

## DEDICATED SCHOOLS GRANT 2022/23

### 1. Background

- 1.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local Authority, and with specific regulations on what each block of funding can be spent on:
- **Schools Block (SB)**– funds primary and secondary schools through the school’s funding formula, and growth funding for new and growing schools/bulge classes.
  - **Central Schools Services Block (CSSB)** – funds services provided by the local authority centrally for all schools and academies, such as the admissions service.
  - **Early Years Block (EYB)**– funds the free entitlement for 2, 3, & 4-year olds in all early year’s settings in the private, voluntary and independent (PVI) sector as well as maintained nursery schools, and nursery classes in mainstream schools.
  - **High Needs Block (HNB)** – funds places in special schools, resource units and alternative provision, and top up funding for pupils with Education, Health & Care Plans (EHCPs) in all settings including non-maintained special schools, independent special schools, and further education colleges.
- 1.2 The allocations for the 2022-23 financial year were published by the Department for Education (DfE) on 16<sup>th</sup> December 2021. Adjustments to the allocations are made throughout the year for academy schools recoupment, high needs provisions and for early year’s provisions. The CSSB is generally fixed for the year.
- 1.3 The DSG is a ring-fenced grant and must be deployed in accordance with the conditions of grant and the latest school and Early Years Finance (England) Regulations. Detailed guidance for each block is contained within various operational documents issued by the Education Funding & Skills Agency (EFSA).
- 1.4 Transfers between the individual blocks of the DSG are allowed providing they meet the regulations. The Schools Forum, at its meeting in December agreed to transfer 0.05% of the schools’ block allocation to the High needs’ blocks depending on the outcome of the modelling. The modelling resulted in a £776k transfer from the Schools Block (£100k to CSSB and £676k to HNB) and was agreed at Schools Forum in January 2022.
- 1.5 Schools Forum meets four times a year and the papers for the meetings can be found on the following link: [Schools Forum](#).

## 2. DSG Allocation and Budgets for 2022-23

- 2.1 Table 1 sets out the detailed DSG allocations for 2022-23 as published by the DfE on December 16<sup>th</sup>2021. It also shows the agreed transfers between the blocks of the DSG as agreed by schools through consultation, the 5-16 task group and schools forum. All transfers comply with the regulations.

### DSG Funding 2022/23

Slough NFF Funding Allocation	School Block	High Needs Block	Central Services Block	Early Year Block	Total
	£'000	£'000	£'000	£'000	£'000
2021/22	149,703	28,271	708	15,230	193,911
2022/23	155,285	30,610	743	14,461	201,100
Increase/(Reduction)	5,583	2,339	35	-769	7,188
% Change	3.7%	8.3%	5.0%	-5.0%	

## 3. Schools Block

- 3.1 The schools block allocation is primarily based on Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These units are then multiplied by the pupil numbers on the October 21 census. The Primary Unit of Funding (PUF) and the Secondary Unit of Funding (SUF) unit values were increased by 2% and 2.1% respectively against the 2021-22-unit values.
- 3.2 An allocation for growth and premises is also added to the PUF and SUF allocations to complete the funding for the schools block.
- 3.3 Table 2 shows the comparisons between the schools' block funding for 2021-22 and 2022-23.

Final Settlement 2021/22				Final Settlement 2022/23				Variance				
	Unit Funding £	Pupil No.	Total Funding £		Unit Funding £	Pupil No.	Total Funding £	Unit Rate	Funding Rate % increase	Pupil no. variance	Funding Variance £	Total £
PUF	4,492	16,609	74,610,285	PUF	4,580	16,487	75,510,625	88	1.96	-122	900,339	
SUF	6,117	11,663	71,338,839	SUF	6,244	12,147	75,841,167	127	2.08	484	4,502,328	
		28,272	145,949,124			28,634	151,351,792			362	5,402,668	5,402,668
Premises			2,471,365	Premises			2,580,502	Premises			109,137	
Growth			1,284,445	Growth			1,353,084	Growth			68,639	
			3,755,810				3,933,586				177,776	177,776
<b>Total Settlement</b>			<b>149,704,934</b>	<b>Total Settlement</b>			<b>155,285,378</b>	<b>Total increase over 2021/22</b>				<b>5,580,444</b>

- 3.4 The approach to setting the schools funding formula for 2022-23 has been to mirror the full national funding formula rates.

- 3.5 The School Block funding includes £1.54m NNDR funds which will be retained by the ESFA due to centralising the payments of NNDR.
- 3.5 The schools block budget has been set based on the criteria agreed on at Schools Forum meeting in December which took into consideration recommendations from the 5-16 task group. The final budgets were agreed at the January meeting of the Schools Forum based on the settlement received from Government on 16<sup>th</sup> December.
- 3.6 Annexe 1 shows the final allocations against the NFF factor rates, these rates may change depending on the final allocation of the grant once Authority Performa Tools will be completed in Jan. 22 and agreed by ESFA.
- 3.7 Final budget for individual schools will be available once the Authority Performa Tool will be completed in Jan.2022 and budget will be published.

#### **4. Central Schools Services Block**

- 4.1 The central schools services block is split into two elements, historical commitments and ongoing commitments. From 2020-21 the ESFA have included a mandatory reduction of 20% in the historical elements of this block. Slough has already reduced its historical elements by more than 20% so the additional funding can be utilised within the ongoing commitments area. Funding for ongoing commitments is calculated using 2 factors, a basic per-pupil factor, through which LAs receive the majority of funding, and a deprivation per-pupil factor.
- 4.2 The central services budget allocation has increased by £35k from £708k in 2020-21 to £743k in 2022-23. This is mainly due to an overall increase in pupil numbers for which the ongoing element is calculated on.

#### **5. Early Years Block**

- 5.1 The early years block is made up of specific elements for funding of the two year old entitlement, a total of £1.1m and the three and four year old entitlement for both the universal 15 hours and the additional 15 hours for eligible children of working parents, which is a total of £12.5m.
- 5.2 In addition to the above elements the Early Years National Funding Formula allocates funding for the early years pupil premium at a rate of £0.70 per eligible child per hour, a total of £123k and disability access fund at £800 per eligible child per year, a total of £51k and a maintained nursery lump sum, a total of £699k. The Maintained Nursery Lump Sum (MNS) allocated on both an indicative and conditional basis. The element from April 2022 to August 2022 is indicative and the element from September 2022 to March 2023 is allocated on a conditional basis.
- 5.3 Since the introduction of the EYNFF, local authorities have received supplementary funding for maintained nursery schools on top of their EYNFF allocation, to protect their MNS funding at their 2016 to 2017 level for the universal 15 hours. For 2022 to 2023 supplementary funding rates are uplifted

by 3.47%, which is equivalent to the increase in the 3 and 4-year-old hourly funding rates.

- 5.4 The regulations regarding the funding flow to providers mandate that 95% of the total blocks' allocation received for early years has to be allocated directly to provisions and a maximum of 5% of can be utilised by the authority for central expenditure. All providers are consulted annually on the distribution of the early years funding formula and the central spend is agreed at Schools Forum.
- 5.5 The final allocation for early years is not available until the July of the calendar year of which the financial year falls into as the final adjustment for early years funding is based on the variance between the current and preceding years January census.

## **6. High Needs Block**

- 6.1 The authority receives the funding for the high needs block based on a formula set by the DfE. The formula provides for every authority to receive an increase of at least 8% per head of the age 2 to 18 populations based on what authorities received in 2021-22.
- 6.2 Like the schools' block allocation, the high needs block allocation has a factor in it for Teachers Pay Grant (TPG) and the Teachers Pension Employer Contribution Grant (TPECG).
- 6.3 The allocation for the high needs block has increased by £2,3 from £28.3m in 2021-22 to £30.6m in 2022-23. There will be a total net adjustment to the import/export element in July to reflect actual movement. This is a net adjustment to reflect the difference between high needs pupils and students living in one local authority and attending a school or college in another.
- 6.3 The authority funds pre 16 special units and resource bases on 2 elements, a core (place) element and top up (per pupil) element.

## **7. The Management Plan**

- 7.1 Since the implementation of the Special Educational Needs and Disability (SEND) reforms as part of the Children & Families Act 2014, there has been a nationwide trend towards increased numbers of Children & Young People (CYP) being assessed for, and being issued with, an Education and Healthcare Plan (EHCP). In the last 3 years in Slough, the number of CYP with an EHCP has increased from 1,243 to 1,532 (an average increase of 7.7% per year).
- 7.2 The Council's DSG deficit has also been growing since 2015/16, mainly due to the pressures for additional funding in this area. The overall deficit has grown from £4.9m in 2015/16 to £20.6m as at 31 March 2021, and could potentially grow to £43m by 2024/25 if no mitigating action was taken.

**Table 3: DSG Deficit**

£m	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
B/F	5.7	4.9	2.4	5.4	7.5	13.4
In-year	-0.8	-2.5	3.0	2.1	5.9	7.2
C/F	4.9	2.4	5.4	7.5	13.4	20.6

7.3 All local authorities with DSG deficits are now required to prepare and implement a deficit management plan, although the Department for Education (DfE) recognises that in some cases it may take several years for the situation to improve. Slough's deficit management plan was shared with the DfE in July 2021. Actions to manage demand for EHCP funding and address the DSG deficit are included in this plan as follows:

- SEND panels should ensure more robust, transparent decision-making, with commissioning professionals and/or finance officers in attendance.
- all SEND data must be accurate and up to date
- funding should be ceased promptly when CYP are no longer in education, employment, or training and/or their outcomes have been met
- there should be a clearer focus on more effective transition planning for post-16 and Preparation for Adulthood for CYP with EHCPs
- establish a more robust commissioning framework for therapies (particularly speech and language)
- development of in-borough provision to meet needs of specific SEND cohorts, reducing numbers of specialist setting and out of area placements
- improve contract monitoring with independent providers.
- audit current banding models to identify potential alternative systems for funding EHCP top-ups in mainstream, specialist resourced provision and special schools.

### Risks

7.6 The key risk is regarding the assumptions made that underpin the management plan. Assumptions have been informed by all available information including past trends however given the number of variables and external factors that can impacts, assumptions are likely to change. Assumptions will continue to be reviewed as new information becomes

available and will be reflected in the periodic updates to the management plan to help inform future decision making

Progress to date

- 7.7 A separate report is to be presented to Cabinet with a more detailed update on the DSG's deficit and management plan, some of the key progress made to date is outlined below:
- all new independent placements will have contracts and IPAs from this point forward, to enable contract management and challenge where necessary.
  - Commissioner meetings with independent providers have begun and will be complete by end of financial year 2021/22
  - more robust and transparent processes at SEND panel have been implemented.
  - partnership working with Adult Social Care has been strengthened to improve post-16 placement and transition planning
  - Resource Base review has identified 3 provisions that can potentially be redesignated as SEN Units, which will strengthen the process of ensuring that CYP with SEND are matched to appropriate provision. SLAs are being scrutinised by legal, and the schools involved are liaising with SEND Commissioner re consultation process. This piece of work is expected to be completed by end of current financial year.
  - new SEND Team Leader for post-14 has identified and begun to action EHCPs that the LA should cease to maintain.

Safety Valve

- 7.4 The Council has been invited to take part in the 'safety valve' intervention programme with the DfE with the aim of agreeing a package of reform to our high needs system that will bring the DSG deficit under control. Officers are currently in the process of updating the existing management plan and package of proposals in readiness for the review with the DfE which is expected to commence in April/May 2022.
- 7.5 If the proposals are agreed to by the Secretary of State, they will form the basis of a published agreement. The agreement will require the Council to implement reforms to the agreed timetable, alongside maintaining an agreed savings profile. It will also set out additional funding which the department will release to support the reduction of the cumulative deficit.

## Appendix C – Dedicated Schools Grant 2022/23

### Annexe 1

#### Formula Factor Values 2021-22 to 2022-23

#	Element	2021/22 DfE –	2021/22 DfE –	Slough Current Rates 2021/22	2022/23 DfE	Variance Slough 2021-22 rates to NFF Rates 2022- 23
		NFF with ACA Minimum Factor Value	NFF with ACA Maximum Factor Value		NFF WithFactor Value	
1	AWPU: Primary per pupil	£3,300.82	£3,442.57	£3,458.32	£3,527.45	£69.13
2	AWPU: KS3 per pupil	£4,654.76	£4,854.65	£4,876.86	£4,974.40	£97.54
3	AWPU: KS4 per pupil	£5,245.59	£5,470.85	£5,495.88	£5,605.80	£109.92
4	FSM: Primary per pupil	£486.19	£486.19	£486.19	£495.90	£9.71
5	FSM: Secondary per pupil	£486.19	£486.19	£486.19	£495.90	£9.71
6	FSM6: Primary per pupil	£607.74	£607.74	£607.74	£619.80	£12.06
7	FSM6: Secondary per pupil	£887.83	£887.83	£887.83	£904.00	£16.17
8	IDACI Band A: Primary per pupil	£655.30	£655.30	£655.30	£668.40	£13.10
9	IDACI Band A: Secondary per pupil	£914.25	£914.25	£914.25	£932.50	£18.25
10	IDACI Band B: Primary per pupil	£502.05	£502.05	£502.05	£512.00	£9.95
11	IDACI Band B: Secondary per pupil	£718.72	£718.72	£718.72	£733.00	£14.28
12	IDACI Band C: Primary per pupil	£470.34	£470.34	£470.34	£479.70	£9.36
13	IDACI Band C: Secondary per pupil	£665.87	£665.87	£665.87	£679.15	£13.28
14	IDACI Band D: Primary per pupil	£433.35	£433.35	£433.35	£442.00	£8.65
15	IDACI Band D: Secondary per pupil	£613.03	£613.03	£613.03	£625.10	£12.07
16	IDACI Band E: Primary per pupil	£274.80	£274.80	£274.80	£280.25	£5.45
17	IDACI Band E: Secondary per pupil	£438.63	£438.63	£438.63	£447.10	£8.47
18	IDACI Band F: Primary per pupil	£227.24	£227.24	£227.24	£231.75	£4.51
19	IDACI Band F: Secondary per pupil	£327.65	£327.65	£327.65	£334.20	£6.55
20	LPA: Primary per pupil	£1,157.35	£1,157.35	£1,157.35	£1,192.07	£34.72
21	LPA: Secondary per Pupil	£1,754.52	£1,754.52	£1,754.52	£1,807.16	£52.64
22	EAL3: Primary per pupil	£581.32	£581.32	£581.32	£585.00	£3.68
23	EAL3: Secondary per pupil	£1,569.56	£1,569.56	£1,569.56	£1,575.00	£5.44
24	Lump Sum Primary	£124,507.53	£124,507.53	£124,507.53	£124,507.53	£0.00
25	Lump Sum Secondary	£124,507.53	£124,507.53	£124,507.53	£124,507.53	£0.00
26	Sparsity: Primary	£47,562.30	£4,756.23	£4,756.23	£5,000.00	£243.77
27	Sparsity: Secondary	£73,985.80	£7,398.58	£7,398.58	£7,500.00	£101.42
28	Mobility: Primary per pupil	£95.12	£95.12	£95.12	£95.12	£0.00
29	Mobility: Secondary per pupil	£136.35	£71.54	£136.35	£136.35	£0.00