



Schools Forum

**Report title: Dedicated Schools Grant 2021/22
and provisional update on 2022/23**

Date: 21st October 2021

Key decision: No.

Item number: 7

Outline and recommendations

The report provides forum with an update on the 2021/22 DSG and also provisional update position for 2022/23

Report also provides feedback from the High Needs Working Group

This is an information only item

Timeline of engagement and decision-making

Report is for information only with regards to updates on funding.

Summary

- 1 This is a standard report to schools forum to provide a periodic update on the 2021/22 DSG update and projected outturn, plus to provide additional updates with regards the provisional 2022/23 funding settlement. Report Item 7, Appendix A, provides detailed actions being progressed as part of the High Needs Schools Forum working group –a verbal update will be provided of that meeting.

2021/22 Dedicated Schools' Grant Update

- 2 The Dedicated Schools Grant (DSG) is currently forecasting an in year overspend of £3m. After taking into account the £5m overspend brought forward from the previous financial year, the cumulative projection is £8m. The figure could potentially change as a consequence of either movement in demand or impact of mitigation plan actions.
- 3 Ordinarily by now we would have received confirmation of the Early Years updated position from 2020/21 and the influence of that on 2021/22. The delay is as a consequence of Covid; the DfE introduced a further layer of process to establish movement in Early Years Pupil numbers between January and Summer. The return was submitted in accordance with the DfE timelines and we have yet to be advised of the outcomes and potential impact on clawback (2020/21) and the supplementary factor 2021/22, which was advised as provisional.

Table 1 – DSG allocation and projection 2021/22

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2021 to 2022 DSG allocations, after deductions for academies recoupment and direct funding of high needs places by ESFA					
	Schools block (£m)	Central school services block allocation (£m)	High needs block allocation (£m)	Early years block (£m)	Total DSG allocation (£m)
Lewisham Cash Position	183.5	4.3	61.5	24.2	273.5
Projected spend	182.5	4.3	65.5	24.2	276.4
Net	-1.083	0.0	4	0.0	2.9

agreed transfer to HNB

- 4 It should be noted that the Central Services Block (CSSB) which supports statutory functions provided by the Local Authority faced a reduction of circa £0.6m for 2021/22,. As a consequence of effective resource management, approximately £0.3m has been carried forward from 2020/21, and will largely support pressures on the service. Work is being undertaken by officers to plan for further reductions in this funding. Please see report on National Funding Formula Consultation which describes longer term implications arising from future changes to the CSSB.
- 5 The High Needs Block continues to remain a concern. The Local Authority, in partnership with the Schools Forum High Needs Working Group, will continue to consider options to deliver our statutory requirements within this funding envelop level as best possible.
- 6 It should be noted that there has been an increase in funding in the High Needs Block of £6.8m plus £1.068m from schools block. Based on the current data, and allowing for an increase of approximately 200 additional EHCP for the remaining year at £15k a place, it is anticipated that the overspend will be £3m for 2021/22. In addition to this there remains a £5m overspend brought forward from 2020/21, providing a revised cumulative overspend position of £8m. Firmer information on EHCP numbers will be available in late October following secondary transfer and Further Education applications. The table notes an increase of 110 EHCP since 1st April 2021.

Table 2 – Education Health and Care Plan (EHCP)

Phase - EHCPs	Under 5s	Primary	Secondary	Post-secondary	Grand Total	Movement on year
FY17/18 Used As Base Line	42	831	769	537	2179	

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FY18/19	24	889	821	626	2360	181
FY19/20	37	929	887	774	2627	267
FY20/21	74	1027	974	931	3006	379
FY21/22 -Current	80	1168	1002	866	3116	110
Increase on Baseline Numbers	38	337	233	329	937	
Increase on Baseline %	90%	41%	30%	61%	43%	

- 7 In addition to the overall increase and the clear pressure arising from 0-5 and post 16 phase, a further pressure is linked to the increase in number of placements that are placed out of borough. The following table shows the split between 'in-borough and 'out of borough' placements. There is clear shift in the proportion of placements being made out of borough which is a key element of pressure on the High Needs Block.

Table 3– In Borough and Out Borough EHCPs

Borough - EHCPs	LBL	OOB	Grand Total
FY17/18 Used As Base Line	1559	620	2179
FY18/19	1653	707	2360
FY19/20	1789	838	2627
FY20/21	1953	1053	3006
FY21/22	2028	**1088	3116
Increase on Baseline Numbers	469	468	937
Increase on Baseline %	30.1%	75.5%	43.0%

** includes 144 EHCP not yet with confirmed placing

- 8 To support the pressure on High Needs, the SEN Service has been working closely with schools and schools' forum. A mitigation plan has been developed which is progressing, but will take time to embed and for the benefits to be seen in full. Furthermore demand, in terms of increasing numbers of children with complex needs and higher placement costs, continues to rise. Therefore, the current mitigation plan may reduce the pressure, but not eliminate it fully. See Appendix A for detailed mitigation plan.
- 9 Lewisham has historically been one of very few local authorities which has underspent on the DSG – High Needs. With most local authorities overspending, the DfE has attempted to address the pressure with additional funding allocations in 2019/20, 2020/21 and 2021/22. However, it seems that demand is outstripping the cash available. It does however remain important that Lewisham continues to consider alternative ways of providing support to our most vulnerable children within the resources available.

2022/23 Partial Funding Settlement

Schools

- 10 Schools have submitted their budget plans with the exception of 3 schools. The finance team will be discussion the outcomes of the Budget Plan reviews with the schools during the autumn term. Overall the position appears more positive than last year. 24 schools are now able to demonstrate that they are able to set a three year balanced position, this is an increase of 12. Schools are actively showing strong financial management and leadership. Schools are taking a more long term view of their financial position.

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11 Lewisham has also been working effectively with the DfE (SRMA). The SRMA is undertaking support work for the two Nursery Schools. Feedback from Chelwood Nursery School has been very positive. It is anticipated that Chelwood will be able to undertake appropriate actions to develop a sustainable budget position.

Table 4 – RAG ratings for schools

	Nov-20	Jun-21	Movement
Green	12	24	12
Amber	23	21	-2
Red	41	31	-10
	76	76	0

2022/23 Provisional Settlement

12 During the summer, the DfE communicated the provisional settlement for 2022/23.

Schools Block 2022/23 Table 5

Schools Block									
		These columns show the actual primary and secondary units of funding that we will use to calculate the LA's schools block allocation in 2022-23 and the actual 2022-23 funding for the premises factors (as these are based on historic spend). This section also shows the pupil numbers that have been used to calculate the LA's provisional 2022-23 schools block funding. Actual 2022-23 allocations will be based on updated pupil numbers.							
		Provisional schools NFF funding in 2022-23							
	LA name (alphabetical order within region)	Actual primary unit of funding (PUF)	Actual secondary unit of funding (SUF)	Primary pupil numbers (2021- 22 DSG schools block, duplicates apportioned)*		Secondary pupil numbers (2021- 22 DSG schools block, duplicates apportioned)*		Actual 2022-23 funding through the premises factors	Provisional NFF 2022-23 (excludes growth factor)*
		[a]	[b]	[c]	[d]	[e]	[f]		
				Pupil Numbers	£			= ([a] x [c]) + ([b] x [d]) + [e]	
2022/23	Lewisham	£5,572.86	£7,558.19	24,000	133,745,941	11,356	85,830,799	£6,226,241	£225,802,981
2021/22	Lewisham	£5,461.72	£7,370.79	24,000	131,078,549	11,356	83,702,691	7,267,832	222,049,072
Movement	£	£111.14	£187.40	£0.00	£2,667,391	0.00	£2,128,107.83	£-1,041,591	£3,753,909
	%	2%	3%	0%	2%		3%	-14%	2%
				Split Sites				£181,600	
				Rates				£3,282,149	
				Sub Total				£3,463,749	
				PFI				£2,499,199	
				Playing Field and Service charge				£184,021	
				RPI		3.0%		£79,272	
				Total Premises Factor				£6,226,241	

Table 5 shows the provisional funding settlement for the Schools Block.

- 13 The provisional settlement does not yet confirm the value of the Growth fund. For this reason, an element of risk must be factored into the settlement. Schools are generally being advised to assume a Minimum Funding Guarantee Uplift of 1.5% as an estimate for 2022/23.
- 14 The forecasting for 2022/23 will be particularly complicated for schools and will potentially require more scrutiny and challenge to ensure that schools operate within the given elements of funding. Where schools have revised their approach to budget setting to consider the resilient budget strategy as endorsed by finance officers, they will be better placed to manage impact of any “unknowns”. As a reminder, the resilient budget strategy effectively requires the school to take all budgets to a minimum to develop an unearmarked position, possibly of around 2%, supported by a “wish list”. As the year progresses, this funding can be used to target any assumptions if the assumption was lower, or to deal with any new challenges or issues.

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- 15 The main issues for schools for 2022/23 could potentially include:
- a. Inflation currently circa 4%, albeit this could remain constant, reduce or increase over the next few months
 - i. Impact on contracts that the school may have
 - ii. Potential impact on negotiations for salaries /wages
 - b. Managing the increase in National Insurance
 - i. “employers”– DfE has suggested that they are “looking at this” –so potentially there could be funding to support this pressure
 - ii. “employee” – potentially part of TU negotiations (?)
 - c. Trade Union Position on 2021/22 pay awards feeding into next year!
 - d. Demographics which could impact on both
 - i. Recruitment and retention
 - ii. Pupil number movement
 - e. Utility increase in costs
- 16 With regards 2023/24 – it should be noted that 2022/23, is the final year of the 3 year funding settlement. For this reason, 2023/24 has an additional variable.

High Needs Block

- 17 Funding for the High Needs Block is provisional set to increase by £5m for 2022/23. Whilst this is welcomed, the pressure on the High Needs Block continues to be increasing as noted above. This is a provisional figure and could potentially vary based on formula elements such as pupil numbers.

Central Schools Services Block

- 18 Schools Forum will note that the CSSB is constituted of two elements- an ‘ongoing’ (which is formula driven) and a ‘historic’ basis. Reports elsewhere on the agenda detail the future implications for CSSB and should be read in conjunction with this report.
- 19 For completeness the 2022/23, figure is expected to reduce by a further £500k for the historic cost budget element.

Pupil Premium

- 20 Schools forum will recall that for 2021/22, the pupil premium funding method changed from January to October census. Schools forum requested officers to provide a picture of school by school movement. Please see appendix B.
- 21 Overall, funding for Lewisham is broadly the same at £13,066,460, being £37,153 lower.
- 22 Pupil premium is calculated on the basis of six years worth of census. One reason in the reduction could be the move in the date, however there could be other reasons including reduction in the overall pupil numbers for a school, or pupils who were previously in the first years of the six year process falling out of the system etc

Table 6 – summary of pupil premium for Lewisham schools

2020/21	2021/22	Movement	Increase	Decrease
£13,103,613	£13,066,460	-£37,153	£398,240	£435,393
Schools Affected			40	45

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Financial implications

- 23 The report is for information only. The report recognises the various challenges schools could face which need to be considered within their 3 year budget strategy. Similarly, the reduction in the CSSB will have implications for both the LA and schools.

Legal implications

- 24 There are no specific legal implications arising from this report.

Equalities implications

- 25 There are no direct equalities impacts arising.

Climate change and environmental implications

- 26 Not applicable

Crime and disorder implications

- 27 Not applicable

Health and wellbeing implications

- 28 No direct health and wellbeing implications arising from this report

Report author and contact

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Appendix B

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ID	School Name	2020/21	2021/22	Movement	Increase	Decrease
		£	£	£	£	£
1103	Abbey Manor College	£70,670	60165	-£10,505		-£10,505
2000	Adamsrill Primary School	£215,200	201750	-£13,450		-£13,450
2001	Haberdashers' Aske's Hatcham Temple Grove Free School	£56,490	49765	-£6,725		-£6,725
2002	St Winifred's RC Primary School	£83,390	68595	-£14,795		-£14,795
2004	Turnham Academy	£247,480	216545	-£30,935		-£30,935
2005	Haberdashers' Aske's Hatcham Temple Grove	£95,495	114325	£18,830	£18,830	
2006	Haberdashers' Aske's Knights Temple Grove	£125,085	103565	-£21,520		-£21,520
2023	Athelney Primary School	£211,165	217890	£6,725	£6,725	
2029	Baring Primary School	£75,320	59180	-£16,140		-£16,140
2068	Becroft Garden Primary	£131,810	102220	-£29,590		-£29,590
2108	Childeric Primary School	£185,610	180230	-£5,380		-£5,380
2127	Cooper's Lane Primary School	£197,715	176195	-£21,520		-£21,520
2148	Dalmain Primary School	£117,015	99530	-£17,485		-£17,485
2158	Deptford Park Primary School	£240,755	242100	£1,345	£1,345	
2163	Downderry Primary School	£166,780	156020	-£10,760		-£10,760
2187	Edmund Waller Primary School	£96,840	83390	-£13,450		-£13,450
2197	Elfrida Primary School	£221,925	213855	-£8,070		-£8,070
2225	Forster Park Primary School	£256,895	244790	-£12,105		-£12,105
2259	Gordonbrock Primary School	£142,570	135845	-£6,725		-£6,725
2267	Grinling Gibbons Primary School	£100,875	87425	-£13,450		-£13,450
2289	Haseltine Primary School	£195,025	172160	-£22,865		-£22,865
2304	Brindishe Green School	£199,060	205785	£6,725	£6,725	
2307	Holbeach Primary School	£168,125	174850	£6,725	£6,725	
2342	John Stainer Community Primary School	£90,115	90115	£0	£0	
2347	Kelvin Grove Primary School	£258,240	262275	£4,035	£4,035	
2349	Kender Primary School	£199,060	205785	£6,725	£6,725	
2374	Launcelot Primary School	£178,885	186955	£8,070	£8,070	
2381	Brindishe Manor School	£100,875	91460	-£9,415		-£9,415
2390	Lucas Vale Primary School	£172,160	166780	-£5,380		-£5,380
2403	Marvels Lane Primary School	£172,160	180230	£8,070	£8,070	
2491	Rangefield Primary School	£178,885	199060	£20,175	£20,175	
2493	Rathfern Primary School	£182,920	193007.5	£10,088	£10,088	
2529	Rushey Green Primary School	£211,165	244790	£33,625	£33,625	
2536	Sandhurst Primary School	£137,190	134500	-£2,690		-£2,690
2570	Stillness Junior School	£49,765	47075	-£2,690		-£2,690
2571	Stillness Infant School	£20,175	17485	-£2,690		-£2,690
2599	Tidemill Academy	£254,205	267655	£13,450	£13,450	
2606	Torridon Primary School	£190,990	219235	£28,245	£28,245	
2782	John Ball Primary School	£96,840	98185	£1,345	£1,345	
2811	Fairlawn Primary School	£63,215	59180	-£4,035		-£4,035
2815	Eliot Bank Primary School	£75,320	79355	£4,035		£4,035
2818	Sir Francis Drake Primary School	£131,810	126430	-£5,380		-£5,380
2869	Myatt Garden Primary School	£115,670	98185	-£17,485		-£17,485
2870	Horniman Primary School	£53,800	51110	-£2,690		-£2,690
2871	Perrymount Primary School	£96,840	106255	£9,415		£9,415
2878	Ashmead Primary School	£63,215	73975	£10,760	£10,760	
2887	Brindishe Lee School	£43,713	41022.5	-£2,690		-£2,690
2911	Kilmorie Primary School	£84,735	89442.5	£4,708		£4,708

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3301	All Saints' Church of England Primary School Blackheath	£25,555	22865	-£2,690		-£2,690
3315	St Mary Magdalen's Catholic Primary School	£60,525	73975	£13,450	£13,450	
3325	St George's CofE Primary School	£118,360	110290	-£8,070		-£8,070
3344	Good Shepherd RC School	£52,455	61870	£9,415	£9,415	
3360	Holy Trinity Church of England Primary School	£88,770	104910	£16,140	£16,140	
3374	St Margaret's Lee CofE Primary School	£28,245	21520	-£6,725		-£6,725
3416	St Augustine's Catholic Primary School and Nursery	£41,695	34970	-£6,725		-£6,725
3420	St Bartholomews's Church of England Primary School	£80,700	71285	-£9,415		-£9,415
3454	St James's Hatcham Church of England Primary School	£79,355	88770	£9,415	£9,415	
3472	St John Baptist Southend Church of England Primary School	£48,420	49765	£1,345	£1,345	
3478	St Joseph's Catholic Primary School	£82,045	80700	-£1,345		-£1,345
3518	St Mary's Lewisham Church of England Primary School	£108,945	119705	£10,760	£10,760	
3548	St Michael's Church of England Primary School	£79,355	65905	-£13,450		-£13,450
3588	Our Lady and St Philip Neri Roman Catholic Primary School	£102,220	107600	£5,380	£5,380	
3594	St Saviour's Catholic Primary School	£61,870	60525	-£1,345		-£1,345
3597	St Stephen's Church of England Primary School	£73,975	76665	£2,690	£2,690	
3650	St William of York Catholic Primary School	£26,900	30935	£4,035	£4,035	
3661	Holy Cross Catholic Primary School	£51,110	48420	-£2,690		-£2,690
4047	Deptford Green School	£383,910	375315	-£8,595		-£8,595
4204	Sydenham School	£292,230	304645	£12,415	£12,415	
4249	Conisborough College	£388,685	405875	£17,190	£17,190	
4001	Sedgehill School	£309,420	286022.5	-£23,398		-£23,398
4289	Forest Hill School	£275,995	278860	£2,865	£2,865	
4323	Prendergast Ladywell School	£461,005	479525	£18,520	£18,520	
4600	Addey and Stanhope School	£276,950	282680	£5,730	£5,730	
4636	Trinity Church of England School, Lewisham	£344,855	357970	£13,115	£13,115	
4646	Prendergast School	£128,925	132745	£3,820	£3,820	
4802	Bonus Pastor Catholic College	£268,355	254507.5	-£13,848		-£13,848
5201	Prendergast Vale School	£323,430	308205	-£15,225		-£15,225
6905	Haberdashers' Aske's Hatcham College	£333,773	344277.5	£10,505	£10,505	
6906	Haberdashers' Aske's Knights Academy	£445,508	465562.5	£20,055	£20,055	
6907	St Matthew Academy	£457,450	470605	£13,155	£13,155	
7038	Brent Knoll School	£89,015	96695	£7,680	£7,680	
7141	New Woodlands School	£64,750	74602.5	£9,853	£9,853	
7180	Greenvale School	£53,480	57300	£3,820	£3,820	
7182	Watergate School	£65,905	56490	-£9,415		-£9,415
7183	Drumbeat School and ASD Service	£106,230	108180	£1,950	£1,950	
		£13,103,613	£13,066,460	-£37,153	£398,240	£435,393

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