

THE SCHOOLS BUDGET 2023/24

Cabinet Member(s)	Councillor Martin Goddard Councillor Susan O'Brien
Cabinet Portfolio(s)	Finance Children, Families & Education
Officer Contact(s)	Coral Miller, Lead Finance Business Partner (DSG & Schools)
Papers with report	Appendix - Consultation on Schools Block Budget 2023/24

HEADLINES

Summary	The purpose of this report is to seek Cabinet's approval for the Schools block budget for 2023/24, as required by the Department for Education (DFE).
Putting our Residents First Delivering on the Council Strategy 2022-2026	This report supports our ambition for residents / the Council in relation to education and specifically of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents This report supports our commitments to residents of: Thriving, Healthy Households
Financial Cost	Funding for Schools block budget is provided by the DFE through the Dedicated Schools Grant (DSG) and as such has no impact on the Council's budget requirement.
Relevant Select Committee	Children, Families & Education
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet:

1. **Agrees that the total Schools Budget for 2023/24 be set with an overall deficit of £3,617k when compared to the total of the Dedicated Schools Grant provided to the Council**
2. **Approve the Primary and Secondary schools funding formula option 2 as preferred by the Schools Forum on 18th January 2023.**
3. **Note the Early Years Single Funding Formula allocation, for which consultation was launched with Schools Forum on 18th January 2023.**
4. **Approve the Early Years Centrally Retained budget.**
5. **Approve the Central School Services budget.**
6. **Note the indicative budget for the High Needs block of £62,084k, which will be presented to Schools Forum on 20th March 2023 as part of ongoing consultation, additionally noting that the block is also subject to the disapplication request being considered by the DfE for the 0.5% transfer from the schools block.**
7. **Should any further Council approval regarding the Schools Budget 2023/24 be required, agree to delegate authority to the Cabinet Member for Finance and Cabinet Member for Children, Families & Education, in consultation with the Corporate Director of Finance, to determine under urgency provisions.**

Reasons for recommendation

1. Cabinet is the decision-making body for school funding issues and decisions are required on the arrangements to allow for the final School block budget and Early years budget funding allocations to be provided to schools by no later than 28 February 2023.
2. The School and Early Years Finance (England) Regulations 2022 requires the Council to consult the Schools Forum on a range of financial matters prior to making decisions on them. This year the Council consulted the Schools Forum on the 23/24 Schools block budget, the Early year funding allocation and sought approval on the Centrally retained School block and the Early years Centrally retained, on 18th January 2023.
3. The DfE issued the DSG allocated funding for Hillingdon for 23/24 on 16th December with the DSG Conditions of Grant document.

Alternative options considered / risk management

4. Cabinet could decide to recommend that the Schools Forum reconsider the proposed Primary and Secondary schools funding formula and the Early Years Single Funding Formula.
5. The recommended Schools Budget 2023/24 contains a contingency for in year growth for expanding schools.

6. The recommended Schools Budget no longer contains a general reserve to cover unforeseen costs and does not provide surplus resources to offset the cumulative deficit accruing on the Dedicated Schools Grant Budget in 2022/23.

Select Committee comments

7. None at this stage.

SUPPORTING INFORMATION

Dedicated Schools Grant Funding 2022/23

8. The Education and Skills Funding Agency (ESFA) published the draft authority level DSG allocations for the schools, central school services, early years, and high needs blocks on 16 December 2022.
9. The main driver for the determination of DSG funding is pupil numbers which in Hillingdon have increased overall in October 2022 compared with the previous year as detailed in Table 1 below.

Table 1

	Oct-21	Oct-22	Diff	%
Primary	26,945	26,997	52	0.002
Secondary	17,659	18,055	396	2.242
Total	44,604	45,052	448	

10. Table 2 sets out the published baseline DSG budget for 2023/24, compared to the 2022/23 DSG allocation updated in November 2022

Table 2

Funding Block	DSG Budget 2022/23 £000	DSG Budget 2023/24 £000	Change in Budget £000	Increase %
Schools	251,897	267,406	15,509	6.2
High Needs	56,152	62,084	5,932	10.6
Central Services	2,540	2,480	-60	-2.3
Early Years	25,914	26,897	983	3.8
Total DSG Budget	336,503	358,867	22,364	6.6

Proposals for Use of Schools Block Budget part of the DSG in 2023/24

11. The below table details the projected expenditure against the income allocations detailed above:

Funding Block		£'000
School Block	Income	(267,406)
	Expenditure	267,406
	Net Total	0
Early Years Block	Income	(26,897)
	Expenditure	26,897
	Net Total	0
High Needs Block	Income	(62,084)
	HN Recoupment	9,936
	Expenditure	55,765
	Net Total	3,617
Central School Services Block	Income	(2,480)
	Expenditure	2,480
	Net Total	0
Overall DSG position		3,617
Cumulative deficit brought forward (month 9 projection)		21,982
Safety Valve payment		(3,750)
LA Contribution		(4,000)
Retained Deficit projected for 23/24		17,849

12. Further detail on each of these blocks is included in turn in the subsequent sections of this report. It should be noted that the current deficit within High Needs is subject to the outcome of the disapplication request submitted to the Department for Education. Should the request be successful, the project deficit would reduce by £1,337k, equivalent to a transfer of 0.5% from Schools to the High Needs block.

13. For the 23/24 budgets, there have been technical changes applied in the requirements set out by the DfE, with greater restrictions than in previous years. These changes in allocation factors for each block have been included throughout this paper where relevant.

Schools Block Budget Allocation

14. The DfE have confirmed a total allocation of £267,406k for the Schools Block budget, an increase of £15,509k, or 6.2% on previous years. This block has strict criteria applied to the allocation, which is articulated below:

Requirements for consideration within the Schools block budget (Extracted from Schools Operational Guide)

- Local authorities will only be allowed to use National Funding Formula (NFF) factors in their local formulae. This means that **the looked after children (LAC) factor** will no longer be an allowable factor.
- Local authorities **must use all NFF factors** – except for the locally determined premises factors which remain optional. This means that Local authorities will have to use all 3 deprivation factors (FSM, FSM6 and IDACI), as well as LPA, EAL, mobility, sparsity and the lump sum.
- Local authorities must **move their local formula factor values at least 10% closer to the NFF**, except where local formulae are already mirroring the NFF. These criteria do not apply to locally determined factors – notably the premises factors.
- Local authorities must use **the NFF definition for the EAL factor**, although flexibility over the sparsity factor methodology will remain in 2023 to 2024
- Local authorities have the freedom to set the Minimum Funding Guarantee in their local formulae between +0.0% and +0.5% per pupil.
- Local authorities continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval.

Growth Funding

15. Growth funding is within local authorities' schools block DSG allocations. For 2023 to 2024, it will be calculated using the same methodology as previous year, based on the growth in pupil numbers between the October 2021 and October 2022 censuses.
16. Local authorities were requested to input their own forecast of pupil numbers in the October 2022 census and estimate the growth funding they could expect to receive in 2023 to 2024, with growth allocations communicated to each local authority within their DSG settlement.
17. No local authorities received growth funding protection in 2022 to 2023 and there will be no further protection offered in 2023 to 2024.

Growth Fund Contingency

18. As it is within the Schools block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks. The Schools forum will be consulted on the total growth fund.
19. A review of the Growth Fund Contingency requirement, which provides funding for expanding schools and funding for significant in-year growth, estimates that the budget in 2023/24 should be £1,209k, a decrease of £286k from the previous year. The 2023/24 allocation does not include any overspends from 2022/23. The calculations include 1

growing Primary School, 2 Growing Secondary schools and contingency for funding of year 7 pupils over plan in Secondary schools etc.

20. The growth funding allocated through the funding formula for 2023/24 is £1,650k which is sufficient to cover the growth requirement due to an overall increase in Pupil number of 440 in Hillingdon and is an increase from 2022/23 of £817k.

Indicative School Block Budget allocation for 2023/24

21. From the revised DSG allocation for 2023/24 received in December 2022, officers scoped two options to allocate the funding across the block, based on the criteria listed above, which is more restrictive than in previous years. Both options had positives and negatives, however, they both had a similar number of schools gaining from the adjustments. For any schools and academies that have reduced funding in 23/24 from 22/23, this is due to a reduction in the number of pupils on roll.
22. As per the previous Schools Forum reports, Local Authorities are now permitted to be within 10% of the Hard National Funding formula, therefore the Authority pro-forma tool (APT) will only accept factor amounts that are within the minimum and maximum amounts permitted.
23. In addition to the Growth fund proposal, Schools Forum in January agreed with the option recommended by the Local Authority, the detail of which is as follows:
- This uses the 2023 to 2024 APT maximum level up to the amount available to distribute, therefore not all the maximum factors could be used as the Hillingdon allocation is not sufficient to fund all the maximum factors.
 - The Lump Sum has increased to £143,000
 - The funding share between Primary and Secondary remains similar to 2022/23 with 1:1.31 respectively, last year it was 1:1.30.
 - The increase in individual schools has been capped at 8%
 - Minimum Funding Guarantee (MFG) has been calculated (see below). The MFG which represents 0.02%:
 - Capping is approx. £130k.
 - MFG increases to approx. £195k and 9 Schools
 - Net effect is approx. £65k
24. This option was recommended by officers for the following reasons:
- It keeps increases to individual schools to 8% and funding over that 8% gets redistributed to other Schools which have smaller increases.
 - There are more schools within the MFG because in previous APTs schools were not capped; therefore, the increases have been over that level are now protected.
25. The Schools Forum maintained members voted against funding the Schools improvement service, as the DFE are no longer providing a grant to pay for this service, so this will be scaled back to the statutory minimum provision.

Transfer of Schools Block funds

26. The Schools Block will continue to be ring-fenced in 2023/24, however, local authorities will be able to transfer up to 0.5% of their Schools block funding to address funding pressures in other areas with agreement of Schools Forum, which was documented as part of the DSG Safety Valve agreement. The value of this transfer request from the Schools block to the High needs block was £1,337k.
27. However, on 18th January 2023, the Schools Forum rejected the request to transfer this funding from the Schools block budget to the High needs block. The decision to reject the transfer between blocks will have an impact on the DSG deficit and potentially affect the DSG Safety Valve agreement adversely. The Council has submitted a disapplication request to the DfE on 6th February 2023 and a decision is yet to be communicated.

Early Years Block Allocation in 2023/24

Background (extracted from the Early Years Funding technical notes)

28. The Early Years National Funding Formula (EYNFF) used for calculating 3 and 4 year old hourly rates in 2023 to 2024 remains similar to the formula that was introduced and used directly between 2017 to 2018 and 2019 to 2020 and then used as the starting point for consecutive pence uplifts to hourly rates in 2020 to 2021, 2021 to 2022 and 2022 to 2023.
29. However, the following changes have been made to the Early Years Funding formulae for 2023 to 2024:
- The starting point hourly rates for each EYNFF formula factor have been updated for the first time since 2017 to 2018 based on the increased funding secured for 2023 to 2024 in the Spending Review. The additional funding is to reflect the recently announced National Living Wage increases and the majority of the money that has previously been paid through the early years' element of the TPPG. (TPPG denotes the rolling in of the early years element of the teachers' pay grant and the teachers' pension employer contribution).
 - The additional needs formula factors have been calculated using more up-to-date part-time equivalent (PTE) volumes and pupil characteristic data, for example, January 2022 censuses. The definition of the disability living allowance (DLA) factor has been changed to better align with other funding formulae.
 - The area cost adjustment (ACA) factors have been updated for new data, where possible, and improved, for example the methodology for calculating the proxy factor for premises costs has been extended to better reflect the provider composition differences between local authorities.
 - Year-to-year protections and funding floors have been revised for 2023 to 2024, for example, the loss cap protection has been removed and a new +1% year-to-year protection and +4.9% gains cap has been introduced. These are applied before rounding the hourly funding rates to the nearest penny

30. Several changes have been made to the 2 year old entitlement formula:

- The base rate for the formula has been updated for the first time since 2015 to 2016 based on the increased funding secured for 2023 to 2024 in the Spending Review and additional funding to reflect the recently announced National Living Wage increases.
- The base rate calculations for 2023 to 2024 are now based on the most up-to-date data available, for example, January 2022 censuses.
- The ACA factor has been updated and improved, for example, the general labour market (GLM) data has been updated, and a proxy factor for premises costs has been introduced to align the method with the ACA used in the EYNFF.
- A new +1% year-to-year protection and +10.0% gains cap has been introduced for 2023 to 2024. These are applied before rounding the hourly funding rates to the nearest penny.

31. Following the outcome of the consultation the 2023 to 2024 calculations for supplementary funding for maintained nursery schools have also been changed:

- All local authorities' hourly supplementary funding rates have been increased in line with funding secured in the Spending Review and additional funding to reflect the recently announced National Living Wage increases.
- Teachers' pay grant and teachers' pension employer contribution (TPPG) funding has been rolled in.
- A minimum funding floor and cap have been applied to create a fairer distribution of this funding.

23-24 Allocation for Early Years Budget

32. Early Years funding rates were published on 16 December 2022 with increases in the funding rates for 2 years olds and 3 & 4 year olds for most local authorities. The following funding rates will be used to generate the Hillingdon Early Years Block funding in 2023/24.

33. The indicative figure in Table 1 shows the funding allocation for the Early Years Block and is based on the following numbers of children within Hillingdon:

- 5007 3 & 4 year olds,
- 1638 additional hours for – 3 & 4 year olds, and
- 563 2 year old.

Table 1 - DSG: Indicative Early Years Block allocations

	2022/23 budget (£'000)	2023/24 budget (£'000)	Variance (£'000)
Entitlement for 3 and 4 year olds	17,523	18,094	571
Additional 15 hours entitlement for eligible working parents of 3 and 4 year olds	5,732	5,919	187
Allocation of 2 year old entitlement	2,018	2,204	186
Early years pupil premium	179	185	6
Disability access fund	125	114	(11)
Maintained Nursery schools	337	381	44
Total Early Years block	25,914	26,897	983

Table 2 – Movement in hourly rate funding

	2022/23 £ (per hr)	2023/24 £ (per hr)	Increase £ (per hr)	Increase %
2-Year-olds	6.29	6.87	+0.58	9.2%
3- & 4-Year-olds	6.14	6.34	+0.20	3.1%

34. There are several requirements on how local authorities can allocate Early Years funding to providers. These requirements are intended to ensure that funding provided is fairly distributed to providers and are detailed in the following sections:

Universal Free Entitlement - Base Rate

35. Local authorities are required to pass 95% of early years funding directly to providers. There is a requirement to set a universal base rate for all providers, and additionally the guidance states that the level of supplements should be capped at 10% of the total funding given to providers, with the remaining 90% distributed through the base rate. Given the limits on supplements, the Hillingdon base rate is set at 91% of available funding as used in 2022/23.

36. The following DSG Early Years Block funding streams are not included in the 95% pass-through calculation:

- i. Funding for the entitlement for disadvantaged 2 year olds
- ii. Payments to MNS from DfE's MNS supplementary funding allocation
- iii. Disability Access Fund (DAF)
- iv. Early Years Pupil Premium (EYPP)

37. Following the increase in hourly funding rates used to determine the Early Years Block, the base rate is being reviewed to see how much of this increase can be passed on to providers. This will be confirmed before the Early Years funding formula is finalised in March.

Universal Free Entitlement - Funding Supplements

38. The government allow supplements up to a maximum of 10% of the total funding passed to providers. Local authorities will continue to be required to have a mandatory deprivation supplement but will have discretion over the metric used. The following sets out the breakdown of the Hillingdon Early Years funding formula.

Deprivation Supplement

39. In 2022/23 the deprivation factor within the Hillingdon early years formula was 7% with IDACI as the distribution driver, as this is the best indicator of deprivation for 3 & 4 year olds. The proposal is that for 2023/24 this is retained at the same percentage.

Flexibility Supplement

40. In previous years the remaining 2% of the funding has been used to target those providers with higher numbers of children with additional needs by allocating funding to settings with a higher-than-average IDACI rank. This recognised that there are links between deprivation and additional need and reflected that this was the most robust data set held to distribute additional needs funding.

41. Now that the SEND Advisory Service is embedded, the local authority can access data that better reflects the level of additional need in early years settings. Officers are establishing a dataset that will use the proportion of children on the SEND register to distribute funding through the formula whilst still meeting the supplement requirements within the guidance. It is considered that the Flexibility supplement is probably the way to incorporate this into the formula and this funding supplement will be confirmed before the Early Years funding formula is finalised in March.

Maintained Nursery School Supplementary Funding

42. The government recognises that maintained nursery schools have additional costs and has confirmed that it will continue to provide supplementary funding to local authorities for maintained nursery schools. The allocation for 2022/23 as at November 2022 was £336k which has been increased in 2023/24 to £381k. This funding will be passported in full to McMillan Nursery school.

Additional 15 hours Free Entitlement

43. Hillingdon has received an indicative £5,919k to fund the additional 15 hours free entitlement for eligible children in 2023/24, an increase of £187k from the November 22 updated 22/23 funding. This funding will be adjusted to reflect actual numbers accessing the entitlement and therefore this funding will be earmarked in full for the delivery of the additional 15 hours free entitlement.

Disability Access Funding

44. This Funding will be passed to providers with eligible children and the setting is then responsible for the use of the funding. This funding has been increased in 2023/24 from £800 to £828 per pupil and the Hillingdon allocation of this funding in 2023/24 is £114k.

Early Years Pupil Premium

45. The Early Years Pupil Premium will increase by 2 pence to 62 pence per hour, equivalent to up to £353 per eligible child per year, to support better outcomes for disadvantaged 3 & 4 year olds. The indicative Early Years Pupil Premium allocation for 2023/24 is £185k.

SEN Inclusion Fund

46. All local authorities were required to establish SEN inclusion funds for 3 & 4 year olds in their local funding systems from April 2017.

47. The SEND Advisory service work with early years providers to determine how best this funding is distributed with the focus on children with lower level or emerging SEN. It is proposed that the £200k allocated to the SEN inclusion fund in 2022/23 is retained in 2023/24 and that this is taken from the Early Years Block. The SEN inclusion funding will be included in the 95% pass through to providers and therefore does not count in the 5% that local authorities can centrally retain in 2023/24.

Early Years Centrally Retained (5%)

Provision for Vulnerable Children Placements

48. The £139k budget for the placement of vulnerable early years children will remain the same for 2023/24 as it was for 2022/23. It is recognised that there are still children and families that have a need for this funding.

Family Information Service

49. The Family Information Service (FIS) team helps parents to access the free early years provision that they are entitled to for their children. This relates to the universal entitlement to free early education for all 3 & 4 year olds and covers the entitlement to free childcare for the most disadvantaged two-year olds. The FIS consists of the FIS Manager, 4.0 (FTE) FIS Officers and a Parental Childcare Advisor and the proposed budget for 2023/24 is £268k plus an inflationary increase once the General fund budget are set.

Early Years Advisory Service

50. The Early Years Advisory Service provides targeted support, advice, and guidance to all early years settings (including schools and Private Voluntary and Independent Nursery providers). The service consists of 3.0 (FTE) Early Years Advisory Teachers with a proposed budget of £245k for 2023/24 plus an inflationary increase.

Early Support Team

51. The Early Support Team consists of 3.5 (FTE) Home Portage Visitors who support parents and carers helping to build resilience within families with children and young people with additional needs or disabilities. The proposed budget for this team in 2023/24 is £159k plus an inflationary increase.
52. The Schools Forum approved this budget including the Centrally retained items.

High Needs Block

53. The High Needs Block is provided to Local Authorities to enable them to support pupils and students with SEND who require additional resources to participate in education and learning up to the age of 25. The funding is provided to Local Authorities to enable them to meet their statutory duties under the Children and Families Act 2014.
54. The financial allocations from the High needs funding block provide local authorities with resources to fund place funding to Special Schools and Resource Bases, top up funding, and other high needs services either delivered directly by the Local Authority or under a separate funding agreement with a school or college as permitted by regulations.
55. The indicative allocation for the high needs block in 2023/24 is £62,084k which is the total allocation for maintained schools and academies. Academy recouplement is estimated at £9,936k for 2023/24. The allocation is an increase in funding of 10.6% compared to 2022/23 allocation. The breakdown of the high needs block will be presented to Schools Forum on 22nd March 2023.

Planned Place Numbers

56. There have been several changes to planned place numbers in Special schools and SRPs to reflect current demand. Academies receive planned place funding directly from the ESFA. This funding is included in the amount recouped from the High Needs block.

SEN Top-up Funding

57. There is no proposal to make any changes to the banded funding model for the distribution of top-up funding in 2023/24. However, the DSG Deficit Recovery plan contains several workstreams which will impact on the ongoing expenditure on top-up funding. The 2023/24 budgets for top-up funding have been updated to reflect current demand, projected growth and savings as detailed in the recovery plan. This results in a total budget of £27,186k for 2023/24.

Early Support Funding (ESF)

58. ESF was introduced in 2020 to support children and young people who require SEND provision beyond the 'Ordinarily Available' national threshold, but whose needs can be best met within mainstream provision. Importantly, ESF draws from the same budget as an EHCP and is designed as a strategic reallocation of EHCP budget for those for whom mainstream is better-suited.

59. One of the main workstreams of the DSG deficit recovery plan is focusing on growth in ESF take-up to increase early intervention for those whose SEND needs can be met within mainstream setting and ultimately, reducing future volumes of EHCPs. The savings modelled in the recovery plan have been included in the updated ESF budget for 2023/24.

Independent & Non-Maintained Special Needs

60. The Council has seen a further increase in the number and total spend on SEN placements in Independent and Non-maintained schools in the last year, predominantly because of a lack of capacity within in-borough provision, the 2023/24 budget for this area is £14,950k.

Post-16 Special Educational Needs Placements

61. In recent years there has been continued growth in the number of post-16 pupils with special educational needs requiring college placements.

Independent Specialist Providers.

62. The local authority has been in consultation with FE providers and will be implementing a banded funding model for FE Colleges from September 2022. It is projected that this will generate a small cost reduction in 2023/24 and this has been reflected in a £81k reduction to the budget.

Alternative Provision

63. The local authority currently commissions 120 places at the in-borough alternative provision setting an increase of 47 places from last year. A reconciliation of the actual number of young people accessing the provision is carried out each term and the funding adjusted to reflect over and under numbers (with a 5% tolerance).

SEN Advisory Service

64. Following a full transformation of the SEND teams in 2019/20, the SEND Advisory Service was created to provide advice and guidance to educational settings to ensure they can meet the needs of most children and young people within their own resources.

65. Over the last few years there has been a significant increase in the number of pupils with SEN accessing specialist out of school tuition. A workstream of the DSG Deficit Recovery plan will review this service area.

Central School Services Block

Background

66. The Central School Service Block (CSSB) continues to provide funding for local authorities to carry out central functions on behalf of maintained schools and academies, comprising 2 distinct elements:

- ongoing responsibilities
- historic commitments

67. These fund the functions that the Local Authority has a statutory duty to deliver for all pupils in maintained schools and academies.

68. Local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is -2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.86%.
69. As previously stated, the department has reduced the element of funding within CSSB that some local authorities receive for historic commitments made prior to 2013 to 2014.
70. In 2023 to 2024, for those local authorities that receive it, historic commitments funding has been reduced by 20%.
71. The duties included in the CSSB are set out below in Table 1:

Table 1

Description	Budget
	£000
Education Services	834
Education Safeguarding	184
Non-Statemented LAC Placements	300
Support Services costs	410
ESG Retained Services	753
Total Cost	2,481
DSG Allocation for 2023-24	2,481

Education Services

72. The School Placement and Admissions team consists of 1.9 (FTE) Senior Admissions Officers and 3.9 (FTE) Admissions Officer at a total budgeted cost of £248k. Given the increase in workload and the growth in elective home education, the team structure will need to be reviewed further in the coming months.
73. The Hillingdon Virtual School is part-funded from the DSG along with a contribution from the Pupil Premium Plus grant. The team consists of a Virtual School Headteacher and 11 FTE practitioners. The DSG funding for this team is £535k with £231k charged to the Pupil Premium Plus grant.
74. Following the Education Review, the DSG is part funding four posts in the structure. These are as follows, Executive Director of Education and SEND, Head of Access to Education, Vulnerable Learners Support Manager and Post-16 Partnership Co-ordinator with the total DSG requirement for these posts being £282k.

Education Safeguarding

75. The DSG has historically funded the LADO post along with the School Domestic Violence and Child Protection officer posts. The budget requirement for these three posts is £184k.

Non-statemented LAC placements

76. There is a continuing pressure linked to the number of looked after children who have been placed out of borough in residential provision. The DSG only funds the education element of these placements, and there is an on-going budget requirement of £300k for these placements.

Support Service Costs

77. A proportion of the total support services costs for central services at the Local Authority are charged to the DSG under a nationally agreed model, which has historically been capped.

ESG retained services

78. In the 2015 Spending Review, the DfE announced that ESG funding would cease in 2017/18 and that for those services defined as retained duties previously funded through the ESG, the funding and responsibility would be transferred into the DSG. The Schools Revenue Funding Operational Guide provides the definition of those services deemed to be retained duties. The DSG baseline includes a sum of £753k for retained duties, and it is proposed that this figure is retained in 2023/24 to fund these services.

79. This budget has been approved by the Schools Forum on 18th January 2023.

2023/24 Indicative DSG budget for all Blocks

Block	Description	23-24 £000
Schools block budget	Schools Block Funding	-£267,406
Schools block budget	Schools Individual Schools Budget	£266,197
Schools block budget	Growth Fund	£1,209
	TOTAL	£0
Early years	Early Years Early Years Block Funding	-£26,897
Early years	Early Years Early Years Single Funding Formula	£16,893
Early years	Early Years Early Years Single Funding Formula (additional 15 hrs)	£5,919
Early years	Early Years Maintained Nursery School Supplementary Funding	£381
Early years	Early Years Disability Access Fund	£114
Early years	Early Years SEN Inclusion Fund	£98
Early years	Early Years Core Childcare & Early Years (FIS)	£267
Early years	Early Years Early Years Advisory Teachers	£245
Early years	Early Years Early Support Team	£159
Early years	Early Years Provision for Vulnerable Children Placements	£139
Early years	Early Years Early Years Overheads	£293
Early years	Early Years Early Years Pupil Premium	£185
Early years	Early Years 2YO Funding	£2,204
	TOTAL	£0

High Needs Income	High Needs Block Funding	-£62,084
High Needs	High Needs Block Academy Recoupment	£9,936
High Needs	Maintained ISB	£5,241
High Needs	Top-up funding	£27,186
High Needs	Early Support Funding	£2,913
High Needs	Independent placement provision (pre-16)	£13,343
High Needs	Independent placement provision (post-16)	£1,607
High Needs	Contributions from Health & Social Care	-£1,383
High Needs	FE college top up funding	£2,988
High Needs	Hospital Tuition	£80
High Needs	Alternative Provision	£1,168
High Needs	SEN Therapies	£430
High Needs	4% Threshold Mechanism	£204
High Needs	Non-statemented pupils - exceptional funding	£107
High Needs	Tuition - SEN out of school	£214
High Needs	SEN Support Services	£1,436
High Needs	High Needs Overheads	£231
High Needs Block Total Expenditure		£65,701
High Needs Block Total		£3,617
Centrally retained	Central Schools Central Schools Block Funding	-£2,481
Centrally retained	Education Services	£834
Centrally retained	Education Safeguarding	£184
Centrally retained	Non Statemented LAC Placements	£300
Centrally retained	Support Services costs	£410
Centrally retained	ESG Retained Services	£753
Total		£0

Financial Implications

80. This is a financial report dealing with funding issues affecting schools. The financial impact on Schools Delegated Funding, is that schools will see an increase in per pupil funding when compared with 2022/23 following an increase in the Schools Block funding. It should be noted that school budgets are protected by the Minimum Funding Guarantee level of +0.5% of per pupil funding.

81. The proposals contained within this report do not affect the General Fund proposals that are considered elsewhere on this agenda, as the School Budget is funded from the ring-fenced Dedicated Schools Grant.

RESIDENT BENEFIT & CONSULTATION

What will be the effect of the recommendation?

82. The approval of the recommendations as set out in this report will enable the distribution and confirmation of the funding arrangements for schools for 2023/24, including the final individual school budget shares, which must be distributed to schools on or before 28 February 2023.

Consultation Carried Out or Required

83. The Council is required to consult with the Schools Forum on any changes to the school funding formula and the Early Years Single Funding Formula as prescribed in the Schools Forums (England) Regulations. The Schools Forum has a limited range of decision-making powers with regards to school funding. In most aspects the Schools Forum role is to advise the Council on decisions that rest with Cabinet, such as the school budget.
84. The main role of the Schools Forum is to be consulted on proposed changes to funding arrangements, including any changes to the school block funding formula which the council now has little flexibility as the DFE move towards a Hard National Funding model.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed this report and confirms that budget proposals for the 2023/24 schools budget are consistent with the Council's wider budget plans also being presented to Cabinet on this agenda. As the statutory override remains in place during the 2023/24 financial year, there are no direct implications for the Council's General Fund from the cumulative deficit beyond servicing the deficit, the costs of which are factored into projections for borrowing costs detailed in the main budget report. The indications are that this override will be extended beyond 2023/24 as the Department for Education continue to work with local authorities across the country to eliminate deficits.

Legal

The Borough Solicitor confirms that this budget has been set in accordance with the Schools and Early Years Finance (England) Regulations 2022.

BACKGROUND PAPERS

NIL