



North Northamptonshire Schools Forum: 19 January 2023

Agenda Item 5

2023-24 Dedicated Schools Grant Settlement and Other Grants

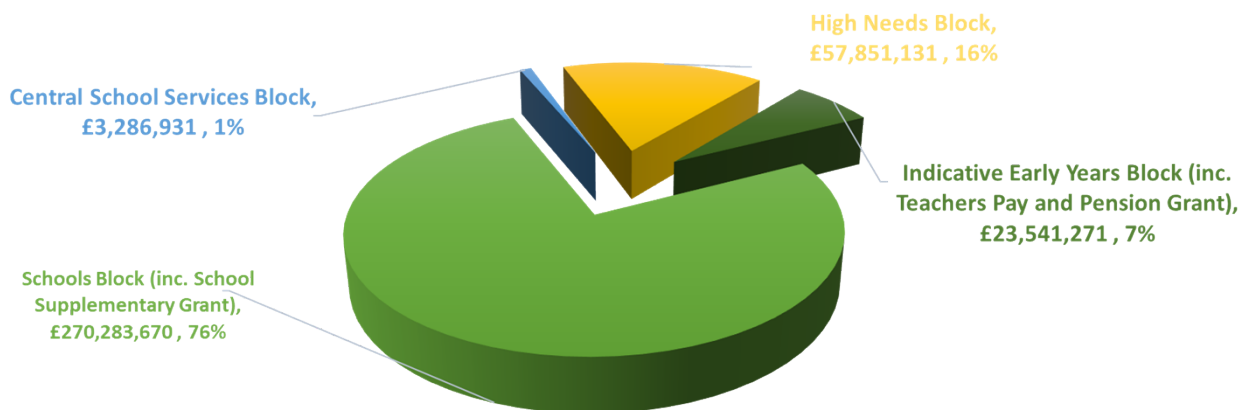
1 Background

1.1 This report sets out:

- Details of 2023-24 Dedicated Schools Grant Settlement
- Details of other grant funding

2 2023-24 Dedicated Schools Grant Settlement

2.1 The Department for Education (DfE) on 16th December 2022 published North Northamptonshire Council's DSG Settlement for 2023-24. Much of this was anticipated from announcements in July 2022. Final differences in the Dedicated Schools Grant announcements were largely attributed to using October 2022 pupil numbers. Details can be found on [Dedicated schools grant \(DSG\): 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/dedicated-schools-grant-dsg-2023-to-2024)



2023-24 DSG SETTLEMENT £354,963,003

2.2 The main difference, however, in the December announcement is the recognition of cost and demand pressures on schools and high needs budgets, which was announced by the Chancellor of the Exchequer in the 2022 Autumn Statement. The schools funding settlement reflects an additional £2bn nationally to boost the core schools budget.

2.3 This means that there is a new Mainstream Schools Additional Grant for mainstream schools estimated to be £9.090m and additional high needs allocation in the published High Needs Block DSG by +£2.320m.

2.4 The DfE have rolled the School Supplementary Grant into Schools Block and the Teacher Pay and Pension Grant into the 3 & 4 year old funding and Maintained Nursery Schools supplement of the Early Years Block in 2023-24.

2.5 Table A sets out the 2023-24 DSG settlement received against the 2023-24 Provisional National Funding Formula and the latest adjusted 2022-23 DSG Allocation.

Table A – 2023-24 Dedicated Schools Grant Settlement

Dedicated Schools Grant	2022-23 DSG Allocation	Schools Supplementary Grant	Teachers Pay Grant	Teachers Pension Employers Contribution Grant	Adjusted 2022-23 DSG Allocation	Provisional 2023-24 NFF Allocation	Provisional 2023-24 NFF Allocation change from 2022-23	% change	2023-24 DSG Settlement	2023-24 DSG Settlement change from 2022-23	% change
Schools Block (inc. School Supplementary Grant of £7.28m in 2022-23)	£254,876,162	£7,288,715	£0	£0	£262,164,877	£266,083,106	£3,918,229	1.49%	£270,283,670	£8,118,793	3.10%
Central School Services Block	£3,567,298	£0	£0	£0	£3,567,298	£3,272,723	-\$294,575	-8.26%	£3,286,931	-\$280,367	-7.86%
High Needs Block	£52,370,722	£0	£0	£0	£52,370,722	£55,147,981	£2,777,259	5.30%	£57,851,131	£5,480,409	10.46%
Indicative Early Years Block (inc. Teachers Pay and Pension Grant)	£22,271,483	£0	£73,682	£208,200	£22,553,365	£23,466,827	£913,462	4.05%	£23,541,271	£987,906	4.38%
Total DSG	£333,085,665	£7,288,715	£73,682	£208,200	£340,656,262	£347,970,637	£7,314,375	2.15%	£354,963,003	£14,306,741	4.20%

3 2023-24 Schools Block DSG

3.1 Table B sets out 2023-24 Schools Block DSG compared against adjusted 2022-23 Schools Block DSG.

Table B – Schools Block DSG

Schools Block	2022-23 DSG Allocation	Adjusted 2022-23 DSG Allocation	2023-24 DSG Settlement	Change	% Change
Primary schools unit of funding	£4,526	£4,526	£4,736	£209	4.63%
Number of pupils in primary schools	29,698	29,698	29,554	-144	-0.48%
Primary Schools Supplementary Grant		£3,786,531		-\$3,786,531	
Total Primary Funding	£134,414,152	£138,200,683	£139,954,445	£1,753,762	1.27%
Secondary schools unit of funding	£5,858	£5,858	£6,190	£333	5.68%
Number of pupils in secondary schools	19,971	19,971	20,494	523	2.62%
Secondary Schools Supplementary Grant		£3,502,184		-\$3,502,184	
Total Secondary Funding	£116,983,728	£120,485,912	£126,860,708	£6,374,796	5.29%
Premises factor, including national non-domestic rates (NNDR)	£1,795,380	£1,795,380	£1,822,977	£27,597	1.54%
Growth funding	£1,682,902	£1,682,902	£1,645,539	-\$37,363	-2.22%
Total Schools Block	£254,876,162	£262,164,877	£270,283,670	£8,118,793	3.10%

Note:

School Supplementary Grant has been rolled into the National Funding Formula which determines Schools Block.

Mainstream Schools will also receive a one off Mainstream Schools Additional Grant of £9.09M in 2023-24. This will be rolled into Schools Block in 2024-25.

3.2 As the DfE have rolled the School Supplementary Grant into Schools Block in 2023-24, the 2022-23 DSG allocation was adjusted to enable like for like comparison.

3.3 Schools Forum can decide to transfer up to 0.5% of Schools Block DSG to High Needs Block DSG without Secretary of State approval. Any transfers more than 0.5% from Schools Block DSG will need the approval of the Secretary of State.

- 3.4 Growth Fund can be set aside from Schools Block DSG to address growth in schools.
- 3.5 Falling Pupil Fund can also be set aside falling rolls using Schools Block DSG.
- 3.6 Schools Forum can decide to use Schools Block DSG to fund schools with split sites subject to the set criteria in the LA local funding formulae.
- 3.7 Schools Block DSG is used to finance Individual School Budgets. Details of the proposed 2023-24 Primary and Secondary School Budgets are set out in Agenda Item 6.
- 3.8 The schools operational guidance can be found at:
<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2023-to-2024/schools-operational-guide-2023-to-2024>

4 2023-24 Central School Services Block DSG

- 4.1 The central services school block provides funding to local authorities to carry out central functions on behalf of maintained schools and academies.
- 4.2 The block comprises of two elements: ongoing responsibilities and historic commitments.
- 4.3 Table C sets out DFE’s confirmed CSSB DSG Allocation for 2023-24.

Table C – Central School Services Block DSG

Central School Services Block	2022-23 DSG Allocation	2023-24 DSG Settlement	Change	% Change
CSSB unit of funding	£35.59	£36.91	£1.32	3.71%
CSSB pupil count	49,668.50	50,047.50	379.00	0.76%
Funding for Ongoing Responsibilities	£1,767,701.92	£1,847,253.23	£79,551.31	4.50%
Funding for Historic Commitments	£1,799,596.00	£1,439,677.00	-£359,919.00	-20.00%
Total Central School Services Block	£3,567,297.92	£3,286,930.23	-£280,367.69	-7.86%

- 4.4 Details of the proposed 2023-24 Central School Services Block Budget are set out in Agenda Item 7.

5 2023-24 High Needs Block DSG

- 5.1 Table F sets out 2023-24 High Needs Block DSG compared against 2022-23 High Needs Block DSG.

Table F – High Needs Block DSG

High Needs Block	2022-23 DSG Allocation	2023-24 DSG Allocation	Change	% Change
Total high needs elements in the funding floor and gains calculation	£45,822,048.00	£50,530,962.00	£4,708,914.00	10.28%
Basic entitlement factor (area cost adjusted) unit of funding	£4,683.87	£4,684.12	£0.25	0.01%
Number of pupils in special schools and academies	1,240.18	1,313.00	72.82	5.87%
Import/export adjustment (based on January 2022 school census and February R06 2021 to 22 individualised learner record)	-£1,542,000.00	-£1,542,000.00	£0.00	0.00%
Additional Funding for Special Free Schools	£370,967.00	£370,967.00	£0.00	0.00%
Hospital education, alternative provision teachers pay/pension and supplementary funding factor	£20,900.00	£20,900.00	£0.00	0.00%
High needs national funding formula for historical spend, proxy factors, and funding floor allocation	£45,822,048.00	£50,530,962.00	£4,708,914.00	10.28%
Additional high needs allocation	£1,889,965.00	£2,320,052.00	£430,087.00	22.76%
Total High Needs Block before deductions	£52,370,722.00	£57,851,131.00	£5,480,409.00	10.46%

Additional high needs funding

5.2 The DFE have announced an additional £2.32M of High Needs Funding as part of the 2023-24 High Needs Block DSG Settlement.

5.3 Nationally the high needs block of the DSG will benefit from an additional £400 million in 2023-24, through a top up to the DSG allocations. This is an increase of 4.6% to the high needs allocations announced in July 2022. The calculation of this additional high needs funding is set out in :

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1124672/DSG_2023_to_2024_high_needs_allocations.ods

5.4 In 2023-24 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 2022-23. This requirement will be a condition of grant attached to the additional DSG high needs funding allocated to local authorities: <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2023-to-2024/dsg-conditions-of-grant-2023-to-2024>

5.5 Detailed guidance on implementing this requirement is published in the revised high needs funding 2023-24 operational guide: <https://www.gov.uk/government/publications/high-needs-funding-arrangements-2023-to-2024/high-needs-funding-2023-to-2024-operational-guide>

5.3 Detailed proposals for the 2023-24 High Needs Block expenditure are set out in the 2023-24 High Needs Block Budget Agenda Item 9.

6 2023-24 Early Years Block DSG

6.1 Table G sets out the DFE's Indicative Early Years Block Allocation for 2022-23 and 2023-24 based on January 2022 Census for North Northamptonshire Council. The final Early Years Block allocation will only be confirmed by the DFE in July after the end of the Financial Year based on the two previous January census.

Table G – Indicative Early Years Block DSG

Early Years Block			Adjusted 2022-23 DSG Allocation Jan 2022 Census	Indicative 2023-24 Allocation Jan 2022 Census	Change	Reason
Hourly rate for 3 and 4 year olds from early years national funding formula (£ / hr)	[A]		£4.66	£4.93	£0.27	£0.05 increase due to Teacher Pay and Pension Grant rolled into the 3 & 4 year old funding rate. The remaining £0.22 is the increase for 3&4 yo rate and TPPG in 2023-24
Number for 3 and 4 year old universal entitlement funding (part-time equivalent)	[B]		4863.76	4863.76	0.00	
Teachers Pay and Pension Grant	[Ba]		£200,935.00		£(200,935.00)	
Indicative funding allocation for universal entitlement for 3 and 4 year olds (£s)	[C]	= [A] * [B] * 15 hours * 38 weeks a year	£13,120,054.31	£13,667,651.98	£547,597.66	
Number for 3 and 4 year old additional 15 hours entitlement for eligible working parents (part-time equivalent)	[D]		2192.11	2192.11	0.00	
Indicative funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds (£s)	[E]	= [A] * [D] * 15 hours * 38 weeks a year	£5,822,683.00	£6,160,048.31	£337,365.31	
Hourly rate for 2 year old entitlement (£ / hr)	[F]		£5.62	£5.75	£0.13	Increase in 2 year old rate
Number for 2 year old entitlement funding (part-time equivalent)	[G]		707.21	707.21	0.00	
Indicative funding allocation for 2 year old entitlement (£s)	[H]	= [F] * [G] * 15 hours * 38 weeks a year	£2,265,477.00	£2,317,880.78	£52,403.77	
Hourly rate for EYPP (£ / hr)	[Ia]		£0.60	£0.62	£0.02	Increase in EYPP rate
Number for EYPP funding (part-time equivalent)	[Ib]		715.85	715.85	0.00	
Indicative funding allocation for early years pupil premium (£s)	[I]	= [Ia] * [Ib] * 15 hours * 38 weeks a year	£244,821.00	£252,982.00	£8,161.00	
Rate for DAF (£ / year)	[Ja]		£800.00	£828.00	£28.00	Increase in DAF rate
Number for DAF funding (part-time equivalent)	[Jb]		142.00	152.00	10.00	
Funding allocation for disability access fund (£s)	[J]	-[Ja] * [Jb]	£113,600.00	£125,856.00	£12,256.00	
Hourly rate for supplementary funding for maintained nursery schools (£ / hr)	[K]		£4.73	£5.31	£0.58	£0.42 increase due to Teacher Pay and Pension Grant rolled into the MNSS rate. The remaining £0.16 is the increase for MNSS and TPPG in 2023-24
Number for supplementary funding for maintained nursery schools (part-time equivalent)	[L]		335.96	335.96	0.00	
Teachers Pay and Pension Grant	[La]		£80,947.00		£(80,947.00)	
Indicative supplementary funding allocation for maintained nursery schools (£s)	[M]	= [K] * [L] * 15 hours * 38 weeks a year	£986,728.76	£1,016,850.13	£30,121.38	
Total early years block (£s)	[N]	= [C] + [E] + [H] + [I] + [J] + [M]	£22,553,364.07	£23,541,269.19	£987,905.13	

6.2 The DfE have rolled the Teacher Pay and Pension Grant into the 3 & 4 year old Funding and Maintained Nursery Schools Supplement of the Early Years Block in 2023-24. The 2022-23 DSG allocation was adjusted with the Teachers Pay and Pension Grant to enable like for like comparison.

6.3 Detailed proposals of the 2023-24 Early Years Block Expenditure and outcome of the Early Years Consultation are set out in the 2023-24 Early Years Block Budget Agenda Item 8.

6.4 The Early Years Entitlements block will receive a further £20million on top of the £180m of additional funding in 2023-24 compared to 2021-22 announced at the Spending Review. Local authorities will receive average funding increases of 3.4% for the 3 and 4-year-old free childcare entitlements and 4% for the 2-year-old entitlement as the early years national funding formulae are updated.

<https://www.gov.uk/government/publications/early-years-funding-2023-to-2024>

7 Mainstream Schools Additional Grant

7.1 In addition to the DSG, mainstream schools will receive an additional grant in 2023-24 – the Mainstream Schools Additional Grant. North Northamptonshire schools and academies will receive £9.090m in 2023-24.

7.2 Details on how this funding will be allocated, including funding rates and indicative allocations at local-authority level have been published at <https://www.gov.uk/government/publications/mainstream-schools-additional-grant-2023-to-2024>.

7.3 The MSAG will fund the following providers, for the 5 to 16-year-old age range:

- primary and secondary maintained schools
- primary and secondary academies and free schools

- all-through maintained schools
- all-through academies
- city technology colleges

7.4 The funding rates consist of the following 3 elements, which are based on factors already in the schools national funding formula:

- a basic per-pupil rate (with different rates for primary, key stage 3 and key stage 4)
- a lump sum paid to all schools, regardless of pupil numbers
- a per-pupil rate for pupils who are recorded as having been eligible for free school meals at any point in the last six years (FSM6), with different rates for primary and secondary pupils

7.5 When confirming the school-level allocations of the MSAG, DFE will apply an area cost adjustment (ACA) to the funding rates below to take into account geographical variation in labour costs. The ACAs will be those used for the schools national funding formula for 2023 to 2024.

7.6 The base funding rates will be:

- a basic per-pupil rate of £119 for primary pupils, including pupils in reception
- a basic per-pupil rate of £168 for key stage 3 pupils
- a basic per-pupil rate of £190 for key stage 4 pupils
- a lump sum of £4,510
- an FSM6 per-pupil rate of £104 per eligible primary pupil
- an FSM6 per-pupil rate of £152 per eligible secondary pupil

7.7 School-level allocations of this grant will be published in spring 2023. Maintained schools and academies will receive this funding from April 2023.

8 Pupil Premium

8.1 Funding rates for the pupil premium in the financial year 2023-24 will increase by 5%. Rates for 2023-24 will be:

- Primary FSM6 pupils: £1,455
- Secondary FSM6 pupils: £1,035
- Looked-after children: £2,530
- Children who have ceased to be looked after: £2,530
- Service children: £335

8.2 Pupil premium allocations and conditions of grant for 2023-24 will be published by the DFE in spring 2023.

9 Other Grants

9.1 Information about other grants for 2023-24 will be issued during 2023.

10 Recommendations for Schools Forum

10.1 Schools Forum are asked to note the 2023-24 DSG Settlement figures for North Northamptonshire Council.

11 Next steps

11.1 The LA will set the 2023-24 DSG Budgets based on the 16th December 2022 DSG settlement.

12 Financial implications

12.1 Schools need to be aware of all the latest funding allocated by the DFE so that they can make timely decisions with Schools Forum and their Governing Body.

13 Legal implications

13.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2022. It is important to ensure decisions are made within the regulations set.

14 Risks

14.1 There is the risk that an adverse financial decision may be made by Schools Forum. There is also the risk that decisions made could be ultra vires.

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