

2023/24 Schools Budgets and Dedicated Schools Grant Funding

Schools Forum – 4th November 2022

Introduction

The purpose of today's presentation is to share with Schools Forum the latest position on Dedicated Schools Grant (DSG) funding in relation to the 2023/24 budget setting round:

1. 2023/24 DSG Funding Arrangements
2. Illustrative Budget Modelling & Consultation
3. Notional SEN / High Needs Contingency
4. Central School Services Block
5. Retained Funding and De-Delegations (Maintained Primary only)
6. Growth Funding / New Schools
7. Next Steps

23-24 DSG Funding Arrangements

Information has been published on the Department for Education (DfE) website and includes:

- [Indicative Figures](#) for each school compared to their 2022-23 baseline formula allocations
- **These are not the final budget figures** but a generational model to derive LA level funding
- [Indicative DSG Allocations](#) for 2023-24 based on October 2021 census (figures will be updated for the October 2022 census in December's final allocations)

23-24 DSG Funding Arrangements

Schools Block

- DfE published illustrative figures show a **£8.8m / 2.0%** increase for Cambridgeshire (excluding changes in growth funding) compared to the amount due to be received in 2022/23.
- The Schools Supplementary grant has been baselined into the National Funding Formula (NFF) allocations. (*Risk this could be reduced to reflect reduction in NI contributions?*)
- NFF formula factors have been uplifted by varying percentage.
- Local authorities must use **all** NFF factors, and can only use NFF factors. No impact for CCC as we already comply with this approach.

23-24 DSG Funding Arrangements

Schools Block

- Local authorities required to move local formula factor values at least 10% closer to the NFF, including the area cost adjustment.
- Minimum Funding Guarantee (MFG) can be set between +0% and reduced maximum of +0.5%
- No national cap but LAs can still opt to use a local cap to manage overall affordability
- 0.5% limit on movements between funding blocks remains.

23-24 DSG Funding Arrangements

High Needs Block

- The 23/24 high needs NFF includes a 5% funding floor to make sure that all local authorities receive an increase of at least 5% per head of their 2-18 population, compared to their 2022 to 2023 funding baseline
- Current illustrative figures for Cambridgeshire show approx. increase of £4.6m / 4.9% compare to current allocations. Will be updated on receipt of final figures.
- Minimum Funding Guarantee for Special Schools to be calculated over 2 years – 21/22 to 23/24.

23-24 DSG Funding Arrangements

Central Schools Services Block (CSSB)

- The CSSB provides funding for the benefit of all schools for ongoing and historic commitments.
- Historic commitments reduced by a further 20% from last year resulting in a net CSSB reduction of £0.4m compared to 22/23:
 - Ongoing responsibilities:
 - Admissions
 - Copyright
 - Statutory/Regulatory Duties etc
 - Historic Commitments:
 - Contribution to Combined Budgets

23-24 DSG Funding Arrangements

Early Years Block

- Consultation undertaken in the summer of 23/24.
- Proposed changes mainly in respect of using updated datasets and baselining grants.
- Resulting potential illustrative uplifts of £0.29 per hour for 2 year olds and £0.21 per hour for 3/4 year olds. Final allocations still to be confirmed.
- As per previous announcements maintained nursery school supplement confirmed until March 2025.

23-24 DSG Funding Arrangements

■ Illustrative DSG Allocations for 2023/24:

	Amount to be Received in 2022/23 £ (as at Oct 2022)	Illustrative Allocations for 2023/24 £	Illustrative Increase £	Illustrative Increase %	
Schools Block (excluding Growth Fund)	£418,326,179	£439,507,322			Based on 82,688.5 pupils as at October 21 Census
Growth Fund	£3,390,060	£3,390,060			23/24 growth fund allocation not yet published
Supplementary Grant	£12,332,048				Supplementary Grant separately allocated in 22/23
Total Schools Block	£434,048,287	£442,897,382	£8,849,095	2.0%	
High Needs Block	£94,365,902	£98,992,916	£4,627,014	4.9%	As per NFF illustrative data published July 22
Central Schools Services Block	£5,922,758	£5,505,864	-£416,894	-7.0%	Includes 20% reduction to Historic Commitments
Early Years Block	£38,453,707	£38,453,707	£0	0.0%	23/24 allocation not yet published - figures as at July 22
Total DSG and Supplementary Grant	£572,790,654	£585,849,869	£13,059,215	2.3%	

23-24 DSG Funding Arrangements

- Schools block per pupil comparison:

	22/23 Rank	Total 2022-23 baseline for the schools block (excluding growth factor)	23/24 Rank	Provisional funding in 2023-24 (excluding growth factor) [will be updated]
England Average		£5,534		£5,641
Tower Hamlets	1	£7,747	1	£7,762
Hackney	2	£7,685	2	£7,727
Peterborough	59	£5,529	=57	£5,660
Bedford	86	£5,430	88	£5,536
Norfolk	88	£5,419	=89	£5,524
West Northamptonshire	99	£5,359	96	£5,483
Hertfordshire	110	£5,330	=107	£5,441
West Berkshire	115	£5,305	112	£5,428
Worcestershire	=116	£5,304	118	£5,411
Suffolk	118	£5,303	121	£5,404
Bath and North East Somerset	124	£5,291	124	£5,377
Essex	=126	£5,264	126	£5,368
North Northamptonshire	128	£5,247	127	£5,357
Wiltshire	131	£5,234	129	£5,339
Oxfordshire	130	£5,237	130	£5,337
Cambridgeshire	137	£5,210	136	£5,315
West Sussex	141	£5,189	141	£5,273
Hampshire	145	£5,182	143	£5,263
Central Bedfordshire	143	£5,185	=144	£5,259
South Gloucestershire	149	£5,114	149	£5,185

Illustrative Budget Modelling

- **Appendix 2** contains illustrative school level budget allocations for 23/24:
 - Figures are based on 22/23 datasets and pupil numbers, and as such will change on receipt of final October 23 census data.
 - Modelling has assumed the 1% block transfer as per Safety Valve proposals (0.5% increase compared to 2022/23)
 - Minimum Funding Guarantee (MFG) has been set at the maximum +0.5% per pupil.
 - Final figures will also be updated to reflect changes for growth funding, new schools and business rates.

Illustrative Budget Modelling

- The formula factor unit values applied have been weighted based on overall affordability, and exceed the minimum allowable values set by the ESFA (further details on the following slide).
- Currently the Minimum per Pupil Levels (£4,405 for Primary and £5,715 for Secondary) have been met.
- Should overall affordability be an issue on receipt of final datasets we maybe required to apply for a disapplication to reduce the MPPL, or could consider reducing the MFG below the 0.5% maximum.

Illustrative Budget Modelling



Cambridgeshire
County Council

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	0.9857 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	£3,389	£172	5.33%
	AWPU: Secondary KS3	£4,536	£4,847	£4,725	£4,777	£241	5.32%
	AWPU: Secondary KS4	£5,112	£5,462	£5,326	£5,384	£272	5.33%
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	£470	£486	£474	£479	£9	1.96%
	FSM current - Secondary	£470	£486	£474	£479	£9	1.96%
	Ever6 FSM - Primary	£590	£714	£696	£704	£114	19.30%
	Ever6 FSM - Secondary	£865	£1,043	£1,017	£1,028	£163	18.88%
	Primary IDACI F	£220	£233	£227	£230	£10	4.38%
	Primary IDACI E	£270	£284	£277	£280	£10	3.54%
	Primary IDACI D	£420	£446	£435	£439	£19	4.59%
	Primary IDACI C	£460	£486	£474	£479	£19	4.18%
	Primary IDACI B	£490	£517	£504	£509	£19	3.91%
	Primary IDACI A	£640	£679	£662	£669	£29	4.52%
	Secondary IDACI F	£320	£339	£331	£334	£14	4.52%
	Secondary IDACI E	£425	£451	£439	£444	£19	4.54%
	Secondary IDACI D	£595	£628	£612	£619	£24	4.03%
	Secondary IDACI C	£650	£689	£672	£679	£29	4.45%
	Secondary IDACI B	£700	£739	£721	£729	£29	4.12%
	Secondary IDACI A	£890	£942	£918	£928	£38	4.33%
English as an Additional Language	Primary	£565	£587	£573	£579	£14	2.49%
	Secondary	£1,530	£1,585	£1,546	£1,562	£32	2.12%
Low Prior Attainment	Primary	£1,130	£1,170	£1,141	£1,153	£23	2.05%
	Secondary	£1,710	£1,773	£1,728	£1,747	£37	2.17%
Pupil Mobility	Primary	£925	£957	£933	£943	£18	2.00%
	Secondary	£1,330	£1,377	£1,343	£1,358	£28	2.09%
Lump Sum	Primary	£121,300	£129,646	£126,405	£127,793	£6,493	5.35%
	Secondary	£121,300	£129,646	£126,405	£127,793	£6,493	5.35%
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	

Consultation

- The schools funding formula continues to be an LA decision in 2023-24.
- As in prior years, schools must be consulted on:
 - a) Any changes to the formula being proposed; and
 - b) Any transfer proposed from the Schools Block.
- For 23/24 there are no major changes being proposed to the local funding formula, other than the required alignment with the NFF.

Consultation

- As previously discussed a 1% block transfer has been built into Safety Valve assumptions and applied to budget modelling.
- We will still be asking Schools Forum to give views / vote on the block transfer, but as above the 0.5% threshold will require a disapplication request and ultimately be a decision by the Secretary of State.

Consultation

- Virtual briefing sessions will be held for key stakeholders in November – Dates to be confirmed.
- Comments on the budget proposals should be emailed to schools.funding@cambridgeshire.gov.uk by 5pm Friday 2nd December. Responses will then be considered at the Schools Forum meeting on 14th December.

- **Funding Formula**

- a) Schools Forum are asked to comment on the proposed LA approach for the Cambridgeshire Schools Funding Formula for 23/24.

Any feedback received during the consultation period will be presented at the December meeting for further discussion. On receipt of the final datasets in December additional modelling will be undertaken and shared at the January meeting, prior to final approval at CYP Committee.

- **High Needs Block Transfer**

- b) Following previous discussions in respect of the Safety Valve Intervention Programmed Schools Forum are asked to approve a block transfer between the Schools Block and High Needs Block of 1% - (circa £4.4m – actual amount to be confirmed on receipt of final DSG allocations and subject to SoS approval).

Notional SEN Budget

- Local authorities are required to identify a notional budget for mainstream schools, to help with their duty to meet the special educational needs (SEN) of their pupils.
- The notional SEN is **not** a separate formula factor or funding allocation, so does not generate funding in its own right, but is based on a % of factors which contribute towards a school's overall funding. Currently the same % is applied across primary and secondary...
 - 4.62% of Basic Per Pupil Entitlement
 - 7.67% of FSM and FSM6 Funding
 - 68.32% of IDACI Deprivation Funding
 - 33.74% of Prior Attainment Funding

Notional SEN Budget

- Previously proposed a contingency scheme which would compare schools notional SEN to the number of £6k contributions per EHCP.
- By setting a percentage threshold additional funding would be allocated to those schools where the notional SEN supports less than x% of the £6k contributions.
- Schools Forum SEND sub-group requested that EHCPs from other LA's be included in the calculation and following the collection of this data the figures have been updated to reflect these pupils.

Notional SEN Budget

- **Appendix 3a** shows potential High Needs contingency allocations for 22/23 based on 2 options:
 - **Option 1** - Comparison of Notional SEN to number of EHCPs as per the previous slide. A revised threshold of **92%** has been applied due to overall affordability.
 - **Option 2** – For those schools **>5%** of EHCP on role and allocation of funding based on £6,000 multiplied by the number of EHCPs in excess of 5%.
- Whilst recognising the limitations of both approaches Option 2 removes the direct link to the notional SEN budget and provides support to those schools with a higher proportion of EHCPs.
- In both options consideration would need to be given to the level of balances held by the school.

Notional SEN Budget

- **Appendix 3b** provides comparative data as to how other local authorities calculate the levels of notional SEN (based on 2022/23 budget submissions).
- As a percentage of the total Schools Funding Formula the Cambridgeshire figure (7.11%) is low when compared to the average of regional and statistical neighbours (10.82%).
- As part of the NFF consultation the DfE have stated their intention to move towards a standard national approach.
- It is therefore proposed to increase the notional SEN % to be more in line with statistical / geographical neighbours as a first step towards this national change.

Required Actions

- ***Notional SEN / High Needs Contingency***
 - c) Schools Forum are asked to comment on the options for allocating the available £450k high needs contingency fund.
 - d) Schools Forum are asked to comment on the proposal to increase the % of delegated budget identified as notional SEN to align with regional and statistical neighbours.

Central Schools Services Block



- Illustrative CSSB allocation of **£5.5m** compared to £5.9m in 22/23. Includes further 20% reduction in funding for historic commitments and increased allocation for retained duties.
- Copyright License costs (excluding VAT) are expected to increase. Additional cost will be met from the CSSB rather than being a direct cost to schools.
- Broadband subsidy has ended.
- Local Authority Business Planning proposals include £1m of funding to reduce the Contribution to Combined budgets. Remainder to be removed in 24/25.
- Any residual balance on CSSB to support DSG deficit recovery.

Central Schools Services Block

Budget Line	2022/23	2023/24	Description
School Admissions	£467k	£467k	To be approved by Schools Forum
Servicing of Schools Forum	£3k	£3k	To be approved by Schools Forum
Other Items	£482k	£482k	National Copyright Licence arrangements – set by DfE - TBC
Ongoing Retained Duties	£2,016k	£2,189k	To be updated based on October census data
Total Ongoing Commitments	£2,968k	£3,142k	
Contribution to combined budgets	£1,733k	£733k	Contribution to Children's Services, Early Intervention Family Workers - To be approved by Schools Forum
Capital expenditure from revenue (CERA)	£583k	£0k	Schools Broadband Contract Subsidy – to be removed
Residual Balance	£638k	£1,631k	Planned underspend to contribute towards DSG deficit recovery
Total Historic Commitments	£2,954k	£2,364k	
Total CSSB	£5,922k	£5,506k	

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.

Retained Duties Estimates	2023/24 £000
Estimated Education Functions - £10 per pupil - Maintained Only*	£288

*Final amounts will be dependent on October 2022 pupil numbers and academy conversions.

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

Please note: Although final total de-delegation amounts will change to reflect final pupil numbers and academy conversions the principles for de-delegation will remain as set out above.

Required Actions

- ***Central School Services Block – Schools Forum are asked to approve:***
 - e) The continuation of the £733k Contribution to Combined Budgets to support early intervention family workers.
 - e) The continuation of the £467k to support the Admissions Service.
 - e) The continuation of the £3k to support the servicing of Schools Forum.
 - f) Schools Forum are asked to note the proposed budgets for the national copyright licence arrangements, retained duties funding and the residual balance. Final figures will be presented at the January meeting of Schools Forum.

Required Actions

- ***Education Functions and De-delegations:***
 - i) Maintained Primary School representatives on Schools Forum are asked to note:
 - The continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.
 - The continuation of the de-delegation in respect of contingency.
 - The continuation of the de-delegation in respect of Free School Meals eligibility.
 - The continuation of the de-delegation in respect of maternity and paternity cover.
 - The continuation of the de-delegation in respect of trade union facilities time.

Approval will be sought at the December meeting to allow time for feedback from the maintained Primary sector.

Growth Funding

- Currently reviewing the Growth Fund process with the intention of moving towards a more formulaic approach for 2023/24.
- Growth would be based on forecast numbers and/or planned expansions to meet basic need only.
- Funding would still be allocated as a lump sum per additional class for qualifying schools, but would avoid the need for an application other than in exceptional cases.
- Not currently proposing a change to the overall centrally retained Growth Fund, which currently stands at £1.67m.
- The total cost of implicit growth will not be known until final pupil data is received from the ESFA in December.
- Final local proposals, including a revised policy will be presented at the December or January meeting for approval.

Growth Funding

- No new primary or secondary schools due to open in September 2023.
- Variations to pupil numbers continue to be applied to new and growing schools whilst they fill to capacity.
- As part of the DfE consultation “Implementing the direct national funding formula” undertaken earlier in the year there were proposals in respect of how funding for growth and new schools could be allocated as part of the direct NFF.
- Until this new approach is confirmed the LA are unable to provide any long-term commitments to funding arrangements as they will be subject to the outcomes of the national policy change.

Variation to Pupil Numbers

School	Proposed Guaranteed Number 23/24 APT - April to Aug (5/12ths)	Proposed Guaranteed Number 23/24 APT - Sept to Mar (7/12ths)
Pathfinder Primary	390	450
Trumpington Park Primary	420	480
Wintringham Park	60	90
Northstowe Secondary	480	600
Cromwell Community College (Primary Only)	90	120
Marleigh Primary Academy (opened Sept 22)	60	60

Please note: All numbers are still to be confirmed following discussion with schools/MATs on receipt of October 22 census and any relevant pupil forecasts.

Required Actions

- ***Growth Funding and New Schools – Schools Forum are asked to:***
 - j) Note and comment on the proposed changes to the Growth Funding to apply to 2023/24 only.
 - j) Note the proposed variation to pupil numbers. Final numbers will be presented to Schools Forum in January.

Next Steps



- November 2022 – Schools Funding Briefings
- 2nd December 2022 – Final date for comments on proposed approach to 23/24 budgets.
- 14th December 2022 – Schools Forum – update on budget position
- Mid-December 2022 – DfE to publish final DSG allocations
- 13th January 2023 – Schools Forum to review final proposals
- 17th January 2023– Children and Young People Committee to approve final budget proposals
- 21st January 2023– Submission of the Authority Proforma Tool (APT) to the Education & Skills Funding Agency (ESFA)
- End of January/Early February 2023 – Primary and Secondary School Budgets to be published (illustrative for academies).
- February/March 2023 – Initial Nursery and Special budgets to be published