



Northumberland County Council

Wellbeing and Community Health

Agenda Item 6

SCHOOLS FORUM

16 February 2022

Setting the Dedicated Schools Grant (DSG) 2022/23

1. Purpose of the Report

To inform Schools Forum of the estimated overall DSG for 2022/23 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 2022/23 School Budget Shares, in line with the Cabinet decision of 11 January 2022 including the delegation of the approval of the final formula values to the Executive Director of Adult Social Care & Children's 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 17 November 2021
- the request for support to the late disapplication request outlined in section 4.2; .
- the 2022/23 High Needs Block Budget including the reduced final transfer from the Schools Block to the High Needs Block; and
- the 2022/23 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) but there is no definitive information as to when this will be implemented. 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.

At the 18 November 2020 meeting, for 2021/22 Schools Forum agreed a two-step approach towards the adoption of National Funding Formula figures. This meant that those values that were significantly over (Primary and KS4 Age Weighted Pupil Unit (AWPU)) or under (Primary Low Prior Attainment) National Funding Formula Values would have this gap closed in two equal steps.

Support for this approach was again re-iterated in November 2021, which would see the vast majority of formula values in line with National Funding Formula for 2022/23.

4 Schools Block

4.1 Transfer to High Needs Block

As in previous years we reported the proposed Formula Values to be used by Northumberland to Schools Forum in November 2021 and January 2022. Following the announcement of additional HN funding to be made available in 2022/23, we have reviewed the proposed transfer from the Schools Block to the High Needs Block and reduced this from 0.5% to 0.25%. Previous requests to School Forum sought permission to transfer a maximum of 0.5%.

After careful consideration, the additional £0.527 million funding has been distributed with the formula by amending the level at which Capping and Scaling is applied. For 2022/23 capping was applied at 4.65% with gains above 50% being scaled back. Original proposals used 6% as the capping threshold for 2022/23 but the reduced transfer to the High Needs Block means we can now set this threshold at 13%, thereby enabling Schools to retain more funding before scaling applies.

4.2 Disapplication Request

As in previous years, final proposals were submitted to the ESFA by the 21 January 2022 deadline. We have subsequently had communication from the ESFA which highlighted a previous disapplication request had lapsed. This was to support schools which incurred rental costs for their essential school premises that exceeded 1% of their school budget share so that they received funding to support these exceptional costs. We have submitted a new disapplication in respect of this, a copy of which is attached at Appendix B but are consulting school forum in respect of this.

4.3 Extra Sparsity

In November 2021 Schools Forum received a report on the outcomes of the DfE Sparsity consultation and highlighted a potential £0.719 million increase in funding to an estimated £2.602 million in respect of this. Schools Forum will recall previous effort in relation to this, involving the submission of an earlier disapplication request to pay funding to schools qualifying by road distances measured rather than the previous “as the crow flies” methodology. Final funding for schools in relation to National Funding Formula sparsity payments has now been finalised as £2.612 million.

4.4 Growth Fund

In line with previous discussion with the Formula Funding Committee, Schools Forum and the consultation held with Schools between 17 November and 13 December 2021, a Growth Fund of £25,000 has been created for 2022/23. As recorded in the draft Formula Funding Committee minutes of 03 November 2021, (reported to Schools Forum on 17 November 2021), members are reminded that there is a mandatory requirement that support is only available to schools judged good or outstanding at their last Ofsted inspection, and furthermore it is recommended that the local planning data demonstrates that the places will be required within the next 3 years.

Further work will be done with the Formula Funding Committee and it is intended to have criteria in place by April 2022.

4.5 Change to NNDR

While there is no anticipated financial impact on schools, it should be noted that there are changes to the way Schools National Non-Domestic Rating (NNDR) bills are paid from 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.

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 and highlight the introduction of the mobility factor into the funding formula for Northumberland, representing another move towards the full adoption of the National Funding Formula. 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 2020 to August 2021 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 2022/23 Formula Funding values used are shown in Table 1 on the following page.

In line with the figures at Appendix A, the equivalent 2022/23 final figure for distribution for £207,942,188 although the actual funding to be received by schools in 2022/23 is reduced by £2,550,202 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 £205,416,986 prior to de-delegation and the Falling Rolls fund. The estimated final de-delegated sum is £459,373, though this is subject to change as a result of any further academisation.

4.6 Schools Forum is requested to:

- **note the formula funding values reflected in Table 1 for the distribution of the Schools Block DSG for 2022/23**
- **invite the Formula Funding Committee to continue specific criteria to be adopted for the Falling Rolls Fund for Northumberland.**

Table 1

FINAL NFF and NCC FORMULA FUNDING VALUES FOR 2022/23

(all values £)

Factor (all figures £)	NFF Values (As published July 2020) 2021/22	Final NCC Values 2021/22	NFF Values (As published July 2021) 2022/23	# Final NCC Values 2022/23	Change in NCC Values 21/22 to 22/23 %
AWPU Primary	3,123	3,154	3,217	3,217	2.00%
KS3	4,404	4,404	4,536	4,536	3.00%
KS4	4,963	5,064	5,112	5,112	0.95%
Lump Sum Primary	117,800	117,800	121,300	121,300	2.97%
Middle	117,800	117,800	121,300	121,300	2.97%
High/Secondary	117,800	117,800	121,300	121,300	2.97%
Deprivation - Free School Meals Primary	460	570	470	470	-17.54%
Secondary	460	570	470	470	-17.54%
Deprivation – FSM6 Primary	575	575	590	590	2.61%
Secondary	840	840	865	865	2.98%
Deprivation – IDACI:					
Primary Band F	215	215	220	220	2.33%
Band E	260	260	270	270	3.85%
Band D	410	410	420	420	2.44%
Band C	445	445	460	460	3.37%
Band B	475	475	490	490	3.16%
Band A	620	620	640	640	3.23%
Secondary Band F	310	310	320	320	3.23%
Band E	415	415	425	425	2.41%
Band D	580	580	595	595	2.59%
Band C	630	630	650	650	3.17%
Band B	680	680	700	700	2.94%
Band A	865	865	890	890	2.89%
Low Attainment Primary	1,095	840	1,130	1,130	34.52%
Secondary	1,660	1,660	1,710	1,710	3.01%
EAL Primary	550	550	565	565	2.73%
Secondary	1,485	1,485	1,530	1,530	3.03%
Mobility : Primary	900	0	925	463	n/a
Secondary	1,660	0	1,330	665	n/a
Sparsity (max): Primary	45,000	45,000	55,000	55,000	22.22%
Middle	70,000	70,000	80,000	80,000	14.29%
Secondary/All Through	70,000	70,000	80,000	80,000	14.29%
Totals Adjusted by Capping and Scaling rates:					
Capping		4.65%		13.00%	
Scaling		50%		50%	
Minimum Funding Guarantee level		2%		2%	
# Final Values subject to ESFA approval					

5 High Needs Block

5.1 2022/23 Allocation

At the last meeting on 19 January 2021 Schools Forum were informed that the indicative High Needs Block allocation for 2022/23 is £44,497,569 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 Annex 1.

As reported in section 4.2 the transfer from the Schools Block to the High Needs Block has been reduced by £0.527 million(m), from £1.042m to £0.515m.

There is also additional one off supplementary HN funding distributed outside of the DSG for 2022./23 totalling £325 million national which is worth £1.646m for Northumberland. The ESFA updated their operational guidance on Friday 11 February 2022 to clarify the position in respect of this and stated:

“The additional £325 million allocated following the autumn 2021 spending review is intended to reflect the cost to all employers of the Health and Social Care Levy and other cost increases that were not anticipated when the NFF allocations were published in July 2021”

“Year-on-year increases of this scale demonstrate the importance we place on helping local authorities secure their financial sustainability. Funding will increase further in the subsequent two years, but on a smaller scale. We have advised authorities in the ‘safety valve’ programme to use an assumption of a 5% increase in 2023 to 2024, and 3% beyond that, although actual funding for all authorities will be decided as part of the usual annual process of setting allocations. Other local authorities may similarly want to reflect on the appropriate future assumptions to use in planning ahead.”

Further information 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 B. While seeking to take account of pay and price inflation pressures, plus the additional costs arising from the continuing increase of Education Health and Care Plans in the system, provision has also been made to support the most inclusive schools through changing the way we calculate and use the notional SEN funding figures, as outlined below:

5.2 Changes to Notional SEN Funding

There remains no national guidance as to how schools notional SEN funding figures should be calculated. While it is not a mandatory requirement, historically Northumberland have used the notional SEN figure as a threshold at which point those inclusive mainstream schools with the highest proportion of students with EHC plans or in receipt of additional Top Up funding (e.g. STAR) may access additional HN “notional” funding on a school basis, as opposed to an individual assessed learner basis. Typically, between 8 – 12 Northumberland schools qualified (between 5-6%).

With the additional HN funding available for 2022/23, Northumberland is keen to develop and invest in this support, which involves 2 stages:

- a) Looking at how the Notional SEN figure is calculated;
- b) Setting an appropriate threshold to access additional HN funding

Looking at how the Notional SEN figure is calculated

Up to and including 2021/22 Northumberland schools notional SEN funding level has been calculated on the following basis :

- 35% of all Deprivation Funding (FSM, FSM6 and IDACI)
- 100% of all Low Prior Attainment Funding; and
- 5.5% of Lump Sum

This is shown on the bottom of Schools Budget Share documents. Because this draws heavily on Deprivation and Low Prior Attainment, similarly sized schools can have significantly different notional SEN levels. In considering this calculation, it was felt the guidance and rationale behind the lump sum element within the funding formula (i.e. that every school no matter what size, have a core need for a headteacher, administrative / reception staff and premises staff) meant the Lump Sum should be excluded from the notional SEN calculation.

In relation to the inclusion of a proportion of Free School Meals (FSM), this is largely accounted for in the provision of FSM to qualifying students, therefore should again be excluded from the calculation.

The remaining elements should form part of the notional SEN calculation.

Setting an appropriate threshold to access additional “notional” HN funding

In discussions with schools in relation to accessing additional “notional” HN funding, it has been highlighted that only those pupils for whom an application has been made to the SEND Commissioning Panel and for whom support has been agreed, will be considered as part of this assessment. Other pupils who have simply been recorded as SEN Support “code K” in the School Census have not to date been considered. Schools highlighted that some resources needed to be made available to these students, even though they may not have been through a SEND Commissioning Panel assessment.

In order to take account of this, it is proposed that the calculation for additional “notional” HN funding be adjusted, so that only 50% of the revised notional SEN figure needs to be accounted for by element 2 funding (the first £6,000 that schools are required to find themselves). This means there is also an element of notional SEN funding available to support SEN Support learners, who have some SEN needs identified but have not been subject to an application for additional SEN Top Up funding either via the EHC Plan or other STAR funding routes.

Initial modelling has been carried out using Summer 2021 SEN pupil data, this will be shared with the HN Committee and subsequently brought to Schools Forum, from which it has been estimated that a further £320,000 per year is required to support this initiative. Provision has been made for this in the 2022/23 HN Budget attached at Appendix ____ .

Schools Forum are requested to note the 2021/22 High Needs Block budget of £39,373,470 as set out at Appendix B.

6 Early Years Block

The 2022/23 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 :

	£
3 and 4 Year Old Rate	4.45
2 Year Old Rate	5.57
EY Pupil Premium rate	0.60
Additional Deprivation rate paid on basis of pupil premium	0.78

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

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 2022/23 allocation for this block is £2,454,271, a figure £303,072 (11%) lower than the 2021/22 allocation of £2,757,343. The fall in the historic element was anticipated and mirrors the unwinding of long terms costs arising from Capital and Termination costs, but the reduction in the per pupil element, and fall in pupil numbers, for ongoing services represents an additional funding pressure for the Council

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 D

DEDICATED SCHOOL GRANT (DSG) ALLOCATION 2022/23 - FINAL

		Pupils	Unit Value		
Schools Block	Main Primary	22,854.5	4,790.26	109,478,998	
	Main Secondary	16,071.0	5,905.10	94,900,863	
	Premises			3,411,508	
	Growth			691,515	
				208,482,884	
	NNDR Within the Premises Factor (Deducted and paid directly)			-2,550,203	
	Total Schools Block after Deduction of NNDR			205,932,681	
	0.25% to High Needs Block			-515,696	
				205,416,985	
	Falling Rolls Fund			-25,000	
			205,391,985		
Proposed De-delegation			-459,373		
Schools Block AFTER De-delegation			204,932,612		
Central School Services Block	Pupil nos	38,925.5	36.23	1,410,271	
	Historic Commitments (NB 20% Reduction)			1,044,000	
			2,454,271		
Early Years Block	3/4 Year Olds	4,010.45	2627.70	10,538,260	4.61 Per Eligible Child per Hour
	3/4 Year Olds - Additional 15 hours	1,706.78	2627.70	4,484,906	4.61 Per Eligible Child per Hour
	2 Year Old Entitlement	723.16	3174.90	2,295,961	5.57 Per Eligible Child per Hour
	Disability Access Fund	140.00		112,000	800 Per Eligible Child
				17,431,127	
Initial Allocation early years pupil premium	522.15	342	178,576	0.60 Per Eligible Child per Hour	
			17,609,703		
High Needs Block	TOTAL 22/23 allocation (incl basic entitlement)			44,497,569	
	HN deductions				
	Mainstream Academy Pre 16	0	6000	0	
	Mainstream Academy Post 16	30	6000	-180,000	
	Special Academy Pre 16	180	10000	-1,800,000	
	Special Academy Post 16	36	10000	-360,000	
	Special Schools Post 16	0	10000	0	
	Mainstream Post 16	0	6000	0	
	ILP and FE	52	6000	-312,000	
	Total Deductions to HN Block for Direct Funding of Places by ESFA			-2,652,000	
	TOTAL HIGH NEEDS BLOCK AFTER DEDUCTIONS			41,845,569	
	TOTAL 2022/23 DSG			273,044,427	
	TOTAL 2022/23 DSG after NNDR & HN ESFA places			267,842,224	

2022/23 De-delegation Summary :

Contingency	339,420
Trade Union Facility time	55,820
EAL	41,440
FSM Eligibility	22,693
	459,373



Education & Skills
Funding Agency

School and Early Years Finance (England) Regulations
Local Authority Application to Disapply Regulations Form
General Requests

Please complete this form to apply to the Secretary of State for Education to disapply the School and Early Years Finance (England) Regulations, or to vary conditions in the dedicated schools grant.

Please complete all fields. If sections are not satisfactorily completed, we may request further information or REJECT YOUR REQUEST.

Return the completed form along with any supporting documentation to LA.DISAPPLICATIONS@education.gov.uk.
Please attend disapplication workshops 29/09/2021 for further support.

Please do not embed files, please attach supporting documentation. Where documents are attached separately, for example spreadsheet calculations, please reference in the relevant box on the form.

Local Authority number	929
Local Authority - <i>auto populated</i>	Northumberland
Funding year request relates to	2022/23
Type of request	Exceptional Factor
Regulations or condition of grant the request relates to - <i>auto populated</i>	10(1)
Has relevant modelling been completed for the request?	Yes

What is the latest date a decision is needed by? (DD/MM/YY) 16/02/22

Number of schools directly affected	2
Have the schools directly affected by this request been consulted?	Yes
What are the views of the schools directly affected by this request?	They are supportive of the request

Has the schools forum been consulted?	Yes
Does the schools forum agree with this request?	Yes
Has the schools forum voted?	Yes
Which groups of representatives voted? (maintained schools, academies, etc)	All
What was the split in votes?	Unanimous support
What was the date of the schools forum meeting? (DD/MM/YY)	16/02/22
Was the meeting quorate?	Yes

Please provide link(s) attach to the minutes showing schools forum agreement, or details of where this can be found in attached documentation.	
If this is a high needs disapplication request, you must ensure to provide the following supporting evidence alongside your completed proforma: *Financial modelling detailing the financial impact, especially for those schools affected, including year-on-year change and/or information about any previously agreed reductions in funding as outlined in 'Annex 1: special schools minimum funding guarantee' of the High Needs operational guide https://www.gov.uk/government/publications/high-needs-funding-arrangements-2022-to-2023 *Detailed supporting information and findings following consultation with local schools, including the views of those schools directly affected by the proposals *Details of proposed risk mitigations that may need to be considered	Previous School Forum support has been given to this disapplication request but this has now been archived. A further disapplication request will be taken to the School Forum meeting to be held on 16 February 2022 but support is anticipated as this is simply extending the existing provision, although the previous disapplication request has time expired. The intention would be that this exception would remain in place for as long as the Rent costs exceeded 1% of the School Budget Share.
If this has not yet been discussed with Schools forum, what date will this be? (DD/MM/YY)	16/02/22

Assessment of the equalities implication

Please provide us with your detailed equality analysis demonstrating your compliance with the public sector equality duty in s.149 of the Equality Act 2010 in relation to your request. We have provided PSED guidance and an optional document to record your equalities impact assessment which can be found at the end of the tab list below.

If attached separately, please provide details of where this can be found in supporting documentation.

Should we consider your analysis to be inadequate we may request further information or REJECT YOUR REQUEST.

Stating that there are no equality implications will generally be deemed to be inadequate.

Section 149

The specific situation of the two schools involved in this request means there is unlikely to be any equality impact issues, either negative or positive arising from this disapplication request. The particular school profiles are comparable to Northumberland as a whole. The disapplication request arises to avoid pupils attending these schools being adversely impacted by the specific situations the 2 schools faces in incurring rental costs in excess of 1% of their School Budget Share. This has been supported previously and a failure to agree this would see an adverse impact on the resources and funding available to the 2 specific schools. It should be noted that both Schools are first schools so there would be a disproportionate effect on younger primary age children if the disapplication was not supported.

Detailed information about the request not included above.

For any references made to documents supplied separately, please provide details (e.g. page numbers) of where relevant information can be found within the supporting documentation.

You should include, where appropriate:

- What is the rationale for the proposal?
- What is the impact on the schools concerned? Do they benefit from the proposal?
- What is the potential impact on other schools in the area? Please provide modelling to show the impact on schools in the local authority.
- Will maintained schools and academies be affected in the same way?
- What is the potential impact on other educational functions and services in the area?

Please include any modelling that support the request.

There has been a previous disapplication request in place which has now lapsed. The purpose of this is to protect schools which have exceptional rental costs as part of the school operations, and the definition of exceptional is rental costs for school land/ buildings in excess of 1% of their School Budget Share. This has been recorded as approved exceptional circumstances and commentary provided in previous years' APT submissions. This is applicable to 2 schools (Beaufont First School 929 2227 and Seaton Delaval First School 929 2228). For Beaufont the rental figure concerned is £6,750 which constitutes 1.6% of the Post MFG estimated school budget share of £410,788. For Seaton Delaval the £9,000 cost is 1.1% of the post MFG budget of £834,090.

Name of requestor	Bruce Parvin
Job Title	Education and Skills Business Manager
Telephone number	01670 623431
Email address	bruce.parvin@northumberland.gov.uk
Date (DD/MM/YY)	08/02/22

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Request number	
ID	
Decision outcome	
Details of the decision (including any conditions)	

Name	
Date (DD/MM/YY)	
Type of notification	
If this notification type is listed as 'intention to approve' the department will notify you when the regulations are laid.	

2022/23 HIGH NEEDS DSG BUDGET

	22/23
	High Needs Block (after estimated deductions)
2021/22 grant as per DFE	
Total Grant before deductions	44,497,569
Less Recoupment for ISB	-2,652,000
Total after recoupment	41,845,569
Additional High Needs block funding	1,646,350
Transfer from Sb to HNB	515,696
Revised Allocations	44,007,615
Planned expenditure	
Places and top-ups	
E_001004: Special Schools Default	10,913,670
E_001100: Pupil Referral Unit	434,400
E_014005: Independent Special Schools	5,928,000
E_014016: SEN top-ups	15,350,995
SEN Support Services (NIES)	
E_015002: Pre School Special Education	285,530
E_015003: Sensory Support Service	930,320
E_014130: Education Psychology	365,230
E_014141: Specific Learning Difficulties Team (SpLD)	243,670
E_014142: Central Budget	509,040
E_014140: Communication	690,770
E_014150: Autism	434,390
E_014125: Emotional Wellbeing and Behaviour Support	450,970
Virtual School	
E_014000: Education Provided Other Than At School	1,161,430
E_017008: Education Welfare Service	352,430
Inclusion	
E_017009: Inclusion	1,722,000
E_022140: Inclusion Team	192,340
Other services	
E_010061: Equalities and Schools	150,220
E_014017: SEN Other	1,568,820
E_022101: SEN Home to School Transport DSG	1,146,720
E_015011: Specialist SEN Education Packages	82,500
Nurture units	850,000
Contingency for SEN pressures	135,000
Increased recoupment	109,170
Total Cost	44,007,615
Balance	-

Appendix D

2022/23 CENTRAL SCHOOLS SERVICES BLOCK (CSSB) BUDGET

Expenditure	Budget Set 2021/22	Proposed Budget 2022/23		
	Total	Historic Commitments	Ongoing Commitments	Total
	£	£	£	£
Admissions and Supply of School places	240,120		187,590	187,590
Schools Forum	6,930		6,930	6,930
Prudential Borrowing Capital Financing Costs	755,000	494,000		494,000
Termination of Employment Pension Costs	550,000	550,000		550,000
Contribution to Residential School Placements	133,627		108,961	108,961
Administration costs of Academy conversions	69,000		69,000	69,000
Longridge Towers	75,520		73,770	73,770
Copyright Licensing Agency	258,510		269,110	269,110
ESG Statutory Retained Duties	661,636		687,910	687,910
SACRE	7,000		7,000	7,000
TOTAL CENTRAL SCHOOLS SERVICES BLOCK	2,757,343	1,044,000	1,410,271	2,454,271
Funded By :				
CSSB - Historic Commitments	1,305,000	1,044,000		1,044,000
CSSB - Ongoing Commitments	1,452,343		1,410,271	1,410,271
	2,757,343	1,044,000	1,410,271	2,454,271