

Item 6.2

Briefing note

To: Schools Forum

Author: Claire Emmerson

Date: 11 January 2023

Purpose of the Paper:

Information	
Consultation	√
Decision	√

Title of Briefing: Update on 2023/24 Dedicated Schools Grant 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 2023/24 for each funding block of the Dedicated Schools Grant (DSG) following the initial allocations announced on 19 December 2022.
- 1.2 It also summarises High Needs and Early Years block funding for 2023/24.
- 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 2023/24 Funding Allocations after publication on 19 December 2022

- 2.1 On 19 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 Schools Services. Each of the four blocks has its own funding formula.
- 2.2 The North Tyneside allocation for the DSG in 2023/24 uses the October 2022 census and follows the 2022/23 allocation as it includes funding previously allocated as grants for pay awards and pension increases and the Schools Supplementary Grant is shown in table 1 below with prior year figures for comparison;

Table 1: Schools Block 2023/24 allocation compared with Prior Years

	2017/18 Baseline	2018/19	2019/20	2020/21	2021/22*	2022/23*	2023/24*	2022/23 to 2023/24
	£m	£m	£m	£m	£m	£m	£m	£m
Schools	115.395	116.594	120.926	126.794	137.231	140.373	147.586**	7.213
Central School Services	2.500	2.314	2.343	2.051	1.877	1.724	1.621	(0.103)
High Needs	18.680	19.291	19.818	22.319	26.709	29.784	33.265	3.481
Early Years Block	12.064	12.553	12.514	12.771	13.946	14.673	15.291	0.618
TOTAL	148.639	150.752	155.601	163.935	179.763	186.554	197.763	11.209
Move from 17/18 Baseline £m	-	2.113	6.962	15.296	31.124	37.915	49.124	
Move from 17/18 Baseline %	-	1.42%	4.68%	10.29%	20.94%	25.51%	33.05%	
Change per Year £m	-	2.113	4.849	8.334	15.828	6.791	11.209	
Change per Year %	-	1.42%	3.22%	5.36%	9.66%	3.78%	6.01%	

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

** Includes 22/23 Schools Supplementary Grant now rolled into funding formula

Schools block

- 2.3 In 2023/24, as in each year since 2018/19, the Authority will receive its DSG funding based on the DfE National Funding Formula (NFF). Following consultation with Schools which took place during October and November 2022 the Authority are proposing to continue to mirror the Local Funding Formulae (LFF) to the National Funding Formula factors, as done in 2022/23. The proposed Schools block rates are shown in Appendix A.
- 2.4 Forum will recall, as discussed at the 10 November 2022 meeting, that the DfE have restricted the range of a Minimum Funding Guarantee (MFG) between 0.0% and +0.5%. Calculations through the Authority Proforma Tool (APT), subject to final amendments, are showing MFG affordable at 0.5% with Capping at 4.5%. 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 20 January 2023 deadline other values may still be subject to

further minor changes. For illustrative purposes Appendix B includes an overview of the changes in pupil numbers and funding by phase from 2022/23 to 2023/24.

- 2.6 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 £147.086m. Growth funding assessments for 2023/24 will be carried out once the September 2023 admissions data is available.
- 2.7 At its meeting on 10 November 2022 and following a consultation with all schools Forum voted against a 0.5% block transfer from the Schools block to the High Needs block. The Authority have considered this as part of the DSG Management plan for the current pressures on High Needs and have concluded that no block transfer is assumed for 2023/24. The impact of this has been included in the draft DSG Management plan submission which is due to the DfE on 13 January 2023. The Plan submission does include an assumed block transfer for the remaining 4 years of the plan, from 2024/25. The Authority continues to engage and work with the High Needs Sub-Group to finalise the Plan in advance of the final submission date in early February 2023.

High Needs Block

- 3.1 The £33.265m figure outlined above for the 2023/24 High Needs block reflects the increased DSG funding announced by the DfE and includes funding previously included as separate grants for pay award and pension increases, as in 2022/23. The £3.481m year on year increase is therefore covering these costs going forward. It also includes a deduction of £0.341m made by the Education Skills and Funding Agency for direct funding of places.
- 3.2 Following the Autumn 2022 Spending Review, £400m additional High Needs funding has been allocated, of which North Tyneside's allocation is £1.331m (also included in the High Needs block 2023/24 allocation shown in Table 1 above). 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. This allocation is on top of the DSG High Needs block allocation calculated under the NFF. In 2023 to 2024 local authorities are required to pass on a 3.4% funding increase to maintained special and alternative provision (AP) schools, and special and AP academies (including free schools), based on the number of places being funded in 2022 to 2023. This requirement will be a condition of grant attached to the additional DSG high needs funding allocated to local authorities.
- 3.3 Forum will recall as previously reported at the 10 November 2022 meeting, the High Needs block outturn for 2021/22 was an overspend of £4.792m. Along with the increase in funding of £3.111m in 2022/23, the pressure within High Needs has continued and has a forecast in-year pressure of £4.416m in 2022/23 and therefore an estimated total cumulative overspend of just over £17.927m.
- 3.4 The factors driving the pressures shown above were outlined in the report to Forum on 10 November. The latest position on these pressures is shown in table 2.

Table 2: Forecasted High Needs Overspend as at November 2022

Provision	Budget £m	Forecast Variance £m	Comment
Special schools and PRU	17.788	2.217	Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder. Includes High Needs Additional Funding.
ARPs/Top ups	4.705	0.859	Pressures in mainstream pre 16 top ups
Out of Borough	3.316	1.285	Increased number of children placed outside North Tyneside Schools
Commissioned services	3.974	0.055	
Sub-total	29.783	4.416	
2021/22 B/Fwd		13.511	
Total		17.927	

Special Schools and the Pupil Referral Unit (PRU)

- 3.5 There is a pressure of £2.617m 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.
- 3.6 Special schools are funded at £10,660 per place, 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 3 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 £5.759m to £7.720m.

Table 3: 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 £0.859m 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 funded 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 2023/24

- 4.1 On 16 December 2022 the Department for Education released the 2023/24 early years entitlement funding rates for local authorities. Due to the late release of final funding figures and confirmation of changes to the Early Years Funding Formula, the Authority was unable to discuss modelled proposals for North Tyneside's early years funding formula 2023/24 at its meeting with Early Years Sub-Group on 7 December 2022. The group did however discuss and agree the principles for allocation of any funding increases to be fully modelled once funding was confirmed. Once the funding rates were confirmed, the proposed funding formula was shared with members of the subgroup for comment. The Local Authority recommended option based on the Sub-Group's agreed principles is outlined in the table below for Schools Forum consideration.

Table 4: Proposed Early Years Funding Rates

		2022/23	2023/24
2 Year Old Base Rate		£5.54	£5.60
3 & 4 Year Old Hourly Base Rate		£4.60	£4.64
3 & 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.17	£0.18
	Quartile 2	£0.06	£0.06
3 & 4 Year Old Hourly Quality Supplement - Teachers Pay and Pension Grant Supplement *		n/a	£0.22
Early Years Pupil Premium		£0.60	£0.62
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	£8.26 per hour
Disability Access Fund		£800	£828

* Available to provision led by a qualified teacher, who is paid according to national teacher pay scales and is a member of the teachers' pension scheme.

Central Schools Services Block Funding for 2023/24

- 5.1 Funding for the Central Schools Services block has been reduced by DfE in relation to historical funding by £0.103m, which represents a 20% reduction in funding for the historic commitments. Ongoing functions have had an increase of 5.86% as shown in table 5 below.

Table 5: Allocations for North Tyneside CSSB 2023/24

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Annual Change	
					£m	%
Historical Commitments	1.244	0.995	0.796	0.637	(0.159)	(20.00%)
Ongoing Functions	0.807	0.882	0.928	0.984	0.056	6.03%
Total	2.051	1.877	1.724	1.621	(0.103)	(8.15%)
Change from 2017/18 Baseline £m	(0.292)	(0.466)	(0.619)	(0.879)		
Change from 2017/18 Baseline %	(12.46%)	(19.89%)	(26.42%)	(35.16%)		
Change per Year £m	(0.292)	(0.174)	(0.153)	(0.103)		
Change per Year %	(12.46%)	(8.48%)	(8.15%)	(5.97%)		

- 5.2 The list of services provided via CSSB funding is listed in table 6. The net reduction in funding of £0.103m is identified in this table. Forum will recall 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 2023/24, the Authority will set the funding for these services as identified in table 6 below. 2022/23 has seen a reduction in the collective contribution to ongoing pension costs and therefore it is proposed to take the majority of the budget reduction against this element.

Table 6: Illustrative allocations for North Tyneside CSSB for 2023/24

Budgets which now form part of the CSSB	CSSB 2022/23 £m	CSSB 2023/24 £m
Budget to fund the Schools Support Service	0.415	0.415
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)	0.060	0.040
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	0.525

Budget for costs associated with de-commissioned school buildings	0.000	0.000
Schools admission service	0.141	0.141
Former Education Services Grant (Retained)	0.244	0.244
National Copyright Licences	0.157	0.174
Total CSSB Funding	1.724	1.621

- 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 2023/24 is included in table 7 below:

Table 7: De-delegation proposals for 2023/24

Narrative	De-delegated 2022/23 £	De-delegated 2023/24 £	Rate per Pupil £
Budget to support mainstream maintained schools in financial difficulty (used for one year in 2021/22 to meet gap for CSSB)	123,426	121,611	5.62
Support for vulnerable Headteachers for those incidents where independent support and advice is necessary	36,018	35,488	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	225,210	226,446	290.00
			782.50
Assessment of Free school meals eligibility	34,700	34,190	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	592,974	584,253	27.00
Additional agreed funding for above staff costs to agreed 2020/21 6% increase			
Totals	1,012,328	1,001,988	

Recommendations

- 7.1 Schools Forum is asked to;

- Note update on the allocations for 2023/24 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 6;
- Acknowledge the pressure in the High Needs block;
- Acknowledge the changes to Early Years funding allocations proposed for 2023/24 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 7.

Appendix A

Proposed School Block Rates for 2023/24 (100% National Funding Formula)

FACTOR	22/23 NFF (Incl. TPPG & Supplementary)		23/24 NFF (Incl. TPPG & Supplementary)		Difference 22/23 to 23/24	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
Basic entitlement						
Primary (Years R-6)	3,217		3,394		177	
Key Stage 3 (Years 7-9)		4,536		4,785		249
Key Stage 4 (Years 10-11)		5,112		5,393		281
Deprivation						
FSM	470	470	480	480	10	10
FSM6	590	865	705	1030	115	165
IDACI Band F	220	320	230	335	10	15
IDACI Band E	270	425	280	445	10	20
IDACI Band D	420	595	440	620	20	25
IDACI Band C	460	650	480	680	20	30
IDACI Band B	490	700	510	730	20	30
IDACI Band A	640	890	670	930	30	40
LAC (No longer used)						
EAL	565	1,530	290	782.5	-275	-738
Mobility	925	1,330	945	1,360	20	30
Prior Attainment	1,130	1,710	1,155	1,750	25	40
Lump Sum	121,300	121,300	128,000	128,000	6,700	6,700
Sparsity (N/A in NT)	55,000	80,000	56,300	81,900	1,300	1,900

Schools Block Allocation – 2023/24 (Subject to Final Amendments)

PHASE	NOR 22/23	NOR 23/24	Change in NOR	% Change NOR	23/24 Assumes 0.5% MFG, 4.5% Capping, £250k Falling Rolls, £250k Growth Fund					
					22/23 Post MFG Budget (incl. £4.29m SSG)	23/24 Post MFG Budget (Subject to final adjustments)	Movement from 22/23	% Increase from 22/23	23/24 SSG Draft (Additional £5m)	% Increase incl. additional £5m
Primary	12,288	12,300	12	0.10%	58,873,008	60,292,427	1,419,419	2.41%	2,023,902	5.85%
Secondary	9,278	9,339	61	0.66%	56,775,768	57,818,554	1,042,786	1.84%	1,996,404	5.35%
Academies	5,344	5,321	-23	-0.43%	28,354,563	28,984,447	629,884	2.22%	979,694	5.68%
Grand Total	26,910	26,960	50	0.19%	144,003,339	147,095,428	3,092,089	2.15%	5,000,000	5.62%