

2023/24 Peterborough Schools Funding update

Schools Forum – 22nd November 2022

Introduction

The purpose of today's presentation is to share with Schools Forum the latest position on Dedicated Schools Grant (DSG) funding in relation to the 2023-24 budget setting round:

1. 2023-24 DSG Funding arrangements
2. 2023-24 Budget Modelling
3. Next Steps

These papers were prepared before the Budget announcement on the 17th November.

2023-24 DSG Funding Arrangements

Information has been published on the Department for Education (DfE) website and includes:

- [Indicative Figures](#) for each school compared to their 2022-23 baseline formula allocations
- **These are not the final budget figures** but a generational model to derive LA level funding
- [Indicative DSG Allocations](#) for 2023-24 based on October 2021 census (figures will be updated for the October 2022 census in December's final allocations)

Chancellors Budget November 2022

- The core schools budget in England will receive an additional £2.3 billion of funding in 2023-24 and £2.3 billion in 2024-25.
- **After adjusting Spending Review 2021 budgets down to account for the removal of the compensation for employer costs of the Health and Social Care Levy, this brings the core schools budget to a total of £58.8 billion in 2024-25, £2 billion greater than published at Spending Review 2021.**
- This restores 2010 levels of per pupil funding in real terms and provides an average cash increase for every pupil of more than £1,000 by 2024-25, compared to 2021-22
- Education total budget – £77.1bn / core schools £53.8bn – so £2.3bn is an additional 4%. It cushions the blow!
- Awaiting DfE updated guidance

2023-24 DSG Funding Arrangements

Schools Block

- DfE published illustrative figures show a **£4.8m / 2.4%** increase for Peterborough (excluding changes in growth funding) compared to the amount due to be received in 2022/23.
- The Schools Supplementary grant has been baselined into the National Funding Formula (NFF) allocations. *(Risk this could be reduced to reflect reduction on NI contributions)*
- NFF formula factors have been uplifted by varying %.
- Local Authorities must use **all** NFF factors.

2023-24 DSG Funding Arrangements

Schools Block

- Local Authorities required to move local formula factor values at least 10% closer to the NFF, including the area cost adjustment.
- Minimum Funding Guarantee (MFG) can be set between +0% and reduced maximum of +0.5%
- No national cap but LAs can still opt to use a local cap to manage overall affordability.
- 0.5% limit on movements between funding blocks remains.

2023-24 DSG Funding Arrangements

High Needs Block

- The 2023/24 High Needs NFF includes a 5% funding floor to make sure that all local authorities receive an increase of at least 5% per head of their 2-18 population, compared to their 2022/23 funding baseline.
- Current illustrative figures for Peterborough show approx. increase of £2.8m/6.2% compared to current allocations. This figure will be updated on receipt of final figures.

2023-24 DSG Funding Arrangements

Central Schools Services Block (CSSB)

- The CSSB provides funding for the benefit of all schools for ongoing and historic commitments.
- Historic commitments reduced by a further 20% from last year resulting in a net CSSB reduction of £11.8k compared to 2022/23
- Ongoing responsibilities:
 - Admissions
 - Copyright
 - Statutory/Regulatory Duties etc
- Historic commitments previously agreed with schools forum:
 - Schools Pensions Liabilities

We were successful in seeking an exemption on the historic pension liability in the 21/22 budget and we will reapply for this.

2023-24 DSG Funding Arrangements

Early Years Block

- Consultation undertaken in the summer of 2022-23.
- Proposed changes mainly in respect of using updated datasets and baselining grants.
- Resulting potential illustrative uplifts of £0.29 per hour for 2 year olds and £0.21 per hour for 3/4 year olds. Final allocations still to be confirmed.
- As per previous announcements maintained nursery supplement confirmed until March 2025.

2023-24 DSG Funding Arrangements

- Initial 2023-24 DSG allocations for Peterborough are set out in the following table, which also provides the 2022-23 figures for comparison:

	Amount to be received in 2022/23 £ (as at Oct 2022)	Illustrative Allocations for 2023/24 £	Illustrative Increase £	Illustrative Increase %	
Schools Block	193,060,929	203,584,941			Based on 36,048.57 pupils as at October 21 census
Supplementary Grant	5,648,347				Supplementary Grant separately allocated in 22/23
Total Schools Block	198,709,276	203,584,941	4,875,665	2.4%	
High Needs Block	43,061,109	45,893,106	2,831,997	6.2%	As per NFF illustrative data published July 2022
Central Schools Services Block	1,589,907	1,578,052	-11,855	-0.8%	Includes 20% reduction to Historic Commitments
Early Years Block	18,085,449	18,085,449	0	0.00%	23/24 allocation not yet published
Total DSG and Supplementary Grant	261,445,741	269,141,548	7,695,807	2.9%	

2023-24 DSG Funding Arrangements

- Schools block per pupil comparison:

	22/23 Rank	Total 2022-23 baseline for the schools block (excluding growth factor)	23/24 Rank	Provisional funding in 2023-23 (excluding growth factor) [will be updated]
England Average		£5,534		£5,641
Tower Hamlets	1	£7,747	1	£7,762
Hackney	2	£7,685	2	£7,727
Peterborough	59	£5,529	=57	£5,660
Bedford	86	£5,430	88	£5,536
Norfolk	88	£5,419	=89	£5,524
West Northamptonshire	99	£5,359	96	£5,483
Hertfordshire	110	£5,330	=107	£5,441
West Berkshire	115	£5,305	112	£5,428
Worcestershire	=116	£5,304	118	£5,411
Suffolk	118	£5,303	121	£5,404
Bath and NE Somerset	124	£5,291	124	£5,377
Essex	=126	£5,264	126	£5,368
North Northamptonshire	128	£5,247	127	£5,357
Wiltshire	131	£5,234	129	£5,339
Oxfordshire	130	£5,237	130	£5,337
Cambridgeshire	137	£5,210	136	£5,315
West Sussex	141	£5,189	141	£5,273
Central Bedfordshire	143	£5,185	=144	£5,259
Hampshire	145	£5,182	143	£5,263
South Gloucestershire	149	£5,114	149	£5,185

2023-24 Budget Modelling

Appendix A contains illustrative school level budget allocations for 23/24

Important points to note:

- Figures are based on 22/23 datasets and pupil numbers, and as such will change on receipt of final October 22 census data.
- Minimum Funding Guarantee (MFG) has been set at the maximum +0.5% per pupil
- Final figures will also be updated to reflect changes for growth funding and business rates
- Currently the Minimum per Pupil Levels (£4,405 for Primary and £5,715 for Secondary) have been met.

2023-24 Budget Modelling

Important points to note (continued):

- The formula factor unit values applied have been weighted based on overall affordability, and exceed the minimum allowable values set by the ESFA (further details on following slide)
- Continued principle of mirroring the NFF subject to affordability
- Growth funding- no changes to the current methodology
- Peterborough implemented the new NNDR process in 2022/23 where the schools rates are uploaded to the NNDR portal and the DfE pay the rates directly on behalf of the schools. This process will continue for 2023/24.
- The PFI factor is calculated using the RPIx indices. The unit value for 2023/24 is £337.39 and this is based on the forecast Feb-23 value. The factor will be updated when the final allocations are submitted to the DfE. The allocation for PFI is based on the schools pupil numbers multiplied by the unit value.

2023-24 Budget Modelling

NFF Factor		Peterborough Unit Rates 2022-23	National Funding Formula (NFF) Unit Rates 2023-24	Minimum allowable values 2023-24	Maximum allowable values 2023-24	0.9934 National Funding Formula (NFF) Unit Rates 2022-23 (Weighting Applied)	£ Increase compared to 2022-23	% Increase compared to 2022-23
		(£)	(£)	(£)	(£)	(£)		
Basic per pupil entitlement (AWPU)	AWPU: Primary	3,242	3,438	3,352	3,524	3,415	173	5.34%
	AWPU: Secondary KS3	4,572	4,847	4,725	4,968	4,815	243	5.31%
	AWPU: Secondary KS4	5,152	5,462	5,326	5,599	5,426	274	5.33%
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	470	486	474	498	483	13	2.76%
	FSM current – Secondary	470	486	474	498	483	13	2.76%
	Ever6 FSM – Primary	590	714	696	732	709	119	20.23%
	Ever6 FSM – Secondary	865	1043	1017	1069	1,036	171	19.81%
	IDACI Band F: Primary	222	233	227	239	231	9	4.25%
	IDACI Band E: Primary	272	284	277	291	282	10	3.58%
	IDACI Band D: Primary	423	446	435	457	443	20	4.66%
	IDACI Band C: Primary	464	486	474	498	483	19	4.09%
	IDACI Band B: Primary	494	517	504	529	513	19	3.88%
	IDACI Band A: Primary	645	679	662	696	674	29	4.52%
	IDACI Band F: Secondary	323	339	331	348	337	14	4.36%
	IDACI Band E: Secondary	428	451	439	462	448	20	4.62%
	IDACI Band D: Secondary	600	628	612	644	624	24	3.97%
	IDACI Band C: Secondary	655	689	672	706	684	29	4.46%
IDACI Band B: Secondary	705	739	721	758	735	30	4.19%	
IDACI Band A: Secondary	897	942	918	966	936	39	4.32%	
Low Prior Attainment	Primary	1,139	1170	1141	1199	1,162	23	2.03%
	Secondary	1,723	1773	1728	1817	1,761	38	2.20%
English as an Additional Language	Primary	569	587	573	602	584	15	2.56%
	Secondary	1,542	1,585	1,546	1,625	1,575	33	2.12%
Pupil Mobility	Primary	932	957	933	981	951	19	2.02%
	Secondary	1,340	1,377	1,343	1,412	1,368	28	2.12%
Lump Sum	Primary	121,300	129,646	126,405	132,887	128,793	7,493	6.18%
	Secondary	121,300	129,646	126,405	132,887	128,793	7,493	6.18%
Sparsity	Primary	55,000	57,024	55,598	58,450	56,649	1,649	3.00%
	Secondary	80,000	82,953	80,879	85,027	82,407	2,407	3.01%
	Minimum per pupil funding Primary	4,265	4,405			4,405		Weighting not applied to M
	Minimum per pupil funding Secondary (KS3 and KS4 combined)	5,525	5,715			5,715		Weighting not applied to M

2023-24 Budget Modelling

De-delegations and Education Functions –Maintained Schools Only

- A de-delegation of **£1.54** per pupil (subject to Schools Forum approval) is proposed in respect of Trade Union Facilities Time (academies are charged via a separated arrangement).
- As in previous years maintained schools will be subject to a charge of **£16.08** per pupil (subject to Schools Forum approval) to reflect the Education functions undertaken by the LA specifically for maintained schools.

Next Steps

- 22nd November – draft budgets circulated to schools and feedback sought on provisional budgets.
- Mid-December 2022 –DfE to publish final DSG allocations
- January 2023 –Schools Forum to review final proposals
- 21st January 2023–submission of the Authority Proforma Tool (APT) to the Education & Skills Funding Agency (ESFA)
- End of January/Early February 2023 –Primary and Secondary School Budgets to be published
- February 2023- High Needs block and Early Years budgets to be presented to Schools Forum