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Report title:	2021-22 Dedicated Schools Grant Settlement	
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1. Executive Summary

This report sets out the latest announcements that have been made by the Department for Education on schools finances for the next and future financial years

2. Schools Forum Actions

That the Schools Forum note the report.

3. Background

While no precise figures have been provided by the Department of Education, there were a series of announcements made by ministers and the detailed guidance on schools funding was published. This covered both the schools blocks and the high needs block of the Dedicated Schools Grants (DSG). The ministers also provided a further update on the National Funding Formula for schools.

4. Dedicated Schools Grant – schools block

There will be two main technical changes to the schools block

- Funding from the teachers' pay grant and the teachers' pension employer contribution grant, including the supplementary fund, has been added to the formulae from 2021-22.
- The Income Deprivation Affecting Children Index 2019 will be incorporated so that deprivation funding allocated through the formulae is based on the latest data. Although the amount allocated to the quantum will stay the same.

Nationally there is an extra £2.2bn (4%) in the schools block for next year (2021/22). Provisional figures indicate our schools will receive an extra 2%. Pay awards are running higher than this, while general inflation is lower. It equates to a stand still budget at best, but schools will need to manage pupil reductions.

All figures will need to be updated for the pupil numbers at the October pupil number census. It is uncertain how the pupils not on roll on the census day will be handled by the Department of Education and how it could impact financially on schools.

5. Dedicated Schools Grant – High Needs Block

Nationally High Needs funding will increase by a further £730m, or 10%, in 2021-22. The increase for Southwark will be 8% (£4.3m) although the cash figure will be higher (£5.1m) as the existing grants for pay and pensions are being merged into the high needs block.

The Minister of State for School Standards, Nick Gibb's made a statement in Parliament which said "the Department will start negotiations with some of those local authorities with the highest Dedicated Schools Grant (DSG) deficits about supporting them to reduce their deficits over time". It is uncertain what is meant by "negotiations" and "support".

6. National Funding Formula

The Government will later this year, put forward its proposals to move to a 'hard' National Funding Formula (NFF), which will determine schools' budgets directly rather than through local formulae set independently by each local authority.

This was expected. It is uncertain when a national funding formula could be introduced, potentially it could be 2022/23 but it is more likely to be 2023/24. Again we await details on how schools will be protected for losses; it is expected as with the majority of Inner London schools Southwark schools will lose funding. There are two real possible scenarios one a three year protection or a minimum funding guarantee, set a negative percentage.