

# **2022/23 Schools Budget Setting**

**Schools Forum – 14<sup>th</sup> January 2022**

# Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the 2022/23 budget setting round:

1. National Funding Announcements
2. Budget Proposals - Schools Block
3. Budget Proposals - High Needs Block
4. Budget Proposals - Central Schools Services Block
5. Budget Proposals - Early Years Block
6. Actions
7. Next Steps

# National Funding Announcements

- On 16th December 2021 the Department for Education (DfE) published the DSG allocations for 2022-23. Full details can be found on the DfE website at the following link:
- <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2022-to-2023>

# National Funding Announcements

- The initial 2022-23 DSG allocations for Cambridgeshire are set out in the following table, which also provides the 2021-22 figures for comparison:

DSG Block	2021-22 Allocation £m	2022-23 Initial Allocation £m	Increase v 2021-22 Allocation £m
Schools Block (incl. growth and business rates)	405.118	421.716	+16.598
High Needs Block	83.608	90.784	+7.176
Central Services Schools Block	6.479	5.923	-0.556
Early Years Block	38.127*	37.656*	-0.471
Total	533.332	556.079	+22.747

# 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 2020 and October 2021.
- Primary (Reception – Year 6) – net reduction of 100 pupils
- Secondary (Year 7 –Year 11) – net increase of 859 pupils
- Early Years Block indicative figures are currently based on January 2021 data. Adjustments expected to 2021/22 figures based on actual take-up. Recently informed of clawback of £467k relating to 2020/21.

# National Funding Announcements

- In addition to the DSG, mainstream schools will receive an additional grant in 2022 to 2023 worth £1.2 billion. The grant is being provided in respect of both the Health and Social Care Levy and other cost pressures. Details have been published at:
- <https://www.gov.uk/government/publications/schools-supplementary-grant-2022-to-2023>
- Initial indicative figures for Cambridgeshire suggest an allocation of circa £12m.
- Finalised allocations of the schools supplementary grant will be published in spring 2022.

# National Funding Announcements

- Supplementary Grant Funding:

	Area Cost Adjustment	1.01284
	Base Rate	ACA Adjusted Rate
Per-pupil funding rate for early years provision in schools, and for maintained nursery schools	£24.00	£24.31
The base funding rates for 5-16 schools will be:		
Per-pupil rate for primary pupils	£97.00	£98.25
Per-pupil rate for key stage 3 pupils	£137.00	£138.76
Per-pupil rate for key stage 4 pupils	£155.00	£156.99
Lump sum of £3,680	£3,680.00	£3,727.25
FSM6 per-pupil rate per eligible primary pupil	£85.00	£86.09
FSM6 per-pupil rate per eligible secondary pupil	£124.00	£125.59
Per-student funding rate for 16-19 provision in schools, including 16 to 19 schools and academies	£35.00	£35.45

# National Funding Announcements

- Alongside the mainstream allocation an additional £325 million of high needs funding has been allocated nationally for 2022 to 2023. This is payable via a separate grant to the DSG, but is subject to the same conditions of grant.
- Initial indicative figures for Cambridgeshire suggest an allocation of circa £3m.
- This additional funding will not be calculated at school level based on the methodology on the previous slides.
- Further work and discussion will therefore be required to agree how the funding is applied.



# Final Budget Proposals

## – Schools Block



- Following receipt of the revised datasets on 16<sup>th</sup> December further budget modelling has been undertaken reflecting the approach agreed by Schools Forum at the November meeting:
  - 0.5%/circa £2.1m block transfer from Schools Block to High Needs Block
  - £1.75m centrally retained growth fund
  - Align funding rates with the National Funding Formula
  - Apply distance taper to the Sparsity factor to maximise number of qualifying schools
  - Apply the maximum 2% Minimum Funding Guarantee

# Final Budget Proposals

## – Schools Block



- After adjusting the Schools Block for the 0.5%/circa £2.1m block transfer and £1.75m centrally retained growth fund the total available for distribution (including business rates) is £417.858m
- However, initial modelling resulted in an overall affordability gap of approximately £41k.
- In order to fund at the base NFF rates (excluding area cost adjustment), fund the MFG at 2% and not require a funding cap it is proposed to scale down the block transfer and centrally retained growth fund by the required amount.

# Final Budget Proposals

## – Schools Block

NFF Factor		Cambridgeshire Unit Rates 2021-22 (£)	Base NFF Unit Rates to be applied in 2022-23 (£)
Basic per pupil entitlement (AWPU)	AWPU: Primary*	3,123	3,217
	AWPU: Secondary KS3*	4,404	4,536
	AWPU: Secondary KS4*	4,963	5,112
	Minimum per pupil funding Primary	4,180	4,265
	Minimum per pupil funding Secondary (KS3 and KS4 combined)	5,415	5,525
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	460	470
	FSM current – Secondary	460	470
	Ever6 FSM – Primary	575	590
	Ever6 FSM – Secondary	840	865
	IDACI Band F: Primary	215	220
	IDACI Band F: Secondary	310	320
	IDACI Band E: Primary	260	270
	IDACI Band E: Secondary	415	425
	IDACI Band D: Primary	410	420
	IDACI Band D: Secondary	580	595
	IDACI Band C: Primary	445	460
	IDACI Band C: Secondary	630	650
	IDACI Band B: Primary	475	490
	IDACI Band B: Secondary	680	700
	IDACI Band A: Primary	620	640
	IDACI Band A: Secondary	865	890

# Final Budget Proposals

## – Schools Block

NFF Factor		Cambridgeshire Unit Rates 2021-22 (£)	Base NFF Unit Rates to be applied in 2022-23 (£)
Low Prior Attainment	Primary	1,095	1,130
	Secondary	1,660	1,710
English as an Additional Language	Primary	550	565
	Secondary	1,485	1,530
Pupil Mobility	Primary	900	925
	Secondary	1,290	1,330
Lump Sum	Primary	117,800	121,300
	Secondary	117,800	121,300

- Notes to the Table:
  - a) Unit rates are the NFF base rates with no ACA or scaling applied. Amounts shown to nearest £.
  - b) The values for sparsity are not included in the table above as are variable up to a new maximum of £55,000 for primary schools and £80,000 for secondary schools.
  - c) The DfE 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 (£94k) and business rates (variable) for those schools affected.

# Final Budget Proposals

## – Schools Block

- The **illustrative** impact of the final budget proposals at school level can be seen in **Appendix B**.
- Figures have been updated to reflect the October 2021 census data. As such the impact for individual schools will also be dependent on changes in pupil numbers.
- 46 (17) primary schools and 2 (1) secondary schools now qualify for sparsity funding under the revised criteria. Previous years in brackets.
- The cost to meet the revised minimum per pupil level funding is circa £6.3m
- The cost to meet the 2% minimum funding guarantee is £555k.

# Final Budget Proposals

## – Schools Block

- Please note:
  - These figures are still illustrative at this stage and are subject to change as final data validation is undertaken.
  - Published figures will include an allocation for business rates for 22/23. However this is for information only and will not form part of the actual funding to be received as will be paid directly by the ESFA as part of the new centralised process. Awaiting further guidance on treatment.
  - Actual amounts to be received by academies will be notified directly by the ESFA for the 22/23 academic year and may differ due to pupil numbers and protections applied.

# Final Budget Proposals

## – High Needs Block

Source of Funding	£m
2022/23 Initial HNB (Updated December 2021)	£90.784m
Agreed Transfer from Schools Block (0.5%) to support Invest to Save proposals*	£2.102m
Residual Central Schools Services Block	£0.638m
Total available HNB	£93.524m

\*Final amount to be adjusted to support overall formula affordability.

- 21/22 HNB in-year forecast spend in excess of **£99m**.
- **Adjusted DSG Deficit b/fwd from 20/21 = £26.8m**
- **Forecast DSG Deficit to c/fwd to 22/23 = £40m+**

# Final Budget Proposals

## – High Needs Block

- Invest to transform/save:

Workstream	Amount	Description
<b>SEND Transformation</b>	£528k	Contribution to a system-wide change programme.
<b>SEND Contingency</b>	£450k	To support those schools with higher numbers of SEND / EHCPs than notional SEN supports.
<b>SEMH Training</b>	£75k	Training programme for schools to upskill their ability and awareness when working with children and young people who experience SEMH difficulties.
<b>SENCO Training</b>	£75k	To support the roll out of SEND whole school audits. Flexibility of support is individualised to each school or setting; support may include coaching/mentoring for the SENCO, additional training or support to implement strategic project.
<b>New Provision</b>	£974k (balancing figure)	One-off revenue support to develop additional provision and support increasing needs.
<b>Total</b>	<b>£2,102k</b>	



# Final Budget Proposals

## – High Needs Block



- *Invest to transform/save - Further detail to follow*

# Final Budget Proposals

## – High Needs Block

### SEND Contingency

- **Just a reminder:** 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

# Final Budget Proposals

## – High Needs Block



### SEND Contingency

- **Appendix C** provides comparative data as to how other local authorities calculate the levels of notional SEN (based on 2021/22 budget submissions).
- As a % of the total Schools Funding Formula the Cambridgeshire figure is low when compared to most regional and statistical neighbours.
- However, changing the % will not change the overall funding via the formula, it will only change the £ badged as notional SEN....

# Final Budget Proposals

## – High Needs Block

### SEND Contingency

- Proposed contingency scheme would compare schools notional SEN to the number of £6k contributions per EHCP.
- By setting a threshold of 80% additional funding would be allocated to those schools where the notional SEN supports less than 80% of the £6k contributions.
- Appendix D provides illustrative examples based on 21/22 datasets. Those schools with negative differences highlighted in red would potentially be those who would qualify for contingency support.
- Further guidance and revised figures for 22/23 to be circulated alongside the final budget allocations.

# Central Schools Services Block



Budget Line	2021/22	2022/23	Description
Contribution to combined budgets	£1,733k	£1,733k	Approved by Schools Forum at November meeting - Contribution to Children's Services, including £733k Early Intervention Family Worker (previously Parental Support Advisors)
Capital expenditure from revenue (CERA)	£875k	£583k	Approved by Schools Forum at November meeting - Schools Broadband Contract – 20% reduction applied to original budget
School Admissions	£508k	£467k	Approved by Schools Forum at November meeting
Servicing of Schools Forum	£3k	£3k	Approved by Schools Forum at November meeting
Other Items	£503k	£482k	National Copyright Licence arrangements – set by DfE
Ongoing Retained Duties	£1,773k	£2,016k	As per DfE figures (pupil-led) – based on October census data
Total CSSB Budgeted Expenditure	£5,394k	£5,284k	
Residual Balance	£1,085k	£638k	As in previous years to be transferred to High Needs Block to support increasing demand.
Total Allocation of CSSB	£6,479k	£5,922k	

# Final Budget Proposals

## – Central Schools Services Block

- Final CSSB allocation of £5.9m, reduced from £6.5m.
- Includes further 20% reduction in funding for Historic Commitments and increased allocation for retained duties.
- Copyright License costs (excluding VAT) have decreased from **£503k to £482k**.
- 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.

# Final Budget Proposals

## – Central Schools Services Block

- The DfE has agreements with the following agencies to purchase a single national licence managed by DfE for all state funded schools in England:
  - Christian Copyright Licensing International (CCLI)
  - Copyright Licensing Agency (CLA)
  - Education Recording Agency (ERA)
  - Filmbank Distributors Ltd. (for the PVSL)
  - Mechanical Copyright Protection Society (MCPS)
  - Motion Picture Licensing Company (MPLC)
  - Newspaper Licensing Authority (NLA)
  - Performing Rights Society (PRS)
  - Phonographic Performance Limited (PPL)
  - Schools Printed Music Licence (SPML)

# Final Budget Proposals

## – Early Years Block



- National increase in 2022/23 of:
  - 21p per hour increase for funded two-year-olds
  - 17p per hour increase for all three- and four-year-olds
  - 7p per hour increase for Early Years Pupil Premium per eligible child
  - £185 increase to the Disability Access Fund per eligible child per year
- Maintained Nursery School supplement to be increased by 3.5% (amounts to be confirmed)
- Proposing a “minimal change” approach to the Cambridgeshire early years single funding formula:
  - Increase the rate for funded two-year-olds from £5.57 to £5.78
  - Increase the rate for three- and four-year-olds from £4.20 to £4.37



# 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...
- The proposals for 2022/23 redistribute some of the existing retained funding to better support areas of increasing demand, and reflect changing levels of spend over the previous 2 years.
- Based on current estimates the proposed funding to be retained centrally by the Local Authority will account for less than 4.2% 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

- Proposed centrally retained amounts for 2022/23:

Centrally Retained Budget	2021/22 Budget (£)	2022/23 Proposed Budget (£)
<p>Early years statutory duties linked to:</p> <ul style="list-style-type: none"> <li>• Child and Family Act 2014</li> <li>• The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014</li> <li>• Childcare Act 2006</li> <li>• SEND Code of Practice 2014</li> <li>• Equalities Act 2010</li> </ul> <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>	721,542	929,000
Early Years and Childcare Qualifications	375,000	200,000
Early Years Pupil Premium Eligibility	11,000	11,000
SENIF coordination and administration	60,000	60,000
2 Year Olds SENIF	250,000	250,000
<b>Total</b>	<b>1,417,542</b>	<b>1,450,000</b>

# Required Actions

- ***Schools Forum are asked to:***
  - ***Comment on the local budget proposals***
  - ***Approve the Early Years Block centrally retained funding.***

# Next Steps

- 18<sup>th</sup> January 2022 – Children and Young People Committee to approve final Schools Funding Formula
- 21<sup>st</sup> January 2022 – 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