



Schools Forum

Report title: Dedicated Schools Grant 2023/24

Date: 15th December 2022

Key decision: No

Contributors:

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Outline and recommendations

The purpose of this report is to agree the principle and approach for the 2023/24 schools funding – Authority Proforma Tool (APT) submission to the Department for Education (DfE).

1. Schools Forum is asked to agree guiding principles including:-
 - I. Continuation with the National Funding Formula in the deployment of the Schools Block.
 - II. Agree to any growth funding to be included on the APT tool, with a minimal amount in the Growth Fund Budget to fund incremental support for bulge class and potentially any unplanned in-year growth/bulges. Any unused funds, to be held in the Growth Fund.
 - III. De-delegation to be in line with the current basis plus inflation (where appropriate).
 - IV. Minimum Funding Guarantee (MFG) – consider two options for MFG:-
 - Option one-** MFG set at max 0.5% (estimate), with any residue to support pressures in HNB.
 - Option two-** 0.5% transfer from Schools Block, followed by MFG set at affordability.
 - V. Review of the PFI factor
 - Option one-** Current method
 - Option two-** Current method adjusted to only include delegated budget share
2. Schools forum is also asked to note the continuation of financial risk associated with High Needs (demand led), Early Year (EY) (numbers accessing free entitlement), pressure on schools arising from economic challenges and national policy.
3. Schools forum is also asked to note and agree to receive further updates as more information is made available at the January meeting and the summer meeting.
4. Schools forum is further asked to approve the application of the increase in funding for EY as detailed in this report.

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Timeline of engagement and decision-making

At the time of writing, a partial Dedicated Schools Grant (DSG) settlement has been advised by the DfE, which was the main matter for discussion at the last schools forum meeting.

The final settlement is due just before the Christmas break, with a submission to the DfE due 20th January 2023. This leaves a very small time frame for officers to undertake detailed work. **Schools forum to note that this will mean that the lead in time will be reduced from 5 working days to 3 (potentially).**

The December meeting is commonly used for discussion between the Local Authority and Schools forum to agree the approach to facilitate the finalisation of the APT submission.

January 19th - a further meeting of Schools forum to support the submission of the APT tool to the DfE.

1. Summary

- 1.1. Main focus of this report is requesting Schools Forum to consider and agree main components of the 2023/24 funding formula that will enable Lewisham Council to provide a draft funding formula (the Authority Proforma Tool or APT), to the Department for Education (DfE), in January.
- 1.2. Please note we will provide further update on various risks including:-
 - High Needs Block
 - Early Years Funding
 - Central School Services Block (CSSB)

2. Background

- 2.1. Each Local Authority (LA) is required to submit their agreed Local Schools Funding Formula to the DfE by the 20th January 2023 (primary and secondary).
- 2.2. The deadline for producing this information is very challenging as the financial settlement is unlikely to be known until around 22nd December 2022. For this reason, there could potentially be a delay to the reports dispatch process - although every effort will be taken to meet the required timescales. **Schools forum to note**
- 2.3. The APT tool submission is mainly based on the Schools Block, however the LA is responsible for ensuring overall affordability across the whole Dedicated Schools Grant (DSG)
- 2.4. The APT modelling tool is provided by the DfE and is largely a pre-populated data modelling tool.
- 2.5. Using the APT tool, the LA determines each school's budget share and associated Minimum Funding Guarantee (MFG). The MFG is based on overall affordability and is now confirmed at 0 to 0.5% uplift per pupil (based on pupil-led characteristics e.g. Age Weighted Pupil Unit (AWPU), Free School Meals etc.). **Subject to affordability we will aspire to achieve as close to 0.5% as possible (or the maximum advised by**

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the DfE), as we are currently unclear if there is any additional funding that be added through increased MFG or a specific grant).

- 2.6. Once the APT is submitted it remains provisional until the DfE has undertaken validation and approved the submission for accuracy and compliance.
- 2.7. Special Schools are funded based on their operating model of places and top up. Funding for Special Schools is from the High Needs Block and is not part of the APT reconciliation.
- 2.8. Equally nursery schools, PVI's and the early years component for primary schools are funded from the Early Years Block and are not part of the APT tool process. No information has been received with regards to EY funding. The January 2023 forum report will provide an update based on the funding settlement. The recent EY funding consultation reported to forum in October 2022, suggested a likely increase in funding levels for Lewisham but we have no confirmation of this. In conversation, the DfE has confirmed that the recent funding announcements in the government's autumn statement do not cover early years or post-16. We await clarity from DfE in the December funding settlement.
- 2.9. There is a legal requirement for all schools to be advised of their budget share by the end of February 2023. It is at this point schools will be **formally** advised of their delegated budget share.
- 2.10. This report seeks to gain the necessary mandate to enable officers to provide schools forum with final funding information to enable both the above deadlines to be met.

3. DSG 2023/24

- 3.1. Schools forum was advised of the partial settlement for 2023/24 at their meeting in October 2022. Initially information received from the DfE suggested that the supplementary grant would be rolled into the DSG for statutory school age pupils. The autumn statement announced that there will be a new grant to distribute funding. Initial discussions with DfE suggest that funding will be at similar levels to the 2022/23 version of the supplementary grant, but until we have information in writing this cannot be confirmed.
- 3.2. Our interpretation we cautiously surmise a potential uplift of circa 5%: (supplementary grant streamlined (2.5%); new supplementary grant (circa 2% to 2.5%), uplift in MFG (0.5%). Again, this will not be confirmed until December settlement.

4. Proposed application of the Schools Block

- 4.1. **Alignment to the National Funding Formula** - Continue to progress with the principles of the National Funding Formula in full. This includes using all funding values as determined by the DfE. **Schools Forum to agree (primary and secondary)**
- 4.2. **Minimum Funding Guarantee (MFG) uplift** – the DfE requirement is that all schools will receive an uplift of between 0 to 0.5%. Subject to affordability it is proposed that the formula will endeavour to deliver on or as close to the max allowed by the DfE. **Schools Forum to agree (primary and secondary)**

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5. De-delegation

- 5.1. The DfE guidance enables Local Authorities to provide services centrally which are funded by a process known as de-delegation. This only applies to mainstream schools and not academies. As such, funding levels agreed will reduce should any school convert following finalisation of the budget process.
- 5.2. The de-delegation process must be agreed every year and supported (by means of voting) by the representative of each phase at Schools Forums. The proposal for 2022/23 delegation are in line with the current de-delegation levels. It is proposed that de-delegation continues in line with current levels plus 5% uplift where indicated (referencing to mid-level pay awards), and supports the following:

- a) Administration of Free School Meals (£61.3k plus 5%) = £64.4k
- b) Trade union and non-sickness supply scheme (Maternity Fund) (£1.14m plus 5% = £1.2m) **Schools Forum to note, that we are currently gathering information on those establishments that need reimbursement which will form the basis of the recovery method)**
- c) School Improvement – Consider separate paper on School Improvement= £450,094
- d) Schools Contingency – to support costs that should not be reasonably incurred by a governing body. (£557k). Please note that Schools Forum has agreed a two year finance support package, 2023/24 as agreed by Schools Forum in October 2021.

- 5.3. **Schools Forum to agree (primary and secondary) de-delegation as proposed in table 1 below**

Table 1- Proposed de-delegation 2023/24

De-delegation Types	Current	Revised	Difference
Schools contingency	£557,604	£557,604	0
Free school meals eligibility	£61,333	£64,400	£3,067
Licences/ subscriptions subject to DfE request	£176,486	To be advised by DfE	
Staff costs supply cover	£1,127,500	£1,183,875	£56,375
Lewisham Learning	£450,094	Subject to report elsewhere	
	£2,372,317		

6. Overall duty to ensure spending is within DSG

- 6.1. There is a requirement for the DSG to spend within the overall affordability. Schools forum will be aware from previous discussions on the pressure, in particular relating to the High Needs Block
- 6.2. **Schools forum to receive verbal update from the High needs Working group meeting**

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7. Transfer request of 0.5% to support the High Needs Bloc

- 7.1. **Schools Forum is asked to consider a potential transfer of 0.5% from the Schools Block to the High Needs for 2023/24.**
- 7.2. To enable this consideration it is proposed that two options are put to schools forum:-
 - a. APT using full funding.
 - b. Impact of transfer of 0.5%.

8. Early Years Funding

- 8.1 At the time of writing we have yet to receive confirmation of the EY block. Depending on the final settlement position, Officers will provide recommendations for consideration by schools forum. This will include an overall uplift based on the current formula allocation.

9. Financial implications

- 9.1. There are no significant financial implications of this report

10. Legal implications

- 10.1. There are no significant legal implications of this report.

11. Equalities implications

- 11.1. There are no direct EI implications arising from this report as it complies with the implementation of the NFF which its self would have been through the EI assesement.

12. Climate change and environmental implications

- 12.1. There are no crime and disorder implications of this report.

13. Crime and disorder implications

- 13.1. There are no crime and disorder implications of this report.

14. Health and wellbeing implications

- 14.1. There are no direct health and wellbeing implications

15. Report authors and contact

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