



North Tyneside Council

Briefing note

To: Schools Forum

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Purpose of the Paper:

Information	
Consultation	√
Decision	√

Title of Briefing: Update on 2022/23 DSG Values and Funding Distribution including Proposals re: High Needs and Early Years and request for approval of De-delegated and Centrally Retained items and the proposed growth policy.

Purpose of Paper

- 1.1 This paper provides an outline of the current information available relating to 2022/23 for each funding block of the Dedicated Schools Grant (DSG) following the initial allocations announced on 16 December 2021.
- 1.2 It also summarises High Needs and Early Years block funding for 2022/23.
- 1.3 The paper requests approval from Forum for de-delegated and centrally retained items.
- 1.4 The paper requests approval from Forum of the falling rolls and growth funding allocations proposed by the Authority.

Update on 2022/23 Funding Allocations after publication on 16 December 2021

- 2.1 On 16 December, the Department for Education (DfE) published the initial allocations for each block of the DSG. The DSG will continue to be comprised of four blocks: schools, high needs, early years and central school services. Each of the four blocks has its own funding formula.
- 2.2 The North Tyneside allocation for the DSG in 2022/23 using October census 2021 and follows the 2021/22 allocation as it includes funding previously allocated as grants for pay awards and pension increases is shown in table 1 below with prior year figures for comparison;

Table 1: Schools Block 2022/23 allocation compared with Prior Years

	2017/18 Baseline	2018/19	2019/20	2020/21	2021/22*	Actual for 2022/23**	2021/22 to 2022/23
	£m	£m	£m	£m	£m	£m	£m
Schools	115.395	116.594	120.926	126.794	137.231	139.273	2.042
Central School Services	2.500	2.314	2.343	2.051	1.877	1.724	(0.153)
High Needs	18.680	19.291	19.818	22.319	26.709	28.747	2.038
Early Years Block	12.064	12.553	12.514	12.771	13.946	13.971	0.025
TOTAL	148.639	150.752	155.601	163.935	179.763	183.715	3.952
Move from 17/18 Baseline £m	-	2.113	6.962	15.296	31.124	35.076	
Move from 17/18 Baseline %	-	1.42%	4.68%	10.29%	20.94%	23.6%	
Change per Year £m	-	2.113	4.849	8.334	15.828	3.952	
Change per Year %	-	1.42%	3.22%	5.36%	9.66%	2.2%	

* Includes pay award and pension grants previously separate to DSG, now rolled into funding formula

** Excludes approx. £1.100m Rates funding now removed from the funding formula

Schools Block

- 2.3 In 2022/23, as in each year since 2018/19, the local authority (LA) will receive its DSG funding based on the DfE national funding formula (NFF). Following consultation with Schools which took place during October and November 2021 the Authority are proposing to continue to mirror the local funding formulae (LFF) to the National Funding Formula factors in full, as done in 2021/22. The proposed Schools block rates are shown in Appendix A.
- 2.4 Forum will recall, as discussed at the 24 November 2021 meeting, that the DfE have restricted the range of a Minimum Funding Guarantee (MFG) between +0.5% and +2.0%. Calculations through the Authority Proforma Tool (APT), subject to final amendments, are showing MFG affordable at 2.00% with a Capping at 4.99%. There would, therefore, be no residual funding to allocate. Schools will all achieve increased rates where their pupil numbers have increased.
- 2.5 Forum should note that as the Authority Proforma Tool (APT) is finalised and will be submitted to the DfE for the 21 January 2022 deadline other values may still be subject to further minor changes.
- 2.6 For illustrative purposes Appendix B includes an overview of the changes in pupil numbers and funding by phase from 2021/22 to 2022/23.
- 2.7 As in previous years the Authority is proposing to deduct £0.250m from the Schools block to fund falling rolls. In addition, the Authority is proposing to deduct £0.250m to support growth funding. The total funding therefore available to distribute to schools using the local funding formula is £138.773m.
- 2.8 Growth funding assessments for 2022/23 will be carried out once the September 2022 admissions data is available.

High Needs Block

- 3.1 The £28.747m figure outlined above for the 2022/23 High Needs block reflects the increased Dedicated Schools Grant funding announced by the DfE and includes funding previously paid as separate grants for pay award and pension increases, as in 2021/22. The £2.038m year on year increase is therefore covering these costs going forward.
- 3.2 Following the Autumn 21 Spending Review, £325m additional High Needs funding has been allocated, of which North Tyneside's allocation is £1.073m. This allocation is on top of the DSG High Needs Block allocation calculated under the National Funding Formula but is subject to the same DSG conditions of grant. This extra funding recognises the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original High Needs Block allocations were calculated, including the Health and Social Care Levy. The additional funding also takes into account that colleges and other providers offering extra hours of study to students with high needs may require extra high needs top-up funding to support those students.
- 3.3 Forum will recall as previously reported at the 24 November 2021 meeting, the High Needs block outturn for 2020/21 was an overspend of £8.720m. Despite an increase in funding of £4.390m in 2021/22, the pressure within High Needs has continued to increase with a forecasted in-year pressure of £4.247m in 2021/22 and therefore an estimated total cumulative overspend of just over £12.967m.
- 3.4 The factors driving the pressures shown above were outlined in the report to Forum on 24 November. The latest position on these pressures is shown in table 2.

Table 2: Forecasted High Needs Overspend as at November 2021

Provision	Budget £m	Forecast £m	Variance £m	Comment
Special schools and PRU	15.519	17.959	2.440	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder
ARPs/Top ups	4.120	5.006	0.886	Pressures in pre 16 top ups mainstream and Norham ARP
Out of Borough	2.890	3.662	0.772	Increased number of children placed outside North Tyneside Schools
Commissioned services	3.888	4.037	0.149	
Sub-total	26.417	30.663	4.247	
2020/21 B/Fwd			8.720	
Total			12.967	

Special Schools and the Pupil Referral Unit (PRU)

- 3.5 There is a pressure of £2.440m relating to this area. The Authority has seen increasing numbers of children and young people within the education system with significant needs requiring specialist provision. This is particularly relating to Autism Spectrum Disorder (ASD) and Social, Emotional and Mental Health needs (SEMH). The Authority has increased the numbers of places within special schools to cope with this additional demand. Number of places have increased as follows:

Table 3: Increase in Special School Places in 2021/22

Special schools and Moorbridge	October Census 20	Planned Places 21	October Census 21	Annual Movement
Beacon Hill	190	193	192	2
Benton Dene	122	122	120	-2
Silverdale	102	110	110	8
Southlands (including Melrose Site)	161	161	163	2
Woodlawn	122	131.4	137	15
Total Special School	697	717.4	722	25
Moorbridge - PRU	135	105	135	0
Moorbridge - EHCP		30	54	24

- 3.6 Special schools are funded at £10,000 per place, with this increase in numbers representing an increased spend of £0.490m, plus a top-up based on a banding which is reflective of the needs of each individual child. Funding values for each banding is shown in Table 4 below. The majority of pupils attending special schools attract band 4 and band 5 top-up levels. The forecast cost of special school top-ups (excluding Moorbridge) has risen from a planned £5.599m to £7.062m.

Table 4: Special School Top Up Values by Banding

Band	Top up value £
Band 1	0
Band 2	3,341
Band 3	6,682
Band 4	9,507
Band 4	19,221

ARPS and Mainstream Top Ups (Pre 16)

- 3.7 There are pressures of £0.886m within Additional Resourced Provision (ARP) and top-up costs within mainstream schools due to increasing numbers of children and young people with additional needs and the rising average complexity of those needs. Top-up funding is paid to support children with additional needs in mainstream school. This is paid on the basis of an hourly rate reflecting the costs of additional staffing support outlined within the individual child's Education, Health and Care Plan (EHCP). Levels of top-up payments to mainstream schools have risen in the last four years with an overall increase in the numbers of children and a rise in larger packages of support reflecting the increasing complexity of needs.

Early Years Funding for 2022/23

- 4.1 On 17 December 2021 the Department for Education released the 2022/23 early years entitlement funding rates for local authorities. The Authority has modelled proposals for North Tyneside's early years funding formula 2022/23 and discussed 3 options with the Early Years Sub-Group on 6th January 2021. The Sub-Group's preferred option is outlined in the table below for Schools Forum consideration.

Table 5: Proposed Early Years Funding Rates

		2021/22	2022/23
2 Year Old Base Rate		£5.34	£5.54
3 & 4 Year Old Hourly Base Rate		£4.48	£4.60
3 & 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.16	£0.17
	Quartile 2	£0.06	£0.06
Early Years Pupil Premium		£0.53	£0.60
Additional Payment to Maintained Nursery School		100% pass through of Maintained Nursery School rate allocated by DfE.	100% pass through of Maintained Nursery School rate allocated by DfE.
SEN Inclusion Fund		£8.26 per hour & pro rata holiday pay	£8.26 per hour & pro rata holiday pay
Disability Access Fund		£615	£800

Central Schools Services Block Funding for 2022/23

- 5.1 Funding for the Central Schools Services block has been reduced by DfE in relation to historical funding by £0.199m, which represents a 20% reduction in funding for the historic commitments. Ongoing functions have had an increase of 5.22% as shown in table 6 below.

Table 6: Allocations for North Tyneside CSSB 2022/23

	2019/20	2020/21	2021/22	2022/23	Annual Change	
	£m	£m	£m	£m	£m	%
Historical Commitments	1.555	1.244	0.995	0.796	(0.199)	(20.00%)
Ongoing Functions	0.788	0.807	0.882	0.928	0.046	5.22%
Total	2.343	2.051	1.877	1.724	(0.153)	(8.15%)
Change from 2017/18 Baseline £m	-	(0.292)	(0.466)	(0.619)		
Change from 2017/18 Baseline %	-	(12.46%)	(19.89%)	(26.42%)		
Change per Year £m	-	(0.292)	(0.174)	(0.153)		
Change per Year %	-	(12.46%)	(8.48%)	(8.15%)		

- 5.2 The list of services provided via CSSB funding is listed in table 6. The net reduction in funding of £0.174m is identified in this table. Forum will recall from the December report that authorities can challenge the reasonableness of the reduction in funding by providing relevant evidence to the DfE.
- 5.3 Following consultation with School Forum in 2021/22, the Authority will set the funding for these services as identified in table 7 below. A sub-group of Schools Forum had previously agreed to take further savings from the School Support Service, who are expecting a further reduction of up to £0.143m. In addition, £0.020m was proposed as a further reduction in EIP funding.

Table 7: Illustrative allocations for North Tyneside CSSB for 2022/23

Budgets which now form part of the CSSB	CSSB 2021/22 £m	CSSB 2022/23 £m
Budget to fund the Schools Support Service	0.556	0.413
Budget to support vulnerable schools.	0.052	0.052
Budget to maintain High Borrans Outdoor education facility	0.000	0.000
Budget for the Education Improvement Partnership (secondary schools)	0.080	0.060
Budget to support the informational requests of the Schools Forum and improved budgetary awareness across all schools	0.030	0.030
Collective contribution to ongoing pension costs incurred when allowing teachers to leave schools prematurely	0.625	0.625
Budget for costs associated with de-commissioned school buildings	0.000	0.000
Schools admission service	0.142	0.142
Former Education Services Grant (Retained)	0.244	0.244
National Copyright Licences	0.148	0.158
Total CSSB Funding	1.877	1.724

- 5.4 The Authority will continue to work with Forum to identify any solutions to manage the long-term funding gap for service provision via other means, including but not limited to prioritising key outcomes and reviewing alternative funding such as under a service level agreement or similar.

De-delegated services

- 6.1 De-delegated services are for maintained schools only; funding for de-delegated services must be allocated through the mainstream formula but can be passed back, or 'de-delegated', for maintained primary and secondary schools with Schools Forum approval.
- 6.2 The list of proposals for de-delegations for 2022/23 is included in table 8 below:

Table 8: De-delegation proposals for 2022/23

Narrative	De-delegated 2021/22 £	De-delegated 2022/23 £	Rate per Pupil £
Budget to support mainstream maintained schools in financial difficulty (used for one year in 2021/22 to meet gap for CSSB)	127,726	123,426	5.62
Support for vulnerable Headteachers for those incidents where independent support and advice is necessary	37,272	36,018	1.64
Support for minority ethnic pupils and under-achieving groups. (EMTAS) NB: rate per pupil only applies to pupils that meet the EAL Threshold	193,605	225,210	565
			1,530
Assessment of Free school meals eligibility	35,909	34,700	1.58
The current central scheme to cover staff costs - supply cover. E.g. the maternity/paternity/adoption cover scheme, including Union facility time costs and Jury Service	595,902	592,974	27.00
Additional agreed funding for above staff costs to agreed 2020/21 6% increase			
Totals	990,414	1,012,328	

Recommendations

7.1 Schools Forum is asked to;

- Note update on the allocations for 2022/23 for each of the four funding blocks and the proposals for the distribution of funding;
- Note the changes to the Schools block funding and the impact of the changes following 100% movement to the NFF;
- Approve the services funded under CSSB as outlined in table 7;
- Acknowledge the pressure in the High Needs block;
- Acknowledge the changes to Early Years funding allocations proposed for 2022/23 and that the funding formula will be shared with the sector prior to implementation; and
- Approve the de-delegated items rate per pupil outlined in table 8.

Appendix A

Proposed School Block Rates for 2022/23 (100% National Funding Formula)

FACTOR	21/22 NFF (Incl. TPPG & Supplementary)		22/23 NFF (Incl. TPPG & Supplementary)		Difference 21/22 to 22/23	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
Basic entitlement						
Primary (Years R-6)	3,123		3,217		94	
Key Stage 3 (Years 7-9)		4,404		4,536		132
Key Stage 4 (Years 10-11)		4,963		5,112		149
Deprivation						
FSM	460	460	470	470	10	10
FSM6	575	840	590	865	15	25
IDACI Band F	215	310	220	320	5	10
IDACI Band E	260	415	270	425	10	10
IDACI Band D	410	580	420	595	10	15
IDACI Band C	445	630	460	650	15	20
IDACI Band B	475	680	490	700	15	20
IDACI Band A	620	865	640	890	20	25
LAC (No longer used)						
EAL	550	1,485	565	1,530	15	45
Mobility	900	1,290	925	1,330	25	40
Prior Attainment	1,095	1,660	1,130	1,710	35	50
Lump Sum	117,800	117,800	121,300	121,300	3,500	3,500
Sparsity (N/A in NT)	45,000	70,000	55,000	80,000	10,000	10,000

Schools Block Allocation – 2022/23 (Subject to Final Amendments)

PHASE	NOR 21/22	NOR 22/23	Change in NOR	% Change NOR
Academies - Existing	3,222	3,281	59	1.83%
First	2,226	2,194	-32	-1.44%
Primary	10,579	10,490	-89	-0.84%
Academies - New	1,746	1,667	-79	-4.52%
Middle-deemed Secondary	1,955	1,933	-22	-1.13%
Secondary	7,266	7,345	79	1.09%
Grand Total	26,994	26,910	-84	-0.31%

22/23 Assumes 2% MFG, 4.99% Capping, £250k Falling Rolls, £250k Growth Fund			
21/22 Post MFG Budget	22/23 Post MFG Budget (Subject to final adjustments)	Movement from 21/22	% Increase from 21/22
17,457,561	18,117,111	659,550	3.78%
9,766,484	9,845,926	79,442	0.81%
55,498,403	49,139,091	1,285,230	2.32%
	7,644,542		
9,428,405	9,531,765	103,360	0.10%
44,111,723	45,595,020	1,483,297	3.36%
136,262,577	139,873,455 *	3,609,186	2.65%

*Includes £1.100m Rates allocation no longer included in the funding formula for previous year comparative purposes. Actual funding available to allocate to schools is £139.873m - £1.100m = £138.773m.