

2023-2024 SCHOOLS BUDGET IN CONTEXT

Contents

| Section | Page |
|--|------|
| 1 Introduction | 2 |
| 2 Structure of Budget Information | 2 |
| 3 Mainstream Schools Budget for ages 4-16 | 2 |
| 4 Early Years Funding | 4 |
| 5 High Needs Funding | 5 |
| 6 Post-16 funding from the Education and Skills Funding Agency | 6 |
| 7 De-delegation | 6 |
| 8 Pupil Premium | 7 |
| 9 EAL & Ethnic Minority Achievement Funding | 8 |
| 10 Capital Funding | 8 |
| Glossary | 9 |

1. Introduction

- 1.1. This document focuses on the arrangements for 2023-24 on which schools' budgets have been set.
- 1.2. The 2022 Autumn statement announced that the core schools budget will increase by £2bn in 2023-24 over and above the totals announced at the 2021 Spending Review, £400m of the additional £2bn will be allocated to high needs fundings, with the rest being allocated to schools' budgets. Mainstream schools will be allocated additional funding through the Mainstream Schools Additional Grant (MSAG).
- 1.3. The Mainstream Schools Additional Grant methodology along with a grant calculator can be viewed here: [Mainstream schools additional grant 2023 to 2024: methodology - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/mainstream-schools-additional-grant-2023-to-2024-methodology). School level allocations will be published in May and payments will be made in 2 instalments in May and October. This is a separate grant for 2023-24 only and this funding will be incorporated into core budget allocations for 2024-25.
- 1.4. The Local Authority's request to the Secretary of State to transfer 0.5% of Schools Block funding (approx. £3.1m) to the High Needs block has been rejected.
- 1.5. Within the Central Schools Services Block (CSSB) historical commitments funding has again been reduced by 20% to £1.3m. The total CSSB allocation is £5.4m. With the approval of Schools Forum, this funding has been retained centrally. Any underspend on the CSSB will be transferred to the DSG reserve.
- 1.6. Within the school's block DSG allocation, there is an allocation for pupil growth, based upon actual growth in pupil numbers between censuses. For 2023-24 this allocation is £4.1m. This funding has been used to help fund estimated growth above the October 2022 census in the NFF, with the remaining funding being held centrally to make payments in accordance with the growth fund policy. Any underspend will be transferred to the DSG reserve.
- 1.7. School budgets are based on the National Funding Formula (NFF). The formula is explained within the technical notes that accompany this budget pack. The supplementary grant paid separately to schools in 2022-23 to contribute towards the cost of the Health and Social Care Levy and other cost pressures has been rolled into the NFF by increasing the funding factor amounts for the basic per pupil funding, the FSM ever 6 and the lump sum.
- 1.8. There are funding protections in place through the transitional arrangements within the formula. This includes a minimum per pupil funding level (£4,405 per primary pupil, £5,503 per KS3 pupil and £6,033 per KS4 pupil) and a Minimum Funding Guarantee (MFG) of a 0.5% per pupil increase from 2022/23.
- 1.9. In order for the NFF to be affordable within the Schools Block DSG allocation, per pupil gains have been capped at 2.6%
- 1.10. Maintained school members agreed to a levy of £54 per pupil to fund education functions previously funded by the general duties ESG.

- 1.11. The Schools Forum agreed that the areas which were de-delegated in 2022-23 would remain de-delegated in 2023-24. This includes insurance cover provided by the Risk Protection Agreement (RPA) run by the ESFA. The cost for 2023-24 is £23 per pupil.
- 1.12. Alongside this budget note we have published a 'Budget Headlines' document and a 'Frequently Asked Questions' document. Please take the time to read the notes before contacting the Entrust Finance Services team helpdesk (0333 300 0050).

2. Structure of Budget Information

- 2.1. Schools will have a single document for their Formula Budget Share, which includes the formula calculation, details of the protections (Minimum per pupil funding levels and MFG) and any capping of gains. There is also a supporting data sheet, covering funding for ages 4-15. Separate documents are included relating to AEN and post-16 funding (once published). The school's overall allocations are summarised on the Total Resource Allocation sheet.
- 2.2. Early Years, Special schools and Pupil Referral Units will receive similar information, which will set out budget information later in March.

3. Mainstream Schools Budget for ages 4-16

- 3.1. This element of schools' budgets represents by far the largest part of the funding for the majority of schools. It is based on the National Funding Formula (NFF) that Cabinet approved in January 2018, following the consultation with all schools and Schools Forum. The budget information includes the formula budget for your school and details of the transitional arrangements that apply. The formula factors are detailed within your Schools Budget statement.
- 3.2. The main element of the NFF is the basic per pupil funding. There are three basic per pupil amounts, dependent on age, and the pupil numbers used to determine funding are based on the October 2022 census. The rates are set out by the NFF.
- 3.3. The Additional Needs Funding is made up of three parts. Deprivation Funding, Low Prior Attainment Funding and English as an Additional Language (EAL) Funding.
- 3.4. The overall level of funding for deprivation is based on NFF rates and pupil numbers taken from the October 22 census. Deprivation is based on Current Free School Meals (FSM), FSM Ever6 and the Income Deprivation Affecting Children Index (IDACI).
- 3.5. Prior attainment funding is used as a proxy indicator for SEN funding. Distribution of this funding continues to be based on EYFSP and KS2 results.
- 3.6. EAL rates have been set by the NFF and the number of pupils is determined from the October 2022 census.

- 3.7. The NFF includes a mobility factor. Schools with mobility levels greater than 6% will attract funding through this factor. The ESFA track individual pupils using their unique pupil ID through censuses from the past three years. If a pupil first appears on a school census in the Spring or Summer, they are classified as a mobile pupil. This excludes Reception pupils who start in January.
- 3.8. School Led Funding is made up of sparsity and lump sums. All schools receive the same amount as their lump sum regardless of the school's phase, as introduced by the NFF. For a school to qualify for sparsity funding it needs to be small and remote. The thresholds are dictated by the NFF by phase, with the distance to the nearest second school now being measured by road distance. The rates are determined by the NFF and the data is set out in the October schools census. The formula includes both a distance and average year group taper. More details are provided in the technical note.
- 3.9. The NFF does not include a formula factor for Looked After Children.
- 3.10. Premises Funding includes Split Site funding and funding for National Non-Domestic Rates (NNDR).
- 3.11. Split site funding continues to be based on criteria developed in line with DfE guidance. Further details of these criteria can also be found in the Technical note which is included in the budget pack.
- 3.12. Individual school budgets will be protected through transitional arrangements. This ensures a minimum per pupil allocation which differs depending on key stage and a Minimum Funding Guarantee (MFG) of +0.5%.
- 3.13. To ensure the NFF is affordable within the DSG schools block allocation gains have been capped at 2.6%. The calculation is detailed on the Formula Budget share statement.
- 3.14. At Schools Forum in November 2022, maintained members agreed to a levy per pupil to fund the services outlined in Appendix 3 of the School Budget 203-24: Delegation, Central Expenditure & Education Functions report. For 2023-24 this levy has been set at £54 per pupil. This covers the same services as funded in 2022-23. Academies will need to commission these services independently.

4. Early Years Funding

- 4.1. The funding for Early years follows the national funding formula guidance issued by the Department for Education. The new 2023-24 rate will be communicated to all providers by the end of March.
- 4.2. We will be issuing individual nursery statements before the 31st March 2023.

5. High Needs funding

High Needs financial pressures

- 5.1 For Staffordshire the Government had initially indicated a High Needs Block allocation 2023/24 for c £122.2m; however, in the recent Autumn Statement, the Chancellor confirmed additional funding for schools of c £2bn nationally including £400m that will be directed to the HNB. Staffordshire will receive a further £4.8m in 23/24, a proportion of which, according to terms and conditions that have been confirmed alongside the extra funding, must be used to provide additional support to Special Schools (and PRUs) equivalent to 3.4% of the estimated total grant funding for each school for the increase in costs they face in the provision for children and young people with high needs. This will be paid separately in 2023/24 and is on top of existing MFG commitments.
- 5.2 For Staffordshire the HNB 2023/24 is £127.0m, a net increase of c £12m compared with 2022/23 (10%). Whilst this increase is welcomed, it is insufficient to close the existing funding gap and Staffordshire will continue to lobby for both additional funding and a fair and equitable mechanism for addressing cumulative deficits that should not impact on the Council's already stretched general resources.
- 5.3 It is Staffordshire's intention to pass on the full budget increase next year for the provision of SEND support; none of this funding rise will be used to repay historical deficits and as much as is affordable will be passed to High Needs providers through enhanced rates, acknowledging the current pressures on the High Needs Block and the depleted Dedicated School Grant balances which – at the end of the current financial year (22/23) – will likely be in deficit by circa £14m. Even with this additional funding a further significant overspend is anticipated in 2023/24.
- 5.4 Given the accumulated (and growing) deficit, the Council has brought forward a DSG 'deficit management plan' (DMP) outlining the actions that can be taken to address and mitigate the existing shortfall as far as possible. The DMP sits alongside the wider service transformation plans and, working in partnership with Schools Forum, will be monitored regularly throughout the year and going forward and updated as and when decisions are made.
- 5.5 Alongside other actions, and shared with a working group of Schools Forum, the Council sought approval from Schools Forum for a 0.5% block transfer from the Schools Block to the High Needs Block in 2023/24. Whilst acknowledging the pressure on high needs funding, this request was not supported. The Council submitted a disapplication request for the block transfer which was not approved by the Secretary of State for Education.
- 5.6 From April 2022 the Council introduced a new Education Banding Tool to help calculate top up funding in a fair and consistent way. This is a 'needs led' tool and enables us to:
- take a holistic view a child or young person's needs
 - make calculations based on the support a child or young person needs to meet their educational outcomes and

- secure the special educational provision to meet their special education needs as detailed in their Education Health and Care Plan.
- 5.7 This has now been in place for a year and a review of the implementation will be undertaken during the forthcoming year to ensure it is delivering the intended objectives. This may necessitate a review of the assimilated rates to ensure that – overall – the new model is broadly cost neutral.

Mainstream schools

- 5.8 The funding for mainstream schools will operate in a similar way as last year. Individual school sheets providing details of children eligible for AEN/EHCP funding are included as part of the school budget pack.

Special schools and PRUs

- 5.9 Budget statements for Special Schools and PRUs have also been issued.

Special units in mainstream schools

- 5.10 There is a special unit attached to three mainstream schools. Places in the units are included in the main formula budget and funding is received from the High Needs Block to ensure each placement is funded at £10,000 in line with Government guidelines.

6. Post-16 funding from the Education and Skills Funding Agency

- 6.1. Allocations for 2023-24 have not yet been issued by the ESFA. A further update will be provided with the allocations for post-16 in mainstream schools.

7. De-delegation agreed at Schools Forum

- 7.1. The funding for some costs and services must be delegated to academies but can be de-delegated by maintained schools through a phase-based vote of the Schools Forum. This vote took place on 10 November 2022 and the Forum agreed that the areas which were de-delegated in 2022-23 would remain de-delegated in 203-24. This includes insurances provided by the Risk Protection Arrangement (RPA) run by the ESFA.
- 7.2. Funding which was de-delegated as a result of the vote by Schools Forum will continue to be held centrally to meet these costs on behalf of maintained schools. Schools Forum will continue to vote on these areas annually.
- 7.3. A list of all areas and associated budgets is available in the November 2022 Schools Forum report. This is the basis on which funding is included in academy budgets where there is no option to de-delegate, and academies are expected to meet all relevant costs from within their budget allocation.

8. Pupil Premium

8.1. The funding rates for Pupil Premium have been increased for 2023-24:

| | 2022-23 | 2023-24 |
|--|----------------|----------------|
| Primary Pupils recorded as Ever 6 FSM | £1,385 | £1,455 |
| Secondary Pupils recorded as Ever 6 FSM | £985 | £1,035 |
| Looked After Children (Pupil Premium Plus) | £2,410 | £2,530 |
| Service Children (Ever6) | £320 | £335 |
| Early Years | max £342* | max £353* |

*rate has increased from 60p to 62p per hour for eligible pupils up to a maximum of 570 hours

- 8.2. The basis for allocating the pupil premium in respect of Service Children will be based on those pupils recorded as a service child since the January 2017 census and for the first time on the October 2022 school census. Funding will also be allocated for each pupil who is in receipt of Child pension from the Ministry of Defence.
- 8.3. The local authority does not hold this information and provisional allocations have been based on the service indicator in the October 2022 census data. This should mean that final allocations may be higher as they will reflect service children from previous census or in receipt of pensions described above.
- 8.4. Pupil Premium Plus (Looked After Children Pupil Premium), which was introduced in 2014-15, extends the funding available to Looked After Children. Funding to support Looked After Children has been increased to £2,530 for each eligible pupil. Eligibility for funding is for children who:
- Have been looked after for 1 day or more
 - Were adopted from care.
 - Left care under: a Special Guardianship Order, a Child Arrangement Order or a Residence Order
- 8.5. The Looked After Children Pupil Premium will again be managed by the Virtual School Head (VSH) in the authority that looks after the child. The VSH for Staffordshire can be contacted by emailing virtualschoole-PEP@staffordshire.gov.uk Payments for pupils looked after by Staffordshire are made monthly following an application by the school through the online e-PEP system (Personal Education Planning). Details can be made available from the virtual school. Contact details are as above.
- 8.6. Allocations will be confirmed later in the year once the DfE confirm the School Census returns as at October 2022. The figures included in your budget information are indicative and subject to change.
- 8.7 It is intended that pupil premium for early years pupils will be paid to schools on a termly basis once qualifying pupil numbers have been established.

9. EAL & Ethnic Minority Achievement Funding

- 9.1. The formula for allocating this funding will continue to operate in the same way as 2022-23 in order to focus funding on pupils with English as an Additional Language (EAL) and provide targeted support to this under-achieving group.
- 9.2. Details of the formula and schools' individual allocations are included in the budget information published alongside this note.

10. Capital funding

- 10.1. The Government have not yet announced the overall allocations or rates for Devolved Formula Capital (DFC). Provisional DFC allocations have been included in the statements based on the rates for 2022-23. Statements will be updated for any changes when the 2023-24 rates and allocations are issued.

GLOSSARY

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|-----------|---|
| AEN | Additional Educational Needs |
| CSSB | Central Schools Services Block |
| DfE | Department for Education |
| DFC | Devolved Formula Capital |
| DSG | Dedicated Schools Grant |
| EAL | English as an Additional Language |
| ESFA | Educations and Skills Funding Agency |
| ESG | Educations Services Grant |
| Ever6 FSM | Ever 6 Free School Meals |
| EYFSP | Early Years Foundation Stage Profile |
| IDACI | Income Deprivation Affecting Children Index |
| KS3 | Key Stage 3 |
| KS4 | Key Stage 4 |
| MFG | Minimum Funding Guarantee |
| MSAG | Mainstream Schools Additional Grant |
| NFF | National Funding Formula |
| NNDR | National Non-Domestic Rates |
| PRU | Pupil Referral Unit |
| RPA | Risk Protection Arrangement |
| SEN | Special Educational Needs |
| TRA | Total Resource Allocation sheet |
| VSH | Virtual School Head |