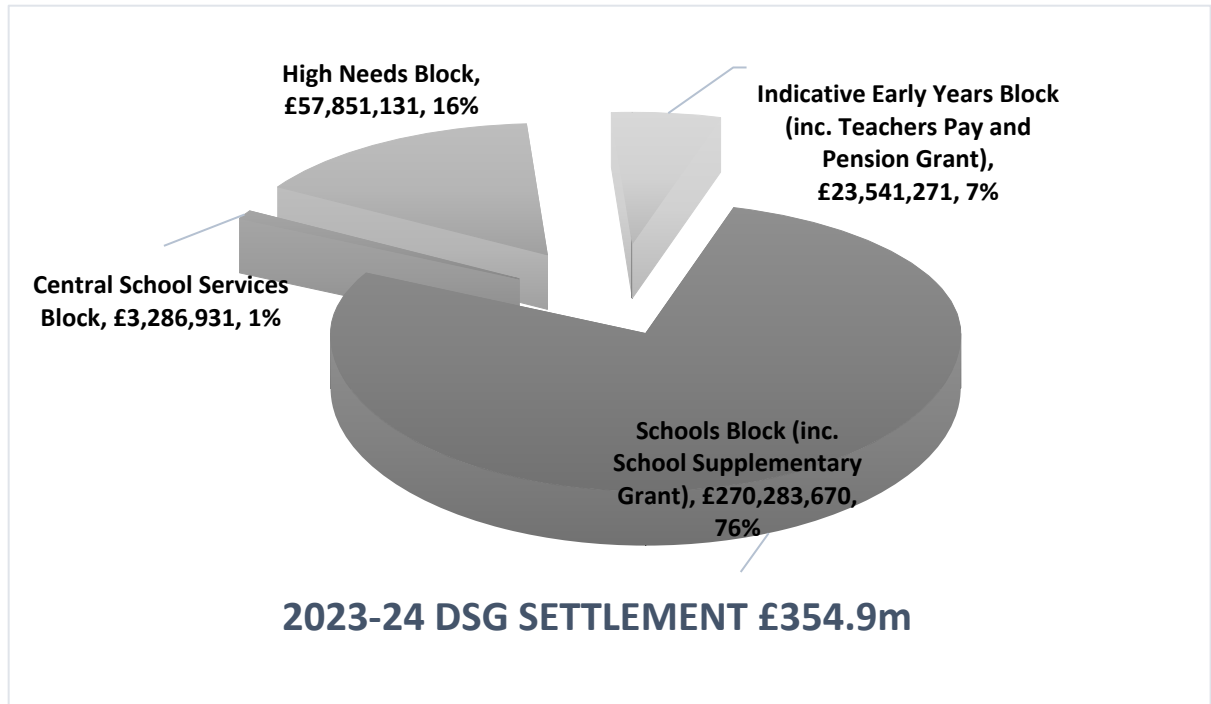


## Appendix C

### Dedicated Schools Grant (DSG)

#### 1. Background

- 1.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant allocated to the authority by the Government to support a range of education related services. The majority (>90%) of the DSG is allocated to the Local Authority (LA) and paid to providers based on a national formula which funds direct education provision including schools (Local authority maintained and academies), early years' providers and high needs education in Further Education (age 16 to 24). The remaining 10% is paid to nurseries, schools and higher education institutions for:
- pupils and students with special education needs and disabilities (referred to as high needs 'top ups'),
  - funding to cover growth i.e., in-year increases in pupil and student numbers (referred to as 'growth funding')
  - maintained school de-delegations (funding top sliced from the maintained schools individual school budgets (ISB) at their approval, and managed centrally by the LA for example school effectiveness and trade union facility time)
  - funding for historic commitments and ongoing responsibilities.
- 1.2 The individual school's budgets (ISB) for academies and funding for high needs 'places' in academies (set prior to the start of academic year) are paid to academies directly from the Education Skills and Funding Agency (ESFA). This funding is taken off the Dedicated Schools Grant before the grant is paid to LAs and is termed 'recoupment' for academies ISB and 'high needs place deductions' for funding for high needs 'places' in academies.
- 1.3 The Department for Education (DfE) currently operates a 4-block funding model for funding schools and pre-16 education including early years. The level of funding received for North Northamptonshire Council is set out in the following Chart.



1.4 Each of the blocks covers different elements of education funding with the respective funding allocations being based on different underlying formulae and data sets.

1.5 The total DSG that the Authority receives is based on all schools' pupil numbers as per census data for the county irrespective of whether it is a maintained school or an academy. Each of the four blocks is allocated to the LA on a different basis.

1.6 **Schools Block**

- 98.72% of funding allocated to the LA is driven by pupil numbers and the Primary Unit of Funding (PUF) and Secondary Unit of Funding (SUF) and 0.61% is driven by growth numbers in schools. The remaining 0.67% is funded through premises factors.
- Allocations to schools for day-to-day spending in their individual school budgets through the schools funding formula and includes the Pupil Growth Fund for new and growing schools.

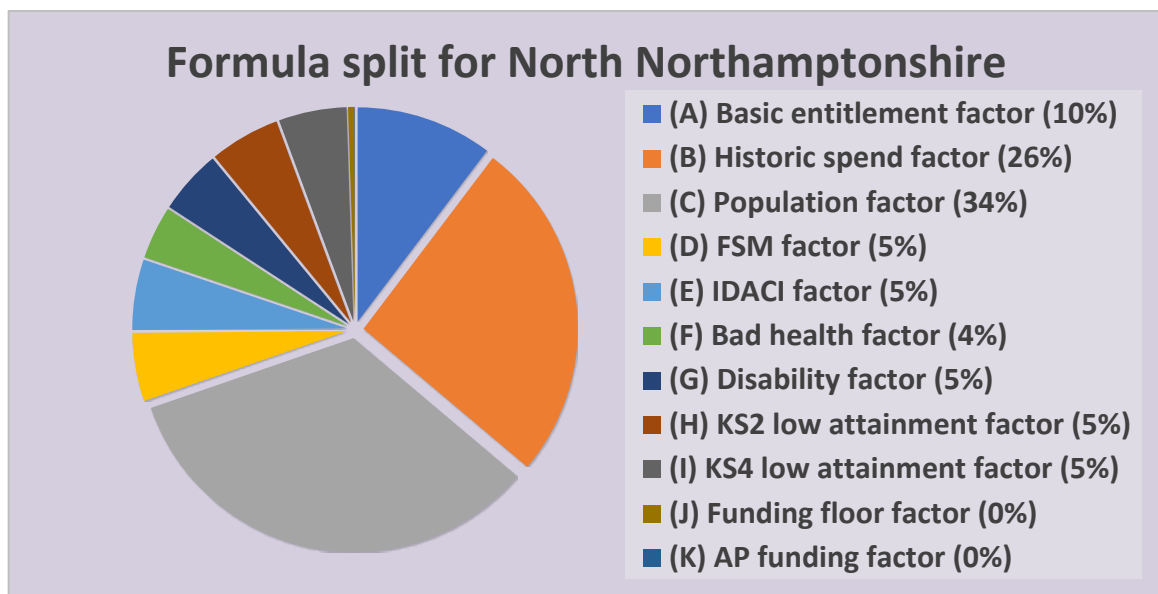
1.7 **Central Schools Services Block (CSSB)**

- 56.02% of CSSB is for funding ongoing responsibilities of the LA based on the schools Autumn 2022 census data at £36.91 per pupil and 43.80% of CSSB is funding for historical commitments (this is being unwound by Government and is reducing 20% each year).

- The historical commitments funding relates to funding for previously agreed commitments between the Schools Forum and the LA e.g., pensions costs for premature retirement cost of teachers.

## .8 High Needs Block

- Covers funding for the education of pupils with special educational needs and disabilities for example those with an Education, Health and Care Plan. This covers ages 0-24 in a range of provision including special schools, special educational needs units in mainstream schools, alternative provision and independent specialist provision. This block also funds teams within the authority that support the high needs sector to meet the needs of high needs pupils.
- The funding formula is produced by the DfE and is summarised in the following Chart.



## 1.9 Early Years Block

- Indicative funding allocated to the LA is based on the last January School and Early Years Census applying the Early Years National Funding Formula (EYNFF). This is updated throughout the financial year.
- funds all early years' settings for 2, 3 & 4 year olds with a statutory minimum of 95% allocated to schools, other private, voluntary and independent early years education providers and childminders through the Early Years funding formula. Schools Forum annually approve up to the remaining 5% of the 3 & 4 year old funding to be used to fund LA central functions to manage and administer the early years' arrangements.

- 1.10 The DfE agency responsible for all school related funding is the Education and Skills Funding Agency (ESFA). Maintained schools continue to receive funding directly from the LA through the DSG. The local authority's DSG grant is reduced in respect of academies who receive their funding direct from the ESFA, reflecting the shift in responsibility for the funding of academies to the ESFA. The removal of grant funding from the DSG paid to NNC to pay directly to academies is termed "recoupment". Academies are independent of the local authority and are accountable directly to the ESFA.
- 1.11 Within North Northamptonshire, there are currently 4 maintained nursery schools, 34 primary, 1 secondary and 1 special maintained school. There are also 78 primary, 18 secondary, 1 All-through and 7 special academies. An additional secondary academy will open in September 2023. There are also currently 9 SEN units with another 6 due to open in 2023-24.
- 1.12 Schools Forum membership is made up of representatives from maintained and academy primary and secondary schools, nurseries, Council members. The meetings are open to the public and are held 5 times a year typically in October, December, January, March and July. The Schools Forum have a statutory role in ensuring that school funding across the county is equitable and fair by considering proposals from the council for such areas as the school funding formula and central expenditure from the DSG.
- 1.13 The LA consults with Schools Forum each year on the allocation of DSG funding in accordance with the legislation and guidelines issued by the DfE. This includes the local formula factors to be applied in the calculation of the school's individual budgets. As well as the requirement to consult with the Schools Forum on changes to formula funding, Schools Forum approves the central expenditure budgets for ongoing commitments, movements of funding between blocks and the growth fund policy.
- 1.14 The North Northamptonshire Schools Forum was appointed in October 2020. This was required not only for vesting day readiness to assume formal roles, but to make decisions, and receive information on the budget setting and policies for schools, academies, high needs and early years' providers that will take effect post vesting. Since Vesting Day Schools Forum have formally assumed the roles and membership. Membership will be valid for 4 years, to which when its due to expire each role will go out to recruit following the standard Schools Forum and Operational Good Practice Guide.

## **2. 2023-24 DSG Funding Summary**

- 2.1 The Department for Education (DfE) published on 19 July 2022 an update on the policy paper of the National Funding Formula (NFF) 2023-24 for schools and high needs. Details can be found at [National Funding Formula for Schools and High Needs](#).

- 2.2 The DfE subsequently confirmed the [2023-24 DSG Allocations](#) for the three DSG funding blocks on 16 December 2022. As Early Years funding is based on January pupil census, the published allocations are indicative at this stage as it will be revised to account for the January 2023 and January 2024 Schools and Early Years Census during 2023-24. The final 2023-24 DSG allocation will be determined in July 2024.
- 2.3 The latest DSG funding announcements for 2023-24 are the initial DSG allocations. The Schools, Central School Services and High Needs Block allocations have been updated with October 2022 census pupil numbers. Whilst there may be adjustments to DSG during the financial year to account for import and export adjustments to the High Needs Block, this is the point at which individual school budgets can be set through North Northamptonshire's schools' funding formula.

### **Schools Block DSG**

- 2.4 Nationally core schools funding (including funding for mainstream schools and high needs) is increasing by £1.5 billion in 2023-24 compared to the previous year, on top of the £4 billion increase in 2022-23.
- 2.5 Funding through the schools NFF is increasing by 1.9% overall in 2023-24, and 1.9% per pupil, compared to 2022-23. For North Northamptonshire this average is 2.30% per pupil. This percentage varies from school to school as well as LA to LA [National funding formula tables for schools and high needs: 2023 to 2024 - GOV.UK \(www.gov.uk\)](#). Taken together with the funding increases seen in 2022-23, this means that funding through the schools NFF will be 7.9% higher per pupil in 2023-24, compared to 2021-22.
- 2.6 The schools national funding formula (NFF) continues to distribute this fairly, based on the needs of schools and their pupil cohorts. The key changes to the schools NFF in 2023-24 are:
- a) rolling the 2022-23 schools supplementary grant into the NFF by:
    - adding an amount representing what schools receive through the grant into their baselines
    - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
    - uplifting the minimum per pupil values by the supplementary grant's basic per-pupil values, and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
  - b) increasing NFF factor values (on top of the amounts that have added for the schools supplementary grant) by:

- 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI)
- 2.4% to the basic entitlement, low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and sparsity factors, and the lump sum.
- 0.5% to the floor and the minimum per pupil levels (MPPL)
- 0% on the premises factors, except for Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 11.2% for the year to April 2022

2.7 2023-24 will also be the first year of transition to the direct schools NFF. All local authorities will be required to bring their own formulae closer to the schools NFF from 2023-24. In particular:

- a) local authorities will only be allowed to use NFF factors in their local formulae. This means that **the looked after children (LAC) factor** will no longer be an allowable factor
- b) local authorities **must use all NFF factors** – except for the locally determined premises factors which remain optional, and the fringe factor which is compulsory for the 5 local authorities that are partly in the fringe. 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
- c) 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 e.g. the premises factors. North Northamptonshire Council is classified as mirroring the National Funding Formula.
- d) local authorities must use **the NFF definition for the EAL factor**, although flexibility over the sparsity factor methodology will remain in 2023 to 2024.

2.8 Local authorities have the freedom to set the MFG in their local formulae between +0.0% and +0.5% per pupil.

2.9 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. A disapplication to the Secretary of State is required for any transfers above 0.5%, or any amount without schools forum approval; this applies to any transfers even if an amount had been agreed in previous years. Local authorities with safety valve agreements will have this handled as part of safety valve monitoring.

- 2.10 Local authorities currently receive the school improvement monitoring and brokering grant to support the delivery of school improvement functions in maintained schools. These are to monitor the performance of maintained schools, broker school improvement provision, and exercise their statutory intervention powers. In the January 2022 [government response to the consultation on reforming how local authorities' school improvement functions are funded](#), the DfE confirmed that the grant was to be phased out and local authorities will be able to deduct funding from maintained school budgets to support the costs of this activity instead as a [de-delegated services](#). The grant comes to an end in 2022-23 and will cease in 2023-24.
- 2.11 Local authorities are required to identify a notional budget for their mainstream schools which helps them comply with their duty to use their 'best endeavours' to meet the special educational needs (SEN) of their pupils. The notional SEN budget is not a separate budget but is identified within a maintained school's delegated budget share, or an academy's general annual grant, and is calculated by local authorities using their local mainstream schools funding formula factors.
- 2.12 Local authorities must engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to their local funding formulae, including the principles adopted and any movement of funds between blocks. The local authority is responsible for making the final decisions on their formula; each local authority's process should ensure that there is sufficient time to gain political approval before the APT deadline in January 2023.
- 2.13 Part of the additional funding allocated to the DfE following the 2022 Autumn Statement is being distributed in 2023-24 as a Mainstream Schools Additional Grant, separate from the DSG. The average increase that schools will receive through this grant is 3.4% of their NFF allocation. This is an additional grant because it was not possible for the department to include this money in the DSG or for local authorities to include it within their local funding formulae in time.

### **Central School Services block DSG**

- 2.14 The 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
- 2.15 Central school services funding funds local authorities for the ongoing responsibilities they continue to have for all schools, and some historic commitments entered into before 2013-14.

- 2.16 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%.
- 2.17 The DfE continues to reduced the historic commitments element of funding within CSSB that some local authorities receive for historic commitments made prior to 2013-14 by 20% year on year.

### **High Needs Block DSG**

- 2.18 High needs funding supports provision for pupils and students with SEND who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an EHC plan or students who are over the age of 25) and pre-16 pupils in AP who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools.
- 2.19 High needs funding is provided to local authorities through the high needs block of the DSG, enabling them to meet their statutory duties under the [Children and Families Act 2014](#).
- 2.20 The financial allocations from the high needs funding block provide local authorities with resources for place funding and top-up funding for schools and colleges, funding for high needs services delivered directly by the local authority, or under a separate funding agreement with a school or college (including funding devolved to schools and colleges), as permitted by regulations. Local authorities must spend that funding in line with the associated [DSG: conditions of grant](#) and [Schools and Early Years Finance \(England\) Regulations](#).
- 2.21 High needs funding is also provided directly to some schools and colleges by ESFA, and the respective conditions of grant and funding agreements apply.

### **Local SEND responsibilities and accountability**

- 2.22 Local authorities must ensure that children and young people and their parents/carers are involved in discussions and decisions about their individual support and local provision, in line with their statutory duties and the [SEND Code of Practice](#).
- 2.23 Local authorities must ensure any changes to SEND provision and high needs funding arrangements are made in close consultation and co-production with the schools and colleges which will be affected. The local authority's [schools forum](#) is one way through, which partnership working across the education sector can be strengthened to ensure their spending decisions are most effective. However, to fulfil local authorities' statutory duties to keep the services and provision for children and young people



with SEND under review, as required by the [Children and Families Act 2014](#), local engagement should take place with all of those providing education to ensure good quality provision can be planned, developed and sustained in line with available resources. This includes early years settings and colleges, as well as parents of children and young people with SEND, and young people themselves.

- 2.24 The financial accountability will vary according to school or college type, for example, the governing body for a maintained school and the trust for an academy. Each of these operates with different levels of delegation according to their governance arrangements. In some cases, the relevant legislation, for example, the [Children and Families Act 2014](#), refers to the proprietor (the trust in the case of an academy) as the person responsible, and specifies the headteacher or principal, as the person performing a particular role. In other cases, there are references only to the governing body/proprietor.

### **National Funding Formula 2023-24 for High Needs**

- 2.25 High needs funding is increasing by a further £970 million, or 10.6%, in 2023-24, following the £1 billion increase in 2022-23 and £1.56 billion increase over the previous 2 years. The total high needs budget of £9.7 billion announced in July 2022 has been increased by £400 million, to £10.1 billion, as a result of additional schools funding included in HM Treasury's 2022 Autumn Statement. The vast majority of this total high needs funding of £10.1 billion is allocated through the high needs NFF and included in [local authorities' DSG allocations](#).
- 2.26 The main changes to the 2023-24 NFF are set out in the [NFF policy document](#), [calculation tables and technical note](#).
- 2.27 The funding floor factor in the high needs NFF for 2023-24 is 5% per head of 2 to 18 population, which means that every local authority will receive through the NFF at least 5% per head more than they received in 2022-23. This with the additional funding referred to in [additional funding for 2023 to 2024](#), guarantees an increase of at least 9.8% per head for all authorities.
- 2.28 This increase is not calculated on elements of the formula that are subject to later updates and is in proportion to estimated population changes (so a projected decrease in population will result in a lower overall cash percentage increase).
- 2.29 The limit on gains in the NFF is set at 7%, calculated based on per head of population and using the 2022-23 funding baseline. That funding baseline includes the extra supplementary funding allocations announced in December 2021. Full details of the NFF for 2023-24 can be found in the [schools operational guide: 2023 to 2024](#) and [provisional allocations](#) to local authorities were published in July 2022.

- 2.30 The basic structure of the high needs NFF for 2023-24 has not changed from the 2022-23 NFF. However, due to the coronavirus (COVID-19) pandemic there is no appropriate 2020-21 attainment data to use for the 2 low attainment factors; therefore, 2019 data has been used in place of 2020-21 data for the 2023-24 high needs allocations. This aligns with the approach taken in the schools NFF.
- 2.31 The high needs funding allocated to local authorities for 2023-24 takes into account that colleges offering extra hours of study to students with high needs may require additional funding. Local authorities and colleges need to work together in deciding what constitutes as an equivalent of additional time for a student with high needs, and/or with an EHC plan to discuss the level of top-up funding to ensure that it is sufficient.

### **Additional High Needs Funding for 2023-24**

- 2.32 The additional £400 million allocated following the 2022 Autumn Statement is intended to reflect likely cost increases local authorities and schools will face in the provision for children and young people with high needs. The distribution methodology used in allocating additional high needs funding to local authorities in 2022-23 is again being used for the allocations of this 2023-24 additional funding, i.e. a percentage increase (4.6% in 2023-24) to the funding floor and proxy factors in the formula which, in 2023-24, guarantees an increase of at least 9.8% for all authorities. Further information about each local authority's additional allocation in the [pupil referral unit \(PRU\) and alternative provision \(AP\) academy additional funding allocations for 2023 to 2024 document](#).
- 2.33 In the financial year 2023-24 maintained special schools and pupil referral units, special and alternative provision (AP) academies (including free schools), and maintained and academy hospital schools, will also receive a separate allocation amounting to 3.4% of their total place and top-up funding income, similar to the mainstream schools additional grant. This will be paid directly by the local authority which maintains the school or (in the case of academies) previously maintained the school, or (in the case of special and AP free schools) in whose area the school is located. Local authorities are required, by further [conditions of grant](#) attached to their additional high needs funding, to pass on to these schools the allocations of additional funding using a proportion of their additional high needs funding.
- 2.34 The remainder of local authorities' allocations of additional high needs funding can be used for other purposes, such as top-up funding for mainstream schools (including those with special units or resourced provision) as well as funding for non-maintained and independent special school placements and SEND services.

## **Funding increases for schools and colleges**

- 2.35 Special schools' minimum funding guarantee (MFG) for 2023-24 has been set at 3% compared to 2021-22 funding levels. This is to reflect that a proportion of the increased funding received by local authorities over the 2 years, (2022-23 and 2023-24) must be passed on to schools in 2023-24, if it has not already been passed on in 2022-23. The additional funding allocations referred to above must be excluded from the MFG calculations, so that schools receive both the 3% MFG increase over 2 years and the additional 3.4% in 2023 to 2024.

## **SEND and alternative provision green paper**

- 2.36 [The SEND Review: Right Support, Right place, Right time](#) (SEND and alternative provision) green paper identifies 3 key symptoms of a system under pressure: poor outcomes for children and young people with SEND and in AP, low parental and provider confidence, and financial unsustainability. The government's vision is for an effective and sustainable high needs system that works for children, young people, and their families.
- 2.37 The SEND and alternative provision green paper proposes to create a more inclusive education system where well-supported local mainstream provision will improve the experience and outcomes for children and young people with SEND and those who need AP. This should be supported by appropriate specialist provision for children and young people who require it, close to home where possible, reducing the need for long journeys and associated school transport costs.
- 2.38 The changes proposed will take thorough and careful work to be implemented. Local authorities should do more to use resources effectively for children and young people with SEND and those in AP. The DfE has published guidance on [creating sustainable high needs systems](#) to show how local authorities can improve and manage their high needs systems and associated spending in a sustainable way.

## **DSG management plans**

- 2.39 A significant number of local authorities have been incurring a deficit on their overall DSG account, largely because of overspends within their high needs block. The [DSG: conditions of grant](#) set out that any local authority with an overall deficit on its DSG account at the end of the financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the DfE and cooperate in handling that situation by:
- providing information, as and when requested by the department about its plans for managing its DSG account in the 2023-24 financial year and subsequently

- providing information, as and when requested by the department about pressures and potential savings on its high needs budget
- meeting with department officials, as and when they request to discuss the local authority's plans and financial situation
- keeping the schools forum updated regularly about the local authority's DSG account and plans for handling it, including high needs pressures and potential savings

2.40 DfE have developed a [DSG deficit management plan](#) template and accompanying guidance for local authorities to use to develop evidence-based and strategic plans covering the provision available for children and young people with SEND. Local authorities' management plans are expected to focus on how they will bring in-year spending in line with in-year resources.

2.41 The high needs [benchmarking tool](#) helps to facilitate a better understanding of how a local authority's high needs expenditure and use of provision compares with that of other authorities and to prompt local discussion of how current spending patterns might need to change. In addition, we have published [research and guidance](#) on managing special educational needs provision and the high needs budget effectively.

2.42 The Provisional 2023-24 NFF funding is based on the provisional settlement on 19 July 2022. The Early Years Block was estimated based on January 2022 census using the indicative rates used in the Early Years National Funding Formula Consultation in July 2022.

2.43 The table below compares the 2023-24 DSG Settlement against the current 2022-23 DSG allocation. It has been adjusted to include the School Supplementary Grant in the Schools Block and Teachers Pay and Pension Grant in the Early Years Block in 2022-23 as the DfE have incorporated these grants into the respective DSG blocks in 2023-24.

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%
<b>Total DSG</b>	<b>£333,085,665</b>	<b>£7,288,715</b>	<b>£73,682</b>	<b>£208,200</b>	<b>£340,656,262</b>	<b>£347,970,637</b>	<b>£7,314,375</b>	<b>2.15%</b>	<b>£354,963,003</b>	<b>£14,306,741</b>	<b>4.20%</b>

2.44 There are two parts to the DSG funding which have been based on historical prior year's expenditure, these are within the High Needs Block and Central Schools Services Block. The basis of the disaggregation for

the historical High Needs Block has been to the 2019-20 expenditure outturn, which gives the percentage of the High Needs Historical funding as 45.9% for the North Northamptonshire Council (NNC).

- 2.45 The basis of the split for the Central Schools Services Block was more complex but related to less than 1% of the overall DSG being disaggregated. Each budget has been reviewed individually and NNC receives either 50%, 46.4% or 43.1%. As the PFI scheme of £300k is in West Northamptonshire Council, this does not apply to NNC.

### **3. DSG Budgetary Pressures**

- 3.1 The most significant pressure within the DSG is the growth in the funding needed for young people with special educational needs and disabilities (SEND). It is seven years since reforms were introduced to better support children and young people with special educational needs and disabilities (SEND) but the allocation of funding available to support pupils with high needs has become a national issue.
- 3.2 There is a government led review currently underway aimed at improving the services available to families who need support, and to equip staff in schools and colleges to respond effectively to their needs. The review also aims to ensure that public money is spent in an efficient, effective and sustainable manner, placing a premium on securing high quality outcomes for those children and young people who need additional support the most.
- 3.3 There continues to be pressures nationally around the levels of funding allocated for the High Needs block which results from an increase in population, this brings risks around affordability of provision for pupils with high needs.
- 3.4 The structural High Needs deficit that North Northamptonshire Council inherited from the legacy Northamptonshire County Council is around £2.2m. Mitigating actions are being taken to address this structural issue and to prevent further escalation of the deficit. These issues have been further compounded by the COVID pandemic leading to an increase in number of requests for assessments.
- 3.5 Some local authorities under the DfE's High Needs Safety Valve Intervention Programme have managed to secure substantial additional High Needs Block Funding from the DfE to address their High Needs Block deficit. To be successful in the bid for additional funding from the DfE the LA must be able to demonstrate the DfE that the LA is committed and determined to reduce the High Needs Block deficit as an organisation. This includes investment by the council to match fund the mitigating actions required to reduce the High Needs Block deficit.
- 3.6 DfE regulations allow up to 0.5% of the Schools Block funding to be moved to the High Needs Block to cover the continuously increasing costs to support pupils with high needs.

- 3.7 North Northamptonshire Schools Forum considered and agreed the following for proposals in setting the 2023-24 DSG budget following consultation with schools and other education providers.
- a) The adoption of the 2023-24 ACA adjusted National Funding Formula values in setting the 2023-24 mainstream funding formula for schools and academies.
  - b) The mainstream formula will continue to use the current local factors for split sites.
  - c) The Minimum Funding Guarantee is set at 0.5% for mainstream funding formula.
  - d) That there will be no transfer to the High Needs Block in 2023-24 due to the difficult and challenging financial circumstances schools are currently facing.
  - e) All remaining funding in Schools Block will be allocated to the Growth Fund.
  - f) [Split Site Policy and Rates](#) remain the same as 2022-23.
  - g) [Growth Fund Policy and Rates](#) remain the same as 2022-23.
  - h) [Permanent Exclusion Clawback Policy](#) remain the same as 2022-23 with updated factor rates.
  - i) Continuation of Children's central services to be partly funded by Dedicated Schools Grant [Central School Services Block](#).
  - j) Continuation of the [De-delegation for Trade Union Facility Time](#) at the rate of £3.56 proposed at the December 2022 Schools Forum.
  - k) Continuation of the [De-delegation for School Effectiveness](#) at the rate of £12 per pupil.
  - l) Continuation of retaining 5% of the 3 & 4 year old funding for Central Expenditure from Early Years Block.
  - m) Amendment to North Northamptonshire's Early Years National Funding Formula for 3 & 4 year olds to include a Quality Supplement for schools and academies to address the incorporation of Teachers Pay and Pension Grant into the 3 & 4 year old funding rate.
  - n) Set aside a budget for SEN Inclusion Fund (SENIF) and acknowledge the reduction of Notional SEND by 5p to support settings to receive a swift response and access to funds ensuring children with low and emerging needs are supported quickly and that more children can be supported appropriately. The remaining 3p Notional SEND to be

monitored over the coming year to ascertain the number of children with SEND in each Early Years setting.

- o) Approve the following funding rates and levels of funding for 2023-24 Early Years Block

<b>NNC's 2023-24 Early Years Funding Rates</b>	<b>2023-24 Rate</b>
Disadvantaged 2YO Entitlement Base Rate – up to 15 hrs	<b>£5.75 per hour</b>
Universal Entitlement (3/4YO) Base Rate – up to 15 hrs	<b>£4.22 per hour</b>
Extended Entitlement (3/4YO) Base Rate – up to an extra 15 hrs	<b>£4.22 per hour</b>
Notional SEN (Reduction is reflected in increase in SENIF funding)	<b>£0.03 per hour</b>
EYNFF (3 & 4 year olds) Deprivation Supplement for eligible pupils	<b>£0.31 per hour</b>
EYNFF (3 & 4 year olds) Quality Supplement for Schools and Academies TPPG – up to 15 hrs	<b>£0.05 per hour</b>
SENIF Funding for Low and Emerging Needs	<b>£300,000</b>
5% Centrally Retained	<b>£991,385.01</b>
Early Years Pupil Premium (3/4YO) Base Rate – up to 15 hrs	<b>£0.62 per hour</b>
Disability Access Fund (3/4YO)	<b>£828.00 per Child per year</b>
Maintained Nursery Supplement (3/4YO) including TPPG – up to 15 hrs	<b>£1,016,850.13 to be split between the 4 Nursery Schools as recommended by Executive</b>

- p) NNC's Executive will meet following the conclusions of the Scrutiny Review of the four maintained nursery schools and delegate to members/officers who will allocate budgets to the four maintained nursery schools for 2023-24 based on NNC's Executive recommendations and in line with DfE regulations and mindful of Schools Forum's view held in March 2022.

- q) Special School budgets are set at both the 3% MFG increase over 2 years and the additional 3.4% in 2023 to 2024.
- 3.8 Although the local authority may transfer 0.5% of the Schools Block allocation to the High Needs Block with Schools Forum consent North Northamptonshire Council will not be requesting a transfer to High Needs Block from Schools Block DSG in 2023-24. This is in support of schools facing difficult and challenging financial circumstances in 2023-24. In doing so it also protects schools future funding a 100% instead of 95% should a transfer be made.
- 3.9 The local authority also needs to decide the value at which the Minimum Funding Guarantee should be set for 2023-24 - this can be set between 0% and 0.5% which means that the per pupil funding must increase by between 0% and 0.5% from the 2022-23 level. It is proposed that North Northamptonshire Council set the Schools' Minimum Funding Guarantee at 0.5% which is the maximum the LA can set without submitting a disapplication request to the Secretary of State. This is supported by Schools Forum.
- 3.10 The continuous 20% annual reduction in historical commitments funding by the DFE in the Central School Services Block (CSSB) of the DSG means the continued use of the Central School Services Block must kept under review annually.
- 3.11 The results of the consultations have been presented to and voted on at the Schools Forum meeting on the 14 December 2022 and 19 January 2023. North Northamptonshire Schools Forum has made the following recommendations to Executive and Council.
- a) The adoption of the 2023-24 ACA adjusted National Funding Formula values in setting the 2023-24 mainstream funding formula for schools and academies.
  - b) The mainstream formula will continue to use the current local factors for split sites.
  - c) The Minimum Funding Guarantee is set at 0.5% for mainstream funding formula.
  - d) That there will be no transfer to the High Needs Block in 2023-24 due to the difficult and challenging financial circumstances schools are currently facing.
  - e) All remaining funding in Schools Block will be allocated to the Growth Fund.
  - f) [Split Site Policy and Rates](#) remain the same as 2022-23.
  - g) [Growth Fund Policy and Rates](#) remain the same as 2022-23.



- h) [Permanent Exclusion Clawback Policy](#) remain the same as 2022-23 with updated factor rates.
- i) Continuation of Children’s central services to be partly funded by Dedicated Schools Grant [Central School Services Block](#).
- j) Continuation of the [De-delegation for Trade Union Facility Time](#) at the rate of £3.56 proposed at the December 2022 Schools Forum.
- k) Continuation of the [De-delegation for School Effectiveness](#) at the rate of £12 per pupil.
- l) Continuation of retaining 5% of the 3 & 4 year old funding for Central Expenditure from Early Years Block.
- m) Amendment to North Northamptonshire’s Early Years National Funding Formula for 3 & 4 year olds to include a Quality Supplement for schools and academies to address the incorporation of Teachers Pay and Pension Grant into the 3 & 4 year old funding rate.
- n) A SEN Inclusion Fund (SENIF) is set up and acknowledge the reduction of Notional SEND by 5p to support settings to receive a swift response and access to funds ensuring children with low and emerging needs are supported quickly and that more children can be supported appropriately. The remaining 3p Notional SEND to be monitored over the coming year to ascertain the number of children with SEND in each Early Years setting.
- o) Approve the following funding rates and levels of funding for 2023-24 Early Years Block

<b>NNC’s 2023-24 Early Years Funding Rates</b>	<b>2023-24 Rate</b>
Disadvantaged 2YO Entitlement Base Rate – up to 15 hrs	<b>£5.75 per hour</b>
Universal Entitlement (3/4YO) Base Rate – up to 15 hrs	<b>£4.22 per hour</b>
Extended Entitlement (3/4YO) Base Rate – up to an extra 15 hrs	<b>£4.22 per hour</b>
Notional SEN (Reduction is reflected in increase in SENIF funding)	<b>£0.03 per hour</b>
EYNFF (3 & 4 year olds) Deprivation Supplement for eligible pupils	<b>£0.31 per hour</b>
EYNFF (3 & 4 year olds) Quality Supplement for Schools and Academies TPPG – up to 15 hrs	<b>£0.05 per hour</b>

SENIF Funding for Low and Emerging Needs	<b>£300,000</b>
5% Centrally Retained	<b>£991,385.01</b>
Early Years Pupil Premium (3/4YO) Base Rate – up to 15 hrs	<b>£0.62 per hour</b>
Disability Access Fund (3/4YO)	<b>£828.00 per Child per year</b>
Maintained Nursery Supplement (3/4YO) including TPPG – up to 15 hrs	<b>£1,016,850.13 to be split between the 4 Nursery Schools as recommended by Executive</b>

- p) NNC's Executive will meet following the conclusions of the Scrutiny Review of the four maintained nursery schools and delegate to members/officers who will allocate budgets to the four maintained nursery schools for 2023-24 based on NNC's Executive recommendations and in line with DfE regulations and mindful of Schools Forum's view held in March 2022.
- q) Special School budgets are set at both the 3% MFG increase over 2 years and the additional 3.4% in 2023 to 2024 from High Needs Block.

3.14 The final schools funding formula ultimately remains a local authority decision having consulted with schools and the Schools Forum. As the time between the final DSG settlement from Government on 16 December 2022 and the submission deadline for the individual schools' budgets on 20 January 2023 is tight to allow for adequate budget calculation, presentation to Schools Forum on the 19 January 2023 and presentation to North Northamptonshire Council Executive to review for final ratification. As a result of these short deadlines over a time when schools and academies usually have two weeks holiday, the LA therefore propose to delegate authority to the Director for Children's Services in consultation with the Cabinet Member for Children's Services and the Executive Director of Finance (s151 Officer) following consultation with the Schools Forum and Schools Forum to determine:

- a) the 2023-24 school funding formula for Northamptonshire to enable the required submission to the Education and Skills Funding Agency on 20 January 2023;
- b) North Northamptonshire Council's funding arrangements for 2023-24 for pupils with high needs in line with Department for Education guidance; and

- c) North Northamptonshire Council's funding arrangements for 2023-24 for the Early Years National Funding Formula in line with Department for Education guidance.

