

**REPORT TO:** Schools Forum  
**DATE:** 19<sup>th</sup> January 2022  
**REPORTING OFFICER:** Operational Director - Finance  
**SUBJECT:** School Funding for 2022-23  
**WARDS:** Borough wide

## **1.0 PURPOSE OF THE REPORT**

To report to the Schools Forum the Dedicated Schools Grant for 2022-23.

## **2.0 RECOMMENDATION: That**

- 2.1 The report is noted.
- 2.2 The level of Minimum Funding Guarantee to be applied to the Schools Block funding formula for 2022-23 is agreed.
- 2.3 That maintained school representatives decide by phase which de-delegated budgets they agree to fund in 2022-23.

## **3.0 SUPPORTING INFORMATION**

### **3.1 Grant settlement**

The Dedicated Schools Grant allocation for 2022-23 was announced on 20th December at £135,294,589, broken down as follows:

Schools Block	£102,178,425
Central Schools Services Block	£728,189
Early Years Block	£9,355,753
High Needs Block	£23,032,222

This is an overall increase of £4,303,230 compared to the £130,991,359 allocated for 2021-22.

For the first time, the Schools Block will be reduced by the Department for Education by £788,035 due to the change in the way Business Rates costs are handled. Therefore the Schools Block available to allocate through the formula is £101,390,390.

From the allocation for 2022-23, an estimated £3,158,000 will be recouped by the Department for Education from the High Needs Block. This is for academies and other educational establishments for the commissioned High Needs Place funding, reducing the High Needs Block allocation that we receive to £19,874,222.

The Department for Education has also announced Supplementary DSG funding for 2022-23. The schools element of this is estimated at £3,108,481 and the High Needs element is estimated at £864,263. Individual school Supplementary funding allocations will be confirmed by the Department for Education at some point in the Spring Term.

### 3.2 Pupil Numbers

Pupil numbers in the primary and secondary sectors have increased/decreased overall, details as below:

	2022-23	2021-22	Variance
Primary	10,528	10,668	-140
Secondary	7,707	7,617	+90
Total	18,235	18,285	-50

### 3.3 Current Position

As in previous years we are still in the process of calculating and checking the individual Schools Block Budgets. These will be issued shortly before the meeting.

After the provisional Schools Block budgets have been shared with Schools Forum at the January meeting we will submit the formula to the Education and Skills Funding Agency for approval. Once this is received we will notify all schools of their confirmed Schools Block budget for 2022-23.

### 3.4 Transfer of funding to the High Needs Block

We submitted a disapplication request to the Department for Education, to transfer 1% of the Schools Block allocation for 2022-23. At the time of writing we have not yet had a decision.

### 3.5 Minimum Funding Guarantee

We are required to agree the level of Minimum Funding Guarantee (MFG) to be applied to the Schools Block funding formula for 2022-23. As per the outcome of the consultation with schools, Schools Forum has been given the power to make this decision at the January meeting. For 2022-23 we are able to set the MFG at between plus 0.5% and plus 2.0%. The recommendation for the level of MFG, which depends very much on what we can afford based on the grant settlement, will be issued shortly before the meeting.

### 3.6 De-delegation

The de-delegated budgets and income sit within the Central Schools Services Block. The proposed budgets are still being finalised and details will be issued shortly before the meeting. We are required to

ask maintained school representatives from the primary and secondary phases to decide on whether they wish to de-delegate these funds for 2022-23.

### 3.7 Pupil Premium Grant

The Department for Education has set the funding rates as below:

Primary Free School Meal Ever 6 pupil	£1,385
Secondary FSM6	£985
Looked After Children	£2,410
Post-LAC	£2,410
Service Children Ever 6	£320

The allocations to the LA and to individual schools will be announced by the Department for Education during the Spring term.

### 3.8 Central Schools Services Block budgets for 2022-23

The CSSB allocation for 2022-23 is £728,189. This is an increase of £29,216 to the 2021-22 budget of £698,973.

Alongside the De-delegated budgets we have a number of budgets from the CSSB. A full list with proposed budgets will be issued prior to the meeting as we are still in the process of finalising these budgets.

### 3.9 Early Years Block budgets for 2022-23

The indicative Early Years Block grant allocation has been issued at £9,355,753. This is a decrease of £507,112 compared to the 2021-22 indicative budget of £9,862,865. This is due to a lower number of full time equivalent children receiving provision; a reduction of 121.26fte for 3&4 year old universal provision and 43.42fte for 3&4 year old additional provision. There is also a reduction of 34.59fte for 2year old provision.

The DfE have issued details of the hourly rates they will pay to LAs and most have seen an increase in rates. However Halton is one of nine LAs whose hourly rate for 3&4 year old provision has stayed at the same level as the current year. Halton has in fact been funded at £5.12 per hour for 3&4 year old provision since April 2019. Funding for 2 year old provision, Early Years Pupil Premium and the Disability Access Fund has increased.

The final Early Years block adjustment for the 2020-21 financial year was issued in November 2021 and reduced our grant allocation by £147,325.

The Early Years funding formula will, as normal, be brought to the February meeting.

### 3.10 High Needs Block budgets for 2022-23

The High Needs Block allocation for 2022-23 is £23,032,222 less recoupment of £3,158,000 to give £19,874,222. This is an increase of £1,545,434 compared to the 2021-22 allocation of £18,328,788. While this increase is good news, we must still be cautious as the forecast spend for this year for the High Needs Block is £20,791,297. As costs are increasing year-on-year we do not have sufficient to clear the cumulative deficit and fully fund the expected costs for next year.

The detailed budget for 2022-23 is still being finalised and will be brought to the February meeting as normal.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 Further savings and reducing overspends are essential to getting back to a balanced DSG position. Should the 1% transfer of Schools Block funding be refused, the overall deficit position could exceed £3M by the end of March 2023.

## **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **5.1 Children & Young People in Halton**

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

### **5.2 Employment, Learning & Skills in Halton**

None.

### **5.3 A Healthy Halton**

None.

### **5.4 A Safer Halton**

None.

### **5.5 Halton's Urban Renewal**

None.

## **6.0 RISK ANALYSIS**

- 6.1 We need to comply with the regulations otherwise could have formula imposed on us.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

- 7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.