

Schools Budget Information 2023-2024



Children's Services

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SECTION 1: SCHOOL FUNDING SETTLEMENT 2023-24

1. **Dedicated Schools Grant (DSG)**

- 1.1 The Government announced its commitment to levelling up opportunities for all children and young people with the biggest funding boost for schools in a decade. As announced at the spending review last year, the total core school budget is increasing to £56.8 billion by 2024-25; a £7 billion cash increase compared with 2021-22
- 1.2 This is the second year of a three-year funding settlement. Overall, 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.
- 1.3 The school funding settlement announcement by the Education Skills and Funding Agency (ESFA) in December 2022 confirmed the 2023-24 DSG which is set out in 4 blocks: a schools block, a high needs block, an early years block and central schools services block. This funding will be distributed to local authorities using the Schools and High Needs National Funding Formulae (NFF).
- 1.4 2023-24 will also be the first year of transition to the direct schools NFF. The end point being a system in which every mainstream school in England will be funded through the same national formula without adjustment through local funding formulae.
- 1.5 Local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2022-23
- 1.6 Through the minimum per pupil funding levels, every primary school will receive at least £4,405 per pupil and every secondary school at least £5,715.
- 1.7 From 2023-24 the School Supplementary Grant (SSG) has been rolled into the schools NFF ensuring that this additional funding forms an on-going part of schools' core budgets. The school block continues to include funding for Teachers Pay and Teachers Pension Employer Contribution.

1.8 The early years block consists of funding for 15 hours entitlement for 3 and 4 year olds, the additional 15 hours for 3 and 4 year-old children of eligible working parents; funding for 2 year olds; the early years pupil premium and the Disability Access Fund.

1.9 Dedicated Schools Grant (DSG) funding is broken down into four blocks:

Block	Description	Based on
Schools	This funds the main school funding formula for mainstream	October 2022 census
High Needs	This funds high needs pupils (those that cost above approximately £10k) in mainstream schools, Special Schools, Alternative Provision and PRUs.	The high needs national funding formula consisting of basic entitlement, historic spend, proxy factors, hospital education funding and import/export adjustment
Early Years	This will fund: <ul style="list-style-type: none"> • The 15 hours free entitlement for pupils in maintained and PVI nursery provision • The additional 15 hours for pupils with eligible working parents • funding for 15 hours for disadvantaged two years olds • Early years pupil premium • Early years disability access fund 	January 2022 census was used and the basis for updating will be reviewed in spring 2023 and spring 2024 census when available
Central School Services	This funds local authorities for the statutory duties they hold for both maintained schools and academies. It includes historic commitments and funding for ongoing responsibilities.	A basic per-pupil rate plus actual historic commitment cost.

1.10 The EFA have confirmed the 2023-24 allocations for each of the blocks for Sandwell MBC as: -

DSG Block	Allocation
	£m
Schools Block	325.898
Central School Services	2.306
High Needs	71.519
Early Years	25.823
Total	425.546

The following adjustments will be made to these block allocations: -

- Schools block will be adjusted for academy conversions during the year
- Early Years Block will be adjusted for participation at each census
- High Needs Block will be adjusted for place funding with academies and import/export of pupils.

The Schools Block funding that has been distributed through the main funding formula is as follows: -

Description	£
Schools Block DSG	325,898,910
Less NNDR	(2,716,494)
Less Pupil Number Growth Contingency	(1,664,000)
Less Transfer from Schools Block to Central Schools Services Block	(455,000)
Schools Block DSG Available to Distribute	321,063,416

Minimum Funding Guarantee (MFG)

- 1.11 The minimum funding guarantee will continue, but local authorities had the flexibility to set a local MFG between plus +0.0% and plus +0.50% per pupil. MFG of 0.0% has been set for schools in 2023/24

Pupil Premium Grant (PPG)

- 1.12 The ESFA base pupil premium funding on the October census for mainstream and special schools. There will be no change to the allocations process for alternative provision, pupil referral units and hospital schools. These establishments will continue to be funded based on the January census as before. The PPG allocations are for illustrative purposes only and are based on either the October 2022 or the January census data. Actual 2023/24 allocations will include pupils on the October 2022 School Census known to have been eligible for Free School Meals (FSM) in any of the previous six years, as well as those first known to be eligible at October 2022. From 1st April 2023 PPG will be allocated for: -

- **Primary** FSM6 eligible pupils at a rate of **£1,455**
- **Secondary** FSM6 eligible pupils at a rate of **£1,035**
- Children who have been looked after for 1 day or more at a rate of **£2,530**. This rate is also applicable to children who have ceased to be looked after by the local authority because of adoption, a special guardianship order, a child arrangement order or a residence order.

The allocation must be managed by the designated Virtual School Head in the authority who decides on the amounts to be allocated to schools and is responsible for ensuring arrangements are in place to discuss how the child will benefit from any PPG.

- Each Service Child at a rate of **£335**

The PPG is not ring fenced at school level and there is guidance issued by the DfE which states that: -

“Schools must produce and a strategy statement about how they use their funding and the impact it has on the attainment of disadvantaged pupils.” A template can be found on the government website.

Devolved Formula Capital & Post 16 Funding

- 1.13 The rates for DFC and Post 16 funding have not yet been published by the DfE and so allocations have not been included in Table A.

SECTION 2: SCHOOLS FORUM DECISIONS – SCHOOL BUDGET CONSULTATION

The following decisions have been made by Schools Forum with regard to the school funding formula and de-delegated budgets for 2023/24.

2. New School Funding Formula

2.1 Schools Forum agreed the unit values for the following factors in the formula as shown below: -

Factor	2023-24
Primary basic entitlement	3,661.82
KS3 basic entitlement	5,184.44
KS4 basic entitlement	5,274.34
Primary FSM	216.20
Secondary FSM	216.20
Primary FSM6	319.49
Secondary FSM6	587.35
Primary IDACI F	32.11
Primary IDACI E	106.43
Primary IDACI D	498.71
Primary IDACI C	562.12
Primary IDACI B	611.03
Primary IDACI A	661.32
Secondary IDACI F	47.16
Secondary IDACI E	377.71
Secondary IDACI D	693.19
Secondary IDACI C	789.22
Secondary IDACI B	869.84
Secondary IDACI A	939.44
Primary EAL3	579.34
Secondary EAL3	924.84
Primary LPA	1,240.97
Secondary LPA	1,810.11
Primary mobility	112.88
Secondary mobility	163.55
Primary lump sum	135,044.95
Secondary lump sum	135,044.95

Capping & Scaling (C&S)

- 2.2 The DfE allows overall gains for individual schools to be capped as well as scaled back to ensure that local formulae are affordable. This methodology is new to Sandwell as we move closer to the NFF and it was found that our local formula was unaffordable and so capping and scaling needs to be applied.

C&S Background

- 2.3 Local authorities can cap any gains schools receive through the 2023 to 2024 local formula and will be applied on the same basis to all schools.
- 2.4 The DfE applies caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the APT dataset.
- 2.5 C&S factors must not be applied to schools that have opened in the last 7 years and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase and have empty year groups in the new phase.
- 2.6 C&S cannot take a school below the Minimum Per Pupil Levels (MPPLs). Should local authorities elect to apply a gains cap in 2023/24, the cap must be set at least as high as the MFG threshold. This ensures all schools retain any gains up to the MFG threshold even where a cap is applied.
- 2.7 Schools Forum were given 2 scenarios's and chose to cap school gains at 1.41% and scale at 49.5%. After this decision was made the DfE instructed us to increase the PFI budgets by 7% resulting in an additional £68,000 being required so the scaling percentage was therefore increased to 51.1%.
- 2.8 The overall principle is that the higher the level of capping, the more the number of schools that will gain but the more severe the level of scaling to ensure the Schools Block is affordable.
- 2.9 Subsequent to the Schools Forum decision, and as a result of data cleansing by the DfE on the APT, C&S for 2023/24 has been reset at 0.31% cap and 40.07%scale. The Growth Fund was increased by £7,000 on DfE advice.

De-delegated, Education Functions and CSSB

2.10 For maintained schools only, all De-Delegated and Education Function budget proposals contained in the consultation document were approved as follows:

REF	De-Delegated Budgets 2023-24	LEAD OFFICER	Amount	Primary	PP	Secondary	PP
			Pupil No	24,074		4,291	
			FSM	7,692		1,490	
	<u>Licences/Subscriptions</u>						
DD1	Health & Safety Licences and Subscriptions	Julie Andrews	5,990	5,080	0.21	910	0.21
DD2	EVOLVE Annual Licence Fee	Chris Davies	6,300	5,200	0.22	1,100	0.26
	Total Licences/Subscriptions		12,290	10,280		2,010	
	<u>Staff Costs Supply Cover</u>						
DD3	Union Facilities Time	Julie Andrews	159,000	132,750	5.51	26,250	6.12
	<u>School Improvement</u>	Julie Andrews					
DD4	School Improvement Services		150,000	127,300	5.29	22,700	5.29
	<u>Contingencies</u>						
DD5	Schools in financial difficulty	Julie Andrews	100,000	84,900	3.53	15,100	3.52
	TOTAL DE-DELEGATED - MAINTAINED SCHOOLS		421,290	355,230		66,060	

REF	Education Functions 2023-24	LEAD OFFICER	Amount
		Pupil No	28,365
EF1	Education Benefits Team	Sue Moore	£134,000.00
EF2	Children's Clothing Support Allowance	Sue Moore	£33,000.00
EF3	Safeguarding & Attendance (moved to CSSB)	Ramsey Richards	£0.00
	TOTAL EDUCATION FUNCTIONS - MAINTAINED SCHOOLS		£167,000

2.11 The DfE continue to agree to purchase a single national licence for all state funded schools for the following licences: -

- Christian Copyright Licensing International (CCLI)
- Copyright Licensing Agency (CLA);
- Education Recording Agency (ERA);
- The Motion Picture Licensing Company licence (MPLC);

- Public Video Screening Licence – Filmbank Distribution Ltd. (PVSL)
- Mechanical Copyright Protection Society (MCPS);
- Newspaper Licensing Authority (NLA);
- Performing Rights Society (PRS);
- Phonographic Performance Limited (PPL), and
- Schools Printed Music Licence (SPML).

2.12 The funding for these will be retained centrally by the Department for Education and schools will not need to purchase individual licenses for these purposes.

2.13 A summary of the de-delegated budgets can be found in **Table F**.

2.14 Approval was given to transfer £455,000 from the school's block Education Functions to the Central School Services Block to fund the attendance service.

Pupil Number Growth Contingency

2.15 It was agreed that a contingency to the value of £1,664,000 be held back to support schools that are facing a significant growth in pupil numbers. The criteria for allocating funding from this contingency can be found in **Table G** along with a template that schools should complete to request funding. Schools that are expanding because of a local authority request will automatically receive funding.

Rates

2.16 Rates will continue to be paid by the ESFA directly to billing authorities on behalf of all maintained schools and academies.

2.17 All adjustments should now be submitted by billing authorities using the ESFA portal, with reconciliation payments made directly to billing authorities in year.

2.18 All state funded schools will retain liability for their own business rates except for community and voluntary controlled schools for which liability will continue to rest with the local authority.

SECTION 3: EARLY YEARS FUNDING

3. Early Years National Funding Formula: Funding for 3 and 4 Year Olds Basic Hourly Rate

3.1 The basic hourly rate for each type of provider is as follows: -

Type of Provider	Basic Hourly Rate
Maintained Nursery Classes	£4.44
Private	£4.44
Voluntary	£4.44
Childminders	£4.44

Flexibility

3.2 Settings that offer the 15 hours free entitlement in a flexible way will be entitled to an additional £0.30 per hour. The following table shows the patterns of provision that are classed as “high” and “low”: -

High Flexibility	Low Flexibility
3 sessions x 5 hours	5 sessions x 3 hours
6 hrs + 3 hrs + 3 hrs + 3 hrs	5 sessions x 2 ½ hours (not offering 15 hours)
6 hrs + 6 hrs + 3 hrs	

Deprivation

3.3 The deprivation factor is based on the percentage of pupils whose postcodes fall within the 15% of Lower Super Output Areas (using the Index of Multiple Deprivation). The following table shows the additional funding per hour that each setting will receive: -

Percentage in 15% lowest SOAs	Funding per hour
10%-30%	£0.05
31%-70%	£0.10
71%-90%	£0.20
Above 90%	£0.25

Funding Adjustments

- 3.4 Funding adjustments will be calculated for each term based on the May, October and January census. The actual funding adjustment will be processed in February or March which will cover all adjustments for the financial year.

Funding for Two Year Olds

- 3.5 Funding for two year olds will be based on take up in 2023/24. Provisional allocation will be made based on participation numbers from the January 2022 schools, early years and alternative provision censuses and will be updated for the January 2023 census.
- 3.6 The basic hourly rate for provider will be £5.81 for 2023/24.
- 3.7 The local authority will issue and adjust school allocations in line with the EFA announcements.

Early Years Pupil Premium (EYPP)

- 3.8 The national rate for early years pupil premium is £0.62 per hour per eligible pupil. This means for the financial year 2023/24, providers would receive £353.40 for each eligible child who takes up the full 570 hours of state funded education. The authority will be given a provisional allocation for the early years pupil premium (EYPP).
- 3.9 Provisional allocations for EYPP were announced in December 2022. The allocations were based on the number of children eligible for the EYPP as recorded in the January 2022 early years' census and school census.
- 3.10 The basis for updating the allocations will be reviewed in spring 2023.

Early Years Disability Access Fund (DAF)

- 3.11 The DAF was introduced to support disabled children's access to the entitlements for 3 and 4-year olds. The funds can be used, for example, to

support providers in making reasonable adjustments to the settings and/or helping with building capacity, be that for the child in question or for the benefit of children attending the setting.

- 3.12 Children do not have to take up the full 570 hours of early education that they are entitled to in order to receive the DAF.
- 3.13 Four-year-olds in primary school reception classes are not eligible for DAF funding.
- 3.14 Allocations for 2023/2024 are calculated based on Disability Living Allowance data from February 2022. These allocations will not change and should be considered final for 2023/24.
- 3.15 The national rate for DAF is £828 per eligible child per year.

SECTION 4: FUNDING FOR PUPILS WITH HIGH NEEDS

4. High Needs Pupils excluding Focus Provision

4.1 Funding for pupils with high needs will be made up of the following elements:

Element 1	Core education funding	Unit of per pupil funding e.g. AWPU
Element 2	Additional support funding	A clearly identified budget to provide additional support for high needs pupils or students with additional needs up to an agreed level. DfE recommendation is that school's contribution is set at £6,000 .
Element 3	Top up funding	Funding above elements 1 and 2 to meet the total cost of education provision.

4.2 Mainstream schools will be expected to contribute element 1 and 2 towards the educational cost of a high needs pupil. This equates to the following amounts: -

	Element 1 AWPU (£)	Element 2	Total Contribution (£)
Primary	£3,662	£6,000	£9,662
Secondary	£5,184	£6,000	£11,184

- 4.3 Element 3 funding (for pupils that cost above £9,662 for Primary schools and £11,184 for Secondary schools) will be allocated from the High Needs Block.
- 4.4 Element 3 funding has to follow the pupil. Funding adjustments will continue to be made on a termly basis as currently for this funding.

Focus Provision

- 4.5 Focus provision centers are treated as special units. Mainstream schools that have focus provision units will receive:
- **£6,000** per place, where the place was occupied on the October 2022 census day plus element 3 funding based on the educational cost of each pupil in the unit.
 - **£10,000** per place, where the place was unoccupied on the October 2022 census day.

SECTION 5: ACADEMY FUNDING

5. Academy Funding

- 5.1 The published tables DO NOT show the total budget that academies will receive. Academies will receive their budgets from the ESFA on an academic year basis.
- 5.2 The local authority is only responsible for paying certain funding streams to academies. These are: -
 - a. Early Years Funding
 - b. High Needs Funding
- 5.3 The Element 1 and 2 (place funding of either £6k – for occupied places or £10k for unoccupied places) for academies with Focus Provision units will be paid by the ESFA and not the local authority.
- 5.4 Academies that were maintained schools at the time the collective equal pay agreement was concluded continue to be liable for their contribution to this (column Q – Table A). Invoices will be raised for these amounts as it is no longer possible for the local authority to deduct this from academy funding directly.

SECTION 6: SUBMISSION OF BUDGET PLANS

- 6.1 Copies of your budget plans should be submitted to Children's Finance by the deadline date of 12th May 2023. Appendix F of the Fair Funding Scheme details what is required as part of this.
- 6.2 Please submit budget plans electronically by email to schools_financialservices@sandwell.gov.uk.
- 6.3 Please also refer to Appendix H of the Fair Funding Scheme which requires you to apply to the local authority for a licensed deficit should you not be able to set a balanced budget.
- 6.3 If you have any queries please contact at schools_financialservices@sandwell.gov.uk