

Dedicated Schools Grant 2023/24

Schools' Forum Date	12 th January 2023
Type of Decision	For decision
Background Documents	19th December 2022 DfE 2023-24 Education Funding Announcement 15 th September 2022 schools forum report.
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Purpose of Report	To report on the implications of the census data, Dedicated Schools Grant (DSG) and the Mainstream Schools Additional Grant (MSAG) updates for 2023/24 and to make recommendations on the final funding formula for mainstream schools
Key Recommendations	The Forum is asked to: <ol style="list-style-type: none"> 1. Note the Dedicated Schools Grant settlement for 2023/24. 2. Recommend the council agree the school funding formula for 2023/24, as set out in Annex A. 3. Agree that the balance on the schools block is used to support the continuation of the 1 in 40 High Needs model. 4. Note the information on the additional funding that will be received through the separate Mainstream Schools Additional Grant (MSAG). 5. Note the increase in the Early Years hourly rates. Recommendations are contained in a separate paper on the agenda. 6. The Forum agrees the allocation of the central schools services block as set in section 5.
Resource Implications	The 2022/23 DSG announced on 16 th December 2022 totals £589.344m. A Mainstream Schools Additional Grant (MSAG) of £15.322m has also been announced giving total funding of £604.666m. This represents an increase in funding of £41.247m (7.3%) from the current 2022/23 DSG and Supplementary Grant total.

1 Introduction

This paper updates the Forum on the final Dedicated Schools Grant (DSG) for 2023/24. The Forum will now need to make recommendations on the funding formula for mainstream schools, early years providers and note the latest position on the central school services block and high needs block (see separate paper) of the DSG. An update on the Mainstream Schools Additional Grant (MSAG) is also included.

2 Dedicated Schools Grant and Mainstream Schools Additional Grant (MSAG)

2.1 Summary

The Indicative DSG figures for 2023/24 were announced on the 19th July 2022 and presented to the schools forum on the 15th September 2022. The latest announcement made on the 19th December 2022 provides the actual DSG figures for 2023/24 which include funding updates for the October 2022 census and other census data.

Additional 2023/24 funding of £18.998m (on top of the indicative DSG announced in September) was also announced at the same time. This consists of a further increase of £3.676m (4.3%) to the high needs block of the DSG and an extra £15.322m (3.5%) for mainstream schools in the form of a separate grant outside of the DSG called the Mainstream Schools Additional Grant (MSAG). This grant is similar to the supplementary grant that was provided in 2022/23 and like that grant will be rolled into the DSG in the following year. The increase in funding is to recognise the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original block allocations of the DSG were calculated.

The DSG increase before the newly announced additional funding for schools and high needs was a 3.95% increase of £22.249m which included a 3.4% increase for schools and 6.1% for high needs. With the additional £18.999m funding now included this represents a 7.3% total increase of £41.247m (increases of 6.9% for schools and 10.4% for high needs).

The table below shows the final 2023/24 DSG allocation for Gloucestershire, alongside the 2022/23 allocation, so that members can note the increases:

2023/24 DSG & Additional Grant Summary	Schools	High Needs	Central School Services	Early Years	Total
22/23 DSG (as at December 2022)	£428.040m	£84.241m	£2.964m	£35.879m	£551.124m
22/23 Schools Supplementary Grant	£12.295m				£12.295m
22/23 DSG and Supplementary grant	£440.335m	£84.241m	£2.964m	£35.879m	£563.419m
23/24 DSG Block Funding (at Dec 2022)	£455.425m	£93.023m	£3.077m	£37.818m	£589.344m
23/24 Additional Grant	£15.322m				£15.322m
23/24 DSG and Additional Grant	£470.748m	£93.023m	£3.077m	£37.818m	£604.666m
Change	£30.413m	£8.782m	£0.113m	£1.939m	£41.247m
<i>Percentage Change</i>	<i>6.9%</i>	<i>10.4%</i>	<i>3.8%</i>	<i>5.4%</i>	<i>7.3%</i>

These figures include changes for census data movements in total pupil numbers.

2.2 Schools Block and Delegated Schools Formula

After taking into account the previously agreed growth fund of £1.0m, the funds allocated in the DSG schools block settlement are enough to allow each formula factor rate and the minimum funding levels to be implemented 100% at the NFF level and for the MFG to be set at the same +0.5% level as the funding floor within the NFF.

Details of the key changes in the NFF between 2022/23 and 2023/24 were presented at the 15th September 2022 Schools Forum meeting along with details of the NFF rates for each individual factor. Those NFF factors and rates will still be used in the 2023/24 budget allocations that will be notified to individual mainstream schools at the end of February 2023, however, additional funding will now also be received via the newly announced 2023/24 Mainstream Schools Additional Grant (MSAG) as detailed below:

Mainstream Schools Additional Grant (MSAG)

Additional funding nationally is to be allocated to schools through this separate grant which is in addition to the schools block DSG funding. Gloucestershire's share of this is £15.322m.

DfE payments for 2023/24 will be received in 2 tranches. In May 2023 for local authorities, and June 2023 for academies, to cover April 2023 to August 2023; and in October 2023 for local authorities, and November 2023 for academies, to cover September 2023 to March 2024. In recognition of the funding cycle for academies, which follows the academic year, they will receive an additional allocation of the MSAG to cover April to August 2024.

Schools will have the flexibility to prioritise their spending of the MSAG to best support the needs of their pupils and staff and address cost pressures.

The national 5 to 16 MSAG per-pupil funding rates will be:

- a basic per-pupil rate of £119 for primary pupils, including pupils in reception
- a basic per-pupil rate of £168 for key stage 3 pupils
- a basic per-pupil rate of £190 for key stage 4 pupils
- a lump sum of £4,510
- an FSM6 per-pupil rate of £104 per eligible primary pupil
- an FSM6 per-pupil rate of £152 per eligible secondary pupil

FSM6 pupils are those who are recorded as having been eligible for free school meals at any point in the last six years.

An Area Cost Adjustment (ACA) to reflect geographical variation in both the general labour market (GLM) and in teacher pay scales will also be applied to these rates in line with the ACA adjustment in the NFF. The Gloucestershire ACA rate that will be applied is 1.00629.

Changes in funding rates between 2022/23 and 2023/24

For ease of reference, the table from the September Forum meeting that showed the change in NFF rates between 2022/23 and 2023/24 is shown below with the additional MSAG rates shown alongside.

NFF and Schools Supplementary Grant increase from 2022/23 to 2023/24	As per DfE Published tables							
	Excludes Area Cost Adjustment (ACA)						Overall increase amount	Overall percent increase
	2022/23 DfE Rate	22/23 Schools Supplementary Grant (£S\$G)	2022/23 DSG & SSG overall	2023/24 NFF Rates	2023/24 DSG & MSAG MSAG	2023/24 DSG & MSAG overall		
	£	£	£	£	£	£	£	
Pupil Led Factors								
Basic per-pupil rate of £97 for primary pupils	3,217	97	3,314	3,394	119	3,513	199	6.0%
Basic per-pupil rate of £137 for key stage 3 pupils	4,536	137	4,673	4,785	168	4,953	280	6.0%
Basic per-pupil rate of £155 for key stage 4 pupils	5,112	155	5,267	5,393	190	5,583	316	6.0%
Deprivation Primary (FSM ever 6)	590	85	675	705	104	809	134	19.9%
Deprivation Secondary (FSM ever 6)	865	124	989	1,030	152	1,182	193	19.5%
Deprivation Primary (FSM)	470		470	480		480	10	2.1%
Deprivation Secondary (FSM)	470		470	480		480	10	2.1%
IDACI F Primary	220		220	230		230	10	4.5%
IDACI F Secondary	320		320	335		335	15	4.7%
IDACI E Primary	270		270	280		280	10	3.7%
IDACI E Secondary	425		425	445		445	20	4.7%
IDACI D Primary	420		420	440		440	20	4.8%
IDACI D Secondary	595		595	620		620	25	4.2%
IDACI C Primary	460		460	480		480	20	4.3%
IDACI C Secondary	650		650	680		680	30	4.6%
IDACI B Primary	490		490	510		510	20	4.1%
IDACI B Secondary	700		700	730		730	30	4.3%
IDACI A Primary	640		640	670		670	30	4.7%
IDACI A Secondary	890		890	930		930	40	4.5%
Prior Attainment (Y1-6 Early Years Foundation Sta	1,130		1,130	1,155		1,155	25	2.2%
Prior Attainment (Y7 - Y11 LPA)	1,710		1,710	1,750		1,750	40	2.3%
English as Additional Language (3 year EAL)	565		565	580		580	15	2.7%
English as Additional Language (3 year EAL)	1,530		1,530	1,565		1,565	35	2.3%
Mobility Primary	925		925	945		945	20	2.2%
Mobility Secondary	1,330		1,330	1,360		1,360	30	2.3%
School Led Factors								
Lump Sum Primary	121,300	3,680	124,980	128,000	4,510	132,510	7,530	6.0%
Lump Sum Secondary	121,300	3,680	124,980	128,000	4,510	132,510	7,530	6.0%
Sparsity Primary Maximum	55,000		55,000	56,300		56,300	1,300	2.4%
Sparsity Secondary Maximum	80,000		80,000	81,900		81,900	1,900	2.4%
Minimum Per Pupil Level (MPPL) Uplift		SSG equivalent						
Primary	4,265	119	4,384	4,405		4,405	21	0.5%
Secondary	5,525	162	5,687	5,715		5,715	28	0.5%

Note : The 2023/24 Minimum Per Pupil Funding Uplift only applies to the DSG rate. The MSAG is allocated in addition to the DSG funding received. e.g. If a primary school is uplifted to a MPPL of £4,405 in their 23/24 budget they still receive the additional MSAG funding as well.

An Area Cost Adjustment (ACA) to reflect geographical variation in both the general labour market (GLM) and in teacher pay scales is also applied in the NFF and the MSAG. For Gloucestershire the ACA is 1.00629 which will be applied as usual to further increase the factor rates above where applicable.

2023/24 Split site factor.

The Gloucestershire split site formula is based on a lump sum and per pupil amount and as agreed at the 15th September schools forum, we have uplifted these for 2023/24 by 2.42% in line with the NFF increase in those factors. This provides a 2023/24 split site factor before ACA of £47,692 plus £63.64 per pupil.

The above are the same NFF 2023/24 factor rates that were reported at the indicative budget stage at the September Forum meeting, with the only change to the schools funding formula then being to use the updated census data numbers which produces the summary formula shown at **Annex A**. Please note those allocations are before the Mainstream Schools Additional Grant (MSAG).

This leaves a balance of £0.092m in the 2023/24 schools block which in line with the decision at the 15th September 2022 Forum meeting will be used to support the continued funding of the 1 in 40 High Needs model.

It is worth noting that there has been a steady decline in the amount of funding remaining and contributing to the 1 in 40 High Needs model over the last few years (£0.882m in 2020/21; £0.643m in 2021/22; £0.307m in 2022/23 and now £0.092m in 2023/24) and had it not been for the reduction in growth fund needs in 2023/24 from £1.3m to £1.0m we would not have been able to fully fund schools at the 100% NFF level. We are aware of a number of other authorities who do not have enough funds in 2023/24 to fund at the 100% NFF level and are having to fund their schools at a lower than 100% level as a result.

Recommendations

- 1. The Forum notes the Dedicated Schools Grant settlement for 2023/24.**
- 2. The Forum recommends the council agree the school funding formula for 2023/24, as set out in Annex A.**
- 3. The Forum agrees that the balance on the schools block is used to support the continuation of the High Needs targeted funding model (currently the 1 in 40 model).**
- 4. The Forum notes the information on the additional funding that will be received through the separate Mainstream Schools Additional Grant (MSAG).**

2024/25 Split site factor change

Following the recent ESFA consultation on [implementing the direct national-funding-formula](#) the DfE will be introducing a new funding factor for split site schools from 2024/2025 as part of the transition to a 'direct' NFF. This means that local authorities will no longer be responsible for determining the approach to funding split site schools in their area from 2024/2025 when the current local split site funding formula will be replaced by the DfE's own split site funding factor within the NFF. To help facilitate this transition, local authorities are required to provide data on split sites to the DfE as part of the 2023/24 funding exercise.

We therefore require all mainstream schools and academies to check whether they will qualify for split site funding under the new DfE national eligibility criteria, this is particularly important for those schools who currently receive a split site allocation under Gloucestershire's local funding arrangements. Guidance on how schools can check if they qualify and where necessary submit information to the local authority has already been issued on the Schools' Bulletin Board, What's Up Gov and Heads Up sites and is also available through this [link](#).

3 [Pupil Premium](#)

The Pupil premium grants for 2023/24 have also been announced and have been increased by 5% to the following:

- Primary FSM6 pupils: £1,455
- Secondary FSM6 pupils: £1,035
- Looked-after children: £2,530
- Children who have ceased to be looked-after £2,530
- Service children: £335

Allocations for schools will be published in Spring 2023

The DfE will be issuing Information about other grants for 2023/24 during 2023.

4 Early Years

The funding announcements on 19th December included an increase in the hourly funding rates by 26 pence for three and four year olds and 8 pence for two year olds (see table below). In addition to this increase there was an increase of £61,808 to the disability access fund and an increase of £11,083 for pupil premium, giving an overall increase to the early years block of £1,939,553 for 2023/24. There will be further updates in the summer 2023 and summer 2024 for the January pupil counts which will reflect more accurately the picture than the January 2022 census which these figures are based on.

	Hourly Price increase £	Total £
2 yr olds	0.08	43,776
3 & 4 yr olds universal	0.26	1,275,466
3 & 4 yr olds working parents	0.26	547,420
Pupil premium		11,083
Disability Access Fund		61,808
		<u>1,939,553</u>
Activity based on January 2022 census		

Recommendation 5: Forum notes the increase in the Early Years hourly rates

5 Central School Services Block (CSSB)

The CSSB includes funding for on-going responsibilities of Local Authorities for the statutory duties that they hold for both maintained schools and academies. It includes funding for copyright licences, education support and centrally retained duties. The allocation is based on a formula using pupil numbers (90%), free school meals (Ever 6, 10%) with an area cost adjustment applied. The rate per pupil for 2023/24 has increased by £0.89 to £36.98 and there has been an increase of 1,083 pupils resulting in a 3.8% increase of £0.113m.

These funds cover the following costs: -

Central School Services Block	£M
Copyright licences cost for 2023/24	0.591
Education Support	1.526
Centrally Retained Duties	0.960
TOTAL	3.077

The cost of copyright licences reflects the recent announcement for the 2023/24 charge.

Education Support – Includes Admissions, Schools Forum coordination, support services.

Centrally Retained Duties includes corporate support services such as HR, Finance, Strategic support, Premises and ICT costs.

Recommendation 6: Forum agrees the allocation of the central school's services block as set out above.

6. High Needs

Overall, the 2023/24 High Needs Block of the DSG has been allocated an additional £8.782m (10.4%). This consists of the initial increase to the DSG announced in July 2022 which has been updated for census data changes totalling £5.106m (6.1%), plus the further high needs DSG funding announced on 19th December 2022 of £3.676m (4.3%). As part of the additional funding there is a requirement that local authorities must allocate 3.4% per place and top up funding to Special and AP Schools in 2023/24.

Details of the 2022/23 High Needs forecast and further details about high needs for 2023/24 are contained within the High Needs report.

ANNEX A: Schools and academies budget summary 2023/24.

	<u>Units</u>	<u>Rate</u>	<u>Primary</u>	<u>Secondary</u>	<u>Total</u>	<u>% of delegated budget</u>
		£	£	£	£	
<u>Pupil led Factors:</u>						
Basic Entitlement Primary (Age Weighted Pupil Unit)	47,451	£3,415.42	162,065,094		162,065,094	35.7%
Basic Entitlement KS3 (Age Weighted Pupil Unit)	22,070	£4,815.19		106,271,243	106,271,243	23.4%
Basic Entitlement KS4 (Age Weighted Pupil Unit)	13,922	£5,427.03		75,555,112	75,555,112	16.6%
Total AWPU (October 2022 pupils)	83,443		162,065,094	181,826,355	343,891,449	75.7%
Deprivation Primary (FSM ever 6)	8,987	£709.45	6,375,902		13,468,032	3.0%
Deprivation Secondary (FSM ever 6)	6,842	£1,036.50		7,092,130		
Deprivation Primary (FSM)	8,609	£483.03	4,158,397		7,068,935	1.6%
Deprivation Secondary (FSM)	6,026	£483.03		2,910,538		
IDACI F Primary	4,436	£231.45	1,026,813		2,073,649	0.5%
IDACI F Secondary	3,105	£337.11		1,046,837		
IDACI E Primary	3,621	£281.77	1,020,303		2,216,787	0.5%
IDACI E Secondary	2,672	£447.81		1,196,484		
IDACI D Primary	1,306	£442.78	578,058		1,152,080	0.3%
IDACI D Secondary	920	£623.91		574,022		
IDACI C Primary	1,855	£483.03	896,057		1,703,391	0.4%
IDACI C Secondary	1,180	£684.29		807,334		
IDACI B Primary	1,701	£513.22	872,735		1,717,515	0.4%
IDACI B Secondary	1,150	£734.61		844,780		
IDACI A Primary	142	£674.23	95,534		193,857	0.0%
IDACI A Secondary	105	£935.87		98,323		
Prior Attainment (Y1-6 Early Years Foundation Stage Profile)	13,691	£1,162.29	15,913,005		28,656,746	6.3%
Prior Attainment (Y7 - Y11 LPA)	7,236	£1,761.04		12,743,741		
English as Additional Language (3 year EAL)	2,826	£583.66	1,649,313		2,582,524	0.6%
English as Additional Language (3 year EAL)	593	£1,574.88		933,211		
Mobility Primary	455	£950.96	432,801		473,502	0.1%
Mobility Secondary	30	£1,368.58		40,702		
Total Pupil Led delegations			195,084,010	210,114,456	405,198,466	89.2%

School Leds Factors:			£	£	£	£
Lump Sum	244	£128,807.68	31,429,074		36,710,189	8.1%
Lump Sum	41	£128,807.68		5,281,115		0.0%
Sparsity	74	£56,655.25	3,094,795		3,278,035	0.7%
Sparsity	4	£82,416.79		183,240		0.0%
Total Other Formula factors			34,523,869	5,464,355	39,988,224	8.8%
Premises:			£	£	£	
Split Sites	<i>3 schools @ £47,993.19 + £64.04 / pupil</i>		120,129		120,129	0.0%
Rates	<i>Currently based on 23/24 NFF + adjustment to 22-23 rates and inflationary increases to 23-24 rates</i>		2,795,350	1,221,472	4,016,822	0.9%
Exceptional Premises Factor - Rents	<i>Based on 23/24 estimates</i>		149,919	0	149,919	0.0%
Total Premises			3,065,399	1,221,472	4,286,870	0.9%
Total budget allocations before MFG, minimum pupil funding uplift and de-delegation			232,673,278	216,800,283	449,473,560	98.9%
Minimum Per Pupil Funding Uplift			£	£	£	
Additional funding due to minimum per pupil funding (primary pupils)	35	£4,405	2,180,648		2,180,648	0.5%
Additional funding due to minimum per pupil funding (Secondary schools with KS3 & KS4 pupils)	10	£5,715		2,112,565	2,112,565	0.5%
Additional funding due to minimum per pupil funding (Secondary schools with KS3 pupils only)	0	£5,503		0		
Additional funding due to minimum per pupil funding (Secondary schools with KS4 pupils only)	0	£6,033		0	0	0.0%
Total Minimum Pupil Funding Uplift			2,180,648	2,112,565	4,293,213	0.9%
Total budget allocations before MFG and De-delegations			234,853,926	218,912,848	453,766,774	99.9%
Minimum Funding Guarantee			£	£	£	
MFG protections	0.50%		495,062	100,367	595,429	0.1%
Total Minimum Funding Guarantee			495,062	100,367	595,429	0.1%
Total budget allocations after MFG, Minimum Per Pupil Funding Uplift but before De-delegations			235,348,988	219,013,215	454,362,202	100.0%

De-delegation for maintained schools only (takes into account anticipated conversions by 4/1/23)

	<u>Maintained</u>	<u>Rate</u>	<u>Primary</u>	<u>Secondary</u>	<u>Total</u>	
	<u>Pupils</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	
Targeted Intervention & Support Primary	33,746	£9.27	312,825		312,825	0.1%
Targeted Intervention & Support Secondary	4,412	£0.00		0		
Union Facilities Primary	33,746	£3.05	102,925		102,925	0.0%
October Pupil Increases (above threshold)	33,746	£6.32	213,275		213,275	0.0%
Education Functions Primary (statutory duties previously covered by ESG general duties)	33,746	£5.00	168,730		168,730	0.0%
Education Functions Secondary (statutory duties previously covered by ESG general duties)	4,412	£5.00		22,060	22,060	0.0%
Total de-delegation funds available to maintained schools	38,158		797,755	22,060	819,815	0.2%
Total budget allocations after Minimum Per Pupil Funding Uplift, MFG and De-delegations			234,551,232	218,991,155	453,542,387	99.8%