

Schools Forum

23 March 2023

Dedicated Schools Grant Budget 2023/24

This report relates to all education sectors where approval is required and is for approval by all schools forum members.

Recommendation(s)

The Schools Forum is recommended to:

1. Note the DSG budget for 2023/24 for the Schools, High Needs and Early Years blocks.
2. **Approve** the Central School Services block (CSSB) budget of the DSG budget for 2023/24, as presented in Table 6.

1. Introduction

- 1.1. The 2023/24 ESFA DSG Grant allocations are shown in Table 1 below as published in December 2022.

Table 1: 2023/24 DSG Allocations	2023/24		2022/23 (Jan22)	Change	% Increase
	£m	£m	£m	£m	
Schools Block	425.638		397.752		
Less: National Non-Domestic Rates (NNDR)	(3.719)		(3.624)		
		421.919	394.128	27.791	7.1%
High Needs Block	96.682				
Less: recoupment	(15.840)				
		78.842	70.545	8.297	11.8%
Early Years Block		37.924	35.742	2.182	6.1%
Central School Services Block		4.102	4.128	-0.026	-0.6%
Total DSG Allocation		542.787	504.543	38.244	7.6%

2. Schools Block

2.1. The 2023/24 Schools Block DSG allocation (£421.919m) has increased by 7.1%% above the 2022/23 Schools Block DSG (£394.128m). This is represented by:

- An increase in the total Number on Roll for 2023-24 by 1,316 pupils (1.69%) above 2022-23 pupil numbers.
- An increase of 3.03% in the minimum pupil funding above the 2022-23 levels
- Pupil led funding formula factors were increased by between 2.17% and 3.85% above 2022-23 funding levels.
- The Minimum Funding Guarantee has been set at +0.5% in line with the “hard” NFF, as set by the ESFA.

2.2. Schools Forum has already agreed to continue to apply the hard National Funding Formula in the allocation of Schools Block funding, and to continue to de-delegate funding for the following services in 2023/24:

Table 2: De-delegation 2023/24	
Primary Schools	Secondary Schools
Free school meals	Free school meals
Trade Union facility time	Trade union facility time
English as an Additional Language	English as an Additional Language
Gypsy and Romany Travellers	
School improvement	
Behaviour support services	
Medical Referrals for Employees	

2.3. The application of the National Schools Funding Formula to allocate the Schools Block budget, as approved by Schools Forum, has resulted in all of the 2023/24 Schools Block being allocated.

2.4. Based on the decision taken in January 2023 Schools Forum, the allocation of the Schools Block is as follows:

Table 3: Schools Block (excluding NNDR)	Budget 2023/24 £m	Budget 2022/23 £m	Change £m
Individual School Budgets	417.680	390.171	27.509
Growth Fund (exceptional pupil numbers)	3.471	2.328	1.143
Education Functions - Maintained Schools			
DBS checks	0.163	0.168	-0.005
De-delegated budgets	-	-	-
School Performance	0.189	0.195	-0.006
STS SEND Support (Previously "EIS")	0.030	0.032	-0.002
Ethnic Minority & Traveller Achievement Service	0.235	0.242	-0.007
Free School Meals	0.019	0.019	0.000
Trade union facility time	0.080	0.082	-0.002
Occupational Health	0.013	0.014	-0.001
Central Establishment Charges	0.039	0.039	0.000
Agreed Movements between blocks			
Contribution to the High Needs Block	0.000	1.908	-1.908
Total Available Schools Budget	421.919	395.128	26.721
Funded by:			
Total Schools Block Allocation (excluding) NNDR)	421.919	394.128	27.791
Schools Block (Use of Reserves)	0.000	1.070	-1.070

3. High Needs Block

- 3.1. High Needs block funding in Table 4 has been set based on the existing obligations in terms of top-ups, placements and staffing costs but also to set a balanced DSG HMB budget in order for managers to account and forecast against. Although the HNB allocations match the HNB grant there is an expectation that the funding will not be sufficient. The LA matches the expected in year deficit by contributing to an "offset reserve" in order to comply with External Auditors expectations. This expectation is set in the context that savings are to be achieved within the framework of the SEND & Inclusion Change Programme / DSG recovery plan. For 2023/24 the authority has set aside £4.855m which equates to the forecast in year deficit for the High Needs Block after interventions and savings are achieved.

Table 4a: High Needs Block Cumulative Overspend	2023/24	2022/23
Forecast Cumulative High Needs Deficit from previous years	20.099	15.980
Forecast 2022/23 In year deficit (P10)		4.119
Expected in year deficit 2023/24 (as per MTFS 2023-28)	4.855	
Net Cumulative overspend	24.954	20.099

- 3.2. In light of the pressures on services and increasing demand as well as the expected in-year deficit the following allocations of the HNB have been made.

Table 4: High Needs Block	Budget 2023/24 £m	Budget 2022/23 £m	Change £m
SEN – Place Funding for All Settings	6.222	6.147	0.075
SEN Top up - Mainstream Schools & Academies	13.355	12.343	1.012
SEN Top up - Special Schools & Academies	21.256	20.065	1.191
SEN Top up - Independent Schools	16.167	14.502	1.665
Tier 4 Hospital Education	0.400	0.180	0.220
Resourced Provision - SEN Support	1.768	1.765	0.003
Post 16 Funding	9.400	8.581	0.819
SEND Commissions	1.450	0.453	0.997
SEND Integrated Services (CPD & Curriculum)	0.166	0.216	-0.050
SEND Integrated Services (Low incidence SEND)	0.928	0.864	0.064
SEND Integrated Services (Flexible Learning)	0.883	0.771	0.112
Area Behaviour Partnerships (Primary and Secondary Exclusions)	2.911	2.761	0.150
Alternative Provision	0.904	0.922	-0.018
Contribution to Early Intervention Behaviour Panels	0.064	0.064	0.000
SEND Integrated Services (Specialist Teaching Service)	1.055	1.055	0.000
Integrated Disability Service (SEN Inclusion Grant)	0.485	0.385	0.100
Central Establishment Charges	1.428	1.428	0.000
Contribution from Schools Block	0.000	-1.957	1.957
High Needs Allocations	78.842	70.545	8.297
High Needs Block Funding	78.842	70.545	8.297

- 3.3. There are increases and decreases to the budgets between the two financial years, as shown in the table above. These are reflective of the savings and interventions within the approved SEND and Inclusion Change Programme as well as current and expected pressures.

4. Early Years Block

- 4.1. The Early Years Block allocation for 2023/24 is provisionally set in December 2022. However, the Early Years Block allocation for 2022/23 is subject to change once the January 2023 census data is confirmed (which happens after 31 March 2023). This is the only one of the four DSG blocks that changes retrospectively for this reason.

- 4.2. Based on the January 2023 School Forum paper and decisions at that meeting the following table illustrates the overall allocations to individual budget areas funded by the Early Years Block allocation for 2023/24 (as per Appendix 1 of the EY NFF report to Schools Forum).

Table 5: Early Years Block	Budget 2023/24 £m	Budget 2022/23 £m	Change £m
Nursery Funding 3&4 year olds (Universal funding - Independent Providers & Nursery Schools/Classes)	21.946	21.594	0.352
Nursery Funding 3&4 year olds (Additional 15 hours)	9.800	8.555	1.245
Maintained Nursery Supplement	0.931	0.658	0.273
DSG Pupil Premium	0.227	0.220	0.007
Disability Access Fund	0.200	0.165	0.035
Funded 2 year olds	3.160	3.032	0.128
IDS TL Early Years	0.967	0.866	0.101
Early Years - Sufficiency & Business Support	0.282	0.249	0.033
Early Years - Quality & Development	0.097	0.089	0.008
EYB Central Establishment Charges	0.314	0.314	0.000
Early Years Allocations	37.924	35.742	2.182
Funded by: EYB DSG	37.924	35.742	
Early Years Block Use of Reserves	0.000	0.000	

5. Central School Services Block (CSSB)

Schools Forum are asked to approve the CSSB Budget as set out in Table 6.

- 5.1. The CSSB funding is calculated in 2 elements
- Funding for historic commitments, which total £1.003m.
 - On-going funding of £39.17 per pupil, which is £3.099m, based on 79,120 pupils (primary & secondary).
- 5.2. The CSSB funding has seen a decrease in the funding per pupil element of £1 per pupil (£39.17 from £40.17 per pupil), a similar reduction was also made from 2021/22 to 2022/23 of £1.03 per pupil. For 2023/24, if pupil numbers had remained static this would have result in a £0.078m reduction in funding. However, as pupil numbers have increased by 1,316, the overall reduction in funding has been limited to £0.026m. The historic commitments element of funding has been subject to nationally a 20% reduction each year for the past 2 years. Warwickshire County

Council has successfully appealed against this reduction due to the long-term fixed nature of these costs.

- 5.3. Schools Forum is required to **approve** the budget allocations for the CSSB. The proposed allocations are set out in Table 6 below:

Table 6: Central Schools Services Block	Historic or Ongoing	Budget	Budget	Change
		2023/24	2022/23	
		£m	£m	
Children’s Mental health	Historic	0.000	0.150	-0.150
Employers Liability Insurance	Ongoing	0.045	0.045	0.000
Admissions	Ongoing	0.799	0.672	0.127
Heads liaison / SACRE	Ongoing	0.000	0.018	-0.018
DSG SF Allocation - Historic Pension Contribution	Historic	0.737	0.737	0.000
DSG SF Allocation - North Leamington School Borrowing	Historic	0.266	0.266	0.000
DSG SF Allocation - Copyright Licences	Historic	0.527	0.559	-0.032
Teachers Pensions Employer Contribution Grant (TPECG)	Ongoing	0.424	0.484	-0.060
Central provision within schools budget (former ESG retained duties)	Ongoing	0.830	0.957	-0.127
Cost of support services for Education Functions	Ongoing	0.560	0.560	0.000
Central Schools Services Allocations		4.188	4.448	-0.260
Funded by:				
Total CSSB Allocations		4.102	4.128	-0.026
Central Schools Services - Use of reserves		0.086	0.320	

- 5.4. Due to the further reductions in funding as well as some pressures on services it has been necessary to re-align some of these budgets and to fund £0.086m of the planned expenditure by increasing slightly the overall overdrawn DSG reserve.

- The Children’s Mental health will no longer be funded by the DSG (it was able to be funded as part of the previous regulations for “combined services”). The LA has committed to fund this going forward.
- The Heads liaison/ SACRE budget will similarly be fully funded by the LA (previously shared between the LA & DSG)
- The Admissions Service have experienced increases in demand (and especially for in year admissions) as well as usual inflationary cost increases. It has been necessary to increase this budget by £0.127m. This has been funded by the LA reducing the costs

for the LA services previously funded by Education Support Grant. There is no effect on these elements, just technical changes in funding streams.

- For both the Teachers employer contribution grant allocation as well as the Copyright licences cost, it has been possible to re-align these budgets downwards.

5.5. Please note, that if the Government continue with their planned approach to reduce the CSSB further in future years, this will have an impact on these budgets, which Schools Forum will later be required to make decisions on (as part of budget setting 2024/25 onwards). It is expected that Government will continue to reduce prior year's historic factors by 20%, (which the LA will continue to appeal against until the commitments are cleared), as well as possible further £ per pupil reductions.

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