



Northumberland County Council

Wellbeing and Community Health

Agenda Item 7

SCHOOLS FORUM

15 February 2023

Setting the Dedicated Schools Grant (DSG) 2023/24

1. Purpose of the Report

To inform Schools Forum of the estimated overall DSG for 2023/24 as notified to Northumberland by the Education and Skills Funding Agency (ESFA) and the proposed allocation of funds within the 4 DSG Blocks.

2. Recommendations

It is recommended that Schools Forum notes:

- the proposal for the Schools Block formula values and the resulting 2023/24 School Budget Shares, in line with the Cabinet decision of 17 January 2023 including the delegation of the approval of the final formula values to the Executive Director of Children Services and the Lead Member for Children's Services and Deputy Leader of the Council in line with the principles agreed at Schools Forum on 16 November 2022
- the 2023/24 High Needs Block Budget including the final transfer from the Schools Block to the High Needs Block;
- the 2023/24 Early Years Block rates; and
- the 2023/24 Central Schools Services Budget.

3. Background

Schools Forum has previously received reports outlining developments in relation to the National Funding Formula (NFF). Information from the Department for Education (DfE) has confirmed their intention to move to a National Funding Formula (or "Hard" Formula) and the DfE has indicated an expectation that this will be achieved by 2027/28. For 2022/23 Northumberland was classed as an LA that "mirrors the NFF in most factors". Once the NFF Hard Formula is fully implemented, local authorities will have no discretion in the values of the individual factors used to distribute funding to schools, as is the case at the moment, within the overall framework provided by the ESFA Revenue Funding Guide and the associated Authority Proforma Tool (APT) used to calculate individual school budget shares.

2023/24 proposals agreed previously by Schools Forum include the mobility factor moving in line with NFF at which point we should become an authority "that mirrors the NFF"

4 Schools Block

4.1 Transfer to High Needs Block

In line with the position agreed at November 2022 School Forum meeting, and subsequently agreed in the schools' consultation exercise agreeing a maximum transfer of 0.25%, a final transfer of £484,983 (0.22%) has been agreed. This enables the payment of the full NFF values across all factors without any capping and scaling reductions, thereby enabling schools to retain all additional funding gained via the funding formula.

Effectively the transfer is being funded by using the growth element allocated to the LA.

4.2 Sparsity Funding

Sparsity funding has been increased marginally (2.3%) for 2023/24, in line with general funding increases, as opposed to the additional investment seen for 2021/22 and 22/23. Final funding for schools in relation to National Funding Formula sparsity payments has now been finalised as £2.674 million up by £62,000 on the current year's figures of £2.612 million.

4.3 Other Issues

Introduced in April 2022, whereas previously individual schools, (maintained and academies) were responsible for paying their own NNDR bills following a consultation exercise last year, funding will be deducted "at source in relation to NNDR by the ESFA and paid directly to the billing local authority. This is intended to simplify administrative processes for schools. To reflect this the NNDR element is subsequently deducted from Schools Budget Share statements.

No additional funding has been set aside from the Schools Block in relation to the existing Falling Rolls or Growth Funds.

In line with the above, adjustments will be made to the School Budget Share statements to show the deduction of the NNDR element from final figures. This includes all maintained schools and academies, although it should be remembered that academies are included for indicative purposes only, they will receive their final funding statements covering the period from September 2023 to August 2024 subsequently from the ESFA. This will be shared with all schools as soon as possible, ahead of the 28 February deadline.

Final ESFA agreement has not yet been received in relation to the submitted Authority Pro forma Tool (APT). Subject to this agreement, the final 2023/24 Formula Funding values used are shown in Table 1 on the following page.

In line with the figures at Appendix A, the equivalent 2023/24 final figure for distribution for £218,560,543 although the actual funding to be received by schools in 2023/24 is reduced by £2,533,172 in respect of NNDR which is being paid directly to the Council as administering authority by the ESFA. The final figure for distribution is therefore £216,027,371 prior to de-delegation and the Falling Rolls fund. The estimated final de-delegated sum is £457,489, though this is subject to change as a result of any further academisation.

Schools Forum is requested to:

- **note the formula funding values reflected in Table 1 for the distribution of the Schools Block DSG for 2023/24**

Table 1

FINAL NFF and NCC FORMULA FUNDING VALUES FOR 2023/24

(all values £)

Factor (all figures £)	NFF Values	NCC Values	NFF Values	Final NCC Values #	Movement in NCC values 22/23 to 23/24
	2022/23	2022/23	2023/24	2023/24	
col (a)	col (b)	col (c)	col (d)	col (e)	col (g)
AWPU Primary	3,217	3,217	3,394	3,394	5.50%
KS3	4,536	4,536	4,785	4,785	5.49%
KS4	5,112	5,112	5,393	5,393	5.50%
Lump Sum Primary / Middle /High/ Secondary	121,300	121,300	128,000	128,000	5.52%
Deprivation - Free School Meals Primary	470	470	480	480	2.13%
Secondary	470	470	480	480	2.13%
Deprivation – FSM6 Primary	590	590	705	705	19.49%
Secondary	865	865	1030	1030	19.08%
Deprivation – IDACI:					
Primary Band F	220	220	230	230	4.55%
Band E	270	270	280	280	3.70%
Band D	420	420	440	440	4.76%
Band C	460	460	480	480	4.35%
Band B	490	490	510	510	4.08%
Band A	640	640	670	670	4.69%
Secondary Band F	320	320	335	335	4.69%
Band E	425	425	445	445	4.71%
Band D	595	595	620	620	4.20%
Band C	650	650	680	680	4.62%
Band B	700	700	730	730	4.29%
Band A	890	890	930	930	4.49%
Low Attainment Primary	1,130	1,130	1,155	1,155	2.21%
Secondary	1,710	1,710	1,750	1,750	2.34%
EAL Primary	565	565	580	580	2.65%
Secondary	1,530	1,530	1,565	1,565	2.29%
MOBILITY : Primary	925	463	945	945	104.10%
Secondary	1,330	665	1,360	1,360	104.51%
SPARSITY(max) : Primary	55,000	55,000	56,300	56,300	2.36%
Middle	80,000	80,000	81,900	81,900	2.38%
Secondary/All Through	80,000	80,000	81,900	81,900	2.38%
Capping		13%		-	
Scaling		50%		-	
Minimum Funding Guarantee		2%		0.5%	
(max of 0.5% dictated by ESFA for 2023/24)					# Final Values subject to ESFA approval

5 High Needs Block

5.1 2023/24 Allocation

At the last meeting on 18 January 2023 Schools Forum were informed that the indicative High Needs Block allocation for 2023/24 is £51,072,682 before any deductions by the ESFA for direct funding of places by the ESFA of Pre and Post 16 in Academies, Post 16 in maintained special schools and post 16 in Independent Learning Providers (ILP) and Further Education (FE) establishments, as outlined in Appendix 1. It should be noted that this includes the HN block equivalent of the mainstream schools' additional grant which is being paid separately to mainstream schools and academies.

As reported in section 4.1 the transfer from the Schools Block to the High Needs Block has been set at £484,983.

Further information on the 2023/24 High Needs Block is available at the link [HERE](#) .

At the January meeting, it was agreed that the more detailed breakdown for services within that budget would be set at the February meeting. The proposed budget is attached at Appendix C. The continuing increase in the number of EHC plans, together with the more general inflationary pressures affecting both schools represent the 2 biggest challenges to balancing the High Needs Block budget. For 2023/24 it should be noted that this has only been possible by using the remaining High Need block balances brought forward from the 2021/22 financial year end. This has also involved setting a savings target of approximately £111,000 during 2023/24. While this is felt to be achievable in isolation, the challenges for 2023/24 will be to find ongoing provision for new EHC plans and managing cost pressures in an uncertain inflationary environment.

The final budget set of £49,467,665 consists of :

- 2023/24 HN Block Grant : 48,216,682
- Transfer from Schools Block : 484,983
- B/Fwd High Needs Balances : 766,000
- TOTAL 49,467,665**

Schools Forum are requested to note the 2023/24 High Needs Block budget of £49,467,665 as set out at Appendix B.

6 Early Years Block

The 2023/24 Early Years funding block figures and proposed hourly rates were reported to the January meeting of the Schools Forum, to allow the new rates from April to be provided to providers at an earlier stage. These are shown again for information below:

	2022/23	2023/24	Increase
3 and 4 Year Old Rate	£4.45	£4.58	£0.13
2 Year Old Rate	£5.57	£5.63	£0.06
Northumberland Pupil Premium Plus rate	£1.38	£1.38	-
Disability Access Fund 2,3 and 4 year olds annually	£800	£828	£28

It has been agreed with Corporate Finance that this can be funded from within the overall EY DSG budget.

Schools Forum are requested to note the rates for the Early Year Block as set out above and reported to School Forum in January 2023

7 Central Schools Services Block

This block was newly created in 2018/19 and comprises of funding for ongoing statutory responsibilities of the Council and a cash sum for historic commitments. The 2023/24 allocation for this block is £2,268,990, a figure £185,281 (7.5%) lower than the 2022/23 allocation of £2,454,271. This reduction in the historic element was expected and has previously been reported.

Schools Forum are requested to note the budget for the Central Schools Services Block will be set at £2,454,271 as set out in Appendix C

DEDICATED SCHOOL GRANT (DSG) ALLOCATION 2023/24 - FINAL (as at 14 February 2023)

	Pupils Unit Value				
Schools Block	Main Primary	22,646.5	5,059.28	114,574,985	
	Main Secondary	16,157.0	6,222.64	100,539,195	
	Premises	38,803.5		3,035,226	
	Growth			896,120	
				219,045,526	
	NNDR Within the Premises Factor (Deducted and paid directly)			-2,533,172	
	Total Schools Block after Deduction of NNDR			216,512,354	
	Transfer to High Needs Block			-484,983	
				216,027,371	
	Falling Rolls Fund			216,027,371	
Proposed De-delegation			-457,489		
Schools Block AFTER De-delegation			215,569,882		
Central School Services Block					
Pupil nos	38,803.5	36.95	1,433,790		
Historic Commitments (NB 20% Reduction)			835,200		
			2,268,990		
Early Years Block					
3/4 Year Olds	4,105.08	2775.90	11,395,292	4.87 Per Eligible Child per Hour	
3/4 Year Olds - Additional 15 hours	1,778.99	2775.90	4,938,299	4.87 Per Eligible Child per Hour	
2 Year Old Entitlement	775.52	3209.10	2,488,722	5.63 Per Eligible Child per Hour	
Disability Access Fund	132.00		109,296	828 Per Eligible Child	
			18,931,609		
Initial Allocation early years pupil premium	638.10	353.4	225,505	0.62 Per Eligible Child per Hour	
			19,157,114		
High Needs Block					
TOTAL 23/24 allocation (incl basic entitlement & additional grant)			51,072,682		
HN Place deductions					
Mainstream Academy Pre 16	0	6000	0		
Mainstream Academy Post 16	29	6000	-174,000		
Special Academy Pre 16	209	10000	-2,090,000		
Special Academy Post 16	27	10000	-270,000		
Special Schools Post 16	0	10000	0		
Mainstream Post 16	0	6000	0		
ILP and FE	52	6000	-312,000		
Alternative Provision Academies and Free Schools	1	10000	-10,000		
Total Deductions to HN Block for Direct Funding of Places by ESFA			-2,856,000		
ADD: Transfer from Schools Block			484,983		
TOTAL HIGH NEEDS BLOCK AFTER DEDUCTIONS			48,701,665		
TOTAL 2023/24 DSG			291,544,312		
TOTAL 2023/24 DSG after NNDR & HN ESFA places			286,155,140		

2023/24 De-delegation Summary :

Contingency	328,212
Trade Union Facility time	53,334
EAL	53,111
FSM Eligibility	22,832
	457,489

**2023/24
HIGH NEEDS DSG BUDGET**

2023/24 HN DSG	Total Budget
Total Grant before deductions	51,072,682
Less Recoupment for ISB	-2,856,000
Total after recoupment	48,216,682
Transfer from Sb to HNB	484,983
Transfer from Reserve	766,000
Revised Allocations	49,467,665
Planned expenditure	
Places and top-ups	
E_001004: Special Schools Default	11,088,505
E_001100: Pupil Referral Unit	595,180
E_014005: Independent Special Schools	7,228,000
E_014016: SEN top-ups	16,344,434
E_014019: SEN - additional funding - schools	2,390,640
E_014020: Primary Support Base Units	425,000
SEN Support	
E_015002: Pre School Special Education	319,740
E_015003: Sensory Support Service	958,120
E_015011: EC Education Package	84,980
E_014130: Education Psychology	348,050
E_014140: Speech and Language Support	701,620
E_014141: Specific Learning Difficulties Team (SpLD)	250,570
E_014142: Central Budget	605,260
E_014150: Autism Support	494,620
E_014125: Emotional Wellbeing and Behaviour Support	518,240
Virtual School	
E_014000: Education Provided Other Than At School	1,086,070
E_017008: Education Welfare Service	350,230
Inclusion	
E_017009: Inclusion	2,652,000
E_022140: Inclusion Team	237,850
Other services	
E_010061: Equalities and Schools	153,770
E_014017: SEN Other	1,025,000
E_022101: SEN Home to School Transport DSG	1,146,720
Increased recoupment (Feb update of places)	353,000
Estimate of pay award 23-24	221,125
Savings Requirement	-
Total Cost	49,467,665

2023/24 CENTRAL SCHOOLS SERVICES BLOCK (CSSB) BUDGET

Expenditure	Revised Budget 2022/23	Proposed Budget 2023/24		
		Cash Limited/ (Historic Commitments)	Non Cash Limited/ (Ongoing Commitments)	Total
	£	£	£	£
Admissions and Supply of School places	199,220		214,870	214,870
Schools Forum	6,930		5,740	5,740
Prudential Borrowing Capital Financing Costs	494,000	250,000		250,000
Termination of Employment Pension Costs	550,000	550,000		550,000
Contribution to Residential School Placements	108,960		162,570	162,570
Administration costs of Academy conversions	69,000		69,000	69,000
Longridge Towers	73,770		60,570	60,570
Copyright Licensing Agency	269,110		304,110	304,110
ESG Statutory Retained Duties	687,910		722,520	722,520
SACRE	17,820		7,000	7,000
Transfer of funding from reserve	-22,450		-77,390	-77,390
TOTAL CENTRAL SCHOOLS SERVICES BLOCK	2,454,270	800,000	1,468,990	2,268,990
FUNDED BY :				
CSSB - Historic Commitments	1,044,000	835,200		835,200
CSSB - Ongoing Commitments	1,410,271		1,433,790	1,433,790
	2,454,271	835,200	1,433,790	2,268,990