

**Agenda Item
10**



Report Status

For information/note
For decision
For consultation & views

Report to Haringey Schools Forum – 12th January 2023

Report Title: Schools Block Funding Model Strategy for 2023-24

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Purpose:

1. To provide the results of the 2023-24 Haringey primary and secondary schools DSG funding formula consultation and recommendations to set the distribution of the 2023-24 DSG.

Recommendations:

- 1) To note the results of the 2023-24 Haringey primary and secondary schools DSG funding formula consultation.
- 2) For Schools Forum to decide on the preferred 2023-24 DSG funding formula model, with recommendations listed below:

- a) To note Model 2 is the only option available given the funding settlement and regulations;
- b) To note the transfer of 0.50% from the Schools Block allocation to the High Needs Block (HNB) as agreed in the October 2022 Schools Forum. At the October decision this was estimated at £1.051m and with the proposed DSG allocation since announced this equates to £1.098m;
- c) To agree the Growth fund to be set at £300k;
- d) To agree the Minimum Funding Guarantee (MFG) is set between 0.2% and 0.34% dependent on the block transfers agreed and any necessary consent from the DfE;
- e) To agree the block transfer of £122k from the Schools Block to the Central Schools Services Block (CSSB) for Education Welfare Services dependent on any necessary consent from the DfE;
- f) To agree the block transfer from the Schools block to the Early Years block of £60k to fund a Haringey Primary school with a Nursery School on a split site, dependent on any necessary consent from the DfE;
- g) To agree the de-delegation of £165k for Trade Union Representation (for maintained schools only).

1 Introduction.

The DSG is currently divided into four notional blocks:

- Schools Block
- High Needs Block
- Early Years Block
- Central School Services Block

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/government/policies/national-funding-formula-for-schools-and-high-needs)

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/government/policies/national-funding-formulae-for-schools-and-high-needs)

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.
- 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 \(publishing.service.gov.uk\) Page 4](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/106422/nff-formulae-2023-24.pdf)

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. In 2023-24 Haringey factors have moved 10% towards the NFF.

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 +0.0% and +0.50%. A disapplication will be required for setting a MFG above the +0.5%.
- 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.

3 School Funding Formula 2023-24

- 3.1 Following a decision by Schools Forum in October 2022, the model options for the 2023-24 DSG funding formula consultation with all schools was delegated to the Schools Block Working Group (SBWG). The allowable range for setting the MFG for 2023-24 is between 0% to 0.5%. At the time of review by the SBWG, it was requested that the council make a disapplication to set a higher MFG in the range from 0.5% to 2% should the available funding enable the council to set a higher MFG. However, with the final settlement figures the MFG can only be set between 0.2% and 0.34%
- 3.2 Now the final settlement has been announced at £219.467m and the NFF funding requirements applied to the APT the adoption of model 2 is the only option available. A further indicative £7.124m Maintained Schools Additional Grant has been announced in December 2022 and the DfE will announce school level allocations in the Spring 2023.
- 3.3 The maximum local block transfer is set at 0.5%. The October 2022 school's forum agreed a block transfer of 0.5% to HNB. The adoption of the £122K Education Welfare Services and £60K split site will be contingent on DfE approval for block transfers above 0.5%.

3.4 Two MFG models were selected for consultation as outlined below:

Model 1:

- DSG formula factors 10% closer to NFF values
- HNB transfer of 0.5%
- MFG set between 0.5% - 2%

Model 2:

- DSG formula factors 10% closer to NFF values
- HNB transfer of 0.5%
- MFG set between 0% - 0.5%

Proposed allocations applicable to both models

| Allocation type | Schools Affected | Description | Proposed Amount (£) |
|-----------------|------------------|--|---------------------|
| Top Slice | All Schools | Growth Fund allocation | 300,000 |
| De-Delegation | Maintained | Trade Union Facility | 165,000 |
| Block Transfer | All Schools | Block transfer to CSSB for Education Welfare | 122,000 |
| Block Transfer | All Schools | Block Transfer to Early Years Block for Nursery split site funding | 60,000 |
| Block Transfer | All Schools | HNB transfer at 0.5% | 1,097,808 |

3.5 Further to the consultation responses and the DSG allocations (see Appendix 1 for the financial implication of each decision for all schools) the following proposals are recommended for school's forum approval, subject to approval for the relevant DfE consents:

- To adopt Model 2; and
- To note the transfer of 0.50% from the Schools Block allocation to the High Needs Block as agreed in the October 2022 Schools Forum. At the October decision this was estimated at £1.051m and with the proposed DSG allocation since announced this equates to £1.098m;
- To agree the Growth fund be set at £300k;
- To agree the Minimum Funding Guarantee (MFG) is set between 0.2% and 0.34% dependent on the block transfers agreed and any necessary consent from the DfE;
- To agree the Block transfer of £122k from the Schools Block to the Central Block for Education Welfare Services, dependent on any necessary consent from the DfE;
- To agree the block transfer from the Schools block to the Early Years block of £60k to fund a Haringey Primary school with a Nursery School on a split site, dependent on any necessary consent from the DfE;
- To agree the de-delegation of £165k for Trade Union Representation (for maintained schools only).

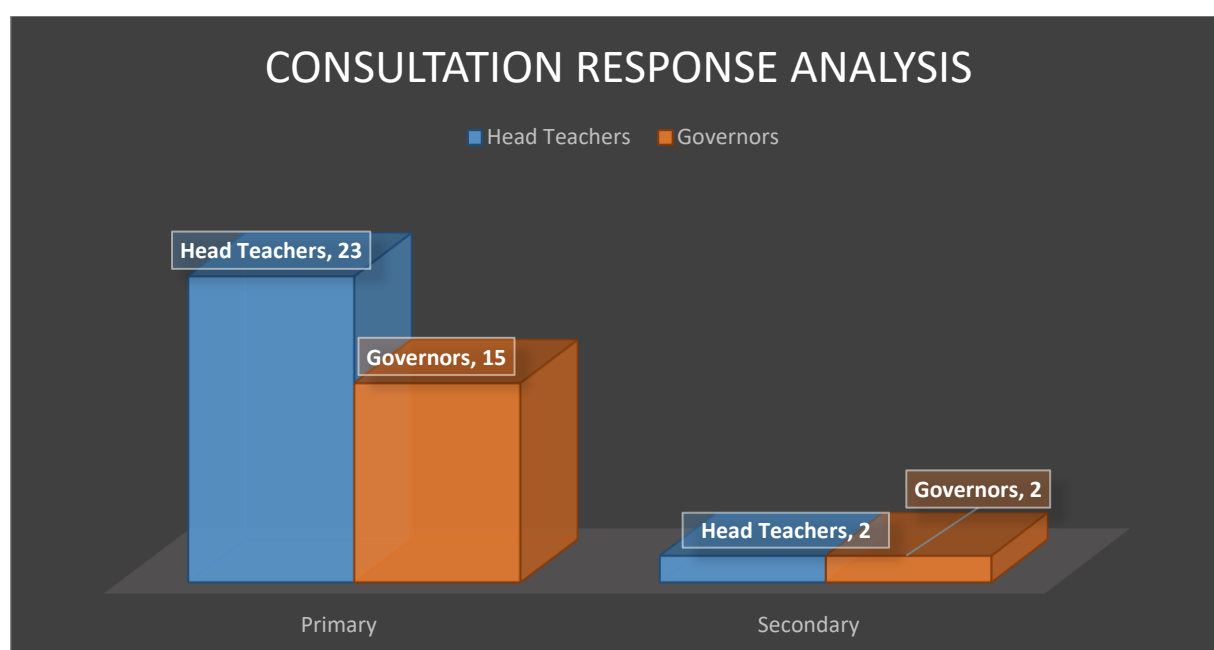
3.6 A further disapplication has been submitted to request block transfers above 0.5%.

4 Consultation Response

4.1 Schools in Haringey were consulted on the proposed changes for 2023-24 to the Council's Schools Funding Formula.

The consultation started on 23rd November 2022, with a deadline of 9th December 2022 for responses from Head Teachers and Chairs of Governors.

Graph A summaries who responded to the consultation



See Appendix 2 for further analysis of the consultation responses

5 Next Steps

- 5.1 Following Schools Forum's decision on the recommendations, a Cabinet Member report "Haringey Council's Local Schools Funding Formula for 2023-24" will be signed by Thursday 19th January 2023 and the set budgets communicated to the DfE on 20th January 2023.
- 5.2 Once the budgets have been agreed and communicated to the DfE Schools will be informed of their funding allocations via the Authority Planning Tool (APT).
- 5.3 Haringey Council will ensure that all procedures are in place to meet the requirement to publish maintained school budgets by 28th February 2023 in line with guidance set by the School and Early Years Finance (England) Regulations 2021.