

## Schools Forum - 17 January 2023

<b>Title of paper:</b>	SCHOOLS BUDGET 2023/24
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### Summary

This report presents the proposed Schools Budget for the financial year (FY) 2023/24. The Schools Budget has been prepared in line with the parameters agreed at Schools Forum (SF) and with the financial regulations issued by the Department for Education (DfE).

As outlined in the report to the 6 December 2022 SF, for 2023/24 the LA has moved away from the standard approach of setting a Schools budget that balances the budgets by block to the DSG income received. This report incorporates further proposals in relation to the Early Years (EY) block that extend this approach in response to equivalent pressures in this sector.

Indicative individual school budgets, Early Years (EY) and High Needs (HN) funding allocations along with guidance notes will be issued by 28 February 2023.

Where applicable, the Local Authority’s (LA’s) Medium Term Financial Plan (MTFP) incorporates the impact from the Dedicated Schools Grant (DSG).

### Recommendation(s):

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| <b>1</b> | <p><b>DSG</b></p> <p>a) To note the overall indicative 2023/24 Schools Budget to be spent incorporating the Schools, Central Schools Services (CSS), EY’s and HN’s blocks is <b>£344.944m</b>.</p> <p>b) To note this is funded by:</p> <ul style="list-style-type: none"> <li>i. £342.836m of the provisional 2023/24 DSG allocation of <b>£344.819m</b></li> <li>ii. reimbursement of <b>£0.447m</b> funding paid to academies for pupil growth for April to August 2023 and</li> <li>iii. <b>£1.438m</b> from DSG reserves to support the additional one-off distribution to mainstream schools, from the balance earmarked for distribution in conjunction with the SF sub-group</li> <li>iv. <b>£0.148m</b> from DSG reserves to support the 2023/24 SEN Inclusion Fund budget, from the balance earmarked for EY/EY Disability Access Funding</li> <li>v. <b>£0.075m</b> from DSG reserves to support a higher 2 Year Old Base rate for 2023/24, from the balance earmarked for EY.</li> </ul> <p>c) To note that the budget will be updated in year to reflect subsequent adjustments</p> |
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	<p>made by the ESFA to our 2023/24 DSG allocation as described in the report.</p> <p>d) To note that any balance remaining will be allocated to the Statutory School reserve (SSR). This includes the £1.983m balance of the provisional DSG allocation, which represents a proportion of the additional High Needs funding announced in the Autumn Statement. If any new HN budget requirements arise in year, over and above those planned from the HN budget outlined in this report then separate in-year approval will be sought.</p> <p>e) To note the impact to schools budgets of the indicative allocation is set out in <b>Table 5</b>.</p>
<b>2</b>	<p><b>Mainstream Schools Additional Grant (MSAG)</b></p> <p>a) To note that additional funding for mainstream schools announced in the Autumn Statement 2022 is being provided as a separate grant for 2023/24 outside of the schools national funding formula and will be allocated in accordance with the grant conditions. The amount awarded to City schools is £8.725m. See paragraph 2.9.1.</p>
<b>3</b>	<p><b>Additional one-off DSG distribution to mainstream schools</b></p> <p>a) To note that the budget presented in this report includes the distribution of an additional £85 per pupil in one-off funding for mainstream schools in 2023/24 which amounts to £3.710m. This approach required a Minimum Funding Guarantee disapplication request to the Secretary of State which was been approved on 10 January 2023. See paragraph 2.6.1.</p>
<b>4</b>	<p><b>DSG block transfers</b></p> <p>a) To note that this budget incorporates the <b>£0.458m</b> HN to Central School Services Block transfer approved at SF on 6 December 2022.</p> <p>b) To note that this budget incorporates a final figure of <b>£1.907m</b> for the HN to Schools Block transfer approved at SF on 6 December 2022.</p>
<b>5</b>	<p><b>Early Years</b></p> <p>a) To note that total planned early years central expenditure aligns to the <b>£1.025m</b> approved at SF on the 6 December 2022.</p> <p>b) To note that the previously separate Teachers' Pay and Teachers' Employers Pension Grants for school-based nurseries has been merged into 3 &amp; 4 year old funding and the LA is allocating this across all early years providers via the 3 &amp; 4 year old base rate as outlined in paragraph 2.6.3.</p>
<b>6</b>	<p><b>PUPIL PREMIUM (PP)</b></p> <p>a) To note the allocation of PP funding will be allocated to schools in accordance with the grant conditions.</p>

## 1. Reasons for recommendations

- 1.1 To ensure an understanding of how and on what basis different DfE grants are allocated to the LA and how they are then allocated to individual schools forming their annual budget allocations.
- 1.2 To provide SF with a summary budget position based on the approvals gained in accordance with the Schools and Early Years Finance (England) Regulations 2022.

- 1.3 To update SF on the impact of any new legislation on the Schools budgets and the financial implications of those changes.
- 1.4 To ensure transparency over the methodology and approach for the 2023/24 Schools Budget, which incorporates funding from DSG reserves in order to respond to the current level of financial pressures in schools and settings.

## 2. **Background (including outcomes of consultation)**

### 2.1 **2023/24 Funding Settlement and overall approach to budget setting**

2023/24 is the sixth year of the National Funding Formula (NFF) for Schools, HN's and CSS which has been used to calculate the block values allocated to LA's. The Early Year's NFF (EYNFF) was introduced one year earlier in 2017/18.

The 2022/23 schools supplementary grant has been rolled into the NFF for 2023/24 as described in detail in section 2.4.1. Additional funding for mainstream schools for 2023/24 announced in the Autumn 2022 Statement has again been provided outside of the NFF initially as a Mainstream Schools Additional Grant (MSAG).

This approach is beneficial in a Local Authority such as Nottingham City, with a large proportion of schools on the Minimum Funding Guarantee receiving funding protection under the NFF, as this ensures the extra funding equally benefits these schools. This approach is consistent with the LA's local proposal for distributing additional funding on top of the NFF and this has been helpful to support our case for a disapplication request to the Secretary of State.

The standard approach followed by the LA in setting the Schools Budget is to set budgets by block which mirror the DSG income received and to mirror the NFF in setting budgets for schools. However, as agreed at the 6 December meeting, for 2023/24 the LA is responding to pressures both within the Schools Block (SB) and Central Schools Services blocks (CSSB) with a block transfer from the High Needs block (HNB) where there is a short term surplus.

The DSG settlement published on 16 December confirmed £400m in additional funding for high needs linked to the Autumn Statement. This provides Nottingham City with a further **£2.536m** for High Needs in 2023/24 and means that there will now be a surplus on the HNB for 2023/24 even after the block transfer.

Alongside the DSG settlement on 16 December, the government confirmed their response to the Early Years Funding Consultation which implements most of their proposed changes. As a result of these, Nottingham City moves to the funding floor and has only received a minimal 1% increase in funding rates for 2,3 and 4 year olds for 2023/24. This report outlines an approach to the early years budget in section 2.6.3 which attempts to mitigate the impact on early years settings, especially in the PVI sector which does not benefit from the other additional funding streams outlined above.

This report builds on the approvals gained at SF at previous meetings as summarised in **Table 1** in paragraph 2.2.

**Table 2** in paragraph 2.3 then shows the DSG received into the LA for each DSG block, and summarises the planned DSG spend by block indicating the block transfers and planned use of DSG reserves.

The report then goes on to provide detailed supporting information for each DSG block:

- Section 2.4 of the report provides further detail of the methodology for the DSG income received for each block.
- Section 2.5 shows the year on year movements.
- Section 2.6 outlines planned spend or onward distribution to settings from each DSG block.

2.2 The purpose of this report is to provide a 2023/24 summary budget position for Schools; this report is a continuation of budget reports presented to SF during the 2023/24 budget setting process in accordance with the Schools and Early Years Finance (England) Regulations 2022.

These approvals are set out in **Table 1** below:

<b>TABLE 1: ANALYSIS OF APPROVALS</b>		
	<b>Status</b>	<b>Date</b>
<b>De-delegated budgets</b>		
Trade union representative cover	Approved	6 Dec 2022
Schools health and safety tests and inspections	TBC*	17 Jan 2023
<b>Block Transfer proposals</b>		
High Needs to CSSB block transfer	Approved	6 Dec 2022
High Needs to Schools block transfer	Approved	6 Dec 2022
<b>Central budgets</b>		
Schools	Approved	6 Dec 2022
SEN Transport	Approved	6 Dec 2022
Early Years	Approved	6 Dec 2022
Copyright licensing Agreement/Music Publishing Association licences	Education Skills Funding Agency – Top-sliced from the DSG	
Pupil Growth Contingency Fund (PGCF)	Approved	6 Dec 2022

\*The Schools health and safety tests and inspections proposals for 2023/24 are included in agenda item 5.

2.3 **Table 2** summarises the DSG income received by DSG block and the total planned spend. Information to support this summary is provided in the subsequent sections of this report.

<b>TABLE 2: SUMMARY OF 2023/24 DSG BUDGET BY BLOCK £m</b>						
	<b>DSG Block</b>	<b>DSG income</b>	<b>Block transfer</b>	<b>DSG reserves</b>	<b>ESFA reimb.</b>	<b>2023/24 Budget</b>
1	Schools	260.157	1.907	1.438	0.447	<b>263.949</b>
2	Central Schools	4.037	0.458	0.000	0.000	<b>4.495</b>
3	Early Years	22.286	0.000	0.223	0.000	<b>22.509</b>
4	High Needs	58.339	-2.365	-1.983	0.000	<b>53.991</b>
5	<b>TOTAL</b>	<b>344.819</b>	<b>0.000</b>	<b>-0.322</b>	<b>0.447</b>	<b>344.944</b>

### 2.4.1 Schools Block DSG Allocation

The school block allocation is based on 3 elements:

#### a) **Pupil-led and School-led funding**

This is based on a Primary unit of funding (PUF) and secondary unit of funding (SUF).

In 2023/24 this equates to:

- £5,188.99 per primary pupil and
- £6,907.41 per secondary pupil.

These rates are calculated on the level of funding the LA would receive through the 2023/24 NFF which is based on the October 2021 census data.

The Schools Block allocation for 2023/24 is based on:

- The number of primary pupils in Reception to Year 6 on the October 2022 school census plus
- Pupils aged 4 to 10 not assigned to a year group on the October 2022 school census x's by the PUF plus
- The number of secondary pupils in Year 7 to Year 11 on the October 2022 school census plus
- Pupils aged 11 to 15, not assigned to a year group on the October 2022 school census x's by the SUF.

Pupils in special units and resource provisions are included in the pupil counts above. Reception pupils are counted as one full time equivalent (FTE) irrespective of the hours they attend. No reception uplift has been applied to pupil numbers.

- The 2022/23 schools supplementary grant has been rolled into the NFF by:
  - adding an amount representing what schools receive through the grant into their baselines;
  - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FMS6) parts of the grant onto the respective factors in the NFF;

- uplifting the minimum per pupil values by the supplementary grant's basic per pupil values, and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
- Minimum Funding Guarantee (MFG) of 0.5% has been applied to the allocation of funding given to LA's for schools not fully on the NFF.

Within the regulations LA's can set the MFG between plus 0% and plus 0.5% per pupil. The maximum level has been set for maintained schools and academies to ensure as much of the funding is allocated as possible and to mitigate any significant budget variations that may arise as budgets move towards the NFF.

- Minimum per pupil funding levels (MPPL's) have been increased by 0.5% in the FY 2023/24 and increased to take account of the supplementary grant funding which has been rolled into the NFF in 2023/24. **Table 3** shows the MPPL values for the financial years 2020/21 to 2023/24:

<b>Table 3: Minimum Per Pupil Funding</b>				
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Primary	£3,750	£4,180*	£4,265	£4,405
Key Stage 3	£4,800	£5,215**	£5,321	£5,503
Key Stage 4	£5,300	£5,715**	£5,831	£6,033
Secondary with all 5 year groups	£5,000	£5,415**	£5,525	£5,715

\* From 2021/22 rate includes £180 per primary pupil for the Teachers' Pay Grant (TPG), Teachers' Pension Employer Contribution Grants (TPECG) and the Supplementary fund see below;

\*\* From 2021/22 rate includes £265 per secondary pupil for the Teachers' Pay Grant (TPG), Teachers' Pension Employer Contribution Grants (TPECG) and the Supplementary fund see below.

- In addition to the amounts that have been added for the supplementary grant the NFF factor values have been increased by:
  - 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI)
  - 2.4% to the basic entitlement, low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and the lump sum.
  - 0% on premises factors except for Private Finance Initiative (PFI) which has increased by 11.2% for the year to April 2022.
- In calculating low prior attainment proportions, data from the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) tests has been used as a proxy for the 2021 tests, following the cancellation of assessment due to coronavirus (COVID-19).
- The Education and Skills funding Agency (ESFA) will continue to pay business rates directly to billing authorities on behalf of all state funded schools in 2023 to 2024.
- **The gains cap was removed in the financial year 2020/21.** Therefore LA's will continue to receive all the funding that schools attract under the NFF. LA's

will continue to be able to use a cap if they wish to do so. In line with the NFF the LA will continue to not apply a gains cap.

**The total funding allocated based on the primary and secondary units of funding totalled £253.546m.**

**b) Premises**

This funding is allocated to LA's based on historic costs in 2022/23 with the exception of PFI funding which has been uplifted by the RPIX from April 2022 to April 2022 (11.2%).

Included in the £4.700m allocation is £1.920m which is the funding allocated to the LA for business rates for the financial year 2023/24.

**Total funding allocated for premises totalled £4.700m.**

**c) Growth funding**

In 2019/20 the DfE introduced a formulaic approach to funding pupil growth. The total funding received for growth in 2022/23 was £1.902m.

Actual pupil growth allocations have been based on the movement in pupils between the October 2021 and October 2022 school census data in Middle Super Output Areas (MSOA).

In 2023/24 the DfE increased the rates applied to the growth in primary and secondary pupils by 2%. The primary rate in 2022/23 was £1,485 and is £1,520 in 2023/24. The secondary rate in 2022/23 was £2,220 and is £2,275 in 2023/24.

There is no longer transitional funding or transitional protection for growth funding. No local authority received the protection in the 2022/23 DSG therefore no LA is now eligible for it. Nottingham City has never received any protection and will see an increase of £0.009m in pupil growth funding in 2023/24.

The DfE are still looking at proposed approach for allocating pupil growth to LA's and schools post 2023/24.

**Total funding allocated for growth totalled £1.911m.**

**2.4.2 Central Schools Services DSG Allocation**

The Central School Services Block (CSSB) is made up of two categories of funding:

- Historic commitments and
- Ongoing commitments

**Table 4** below shows the categorisation of budgets within the CSSB.

**Table 4: CSSB Funding**

<b>Commitment</b>	<b>Classification</b>	<b>2023/24 Allocation approved by SF £m</b>
CERA	Historic commitment	<b>0.173</b>
Prudential borrowing	Historic commitment	<b>0.054</b>
Termination of employment costs	Historic commitment	<b>1.609</b>
Contribution to combined budgets	Historic commitment	<b>0.488</b>
Admissions	Ongoing commitment	<b>0.585</b>
Copyright licences	Ongoing commitment	<b>0.254</b>
Schools Forum	Ongoing commitment	<b>0.038</b>
Retained duties	Ongoing commitment	<b>1.198</b>
TPG and TPECG for centrally employed teachers	Ongoing commitment	<b>0.096</b>
<b>Total CSSB</b>		<b>4.495</b>

As stated in the LA's report to SF on 6 December 2022 in the Central Expenditure Budget 2023/24 – Historic Commitments report on 19 July 2022, the ESFA published each LA's 2023/24 illustrative DSG allocations, including those for the CSSB.

In keeping with the DfE's commitment to reduce historic commitment funding, Nottingham City's funding **has been cut by a further 20% in 2023/24** in addition to the reductions to date applied up to 2022/23 of £2.694m.

The 2023/24 reduction is a further £0.581m taking the **total funding reduction to date to £3.275m**.

The ESFA have stated that this funding will be cut year on year until LA's only have the value of the termination of employment and prudential borrowing remaining budgets, for those LA's who have commitments for these costs. This has created a budget pressure for Nottingham City Council.

In the DfE Policy document "The national funding formulae for schools and high needs 2023-24" it is stated in paragraphs 39 and 40:

**"In 2023-24, for those local authorities that receive it, historic commitments funding will continue to reduce by 20% on 2022/23 allocations, the same rate as the reduction in 2022/23.**

**We will also continue to protect any local authority from having a reduction that takes their total commitments funding below the total value of their ongoing prudential borrowing and termination of employment costs, in recognition of the long lead-in times required for such costs to unwind."**

Nationally funding for historic commitments in the FY 2023/24 has been cut by £23.320m.

In 2022/23 the LA received £2.905m for historic commitments.

**Total allocation for historic commitments in 2023/24 is £2.324m.**

LA's are funded for ongoing commitments based a national formula which distributes 90% of funding according to a per-pupil factor and 10% of funding according to a deprivation factor.

Both elements have been adjusted for area costs. LA's due to receive reductions in their per-pupil funding for ongoing functions compared to their 2022/23 baseline will be protected against large losses year on year. **The maximum per-pupil reduction in funding is -2.5%**. This has been afforded by placing a gains cap on the amount that LA's can gain under the formula. In 2023/24 LAs will be able to gain a maximum of 5.86%. Nationally **the funding for ongoing commitments that LA's have for all schools has been increased by 2.9% in 2023/24**.

In 2022/23 the CSSB unit of funding for Nottingham City for ongoing commitments was £38.85 per pupil. In 2023/24 this has increased to £39.62 per pupil. This equates to a rise of 2% per pupil.

In 2022/23 the LA received £1.664m for ongoing commitments.

**In 2023/24 NCC has been allocated £1.713m for ongoing commitments.**

The DfE have stated that they will be reviewing central school services, to see which services best sit within:

- LA's ongoing responsibilities for all schools;
- De-delegated central functions for schools that local authorities (for maintained schools) and MATs (for academies) are responsible for;
- Optional traded services for all schools.

They wish to review if there is any scope to set out a clearer list of services to be funded centrally, alongside a greater move towards de-delegated and traded services. There is to be a more technical consultation on this on the future of central schools services.

#### 2.4.3 Early Years Block DSG Allocation

The LA's EY block allocation is based on the EYNFF which was introduced in April 2017. The EYNFF dictates the hourly rate that each LA receives for 3 & 4 year olds.

Over Summer 2022 the government consulted on proposals to update the EYNFF with more recent data and to continue doing this each year going forward. SF were briefed on these consultation proposals at the October 2022 meeting. The changes, which have now been implemented, put the LA onto the funding floor meaning that the increase to the LA's funding rates for 2,3 & 4 year olds is only 1% for 2023/24. This represents a £0.05/hour increase for 3 & 4 year olds and a £0.06/hour increase for 2 year olds.

In addition, from 2023 to 2024 the separate teachers' pay grant and teachers' pensions employer contribution grants are no longer being paid directly to school-based nurseries, and instead this funding has been rolled into the overall quantum of 3- and 4-year-old entitlement funding. The exception to this is the element relating to allocations for maintained nursery schools which has instead been merged into the maintained nursery supplement. This has added £0.15/hour to the LA's hourly rate for 3 & 4 year olds.

The LA is being funded for 3 & 4 year olds in 2023/24 at **£5.43 per hour** and **£5.66 per hour** for 2 year olds.

The national funding rate for EY pupil premium has been increased by 2 pence per eligible child per hour taking the rate to 62 pence.

The national funding rate for disability access fund has been increased by £28 per eligible child per year taking the rate to £828.

**The LA's provisional EY block allocation, as published on 16 December 2022, is £22.286m.**

Within this provisional allocation there is funding for:

- a) 3 & 4 year old universal entitlement (£14.057m)
- b) 3 & 4 year old extended entitlement (£4.182m)
- c) 2 year old funding (£3.383m) and
- d) EY Pupil Premium (EYPP) (£0.390)
- e) Early Years disability access fund (£0.134m)
- f) Maintained Nursery Supplementary (MNS) funding (£0.140m)

**Provisional allocations** are based on January 2022 pupil numbers.

Final allocations will be based on 5/12ths x January 2023 pupil numbers and 7/12ths x January 2024 pupil numbers.

#### 2.4.4 **High Needs Block DSG Allocation**

The LA's HN's block allocation is based on the HN National Funding Formula (HN NFF) which was implemented in April 2018.

Based on the indicative 2023/24 DSG settlement published in July 2022, Nottingham City was due to receive a **7% increase** per head of 2-18 population. This was the maximum allowable gain, with LA's receiving increases of between 5% and 7% per head of population.

In addition, the additional funding announced in the Autumn 2022 statement included £400m nationally for high needs. Each LA has received an additional allocation calculated as 4.59% of the previously published indicative allocation. Nottingham City's share of this is an extra **£2.536m**. This takes the LA's overall high needs block % increase for 2023/24 from 7% to 12.4%.

The 2023/24 allocation is based upon the latest mid-2023 ONS population estimate for Nottingham City of 68,159. This is 0.6% higher than last year's mid-2022 (67,754) population estimate. Our provisional 2023/24 HN block allocation is reduced by £5.210m due to the cap on gains.

**The LA's provisional 2023/24 HN block allocation before recoupment is £58.339m.**

This represents a **£6.198m increase compared to the latest published 2022/23 allocation of £52.141m.**

The ESFA will make a recoupment deduction from this allocation for direct funding of HN's places.

- 2.5 Overall DSG funding has **increased since 2022/23 indicative budgets by £22.777m** (£344.819 - £322.042m). This increase is due to the reasons set out in **Table 5** below:

<b>Table 5: 2023/24 Budget Increase Analysis</b>	
<b>2022/23</b>	<b>£m</b>
High needs supplementary funding for 2022/23	2.048
<b>2023/24</b>	
Schools – Increased pupil numbers and the impact of the changes to the NFF in 2021/22 (42,841 in 2022/23 to 43,238 in 2023/24)	13.602
Premises funding	0.272
National non-domestic rates	0.020
Pupil growth contingency fund	0.009
Historic commitments allocation	(0.581)
Ongoing commitments allocation – effect of increase in rate and increase in pupil numbers	0.049
EY – impact of merging the previously separate Teachers' Pay and Pension grants into DSG 3 & 4 year old allocations	0.504
EY – Impact of the EYNFF 5p/hour increase on 3 & 4 YO funding	0.272
EY – Net impact of the EYNFF 6p/hour increase on 2 YO funding and the 3.5% increase in pupil numbers in January 2022	0.271
EY – Increase in Disability Access Fund	0.018
EY – Increase in Early Years Pupil Premium	0.034
EY – Increase in supplementary funding allocation for maintained nursery school	0.006
HN – NFF 7% per head funding increase per head of population	3.552
HN – Additional high needs allocation	2.536
HN – Basic entitlement factor for special school pupils	0.001
HN – Import/Export adjustment change	0.054
HN – 5% Hospital education funding uplift	0.110
<b>TOTAL ALLOCATION INCREASE</b>	<b>22.777</b>

## Overview of DSG Funding Distribution

**Table 6 (i)** below provides a breakdown of the Schools budget for 2023/24 by block and category of spend and **Table 6 (ii)** shows the 2023/24 allocations compared to preceding years.

**TABLE 6 (i) Schools budget for the financial year 2023/24 by block and category of spend**

Elements	Schools Block £m	Central Schools Services Block £m	Early Years Block £m	High Needs Block £m	Total DSG £m
Educational settings	262.753	-	21.484	47.841	332.078
Pupil Growth	0.935	-	-	-	0.935
Central Expenditure	-	4.495	1.025	4.800	10.320
De-delegated	0.261	-	-	-	0.261
High Needs Contingency	-	-	-	1.350	1.350
<b>BLOCK TOTAL</b>	<b>263.949</b>	<b>4.495</b>	<b>22.509</b>	<b>53.991</b>	<b>344.944</b>
2023/24 DSG Settlement	-260.157	-4.037	-22.286	-58.339	-344.819
DSG Reserve Funding	-1.438	-	-0.223	1.983	0.322
Reimbursement from ESFA 2023/24	-0.447	-	-	-	-0.447
<b>TOTAL FUNDING</b>	<b>-262.042</b>	<b>-4.037</b>	<b>-22.509</b>	<b>-56.356</b>	<b>-344.944</b>
<b>VARIANCE</b>	<b>1.907</b>	<b>0.458</b>	<b>0</b>	<b>-2.365</b>	<b>0</b>

**TABLE 6 (ii) Comparison of DSG allocations 2020/21 to 2023/24**

Elements	Schools Block £m	Central Schools Services Block £m	Early Years Block £m	High Needs Block £m	Total DSG £m
2023/24 Indicative	260.157	4.037	22.286	58.339	344.819
2022/23 as at 17 Nov 22	246.254	4.570	21.526	52.141	324.490
2021/22	237.015	5.218	20.606	45.001	307.840
2020/21	219.853	6.007	22.219	39.470	287.549

## 2.6 Distribution of DSG Funding To Settings

The following paragraphs outline in detail how funding is distributed in each block.

### 2.6.1 Distribution of Schools Block Funding

This block currently totals £263.949m. This is funded by:

- DSG £260.157m (as per **Table 2, 6 (i) & (ii)**);
- Reimbursement of costs from academies of £0.447m
- Reserve drawdown of £1.438m which is the balance earmarked for distribution in conjunction with the SF sub-group
- HN Block transfer of £1.907m approved at SF on 6 December 2022 (as per **Table 2, 6 (i)**)

On 6 December 2022 the LA outlined in 'Proposed approach to DSG Budget Setting by block 2023/24' report its intention in the financial year 2023/24 to move away from the standard budget setting process of balancing each block budget to the DSG income received for each block. The proposed new approach involved:

- passing onto primary and secondary schools up to £85 per pupil above the national funding formula rates through the Primary, Key Stage 3 and Key Stage 4 Age Weighted Pupil Units. Total forecast cost £3.662m. **This is one-off funding for the financial year 2023/24 only.**
- Making a MFG disapplication request to the Secretary of State to seek approval for an MFG disapplication to ensure that each school received up to the additional £85 per pupil.
- Fully fund the Education Welfare Team which is funded through the CSSB. In the past the CSSB has supported £0.156m of costs of the Education Welfare Team but the full cost is £0.458m higher.
- Drawing down £1.438m of ring-fenced funding in the SSR
- Actioning a HN Block transfer of up to £2m to the Schools Block and a HN Block of £0.458m to the CSS Block.

When setting schools and academies budgets for the financial year 2023/24 the LA has included the additional £85 per pupil to the Primary, Key Stage 3 and Key Stage 4 AWPU rates. However, it must be noted that in the financial year 2024/25 the LA will need to remove this funding from each schools 2023/24 baseline funding. **The LA received confirmation from the Secretary of State on the 10 January 2023 that the MFG disapplication to ensure all schools received the £85 per pupil in the financial year 2023/24 was approved.**

In the financial years 2021/22, 2022/23 and 2023/24 the LA has funded through the local funding formula (which mirrors the schools NFF) the new free school Bluecoat Trent Academy which opened in September 2021. This is in line with the guidance set by the ESFA.

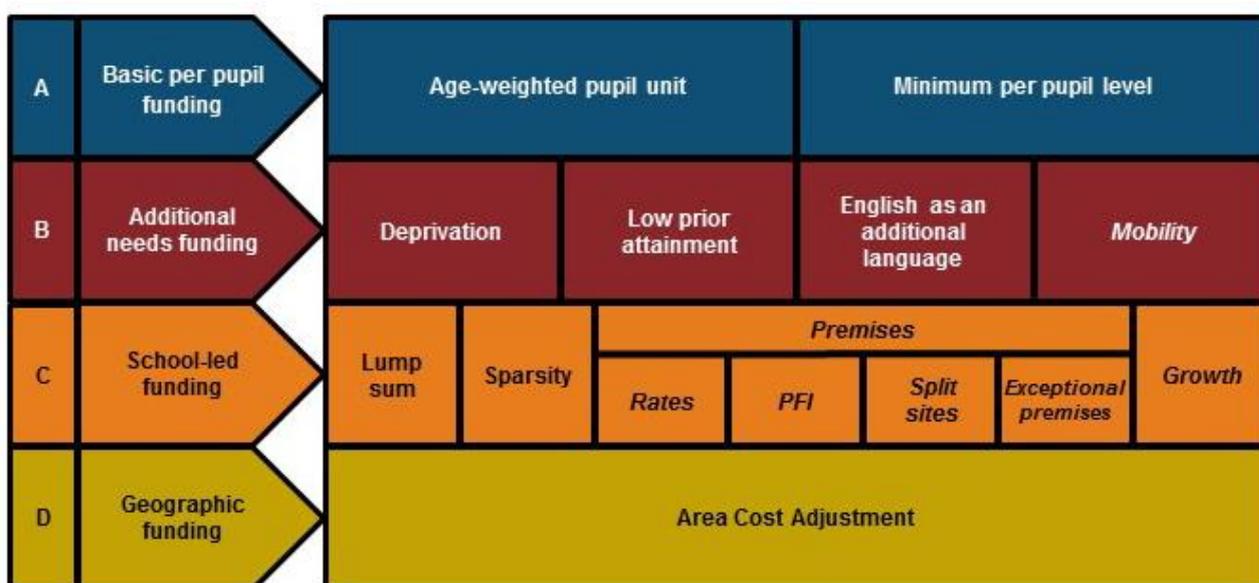
This funding is recouped from the LA the same as any other academy or free school. In 2021/22 the funding for the new academy was based upon six forms of entry (180 pupils from September 2021). In September 2022 the free school admitted 8 forms of entry which totalled 241 pupils. From September 2023 a further

8 forms of entry are going to be admitted. Therefore, the LA has funded the new free school for the 241 pupils that were included on the October 2022 school census plus 7/12ths of 240 pupils which are forecasted to be admitted in September 2023. The total number of pupils funded in 2023/24 is 561 pupils.

On 11 October 2022 SF's view was sought regarding the proposed application by the LA to the Secretary of State to request approval to continue to fund two academies, Bluecoat Beechdale Academy and the Ellis Guilford School from the exceptional circumstances: premises factor for Building Schools for the Future lifecycle costs. This is to ensure that the buildings are be maintained to the same standard as a new Private Finance Initiative school for 25 years from the date of completion. The LA is contractually obliged to fund these costs for Bluecoat Beechdale Academy until the financial year 2034/35 and Ellis Guilford School until 2036.37. SF agreed with this proposal which was contained within the 'Disapplication request to the Education & Skills Funding Agency to include Building Schools for the Future Funding in the premises: exceptional circumstances factor in the financial year 2023/24' report. **On 29 December 2022 the LA received confirmation from the Secretary of State that the application had been approved.**

After applying the +0.5% MFG per pupil within the local funding formula (this is the maximum MFG that can be applied within the formula in 2023/24), and allocating an additional £85 per pupil through the each AWPU this has created expenditure of £263.949m in the Schools Block. This **leaves a deficit balance of -£3.345m on the Schools Block. This is to be funded from the drawdown of £1.438m from the reserve agreed at SF on 6 December 2022 and a HN Block transfer of £1.907m.**

**Figure 2** below illustrates the factors that have been included when calculating schools budgets for 2023/24 based on the NFF.



In 2023/24 the age weighted pupil units (AWPU) have increased by 4.7% compared to 2022/23 as set out in **Table 7** below:

<b>Table 7: Movement on Age Weighted Pupil Units and the</b>						
	<b>2018/19 &amp; 2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Increase/ (Decrease) 2022/23 to 2023/24</b>
Primary	£2,754.43	£2,864.88	£3,131.62*	£3,249.26	£3,403.40***	£154.14
Key Stage 3	£3,873.12	£4,029.09	£4,416.16**	£4,581.49	£4,798.25***	£216.76
Key Stage 4	£4,397.70	£4,573.59	£4,976.70**	£5,163.26	£5,407.94***	£244.68
<b>Total MFG protection</b>	<b>£9.546m – 2018/19 £11.233m 2019/20</b>	<b>£7.815m</b>	<b>£7.645m</b>	<b>£5.444m</b>	<b>£2.340m</b>	<b>£1.687m - 2019/20 (£3.418m) - 2020/21 (£0.170m) - 2021/22 (£2.201m) - 2022/23 (£3.104m) - 2023/24</b>

\* First financial year includes £180 per primary pupil for the TPG and TPECG;

\*\* First financial year includes £265 per secondary pupil for the TPG and TPECG.

\*\*\* Excludes one-off funding in 2023/24 of £85 per pupil, and includes the additional funding passed onto schools for the Supplementary Grant.

Therefore, in reality due to the supplementary grant being added into the 2023/24 AWPU rates, the rates have not increased by the 4.7% it has increased by 2.4%.

**The level of MFG protection has fallen from £5.444m in 2022/23 to £2.340m in 2023/24.** This is mainly due to the increase in the core factor rates and the increase in the minimum funding per pupil.

No consultation on the local funding formulae for mainstream schools was undertaken for the FY 2023/24. This was due to the LA's intention to continue to mirror the national funding formula and to follow the principle, as agreed in previous years consultations and to pass onto schools as much funding as possible through the local funding formula to prevent budget destabilisation. In the financial year 2023/24 LA's are required to:

- Use all the NFF factors - This means that LA's have to use all 3 deprivation factors (FSM, FSM6 and IDACI), as well as LPA, EAL, mobility, sparsity and the lump sum;
- move their factor values 10% closer to the NFF factor values.

The above is not an issue for NCC as it already mirrors the NFF factors and factor values.

## 2.6.2 Distribution of CSSB Funding

The CSSB funding has been allocated as per **Table 4**.

The only revisions that have been made to the CSSB allocations since they were approved by SF 6 December 2022 are to the retained duties funding, which has been decreased by -£0.006m and the copyright licences budget which has increased by £0.0022m.

The illustrative funding allocation for ongoing commitments was £1.697m. The final allocation for ongoing commitments is £1.713m. This represents an increase in

funding of £0.016m. This increase in funding has been used to fund the increase in cost of the copyright licences for 2023/24 £0.022m. SF approved the allocation of £0.232m for copyright licences on 6 December 2022 the LA has now received confirmation from the DfE that the charge for 2023/24 will be £0.254m. The shortfall in funding of -£0.006m has been deducted from the retained duties allocation.

This principle was approved by SF.

The 2023/24 budget has been updated accordingly.

### 2.6.3 Distribution of Early Years Block Funding

**Table 8** provides an indicative breakdown of the 2023/24 EY block budget:

<b>Table 8: EY Indicative Budget Breakdown (£m)</b>					
<b>Element</b>	<b>3 &amp; 4 YO</b>	<b>2 YO</b>	<b>DLA</b>	<b>EYPP</b>	<b>TOTAL £m</b>
<i>Base rate/hour</i>	£4.96	£5.66		£0.62	
Base rate total	15.863	3.383			
<i>Supplements</i>					
<i>-Deprivation/hour</i>	£1.00		£828		
<i>-Flexibility/hour</i>	£0.10				
<i>DLA/annum</i>					
Supplements total	0.766				
MNS lump sum & business rates	0.303				
SEN inclusion fund	0.283	0.010			
Contingency	0.352				
<b>Total Providers</b>	<b>17.567</b>	<b>3.393</b>	<b>0.134</b>	<b>0.390</b>	<b>21.484</b>
<b>Central Expenditure</b>	<b>0.960</b>	<b>0.065</b>			<b>1.025</b>
<b>Grand Total</b>	<b>18.527</b>	<b>3.458</b>	<b>0.134</b>	<b>0.390</b>	<b>22.509</b>

### 3 & 4 Year Old Funding

As stated in section 2.1, from 2023 to 2024 the separate teachers' pay grant and teachers' pension employer contribution grants are no longer being paid directly to school-based nurseries, and instead this funding has been rolled into the overall quantum of 3- and 4-year-old entitlement funding.

The Early Years Entitlements: LA funding operational guidance 2023/24 encourages LAs to use the discretionary quality supplement to distribute this funding via their local EYFF e.g. to target the funding to take account of additional pressures that some providers might face, from, for example, the need to pay employer contributions to the teachers' pension scheme.

In Nottingham City, we do not currently have a quality supplement in our EYFF. Introducing a quality supplement would represent a change to our EYFF which would require consultation with all early years providers. Such a proposal is likely to be divisive. The EYFF introduced a requirement for a single base rate across both sectors (Schools and PVI) and was supposed to create a level playing field. The

government consultation report acknowledges that some respondents, particularly PVIs, questioned the purpose of the TPPG grant more generally, suggesting the grant itself creates inequality between provider types.

Instead of introducing a quality supplement, the LA is proposing to allow the £0.15/hour which results from the mainstreaming of these grants to roll into the hourly rate for schools/providers. This means that the overall increase to the 3 & 4 year old base rate will be £0.20/hour (3.4%) rather than £0.05/hour (1.1%).

We consider that a funding increase of only 1.1% could threaten the financial viability of early years PVI settings, which are commonly facing falling income levels due to post-pandemic changes in working patterns coupled with the significant cost pressures. By allowing the LA's full rate increase to flow onto the base rate with a 3.4% this will help support the PVI sector which is not benefiting from any other additional funding support.

As around half of our 3 & 4 year old entitlement hours are delivered by the PVI sector and half by school based nurseries, this means that the school sector will effectively see a net loss of around half of the funding previously received for teachers' pay and pensions for nursery aged pupils. The separate grant was worth on average around £7,000 to City primary schools although it varied from £2,300-£14,400 dependent on pupil numbers. However, schools are benefiting from the Mainstream Schools Additional Grant and the local one-off additional £85 per pupil for the main school age funding and this will cushion the impact of this change.

## **2 Year Old Funding**

The LA is also concerned about what the impact would be of only providing a 1.1% (£0.06/hour) increase to schools and providers for 2 year olds in the context of the rise in living costs faced by families and heating and staffing costs for settings. Raising 2 year old participation is a target in the Council plan. Some of our "families in need" access places requiring extra involvement in multi-agency meetings from staff in settings. This is key to supporting the Children's Services improvement journey, keeping children safe and getting them school ready.

In this context, the LA is proposing to use DSG reserves to supplement the 2 year old funding rate enabling this to be increased by a further £0.13/hour. This takes the proposed funding rate for 2 year from £5.47/hour in 2022/23 to £5.66/hour, an increase of £0.19/hour (3.5%).

This will require an estimated £0.075m from the early years contingency earmarked in the DSG reserve. In future years, the LA will need to keep the 2 year old funding rate for providers static or raise it by a lower amount than the increase provided into the LA in order for the 2 year old funding stream to return to being affordable from the in-year DSG allocation.

## **SEN Inclusion Fund**

From April 2022, the LA introduced new allocation criteria for the SEN Inclusion Fund as outlined in a paper presented to SF on 25 January 2022.

This new set of criteria included 3 strands of support; child-level, setting-level and universal. The setting-level support is designed to provide additional financial support to settings with high proportions of high needs children. This strand pays £3000 per child attracting HLN over a certain threshold of 1-3 HLN part-time equivalent children according to setting size. This covers the cost of the first £3000 (or £6000 for a full-time child) of additional needs that would otherwise have to be met from their core 3 & 4 year old funding.

The setting level allocations for 2022/23 are coming in at over twice the level that was modelled when we set the criteria. We set aside £89k from the SEN IF budget for this element but allocations are working out at £237k. Under the revised HLN system rolled out in the early years phase in January 2022 there are significantly more nursery aged children attracting HLN funding than previously (154 at Jan 22 panel, compared to 90 under the old system in the modelling) and this has resulted in this strand costing over double what was anticipated.

The LA is proposing to use 2 year's worth of Disability Access Funding underspends from 2020/21 and 2021/22 currently ring-fenced in the DSG reserve to support the £148k projected over-spend in 2022/23. The ESFA expects DAF underspends to be spent for purposes consistent with the principles and aims of DAF - which this is in the sense of it being to support providers to include children with SEND.

The LA is proposing to maintain the existing SEN IF criteria and funding level despite the additional cost beyond the level budgeted. This is seen as an important priority given significantly rising demands experienced by schools and settings in supporting the additional needs that children are currently presenting with in this age group. This will require use of funding from the DSG reserve from the balance ear-marked for early years and it is intended to routinely use future DAF underspends to support this. It is anticipated that there will be an underspend on DAF of £0.074m in 2022/23 which will cover approximately half of the projected reserve requirement in 2023/24.

#### 2.6.4 Distribution of High Needs Block Funding

**Table 9** provides a provisional breakdown of the 2023/24 HN budget, with latest comparative budget figures for 2022/23.

**Table 9: Provisional HN Budget Breakdown**

<b>Budget</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>Change £m</b>
Mainstream High Level Needs (HLN) including Additional Inclusion Allowance	8.947	11.294	2.347
Special Education Needs (SEN) resource unit top-up funding	0.832	0.865	0.033
SEN resource unit places (via recoupment)	0.249	0.246	-0.003
Special School top-up & maintained places	12.011	13.132	1.121
Special academy places (via recoupment)	3.441	3.578	0.137
Net cross border top-ups	0.357	0.357	-
Post-16 HLN funding	1.848	1.968	0.120
Further Education places (via recoupment)	0.802	0.920	0.118
Independent/Non Maintained Special School (INMSS)	1.582	1.632	0.050
Hospital & Home Education (HHE) including NEST & HHE contingency	2.406	2.587	0.181
Behaviour PRUs/Devolved Alternative Provisions (AP)	7.224	7.373	0.149
PRU academy places (via recoupment)	1.520	1.520	-
AP free schools (via recoupment)	0.006	0.039	0.033
Fair access - allocations for schools	0.300	0.300	-
Outreach services delivered from Westbury/Oakfield	0.271	0.271	-
Contribution to residential placements	1.554	1.554	-
High Needs settings TPG/TPECG	0.091	0.091	-
AP Free schools additional grant	0.000	0.113	0.113
<b>Total Provision</b>	<b>43.441</b>	<b>47.841</b>	<b>4.400</b>
SEN team	0.375	0.375	-
SEN specialist equipment	0.066	0.066	-
SEN transport contribution	1.000	1.000	-
Disability access	0.200	0.200	-
Inclusive education services – Sensory, Learning Support & Autism teams	2.020	2.020	-
Intensive Support Team (IST)	0.470	0.470	-
Other LA staff supporting inclusion including fair access & teenage parents	0.588	0.588	-
Sensory Occupational Therapy services	0.080	0.080	-
<b>Total Central Services</b>	<b>4.800</b>	<b>4.800</b>	<b>-</b>
<b>High Needs In-year Contingency</b>	<b>3.900</b>	<b>1.350</b>	<b>-2.549</b>
<b>Grand Total</b>	<b>52.086</b>	<b>53.991</b>	<b>1.850</b>

The figures in **Table 9** are provisional and there will be amendments resulting from the detailed calculation of indicative budgets for settings prior to the end of February and the finalisation of 2023/24 service budgets.

The provisional budget figures are underpinned by the following assumptions and principles:

- Incorporates planned high needs place changes for the 2023/24 academic year as submitted to the ESFA in November 2022 and associated top-up funding for special schools and special resource units.
- A base level 0.5% increase in PRU funding levels in line with the level of increase applied to mainstream schools through the MFG. In addition, PRUs will receive a separate allocation of additional high needs funding equating to around an additional 3.4% increase calculated in line with the specified conditions.
- A 3.4% assumed increase in the daily cost of external AP commissioned via the PRU. Top-up funding provided to cover the actual cost of external AP will be adjusted to reflect the extra funding being provided through the separate additional high needs funding allocation.
- Projections of excluded pupils requiring provision funded by the high needs budget underpinned by assumption that permanent exclusions of City Secondary pupils in the academic years 22/23 and 23/24 remain at the same level as 21/22 and participation of all schools in the inclusion model. The assumption on exclusion of City pupils from City primary and County schools has been doubled (from 16 to 32) as permanent exclusions in Autumn term 2022 already total those made in the whole of academic year 2021/22.
- Increasing the total places for pupils at risk of exclusion funded through the 2023/24 devolved funding Inclusion model in line with the overall increase in Secondary aged pupils between October 2021 and October 2022.
- A 3.9% increase to special resource unit (SRU) funding levels. SRUs do not attract a separate additional funding allocation unlike other high needs settings so this has been reflected in this rate (equivalent of 0.5% MFG plus 3.4% additional).
- A base level 4% increase in special school funding levels plus further specific top-up increases where the special school funding review highlighted changes in the pupil cohorts with impacts on staffing requirements. Special schools will also get an additional separate allocation worth 3.4% extra per place in line with the grant conditions.
- An allocation of 3.4% additional funding for AP Free Schools, calculated in line with the specified guidance (Annex 2 of the HN funding operational guidance).
- Ring-fencing the 5% uplift received for Hospital Education funding for the Hospital & Home Education (HHE) Learning Centre budget/HHE contingency. This setting will also qualify for a separate 3.4% additional high needs allocation.
- An increase in the post-16 budget to meet rising demand. This budget is demand led and numbers of young people aged 16-25 with EHC plans has risen by over a third in the last 4 years, largely in the extended age range from 19-25.

- A £2.347m increase in the Mainstream HLN budget for 2023/24 over and above the projected spend in 2022/23. This is an estimated requirement intended to cover;
  - An uplift to HLN bandings to reflect staffing cost increases from April 2023.
  - The rollout of the revised HLN system for Secondary aged pupils.
  - The demand pressure arising from increasing numbers of pupils qualifying for HLN funding.
  - Implications of a post-implementation review on the HLN roll out in the early years and primary stages.
  
- Introduction of a high needs in-year contingency budget (£1.350m) to be allocated in year to support a number of potential development areas which are under consideration but which are not yet in a position to be confirmed or costed:
  - Up to 10 new primary specialist resource unit places from September 2023
  - The impact of the April 2023 pay award on budgeted staffing costs for the LA teams funded from HN DSG
  - Additional capacity in SEN support services in order to meet increased demand and to address the information/data requirements of the new SEND inspection framework
  - Potential new transition worker roles to enable a more effective transition across all phases of education
  - Potential new Speech Language Support worker roles which it is hoped may be possible to jointly commissioned through the Integrated Care System (ICS)
  - An Alternative Provision (AP) commissioning review

In last year's budget report for 2022/23, the approach taken was to budget the balance of that year's HN block increase against the mainstream HLN budget although it was acknowledged at the time that this would not all be required. Based on an up to date estimate of HLN requirements for 2022/23 the surplus is £3.900m which is now shown as a high needs contingency budget for 2022/23. This amount correlates to the approximate £4m high needs underspend that was highlighted in the December 6 report "DSG budget setting by blocks 2023/24" and this will fall to the DSG reserve at the end of the year to cover the assessed high needs future risks.

For 2023/24 the high needs contingency budget has been set at a level that should adequately cover all known plans. As there is a £1.983m balance of the additional £2.536m high needs funding from the Autumn spending review, then we will show this element as going straight to reserves for use in future years. It is anticipated that this additional funding, which will be available on an ongoing annual basis, could be required to meet the future implications of the outcome of the local AP commissioning review and the AP aspects of the SEND green paper.

Should there be any unforeseen HN budget requirements for 2023/24 that cannot be met from the high needs contingency budget, then appropriate approvals will be sought in-year to fund these from the DSG reserve.

## 2.7 Pupil Premium Grant (PP)

The total PP allocated to schools is made up of 3 of elements, funding for free school meal pupils (Ever6), service children and post looked after children. Each element has a different pupil criteria.

- **Pupil Premium** – In 2023/24 funding will be allocated to schools based on the October 2022 school census data. The only exceptions to this include alternative provision and pupil referral units where eligibility will continue to be based on the January census.

The ESFA have confirmed the PP rates for each element of the grant for 2023/24. These have been inflated by 5% in 2023/24.

**Table 10** shows the rates attributable to each element of the PP Grant.

<b>Table 10: Pupil Premium Comparison</b>				
	<b>FSM Ever6</b>			
	<b>Primary £</b>	<b>Secondary £</b>	<b>Service Child £</b>	<b>Post Looked after Child* £</b>
2023/24	1,455	£1,035	335	2,530
2022/23	1,385	985	320	2,410
2020/21 & 2021/22	1,345	955	310	2,345
2018/19, 2019/20	1,320	935	300	2,300
2015/16, 2016/17 & 2017/18	1,320	935	300	1,900

\*From 1 April 2023 pupil premium eligibility for pupils who have been adopted from care or have left care will include children adopted from outside of England and Wales.

2.8 **Pupil Premium Plus Grant** – As per 2.7 the rate for pupil premium plus for looked after children will be £2,530 in the financial year 2023/24.

## 2.9 Other Grants

### 2.9.1 Mainstream Schools Additional Grant (MSAG)

Following the Autumn 2022 spending review, local authorities have also been allocated additional funding for 2023 to 2024 worth £2 billion on top of the schools NFF. **This equates to £8.725m for Nottingham City maintained schools and academies.**

The MSAG will fund the following providers, for the 5 to 16-year-old age range:

- primary and secondary maintained schools
- primary and secondary academies and free schools
- all-through maintained schools
- all-through academies

School-level allocations of the schools supplementary grant for the 2023 to 2024 financial year will be published in spring 2023. See link below to find details on how this funding will be allocated.

[Mainstream schools additional grant 2023 to 2024: methodology - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/mainstream-schools-additional-grant-2023-to-2024-methodology)

**The LA's additional 2023/24 allocation following the spending review is £8.725m. This is on top of the above £260.157m allocated to schools through the schools NFF.**

### 2.9.2 Extended rights for home to school travel grant

The ESFA have stated that they expect the extended rights for home to school travel grant to continue. Further information on this grant will be made available in due course.

### 2.9.3 The ESFA have stated that information about other grants for 2023/24 will be issued during 2023.

Once the LA has been given further guidance we will update schools and academies.

## 3. Other options considered in making recommendations

### 3.1 No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG and pupil premium.

## 4. Outcomes/deliverables

### 4.1 To allocate budgets to schools on a fair and transparent basis before 31 March 2023 in accordance with The Schools and Early Years Finance (England) Regulations 2022.

## 5. Consideration of Risk

The risk associated with this grant will be captured in the 2022/23 outturn report once all grant updates have been received.

## 6. Finance colleague comments (including implications and value for money/VAT)

### 6.1 Financial implications are contained throughout this report.

The financial allocations set out in this report are in line with the Schools and Early Years Finance Regulations 2022. All the required approvals from SF have been ascertained for the financial year 2023/24 as stated in **Table 1**, except for the request

to de-delegate funding by maintained primary schools for health and safety tests and inspections. This report is included in as agenda item 5.

In addition the approval to transfer £1.907m from the HN Block to the Schools Block and £0.458m from the HN Block to the CSS Block was approved by SF on 6 December 2022.

Following discussions with the DfE representatives to ensure that as a LA we meet the requirements relating to the disapplication requests, we have now had confirmation that the disapplication request to include the BSF lifecycle costs in the exceptional circumstances: premises factor in 2023/24 has been approved by the Secretary of State. The MFG disapplication request to ensure all schools receive the additional £85 per pupil has now also been approved by the Secretary of State. See paragraph 2.6.1.

## **7. Legal colleague comments**

### **7.1 The current law in force in this area is as follows:**

The School and Early Years Finance (England) Regulations 2021, which came into force on 11 February 2021 and apply in relation to the financial year beginning on 1 April 2021. This amends the Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020.

The School and Early Years Finance (England) Regulations 2022, which came into force on 4th February 2022 and apply in relation to the financial year beginning on 1st April 2022. These Regulations revoke the School and Early Years Finance England Regulations 2020.

The Education & Skills Funding Agency (ESFA) have published guidance to help local authorities, and their schools forums, to plan the local implementation of the funding system for the relevant financial year. This report seeks to address the requirements of those Regulations and the EFSA guidance.

Majid Iqbal – Solicitor and Team Leader for Litigation  
11 January 2023

## **8. Other relevant comments**

### **8.1 There are no direct Human Resources implications as part of this report.**

It should be noted that there are a number of teams and posts that are funded by the Dedicated Schools Grant. As the council manages its own financial challenges, caution should be applied to ensure that the funding behind services/posts is fully understood before any proposals are formulated, and Equality Impact Assessments are developed as part of any proposals, demonstrating best value.

### **8.2 Where funding is time limited or where service reductions are proposed within the Council's Central Education and Children's workforce, or wider within the schools workforce; this may result in potential implications for the workforce. In the event of any implications, a genuine and meaningful consultation process should commence**

with Education and Schools Trade Unions and affected staff, with the correct policies and procedures being adhered to, with HR support provided.

Rachael Morris,  
HR Business Lead (People)  
[Rachael.morris@nottinghamcity.gov.uk](mailto:Rachael.morris@nottinghamcity.gov.uk)  
12 January 2023

**9. Crime and Disorder Implications (If Applicable)**

9.1 Not applicable

**10. Social value considerations (If Applicable)**

10.1 Not applicable

**11. Equality Impact Assessment (EIA)**

11.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

(Please explain why an EIA is not necessary)

An EIA is not required because the report does not contain new proposals or strategies.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

**12. Data Protection Impact Assessment (DPIA)**

12.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:

(Please explain why a DPIA is not necessary)

Not applicable

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

**13. Carbon Impact Assessment (CIA)**

13.1 Has the Carbon impact of the proposals in this report been assessed?

No

A DPIA is not required because:

(Please explain why a DPIA is not necessary)

Not applicable

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

**15. Published documents referred to in this report**

- 15.1 DfE – The Schools and Early Years Finance (England) Regulations 2022
- 15.2 DfE Policy document - The national funding formulae for schools and high needs 2023-24
- 15.3 SF - Disapplication request to the Education & Skills Funding Agency to include Building Schools for the Future Funding in the premises: exceptional circumstances factor in the financial year 2023/24 – 11 October 2022
- 15.4 SF – Proposed approach to DSG Budget Setting 2023/24 by block – 6 December 2022
- 15.5 SF – Proposed approach to DSG Budget Setting 2023/24 by block – 6 December 2022
- 15.6 SF – Central Expenditure Budget 2023/24 – Historic Commitments – 6 December 2022
- 15.7 SF – Central Expenditure Budget 2023/24 – Ongoing Commitments – 6 December 2022
- 15.8 SF - De-delegation of funding for trade union time off for senior representatives – 6 December 2022
- 15.9 SF - School improvement, monitoring and brokerage grant – request for approval for de-delegation for 2023/24 – 6 December 2022
- 15.10 SF - Early Years Central Expenditure 2023/24 – 6 December 2022
- 15.11 SF – Pupil Growth Contingency Fund 2023/24 – 6 December 2022
- 15.12 SF – De-delegation of 2023/24 Health and Safety Building Inspection Funding