

Meeting/Date	Schools Forum 31 March 2022	Agenda Item No.	<b>5</b>
Report Title	<b>FY2022-23 Dedicated Schools Grant (DSG) Budget Update</b>		
Decision/ Discussion/ Information	Information		
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Appendices			

## 1. Recommendation

1.1. For members of the forum to note the contents of the paper.

## 2. Summary

2.1. The latest published Financial Year 2022-23 DSG allocation for the London Borough of Barnet is **£393.945m** before recoupment for academies. There has been no update from the December 2021 figure reported to the last meeting of the Schools Forum.

2.2. In addition to the published allocations, the DfE has also announced supplementary funding to boost the schools and high needs blocks and support the increased costs to operations expected due to the introduction of the health and social care levy.

2.3. An additional estimated **£8.65m** of Schools Supplementary Grant funding is expected for the schools block and an estimated **£2.45m** for the high needs block.

## 3. Year on Year change

3.1. Including the Schools Supplementary Grant income, total DSG for LBB is expected to increase by **6.99%** to **£405m**

3.2. The high needs block increases by **12%** and the schools block by **7%**. However, there is a decline in the early years block of **-3.4%**. This is the result of a decline in the number of children in Early Years settings.

**Table 1 - Change in Early Years numbers in funding formula**

	FY2021-22	FY2022-23	Change
	PTE	PTE	%
Universal Entitlement	5,756.86	5,436.31	<b>-5.57%</b>
Additional Entitlement	1,917.05	1,804.72	<b>-5.86%</b>
2YO Entitlement	726.48	624.75	<b>-14.00%</b>

**Table 2 - DSG Year on Year change**

Description	FY2022-23	FY2021-22	Change
	£m	£m	%
<b>Early Years Block</b>	28.297	29.278	-3.35%
Schools Supplementary Grant (SB)	8.652	-	
Schools Block (Published allocation)	297.756	286.252	
<b>Total Schools Block</b>	306.408	286.252	7.04%
Schools Supplementary Grant (HNB)	2.453	-	
High Needs Block (Published allocation)	65.628	60.847	
<b>Total High Needs Block</b>	68.081	60.847	11.89%
<b>Central Schools Services Block</b>	2.266	2.193	3.31%
<b>Total DSG Allocation</b>	<b>405.052</b>	<b>378.571</b>	<b>6.99%</b>

#### 4. Financial Year 2022-23 budget allocation

4.1. The table below summarises the DSG income allocations for LBB and the forecast expenditure, with a forecast outturn position of net zero.

**Table 3 - FY2022-23 DSG Summary Budget plan**

Description	FY2022-23
	£m
Dedicated School Grant Allocation	393.946
Supplementary grant (SB)*	8.652
Supplementary grant (HNB)*	2.453
National Non-domestic Rates (NNDR)	- (2.881)
Academy recoupment (SB)	- (139.835)
Academy recoupment (HNB)	- (5.448)
<b>Total DSG attributable to LA</b>	<b>256.888</b>
Early Years Expenditure	28.297
Schools Block (SB) Expenditure	163.692
Central Services Block Expenditure	2.266
High Needs Block (HNB) Expenditure	62.633
<b>Total Expenditure</b>	<b>256.888</b>
Net FY2022-23 position	-
B/Fwd Reserves	5.503
<b>Carry Forward Reserves (Deficit)/Surplus</b>	<b>5.503</b>

\* Estimates

4.2. There is a new system of paying NNDR for schools. This means a new line of recoupment for NNDR is expected from the DfE with respect to the allocated DSG. The DfE will retain the funding for NNDR and pay it on behalf of schools and so the LA budget will just show an allocation of funding and the same amount withheld to cover the NNDR costs.

## 5. Use of carried forward DSG underspend

5.1. The Schools Forum agreed at its meeting in January to proposals to allocate £1.58m of DSG balances to address particular budget pressures facing schools and settings:

- £400,000 to provide each maintained nursery school with a lump sum of £100,000 for one year, to enable the schools to operate in-year during 2022-23 on a break-even basis, pending a longer-term solution to the funding of maintained nursery schools.
- £179,000 of general carried forward reserves to provide a temporary funding supplement of 4 pence per hour to all providers for 3- and 4-year-olds.
- Up to £1 million funding to support schools with the extra costs of children of asylum seeker families living in designated hotels and of Hong Kong families (British National (Overseas) status holders) who enrol in Barnet primary and secondary maintained schools and Academies after the October 2021 school census date.

5.2. The proposal in respect of lump sums for maintained nursery schools was agreed subject to consultation with early years providers. Consultation took place between 24<sup>th</sup> January and 21<sup>st</sup> February and all providers of places for 3- and 4-year-old children were invited to respond. The results of the consultation were as follows:

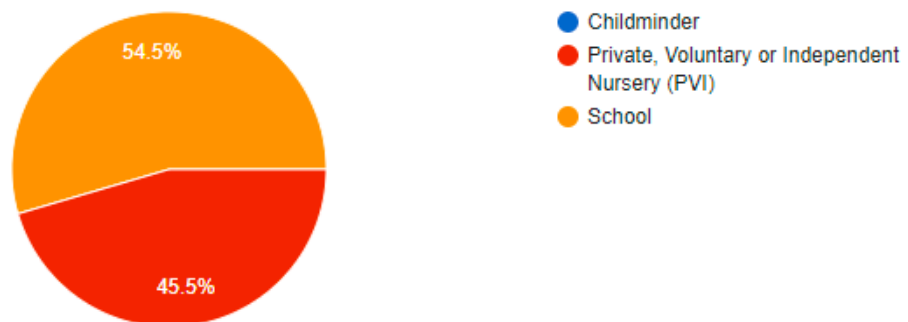
### Responses

Schools (18 responses) – 16 Yes, 2 No

PVIs (15 responses) – 8 Yes, 7 No

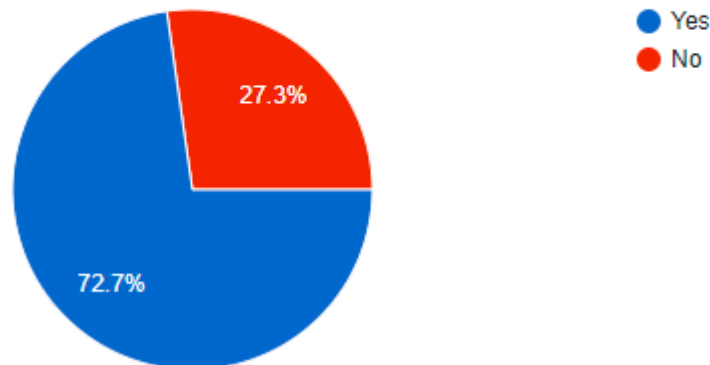
Q1. Are you responding as a:

33 responses



Q2. Do you agree with the proposal as laid out in the consultation document?

33 responses



- 5.3. In light of the responses, the proposal is being implemented, with the one-off payments being reflected in the final Early Years Funding Formula for Barnet for 2022-23. The payments will be included in the budgets to the four maintained nursery schools. Discussions are continuing over the long-term funding arrangements for funding the four schools.
- 5.4. The agreed one-off temporary funding supplement of 4 pence per hour to all providers for 3- and 4-year-olds is also going ahead and the funding will be paid to providers from April. This is on top of the full passporting of the increased funding from the DfE for 3- and 4-year-old places and 2-year-olds places.
- 5.5. At its last meeting the Schools Forum agreed that the proposed methodology for calculating payments to schools in respect of new arrivals may be agreed by the council subject to consultation with the chair and vice-chair of the Schools Forum and Sarah Sands. Appendix 1 shows the methodology that has been agreed following that consultation. A communication is being sent to schools setting out the approach and inviting them to identify pupils eligible for funding. BELS and the council will then follow the methodology as set out and arrange for the first set of payments to be made to schools early in the new financial year, followed by further, final payments in August.
- 5.6. The council is awaiting details of proposed additional funding for schools in respect of any refugee Ukrainian children and young people enrolling in Barnet schools and will notify schools of the arrangements, and process payments, in line with DfE guidance as soon as possible.

## Appendix 1

### Methodology for calculating and processing funds to schools re-migrant children (in asylum seeker hotels and HK families)

#### Background

The Schools Forum and Children, Education and Safeguarding Committee have agreed to allocate up to £1million of carried forward DSG reserves on a one-off basis in the 2022-23 schools year to provide funding to schools for all children of asylum seeker families living in the designated hotels and Hong Kong families (British National (Overseas) status holders) who enrol in Barnet maintained primary and secondary maintained schools and Academies after the October 2021 school census date. It has been agreed that payments should be calculated pro-rata for the weeks the children attend up to the end of July 2022 with the unit of funding being a fixed percentage of the AWPU funding for the relevant age group.

#### Methodology

1. BELS will write to schools in March 2022 to inform them about the funding available and to ask them to identify and send us the names of any children who enrolled at the school after the October 2021 census date who:
  - Have been living in the designated asylum seeker hotels or
  - Are children of Hong Kong families who are British National (Overseas) status holders

In each case the school will be asked to complete a simple form including the name of the child, home address, the enrolment date, leaving date if they have now left the school and, for Hong Kong children, confirmation that the school has checked and verified the family's BNO status.

2. BELS admissions team will verify the status of each individual and liaise with the schools over individual children/families as necessary. The admissions team will confirm to schools which pupils will be funded and for how many weeks (from the enrolment date (provided it is after the census) to the leaving date or 31<sup>st</sup> March, whichever is later.
3. BELS will use this information to develop a rough estimate of the likely profile of eligible pupils who will be in schools, including new enrolments, up until the end of the summer term, and the number of weeks they are likely to be in school between 1 April and end of July, assuming a similar pattern and rate of enrolment as in the period October to March. We will use those calculations to model what percentage of the AWPU we can allocate to each pupil week in school without going over the £1m – we will take a cautious approach to ensure we don't overspend even if that means we end up only spending say £900k. Any underspend on the £1million will go back into DSG reserves.
4. Schools will be notified of the provisional allocations of funding and the funding will be distributed to school early in the summer term.
5. The process above will be repeated for the summer term, with schools notifying BELS of any further enrolments and the leaving dates for any eligible children who leave the school; BELS will verify again and work out the funding due to each school. Final payments for weeks attended up to the end of the summer term will be made to schools in August.