

Report to: Schools' Forum

Date of meeting: 13 January 2023

Report By: Alison Jeffery

Title: DSG Budget 2023/24

Purpose: To provide an update on the DSG budget for 2023/24

RECOMMENDATIONS

1) Schools' Forum are asked to note the DSG allocations for the Schools, Central School Services Block, High Needs and approve the Early Years DSG Budget

1 Background

- 1.1 The Dedicated Schools Grant (DSG) for 2023/24 is, like last year, allocated by the DfE into four blocks. Each block is subject to separate regulations as to eligible expenditure and the use of the four blocks is outlined below:
- **The Schools Block** comprises the funding which must be delegated to schools and academies through the Funding Formula. Maintained schools can agree to de-delegate budgets and these are spent on their behalf by the local authority. Subject to Schools' Forum approval, there are a limited number of exceptions, the Growth Fund and Falling Rolls Fund, which enable local authorities to hold this funding centrally. The funding for these funds goes to eligible schools and academies.
 - **The Central School Services Block (CSSB)** is a block of funding that provides funding for Local Authorities to carry out central functions on behalf of pupils in maintained schools and academies. LAs' CSSB is split into funding for historic commitments and funding for ongoing responsibilities.
 - **The High Needs Block** provides funding to support the provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 24. This includes provision in maintained schools, academies, alternative provision, FE colleges and independent providers, as well as supporting central spending on pupils with special educational needs and disabilities from their early years to age 24.
 - The **Early Years Block** funds payments to early years providers in settings and schools and supports central spending on early years pupils.
- 1.2 Please note that regulations stipulate that Schools' Forum approval is required for the CSSB (Approved 18 Nov '22) and the Early Years Block only. The other blocks are presented for information.

2. Appendices

- 2.1 The appendices below provide a breakdown of the DSG allocations:

Appendix A - DSG Summary
Appendix B - Schools Block DSG
Appendix C – Central School Services Block DSG
Appendix D - High Needs Block DSG
Appendix E – Early Years Block DSG

3. Schools Block Funding

- 3.1 The Schools Block for 2023/24 is based on the October 2022 pupil census data and equates to £350.9m.
- 3.2 The DfE have allocated £20.3m more to the Schools Block compared to 2022/23. There are two reasons for this:
- 1 £17.8m relates to an increase in funding rates (Due to the inclusion of the Supplementary Grant, previously received as a separate grant, and an uplift in funding).
 - 2 £2.5m relates to a change in Number on Roll (NOR).
- 3.3 Growth and Falling Rolls Fund proposals were presented to Schools' Forum at the November '22 Schools' Forum whereby a request was made for the continuation of support for maintained schools and academies in respect of Key Stage 1 top up, additional classes, pre-opening costs and dis-economies of scale costs for new schools. No additional funds were requested for the falling rolls fund as funds are to be brought forward from 2022/23.

4. Central School Services Block (CSSB) Funding

- 4.1 At the Nov '22 Schools Forum meeting, the CSSB funding of £4.9m was discussed and approval was obtained by Schools' Forum for the Local Authority's planned use of funding, which was to use £2.38m (On-going responsibilities), and to transfer the remaining funds of £2.52m (Historic Commitments) to mainstream Schools/ Academies.
- 4.2 The DfE have confirmed that £4.9m has been allocated to the local authority. (£2.52m to Historic Commitments and £2.38m to on-going responsibilities).
- 4.3 In total, £2.52m will therefore be transferred to mainstream Schools/ Academies from this block in April '23 which equates to £39.50 per pupil.

5. High Needs Block (HNB)

- 5.1 The DfE have stated that special schools/ academies and alternative providers will continue to receive place funding at £10,000 per agreed place. As in previous years, the Local Authority has realigned agreed places at some schools and academies to more effectively reflect need.
- 5.2 For facilities, as per DfE regulations, the place funding will continue to be £6,000 for every occupied place and £10,000 for an unoccupied place. (Funding for occupied places is £6,000 per place because these pupils are also funded via the school's budget share.)
- 5.3 The total High Needs Block funding is calculated by the DfE and for 2023/24 is £82.1m, which is an increase of £7.3m compared to 2022/23.

- 5.4 Of the £7.3m increase, £3.3m relates to additional funding that the DfE have allocated after the autumn '22 statement announcements. The DfE have specified that some of this additional £3.3m must be allocated to Special Schools / Academies and APs.
- 5.5 The requirement is that Local Authorities must allocate 3.4% per place that is based on £10,000 place funding. (Example below)

Annual Place Funding for School A	Additional Funding (For the year)
100 Places * £10,000 (£1,000,000)	$£1,000,000 * 3.4\% = £34,000$

- 5.6 There is also a requirement to uplift top up funding by 3.4%. (Example below)

Annual Top Up Funding for School A (100 pupils)	Additional funding (For the year)
$£1,000 * 12 \text{ months} * 100 \text{ pupils}$ (£1,200,000)	$£1,200,000 * 3.4\% = £40,800$

6. Early Years Block

- 6.1 Funding for **3- / 4- year olds** is based on a national formula calculated by the DfE. ESCC currently receives £4.61 per hour for every eligible 3 / 4 year old x 15hrs x 38 weeks. Local Authorities must pass through at least 95% of this funding directly to Early Years providers.
- 6.2 For 2023/24, the DfE are increasing the minimum base funding rate from £4.61 per hour to £4.89 per hour. ESCC are therefore proposing to pass this 28 pence increase onto providers and increase the rate paid to them from the existing rate of £4.33 per hour to £4.61 per hour.
- 6.3 ESCC will also pass through a statutory deprivation supplement to all eligible providers ensuring that at least 95% of funding continues to be passported to Early Years providers. DfE regulations allow LAs to retain 5% of the funding received, for 3 / 4 year olds, centrally in order to support the Early Years Team. Therefore, the funding rate to providers is less than the initial base rate that the LA receives.
- 6.4 For eligible **two-year-olds**, the DfE currently fund ESCC at £5.57 per hour. 100% of this funding must be (and is) passported to providers. The DfE are increasing the rate to £6.13 in 2023/24 and the rate paid to providers by ESCC will also increase to £6.13.
- 6.5 The Early Years **Pupil Premium** is additional funding for Early Years pre-school settings to improve the education they provide for disadvantaged 3- and 4-year-olds. This is currently funded by the DfE at £0.60 per hour per eligible child (up to a maximum 570 hours) but will increase to £0.62 per hour per eligible child for 2023/24.

- 6.6 The **Disability Access Funding** is for Early Years providers to support children with disabilities or special educational needs. It aids access to Early Years places by supporting providers in making reasonable adjustments to their settings. The DfE currently fund this at £800 per eligible child per year but are increasing it to £828 per eligible child per year for 2023/24.

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