

NORTH LINCOLNSHIRE COUNCIL**SCHOOLS FORUM****Dedicated Schools Grant 2023/24****1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 On 16th December 2022 the EFA published the 2023-24 Dedicated Schools Grant (DSG) Allocations.
- 1.2 The allocation for North Lincolnshire is £167.638m after deductions for national non-domestic rates (NNDR) and the direct funding of high needs places by the ESFA.
- 1.3 This report provides information on the planned use of the DSG for 2023/24.
- 1.4 An additional grant for schools was announced following the Autumn 2022 Statement along with additional funding for high needs to be used to increase both place and top up funding for special schools, academies and free schools.

2. BACKGROUND INFORMATION

- 2.1 The DSG allocations are presented in four blocks. Each block is determined by a separate national funding formula:

DSG Allocations after recoupment and deductions for NNDR and direct funding of High Needs Place by ESFA	2023/24 £m	2022/23 £m	Variance £m
Schools Block	129.981	124.901	+5.080
Central Services Schools Block (CSSB)	1.029	1.059	-0.030
Early Years Block (provisional)	9.892	9.168	+0.724
High Needs Block (provisional)	25.612	23.774	+2.864
Total DSG	166.514	158.902	+8.698
Increase to High Needs Funding	1.124	0.914	+0.21
	167.638	159.816	4.837

- 2.2 The **Schools Block** has been set at cash rate per pupil of £4,932.43 for primary schools and a cash rate per pupil of £6,314.72 for secondary schools, plus block amounts of £1.698m for premises and £0.503m for growth.
- 2.3 Schools Block funding is ring fenced. However, Local Authorities have flexibility to transfer up to 0.5% of their schools block funding to another DSG block, with the approval of the schools forum.
- 2.4 The **CSSB Block** enables LA's to carry out its statutory functions for all schools and comprises two distinct elements: ongoing responsibilities and historic commitments.
- **Ongoing Responsibilities £879,828** – Funding for local authorities to deliver their ongoing responsibilities for which they have a statutory duty for all pupils in maintained schools and academies. North Lincolnshire receives funding for ongoing responsibilities at a rate of £37.63 per pupil.
 - **Historic Commitments £149,504** – From 2020/21 the DfE began to reduce the element of funding within the CSSB that LAs receive for historic commitments. Allocations have once again been reduced by 20%. Local authorities are not able to increase spending on historic commitments, but can with the approval of the schools forum, maintain spending in this area using other funding sources if they wish to.
- 2.5 The **Early Years Block**, introduced in 2017 sets hourly funding rates that each local authority is paid to deliver the universal and additional entitlements for 3 and 4-year-olds. There is a separate formula that sets the hourly funding rate for 2-year-olds.
- 2.6 The local authority must pass through the early years formula, 95% of its 3 and 4-year-old funding. 5% can be retained for central services or for movement out of the early years block to another block. Schools forum approval is required for central early years block provision.
- 2.7 There is no regulatory requirement to pass through a set amount of the governments funding to providers for the delivery of the 2-year-old entitlements.
- 2.8 All early years allocations are indicative and are calculated based on the number of part-time equivalents (PTEs) taking up the entitlement as recorded on the January 2022 schools, early years and alternative provision censuses multiplied by 15 hours x 38 weeks x local authority's funding rate.
- 2.9 The ESFA will update initial allocations in:
- July 2023 based on the January 2023 PTE census numbers
 - July 2024 based on 5/12ths of the January 2023 PTE census numbers (to cover April 2023 to August 2023) and 7/12ths of the January 2024 PTE census numbers (to cover the September 2023 to March 2024)

- 2.10 The **High Needs Block** is a single block for local authorities to spend on provision for pupils aged 0 to 24, with high needs.
- 2.11 The block includes funding for pre-16 and post-16 places in:
- special units and resourced provision in maintained mainstream schools, mainstream academies and free schools,
 - maintained special schools, academies and free schools,
 - Pupil Referral Units,
 - Non-maintained special schools
 - Alternative provision
 - Further education colleges, independent learning providers and special post 16 institutions
- 2.12 It also includes top up funding for pupils and students occupying places in the provider types listed above and all funding for children and young people placed in independent schools and hospital education plus funding for central high needs services.
- 2.13 National increases to high needs funding following the autumn statement 2022 means that local authorities have received a further increase in funding for 2023/24. For North Lincolnshire the overall increase (per head of 2-18 population) equates to 11.1%.
- 2.14 The additional high needs allocation (£1.124m) is in recognition of the additional costs that local authorities and schools will face in the coming year and must be used to allocate additional funding to maintained special schools, academies, free schools, PRU's and other Alternative Provision settings by increasing both place and top up funding by 3.4%.
- 2.15 Local authorities decide how much to set aside in their high needs budget for place and top-up funding given to institutions, central high needs services (which may be devolved to schools or other institutions and funded through a service level agreement) and other aspects of provision related to SEND and AP as permitted by the School and Early Years Finance (England) Regulations.
- 2.16 The 2022 to 2023 import/export adjustment data published in July 2022 has been used for the provisional 2023 to 2024 deduction (£570k), and this will be updated in June 2023 with the January 2023 Census data and the February 2023 ILR data.
- 2.17 Under the School and Early Years Finance (England) Regulations local authorities must make their initial determination of their 2023-24 schools budget by 28th February 2023. The DSG has been set in accordance with the School Funding Arrangements 2023-24.

3. OPTIONS FOR CONSIDERATION

3.1 The following options are the responsibility of the Schools Forum:

- Central spend on Early Years Provision £393k
- Historic Commitments (Combined Budgets) £150k
- Admissions. £118k
- Servicing of the Schools Forum. £21k
- Contributions to responsibilities that local authorities hold for all schools (retained duties) £495k

4. ANALYSIS OF OPTIONS

4.1 Central spend on Early Years Provision. The maximum central spend allocation for early years is 5% of the universal plus extended hours 3 and 4 year-old allocation. The proposed central spend budget amounts to 4.71%.

4.2 Historic Commitment funding has been reduced in line with the ongoing reductions to funding.

4.3 Ongoing responsibility budgets, including admissions, servicing of schools forum and retained duties have been increased for inflation and pay awards where appropriate.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 The schools forum must be consulted on the school funding formula, arrangements for early year's provision, arrangements for pupils with special needs, arrangements for use of pupil referral units and the education of children otherwise than at school. There are separate reports providing further information on the school funding formula, early years and high needs funding.

5.2 No approval is required for the high needs block provision or central copyright licences negotiated nationally by the Secretary of State.

5.3 It is the responsibility of the Local Authorities Chief Financial Officer to ensure that DSG grant monies are spent in accordance with the DSG Conditions of Grant and the Schools and Early Years Finance Regulations.

6. RECOMMENDATIONS

8.1 That schools forum approve the centrally retained schools budget as detailed in appendix 1:

- Central spend on the early years block provision.
- Historic Commitments (Combined Budgets)

- School Admissions
- Servicing of Schools Forum
- Contribution to the responsibilities that local authorities hold for all schools.

STRATEGIC LEAD FINANCE

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Background Papers used in the preparation of this report –
Schools Revenue Funding 2023 to 2024 Operational Guide
The National Funding Formulae for Schools and High Needs 2023-2024