

2023/24 Schools Budget Setting

Schools Forum – 13th January 2023

Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the 2023/24 budget setting round:

1. National Funding Announcements
2. Budget Proposals - Schools Block
3. Retained Funding and De-Delegations (Maintained Primary only)
4. Budget Proposals - High Needs Block
5. Budget Proposals - Central Schools Services Block
6. Budget Proposals - Early Years Block
7. Next Steps

National Funding Announcements

- On 16th December 2022 the Department for Education (DfE) published the DSG allocations for 2023-24. Full details can be found on the DfE website at the following link:
- <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2023-to-2024>

National Funding Announcements

- The initial 2023-24 DSG allocations for Cambridgeshire are set out in the following table, which also provides the 2022-23 figures for comparison:

DSG Block	2022-23 Allocation £m	2023-24 Initial Allocation £m	Change v 2022-23 Allocation £m	% Change
Schools Block (incl. growth, NNDR & 22-23 supplementary grant)	434.048	452.820	+18.772	+4.3%
High Needs Block	94.360	104.277	+9.917	+10.5%
Central Services Schools Block	5.923	5.563	-0.359	-6.1%
Early Years Block	38.454	40.711	+2.257	+5.9%
Total	572.785	603.371	+30.587	+5.3%

National Funding Announcements

- Uplift to Cambridgeshire's Schools Block allocation is as a result of a combination of the additional investment through the national funding formula and the net increase in pupils between October 2021 and October 2022.
- Primary (Reception – Year 6) – net increase of 304.5
- Secondary (Year 7 –Year 11) – net increase of 1,215.5
- Early Years Block indicative figures are currently based on January 2022 data. Adjustments expected to 2022/23 figures based on actual take-up.

National Funding Announcements

- In addition to the DSG, mainstream schools will receive an additional grant in 2023 to 2024. Details have been published at:
- <https://www.gov.uk/government/publications/mainstream-schools-additional-grant-2023-to-2024>
- Initial indicative figures for Cambridgeshire suggest an allocation of circa £15m.
- School level allocations will be published once finalised.

National Funding Announcements

- Additional Grant Funding:

	Area Cost Adjustment	1.01284
	Base Rate	ACA Adjusted Rate
Per-pupil rate for primary pupils	£119.00	£120.53
Per-pupil rate for key stage 3 pupils	£168.00	£170.16
Per-pupil rate for key stage 4 pupils	£190.00	£192.44
Lump sum of £4,510	£4,510.00	£4567.91
FSM6 per-pupil rate per eligible primary pupil	£104.00	£105.34
FSM6 per-pupil rate per eligible secondary pupil	£152.00	£153.95

- The base rates above will be adjusted by the Schools Block Area Cost Adjustment which for Cambridgeshire is 1.01284

National Funding Announcements

- Alongside the mainstream allocation an additional £400 million of high needs funding has been allocated nationally for 2023 to 2024. This equates to £4.1m for Cambridgeshire and has already been included in the £104.277m High Needs Block allocation.
- As such this additional funding will not be calculated at school level based on the methodology on the previous slides.
- There are however condition of grant which requires at least the equivalent of 3.4% uplift to be passed onto special schools and PRUS.

Final Budget Proposals

– Schools Block



- Following receipt of the revised datasets on 20th December further budget modelling has been undertaken reflecting the approach previously presented to Schools:
 - 1%/circa £4.5m block transfer from Schools Block to High Needs Block
 - £1.7m centrally retained growth fund
 - Align funding rates with the National Funding Formula
 - Apply the maximum 0.5% Minimum Funding Guarantee
- After adjusting the Schools Block for the 1%/circa £4.5m block transfer and £1.7m centrally retained growth fund the total available for distribution (including business rates) is **£446.592m**

Final Budget Proposals

– Schools Block



- The **draft** budgets at individual school level can be seen in **Appendix B** and **Appendix C** shows the distribution of funding across all of the funding factors.
- Figures have been updated to reflect the October 2022 census data (variations to pupil numbers have been applied for new schools and guaranteed numbers will be submitted for September 2023).
- Figures are based on the unit values on the following slide which have been scaled down to meet overall affordability – all currently exceed the ESFA's minimum allowable values.
- The current cost to meet the revised minimum per pupil level funding is circa **£2.8m**
- The current cost to meet the 0.5% minimum funding guarantee is circa **£382k**.

NFF Factor		Cambridgeshire Funding Formula (NFF) Unit Rates 2022-23	National Funding Formula (NFF) Unit Rates 2023-24 (with ACA applied)	Minimum Allowable 2023-24 Values	0.9860 Illustrative Cambridgeshire Unit Rates 2023-24 (Weighting Applied)	£ Increase compared to 22/23	% Increase compared to 22/23
Basic per pupil entitlement (AWPU)	AWPU: Primary	£3,217	£3,438	£3,352	£3,390	£173	5.37%
	AWPU: Secondary KS3	£4,536	£4,847	£4,725	£4,779	£243	5.35%
	AWPU: Secondary KS4	£5,112	£5,462	£5,326	£5,386	£274	5.36%
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	£470	£486	£474	£479	£9	2.00%
	FSM current – Secondary	£470	£486	£474	£479	£9	2.00%
	Ever6 FSM – Primary	£590	£714	£696	£704	£114	19.34%
	Ever6 FSM – Secondary	£865	£1,043	£1,017	£1,029	£164	18.92%
	Primary IDACI F	£220	£233	£227	£230	£10	4.41%
	Primary IDACI E	£270	£284	£277	£280	£10	3.57%
	Primary IDACI D	£420	£446	£435	£439	£19	4.63%
	Primary IDACI C	£460	£486	£474	£479	£19	4.21%
	Primary IDACI B	£490	£517	£504	£509	£19	3.95%
	Primary IDACI A	£640	£679	£662	£669	£29	4.55%
	Secondary IDACI F	£320	£339	£331	£335	£15	4.55%
	Secondary IDACI E	£425	£451	£439	£444	£19	4.57%
	Secondary IDACI D	£595	£628	£612	£619	£24	4.07%
	Secondary IDACI C	£650	£689	£672	£679	£29	4.48%
	Secondary IDACI B	£700	£739	£721	£729	£29	4.15%
Secondary IDACI A	£890	£942	£918	£929	£39	4.36%	
English as an Additional Language	Primary	£565	£587	£573	£579	£14	2.52%
	Secondary	£1,530	£1,585	£1,546	£1,563	£33	2.16%
Low Prior Attainment	Primary	£1,130	£1,170	£1,141	£1,154	£24	2.08%
	Secondary	£1,710	£1,773	£1,728	£1,748	£38	2.21%
Pupil Mobility	Primary	£925	£957	£933	£944	£19	2.03%
	Secondary	£1,330	£1,377	£1,343	£1,358	£28	2.12%
Lump Sum	Primary	£121,300	£129,646	£126,405	£127,836	£6,536	5.39%
	Secondary	£121,300	£129,646	£126,405	£127,836	£6,536	5.39%
	Minimum per pupil funding Primary	£4,265			£4,405	Weighting not applied to MPPL	
	Minimum per pupil funding Secondary (KS3 and KS4 combined)	£5,525			£5,715	Weighting not applied to MPPL	

Final Budget Proposals

– Schools Block



- The values for sparsity are not included in the table on the previous slide as are variable up to a new maximum of £56,300 for primary schools and £81,900 for secondary schools.
- The ESFA recognises that some factors cannot easily be allocated on a formulaic basis and under the NFF continue to be funded at historical or actual funding levels. This covers the premises factors which includes PFI (variable), split site (increased to £110k), exceptional premises (variable) and business rates (variable).

Final Budget Proposals

– Schools Block



Business Rates / National Non-Domestic Rates (NNDR)

- The current figures include the notional business rates figures for 2023-24 as provided by the ESFA.
- The figures **do not** currently include adjustments to maintained primary business rates figures for 2022-23 (to reflect differences between 2022-23 funding and actual costs incurred).
- Clarity has been sought from the ESFA on the treatment for maintained primary business rates figures for 2023-24. (i.e. Do we reflect changes in rateable values or just fund based on ESFA figures and continue to make retrospective adjustments in the following year)
- Also, still waiting confirmation as to whether local billing authorities have signed up to national centrally administered process.

Final Budget Proposals

– Schools Block

- Please note:
 - Figures are still draft and are subject to change as final data validation is undertaken.
 - Final approval of the local formula will be provided by the ESFA.
 - The business rates issues noted on the previous slide will impact on the final allocations, but until clarification has been received on the required treatment for 23/24 the scale of the impact is unknown.
 - Actual amounts to be received by academies will be notified directly by the ESFA for the 23/24 academic year and may differ due to pupil numbers and protections applied.

Required Actions

- **Schools Funding Formula**
 - a) Schools Forum are asked to note and comment on the final schools funding formula proposals following the December announcements.

Retained Duties Funding

- For 2023/24 it is proposed to:
 - Continue to apply the retained duties funding received as per of the CSSB to support ongoing functions.
 - Continue to retain £10 per pupil from maintained schools for services specifically provided to maintained schools. This has been at this value since 2017/18 whilst schools funding has increased by >20%.

Retained Duties Estimates	2023/24 £000
Estimated Education Functions - £10 per pupil - Maintained Only*	£275

*Final amount will be dependent on pupil numbers applied in the final budgets.

Focus of Retained Duties Funding



The funding contributes across a range of services and was developed when the education services grant to cover a range of different activities including -

- compliance with duties under Health and Safety at Work Act
- Premature retirement and redundancy dismissal or premature retirement when costs cannot be charged to maintained schools
- Monitoring of National Curriculum assessments
- Support with Legal issues outside of the school's control.
- Delivery of the Employee Assistance Programme and wider support for Headteacher wellbeing.
- expenditure related to core school improvement activities of local authorities with respect to maintained schools including annual visit to all schools and access to data systems
- Support for maintained schools during Ofsted inspections, as appropriate/needed and attendance at feedback sessions
- internal audit and other tasks related to the local authority's chief finance officer's responsibilities
- Attendance Targeted Support Meetings and additional support via the helpline and cluster meetings.
- On Call support out of hours for schools
- Media support for maintained schools
- General landlord duties for all maintained schools
- School estate emergency response and support
- Management and delivery of higher value maintenance and condition projects using DfE allocated capital funding
- Triennial condition survey of maintained school buildings (allow prioritisation of works and supports schools with their asset management planning)
- Other surveys in response to national issues; eg RAAC planks (Trusts deliver themselves as responsible bodies)
- Applications to national programmes for green grants (PSDS) and delivery of successful bids in school
- Statutory H and S compliance includes Contractor Control (5cs), Asbestos Management, Water Hygiene Management, Fire Safety, Security Consultancy, Accessibility and general Property Health and Safety.
- Policy advice and guidance for Fire, Asbestos, Water Hygiene and Contractor Control

De-delegation Amounts

- Apply to maintained primary schools only:

	Agreed 2022/23 Basis	Proposed 2023/24 Basis
Contingency	£2.10 per pupil	£2.10 per pupil
Free School Meals Eligibility	£4.65 per FSM child	£4.65 per FSM child
Maternity	£5.00 per pupil	£5.00 per pupil
Trade Union Facilities Time	£1.10 per pupil	£1.10 per pupil

Required Actions

- ***Education Functions and De-delegations:***
 - b) Maintained Primary School representatives on Schools Forum are asked to approve:
 - i. The continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.
 - ii. The continuation of the de-delegation in respect of Contingency.
 - iii. The continuation of the de-delegation in respect of Free School Meals Eligibility.
 - iv. The continuation of the de-delegation in respect of Maternity and Paternity Cover.
 - v. The continuation of the de-delegation in respect of Trade Union Facilities Time.

Final Budget Proposals

– High Needs Block

Source of Funding	£m
2023/24 Initial HNB (Updated December 2022)	£104.277m
Transfer from Schools Block (1%)	£4.528m
Total available HNB for 2023/24	£108.805m

- Current 22/23 HNB in-year forecast spend in excess of **£109m**.
- Figures above include additional £4.1m of funding announced as part of the settlement.
- Condition of grant which requires at least the equivalent of 3.4% uplift to be passed onto special schools and PRUS. Further detail to be shared once available.
- Safety Valve proposals to be resubmitted to reflect additional funding.

Required Actions

- **High Needs Block**
- c) Schools Forum are asked to note and comment on the high needs block following the December announcements.

Central Schools Services Block

Budget Line	2022/23	2023/24	Description
Contribution to combined budgets	£1,733k	£733k	Approved by Schools Forum at November meeting - £733k Early Intervention Family Worker (previously Parental Support Advisors)
Capital expenditure from revenue (CERA)	£583k	£0k	Schools Broadband Contract Subsidy – now removed
School Admissions	£467k	£467k	Approved by Schools Forum at November meeting
Servicing of Schools Forum	£3k	£3k	Approved by Schools Forum at November meeting
Other Items	£482k	£544k	National Copyright Licence arrangements – set by DfE - updated
Ongoing Retained Duties	£2,016k	£2,185k	As per DfE figures (pupil-led) – based on October census data
Total CSSB Budgeted Expenditure	£5,284k	£3,932k	
Residual Balance	£638k	£1,631k	Planned underspend to support overall DSG deficit recovery (transferred to HNB in previous years)
Total Allocation of CSSB	£5,922k	£5,563k	

Final Budget Proposals

– Central Schools Services Block

- Final CSSB allocation of £5.56m, reduced from £5.92m.
- Includes further 20% reduction in funding for Historic Commitments and increased allocation for retained duties.
- Copyright License costs (excluding VAT) confirmed, increasing to **£544k** (currently **£482k**). Any change will be taken from the residual balance, so no cost to schools.
- LA's and schools (including academies) do not need to negotiate individual licences. The DfE pays the cost, including VAT, to the agencies and provides this as a service to LA's as a charge to the DSG.

Required Actions

- **Central Schools Services Block**
- d) Schools Forum are asked to note and comment on the central schools services block following the December announcements.

Final Budget Proposals

– Early Years Block

- National increase in 2023/24 of:
 - 34p per hour increase for funded two-year-olds
 - 26p per hour increase for all three- and four-year-olds
 - 2p, from 60p to 62p per hour increase for Early Years Pupil Premium per eligible child
 - £28 increase, from £800 to £828 to the Disability Access Fund per eligible child per year
- Proposing a “minimal change” approach to the Cambridgeshire early years single funding formula:
 - Increase the rate for funded two-year-olds from £5.78 to £6.12
 - Increase the rate for three- and four-year-olds from £4.37 to £4.63
 - EYPP and DAF will continue to be passported on to eligible children at the national rate

Final Budget Proposals

– Early Years Block

- Members of the Early Years Provider Reference Group (EYPRG) provided the following feedback on the proposals:
 - Acknowledged the efforts of the Council to support providers by passing on funding in line with the national uplift.
 - Highlighted that the 5.9% will not cover cost increases on staffing, with national living wage up 9.6% and the need to review other salaries to preserve differentials.
 - Informal research from one provider suggested that the market pressures for qualified staff in the Cambridge City area had left them lagging in a less than competitive position on wages.
 - One provider highlighted a 159% increase in forecast cost of electricity and a four-figure increase in the food bill in the last year. Another exemplified a need to raise fees by 7.7% and a 9% increase in LA funding (as opposed to the 5.9% on offer) in order to keep pace with price rises.
 - A sense that this is challenging for the sector, and that (others) may struggle (even more) to remain sustainable.

Final Budget Proposals

– Early Years Block



- The Early Years Funding guidance requires local authorities to pass-through 95% of the funding retaining a maximum of 5% for centrally retained functions. Not a straight forward calculation...
- Based on current estimates the proposed funding to be retained centrally by the Local Authority will account for less than 5% of the Early Years Block. The final % will be confirmed on completion of the Section 251 budget statement which is submitted to the ESFA by the end of March.

Final Budget Proposals

– Early Years Block

Centrally Retained Budget	2022/23 Budget (£)	2023/24 Proposed Budget (£)
<p>Early years statutory duties linked to:</p> <ul style="list-style-type: none"> • Child and Family Act 2014 • The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014 • Childcare Act 2006 • SEND Code of Practice 2014 • Equalities Act 2010 <p>And underpinned by, Early education and childcare -statutory guidance for local authorities.</p> <p>These activities include safeguarding training and advice, statutory intervention, practice and pedagogical development, SEND training and support, business/governance and leadership support, continued professional development and quality improvement, provider sustainability, sector recruitment and staff retention, family information service (FIS), equality and closing the attainment gap in vulnerable groups.</p>	929,000	959,000
Early Years and Childcare Qualifications	200,000	170,000
Early Years Pupil Premium Eligibility	11,000	11,000
SENIF coordination and administration	60,000	60,000
2 Year Olds SENIF	250,000	150,000
Total EY Centrally Retained Funding (counts towards 5% centrally retained limit)	1,450,000	1,350,000
3 & 4 Year Olds SENIF (Included in 95% pass-through, therefore does not count towards 5% centrally retained limit)	725,813	825,813

Required Actions

- **Early Years Block**
- e) Schools Forum are asked to note and comment on the final early years block proposals following the December announcements.
- f) Schools Forum are asked to approve the early years centrally retained funding amounts for 2023/24.

Next Steps

- 17th January 2023 – Children and Young People Committee to approve final Schools Funding Formula
- 20th January 2023 – Authority Proforma Tool (APT) submission deadline to the ESFA
- Late January/early February – budgets to be issued to Primary and Secondary Schools (academy budgets will be illustrative only as final budgets will be confirmed by the ESFA).
- Late February – illustrative budgets to be published for Special Schools