

## Appendix two - Dedicated Schools Grant

The Dedicated Schools Grant (DSG) for 2022/23 £627.682m. Councils receive and manage the DSG within four blocks: schools, central school services, high needs and early years. A large proportion of this is paid directly to schools and other settings to provide for the majority of education services. A proportion of the DSG is provided for local authorities to deliver education services.

There has been an overall increase in DSG since last year of £25.055m, the table below details the movement compared to last year:

- **£19.944m** of the change is due to increases in the grant formula. £9.990m increase in the school block and £8.746m uplift in the high needs block. Part of this increase is due to the city having greater need, free school meals pupils have increased by further 3.9% since last year, which is given a heavier weighting in the formula. Early years block increase of £1.368m relates to increase in hourly rates for early years. Central services block has reduced by £160k
- **£4.865m** of the increase relates to increases in pupil numbers
- **£246k** increase in growth fund, for new and expanding schools. Increase is based on pupil growth between October 2020 and October 2021 and increases to unit funding rates.

**Table two: Dedicated Schools Grant**

<b>DSG 2022/23 v. 2021/22</b>					
	<b>Schools</b>	<b>Central School Services</b>	<b>High Needs</b>	<b>Early Years</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
2022/23	475.054	3.796	110.024	38.808	627.682
2021/22	456.200	3.902	100.584	41.942	602.627
<b>Difference</b>	<b>18.853</b>	<b>-0.105</b>	<b>9.441</b>	<b>-3.134</b>	<b>25.055</b>
<b>The difference is a result of the change in £m:</b>					
Formula	9.990	-0.161	8.746	1.368	19.944
Pupil Numbers	8.617	0.055	0.695	-4.502	4.865
Growth Fund	0.246				0.246
<b>Difference</b>	<b>18.853</b>	<b>-0.105</b>	<b>9.441</b>	<b>-3.134</b>	<b>25.055</b>

The DSG arrangements 2022/23 are the same as 2021/22, the grant will continue to be allocated in the four blocks, as shown on the table below. £582.659m of the overall DSG will be allocated individual school budgets and £45.023m retained centrally by the authority.

**Table three: Dedicated Schools Grant Individual Schools and Retained School Budget**

<b>Block</b>	<b>Schools</b>	<b>Central Services Schools</b>	<b>High Needs</b>	<b>Early Years</b>	
Retained School Budgets	1.861	3.796	37.226	0.940	<b>4.823</b>
Individual School Budgets	473.193	0	72.798	37.868	<b>583.859</b>
<b>DSG 2022/23</b>	<b>475.054</b>	<b>3.796</b>	<b>110.024</b>	<b>38.808</b>	<b>627.682</b>
Retained School Budgets	1.1	3.902	33.884	1.569	<b>40.455</b>
Individual School Budgets	455.1	0	66.699	40.372	<b>562.171</b>
<b>DSG 2021/22</b>	<b>456.200</b>	<b>3.902</b>	<b>100.583</b>	<b>41.942</b>	<b>602.627</b>

In January 2022 the Executive approved changing the basis for the funding allocation across individual primary and secondary school budgets, in order to allow schools a longer adjustment period before introduction of the direct national funding formula. Consultation has been undertaken with all schools and through Schools Forum meetings in September and November 2021. The proposed Schools Budget for 2022/23 has been agreed in consultation with Schools Forum on the 18th January 2022, the budget included the following changes:

- All Manchester primary and secondary schools should receive a per pupil increase between 2% minimum and up to 3.2% on pupil-led funding.
- Central services school block funding has reduced on a per pupil basis by 2.5% despite there being no reduction in functions councils are required to provide.
- The high needs block has increased by £9.441m in 2022/23, this should enable the Council to manage existing and anticipated pressures next year, in addition to being able to cover most of the previous year shortfall. Although the planned recovery was not achieved last financial year the Council is confident at this stage that most of deficit can be recovered 2022/23 and the residual recovered by year three, 2023/24 as planned.
- Early year rates have increased by 21p and 17p per hour in the two-year-old and three and four-year old offer respectively. Final notifications of the adjustment to funding of the two-year-old and the three and four-year-old offer will be received in July 2022 and July 2023.