

**REPORT TO:** Schools Forum

**DATE:** 18<sup>th</sup> January 2023

**REPORTING OFFICER:** Operational Director - Finance

**SUBJECT:** DSG funding for 2023-24

**WARDS:** Boroughwide

## 1.0 PURPOSE OF THE REPORT

To report to the Schools Forum the Dedicated Schools Grant (DSG) funding for 2023-24.

## 2.0 RECOMMENDATION: That

- 2.1 The report is noted.
- 2.2 Schools Forum support the continuation of the National Funding Formula methods, principles and rules for mainstream primary and secondary school funding allocations and de-delegation for 2023-24.
- 2.3 Schools Forum agree to make a decision on the level of Minimum Funding Guarantee (MFG) to be applied to the Schools Block funding formula for 2023-24.
- 2.4 Schools Forum agree the preferred option from paragraph 3.5 (a) (b) or (c) on the allocation of the surplus DSG for 2023-24.

## 3.0 SUPPORTING INFORMATION

### 3.1 Dedicated Schools Grant (DSG) settlement

The 2023-24 DSG settlement was announced on 16<sup>th</sup> December 2022 allocating Halton a total of £143.393m, which is broken down as £106.745m for the Schools Block, £0.738m for the Central Schools Services Block, £26.135m for the High Needs Block, and £9.775m for the Early Years Block.

In addition Halton has received £4.796m as part of the recent £2b commitment for Education from the Autumn 2022 budget announcements. The amount relating to Mainstream schools and academies, which will be provided in addition to the formula funding determinations for schools, is £3.741m. The balance of £1.055m is provided to support the High Needs block.

### 3.2 Schools Block

The Schools Block provisional allocation is £106.745m, based on the October 2022 census data which is an increase of £4.567m compared to the actual Schools Block allocation for 2022-23. Including the additional grant for schools of £3.741m results in £110.487m to be allocated to Mainstream schools and academies for 2023-24, this represents an overall increase of £5.223m or 4.96% when compared to 2022-23

The DfE have uplifted the cash values of most factors within the National Funding Formula so our Primary Unit of Funding (PUF) is increasing by 5.15% from £4,959.88 to £5,215.18 for 2023-24 and the Secondary Unit of Funding (SUF) is increasing from £6,251.11 by 6.35% to £6,648.26 for 2023-24.

These PUFs and SUFs for 2023-24 are to be multiplied by the number of primary and secondary age pupils in the October 2022 census to give our final Schools Block allocation

Please note that the PUFs and SUFs are used solely to calculate the amount of overall Schools Block funding due to the LA and do not represent any individual school budget formula factor units.

The DfE have uplifted by 2.4% the NFF cash values for Basic Entitlement, FSM, LPA, EAL, Mobility, Sparsity and the Lump Sum. The FSM6 and IDACI cash values have been uplifted by 4.3%. The Funding Floor and MPPL factors have been uplifted by 0.5% in line with MFG. No uplift has been applied to premises factors, except for PFI which has increased by RPIX 11.2%.

For information Schools' Forum should note that the Supplementary Grant which was paid as a separate grant in 2022-23 has been rolled into the NFF for 2023-24 as follows: Basic per pupil (primary) £97, Basic per pupil (KS3) £137, Basic per pupil (KS4) £155, FSM6 (primary) £85, FSM6 (secondary) £124 and Lump sum £3,680. A new 'Additional Grant' has been developed for 2023-24, *see 3.6 for more details*.

Both Primary and Secondary sectors have seen an overall net decrease in pupil numbers counted at the October 2022 census when compared to the previous funding census of October 2021. This has resulted in Halton receiving £1.021m less DSG than the previous indicative allocations provided in July 2022 included. Schools should have planned for their anticipated reductions in pupil numbers in order to sustain a balanced budget position for 2023-24.

For 2023-24 we are required to use all the NFF funding factors which requires the introduction of the **Pupil Mobility** factor and **Sparsity** factors in Halton. The latest dataset provided in December 2022 for use in the 2023-24 school budget determinations in compliance with NFF operational guidance, confirms that 16 Primary and 1 Secondary schools are eligible for Mobility and 0 schools are eligible for Sparsity funding. The total cost of the Mobility factor is £0.076m which is funded through available Schools' Block funding.

We are also required to be within +/- 2.5% of the NFF cash values which is not an issue as Halton has been using the NFF cash values since they were introduced from 2018-19, albeit with a few minor variations in some previous years prior to 2023-24 to ensure we fully devolve the Schools Block allocation.

### **3.3 Minimum Funding Guarantee**

The MFG continues in 2023-24 but with a lower permissible range of 0.0% to plus 0.5%, meaning that a school's per pupil amount must increase by a minimum of up to 0.5% when compared to the previous year.

Following the release of the 2023-24 school funding dataset and DSG allocations in December 2022, and after applying all NFF factors to schools budget determinations, based on the LA priority to ensure all schools per-pupil funding is protected to the maximum permissible level, being 0.5% for MFG, there are 8 schools that require the MFG protection for 2023-24. The total cost of the MFG is £0.100m which is funded through available Schools' Block funding.

**The LA therefore propose that Schools' Forum apply the maximum MFG protection of 0.5% to the 2023-24 funding formula.**

### **3.4 Schools Block Funding Formula**

It is proposed to continue to follow the National Funding Formula, using the NFF cash values for all factors. These are provided at **Appendix A** for information.

### **3.5 Headroom – Surplus DSG**

Following the development of the 2023-24 school budget determinations in accordance with all proposals above, using the unit values as per Appendix A, and in 100% compliance to the NFF statutory requirements, there is a surplus balance of Schools Block DSG. The surplus of £0.200m is essentially due to un-allocated Growth funding that has been included within the Schools Block allocation.

Schools' Forum consideration and recommendation is required as to how best to allocate this funding for 2023-24. The options available are:

#### **a. Growth Funding**

Retain the £0.200m balance in a Growth Funding reserve to be used to financially support any in-year planned growth to schools pupil numbers.

##### LA observation:

In accordance with school funding operational guidance this would have to meet Basic Need and minimum class size criteria in order to be able to allocate to any eligible schools. Given the current demographic trends and reductions in pupil numbers, which are set to continue over several years, there may be some issues in allocating this funding in-year to any schools.

Additionally, once the schools funding formula is set for 2023-24 there can be no in-year redeterminations therefore any unallocated Growth funding cannot be redistributed to school or academies. Any balance un-allocated Growth funding at the financial year would therefore be used to offset the overall end of year DSG position, in effect contributing to offsetting any deficits in the other DSG blocks.

#### **b. Transfer to High Needs Block**

Transfer the £0.200m from the Schools Block to High Needs Block.

##### LA observation:

A transfer to High Needs of £0.243m represents 0.19% of the 2023-24 Schools Block and well within the permissible 0.50% transfer that can be approved by Schools' Forum without any DfE disapplication being required.

The pressures on High Needs are ongoing and increasing due to greater volumes of in-borough Special school and Resourced Provision places, higher numbers of high-cost out-of-borough specialist placements being required, and increasing numbers of pupils with Education Health and Care Plans (EHCPs) receiving top-up funding in Mainstream schools and academies.

Halton is subject to external intervention as part of the DfE's 'Delivering Better Value (DBV)' in High Needs programme in respect to the recovery of the accumulating deficit on the High Needs block.

Any transfer to High Needs would benefit all SEND pupils within the region by being invested to support developments of in-borough capacity and sufficiency for local SEND provision.

#### **c. Allocate to Schools formula funding**

Increase the Basic Entitlement factor by £12.37 per pupil to distribute the £0.200m to all Mainstream schools and academies.

#### LA Observation:

Whilst the current formula modelling and indicative budgets shown at Appendix B are based on 100% compliance with the published NFF values for 2023/24, all LAs are permitted to revise the values used for 2023-24 actual schools budgets to within +/- 2.5% of the NFF values. Adding £12.37 per pupil to Basic Entitlement does not breach this threshold.

Not all schools will see the full financial benefit of the additional £12.37 per pupil where they are currently protected through the Minimum Per Pupil Funding Level (MPPFL) or the Minimum Funding Guarantee (MFG). There are currently 2 schools in receipt of MPPFL and 8 schools in receipt of MFG. All 10 schools would see their protection funding reduce when Basic Entitlement increases with 1 of the MFG schools seeing their increase being sufficient to remove them from MFG completely.

**Schools' Forum are asked to consider the options a. to c. above and recommend their preferred option to allocate the surplus DSG for 2023-24.**

### **3.6 Mainstream Schools Additional Grant (MSAG)**

The 2022 Autumn Statement announced that the core schools budget will increase by £2 billion in the 2023 to 2024 financial year, over and above totals announced at the Spending Review 2021.

In the 2023 to 2024 financial year, mainstream schools will be allocated additional funding through the mainstream schools additional grant (MSAG) 2023 to 2024. This is in addition to schools' allocations through the schools national funding formula.

The indicative additional grant allocation for Halton's Mainstream schools and academies is £3.741m. The DfE will publish confirmed individual school-level allocations in Spring 2023.

Indicative School Funding allocations including MSAG are at **Appendix B** for information.

### **3.7 Central Schools Services Block**

The CSSB allocation is £0.719m based on pupil numbers on the October 2022 census plus £0.019m for the Historical funding giving a total of £0.738m which represents an overall increase of £0.010m when compared to 2022-23. The Historic commitment funding has again reduced by 20% and as this is used to fund the Safeguarding post, the balance required to be met by schools & academies will also increase, as previously agreed.

The CSSB is also responsible for meeting the mandatory top-slice charge for Copyright Licences which cover all schools and academies in Halton. The charge excluding VAT for 2023-24 is £122,114 which is an 11.8% increase when compared to 2022-23. This increase has been challenged back to the DfE as it does not appear to be in keeping with their Value for Money and economies of scale principles.

The support service budgets included in CSSB are supported by annual contributions from the De-Delegation and Education Functions factors applicable to Maintained Schools. Academies contributions are received via direct charges where applicable.

Schools' Forum are required to approve the De-Delegation and Education Functions unit values each year. For 2023-24 the values proposed have been uplifted only in relation to help contribute to pay award increases.

The 2023-24 unit values for Forum approval are as follows:

De-Delegation and Education Functions	Contingencies	Free school meals eligibility	Staff costs supply cover	Education Functions
Per-pupil £	£19.36	£0.66	£2.48	£24.80

### 3.8 **High Needs Block**

The High Needs Block allocation has been announced as £25.080m before Academy and Further Education (FE) recoupment, but including the reduction in respect to net exports of SEND children being educated in other areas. We estimate the Academy and FE recoupment will be £3.134m for the per place funding element for 2023-24 which leaves £21.946 available to Halton for distribution.

Following Autumn budget statement announcements Halton has been provided with £1.055m of additional DSG funding to supplement the High Needs block, the total available to Halton therefore being £23.001m for 2023-24.

**The individual High Needs Block budgets will be presented at the February meeting.**

### 3.9 **Early Years Block**

The DSG announcement has provided an indicative Early Years allocation which includes the up to date hourly rates to be used in Halton's determination of the 2, 3 and 4 year old early education funding entitlement to Maintained Nursery Schools, Nursery Classes, and Private Voluntary and Independent (PVI) settings.

The 2023-24 allocation remains indicative until after the January 2023 early years headcount has been collated, validated and used by the DfE to inform Halton's actual Early Years Block allocation to be notified in July 2023.

The indicative allocation for 2023-24 is £9.775m which is £0.498m greater than 2022-23 but this increase is likely to decrease in line with the current demographic trends.

Schools' Forum are required to approve the hourly rates and supplements to be applied to the 2023-24 funding allocations for all providers. These will be confirmed following the validation and release of the January 2023 Headcount data

**The Early Years hourly rates and supplements will be presented for recommendation at the February 2023 meeting.**

## 4.0 **FINANCIAL IMPLICATIONS**

4.1 We are required to set a local funding formula in line with the Dedicated Schools Grant (DSG) technical and operational guidance for 2023-24. Failure to do so will result in the DfE imposing a funding formula on us.

4.2 The proposals included within this paper are all funded from within the available Dedicated Schools Grant block allocations provided for 2023-24.

## **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **5.1 Children & Young People in Halton**

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

### **5.2 Employment, Learning & Skills in Halton**

None.

### **5.3 A Healthy Halton**

None.

### **5.4 A Safer Halton**

None.

### **5.5 Halton's Urban Renewal**

None.

## **6.0 RISK ANALYSIS**

6.1 We need to comply with the regulations otherwise could have formula imposed on us.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

**Schools Block Funding Formula Factors**

The NFF Unit Values for 2023-24 are as detailed below:

<u>Factor</u>	<u>Criteria</u>	<u>Primary NFF value 23-24</u>	<u>Secondary NFF value 23-24</u>
Basic per Pupil	A set level of funding for each pupil. For 23-24 this factor has had the supplementary grant added at Primary £97/KS3 £137/KS4 £155 and then uplifted by 2.4%.	£3,406.32	KS3 £4,802.37 KS4 £5,412.58
Deprivation - FSM	Funding for pupils who are currently eligible for FSM.	£481.74	£481.74
Deprivation – FSM Ever 6	Funding for pupils who have been eligible for FSM at some point in the previous 6 years. This has been had the supplementary grant added at Primary £85/Secondary £124.	£707.56	£1,033.74
Deprivation – IDACI	Income Deprivation Affecting Children Index. Funding is based on the deprivation level assigned to each pupil's home post code, banded A to G. However funding is only allowed for bands A to F.	F £230.83 E £281.02 D £441.60 C £481.74 B £511.85 A £672.43	F £336.22 E £446.62 D £622.25 C £682.47 B £732.65 A £933.38
Low Prior Attainment	Primary – where pupils have not achieved the expected level of development at EYFSP. Secondary – where pupils have not achieved the expected standard in KS2 at either reading, writing or maths.	£1,159.19	£1,756.35
English as an Additional Language	Pupils identified with a first language other than English can be funded for up to the first three years of statutory schooling. We fund for the maximum period of three years.	£582.11	£1,570.68
Pupil Mobility	Provides funding for pupils who enter a school other than at the start of Autumn Term. A minimum threshold applies of 6% of pupil numbers. This is now a mandatory factor.	£948.43	£1,364.94
Sparsity	Funding for small schools located in areas where pupils would have to travel a set minimum distance to the next nearest school. This is now a mandatory factor.	n/a	n/a

**Schools Block Funding Formula Factors**

Minimum Level of Per-pupil funding	A mandatory factor. <i>Combines all pupil-led factors and is not a stand-alone amount.</i>	£4,405	KS3 £5,503 KS4 £6,033
Total Pupil-led factors	Each LA is required to allocate at least 80% of the delegated Schools Block funding through the above pupil-led factors.	Halton Pupil-Led is: 91.55%	
Lump Sum	An amount per school up to a maximum of £175,000. Can be different for primary and secondary schools. Includes £3,680 for supplementary grant from 22-23	£128,464.64	£128,464.64
Split Sites	No schools in Halton are eligible for funding under this factor.	n/a	n/a
LA Rates	LA Rates	Schools funding allocations have been updated for estimated actuals 23-24	
PFI contracts	A factor to support schools that have unavoidable premises costs due to being a PFI school. In Halton we use a per pupil rate. RPIX increase of 11.2% as per DfE Guidance.	£374.31	£374.31
Exceptional Premises	In Halton, this Lump Sum is for the joint use of leisure facilities by contractual agreement with one school.		£160,276
Minimum Funding Guarantee	The MFG can be set between 0% and +0.5%.	0.5%	0.5%



**APPENDIX B**

**Indicative School Funding 2023-24**

<b>LAESTAB</b>	<b>School Name</b>	<b>23-24 School Funding</b>	<b>22-23 School Funding</b>	<b>23-24 Variance to 22-23</b>	<b>Pupil Number Variance</b>
<b>Total</b>		<b>110,286,629</b>	<b>104,261,631</b>	<b>6,024,997</b>	<b>-175</b>
8762000	Bridgewater Park Primary School	675,041	675,531	-489	-5
8762001	Widnes Academy	862,779	759,886	102,893	10
8762002	St Augustine's Catholic Primary School	788,421	733,504	54,917	5
8762003	Palace Fields Primary Academy	950,380	897,802	52,578	0
8762004	Ditton Primary School	2,020,675	1,923,230	97,445	-10
8762005	Kingsway Primary Academy School	1,372,215	1,278,171	94,045	-2
8762104	Moore Primary School	970,598	926,466	44,133	-1
8762107	Victoria Road Primary School	1,092,942	1,097,939	-4,997	-17
8762109	Daresbury Primary School	913,427	819,759	93,669	12
8762118	Weston Point Community Primary School	865,913	928,841	-62,927	-21
8762281	Weston Primary School	1,031,650	1,003,464	28,185	-4
8762283	Castle View Primary School	971,706	876,590	95,116	11
8762295	The Brow Community Primary School	925,431	842,282	83,149	1
8762297	Woodside Primary School	785,896	787,821	-1,925	-10
8762325	Pewithall School	1,065,540	996,374	69,166	0
8762376	Hillview Primary School	957,542	935,221	22,321	-10
8762381	Murdishaw West Community Primary School	853,220	910,475	-57,255	-22
8762382	Beechwood Primary School	823,974	794,095	29,879	-5
8762383	Gorsewood Primary School	1,097,680	1,013,862	83,818	3
8762387	Windmill Hill Primary School	995,325	1,006,865	-11,541	-10
8762415	Moorfield Primary School	1,332,476	1,248,231	84,245	1
8762425	Fairfield Primary School	3,116,448	2,824,450	291,998	7
8762428	Lunts Heath Primary School	1,912,955	1,866,852	46,103	-6
8762689	Hallwood Park Primary School and Nursery	655,724	652,757	2,966	-5
8762700	Astmoor Primary School	814,599	805,168	9,431	-4
8762712	Halton Lodge Primary School	1,194,729	1,182,298	12,431	-8
8762723	Westfield Primary School	652,723	676,276	-23,553	-17
8762725	Brookvale Primary School	1,360,646	1,330,526	30,120	-11
8762726	Our Lady of Perpetual Succour Catholic Primary School	1,076,110	1,014,215	61,894	-2

**APPENDIX B**

**Indicative School Budget 2023-24**

<b>LAESTAB</b>	<b>School Name</b>	<b>23-24 School Funding</b>	<b>22-23 School Funding</b>	<b>23-24 Variance to 22-23</b>	<b>Pupil Number Variance</b>
8762727	Oakfield Community Primary School	<b>1,645,857</b>	1,445,708	200,149	19
8763050	Halebank CofE Primary School	<b>673,651</b>	596,142	77,508	5
8763175	St Michael with St Thomas CE Primary School	<b>1,006,653</b>	965,629	41,024	-3
8763176	Hale Church of England Primary School	<b>959,238</b>	913,335	45,903	-3
8763177	Farnworth Church of England Primary School	<b>1,914,315</b>	1,826,384	87,931	4
8763179	All Saints Upton Church of England Primary School	<b>1,166,209</b>	1,082,922	83,287	-2
8763502	Runcorn All Saints CofE Primary School	<b>765,639</b>	686,235	79,403	8
8763506	St Mary's Church of England Primary School	<b>1,048,969</b>	977,675	71,294	1
8763509	St Edward's Catholic Primary School	<b>733,104</b>	687,050	46,054	2
8763510	St Clement's Catholic Primary School	<b>1,025,214</b>	953,878	71,335	2
8763511	The Holy Spirit Catholic Primary School	<b>743,833</b>	704,538	39,295	2
8763614	St Bede's Catholic Junior School	<b>1,502,704</b>	1,444,979	57,725	-5
8763615	St Bede's Catholic Infant School	<b>1,154,647</b>	1,093,233	61,413	-2
8763632	Our Lady Mother of the Saviour Catholic Primary School	<b>1,082,042</b>	997,132	84,910	0
8763637	St Martin's Catholic Primary School	<b>1,170,346</b>	991,739	178,607	21
8763640	St Berteline's CofE Primary School	<b>1,371,735</b>	1,305,274	66,461	-2
8763648	St Basil's Catholic Primary School	<b>1,422,648</b>	1,464,004	-41,356	-27
8763649	St Gerard's Catholic Primary and Nursery School	<b>1,207,805</b>	1,137,741	70,065	0
8763650	St John Fisher Catholic Primary School	<b>1,127,907</b>	1,020,483	107,424	5
8763651	St Michaels Catholic Primary School	<b>1,332,104</b>	1,240,243	91,862	-1
8764001	Ormiston Chadwick Academy	<b>6,817,002</b>	6,379,576	437,426	-5
8764003	The Grange School	<b>7,659,354</b>	6,808,494	850,860	47
8764005	Sandymoor Ormiston Academy	<b>3,988,052</b>	3,429,211	558,841	55
8764006	St Chads Catholic and Church of England Academy	<b>3,186,585</b>	3,558,115	-371,530	-89
8764103	The Heath School	<b>7,910,677</b>	7,418,594	492,083	-1
8764207	Wade Deacon High School	<b>10,235,740</b>	9,606,679	629,061	-11
8764625	Saints Peter and Paul Catholic High School	<b>8,864,613</b>	8,218,263	646,350	3
8766905	Ormiston Bolingbroke Academy	<b>6,433,219</b>	6,499,423	-66,204	-78

*2023-24 figures are subject to change in accordance with Schools' Forum recommendations  
Any reductions in funding above are solely down to reduced pupil numbers*