

**Agenda Item  
9**



**Report Status**

For information/note   
For decision

**Report to Haringey Schools Forum - 13<sup>th</sup> October 2022**

**Report Title: Dedicated Schools Budget Modelling for 2023/24**

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**Purpose:**

1. To propose the process for Dedicated Schools Grant (DSG) to all Haringey schools on the funding formula for the financial year 2023/24.

**Recommendations:**

- a. Note the changes to the Funding level for 2023/24
- b. Further to the previous Safety Valve Programme paper, to note the decision for a 0.5% Schools block transfer to the High Needs Block each year from 2023/24 to 2027/28
- c. Schools Forum to agree to delegate to the Schools Block working group the Local Authority formula models for 23/24 for consultation with schools in October/November 2022 as outlined in Section 3
- d. Schools Forum to note the requirements of the Schools Block Working group so they can provide potential models to consult with schools during November 2022 (Section 4)

## 1 Introduction.

- 1.1 This paper sets out the strategy for Dedicated Schools Grant (DSG) formula for schools' budget share allocations for the financial year 2023/24.
- 1.2 The DfE policy document published on 14th September 2017 and last updated on 19th July 2022 which sets out the background and principles of the new NFF for schools can be found at:

[National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

- 1.3 The DSG is currently divided into four notional blocks: Schools Block, High Needs Block, Early Years Block, and Central School Services Block.
- 1.4 The details of national funding formulae for schools and high needs for 2023/24 is published by the DfE in July 2022 on the following link:

[The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- 1.5 The shift to a 'hard' formula, without local input has not yet been implemented by the DfE and the DfE has announced that there will be no changes for 2023/24.

## 2 Changes in funding level for 2023-24.

- 2.1 The basic structure of the schools National Funding Formula (NFF) is not changing in 2023/24. There are a small number of changes in existing factors of the formula in 2023/24, listed in this section.

### 2.2 Increase in funding factors values nationally:

- Funding through the schools NFF is increasing by 1.9% overall in 2023/24, and 1.9% per pupil, compared to 2022/23. In 2022/23, core schools funding was allocated through a school's supplementary grant (SSG) in addition to the NFF.
- Additional support directed to disadvantaged pupils, by increasing the FSM6 and IDACI factors in the schools NFF by a greater amount than other factors. These factors will increase by 4.3%, compared to their 2022/23 values. This means that we will be targeting a greater proportion of schools NFF funding towards deprived pupils than ever before - 9.8% of the schools NFF will be allocated according to deprivation in 2023/24.
- The core factors in the schools NFF (such as the basic entitlement, and the lump sum that all schools attract) will increase by 2.4%.
- 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.
- The funding floor will ensure that all schools attract at least 0.5% more pupil led funding per pupil compared to its 2022-23 NFF allocation.

- Rolling the 2022/23 school supplementary grant into the schools NFF ensuring that this additional funding forms an on-going part of schools' core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this.

Source: [The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1071122/nff-formulae-2023-24.pdf) Page 4

It is important to note that the increase in funding factor values stated above refer to the national picture and may not be relevant to Haringey. Haringey factors may be above the NFF factors, resulting in no impact on Haringey Schools.

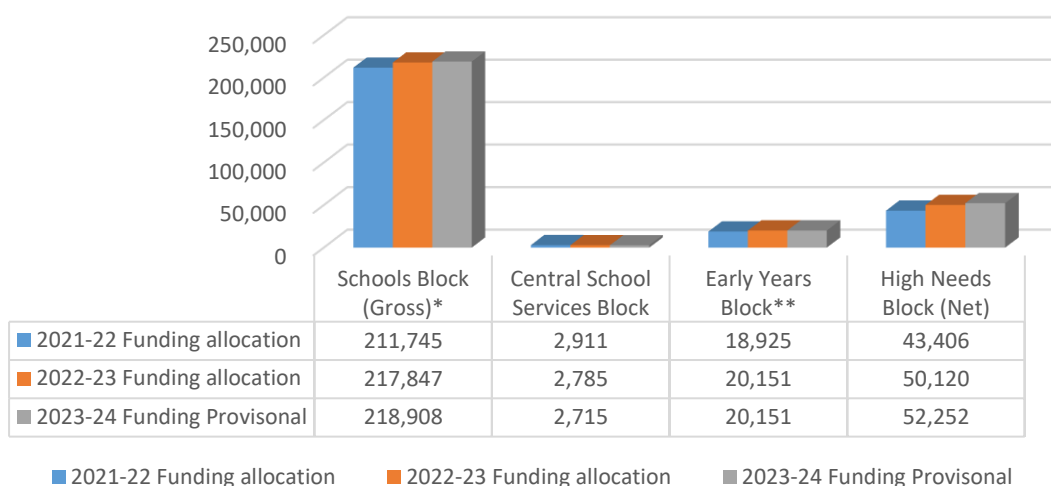
### 2.3 Key features to the local funding formulae

- Local authorities will continue to set a minimum funding guarantee (MFG) in local formulae, which in 2023/24 must be between +0.5% and +2%. A disapplication will be required for setting a MFG outside the +0.5% and +2% range.
- Local authorities will again be able to transfer up to 0.5% of their total school's block allocations to other blocks of the Dedicated Schools Grant (DSG), with school's forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without school's forum approval.
- DfE will calculate the actual value of DSG funding allocation for all local authorities and the schools' block will be calculated using these factor values using October 2022 census data when available.
- Awaiting DfE guidance on whether Local Authority factor values are required to move 10% closer to the NFF values for 23-24.

2.4 Following consultation with Schools in November 2022, the outcome of the consultation will be shared at Schools Forum in January 2023 with a recommendation to Schools Forum for the decision.

2.5 The graph below demonstrates the indicative DSG budget allocation for 2023/24. The Roll Up of Supplementary Grant has been included in the figure for 2022/23 and 2023/24. The graph below shows the comparison over the last 3 years of the funding blocks:

### Graph A - Dedicated Schools Grant



\* From 22/23 the Schools Block allocation includes schools' supplementary grant.

\*\*Early Years Block allocation for 2023/24 is yet to be confirmed.

### 3 Approach to consultation with schools on 2023/24 Schools Funding

- 3.1 Further to the recommendation C, if agreed by the school forum, the members of Schools Block working group will meet to review potential model options for the funding formula for 2023/24 for the consultation.
- 3.2 The members of Schools Block working group will need to consider any decisions made by the DfE in relation to requirements for LAs to move closer to the hard NFF values in 2023/24.
- 3.3 The effects of adopting different levels of MFG within local flexible range between 0.5% and 2% will be considered.
- 3.4 The proposed approach to consultation to agree the 2023/24 DSG formula is outlined below:
  1. October 2022:
    - a. Decision for Schools Forum to agree the 0.5% Schools Block transfer to the High Needs Block and delegate to the Schools Block working group to agree the models to be consulted on with schools in November 2022.
  2. November 2022:
    - a. Schools Block working group meet to agree the models to be consulted on
    - b. Schools finance team to issue consultation to schools
    - c. Relevant disapplication requests submitted to the DfE where appropriate
  3. December 2022:
    - a. Collate and evaluate consultation responses from schools and present recommendations to School's Forum in January 2023.
  4. January 2023:
    - a. Presentation of the proposed recommendations and Authority Proforma Tool (APT) following consultation from schools for Schools' Forum approval.
    - b. Following Lead member approval, the APT will be submitted to the ESFA.

## 4 Schools Block DSG Funding formula 2023-24 proposed models

- 4.1 Due to the timing of this paper, it is not possible to outline potential 23-24 formula models that will be discussed by the Schools block working group. This is due to Schools Forum decision to be made in relation to the Safety Valve recommendation of a 0.5% Schools block transfer to the High needs Block, as well as awaiting DfE confirmation re NFF funding changes as outlined in section 2.3, bullet point four of this paper.

The table below includes allocations for 2022/23, showing centrally retained and de-delegation amounts

Description	Schools affected	Proposed Amount
<b>Growth Funding*</b>	All schools	£1,100,000
<b>Education Welfare</b>	All schools	£122,000
<b>Nursery Split Site Funding</b>	All schools	£60,000
<b>Trade Union Facility</b>	Maintained only – delegation	£165,000

\*Growth funding will be revised based on current years requirements

- 4.2 Referring back to paragraph 3.2, the Schools Block working group will expand on

- The initial models to include options for moving closer to the hard NFF
- Different levels of Minimum Funding Guarantees
- Proposed allocations for Growth funding, Education Welfare, Nursery Split Site Funding and Trade Union facility are as per Section 4.1