

## Bury Schools' Forum

### Schools and Academies Funding update 2022-23

#### 1. Dedicated Schools Grant 2022-23

Following the publication of Dedicated Schools Grant (DSG) allocations on 16 December 2021, which take into account the fully validated October 2021 pupil census, the DSG for 2022/23 is summarised in the table below.

2022 to 2023 DSG allocations, before recoupment and deductions for national non-domestic rates, and for direct funding of high needs places by Education and Skills Funding Agency (ESFA)						
Dedicated schools grant (DSG):		Schools block	Central school services block	High needs block	Early years block	Total DSG allocation
351	BURY	(£s)	(£s)	(£s)	(£s)	(£s)
	2021/22	139,599,047	952,016	36,398,286	14,064,264	191,013,613
	2022/23 DSG	143,041,316	990,900	39,427,317	13,486,130	196,945,663
	Variance to 2021/22 £	3,442,269	38,884	3,029,031	-578,134	5,932,050
	Variance to 2021/22 %	2.5%	4.1%	8.3%	-4.1%	3.1%
<b>Plus</b>	<b>Additional DSG Grant</b>	4,180,866	0	1,502,604	0	5,683,470
<b>Total</b>	<b>DSG 2022/23</b>	<b>147,222,182</b>	<b>990,900</b>	<b>40,929,921</b>	<b>13,486,130</b>	<b>202,629,133</b>
	Variance to 2021/22 £	7,623,135	38,884	4,531,635	-578,134	11,615,520
	Variance to 2021/22 %	5.5%	4.1%	12.5%	-4.1%	6.1%

#### 2. Schools Block

##### a. Formula Unit Values

Schools' Forum are required annually to recommend the formula unit values to be applied to all Mainstream Schools & Academies funding allocations.

The formula unit values applied to Bury's Schools and Academies funding formula directly mirror the DfE National Funding Formula (NFF) unit values. The funding settlement and final DSG allocation for 2022/23 does not result in any changes being made to the already published NFF values which were presented and approved by Bury's Schools' Forum at their meeting of 12 October 2021.

For information the Unit Values applicable to 2022/23 are highlighted as follows:

Factor	Sub-level	2021/22	2022/23	Variance to 2021/22	% Variance
Basic Entitlement	Primary	3,123	3,217	94	3.0%
Age Weighted Pupil Unit (AWPU)	Key Stage 3	4,404	4,536	132	3.0%
	Key Stage 4	4,963	5,112	149	3.0%
<b>Deprivation</b>					
Free School Meals	Primary FSM	460	470	10	2.2%
	Secondary FSM	460	470	10	2.2%
Free School Meals - Ever 6	Primary FSM6	575	590	15	2.6%
	Secondary FSM6	840	865	25	3.0%
Income Deprivation Affecting Children Indices (IDAC) Primary	IDAC I F	215	220	5	2.3%
	IDAC I E	260	270	10	3.8%
	IDAC I D	410	420	10	2.4%
	IDAC I C	445	460	15	3.4%
	IDAC I B	475	490	15	3.2%
	IDAC I A	620	640	20	3.2%
Income Deprivation Affecting Children Indices (IDAC) Secondary	IDAC I F	310	320	10	3.2%
	IDAC I E	415	425	10	2.4%
	IDAC I D	580	595	15	2.6%
	IDAC I C	630	650	20	3.2%
	IDAC I B	680	700	20	2.9%
	IDAC I A	865	890	25	2.9%
<b>Additional Education Needs Factors</b>					
Looked After Children (LAC)					
English as an Additional Language (EAL)	EAL 3 Years Primary	550	565	15	2.7%
	EAL 3 Years Secondary	1,485	1,530	45	3.0%
Mobility	Pupils starting school outside normal entry	900	925	25	2.8%
		1,290	1,330	40	3.1%
Low cost, high incidence SEN	Low Attainment Primary <73	1,095	1,130	35	3.2%
	Pupils not achieving (KS2 level 4 English and Maths)	1,660	1,710	50	3.0%
<b>School-Led Factors</b>					
Lump Sum	Primary	117,800	121,300	3,500	3.0%
	Secondary	117,800	121,300	3,500	3.0%
Minimum Per Pupil Funding Levels	MFL - Primary	4,180	4,265	85	2.0%
	MFL - Secondary	5,415	5,525	110	2.0%

### b. Additional DSG Grant

As part of the Comprehensive Spending Review 2021 (CSR-21) and DfE submission to Treasury, further increases to Bury's DSG have been announced as a separate additional DSG Grant for 2022/23.

For Mainstream Schools and Academies Bury has received **£4,180,866**. This will be provided as a separate grant for 2022/23 only, due to the allocation of grant being announced after the 2022/23 National Funding Formula (NFF) determination had already been announced prior to CSR-21.

From 2023/24 onwards the increased funding will be form part of the overall Schools Block determination.

The increased funding to individual settings is derived using the following unit values and validated October 2021 census data:

Factor	Unit Value
Per pupil Primary	£97
Per pupil Secondary KS3	£137
Per pupil Secondary KS4	£155
Lump Sum Primary & Secondary	£3,680
Per eligible FSM6 Primary	£85
Per eligible FSM6 Secondary	£124

Indicative estimates of additional grant have been produced prior to the DfE publishing the final individual schools' allocations in Spring 2022.

These estimates are summarised below:

Sector	Pupil No's	Average Additional DSG Grant £
Primary	<100	<b>12,500</b>
	>0 to 150	<b>18,700</b>
	>150 to 200	<b>26,900</b>
	>200 to 300	<b>31,500</b>
	>300 to 400	<b>42,900</b>
	>400+	<b>53,400</b>
Secondary	>600 to 800	<b>131,800</b>
	>800 to 1000	<b>167,100</b>
	>1000+	<b>184,900</b>

### c. De-Delegation

Schools' Forum (Maintained Mainstream only) are required to recommend the De-delegated items each year. The following table confirms the level of de-delegation values for 2022/23 that were presented and deferred by Schools' Forum at their 12 October 2021 meeting.

<b>2022/23</b>	Schools of Concern	FSM Benefits checking	Trade Union Facilities Time
	Per pupil	Per FSM6	Per pupil
	<b>£6.00</b>	<b>£5.00</b>	<b>£4.00</b>

*There are no proposed increases to any of the above values when compared to previous years.*

Further to Schools' Forum discussion on FSM benefits checking at the October 2021 meeting, Forum are informed that the funding generated through the de-delegation equates to less than £16,000 for 2021/22 and is provided as a token contribution via a central recharge to the Benefits Team towards their overall staffing and operational costs.

The FSM checking they undertake greatly benefits schools through their validation checking and information to schools to inform census submissions that are used by the DfE to determine levels of funding for delegated budgets through the FSM factors, as well as informing the determination of Pupil Premium Grant (PPG) allocations where Maintained schools receive over £5.5m grant in 2021/22, of which £4.5m is in respect to validated FSM numbers.

For information Bury's Schools and Academies receive just under £9.1m PPG in 2021/21, of which just under £7.1m relates to validated FSM numbers. The balance of PPG is allocated to schools and academies in respect to Service and Looked After Children.

### **Reforming how Local Authority School Improvement Functions are Funded**

In addition to the above de-delegated items, and further to the paper that was considered by Schools' Forum at their meeting of 23 November 2021, the consultation outcomes were published by the DfE on 11 January 2022 and in summary conclude:

- *we (DfE) will proceed with reducing the local authority school improvement monitoring and brokering grant by 50% for financial year 2022 to 2023, prior to full removal in financial year 2023 to 2024*
- *provision will be included in the School and Early Years Finance Regulations 2022 (England) to instead allow local authorities to deduct funding for local authorities' core school improvement activities from maintained school budgets*
- *We (DfE) will reserve the right to permit de-delegation against the wishes of a schools forum in order to ensure councils are in sufficient funds to deliver their core school improvement activities*

The full consultation response and DfE conclusions are available at:

<https://www.gov.uk/government/consultations/reforming-how-local-authority-school-improvement-functions-are-funded>

Taking into account the DfE consultation outcomes and guidance, Bury's Schools Forum (Maintained Schools only) are requested to consider and support the following proposal.

The total cost of the service, which incorporates 14-19 advisory support is £390,000, the School Improvement Brokerage and Monitoring Grant is £201,956, any Bury's General Fund budget funds the balance up to £190,000.

The impact of the DfE decision will see 50% of the grant removed from April 2022, which equates to £100,978. Based on Maintained School pupil numbers forecast for 2022/23, the level of de-delegation required on a per-pupil basis divided equally amongst all Maintained Schools regardless of sector, is £7.50 per pupil. There is no significant detail to demonstrate a differential rate per pupil per sector is required.

### **RECOMMENDATION 1:**

**Bury's Schools' Forum (Maintained School representatives) recommend the De-delegated values for 2022/23, summarised as follows:**

- **Schools of Concern @ £6.00 per pupil**
- **Free School Meals Eligibility Checking @ £5.00 per FSM6**
- **Trade Union Facilities Time @ £4.00 per pupil**
- **School Improvement Brokerage and Monitoring Grant @ £7.50 per-pupil**

#### **d. Schools Block Transfer to High Needs Block**

Following receipt of the DSG funding settlement, validated October 2021 census data, and after updating all Mainstream Schools & Academies 2022/23 funding formula in accordance to the recommended National Funding Formula (NFF) requirements, Schools' Forum are requested to consider and recommend a transfer of available funds from the Schools Block to the High Needs Block DSG.

This transfer effectively recognises an essential contribution from Schools and Academies towards helping with the overall cost pressures being faced by the High Needs Block which funds all Special Educational Needs and/or Disabilities (SEND) provision for all children and young people aged 0-25 whether with an Education Health and Care Plan (EHCP) or not in Early Years, Mainstream, Specialist, Maintained or Independent provisions in or out of Borough.

Schools' Forums are permitted, in accordance with the statutory funding regulations and Operational Guidance, to recommend a transfer up to 0.5% of the Schools Block without requiring the sanction of the Secretary of State.

0.5% of Bury's Schools Block allocation of £143,041,316 equates to £715,200

After completing all formula aspects and applying the recommendations of Schools' Forum as outlined in this paper, the Local Authority is proposing that a transfer of the maximum 0.5% is recommended by Bury's Schools' Forum on the basis of:

- The Mainstream funding formula and unit values have been applied 100% to all individual schools and academies in accordance to the 2022/23 National Funding Formula (NFF) unit values
- The 100% application of NFF unit values confirms the proposed transfer does not result in any funding reductions, or cuts, to any individual school or academy budget allocation for 2022/23
- The transfer does not impact whatsoever on the Additional DSG Grant provided for 2022/23
- The transfer amount is fully funded through available Schools Block DSG after completing the schools formula allocations and reviewing the balance of DSG funding (Headroom) remaining due to Growth and Area Cost Adjustments (ACA) added to the Schools Block allocation
- The final determination allows for retention of £100,000 by way of contingency if required to be used to support in-year planned pupil growth in accordance to Infant Class Size and Basic Entitlement requirements that has not already been anticipated within the pupil number forecasts used for individual school and academy 2022/23 budget allocations
- A transfer of 0.5% has been factored in to the DSG deficit recovery of over £22m as part of the formal Safety Valve agreement with the DfE and is essential to contribute to sustaining the deficit recovery in accordance with the required timeline permitted by the DfE
- The transfer of £715,200 will significantly support the significant SEND transformation requirements and funding of all aspects within the High Needs block, it will not be designated to any one individual item. The priorities include revenue investment into new or expanded Resourced Provision within Mainstream school and academy settings which will contribute to the overall capacity and sufficiency of in-Borough provision and help deliver the strategy around reducing the requirement for Out of Borough placements.
- Without this support from Forum the deficit recovery faces significant increased risk of not being achieved as required by the DfE formal agreement which will result in the balance of the additional £20m Safety Valve DSG being withdrawn and further interventions imposed by the DfE.

#### **RECOMMENDATION 2:**

**Bury's Schools' Forum recommend the maximum permitted transfer of 0.5% of the Schools Block to the High Needs Block for 2022/23**

### e. Indicative Headline Funding Allocations

Noting the figures remain indicative solely due to the Business Rates estimates for 2022/23 being required to be finalised, the overall Schools Block, including Additional DSG Grant, is allocated as follows:

Factor	Sector	2022/23	2021/22	Variance £
Schools/Academies	Primary	76,704,925	73,653,905	3,051,020
	Secondary	69,702,057	65,371,913	4,330,144
Growth / Falling Rolls		100,000	318,625	-218,625
0.5% Transfer		715,200	254,604	460,596
<b>Total Allocated</b>		<b>147,222,182</b>	<b>139,599,047</b>	<b>7,623,135</b>

The effect of pupil number variances between the October funding census collections for 2021/22 and 2022/23 needs to be noted in respect to the impact on the figures included in the table above as follows:

Primary schools have seen an overall net reduction of 220 pupils which equates to **£1,009,400** less DSG Schools Block and associated funding allocated to the Primary sector.

Secondary schools have seen an overall net increase of 57 pupils which equates to £335,300 increased DSG Schools Block that has been factored into individual school budget determinations.

For both sectors Forum will be aware that there will be individual schools with reductions whereas others with gains to pupil numbers included in the overall net variances that they will all need to plan for financially in order to sustain their balanced budget positions.

### 3. Central School Services Block (CSSB)

Schools' Forum are required to approve the allocation of budgets included under the CSSB, which was created several years ago in place of the former Education Services Grant (ESG) retained functions funding for Local Authorities. The former ESG funding was added to the DSG in April 2018 in order to help sustain the services that it is intended to support.

The CSSB allocation for 2022/23 is £990,900 and is allocated as follows:

Central Schools Services Block (CSSB)	2022/23
<b>Section 251 – Central Provision</b>	
1.4.1 Combined Budgets Historical Commitment – Safeguarding in Schools Officer	<b>£48,000</b>
1.4.2 Admissions	<b>£198,500</b>
1.4.3 Schools' Forum	<b>£17,000</b>
1.4.8 Independent Fees – Non SEN	<b>£0</b>
1.4.14 National Copyright Licences	<b>£152,500</b>

<b>Section 251 - Former ESG Services</b>	
1.5.1 Education Welfare	<b>£268,700</b>
1.5.2 Asset Management	<b>£92,700</b>
1.5.3 Statutory / Regulatory inc SACRE	<b>£65,000</b>
Teachers Pay and Pension Grant	<b>£148,500</b>
<b>Total Central School Services Block (CSSB)</b>	<b>£990,900</b>
CSSB DSG Allocation	<b>£990,900</b>

The DfE have not made any changes to the CSSB requirements and applicable funded services when compared to 2021/22, where the only change for 2021/22 was the inclusion of the Teachers Pay and Pension Grant to cover Local Authority centrally funded costs.

### **RECOMMENDATION 3:**

**Bury's Schools' Forum recommend the allocation of CSSB budgets as outlined to the applicable services for 2022/23**

#### **4. High Needs Block**

The announcement of the High Needs block on 16 December 2021 confirmed the previous note to Forum and the anticipated 8% increase. In addition to this the High Needs block has been enhanced with Additional DSG Grant as part of the CSR-21 outcomes with an additional £1,502,604.

A DfE notification received 12 January 2022 is provided for information below.

*The additional high needs funding being allocated following the 2021 spending review, amounting to £325 million nationally, includes funding in respect of the Health and Social Care Levy, but the cost of that for high needs should be less than a 1% pressure on authorities' high needs budgets. The additional funding also takes into account that colleges and other post-school providers offering extra hours of study to 16 to 19 year old students, may require extra high needs top-up funding to support such students with high needs.*

*Taken together, this means high needs funding will be increasing by 13% in 2022 to 2023. A year-on-year increase in high needs funding of this scale is, of course, unprecedented, and demonstrates both the importance that the Department places in helping local authorities to secure their financial sustainability, and a recognition of the cost pressures that we know that local authorities are facing. Although this increase will be sustained throughout the next spending period, with further growth in 2023 to 2024 and 2024 to 2025, it is important to recognise that year-on-year increases will be on a smaller scale than in 2022 to 2023.*



*Local Authorities should use an assumption of a 5% year-on-year increase in 2023 to 2024, and 3% beyond that. Local Authorities will wish to reflect on the appropriate future assumptions they should be making as we work together to make the best use of this funding in order to deliver quality support for children with SEND that is financially sustainable.*

The actual overall increase to Bury's High Needs block for 2022/23 is £4,531,635 which equates to 12.5% and future assumptions have been factored into the multiple year forecast to 2024/25 developed for the Safety Valve DSG Deficit recovery requirements for the DfE.

The total High Needs block funding is committed to support applicable ongoing cost pressures including in and out Borough provision at Mainstream, Resourced Provision, Special School, Pupil Referral Unit, Alternative Provision, Independent, Non-Maintained, Post-16, and SEND support services, plus costs associated to volumes of increasing Education Health and Care Plan eligible pupils, increased revenue cost implications for developments of in-Borough capacity and sufficiency of provision/places to support children and young people with SEND, and Inclusion developments.

The Local Authority is required to demonstrate that it can balance within the High Needs block allocation in-year with effect from 2022/23 and then sustain this positive position into future financial years.

Further updates on the High Needs position will be brought to future Schools' Forum meetings, including detailed monitoring reports on the delivery of the Safety Valve agreement.

## **5. Early Years Block**

The initial point to note on the Early Years Block is the net reduction in funding for 2022/23 of £578,134 when compared to 2021/22. This was expected and has been referred to in previous updates in respect to the demographic changes and reductions in 2, 3 and 4 year olds population. There is also a potential impact on participation due to the Covid pandemic however there is no published data to confirm this.

Forum should note that the Early Years Block specifically is funded according to termly headcounts and will be adjusted in-year 2022/23 in respect to fluctuations in Early Years participation.

The positive aspect of Early Years is the recently announced increase in national funding for all elements of the Early Years Single Funding Formula (EYSFF) components. The Comprehensive Spending Review 2021 (CSR-21) has provided additional funding for Early Years which, for the first time in many years, acknowledged inflation as well as provided a secure allocation to support Local Authority Maintained Nursery Schools (MNS) supplementary funding on an ongoing basis and removed the annual concern created through no certainty of it being provided each year.

The Early Years Block funding increases to note are as follows:

- 2 year olds **+21** pence per hour to £5.67
- 3/4 year olds **+17** pence per hour to £4.61
- Early Years Pupil Premium Grant (EYPPG) **+7** pence per hour to £0.60 per hour, equivalent to £342 per year for full time participation
- Disability Access Fund (DAF) **+£185** to £800 per eligible child

Forum should be aware that the Teachers Pay and Pension Grant funding for Early Years maintained settings will continue as a separate grant from April 2022. The DfE have not published any further details or allocations at this stage.

The Early Years funding formula determination that settings receive is subject to a mandatory minimum 'pass through' rate of 95% meaning all providers must receive at least 95% of the Early Years block funding. This percentage was increase to 95% from 93% from 2018. Bury has always complied to the mandatory pass through requirements and in order to maximise funding to settings currently retains only up to 3% of the available funding.

The percentage retained by Local Authorities is used to contribute to Early Years central support services covering advisory support, sufficiency requirements, free entitlement eligibility checking, and management and administration of the complex Early Years Single Funding Formula determinations, allocations, systems, and statutory reporting requirements.

In compliance to the minimum pass through and retention requirements, the hourly rates for 2022/23 that require to be approved by Schools' Forum are recommended as follows:

- 2 year olds @ **£5.56** per hour (increase from £5.36)
- 3/4 year olds @ **£4.46** per hour (increase from £4.30)
  - NB – the 3/4 hourly rate will be split between universal / extended Base Rate and the mandatory Deprivation factor which is aligned proportionately to the Primary schools' Income Deprivation Affecting Children Indices (IDACI) banded values

The other unit values announced for DAF and EYPPG are not subject to Schools' Forum consideration

#### **RECOMMENDATION 4:**

**Bury's Schools' Forum recommend the Hourly Rates specified for 2, 3 and 4 year olds for 2022/23**

## 6. Business Rates

Further to the change in funding mechanism for Business Rates to be centrally funded by the DfE and top-sliced from Local Authority DSG budget allocations with effect from April 2022, Schools' Forum are advised that schools budget allocations for 2022/23 will now include an estimate for Business Rates in order for the DfE to complete their first year reconciliation and comparisons to 2021/22.

The previous note to Schools Forum (12 October 2021) indicated that only any adjustments for in-year revisions to 2021/22 Business Rate charges would be included in 2022/23 budgets. It is still the case that any adjustments will be funded however, in respect to the previous paragraph which indicates a slight change of approach by the DfE, the 2022/23 estimate will be shown for information purposes only and will not be directly allocated to schools delegated budgets.

Schools and academies will need to be aware that their budget notifications will include the Business Rates estimate plus a corresponding deduction

Further clarity is currently being sought in respect to how the new arrangement will work in practice from billing, re-valuations, in-year variations, uploading and downloading shared information and Business Rates amounts via an, as yet, unreleased 'portal'. None of these issues will have any direct impact on schools or academies funding.

## 7. Pupil Premium Grant (PPG)

Pupil Premium Grant allocations are set to increase for 2022/23 in line with increased Free School Meals (FSM) eligibility counted on validated school census submissions.

Forum are reminded that PPG determinations for FSM are now aligned to the annual October census used for main school funding purposes, LAC PPG is still determined using the Local Authority Looked After Children return (SSDA903) as at 31 March each year.

For information Forum are informed of the increases in FSM eligibility over recent years to 21.5% as at October 2021 as follows:

### Impact of FSM - Census variations

Census	ALL Schools			Primary			Secondary		
	Total on Roll	FSM total	% FSM	Total on Roll	FSM total	% FSM	Total on Roll	FSM total	% FSM
Jan-19	29,774	4,814	16.2%	18206	2,897	15.9%	11568	1,917	16.6%
Oct-19	29,567	5,120	17.3%	17900	3,061	17.1%	11667	2,059	17.6%
Jan-20	29,752	5,300	17.8%	18087	3,194	17.7%	11665	2,106	18.1%
Oct-20	29,373	5,876	20.0%	17646	3,518	19.9%	11727	2,358	20.1%
Jan-21	29,502	6,167	20.9%	17800	3,755	21.1%	11702	2,412	20.6%
Oct-21	29,243	6,282	21.5%	17423	3,647	20.9%	11820	2,635	22.3%

NB: October 2020 is highlighted to reflect when the change to PPG determinations was applied by the DfE.

The Primary figures for October 2021 are impacted due to the net decrease of 220 pupils referred to earlier in this paper.

Revised PPG unit values for 2022/23 have been confirmed with an increase circa 3% on all factors.

The new values from 1 April 2022 are:

Factor	<b>2022/23 Unit Value</b>	Variance to 2021/22
Primary FSM	<b>£1,385</b>	£40
Secondary FSM	<b>£985</b>	£30
Looked After Children - LAC	<b>£2,410</b>	£65
Post LAC	<b>£2,410</b>	£65
Service	<b>£320</b>	£10

Funding Update prepared by:

Steven Goodwin

[s.goodwin@bury.gov.uk](mailto:s.goodwin@bury.gov.uk)