

TITLE OF REPORT: DSG Funding Settlement

Purpose of the Report

1. To bring to Schools Forum attention the information received from the Department for Education (DfE) for the 2022/23 Dedicated Schools Grant (DSG) funding settlement, and the work being carried out to provide schools and early years providers with their budgets for 2022/23.

Background

2. The DfE issued the 2022/23 funding settlement on the 16 December 2021. Gateshead will receive an estimated £174.489m DSG for 2022/23 (before recoupment and deductions), which is an increase in funding of £6.04m from the £168.449m received for 2021/22.
3. The DfE announced allocations for the four main funding blocks of the DSG, which includes estimates for some areas. The four blocks are:
 - The Early Years Block - for 2 and 3 & 4 year old funding, including Early Years Pupil Premium
 - Schools Block – for mainstream schools
 - Central Schools Services Block – for retained duties and historic commitments.
 - High Needs Block - which includes special schools, PRU and high needs top-up and place funding

The Early Years Block (EYB)

4. The rate for Gateshead for 3 & 4 year olds was £4.67 per hour for 2021/22 and has increased by £0.17 per hour giving an hourly rate of £4.84.
5. The EYNFF also includes funding for the 30 hours for eligible children, the Maintained Nursery Supplement (MNS) and Early Years Disability Access Funding (EY DAF). There has been a reduction in the estimated universal hours for 3 & 4 year olds and 30 hour provision for eligible children. There has been small increases in DAF and MNS and a small decrease in Early Years pupil premium (EYPP), however the funding rate for EYPP has increased from £0.53 per hour to £0.60 per hour and DAF has increased from £615 per pupil to £800 per pupil.
6. 2 year old funding increased by £0.21 per hour from £5.36 to £5.57 per hour.
7. The estimated total early years allocation is £13.705m, a decrease of £0.425m from the £14.130m received for 2021/22.

8. The initial full year settlement for 2021/22 for the MNS was £0.120m which was later increased to £0.124m. The estimated allocation for 2022/23 is £0.142m, an increase of £0.018m.
9. The actual funding allocations for 2, 3 and 4 year old funding will be updated in July 2022 following calculations using the January 2021 census.

Early Years Block Funding Comparison

Element	2021/22	2022/23	Difference
3 & 4 year old hourly rate	£4.67	£4.84	£0.17
2 Year old hourly rate	£5.36	£5.57	£0.21
Maintained Nursery Schools Supplementary funding*	£123,894	£141,562	£17,668
EYPP	£0.53	£0.60	£0.07
DAF	£615	£800	£185

*Initial allocation subject to change

The Central Schools Services Block (CSSB)

10. CSSB was new for 2018/19 and was created by transferring elements that used to be top sliced from the schools' block to this new block. The transferred items include contributions to combined budgets, school admissions, Servicing of Schools Forum, Termination of Employment Costs, School Licences and the retained element of what was the Education Services Grant (ESG).
11. The CSSB for 2022/23 £1.376m which is a reduction of £0.135m from the 2021/22 level of £1.511m. This reduction is made up of several elements as per the below table

Element	2021/22	2022/23	Difference
CSSB Unit of Funding	£33.67	£37.18	£3.51
Total Unit Funding	£803,619	£888,342	£84,723
Additional Funding for Centrally Employed Teachers (CET and additional claims above initial allocations to schools*)	£97,857	0	-£97,857
Historic Commitments	£609,920	£487,936	-£121,984
Overall Decrease in CSSD	£1,511,396	£1,376,278	-£135,118

*No longer separately identified, now included in the CSSB unit of funding.

The Schools Block (SB)

12. There are several elements used to calculate the overall funding of the SB, the Primary Unit of Funding (PUF), the Secondary Unit of Funding (SUF) and the historical based elements for private finance initiative (PFI) funded schools, premises factors and growth funding.
13. The PUF and SUF for 2022/23 are based upon pupil attributes of the October 2020 census and therefore do not reflect any changes to date between October 2020 to

October 2021. For 2022/23 the DfE have included an amount of funding in the PUF and SUF to mainstream the teachers pay and pension grants (TPPG)

Element	2021/22	2022/23	Difference
PUF	£4,583.55	£4,709.72	£126.17
SUF	£5,711.60	£5,897.59	£185.99
Premises Factors	£4,179,365.00	£4,348,281	£168,916
Growth Funding	£607,005.00	£626,025.00	£19,020
Total Schools Block	£124,515,496.00	£128,557,965	£4,042,469
Primary Pupil Numbers	14,709	14,587	-122
Secondary Pupil Numbers	9,158.5	9,306	147.5

14. The methodology for funding and paying rates has changes and further details is awaited from the DfE on how this will be funded and accounted for from 2022/23.

High Needs Block (HNB)

15. The 2022/23 HNB allocation (before recoupment) is £30.839m, which is an increase of £2.803m from the initial December 2021 settlement.

Element	2021/22	2022/23	Difference
NFF	£24,765,718	£27,215,680	£2,449,962.60
Basic Entitlement	£4,660	£4,660	£0.00
TPPG	£87,692	£87,692	£0.00
Total Funding	£28,035,492	£30,839,032	£2,803,539.75

Additional Grant

16. The DfE announced in the settlement that there will be an additional grant allocated to schools to cover the additional costs of the increase in national insurance contributions.
17. The early years and post-16 elements of the schools supplementary grant will be allocated on a simple per-pupil basis.
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.

18. The base per-pupil funding rate for early years provision in schools, and for maintained nursery schools, will be £24 per pupil.

19. Rates for 5 to 16 schools:

The base funding rates for 5-16 schools will be:

- 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

20. Rates for post-16

The base per-student funding rate for 16-19 provision in schools, including 16 to 19 schools and academies, will be £35 per student.

21. Allocations

School-level allocations will be published in spring 2022 and will show the total funding allocated for each applicable phase of provision.

22. The DfE have estimated that Gateshead mainstream schools will receive £3.77m and £1.11m for the HNB for the increase in national insurance contributions. It is anticipated that this grant will be mainstreamed into the DSG at a future date.

Other Funding Information

23. Increases in Pupil Premium have also been announced.

- Primary FSM6 pupils: £1,385 an increase of £40
- Secondary FSM6 pupils: £985 an increase of £30
- Looked-after children: £2,410 an increase of £65
- Children who have ceased to be looked-after £2,410 an increase of £65
- Service children: £320 an increase of £10

24. The below grants will continue for 2022/23 but the rates per pupil for the following grants have not yet been published: -

- Universal Infant Free School Meals
- Primary PE and Sport Premium have not been announced for 2022/23 academic year. Further details will be available later in the year for Gateshead Schools grant allocations.
- Free School Meal Supplementary Grant has not yet been announced but it is expected to continue.
- A second window for COVID-19 workforce grant for the period 22 November 2021 to 18 February 2022 has been announced and the claim form will be available from Spring 2022.

Proposal

25. That Schools Forum notes the funding available in the individual DSG Blocks before any movement between the blocks and deductions. This information enables the individual school budgets to be calculated using the DfE's Authority Proforma Tool (APT) (subject to a later report) and notes the estimated amounts available for the Early Years Block, the Central Schools Services Block, the High Needs Block allocation, and the other grant information provided.

Recommendations

26. That Schools Forum:-

- Notes the estimated Early Years Block
- Notes the Central Schools Services Block
- Notes the Schools Block
- Notes the High Needs Block allocation
- Notes the other grant information

For the following reasons:-

- To enable individual school budgets to be calculated
- To provide DSG and grant funding information

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