DSG Funding Settlement 2022-23

# Title of Report: DSG Funding Settlement 2022-23

**AUTHOR OF THE PAPER: KAY GOODACRE**

**OFFICER TO PRESENT THE PAPER TO SCHOOLS FORUM:** KAY GOODACRE

|  |
| --- |
| Details on who has been consulted with on this paper to date: n/a  Executive Summary  This report updates Schools Forum on the indicative position of the Dedicated Schools Grant (DSG) settlement for the year 2022-23 as announced in July.  Recommendations.  Forum is asked to:   1. Note the contents of the report. |

## Background

* 1. For budget setting purposes, the DSG announced in July of each year will be the starting point for planning the budget.
  2. The Schools block and CSSB will be updated for actual pupil numbers and growth allocations calculated comparing the two years census points which is allocated in December.
  3. The High Needs Block will be updated for place numbers and recoupment for post 16 places later in the year
  4. Indicative Early years allocations have yet to be made but would be expected in December.

## DSG indicative allocations 2022-23

* 1. The table lists the allocations announced in July 2021 for 2022/23 compared with the final allocations for 2021/22.

|  |  |  |  |
| --- | --- | --- | --- |
| **DSG Blocks** | **2021-2022 allocation** | movement | **2022-23 Budget  (July 2021)** |
| Gross School’s block (£s) | **278,633,467** | 4,932,980 | **283,566,447** |
| Central school services block (£s) | **3,887,172** | -408,763 | **3,478,409** |
| Gross High needs block (£s) | **65,820,299** | 5,733,335 | **71,553,634** |
| Early years block (£s) | **31,138,903** | - | **31,138,903** |
| Total DSG allocation (£s) | **379,479,841** | **10,257,552** | **389,737,393** |

* 1. Movement between 2022-23 and 2021-22
* Schools Block, overall increase of £4,933k (1.8%), this is before the growth fund which will be allocated in the December. Funding indicates a 2.18% increase in our schools baseline against a national average of 2.81% so a far tighter distribution than in the last two years
* The Central Schools Services Block reduction (-10.1%) is due to an ongoing policy or reducing historic commitments by 20% each year. The use of this funding and the support available to Schools will need to be continually reviewed.
* The High Needs Block will continue with an overall 8% increase on the baseline in allocation for the third year. With a national spread between 8 and 11%. This is to bring the allocations in line with Local Authority actual spending as well as to address the historic deficits that have accrued.
* The Early Years Block has yet to be announced.

## Conclusions

The School Minimum Funding Guarantee (MFG) continues to be set at between 0.5% and 2%. The expectation is that with the Local agreement to continue to fully mirror the national funding formula this will allow budget allocations to schools to be at the higher end of the guarantee.

The increase in the high needs block is welcome but like the majority of other Local Authorities the pressure continues to be high with the need to address both the ongoing pressure and the repayment of the accrued deficit.

The CSSB reduction will cause considerable pressure on central services and pressure of the central budget.