

Southend-on-Sea Borough Council

Executive Director of Finance and Resources
Executive Director of Children and Public Health

To
Education Board

On
19th October 2021

Report prepared by:
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Agenda
Item No.

Dedicated School Grant (DSG) 2022/23 budget planning and 2021/22 budget update

1 Purpose of Report

- 1.1 To update the Education Board (EB) on DSG budget planning for 2022/23 following the Department for Education (DfE) July 2021 School funding announcements.
- 1.2 To seek to agree a decision in principle with regard to the setting of our local 2022/23 Individual School Block funding allocations per pupil.
- 1.3 To update the EB on the latest DSG budget for 2021/22 following the applied annual DfE July 2021 funding update changes.
- 1.4 To formally adopt a DSG reserve strategy for balances held.

2 Recommendations

Education Board are asked to agree:

- 2.1 With regard to individual school's budget (ISB) planning for 2022/23, to continue on the trajectory of adopting the principles of the National Funding Formulae (NFF). (As referenced in 5.1 through to 5.5). And therefore;
 - 2.1.1 Any mainstream school that attracts their core NFF pupil led funding factors (i.e. with no MFG or funding floor protections applied), to benefit from the full NFF applied circa 3% increase to those core funding factors per pupil.
 - 2.1.2 All remaining mainstream schools whose per 2021/22 per pupil led funding rates are either above the revised NFF mandatory 2022/23 minimum funding amounts per pupil or core NFF funding rate per pupil as referenced in 2.1.1, will receive the same NFF maximum allowable 2% uplift per pupil.

- 2.2 To formally adopt the approach of recommended minimum balances held in DSG reserves and the approach of one off use of reserve balances where they are above those minimum levels (As referenced in 11.7 and 11.8).

3 Background

2021/22

- 3.1 The updated DSG budget for 2021/22 follows the annual July 2021 release from the DfE of the latest 2020/21 DSG funding block allocations at a Local Authority (LA) level, where funding changes have been applied to high needs, and as yet, we await any changes in relation to the early years block funding for 2021/22.

2022/23

- 3.2 The DSG budget planning for 2022/23 follows both the original September 2019 Government headline announcements on the future of schools funding, and continued announcement by the DfE in July 2021 and subsequent DfE's release of the "Schools revenue funding 2022 to 2023 operational guide" used to help guide LA's and their Schools Forums/Education Boards to plan the local implementation of the funding system.
- 3.3 2022 to 2023 will also now be the fifth year of the National Funding Formulae (NFF) reforms and is the funding basis for setting individual school block allocations. However, it does still remain a local decision with the agreement of School Forum on the final school per pupil rates set at an individual school level (within minimum guarantee protections) with the exception now of the minimum per pupil funding rates which is a mandatory funding factor.
- 3.4 The Government have continued to re-affirm their position of intention to move to a Hard NFF, whereby individual school budgets would be set through one single national formula rather than local funding formulae. In July 2021, the DfE published a consultation on proposals for completing these funding reforms, which also proposes that from 2023 to 2024 all local authorities will be required to bring their own formulae closer to the single national formula to smooth the transition. The Government have also sought views in that consultation in relation to moving annual funding of maintained schools to an academic year (mirroring an academy school funding year) as oppose their current april to march financial funding year. Maintained schools therefore need to be very minded of this change in both budget planning and administration should this change occur.
- 3.5 In terms of the NFF funding formulae itself, it must be noted and continually commended that our own LA and Education Board has positioned itself well over the last five years to align our School DSG resources to the principles of the NFF (which started in 2017/18) and support those principles, it therefore would now simply make no sense and dispute school budget planning to move away from these principles. There is also however, now, very limited options to be able to deviate away from those principles given the built in NFF Minimum funding guarantee protections regardless.

- 3.6 It is also reported, that most LAs are now adopting the principles of the NFF in their individual school funding formula.
- 3.7 Whilst, 2022/23 funding headlines continue to be welcome news for both the Schools and High Needs block. The DfE, as previously reported and suspected have confirmed that the DSG Central Block Historic commitment funding element will be unwinding further by another 20% from the 2021/22 baseline. 2022/23 is now the 3rd annual funding reduction of 20% which was firstly applied in 2020/21 as part of the wider NFF reforms. The DfE have also repeated their intention that this funding will continue to unwind until all gone and likely by time of implementation of the Hard NFF.
- 3.8 The DfE have not yet made any announcements in relation to Early Years funding for 2022/23. The DfE state the guidance will be published in the Autumn 2021 term following which these announcements will then be shared in the next EB DSG December 2022/23 budget planning paper.

4 Dedicated Schools Grant 2022/23 budget planning and 2021/22 budget update

Foreword

- 4.1 In September 2019, the Government and the DfE released a statement, “that the funding for schools and high needs compared to 2019-20, will nationally rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23”. Which is ofcourse a welcome announcement and 2022/23 itself is now the final year of that three year announcement, but we remain minded on a national and local basis this is on the back drop of significant national pressures on high needs funding, schools that have been struggling financially alongside further and justifiable required increases in teacher salaries and pension contributions.
- 4.2 The 2022/23 indicative DSG funding allocations at a total local level are presented alongside the detail of the latest 2021/21 Budget allocations as shown in “Appendix 1 – DSG Latest 2021/22 budget and Indicative budget 2022/23”. The DfE total funding allocation for 2021/22 DSG resources is now £171.603M and the total indicative 2022/23 allocation is £176.524M. This represents a total indicative increase of £4.921M from 2021/22 applied across the Schools Block of £2.780M, High Needs block of £2.261M and a net reduction of (£0.121M) to the Central Block.
- 4.3 All the applicable changes to the updated 2021/22 DSG budget, and basis of the indicative 2022/23 budget allocations are explained within each DSG block of this paper.

5 Schools Block – Individual School Block (ISB) allocations 2022/23

- 5.1 The 2022/23 indicative DfE allocations published contain the actual 2022/23 primary unit of funding (PUF) and secondary unit of funding (SUF) that the DfE will use to calculate each LA's final school block allocation. And as repeated annually, they will then also issue the updated and final total 2022/23 school block funding allocations in December 2021 based on the latest pupils numbers and adjusted funding factors recorded through the October 2021 school census.
- 5.2 The following are the key headlines related to mainstream school funding for 2022/23 released by the DfE in July 2021:
- 5.2.1 The minimum per pupil levels will be set at £4,265 for primary schools (£4,180 in 2021/22) and for secondary schools £5,525 (£5,415 in 2021/22), both with an equivalent circa 2% increase from 2021/22. And to simply remind, from 2020/21 the minimum amounts per pupil are also now a mandatory funding factor.
 - 5.2.2 Where schools are attracting their underlying core NFF allocations, the NFF has built in an increase of circa 3.0% from the 2021/22 Pupil led funding factors: basic entitlement, free school meals at any time in the last 6 years, income deprivation affecting children index (IDACI). Lower prior attainment (LPA), English as an additional language (EAL), a circa 2% increase on Free Schools Meals (FSM) from 2021/22, and separately a 3.0% increase on the lump sum from 2021/22.
 - 5.2.3 And for those Schools whose per pupil led funding rate is already above both 5.2.1 and 5.2.2, the NFF funding floor per pupil led rate has been set at a 2.0% increase from their 2021/22 per pupil led base line.
 - 5.2.4 A NFF 0% increase on premises factors, except for PFI which has increased by RPIX.
 - 5.2.5 The per pupil led Minimum MFG (Minimum Funding Guarantee) protection from 2021/22, can be set between a +0.5% and + 2% per pupil.
 - 5.2.6 LAs continue to be able to propose a transfer up to 0.5% from their schools block to other DSG blocks with school forum approval. And a disapplication request to the DfE continues to be required for any transfer request above 0.5% or any amount without school forum approval.
 - 5.2.7 The government have re-confirmed and now consulting on final plans to move to a hard NFF for Individual School budgets.
- 5.3 Now given that our local Education Board has been a strong adopter from the start of the NFF reforms (from 2017/18, 5 years ago) and that the government's strong intention remains to move to a single 'hard' national funding formula to determine every school's budget, there is therefore no foreseeable reason why our EB would now choose to move away from these NFF principles. We must also be minded, as listed above in 5.2.1 to 5.2.3, no school will lose funding on a per pupil basis, as the NFF has a built in an increase of 2% on minimum amounts per pupil, a 3% uplift to the selected core underlying funding factors

including basic entitlement, and for all remaining schools already above their core NFF funding amount or minimum amount per pupil have a built in 2% increase from their 2021/22 per pupil led funding baseline. This therefore represents a positive funding increase per pupil for all schools.

- 5.4 It is therefore recommended (excluding the minimum funding amounts per pupil which is a compulsory factor regardless), that for 2022/23 the Education Board continue to fully adopt the principles of the NFF as listed in 5.2.1 to 5.2.3.
- 5.5 In view of the recommendation of 5.4, using the 2021/22 School block data set, the illustrative 2022/23 school level per pupil led rates are shown in Appendix 2 including a % increase comparison to their 2021/22 base line. It must remain caveated that with regard to the applied 2022/23 3% increase on the core underlying NFF funding rates and in accordance with the annual funding cycle, it will only be possible to know the actual final per pupil led rate for those applicable schools once the DfE have released in late December 2021 the updated School Block data set for 2022/23 (which is based on the October 2021 school census). **And please note** - the then actual final 2022/23 individual school allocations will be subsequently shown in the January 2022 EB DSG paper which will include the updated numbers of pupils on roll at each school (based on the DfE's October 2021 census) multiplied by these now proposed 2022/23 per pupil led funding rates to form the final 2022/23 funding allocations.

6 Schools Block – Centrally retained 2022/23

- 6.1 The following is the key headline, released by the DfE in relation to the growth fund for 2022/23;
- 6.1.1 For 2022 to 2023, growth funding will be calculated using the same methodology as in 2021 to 2022, based on the growth in pupil number between the October 2020 and October 2021 censuses.
- 6.1.2 Local authorities that received growth funding protection in 2021 to 2022 have continued to receive protection in 2022 to 2023, meaning the maximum reduction in growth funding for these local authorities will be set at -0.5% of their total DSG schools block allocation in 2021 to 2022.
- 6.2 The 2022 to 2023 actual DfE DSG growth funding amount won't be known until December 2021 once the DfE have processed the differences between the two October censuses.
- 6.3 For Southend, we are not expected to meet the need for growth funding protection as we are now experiencing the growth in our secondary sector, and as previously agreed through EB:
- 6.3.1 In the March 2019 EB DSG Growth paper. Southend has an affordable funding plan to support growth to schools over the life of the expected growth within the funding available. Which includes declared minimum funding rates which can be set as necessary.
- 6.3.2 And as per the timings of announcements as agreed in the December 2019 EB DSG budget planning paper, final growth rates for 2022/23 will be

declared in the January 2022 EB DSG budget paper (so once the final funding DfE allocations are known for 2022/23), alongside any potential and affordable increase adjustment for the rates currently applied in 2021/22.

7 Schools Block – De-delegated 2022/23

- 7.1 In accordance with the annual funding cycle, any proposed amounts for 2022/23 de-delegation consideration (Voting rights maintained schools only), will be presented to the EB in the December 2021 EB DSG paper. And it remains minded, the only current approved funding item for delegation in 2021/22 is staff cost public duties claims allowing further buy in from Academy schools to support and therefore also be eligible for those claims.

8 Early Years Block

2021/22 Budget Update

- 8.1 Usually by October Early Years DSG funding into the LA would have been updated for any final funding final adjustment relating to the previous 2020/21 financial year which also results in a subsequent update for a revised indicative budget allocation for the current 2021/22 financial year.
- 8.2 Now due to the Covid-19 pandemic, the DfE have changed the basis of funding a revised indicative 2021/22 year from the usual spring January 2020 and spring January 2021 early years censuses, to now funding that will be determined using the spring censuses but also now including both an additional formal early years head count census for the Summer 2021 and Autumn 2021 terms. Once the DfE, have processed these censuses the DSG funding into the LA will then be adjusted for each of those respective terms. The DfE have made these adjustments so in effect they are now funding actually termly headcounts, as oppose, the traditional January spring term census effectively used as a basis to represent an average for the year.
- 8.3 In terms of current timings of 2021/22 budget updates, there are therefore no further funding updates to report for either the final DSG 2020/21 early years funding, which is now due out in November 2021, or the 2021/22 financial year which won't be known until January 2022 and subsequent final funding allocation for 2021/22 in July 2022. These DSG funding adjustments will therefore be shared through the respective subsequent DSG papers once known.

2022/23 Budget Planning

- 8.4 The LA currently awaits any further detail in relation to the Early years funding rates from 2022/23. The DfE have confirmed these will be released in the Autumn term 2021 and this will then subsequently inform any proposed funding decision for 2022/23. It is hoped this can be shared for EB recommendation in the December 2021 EB DSG paper, but if the announcement falls too late in the Autumn term the decision will need to be deferred until the January 2022 EB DSG paper.

9 High Needs Block

2021/22 Budget Update

- 9.1 The High Needs Block DSG budget has now been adjusted following the DfE's annual 'import and export adjustment*' announced in July 2021, and it is has confirmed this has decreased our High Needs Blocks funds by a (£102,000) to now £25.456M as there has been a net reduction of 17 pupils from other local authorities home based pupils from 2020/21.
- 9.2 In July 2021, the DfE also announced a further recoupment funding adjustment deducting 5 places (of the 50) for 5 Southend pupils placed at the YMCA free school. Equivalent £50,000 (£10,000 per annum per place fund).
- 9.3 The above funding adjustments, alongside the wider demand led nature of high needs funding continues to demonstrate why High needs funding needs considerate and planned monitoring.
- 9.4 Therefore, as to not effect, any already pre-planned service funding allocations as set at the June 2021 Education Board for 2021/22. The total combined £152,000 funding adjustments (referenced in 9.1 and 9.2), which should now be assumed to continue on a permanent basis as this time, will be applied as displayed in Appendix 1 against the "balance held aside from service provision to support any in year high need funding pressures". Reducing that balance from £329,000 to £177,000, and therefore this sensibly will have no impact on currently agreed budgeted service allocations.

'import and export adjustment*' - relates to a DfE defined in year High Need funding adjustment compiled from the latest January school census and RO6 Individualised learner record. Whereby a local authority's high needs block funding allocation is compensated if there is a net import increase from the previous year due to more other local authority home based pupils placed in their area, or alternatively reduced if there is a net export increase from the previous year if more local authority home based pupils are placed in another local authority area. Southend's 2021/22 High Need block allocation has therefore decreased by a further £102k (£6,000 reduction per pupil for 17 pupils), due to a now overall revised net import of 59 pupils, compared to a net import of 76 pupils for the previous year.

2022/23 Budget Planning

- 9.5 The following is the key headlines, released by the DfE in relation to High needs funding for 2022/23 and we must remain minded 2022/23 is now the 3rd and final year of the government's previous 3 year increased funding announcement for schools and high needs block:
- 9.5.1 The funding floor will be set at 8% so each LA can plan for an increase of at least that percentage, after taking into account changes in their 2 to 18 population estimated through the office of national statistics.
- 9.5.2 The gains cap will also be set at 11%, on the basis of their 2 to 18 head of population, allowing authorities to see up to this percentage increase under the funding the formula.
- 9.6 Therefore, for our own local 2022/23 DSG high need funding allocation this has now been indicatively been set at £27.718M, an additional £2.262M from

2021/22, applying a gain increase of 9.14%, so above the funding floor protection of 8%, but slightly below the gains cap of 11%. Southend is therefore receiving the full funding allocation through the Formulae in 2022/23.

- 9.7 This therefore is obviously great news once again (as was 2021/22's funding announcement) for Southend's children and young adults who require special educational needs related support and children who require alternative education.
- 9.8 And again, as per our local DSG annual funding cycle, the actual full detailed application of this additional 2022/23 funding will be considered as part of the EB June 2022/23 High Need detailed allocation budget paper. June was agreed through the EB to allow enough time for the SEND team in consultation with respective special schools and mainstream schools to allocate the expected in borough EHCP banded funding rates for the following academic year 2022/23. Following the completion of EHCP banded levels consultation this can then subsequently support any required wider funding considerations for that Academic Year to come.

10 Central Block

2022/23 Budget Planning

- 10.1 The following is the key July 2021 headlines released by the DfE in relation to central block funding for 2022/23:
- 10.1.1 As stated previously, the department are continuing to reduce the element of funding within central block that some local authorities receive for historic commitments made prior to 2013 to 2014.
 - 10.1.2 In 2022/23 for those local authorities that receive it, historic commitments will be reduced by a further 20% from the 2021/22 baseline.
 - 10.1.3 The funding for ongoing responsibilities (LA statutory duties) to deliver for all pupils in maintained schools and academies, will continue to be protected for any losses below -2.5% from the 2021/22 allocation for any reduction in changes between per pupil numbers (between October censuses), but reversely any gains gapped at 5.6% where pupil numbers increase.
- 10.2 The reduction in funding for historic commitments is no surprise, although ofcourse disappointing and was first shared in both the October 2019 and December 2019 EB DSG papers, including a position statement at that time that our own LA should now continue to plan on further funding losses in 2021/22 and beyond.
- 10.3 In December 2020, EB agreed the plan to manage these continued expected funding losses for both the 2022/23 and 2023/24 financial year by drawing on any remaining Central Block DSG reserves to continue to fund the remaining historic commitment funded services at their current funded levels for these 2 years. There is therefore no need to re-consider this position for 2022/23 but it

will need to be considered for 2025/26 subject to no further increase acceleration of this funding unwinding by the DfE. Further central block funding planning will therefore need to commence in 2023/24 or 2024/25 by the latest. At the same time we also need to await any further funding announcement from the DfE in view of the current consultation on a Hard NFF (as referenced in 3.7).

- 10.4 The table below simply illustrates the now confirmed DSG funding losses for our LA central block historic commitment allocation from the start of 2019/20 through to 2022/23 with a further current suggested trajectory to 2025/26 at the current continued rate of a 20% loss from the previous years base line. This is then also mapped alongside the now current funded commitment for historic services (following the EB December 2020 DSG paper), giving an indicative suggestion of how long those commitments can remain funded at their current levels until a Central block DSG reserve deficit balance would occur in 2025/26. Again, this table is heavily caveated that the DfE may choose to accelerate these losses further so we must continue to await and review further details as they are announced:

	Financial Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
A	DSG Funding remaining	£905,000	£724,000	£579,000	£463,000	£371,000	£297,000	£237,000
	% unwound*		20%	20%	20%	20%	20%	20%
	Funding loss*		(£181,000)	(£145,000)	(£116,000)	(£92,000)	(£74,000)	(£60,000)
B	Current spend commitment*			£430,000	£430,000	£430,000	£430,000	£430,000
A - B	Variance Underspend or (Overspend)			£149,000	£33,000	(£59,000)	(£133,000)	(£193,000)
	Central Block forecast reserve balance at 31 st March (Deficit)			£326,000	£359,000	£300,000	£167,000	(£26,000)

* % and funding loss unwound from the previous year. – forecast 2023/24 to 2025/26, can only assume until the DfE make further announcements in relation to the Hard NFF it will continue at the rate of 20% each year from the previous years base line.

* Current spend commitment following December 2020 Education Board

11 Latest forecast DSG reserve balances and Use of Reserve strategy

- 11.1 The table below updates the anticipated forecast DSG reserve balances for the end of 2022/23, caveated this is based on latest forecasts and will be updated at the December 2021 EB and of course the actual end of year position shared in June 2022 EB. All current forecasts and reserve balances have been explicitly shared and explained within previous EB papers, with the exception of the now growth fund which has been updated following confirmed Sept 2021 intake whereby an additional Secondary School intake class was now required.
- 11.2 It must also remain minded, as shared in the EB June High Need budget setting 2021 paper all High Needs top funding rates have been increased from Sept 2021 and now administered on a revised banded model. Therefore any current forecast underspend is as shared in the EB June 2021 paper whereby funded provision has also been put aside to support permanent funding for new service provision to commence.

- 11.3 It therefore continues to be with considerable recognition (giving the DSG reserve deficits of 2017/18 and 2018/19 on high needs) of the work undertaken by the LA, EB, Special Schools and Schools that our DSG balances are now in this healthy financial position.
- 11.4 The reserves table also represents the EB approved principle that each separate block of DSG funding is contained and managed within its own funding allocation, therefore meeting the specific required pure educational funding duties for that block.

Block	Schools – ISB	Schools – growth	Schools – de-delegated	Early Years	High Needs	Central	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserves surplus / (deficit)							
1 April 2021 B'fwd	0	182	14	1,105	3,003	177	4,481
Agreed Issue to 2122 budget	0	0	0	(112)	0	0	(112)
Early years funding adjustment 2020/21 (tbc)				0			0
2021/22 current forecast variance	0	(44)	0	0	2,111	149	2,217
31 March 2022	0	138	14	993	5,114	326	6,586
Recommended Minimum Reserve balance *	0	138	14	500	2,217	326	3,195
One off Funding Available for DSG Conditional Use *	0	0	0	493	2,897	0	3,390

- 11.5 Whilst, the table above does present the current forecast reserve balances at the 31st March 2022, it also now includes two additional rows, one for a “recommend minimum reserve balance”, and therefore, now lastly a row for “One off Funding Available for DSG Conditional Use” which is in effect simply the difference between the current projected reserve balances and the recommended minimum reserve balance.

- 11.6 It must be noted that both current DSG School block “Growth reserves”, and now “Central Block reserves” are specifically linked to required known funding pressures in future years and therefore are not available for any other purpose. The “de-delegated Schools block reserve”, is a small reserve which simply supports the claims for public duties for maintained schools and any academy

school that choose to buy in for the year they are claiming. Therefore the reserve balance held on this block simply helps to determine an appropriate de-delegated amount or buy in level per pupil for the following year which is made in recommendation at the annual December EB meeting.

- 11.7 The proposed principle of Minimum Reserve balances shown on both Early Years and High Needs therefore now highlights funding available for one off use. The principles of these balances are as highlighted in the June 2021 EB DSG Final Outturn paper surfacing the fact that one off funding with conditions of the grant are now available:
- 11.7.1 It was and continues to be made with recommendation that the Early Years block always holds a minimum circa 5% of annual funding in reserves to support any fluctuations in funding in and funds paid out that can occur. If the DfE do change the basis of funding for Early years to a permanent termly head count basis then this position will be reviewed as potentially there be less risk for any differences between funding paid in and funding paid out.
- 11.7.2 The recommended minimum reserve balance for the High Needs block, is again, as based and highlighted in the June 2020 EB DSG Final Outturn paper, so in effect to hold a minimum reserve balance of 8% of funding available (which has now been updated on the proposed indicative High Need Block allocation for 2022/23). 8% (as oppose traditional 5%) is recommended, given the volatility and high risk demand nature of spend within High Needs. By always a holding a minimum DSG reserve balance supports long terms financial stability for Southend high need funded services in applicable settings, as should any overspend on High Needs occur in any one year, it can first be met from a reserve balance as oppose unfortunate and unavoidable funding reductions for applicable settings. Ofcourse, if an overspend did occur, the position would have to be managed on a long term basis as reserve balances can only be spent once, but it does buy considerable time to sensibly co-ordinate a required and balanced response.
- 11.7.3 It is proposed these minimum % reserve balances for both Early Years and High Need are reviewed on an annual basis to assess their appropriateness in size at the time considering any potential further future funding constraints or growth.
- 11.8 In view of the required Governance structure and actual use of available reserve balances, its for the LA lead officers of those service areas under the instruction of the LA Director for Education, so for the LA Head of Early Years for Early Years, LA Head of SEND and LA Head of Access and Inclusion for High Needs to determine the right targeted approach for the one off use of those available reserve balances within the conditions of the DSG grant, but also with approval through the Education Board (EB). Therefore in order to ensure the use of one off reserves can be used at pace where required but whilst also meeting the need of appropriate governance arrangements, it is proposed the following approaches are adopted at this time, again these will be subject to annual review determining their effectiveness and impact on reserve balances:

- 11.8.1 That any one off cumulative use of reserve balances below £50,000 in any one financial year has the required LA lead officer approval (as referenced in 11.8) to proceed, but on the conditional basis this is reported through to EB.
- 11.8.2 That any single expenditure item or where the cumulative use of reserve balance was to fall above £50,000 in any one financial year then EB approval is firstly required. If the item or the matter is urgent, then approval can be given by an urgent virtual EB agreement but with a subsequent note to the actual and following scheduled EB meeting for formal minuting.

12 Conclusion

- 12.1 Overall, it has to be recognised that the 2022/23 funding announcements for both the Schools and High Needs block, are both a positive and welcome message for Dedicated School Grants funds and therefore the educational services provision those funds support.
- 12.2 It does however remain noted, it is disappointing that the DfE intention for Dedicated School Grant funding allocations to support “historic commitments” under the Central Block in 2022/23 has continued to unwind further, despite our now local strategy to mitigate these losses up until 2025/26.
- 12.3 It is again with praise for of the collaborative approach of working through the LA, EB, Special Schools, Schools and Early Years providers that our local DSG balances are thankfully now in this healthy financial position. We must continue to plan on a sustainable funding basis given 2022/23 is the last year of the previous DfE funding announcements for Schools and High Needs. It is therefore highly unlikely, given the global pandemic and required national economic recovery response, that the DfE funding increases that have been awarded to the DSG for all LA’s and Schools (and in particular the High Needs block) over the last 3 years from 2022/23 will ever be increased by these levels again in the next 10 years.

13 Appendices

- Appendix 1 - DSG Updated budget allocation 2021/22 and Indicative budget allocation for 2022/23
- Appendix 2 - DSG Illustrative Individual Mainstream School Budget per pupil led funding rate 2022/23