

REPORT TO: Schools Forum

DATE: 19th October 2022

REPORTING OFFICER: Operational Director - Finance

SUBJECT: DSG funding for 2023-24

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To report to the Schools Forum the Dedicated Schools Grant provisional 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 for 2023-24.
- 2.3 Schools Forum agree to make a decision on the level of Minimum Funding Guarantee to be applied to the Schools Block funding formula for 2023-24 at the January meeting.

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The provisional Dedicated Schools Grant settlement was announced on 19th July giving Halton a total of £133,191,437 for the Schools Block, Central Schools Services Block and High Needs Block for 2023-24.

The DfE have indicated that the Early Years Block provisional settlement for 2023-24 will be announced in December.

3.2 Schools Block

The Schools Block provisional allocation is £107,472,210, based on the October 2021 census data which is an increase of £3.2M compared to the actual Schools Block allocation for 2022-23 plus the Supplementary Grant which has been rolled into the Schools Block for 2023-24.

The DfE have uplifted the cash values of most factors within the National Funding Formula so our Primary Unit of Funding is increasing to £5,215.1753 from £4,959.8786 for 2023-24 and the Secondary Unit of Funding is increasing to £6,648.2578 from £6,251.1086 for 2023-24.

These PUFs and SUFs for 2023-24 will be multiplied by the number of primary and secondary age pupils in the October 2022 census to give

our final Schools Block allocation which will be announced shortly before Christmas.

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

The DfE provided models of what each school would receive using the uplifted NFF cash values against the October 2021 census data and this was shared with schools as part of the Schools Block consultation.

For 2023-24 we are required to use all the NFF funding factors which requires the introduction of the Pupil Mobility factor and the Sparsity factor in Halton. Details of how this will impact Halton schools is set out in the consultation document. We are also required to be within +/- 2.5% of the NFF cash values which all being well will not be a problem as we have been using the NFF cash values for the past few years, albeit with a few tweaks to ensure we fully devolve the Schools Block allocation.

3.3 Central Schools Services Block

The provisional CSSB allocation is £725,564 based on pupil numbers on the October 2021 census plus £19,293 for the Historical funding giving a provisional total of £744,857. Once again, the final allocation will be based on the October 2022 census data. 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 allocation for 2022-23 is £728,189.

The individual budgets to be funded from the CSSB for 2023-24 will be presented at the January meeting.

3.4 High Needs Block

The High Needs Block allocation has been announced as £24,974,371 before recoupment. We estimate the recoupment will be £3,276,000 for the per place funding in special academies, resource bases in academies as well as places in non-maintained special schools. That would leave £21,698,371 coming to Halton for distribution. The High Needs Block allocation for 2021-22 is £19,874,222 after recoupment.

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

3.5 Schools Block Consultation

A consultation was issued early in September on the Schools Block funding formula to be used in Halton for 2023-24. The consultation is attached at Appendix A and the detailed responses at Appendix B.

Of the 14 schools that responded, all were in agreement with the continuation of following the NFF funding factors and criteria.

3.6 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 0.5% compared to the previous year.

As stated in the consultation document, it is impossible to say what level of MFG we can afford until the October 2022 census data and final grant allocation is received. The grant settlements are typically released less than a week before Christmas and it is envisaged it will be mid-January before the final calculations are completed.

Of the 14 schools that responded, all were in agreement with the MFG being set at the January meeting.

3.7 Schools Block Funding Formula

It is proposed to continue to follow the National Funding Formula, using the NFF cash values where possible. It is impossible to say at this point in time if our final Schools Block grant allocation will be sufficient to fully fund at the NFF cash values. This will only be known in January once the final calculations are completed.

4.0 FINANCIAL IMPLICATIONS

- 4.1 We are required to set a local funding formula in line with the Schools Block operational guidance for 2023-24. Failure to do so will result in the DfE imposing a funding formula on us.

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.

Consultation on the Schools Block Funding Formula

Funding Formula

We are required to consult with schools and academies on the method, principles and rules adopted for the funding formula to be applied to mainstream primary and secondary schools and academies.

As you will be aware, for the past three years we have followed the National Funding Formula (NFF) method, principles and rules. We are recommending that we continue this. The NFF for 2022-23 is 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%.	£3,394	£4,785 KS3 £5,393 KS4
Deprivation - FSM	Funding for pupils who are currently eligible for FSM.	£480	£480
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.	£705	£1,030
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 E £280 D £440 C £480 B £510 A £670	F £335 E £445 D £620 C £680 B £730 A £930
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.	£1,155	£1,750
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	£580	£1,565

	fund for the maximum period of three years.		
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.	£945	£1,360
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.	Year Group size and distance tapers as per DfE	Year Group size and distance tapers as per DfE
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	£5,503 KS3 £6,033 KS4
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.		
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	£128,000	£128,000
Split Sites	No schools in Halton are eligible for funding under this factor.		
LA Rates	LA Rates	Estimates will be set in December based on latest uplift information.	
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 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%.		

Cash values

The DfE are requiring local authorities to move closer to the NFF criteria and cash values as a step towards the implementation of a full NFF. We are already deemed to be mirroring the NFF criteria and cash values with the exception of the Pupil Mobility and Sparsity factors. Historically we have not adopted these two factors in Halton but they will be included in the 2023-24 funding formula as these are now mandatory factors. As long as our cash values are within +/-2.5% of the NFF cash factors we will meet the requirements for 2023-24. For 2022-23 apart from the Basic per pupil factor which was reduced for the transfer to the High Needs Block, every other factor used in Halton was at the NFF cash value.

The final cash values used are dependent upon the pupil data and final grant allocation which will both be released mid-December. As long as funding allows, we will continue to fund at the NFF cash values.

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.

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%. No uplift has been applied to premises factors, except for PFI which has increased by RPIX (11.2%) for the year to April 2022.

Pupil Mobility Factor

This factor allocates funding to schools with a high proportion of pupils who have an entry date in the last three years that is not typical – i.e. the first census on which a pupil is recorded as attending the school not the October census (or the January census for a spring term intake to Reception class). To be eligible for funding the proportion of mobile pupils in a school must be above a threshold of 6%. In 2022-23, if we had used this factor we would have allocated a total of £79,796 between 15 primary schools.

Sparsity Factor

A school is eligible for sparsity funding if its sparsity distance is equal to or above the main distance threshold or above the tapered distance threshold AND the average year group size is below the relevant size threshold. In Halton for 2022-23 we only had one secondary school that was eligible for funding under this factor and we would not expect this to change for 2023-24.

NNDR

This is an optional factor but has always been used in Halton.

Exceptional Circumstances factor

The Exceptional Circumstances factor has been used to provide funding to Ormiston Bolingbroke Academy for the Joint Use of Brookvale Recreation Centre. This is an historic agreement for which we gained permission to continue to use this factor last year. The DfE allow the continuation of the factor for six years after agreement. The factor is uplifted each year by the same RPIX percentage as applied to the PFI factor, set by the DfE for 23-24 at 11.2%.

Minimum Funding Guarantee

The Minimum Funding Guarantee remains in place for 2023-24 with a permissible range of 0% to plus 0.5%. The MFG is calculated to a per pupil amount which cannot be less than the previous year's per pupil amount multiplied by the MFG factor.

It is impossible to say what MFG level we will require, or can afford at this point in time. This can only be calculated when the final grant allocation and pupil data is received. The grant settlement is typically released just a few days before Christmas. There is insufficient time to allow the calculations to be completed, options modelled, a new consultation paper prepared, issued and responses received and considered before Schools Forum in January and the statutory DfE submission deadline. Therefore, as in previous years, we are asking that you agree to Schools Forum approving the MFG level at the January meeting when the Schools Block indicative budgets will be presented. If we do not submit a proposed Schools Block funding formula to the DfE by the deadline of 20th January it is possible that the DfE will impose a funding formula on us. As in previous years, we will always strive to give the maximum MFG possible based upon the actual grant settlement.

Indicative Schools Block budgets

The attached spreadsheet issued by the DfE shows the impact of the updated 2023-24 NFF formula and cash values. This is based on your October 2021 census data and therefore is not the amount of funding you will receive.

Consultation questions

1. Do you agree that we continue to adopt the NFF method, principles and rules adopted for the funding formula to be applied to primary and secondary schools and academies?

Yes/No

If no, please explain what you would prefer to use:

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2. Do you agree to Schools Forum determining the level of the Minimum Funding Guarantee at the January meeting?

Yes/No

If no, please explain how you think agreement should be reached within the timescales set by the DfE:

Please respond no later than **5pm on Friday 30th September 2022** to ensure your feedback can be fed back to Schools Forum and subsequently to the Executive Board of the Council.

Responses to be e-mailed to anne.jones@halton.gov.uk

Appendix B

School	Date rec'	Q1	Q2	Comments
Woodside	08/09/2022	Yes	Yes	
Windmill Hill	08/09/2022	Yes	Yes	
St Gerards	08/09/2022	Yes	Yes	
Widnes A	22/09/2022	Yes	Yes	
The Grange	22/09/2022	Yes	Yes	
Wade Deacon	22/09/2022	Yes	Yes	
OCA	23/09/2022	Yes	Yes	
Sandymoor	23/09/2022	Yes	Yes	
Victoria Rd	27/09/2022	Yes	Yes	
The Bridge	27/09/2022	Yes	Yes	
Bridgewater Park	28/09/2022	Yes	Yes	
Palacefields	28/09/2022	Yes	Yes	
Daresbury	28/09/2022	Yes	Yes	
The Heath	28/09/2022	Yes	Yes	