from April 2022, which would entail a reduction for WCC of £85,000 with the remainder removed from April 2023. The DfE propose that this funding is then de-delegated from schools and it is therefore proposed to de-delegate £85,000 for statutory school improvement support and intervention in LA-maintained schools. If this proposed change in grant funding is not enacted these de-delegated funds would be returned to maintained schools. This amounts to £11.03 per primary pupil and £16.39 per secondary pupil

5 Changes to School Rates (NNDR) Payments Process

- 5.1 Following a government consultation on the business rates payments process, the business rates payment system for schools will be centralised from 2022/23.
- 5.2 From April 2022, the ESFA will pay billing authorities directly on behalf of state funded schools, removing schools from the payment process. This will replace the existing system in which schools typically receive funding in respect of their rates bill in their annual budgets, via the NFF, and pay their business rates to billing authorities themselves.
- 5.3 Further details can be found on the government's consultation response.

6 School Supplementary Grant funding (SSG) 2022/23

- 6.1 In addition to the DSG, mainstream schools will receive a supplementary grant in 2022-23. For early years and post-16 provision. For primary and secondary provision, the grant is being provided in respect of both the Health and Social Care Levy and other cost pressures, giving schools the resources, they need to raise attainment, increase teacher pay and continue to rise to the challenges of Covid response and recovery. The Indicative allocation of the SSG for Westminster is £3.690m. Final allocations for the SSG will be confirmed in spring 2022, based on final FSM6 data. It is estimated that a 1 form entry primary could receive between £18,000 to £28,000 and a larger primary between £29,000 and £44,000.
- 6.2 Mainstream schools will get:
- o A lump sum of £3,680 for primary and/ or secondary schools. (Schools with only early years or post-16 provision will not receive this lump sum.)
 - o £24 per pupil for their early years provision
 - o £35 per pupil for their post-16 provision
 - o £97 per pupil in primary
 - o £137 per pupil in key stage 3
 - o £155 per pupil in key stage 4
 - o Additional funding of £85 per primary pupil and £124 per secondary pupil recorded as eligible for free school meals at any point in the last six years (FSM6).
- The grant rates will be uplifted with area cost adjustments for schools in areas with higher wage costs.

7.0 Pupil premium

- 7.1 Pupil Premium rates will increase by 2.7% in 2022/23. The per pupil figures are £1,385 per primary school pupil and £985 per secondary school pupil, and service children £320. Schools will receive pupil premium funding for each child registered as eligible for free school meals at any point in the last six years.
- 7.2 For Pupil Premium Plus, for each pupil identified in the spring school census as being a looked after child or having left local authority care because of adoption, a special guardianship order, a child arrangement order or a residence order, schools receive £2,410 per eligible pupil.

5 RECOMMENDATIONS

- 5.1 Schools' Forum are recommended to:
- 5.1.1 agree the local funding formula distributes £122.708m funding;

- 5.1.2 Note the additional School Supplementary Grant (SSG) to be confirmed later this term.
- 5.1.3 Agree the transfer of £618,000 (0.5%) from the Schools Block to the High Needs Block in order to cover the growth in EHCPs and increased costs.
- 5.1.4 agree the proposed funding for falling rolls protection, subject to individual schools submitting a falling rolls business case for approval by the March 2022 Schools Forum.
- 5.1.5 agree the de-delegation to fund cover for trade union support at £0.073m. This decision is for maintained schools only.
- 5.1.6 Agree the de-delegation of £0.400m as the estimated cost to fund re-organisation costs in 2022/23, where maintained schools meet the related requirements in the Scheme for Financing Schools. This decision is for maintained schools only.
- 5.1.7 Confirm the de-delegation of £0.085m to fund loss of the School Intervention and Brokering Grant, which is used to fund statutory school improvement support and intervention in LA-maintained schools grant funding cover for trade union support. This decision is for maintained schools only. If this proposed change in grant funding is not enacted these de-delegated funds would be returned to maintained schools.

Appendices

Appendix A – School funding provisional allocations for 2022/23 compared to 2021/22

Appendix B – Formula factor values for 2022/23 compared to 2021/22

Appendix C – Growth and Falling Rolls for 2022/23

Anita Stokes
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Background papers:

Government Funding announcements July 2021 and December 2021

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2022-to-2023>

ESFA - National Funding Formula (NFF) for Schools and High Needs

[National funding formula tables for schools and high needs: 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2022-to-2023)

ESFA – Operational Guidance 2022-23

[Pre-16 schools funding: local authority guidance for 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2022-to-2023)

EFSA – APT2022-23

Schools' Business Rates – government consultation response

[Changes to the payment process of schools' business rates: government consultation response \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/consultation/schools-business-rates-response)

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